**PEP 69 Edited\_Transcription**

[Speaker 3] (0:05 - 1:44)

Welcome to the official Property Entrepreneur podcast. It is the first of the month, ladies and gents, which means it's time to lift the bonnet on some of the UK's most creative, lucrative and award-winning deals on our Deals, Deals, Deals podcast with my good friend, Mr. Mark Barrett. Mark is an award-winning entrepreneur.

He has a wealth of experience in property investing. He's done 25 years as a landlord, 10 years as a broker, and he's been sourcing property deals for other people for over a decade. Mark joined us on the Property Entrepreneur board in 2016 and has been a board member ever since, which is our highest level programme where I work directly with our Property Entrepreneur board members.

He's done over 50 option deals, as well as delayed completions, planning gains, commercial developments, and over 40 HMO conversions. As well as property, Mark was also the founder of the HMO agency. He now runs the Property Brokerage, which broker property deals for landlords and investors, so he knows this stuff inside out.

During these podcasts, what he's going to do is share everything he can with his experience, his expertise, his wisdom and insight to give you all the information and inspiration you need to apply this in your own business. Each month on the first of the month, Mark's going to be interviewing some of the UK's market-leading and award-winning investors and developers to show various deals, structures, and strategies to enable you to apply this in practice. It's the first of the month.

It's time for Deals, Deals, Deals. So over to you, Mark.

[Mark Barrett] (1:47 - 2:00)

Hello, and welcome to Deals, Deals, Deals podcast. And it gives me great pleasure to introduce my friend Shiv Haria from Lifestyle Property People. How are you doing, Shiv?

[Shiv Haria] (2:00 - 2:14)

Very good, Mark. Very, very good. Really excited to be on your podcast.

I've been listening to the last few of them and there's lots of really amazing people on there. So yeah, I'm very, very glad and humbled that you've invited me to be on it with you today.

[Mark Barrett] (2:15 - 2:59)

I've been looking forward to this, Shiv, because obviously we met on the Property Entrepreneur Board in 2017. And I've seen your journey and I've been really impressed with what you've done. And I think it's great to talk about your business, but also kind of how you've gone about finding this joint venture partner, because I think that'd be really interesting to people either like starting out on the journey or looking for the next step and kind of raising capital is always kind of like one of the issues.

And I think it's fantastic what you've done to be able to grow a portfolio on the side of your business. So I think that'll be- Yeah, absolutely.

[Shiv Haria] (3:00 - 3:27)

And you know, Mark, nothing that I've done is rocket science. If you follow any of the property people or anything like that, anything that they say to do, all I've done is just done what they said to do. Everyone, and specifically in our world, the Property Entrepreneur Programme, I've just followed the blueprint, just followed the steps and it's got me to where I am, followed the advice, followed the guidance of people that are on the board as well.

So it's not rocket science. I've just followed the steps. That's all I've done.

[Mark Barrett] (3:28 - 3:44)

I think that's possibly, you're also on the Wealth Dynamics profile, you're a Tempo, so you're my Tempo brother. And I think that's one of our kind of like strengths is execution is kind of like being in thick of it and making it happen.

[Shiv Haria] (3:45 - 5:46)

Execution and along with execution is consistency. I always see people all around me that are really excited, excitable people. They've got a lot of charisma, a lot of charm.

They go and do stuff. They're not scared, they're courageous. But when it comes to actually like running the business and making it a replicatable business that's making profit year on year out, that's where it gets complicated for a lot of people.

Whereas for me and you, that's the easy bit. It's like finding the ideas is really difficult. Finding out what to do and how to do it and hiring people, that's all the difficult bit.

But then once everything is set up, that's really, really easy because all you've got to do is do what you did yesterday, but do it tomorrow and do it again and do it again and do it again. And I think that's where you and I, Mark, being Tempo's win is we've got people around us that have already had all the good ideas, that have already got the blueprint. And then all we've got to do is execute on that blueprint exactly what they say.

And of course, having been part of the board and having a mastermind group around us, whenever we get stuck, we can just ask other people and say, hey, how did you get around this struggle, this challenge? And we can crack on with that as well. So yeah, I think that's been a really, really big strength of mine.

And to tell you the truth, actually, when I first started on Property Entrepreneur, I was really skeptical because everyone around me, except for you, it was just me and you that were Tempo's, but everyone else was pretty much dynamo or blaze. And I was like, oh, maybe this isn't for me. Maybe this is for those kind of ideas people.

And obviously, the more we go in depth into the wealth dynamics, we realize that everyone can be an entrepreneur if they want to, of course. And it's just everyone will do it with their own style. Everyone will be good at different parts of it.

And all we've got to do is surround ourselves with the people that are good at the other parts of it. So if I'm a Tempo, I just got to surround myself with people that are good at, say, the people part of it and the ideas part of it. And all the other people who are, say, dynamos, they surround themselves with people like us who are good at the execution.

Yeah.

[Mark Barrett] (5:47 - 6:00)

Focus on your strengths and get other people to help you with the other parts of the business. Yeah. So just to wind things back, obviously, if people don't know you, can you just give us a brief introduction?

[Shiv Haria] (6:01 - 7:02)

Yeah, absolutely. So I started in property back in 2014. I did one of the property courses.

It wasn't any of the famous ones, so I won't bother mentioning it. But I did the property courses and read the books and all that stuff. And at the time, I had actually just come back from South America because my mom, unfortunately, had a heart attack.

So I was traveling. I came back to South America to look after my mom for a little bit. And then she was recovering in the hospital and stuff.

And I started thinking to myself, hold on a second. How is she going to pay her bills? Because at the moment, she was working.

And every month, the income that came in, she paid towards bills. But I said, hold on a second. She's not working anymore because she's in hospital or whatever.

How is she going to pay the bills? And that's what got me started on the track to think about passive income and investment and all of that kind of stuff, which unfortunately, until then, my parents had never had really the courage to do. Or certainly, they never had the courage to do successfully.

So I started looking into investments, went to these property courses and that. And because I was traveling before this, I didn't actually have a job. I'd already quit my job beforehand to go traveling.

[Mark Barrett] (7:03 - 7:06)

What was you doing before? What was the job that you quit?

[Shiv Haria] (7:06 - 8:39)

I used to be an account manager for an IT company called Fujitsu. It was a large company. So I did the graduate scheme with them.

So straight out of university, did the graduate for three years, stayed for six months or so, and then decided to go traveling because I realized that's not what I wanted to do for the rest of my life. I think one of the early wins that I had as a person was I realized that that's not what I want to do for the rest of my life. And I thought, well, what do I want to do?

So I'm asking myself that question of what do I want to do for the rest of my life? I think a lot of people get caught up in doing something just because they need to bring in the money to pay for their life. And I quit.

I've got no problem telling people this. I quit when I was in about 50 grand, which at the time was quite for a graduate and stuff. It was a decent salary.

And certainly, some of your people will be listening, they're from the North. But from the South, 50 grand was like a basic salary type of thing. So I quit whilst I was in a quite low salary.

And I thought that was the best decision I've ever made. Because if you don't quit when you're in that kind of place, then they just keep offering you more and more money. And there's a really good saying somewhere, it says, the salary is the bribe they give you to forget your dreams.

Have you heard that before? And to me, that was exactly what it was. It was just like, we just keep paying you more money, paying you more money.

Oh, we're going to give you a new car this year. They're going to give you a phone this year. They're going to do this and this.

And I just thought I need to quit because I need to get out of this because that's not what I want to do. Anyway, so yeah, that's what I would do. Yeah.

[Mark Barrett] (8:39 - 8:52)

Talking about kind of like, I suppose that's like increasing your lifestyle as you're kind of like your salary increases so that you don't kind of like get, you can't get out, but that'll transition us onto lifestyle property people.

[Shiv Haria] (8:52 - 13:25)

Well, it's talking about your lifestyle increases. Like I actually did that. So I bought, as soon as I got the graduate scheme job, I bought an Audi TT.

I was like, oh my God, this car. I remember I was like, I don't know, 20. How old was I?

Come out of university. Yeah, about 20, 21, something like that. I bought this Audi TT and I was like the youngest person that I knew that had this amazing car.

It was everywhere. Exactly. Really cool.

And then as soon as I started going through these investment courses and seminars, I read Rich Dad, Poor Dad, my favorite book. In fact, I've just bought a whole bunch of them for my team, which I'm going to see later on this week. And that taught me one thing.

It said invest in assets, not in liabilities and taught me that assets, liabilities, cashflow, all that kind of thing. And as soon as I got that in my head, I was like, oh my God, what we're doing with this car? I need to sell this car.

So I literally put it on the market on Thursday. It was gone on Saturday. I was like, I need to get rid of that because I need to get the money.

So I got the money and then I started buying houses with that. And what I did actually, this was my first JV back then, Mark. I had a girlfriend then.

We had only been going out for a couple of months, actually. She's now my wife. And she had a really good job and she saved up quite a lot of money.

She was a chemical engineer. And I said to her, hey, why don't we do this thing where you give me the money basically and I'll go and buy these houses. So I'll buy one for you and one for me and one for you, one for me.

And we'll build out like that. And she was like, yeah, that sounds like a brilliant idea because I don't have the time to do it. That was our first JV.

And then from there, it was probably just a couple of years later. So we'd bought a bunch of properties ourselves. I'd actually moved to Leeds at this point because I'd done lots of research around all the different places.

And I thought Leeds was going to be the next best thing. Ironically, I know that you guys are based in the North West and I had looked at Manchester and I thought to myself, oh, that's had quite a lot of growth. And this is how I chose Leeds.

When I went to Leeds, I thought to myself, and I hope your audience don't mind me saying, I was like, blimey, what a shithole. I don't think it is. What I mean is compared to Manchester.

Manchester had a lot of growth. It was really booming. And Leeds was very far behind.

And Leeds is the next largest city after Manchester. I was sitting there going, why has Leeds not grown? I thought, well, maybe that's what's going to happen now.

Leeds is going to grow. Anyway, I moved up to Leeds, started buying new houses. And the way that I did it based on my, as we go back to the wealth analysis again, I'm really good at building long-term relationships.

That's what I like doing. I just love building long-term relationships. So I was just sitting there, going around to see the agents, just building relationships with the agents.

And honestly, I just, I didn't have a job. So all I did was I woke up in the morning, have a look through Rightmove, and then I'd go see some agents and go and have coffee with them. And sometimes they wouldn't want me there.

And sometimes they would. But after a while, I just became kind of like a lovable guy who came over to have coffee every so often. And obviously, every time I went, by the way, here's a little trick.

I tell everybody, but no one seems to do it. As I used to take Mr. Kipling with me. So at the very least, at least I got some cakes out of it, right?

So anyway, go in, buy the cake, buy the Kiplings, go and see them. They'd be really happy to see me. And obviously, that way, I got any of the deals for myself and my own portfolio.

And then I was posting all this stuff on Facebook. And some of the people that were seeing it, let's call it my school friends, my friends from my old work, all of that kind of stuff. Those people were all seeing all this stuff and said, what the hell are you doing?

And one of the people that saw it was my now ex-business partner's wife. She used to work with me at Fujitsu. And she saw it and she said, oh, we're really interested in learning about what you're doing.

Can you come and talk to us about it? And I was like, wow, somebody wants to know about what I'm doing. This is fantastic.

I felt like a KPI, Mark, key person of influence. So I went down, had a chat with them. They said, oh, this is fantastic.

Can you buy us one? And I was like, uh, I suppose I could, but you know, quite busy. Okay, fine.

I'll buy you one. So I bought them a property. And then they said, oh, wow, this is amazing.

Worked out really well. And it worked out way better than we thought it was going to be because I'm cautious by nature, uh, under promise, over-deliver from the very beginning. So then they said, can you buy us another one?

And I said, oh, we could do, but I've got to charge you, you know, because quite a lot, quite a lot of time and effort went into that first one. Oh yeah, they probably will pay you. Um, so they paid me and we did another one.

They paid me again. And I was like, this is crazy. Anyway, then, um, uh, my ex-business partner said to me, we should start this company.

I was like, doing what? I don't understand. He said, well, if I want these properties, maybe other people also want these properties, but I don't have the time to do any of this work.

So, you know, that's why I'm paying you. And so other people could pay us as well too. So I thought that's a brilliant idea.

Uh, and he was a very, you know, he's a charismatic guy, very charismatic guy, nice guy. And I thought, wow, it'd be really nice to learn from this guy and be in business with this guy. And so we started to, um, offer our services out to clients.

First year, Mark, we must've done like four deals, you know, the whole year, four deals. It took us about the ages to find anybody that wanted to, you know, trusted us.

[Mark Barrett] (13:25 - 13:27)

What was that? Was that 2015, 2016?

[Shiv Haria] (13:28 - 13:42)

No, that was, uh, yeah. So January, 2016 is when we started the, um, the business. So that year we did, uh, like literally four deals.

Uh, and then the next year we were, we thought we were like whizzing along because we did eight deals the next year, but we were like, wow, eight deals.

[Mark Barrett] (13:42 - 13:45)

That's when you joined the board then, wasn't it?

[Shiv Haria] (13:45 - 14:25)

That's when we joined the board. And that's when we kind of, yeah, we started seeing like, what is possible. And obviously, you know, you and I know Mark, the board is full of some, what we call big hitters, right?

People that are doing big things. And in a way, and this is something that I know now coming out the other end is that, you know, there was a big amount of like, um, imposter syndrome. They're all sitting there going, bloody hell, I'm surrounded by this guy over this side, this guy, this side, they're all doing big, big things.

And all we're doing is selling eight deals. And there's, and there's part of that imposter syndrome that drives you to kind of go in and do it as well. And of course, if you now look, you know, the last, how many years it's been five, seven years, that's definitely driven me to get to where, where we are now.

[Mark Barrett] (14:25 - 14:28)

That's what they say, surround yourself by the, by the people you want to be.

[Shiv Haria] (14:29 - 15:54)

So, yeah, exactly. And I suppose it was a, it was actually even a fluke how we even got into it because, um, at the time, uh, I was getting a mentor, well, initially mentored, and then we became friends, me and, um, a guy called Paul Lanfair from Leeds, a really nice, nice guy. And he said to me, um, I said to him, Paul, you know, I'm really looking for something to take us to the next level.

Like, I feel like we're stagnating a bit. Yeah. We're doing eight deals, but we need something else, but we don't need property training.

We need business training. And he said, oh, have you thought about this property entrepreneur thing? And I said, oh yeah, that sounds interesting.

Like when's, you know, when do we need to apply? And he goes, oh, deadline's this Friday. It was Tuesday, Mark, right?

Deadline was a Friday. Well, yeah, right. Okay, fine.

Literally very quickly put together application and, and, you know, we were good at writing applications and, um, did the interview process and all that stuff because it's not easy to gain. Uh, and we were, we were so excited when we got a call saying that we'd actually got a place we went, oh my God. And it was, you know, super, super expensive as well for us at that time, you know, having only sold eight deals.

Um, and then, you know, to answer your question about where, you know, where we come to, like over the years, we've basically just followed the blueprint implemented layer by layer. And I think I told you this a little bit earlier is that previously what I thought was, oh, we'll be on it for a year. I know it's really expensive, but don't worry.

We'll be on it for a year and then we'll use all the information for the next five years and do it. That's just not how it works. The first thing is like in that first, you're not even taking it all in.

There's just so much information.

[Mark Barrett] (15:54 - 16:27)

I think it depends what stage of the journey you're on. You listen to different things and you're ready to kind of implement different things. That's one of the things I get asked all the time is what, you know, why have I stayed on so long?

And it is, I think it's, for me, it's kind of half, half of business, half is kind of like the personal. Yeah. Um, obviously the relationship we have, the trips and things like that.

But I think it's, you are at each year, you're at a different phase and I think the growth that you have. So do you want to just say as to where you're at now with the business?

[Shiv Haria] (16:27 - 16:41)

Yeah. So I said to you, we started off doing basically four deals, um, uh, a year, a year, right? Not even a month, four deals a year.

And we were about, we were spending about £2,997. And that was basically all the... Bargaining just under £3,000.

[Speaker 4] (16:41 - 16:41)

Yeah.

[Shiv Haria] (16:42 - 19:14)

Yeah. We're trying to undercut everyone else. So £3,000 times four deals, £12,000.

And obviously that doesn't really pay for anything, let alone kind of like expenses, marketing expenses, insurance costs, all that kind of stuff. So by the time we're done with it, you know, we've probably made a loss. If we don't, if we don't count our time, we still made a bloody loss.

Um, and here we are now, you know, we, we just opened up our, so we have a Leeds office and just opened up our Sheffield office as well. So Leeds this year will do 60 properties. Sheffield will do, um, uh, 30.

So we'll do about 75 to a hundred properties this year. Um, and we're selling them all for somewhere in the region of between £10,000 and £11,000 a piece. Uh, and then on top of that, we also get, um, referral fees, project management fees, which total in about £1,500 per property as well on top of that.

So, um, it's a nice little business on top of that. We also, at the time when we started, it was, you know, me and my business partner and actually our partners as well, our wives doing all the work, uh, and very stressful. We didn't know what we were doing.

And now it's kind of like, there's a team in place, um, that are doing a lot of the, um, kind of heavy lifting. And it means that I get to choose what, what I do. So in fact, two years ago, I actually hired a sales person and said, I want to get completely away from this.

And then I realized I'd lost touch with the clients. And I really liked being with the clients. I like to know, you know, who we're taking on board and that.

So in the end, that's the, I moved the salesperson on and I started doing the sales myself because I realized in the, at the beginning, we used to have, you know, three, four conversations that lasted an hour and a half each to try and convince someone to buy. And at the end of it, they probably wouldn't buy, but you know, four people in that first year did buy. And now we just get everyone onto a webinar.

Uh, once a quarter, it's probably about 120, 150 people on the webinar. And off the back of that, like we know we're going to make the sales. So we've got a waiting list that's, uh, full usually it had in the past, it was full, you know, over a year in advance, but then I felt a little bit trapped in that situation because I was like, Oh my God, like I can't go.

Um, you know, if I wanted to, I think I can't go traveling for three months because, you know, there's, there's a whole, um, all these clients that are waiting to find all these and stuff. So what we did, we cut that down. So we're now just full six months at a time and every quarter we fill up the next quarter of property.

So I think from a sales perspective, we don't really have much of an issue from a, from a team perspective where we're whizzing along, we're obviously expanding from needs into Sheffield. We're selling these properties at quite a good price point. And so there's a element of, um, there's quite an element of margin in there.

Uh, and so it's a lucrative business. It's a lifestyle business. It's something that I really enjoy doing.

Um, yeah, really enjoying it.

[Mark Barrett] (19:14 - 19:17)

And you've got a team, is it about seven, seven people now in your team?

[Shiv Haria] (19:18 - 19:21)

Uh, I think there's probably about eight, uh, nine or 10 at the moment.

[Mark Barrett] (19:21 - 19:22)

Yeah.

[Shiv Haria] (19:22 - 19:41)

Something like that. I think there's 10 and I think we're going to hire two more in the next two months or so, but I'm very mindful to stay under 12 because going back to our board, we've been told that, you know, 12 is the magic number after that you need kind of multiple layers of management, whereas under 12, we're okay. So yeah, probably in that kind of 10 to 12 region is where we'll settle.

[Mark Barrett] (19:42 - 19:53)

So as far as these deals, so you've got clients that are paying kind of like, you know, 10 K what is like an average deal so that people can kind of like understand because this is my property.

[Shiv Haria] (19:53 - 23:06)

Well, it's a great question, Mark. So this is the other difficulty back when we started selling these four deals, we were selling four deals and they were like 25%, 30% return deals. And, um, what we realized, which took us a long time to realize is that the reason why we were only able to find four deals is because we were pitching them too high, you know, 25, 30%.

So two things happen there. One is really hard to find the deals, but two, for normal people, 25, 30% is, um, is ridiculous. So they sit there and go, no, that's obviously not possible.

So I don't even want to hear about it. Or they say, well, if it is 25, 30%, they must be ridiculously high risk and therefore I don't want it. And so what we do now is we say, yes, you pay 10 grand, but ultimately you're buying a house that's maybe between, uh, 130 and 160,000 pounds.

And, um, and you'll get rent of somewhere in the region that between six and 850, 650 and 850. So they're just, uh, most of the areas that we look at, they're just standard properties. Then it's not, there's nothing like amazing, excuse me, two, three bed terraced houses, two, three bedroom terraced and seven detached houses.

Um, and, and, and they are the ones that, um, you know, everyone else is buying. So it's not like, um, we go in trying to get them like 50% below market value or anything like that. It's just, you know, there'll be on the market for 135 or we'll buy them for, well, you know, the market's been a bit crazy recently.

So even right now we've been buying it for 135, 140. And so it's not like we're trying to get them well below market value. What we're offering ultimately is the end to end service.

So here's our target client. Then this will probably help to, um, help your, uh, listeners understand, uh, who we're targeting. Our target client is someone that's basically where I would have been if I hadn't got into property.

I'm based in London. I'm making quite a lot of money. Um, but I work really hard.

I've got a family to look after. I've got parents to look after. I've got, you know, all the bills because I don't have a PA, I've got all the bills and stuff that I need to look after.

So actually once you take all that into account, I've got no time to invest my money. I'm earning the money. And so there's lots of money in the bank, but I've got no time to invest it.

And so what I'm looking for as a, as a, um, uh, an investor or as a professional, I should say, is someone that I can trust to go and invest my money. And so what we aim to be more than anything else is to be the trusted partner. And so if they trust us and we trust them back, obviously that means that, um, if we say jump, they'll say how high, if we say buy this property, they'll say, okay, where do I sign?

Like, we're looking for that trust. They're looking for that trust from us. And we're looking for that trust from them to say, do they trust us when we put a deal in front of them?

And then they're looking from, uh, to us to say, are these people acting with integrity with, you know, being transparent about everything, being professional. And so that's what we're looking for. And what we realised is those people are willing to pay a premium for that trust.

So they don't really care about that. You know, yes, they can go and find other sources that are doing this for 3,000 pounds or 2,900 pounds back when we first started, but rather deal with us because we're trusted. We've, you know, their friends may have been with us.

Their family members may have done deals with us. They may have a connection with me or with any of my team. And so there's already some level of trust there.

[Mark Barrett] (23:07 - 23:07)

Good.

[Shiv Haria] (23:08 - 23:09)

Yeah. Yeah.

[Mark Barrett] (23:09 - 23:34)

So as far as that, we were saying you've kind of like, you've built the team. So that's, that's allowed you now to kind of free up your time to be able to work on the business, on the things that you enjoy managing the team. But you've also then started to work with a JV partner to build up a portfolio yourself.

So can you tell us about that?

[Shiv Haria] (23:34 - 27:27)

Definitely. One of the things that we've been being told on the board for probably the last, at least three or four years, but again, like you said, you're just not in the right stage or the right phase to be able to take advantage of it is you've got to be off the table. And I didn't really understand what that meant until probably about two, three years ago.

And what that really means is you're making all this money in your business, fine. But if you're just reinvesting in the business, if something goes wrong and COVID comes along and no one wants to buy properties anymore or something like that, then your whole business could go bust and you've got, you've got nothing to show for it. And what we were told on the board is that actually if you keep every year, just slicing a bit off and take it off the table and starting that bit up and reinvesting it somewhere else, then at least at the end of three years, five years, 10 years, whatever it's been, if something goes wrong with the business and the business goes flat on its face and it's not worth anything, you've still been able to build a portfolio, invest the money that you've taken aside every single year. And so what I started doing, well, obviously you can only start doing this once you get into kind of a profitable position, which for us took years to get there because we had to learn.

But say over the last two years or so, we started slicing that profit away and then putting that somewhere. But although we were slicing that profit away, we didn't really know what to do with it. We didn't have the time to go and do anything with it.

But we did instead, at the time we had a client that was buying properties through us and he bought quite a few properties, about 20 or 30 properties. And that was in Leeds. And then we were opening up Sheffield and I said to him, hey, do you want to buy some properties in Sheffield?

And he said, yeah, of course I want to buy some properties in Sheffield. Like I trust you guys, I've bought lots from you, so I want to buy some more. And I said to him, how about we do this though, right?

Because I can charge you this fee for every single property or we can do kind of a JD partnership. And I said, you still make the same return. So it's not like you're halving the return.

You still make the same return, but ultimately I'm now bought in and you know that I've got to find you good properties because I'm now a 50% shareholder. Good properties that rent well and I'll also manage those properties for you. So you'll have effectively no hassle and you can do the whole thing.

And to be honest with you, he jumped at it. He was like, yes, absolutely, that's fantastic. And we went on to buy a number of properties.

So over the period of working together, we bought about 20 odd properties. And over there, because we need to find properties that are returning more than the standard properties, because ultimately if you think that our standard properties may return say 7% or 8% return. If he can get 7% or 8% return by sourcing through us, if he then JVs, that then halves to say 3% or 4%.

So he's like, I'm not looking at 3% or 4%. I still want 7% to 8%. So that means that we've got to find properties that are going to give 15%, 16% return so that even when it halves, we're still looking at 7%, 8%, which he's still making.

So on that basis, we obviously do then the buy refurbish refinance model, buy those houses, buy them in Sheffield recently, two, three bedroom houses, buying them for about £90,000, doing about £20,000, £30,000 worth of works to them and refinancing them for quite a lot more. In fact, the most recent one we did, we expected to refinance for £135,000. And I think I mentioned to you Mark the other day, we got it refinanced for £160,000, which is absolutely insane.

And obviously that releases a lot more money. So it releases the money for us to go and reinvest that money. So that's how we've been going with this JV partner.

And obviously the money that I've said that we've been putting aside, I've then been investing that into other assets. So into the stock market, because I want to be diversified. I don't want to have all my eggs in one basket.

So taking the money that we're making as profit from the company, investing that into the stock market and taking the money that we're making from, sorry, taking the JV partnership and investing that into more property groups.

[Mark Barrett] (27:27 - 27:59)

So I think that is a great strategy for people either already in property that are looking to build maybe like another portfolio or diversify, or even just to start off. A lot of people think is like, how can I raise the funds? I mean, to buy like 20 buy-to-lets, which is like the same as like 10 buy-to-lets in your own name, if you're on a 50-50.

What tips would you have for somebody to find that kind of partner, JV partner?

[Shiv Haria] (28:00 - 32:28)

I think it's the same tips as, so I do some mentoring, Mark, for people that are looking to grow a sourcing business like I have, and it'll be the same tips for them as it will be for people that are looking to find the money ultimately. And those tips are, contrary to what everyone believes, don't go to property events to find your partners. Because if you go to a property networking events, first of all, those people already want to be property investors, that's why they're sitting in the room.

And because they want to be property investors, first of all, they may have been to a Simon and Zuckerberg course or something like that, they might want an infinite return on their money because they've been sold the dream. And so for you to try and lower their expectations, it's going to take a number of years, it's a lot of work. What we do instead is, as I said to you earlier, our clients are people that are already making money, but they don't have the time.

So what we're doing is we're solving a problem for them. They're going to say, hey, you haven't got the time, but we do this for a living, how about you invest your money? So the answer to how you find a JV partner is, and I think the other important thing to say is you're not looking for 20 JV partners, you're looking for one or maybe two JV partners.

And what that means is if you want to buy 20 properties, you need to find not 20 people that have 20 grand, you need to find one person that has three, four, 500 grand. And how do you find those people? It's like, well, where do these people hang out?

Now, there'll be people in your location already, but obviously I'm originally from London. So I go to London, I find these people in London, and it's through basically your network. So friends of friends or friends of family or acquaintances that are people that you've met, it's all the people that already know, like, and trust you through some means.

So the way I always describe it is I have me over here, I have the target person over here, and there's a connector in the middle, there's someone that I know. So that person that I know knows, likes, and trusts me. And so when there's someone else, a third party that they know that wants to invest, they're going to recommend me because this person knows, likes, and trusts me.

So that means that they've already come via a recommendation, which means that they're already half know, like, and trust me. So it's not like, imagine, Mark, they could either come to me or they could come to you, but they know me through somebody and they know you from anyone. Obviously, they're going to come to me because they know me through somebody.

So I think it's finding people that are within your network, know, like, and trust is going to be a lot easier for you there. And then also hanging out with people that are not property investors, so hanging out with either business people, well, professionals or business people. Business people works really well as well.

So if you think about, imagine that you're windows, for example, you've got a business that sells double glazing or double glazed windows, and you're making, you know, it's been running for 20 years, 30 years, whatever, you're making good money. But you spend all your time building the business, you spend all your time dealing with windows and sorting out the challenges that come with that and sorting out the challenges that come with having a team and all that stuff. So you're making this money, it's sitting in the bank, and obviously, it's being eroded because of inflation.

And what if you could go to that person and say, hey, I know you've got this challenge, what's your challenge? Your challenge is your money's being eroded because of inflation, you need to put it somewhere else, but you don't have the time to put it somewhere else. Could I help you with that challenge?

And maybe you can get in there. And this is certainly where I would start if I was starting out is go in there and say, hey, I can do this. And I'm not going to charge you a fee on the first one.

Because this is a long term relationship with me. If this works out, I know you want more of these. So I'm going to do this for you and charge you, you know, half a fee or no fee.

We're going to do the first one together, it works out really well for them. The second one, we say, hey, instead of me just buying these properties for you, maybe we could JV on these properties. And we JV on these properties, or I charge you a fee, one or the other.

We say we JV on the properties. And so remember, these people are people that have money in the bank, they're making zero on it at the moment. So even if you make them 5%, it's still better than making zero.

So it's not hard to find the deals. I think the point is like, how do you find a business that works? And it's not hard to make it work.

That's where you're really going to make money. Because that's where you can serve the most number of people. That's where you can find the most number of clients, the most number of deals, and you can match those things together.

So I think the answer is, it's the same answer that I give to people that I mentor from a sourcing perspective. It's don't find property people, find business people or professionals. And then you want to be looking at finding people that are already in your network through a connection through another point.

[Mark Barrett] (32:29 - 32:53)

Yeah. Okay. And I think like when you're doing a JV, everything's negotiable.

So obviously, Dan talks about how he structures his JV partnership for doing developments. So just like headline figures, is it 50-50 on everything that you do just so that people have like an idea?

[Shiv Haria] (32:54 - 33:38)

Yeah, blueprint. Yeah, sure. So it's 50-50 on everything that we do.

The only difference is, because he's putting in all the funds, all the funds that he puts in sit on the balance sheet. So anything that I put in, so if I put in funds or effort or time or my team do anything, I charge that company and that gets paid to me as an expense. So I get that today and I have to wait.

Whereas his money, which he's investing, sits on the balance sheet. And as and when we go through refinances, some of that gets repaid and then whatever's left over just sits on the balance sheet for us to pay off at some point in the future. So it is effectively 50-50, except for the fact that his money sits on the balance sheet and my time, effort, involvement gets paid today.

[Mark Barrett] (33:39 - 33:41)

So you charge a fee for that then, do you?

[Shiv Haria] (33:42 - 34:29)

Yeah. So I don't charge a fee for what I do. But if I have, for example, I have a bookkeeper and she does some work for me, and if she's doing some work for this company, she's going to charge to the company.

Likewise, I have a project manager. So if there's any, the JV partner gets the benefit of our lifestyle property people overheads. So we have a property progressor, we have a delivery manager, we have a deal negotiator, all those kinds of things, they're already overheads, I've already paid them, I don't need to charge him for them.

But where they are contractors, so we have a project manager that's a contractor, we have a bookkeeper that's a contractor, we have a contract property manager, someone that looks after all the management of the properties, all those people charge an hourly rate. And so they just charge the company the hourly rate and that goes through. But yeah, otherwise 50-50 on any of the growth and 50-50 on the cash flow, obviously.

[Mark Barrett] (34:30 - 34:43)

Okay. So headline figures then, you've done about 20 of these buy-to-lets. So is that about 2 million or possibly more now with the market as far as value?

[Shiv Haria] (34:43 - 35:35)

Yeah, absolutely. So 20 buy-to-lets, each of them on average would say, when we bought them must have been about 100 grand, but they're now probably about 130, 140. So yeah, a little bit more than that probably at the moment.

And yeah, cash flowing probably about 300 and say 400 pounds each. And then if you do divide by two, so my share of that would be 200 pounds. And then times by 20, there's your numbers for cash flow per month, obviously, and then multiply by 12 for annual numbers.

And remember that in all of this, because I'm not putting any money in, the ROI for me is infinite. The ROI for the JV investor, his ROI would be somewhere in the region of 10% or something like that. And my ROI would be infinite because I've not put any money into the deals.

[Mark Barrett] (35:35 - 35:39)

Yeah. So what a fantastic way to build a portfolio. Yeah.

[Shiv Haria] (35:40 - 37:01)

Congratulations. And I think I mentioned that briefly, but actually the real win here, as well as the fact we've got a JV partner who's putting in all the money and we're buying his portfolio, the real win here is I'm not actually buying the portfolio. I've got a team that are already in place buying my client's portfolio.

They're the ones that are buying me. So like I said, we've got a deal negotiator that goes out and finds the properties. She puts them to me, I sign them off, we say, fantastic.

We offer on the properties. And we have obviously a viewer that goes out to view the properties as well. We then have passed it over to the purchase progression team.

And their job is basically to purchase the property and to update the client, me and my JV partner once a week. And at the end of that, we then hand it over to the project manager. They go and refurbish it and they still get the updates once a week to the client, which is me and JV partner.

And then it gets put into the rentals. And obviously we leverage our rentals. What that means is we've got, I don't know, over, must be about 250 properties that are being rented at the moment.

So what we do is we go to one letting agency and say, we've got 250 properties, how much are you going to rent ours? How much fee are you going to charge us on the basis we've got 250 of them? So it's now no longer 13%, 14% or whatever.

It's now like, oh, it's 10%, including that, but then there's no other fees and all that stuff. So there's a lot of advantages that the JV partner gets because of the fact that he's hanging on with the sourcing business on the back of it.

[Mark Barrett] (37:01 - 37:16)

Fantastic. Fantastic. So just to end off then as far as people being able to contact you.

So what's the best way for that? And the type of people that might be interested in that, you think?

[Shiv Haria] (37:16 - 39:40)

Yeah, sure. So I think the people that'd be interested in is, so people that are obviously looking to build JV partnerships and stuff like that, I'm more than happy to give sort of guidance on how I went about doing that. This podcast may have worked out.

And then people that are looking to build sourcing businesses as well. So it's taken us the best part of what, six, seven years to get to the point where we are now, where we can, you know, the business to run itself can make a decent amount of profit. And we're not really too worried about any of the big challenges because we're kind of looking at them and looking forward all the time for those challenges and solving them as they come.

I'm mentoring a couple of people at the moment. I've been doing this for about six months so far, and they've got sourcing businesses and they're trying to get them to the place where my business is. And I can see the acceleration in their growth already.

So within just maybe six months or so, they've probably covered like the best part of four years worth of ground in terms of how to grow the business. And a lot of the time they just ask me the questions like, what's the best way of doing this? And I say, oh, well, we've tried all the other ways.

This is the best way. This is what you should use. What's the best system?

Well, this is a system you should use because this is, you know, I've tried all the other systems. So it's taking away all of the how should we do stuff, all the trial and error. It's almost like a franchise, Mark, right?

When you buy a franchise, they say, do this, use this system. This is how you do it. This is how much profit to make.

This is how much you're going to charge. Everything is there. The blueprint, let's say, and that's kind of what we have already built.

And what I had basically about six months ago, seven months ago was, so there's a couple of that probably are one of these podcasts that I did actually. So people contacted me and said, oh, can you help me build a source of business like yours? And I said, yeah, you know, no issues with helping people get to where we are.

You know, I've got a lot of knowledge that we've gained over the last seven years. I can help people with that. And so they joined, we built kind of like a mentoring structure around it.

And now we go through on a monthly basis. So if people are looking for that, then I'm more than happy to help them with that to help them grow their business. And ultimately what it will do is it will fast track the results.

So it took us probably about four or five years to get to the point where we're making, you know, a hundred grand or whatever. We can easily do that within the space of two years. Why?

Because we know the system. We know what the numbers are. We know what we need to charge, where we need to go to find the people, what we need to do from a marketing perspective, what we need to do from a team perspective, which people are the most important people to get in, how we're going to go out recruiting them.

That whole piece is already in place.

[Mark Barrett] (39:41 - 39:42)

Okay.

[Shiv Haria] (39:42 - 39:52)

Yeah. And outside of that as well, you can just visit me on social media. So I think it's Shiv underscore Haria on Instagram and Shiv.haria1 on Facebook.

[Mark Barrett] (39:53 - 39:55)

Okay. Very good. Thank you for your time, Shiv.

[Shiv Haria] (39:56 - 39:57)

Perfect. Lovely speaking to you.

[Mark Barrett] (39:57 - 39:58)

Thanks, Mark.

[Shiv Haria] (39:58 - 39:59)

Really appreciate it.

[Speaker 3] (40:04 - 40:29)

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