**PEP 76 Edited\_Transcription**

[Daniel Hill] (0:05 - 1:03:32)

Welcome to the official property entrepreneur podcast with myself, Daniel Hill. On this strip back podcast, we're going to be going behind the scenes with special guests to provide insight and inspiration on all things business, life, and the actual realities of high performance in practice. Success and failure are both very predictable.

We hope you enjoy. Property entrepreneurs, it is Tuesday. It is time for the next official property entrepreneur podcast.

And finally, we are now giving you access to the unique and private official property entrepreneur podcast groups. In this episode, I'm going to take you through, I'm going to take you behind the scenes and take you through the impact of inflation on your businesses and how you can ensure this year ensures you boom, not bust in a high inflation environment. As an entrepreneur, as a wealth creator, as an investor, inflation can be the worst thing to happen to your wealth creation because inflation is essentially the devaluation of currency and as somebody that's creating wealth, the last thing you want to happen is the value of that wealth to go down in value.

That said, while some will struggle with this and have a really bad experience and potentially be impacted and bust through this period, when you understand how to use inflation, you can actually understand and utilize is one of the most powerful mechanisms we can use to actually increase and create our wealth rather than reduce it and negatively impact it. And in this podcast, I'm going to take you behind the scenes on what I've been doing personally, what I've been teaching our property entrepreneurs and how you can make sure that the year ahead, make sure your investments, your wealth, your business absolutely booms rather than like the headlines of the news, every other episode and article talking about how it's going to bust and we're going to make this the absolute best year on record for you. So we're going to level this up and like I said, we're going to launch our private WhatsApp groups for you today. We're going to have a maximum of 20 people in each WhatsApp group, so they're going to be very private, they're going to be very small.

Your phone's not going to be buzzing off the hook. And these WhatsApp groups are going to be dedicated to you in these WhatsApp groups. I'm going to give you the opportunity to request your own podcast episode.

I'm going to be dedicating it to you and giving your business a shout out. We're going to have private Q&A in there, so I will physically be in these groups and popping in a couple of times a week to answer questions, do some unique content, make sure you get some more access, some more value, take this all to the next level to help you level up. You're going to be able to network with other high performers around the UK.

It's only really investors, entrepreneurs, property entrepreneurs and high performers that tend to listen to these podcasts and you're going to be able to connect with them, make some new connections, make some new friends, potentially do some deals. And above and beyond all of that, we want you to be able to level up this year and we're going to be giving you VIP access, 75% discount to our three day boom and bust level up property entrepreneur, three day blueprint events. These sell out every year.

We literally have to ship people in from other hotels or mini buses. And for the first time ever, official property entrepreneur podcast listeners are going to have unique first early bird access to secure these places. Last night I did a webinar for YPN and I agreed for Simon Zucci to do one for PIN and Antlions to do one for YPN where I released 10 places at the lowest price these have ever been available.

And I'm now going to share this private, unique, genuinely behind the scenes content with you on this podcast. The number you need to add to join the official property entrepreneur WhatsApp groups is 07871 612297. So save that into your phones, 07871 612297.

And then all you need to do is send a WhatsApp message saying podcast VIP and we'll add you to one of the brand new, unique, exclusive private WhatsApp groups where you can get all of those benefits, access to these places, which will be releasing between two and five seats a week in a unique flash sale for official property entrepreneur podcast listeners only. Listen to this podcast, take notes. You're going to get behind the scene access on the top five shifts and actions that you need to take through 2022.

If you want to make sure that the period of inflation, economic uncertainty, market volatility is the best thing that's happened to your business rather than the worst. And this is all about booming rather than busting, leveling up in 2022 to make this your best year on record. And I guarantee you're going to get behind the scenes maximum value insight to what I'm literally doing on a daily basis, introduction in this podcast, and then behind the scenes through the WhatsApp groups as we go through the weeks ahead.

So join the WhatsApp groups now 07871 612297 and just message podcast VIP and we'll get you added in there straight away. I hope you enjoy the podcast. Let's do this.

Okay, so what we're going to go through in this session is booming and bust the year of make or break. So as we're all aware, we're in very volatile changing times at the moment. And economically, this can be a great thing if you're ahead of the game, and you know how to play the game.

You understand economics, you understand markets, you understand strategic positioning and commit the most of it. But equally, it can be a really challenging time. If we just do what we've always done, we stand on the sidelines, we bury our head in the sand is not going to be a great place to be.

And over the next 45 minutes or so what we're going to do is cover what's actually happening out there economically, what opportunities there are that present themselves, what risks we need to be aware of. And then also how to make the most of this because this will be the difference between the making of your and breaking of your business in the 12 to 18 months ahead. For any of you that haven't had the pleasure to speak for or train previously, my name is Daniel Hill.

And I've been in business my whole life. I've been in property since 2011 and been fortunate enough to win an industry award every year or so for the last seven years. I won Young Entrepreneur of the Year in 2013.

I won Entrepreneur of the Year in 2018. I then went into property or within that I went into property in 2011 and did Simon Zucci's mastermind program and was fortunate not only to win the top performer, but also broke the record for the most amount of money ever made in 12 months on the program at that time. So whether it's business or property you're looking at, hopefully over the next 45 minutes, you're going to get absolute maximum value.

And that is absolutely my objective. So booming and bust. This is the big topic on everybody's lips at the minute, recession, inflation, global conflict.

There's huge risk out there and huge uncertainty. But also for entrepreneurs, this brings huge opportunity. We do need to know what's actually happening.

So what is actually happening out in the market? Well, the first thing I would say is do not read the news. The news is there to catch headlines.

It's there to sell papers. It's there to put the fear of God into people. What we want to do is be strategic, have a really good, well-rounded understanding of economics, business, property, investments, asset allocation, and then go and make the most of it.

Over the next 45 minutes, I'm going to try and give you as much value as I can into this. I've studied it my whole life. I've practiced it for the last 20 years.

I've taught it for the last 10 years on Property Entrepreneur. And the biggest thing I can say to you, and this should hopefully give you huge confidence in the months and years ahead, whether you're starting, you're scaling, you're looking to sell, success and failure. And this is literally what I bang the drum about all the time on Property Entrepreneur.

Success and failure are both very, very predictable. And a good friend of mine who is the founder, editor, owner of YPN Magazine, Ant Lyons, who many of you will know, who invited me to do this presentation for you, he messaged me the other day and said, look, you've been saying for the last 10 years, I've been writing for YPN Magazine for a decade now. He says, all I hear you say is success and failure are very predictable, but is it actually predictable?

And I said, absolutely. I said, success and failure are very, very predictable. And I stand by, I will nail my flag to the post for it.

Success and failure are very predictable, even in an uncertain, volatile market like we're in now. So Ant said, well, can we jump on a webinar? I want to interview you about it because I don't see how in such uncertain times, it can still be predictable whether you're going to be successful or you're going to fail.

So we jumped on a webinar. If you've not already listened to that, go and check it out. The webinar is called, sorry, the podcast is called Is Success Actually Predictable?

And that's on the official Property Entrepreneur podcast. If you're not already subscribed to that, we're in the top 10 of business and entrepreneurship podcasts in the UK and by downloads, the top 5% in the whole world. So if you're not already listening to those, it's free.

They're about 30 to 40 minutes and it's literally my life's work of blueprints completely for free. So just work your way through them. You'll get great value there and listen to the one with Ant and I, because it will talk to you about how to make it in very unpredictable times.

So what does this look like in practice? You're going to spend the next 45 minutes listening to this and what value are you going to get from it? Well, more entrepreneurs are made in recessions than any other time.

And a couple of recessions ago, we had the global financial crisis at 07, 08. And this was completely unpredictable. Well, you say it's unpredictable.

Black Swan events is what normally causes a recession. When we look back on it, obviously with hindsight, some of this stuff is more predictable than you'd expect, like 125% buy to let mortgages, probably never a good idea, but we were pumping money out, subprime market, someone pulled the wool from the jumper, the whole thing unraveled and the finance market collapsed, property prices dropped, the economy went into a recession globally, and we had a difficult period. Now, what these difficult periods mean for most people is panic, don't do anything, sit tight, wait to see what's going to happen. For entrepreneurs, we see this as a huge opportunity.

And in 07, I jumped into starting a new business called the Pulse Trading Group, saw it as a fantastic opportunity, and not only survived the recession, but thrived, went on to build an award-winning, market-leading, national group of companies, and not only got them up, started them, systemized them, scaled them, but also won through that period Young Entrepreneur of the Year for the results that we got through a recession where everybody else was running for the hills.

The reason for this is when you understand business, economics, investment, markets, human tendency to a degree, you can play the game, be greedy when others are fearful and be fearful when others are greedy. And that's exactly what we did. We went out there, did it, built some great businesses and won an award for it.

Then we had a few years of smooth sailing, a good mature market, a booming market. And then, of course, most recently, we had COVID. So COVID-19 came about.

And obviously, nobody could see that global pandemic coming. That was just another black swan event. Who would have ever thought that we would be locking down cities, the whole of the UK, countries around the world with a global, potentially, we didn't know at the time, potentially fatal, mass fatality pandemic.

Again, I've been teaching all of this stuff on Property Entrepreneur for the last 10 years. And in the first week that lockdown was announced, I said to our property entrepreneurs, literally jumped in and we got a private Facebook group, jumped in there and said, look, don't panic. Don't worry.

This is going to be absolutely fine. Whether this lasts for six weeks or six months or six years, I will guide you through it and make sure not only do you survive, but you use this as an opportunity to thrive. And what we did was we went from three workshops a month to three workshops a week.

And literally on a Monday, Wednesday, Friday, I was updating them on, right, this is going to happen. I think this is going to happen. This has happened.

This is how to play it. And when you understand success and failure, very predictable, you can put it all together. We started to get a reputation on Property Entrepreneur for having this like crystal ball where people were saying, how do you know this is going to happen?

How have you guessed this is going to happen? How do you know how to put these things into practice? And we were just helping them use this stuff to get ahead of the game, do things when others were fearful and move.

And now the back of that, not only did we survive in the first 12 months of COVID, we actually went on to make 1.9 million pounds worth of profit on top of our normal businesses that kept trading through deals that could never be done before COVID, could never be done afterwards. But we looked at that difficult environment, much like we've got now, spotted the opportunities and ran with it. Here's a few examples.

So this was a site we were going to buy. And this is a site that we were going to buy. And as soon as lockdown was announced, the investors pulled out.

So three investors were going to buy pulled out. And I said, look, because obviously they're panicking, the market's going to crash, there's going to be lockdown, how we're going to do stuff. And I said, look, this is going to be a fantastic opportunity to get ahead of the game.

Three of them pulled out, I went and bought it myself, refurbished it out, moved it from the top of the market, literally immediately went from doing 700, 800, 900 pound, top end, premium, all inclusive studio apartments down to the bottom of the market, developed it out, bought it for 255 cash, built it out, total spend 1.1 million, leased it to a housing association, because the bottom of the market is obviously much more buoyant in periods of uncertainty than the top end of the market in most cases.

And now it brings in 118,000 pound a year on a five year lease to a housing association. To me, it was just a no brainer, but that deal would not have been done before COVID, would not be done after. And that one alone, refinanced at 1.6, we turned down offers at 1.8, there's probably somewhere between seven and 800,000 pounds of equity in there. It's just a no brainer. This next one was a care home. So this was a hostel that I bought, bought it cash unconditionally, 440,000 Waterloo Crescent in the Arboretum in Nottingham.

Any of you from the Midlands listening to this? And we had three failed planning applications for high-end studios, because it was in a conservation area, real prime area. And as soon as lockdown was announced, the government quite shortly into it announced a scheme called, it was called off the streets or get them in, which was basically get the homeless people off the streets.

The council leased the whole of the Britannia Hotel in Nottingham to put homeless people in. And I had an empty 28 bed hostel that was not being used. So I said to Jen, who runs our portfolio building company, I said, can you get me the head of planning on the phone?

And literally off the bat, I was living on a boat at the time, off the back of my boat on a Friday afternoon, I spoke to the head of planning and said, look, this is bonkers. You've rented the whole of the Britannia Hotel. I've got an empty 28 bed hostel here.

Give us planning for 28 bed HMO and I'll give you a five year lease. Needless to say, we were the first people, the market's going crazy, there's lockdown, everything's volatile, no one knows where to look. Find the opportunity.

Needless to say, six weeks later, I got full planning for 28 bed HMO. The only people ever since 2012 when Article 4 came in to get planning for HMO in that area and got a five year lease on it. We bought it for 440.

I spent 40,000 pound increase in the compliance, leased it out for 86,000 pound a year. It cost me 500,000 all in roughly. It's leased out now for 86,000 pound a year and we've rejected offers at 1.08 and 1.05 million. So we made over half a million pound of equity, got a five year lease worth nearly half a million pound at 86,000 pound a year just from seeing those opportunities. Businesses, I don't know whether you're aware, but in times of recession, investors don't tend to invest into businesses. They tend to buy balance sheets.

They don't look at the P&L, they buy the balance sheet, lower risk, buy the revenue, buy the assets, buy the established trade. We then went and did over 10 million pounds worth of transactions in the 18 months of COVID, buying companies, selling companies, doing mergers and acquisitions, no money down flips on different businesses. And then early bird, when we was in recession and in the lockdown, nobody was doing business.

Now we run big companies. We went to all of our suppliers who are struggling to keep the doors open and said, look, we'll book up the next six months, 12 months, in some cases, two years. The Belfry, five-star hotel, hosted the Ryder Cup three times, hosted the Masters this week.

They were literally struggling to keep the thing going. We said, look, we will book. We run Property Entrepreneur there.

We spent hundreds of thousands of pounds a year with them. We said, look, we'll book our rooms for the next two years. Luckily, you've got to be in a fortunate position to have some cash around you, pay some deposits, things like that.

But in the time when the market was depressed, we had the confidence and foresight to secure the rooms for the next two years. And the outcome of that is we secured 2018 prices for 22, 23, and 24, where now if you can't even get a hotel room at the Belfry, let alone a conference room, prices are through the roof, inflation is going up. But we've saved hundreds of thousands of pounds from things like that.

Success and failure are ridiculously predictable. And what we're going to do going into this next section is how do we repeat that? I've just shown you over the last 20 years, how we've used that in practice in recessions, use the crystal ball, make it happen.

How can you use this unique window of opportunity, literally like the next two years, for you to get ahead of the game? Seeing that through the last 18 months, the last two year of COVID, we had not only survived, we had our best year on record in the middle of a global pandemic and a global recession. And that's not by a couple of hundred thousand pounds, that's by several million pounds profit.

And the outcome of that was at 35, at the end of last year, I was fortunate enough to retire. So stepped down from the businesses, sold my biggest portfolio of companies that had eight offices around the UK, and decided to step down. I thought, tap out of the top, take some time out.

And now I'm just doing things. I still do my property entrepreneur work. I still do some developments.

I'm still very active, but I'm not running big companies. I've gone from a team of 40 down to a team of four. And I'm just enjoying the fruits of my labor.

We want you to achieve exactly the same. And this is the next opportunity. 2022, 2023 is going to be volatile, high inflation, interest rates, uncertainty, a property market that doesn't really know what it's doing.

It's off the rails at the minute. The most important thing for you with this is success and failure are both ridiculously, ridiculously predictable. So going into this period, what are the opportunities for you?

Well, I'm going to share with you, literally, I'm going to rattle through behind the scenes information I've never shared on the open market. You won't find it on the podcast, you won't find it on social media, maximum, maximum value. And for those of you that get value from it and want to actually put it into practice, at the end of the webinar, I'm going to give you a cost price, 75% discount, no risk, try before you buy, money back guarantee to come spend three days at the Belfry, learn the blueprint I've used for 20 years.

And I've taught for 10 years to deliver all these businesses, achieve all these things. And you can come join us literally at cost, money back guarantee. And there's two days.

So it's 4000 pound a head, I'm going to give you a discount that's not available anywhere else for YPN readers as a VIP this afternoon. And these are the two days. So Monday, the Monday, Tuesday, Wednesday, 13th, 14th, 15th of June, just so you know, there's only 10 places available.

So probably best check these dates now, see if you're available, see which one you want to come to, and then secure your place as soon as I release the link at the end. Or 11th, 12th, 13th of July. But all of these are at the Belfry in Sutton Coalfield.

13th, 14th, 15th of June, check that one. 11th, 12th and 13th of July, Monday, Tuesday, Wednesday. So boom or bust, how's this going to work for you?

Well, we talked about success and failure being very predictable. The recession that we're in at the minute, or the economic position we're in at the minute was highly predictable. I wrote a report in March last year, 12 months ago, called the Bounce Back Boom Report.

And if you haven't read it, go and download it now at www.property-entrepreneur.co.uk. It's on the homepage. Go download that now, and you'll be able to read that that I wrote a year ago, and you'll be able to see how it's already come true. In there, I talk about the three phases, the dark, the dusk, and the dawn of the economic cycle.

Three months after, and you can check these dates, three months after I wrote that report, the government released a statement which called there, they said there will be three phases to this recovery. There will be the rescue, there will be the recovery, and then there will be the rebuild. Again, success and failure, very predictable.

We literally predicted that six months before, published a written report on it three months before. All of this stuff's very successful. All this stuff is very predictable.

I'm assuming not many people on the call have read the spring statement, 86 pages of boring government literature. Well, I've read it, literally page for page, highlighted every bit, annotated it, analyzed it, scrutinized it, and come up with the next phase of the recovery. The last report I wrote was the bounce back boom report.

The next report which you'll see come out is called the level up report, which is all about the rebuild of phase three recovery, which will be end of 2022, beginning of 2023. You'll get an insight to that in that report, which you can download on the website. Five things, five highest value actions that you can take to capitalize in an uncertain market.

Now, this doesn't matter if you're just starting out. It is the best time in a generation, literally. The economic cycle happens every 15 to 20 years, and we're now at the beginning of it, the beginning of the economic cycle, the rebuild of the UK economy, the UK economy becoming a sovereign nation.

Again, if you read the report, you'll hear me talk about local to national to global. We've left the European bloc. We're starting to experience a number of supply chain changes.

We're going to become a global powerhouse for various things, including talent and tech. Read the report. It'll tell you about every part, but this is what we're going to look at.

The update to this, which is the level up report, which is where whether you're starting or you're scaling or you want to diversify, this should be your number one focus for the next 12 months, if you're serious about making this properly. So the five shifts, the five biggest actions you can take now. The first thing is to understand that timing is a moving target.

People talk about buying property, buy low, sell high, et cetera, et cetera. You need to understand the market's always moving. And if you're into investing, this is the logic of pound cost averaging.

The market is always moving. And I've been an entrepreneur for 20 years. And I've never once thought, you know what, I'm going to wait.

I'm going to see what happens. There's always opportunity. You've just got to know what you're doing better than anyone else.

You've got to put it into practice quicker. And you've got to get that first move advantage that nobody else even knows about. Unless you're on property entrepreneur, you will not have heard of half the things I'm going to talk about today.

We do it behind the scenes. There's 150 of us that do it every year. And some of you will join us on this journey at the beginning of the economic cycle to make the returns in the next 18 months, which will be lower competition, higher margin than you'll see in the next 18 years.

So the market's moving. What do we do? Well, the first thing is cash down, assets up.

So what does this mean? Cash down, assets up means this is the art of capitalizing on inflation. Inflation is in the press every single day, every other article on the papers, every other story on the news, energy prices going up, fuel prices going up, CPI index up, double digit inflation.

Oh no, the world's going to end. It's not easy. There's going to be people who get really caught out by this.

And there's going to be successful entrepreneurs, profitable businesses, ambitious people who get completely stung. There's also going to be those who get ahead of the game, who know how to use this stuff. And what you do in inflation is, inflation, if you're not aware, is basically the devaluation of currency.

It means the money you have tomorrow is worth less than it is today. So let's say we do hit double digit inflation, which is quite possible, maybe even quite likely. CPI inflation, obviously, things like energy prices and fuel is way above that.

But then services is down at like 3.5%, 4%. So you've got to understand the different elements of that. But let's say the cost of living goes up 10%.

What that means, if you've got 100 pounds or 100 grand or 100 million in the bank, let's say you've got 100 grand in the bank, and we've got double digit inflation, your money every day is going down because the cost of goods is going up. Price is going up, the value of your cash is going down, that 100 grand in a year at 10% will be worth more like 90 grand. So you've lost money, not a good place to be.

What you do during this period is cash down, reduce the amount of capital you've got in the bank, but assets up. If you're not aware, assets are what you use to offset inflation. So you probably noticed at the minute, secondhand cars are as expensive, if not more expensive, than brand new ones.

Connectable watches are like going through the roof. A lot of assets, the right assets, property prices are going up. Assets go up in value in a period of inflation because the price of things goes up, the value of cash goes down.

So you want to increase your assets, reduce your cash holding. So behind the scenes, how do we do this? What are we actually doing in practice?

Well, reducing working capital. On Property Entrepreneur, we talk about working capital. I normally hold 12 months worth of working capital in my bank account because I'm a conservative investor, and I want to make sure whatever goes wrong, I can keep the thing going.

In the first week of lockdown, I said to our team before furlough was even announced, I said, don't worry. This is going to be a period of opportunity, not a period of struggle. We're going to use it as an opportunity to grow, not an opportunity to slow.

And all of you are going to be fine because I knew I had cash behind me, cash in the bank, et cetera, et cetera. That was a good thing right then. Low interest rates, low inflation, lots of opportunities, stay liquid.

Now the markets have changed. Timing is a moving target. We want to change that.

So I've reduced my working capital down from 12 to three months, and there's lots of other people out there doing that. The next is a high net worth investor fund. I've just started a high net worth investor fund because if I'm reducing my cash holding because my money's going down in value, so are the people going to be.

And there's a lot of people out there. This is a good one, especially for those of you getting started or want to scale. Lots of people with cash in the bank.

It might be 50 grand. I know lots of people with 500 grand or a million pound in the bank. They're nervous.

They don't want to put it into assets. They don't do their own investments, but also they don't want it to go down by 10% every year. They don't want to pay 10% to have cash.

It doesn't make any sense. So they can work with people like us who understand investment, capital allocation, asset acquisition, and they can benefit from securing their capital with a short, medium, or long-term rate. And you can benefit from the increase in the asset.

Absolutely no brainer. Long-term asset acquisition. Any assets you can buy at the minute for the long-term is a great option.

So whether it's properties or potentially the right businesses, understanding that assets go up, cash goes down. If you can ride that curve, then you're using inflation as the best repayment mortgage that ever existed because you don't even have to repay your mortgage. You take a million pounds worth of debt on in the next year.

That's the next point. Take a million pounds worth of debt on over the next couple of years in solid asset-backed investments. Every year that we've got double-digit inflation, you're making 100 grand on your balance sheet because the asset's going up, the debt's going down.

Absolutely no brainer. Third-party inflation-linked leases. Well, you can lock people into 5, 10, 15-year leases.

You can link them up to inflation. You can get yourself away from the gas bills, the tenants, the voids, the raising operational and utility costs, and put them on leases. So I don't have any service accommodation anymore.

I don't run any HMOs. I've got blocks of flats, hostels, service accommodation, all leased out to third parties on inflation-linked leases. So I haven't got 20, or 30, or 100 tenants anymore.

I've got 5, or 6, or 10. And each building's got one tenant who's locked in for 5 years, inflation-linked, play the game. And then the fifth is, increase your debt-backed asset holdings.

Borrow money, refinance properties, leverage up, and let inflation pay the debt off. Absolutely no brainer. This one's an example.

It's leased out 5 years to a housing association, annual rent reviews, and brings in 118 grand a year. And it cost me 1.1 million to build. Refinanced it and got all my money, plus 150,000 pound out.

Absolutely no brainer. So that's the first one. Cash up, asset down.

The second one is, most entrepreneurs, and this is absolutely the reality. I've been in business. I've been training business for 10 years.

I've been investing in businesses for 20 years. I've bought companies, sold companies. I sit on the board of companies of all different shapes and sizes around the UK.

The reality is, most people who are starting businesses or scaling businesses are building businesses that fundamentally don't make money. They just do not make money. They're working hard.

They're working 7 days a week. There's no lack of enthusiasm or energy, but they don't understand how to build a business. And this is all about business modeling and business margins.

Through a period like this, you want to be really, really strategic about your business model. If you don't have a business model, you don't have a business. And on the three-day event at the Belfry, which some of you will be getting a place to tonight, we take you through this start to finish to show you how to actually do this.

If you don't have a business model, you do not have a business. But then also, if you've got a good model and you've got a good business and you're making profit, you're in danger now of losing your margins because cost of raw materials is going up, cost of labor is going up, cost of construction materials is going up, cost of gas bills, utility bills, fuel prices, everything's going up. And that margin, if you don't know how to play your business model, is going to get really, really compressed really, really quickly.

So we just got to deal with this. So how do you secure your margins when costs are increasing? Well, the first thing you do is rent increases.

So now is the time. In fact, I told our property entrepreneurs this three months ago. Now's the time to be increasing rents.

It's the spring. Do section 13 rent. So the HMO market is an example or service accommodation for Airbnb prices, HMO properties or hotels.

Let's talk about HMOs. The market, I used to manage a portfolio of over a thousand HMO units around the UK. I know how the market works.

The market is now, in many places, stronger than it's been for a long time. Rents are increasing, which is in most cases, again, unheard of because it's been quite a mature market. You can now go to your tenants and say, right, we're going to serve section 13 notice.

And loads of our board members and property entrepreneurs have done this. And it gives the tenant two months notice to either accept the rent increase or move out. And if they accept the rent increase, which not only have most of the tenants that our clients have gone out to accepted it, they've actually come back and said, do you know what?

We actually get it. We understand. We appreciate it.

It's not a huge surprise. It seems fair. And then if they do move out, you can put it on the market in the hottest market in the year, the summer market, hottest market, highest rents, highest period of occupancy.

And you will then increase that margin to offset some of those costs. And then also managing utility bills, things like that. Green deals and third party leasing, taking some of those blocks, properties, houses, and looking at the green deals.

So ESMs now are VAT free. So loads of green deal stuff out there. Insulation, solar panels, biomass boilers, heat source, ground heat source pumps, energy saving materials, ESMs are now 20% off.

The VAT has been wiped off of those in the spring statement in March. You can do that to increase the standard of your properties, or you can lease them out to other people. I lease them out to companies, charities, housing associations, private operators, the council, putting third party leases to protect that margin.

If you're into refurbs and builds, at the minute, if you're doing resi flips, you're paying over the odds for properties. The construction materials are increasing by, if you believe, or if you read Travis Perkins' figures at the weekend, 15%. If you're losing 10% to 20% in material costs and you're paying an extra 5% to secure the property, by the time you spent 6 to 12 months buying it, refurbing it, getting it back on the market, you'd be lucky if there's actually a margin.

But if you use alternative construction methods, like timber frame, cold rolled steel frame, modular housing is one of the ones we're looking at, you can start to offset these things by getting creative. Short term cash flow hold on development. So at the minute, people are a little bit nervous about buying developments in some cases, because the cost of construction is going up between 10% and 20%.

Not a good place to be. But if you can buy buildings that are already rented, or that you can rent out in the short term, you can buy properties in a slow market, hold them through an uncertain market, and then develop them in a strong market. So we've got three deals going through at the minute.

30,000 square foot business center that's bringing in 10% yield, buy it, it's already operating, spend a year putting it through planning, should get 88 apartments, GDV on that one will be over 10 million. And we can just wait for the market to correct itself. Another one is an operating business center.

Another one is a set commercial space, buying stuff that's renting in the short term, wait for the market to calm down, settle, supply chains to sort themselves out, because they will. If supply is low and demand is high, prices go up. If prices are high and demand is high, supply increases, because other people want to get a slice of the cake.

And then that pulls the price back down to equilibrium. These are all the models that will teach you on property entrepreneur. When you understand how to put them into place, success and failure are just ridiculously predictable.

And then finally is in a period of high inflation and increasing costs, don't go into, try and avoid going into fixed price business models. If you can use variable rate business models, where most of your costs are variable, you have to mix it in with a bit of fix for security. Again, we teach you this on Show Me The Money, which is all about the finance blueprint.

We'll show you how to do this literally in the room at the Belfry, but have high variable costs. So you can go with the ebb and the flow of the market because labor's increasingly hard to get, costs are increasing, the market's turbulent in many cases. If you can go for a low risk, low competition, high profit, high variable market space, you're absolutely laughing.

On our incubator, we started one new business last year in the first 12 months. They've already had their first 10,000 pound profit month in the first year. So for those of you thinking about starting up, it's perfect timing.

That's the second one, models and margins. Make sure you get that correct. The third is needle in a haystack.

So there's so many opportunities out there. Everyone's chasing the new hot thing, the new sexy thing. It's not necessarily the way to go.

You want to look at a market, observe the masses and do the opposite. When I'm talking about on property entrepreneur, we won't encourage you to build a business in a space unless you can make an absolute minimum of 20% triple net profit a year. Absolute minimum.

The reality though is we own and we invest and we develop and we start businesses that make 30, 40. I've even got a business that makes over 50%, a seven figure business that makes over 50% net profit a year. But these are the needle in the haystack.

And we'll spend three months with you on property entrepreneur trying to find that needle for you. It's all about strategic positioning. It's all about waves.

It's all about niches. It's all about finding these six, seven and eight figure deals and business models that everybody else is missing. Some businesses you should absolutely be tapping out at the top at the moment.

High capital valuation, the M&A market is still strong. Although if you read what's happening in the S&P and things like that, it's starting to come down in many cases. Some you want to be tapping out and selling at the top.

Others is a great time to be getting in at the beginning, niches and waves. And this is what you want to do in a hot market. So the first in property is to move from the top of the market down to the bottom.

So I stopped doing high end, all inclusive, seven, eight, 900 pound a month studios as soon as the pandemic hit. And I went straight to the bottom. And since then we've either developed or in development for well over 100 units.

I don't know how many exactly, well over 100 apartments at the bottom of the market. The bottom of the market is undersupplied, it's vibrant, it's buzzing. The top of the market is uncertain.

It's a little bit volatile and it's really understanding where to pitch your tent. The next one is build to lease developments. Now you can do build to sell, that would still potentially do quite well.

Although it depends what the price point is, because you've got to be careful of what market you're going into. Build to rent to lease or build to lease developments is basically building out, developing it and then leasing it to a third party. So we've done that with homeless charities.

We've done it with the YMCA. We've done it with housing associations. We've done it with service accommodation companies.

Basically find somebody who's going to lease it in the best case, build it for purpose and then lease it on. And we've done a block of 20, block of 88 that we're doing at the moment, block of 18. We've just finished a block of 14 apartments and they've all gone to the bottom end of the market on leases.

They pay the bills, they pay the gas, they pay the electricity and we have one tenant, one lease and one amount of rent coming in every month for five, 10 years. This is a real niche one. So this thing I went into earlier in the year is private schools, very niche, buying out the operator, buying out the building, leasing it back to the operator, which has got 30, 40, 50, 60 years trading history, up and running, selling lease back, which is now illegal in residential, but completely legal in commercial.

It's what a lot of the big acquisitions are doing at the minute, the Asdas, people like that. Private school selling lease back, nice place to park your funds, guaranteed 80% return and a 10 year full FRI lease. Absolutely no brainer.

Again, we'll take you through these at the Belfry. E-class MAPD. How many people out there doing E-class MAPD up to 15,000 square foot?

It's the new B1 to C3. It came out in August last year, where you can buy a building and then using PD, you have to now conform to the minimum space standards, but using PD you can go from commercial, anything in the E-class into resi. Absolutely no brainer.

We've got three sites, one site on the moment and two more sites going through, which go into that category. Master it end of last year, and already one of the sites I want to talk to you about, we're using a four phase PD application to go from a 30,000 square foot site up to 88 apartments with a GDP of over 10 million. All under permitted development, unheard of, highly strategic.

Nobody else is doing these things. One of the things that we're doing on that is ABPD prior notification airspace. Who else is doing ABPD?

Airspace is now prior notification permitted development. If you know what sites to buy, you're not paying anything for the land. You're literally just buying it, building on the roof for free.

If you can de-risk it with a short term tenant, go commercial to resi, resi on top, MA to PD in the middle, and then just run it in a number of phases, up to 15,000 square foot for the MA, no brainer. This is an example I actually shared with you a moment ago. This one's the one that's been leased out to a charity, excuse me.

Leased out to a charity for 86,000 pound a year, five years, full FRI lease, everything's covered, low risk, one tenant, piece of cake. Here's another example, MA, PD. Sorry, ABPD prior notification.

This isn't actually the one we're buying, so we haven't completed on it yet, but it's an image of one that looks very similar. Buying it, established tenants, five, 10, 20 year leases, and then knowing the area and the location, buying that on the basis it'll give you seven, eight, nine, 10% return, and then building on top is your development angle. You can sit there, you can develop it in a year or 10 years, whenever the PD's available for, but just playing the game and finding the deals.

Other people are not looking at these things. The fourth, the penultimate one is the wealth gap. This is understanding that as we go into this period, there's going to be an opportunity for wealth creation.

What you're going to find, and this is sobering, it's sad, it's real, is the people at the bottom of the market, the LHA, the state pensions are going to head into a position where they are going to go into the red. It's sad, it's the reality, it is the case. The government will probably step in in some capacity, but they are going to go, the poor are going to get poorer, unfortunately, and it is sad to read and listen to the things that happen in there.

Equally, the rich are going to get richer, because the rich understand how to allocate capital, how to use inflation to their advantage, and how to observe the masses and do the opposite. There's going to be this window of the next 18 months or so, where you can move first, speed of implementation, first move advantage, and get ahead of the masses. Why would you not do that?

This happens every 10 to 15 years, it's the beginning of the curve, what everyone thinks is a risky point, so there's low competition, high margins, but if you wait till next year, or if you wait 12 months or 18 months, everyone's going to come back to the market, competition is going to go up, margins are going to come down, and then you get mass confidence, and then you go back into the boom cycle. We want to get back in at the beginning of that phase, where the margins are our best.

I'll take some questions in a moment, keep them coming through. If you're not familiar with wealth creation, and this is so straightforward, I've been teaching this for a decade, and this is the only way I could retire at 35, and many of our clients have done exactly the same, is understanding wealth creation. I'm not going to go through it today, but this is the fourth step.

You'll learn all of this at the Belfry in June or July, whenever you come. Listen to this podcast, it's 18 minutes long, it's called Rich, Bad, Wealthy, Good. What I do in this podcast is talk about the three levels of wealth creation.

Nobody else teaches it like this, it's not common sense, it's not normal thinking, but you listen to it and say, you know what, that makes absolute sense. I guarantee you, that is the difference between being rich and being wealthy. Wealthy is what you want to be, genuinely financial independence, generational wealth, and a net wealth that goes up on the 28th of every month.

It's an absolute no brainer. So that's the fourth one, is generational wealth. You want to use this next period at the beginning of the cycle to level up what you're doing and go into the next level, and level up is the next and final action I'm going to encourage you to do.

I'm just going to take a couple of... Okay, lovely. Thank you, Emma, appreciate that.

So the fifth one is leveling up. So it's all about playing the game. How do you create generational wealth with first mover advantage?

Well, you level up what you do. So if you're currently working and you want to get into self-employment, now's the time to start getting the wheels in motion, doing as a sideline and get started in business. If you're already in business, or you've already got some cash around you and you want to take your first step, it's time to level up to not just do your first step, but take this 12 month opportunity to get ahead of the game.

We're doing three deals at the minute, which will be 30, 10, 40, plus 88. Well, 40 plus 88, whatever that is. I've got two bright lights in my face and I'm normally in bed by eight o'clock, so you'll have to forgive me.

We've got over 100 apartments going through at the minute in deals that we're doing literally like today, when everyone else is scrambling around trying to buy three bed terrace houses to do flips on, turn into HMOs. Observe the masses and do the opposite. And whether you're starting, systemizing or scaling, now's the time to level up and make the most of the next 12 months ahead using these blueprints.

So level up. Our whole year is focused on level up. And what this is, leveling up is a unique period in time where you step up everything you do.

It's the name of the government manifesto. If you've not read it, it's called Leveling Up the UK and the bounce back boom report talks about it. And when you join Property Entrepreneur, you'll get a map of the UK and you'll see where the free ports are.

You'll see where the local town funds are. You'll see where the investment areas are. You'll see where the areas where we use a strategy called BBC, which is below build cost, where you can afford to pay market rate and above and still create generational wealth through this period.

You want to get first move advantage. You want to listen to this stuff. I'm trying not to hold any punches.

I'm literally like, this is literally what I'm doing on a daily basis to try and help you by trying to just tell you what I'm doing. You want to take this stuff on board and get first move advantage. Now I'm giving you a decade's worth of training in like 45 minutes.

But obviously on the three day, you'll get the blueprint of this broken down step by step and you physically leave with it. You get the whole year's worth of what to do each month put into practice. The most important thing is you hear this stuff and you do it first move advantage.

We made 1.9 million extra in the first phase of lockdown and then several million more than that in the second phase of lockdown because we listened to it, we executed and we moved quickly. Now's your time to level up and do exactly the same. You want to observe the masses and doing the opposite.

If I'm writing about this in a YPN article, or you're hearing it on YouTube or the news, you've already missed the curve. If it's common knowledge, you've missed the curve. You want to know about things that nobody else knows about.

The stuff that's written in this, which I haven't even shared with you, that you don't even know about. The things like EIS, CDIS, business asset disposal relief, government backed £25,000 startup loans, super deductions, 120% super deductions, director's ISAs. In the three days at the Belfry, we'll tell you all this stuff and building wealth is not rocket science.

It's not complex. It's ridiculously straightforward. It's just knowing what to do, observing the masses and doing the opposite and put it into place really quickly.

Mastering your market. You need to know your market inside out. Don't go and try to buy three bedroom houses.

Try and develop A grade properties in C grade areas or understand how to do back to back leasing, all of these things that nobody else knows about. And then come and play the game. Business is serious.

Investment is serious. I've invested my parents, my grandparents, my friends, my families, life savings, pensions. I take this very, very seriously.

I literally commit my life to doing this stuff. I'm walking the talk. Running a training business is a very small amount of my time.

My time is spent allocating capital, doing deals, researching the market, making sure the property entrepreneurs are ahead of their game. I literally do this, but it is a game. All of this is a game and it's understanding the rules and trying to figure out how to play it better.

So the question for you guys is, if this makes sense and if this is the sort of stuff you want to be getting into, is it actually time for you to level up? So the government strategy for phase three is called level up and it will start towards the end of this summer. In line with that, in October, we're starting our new year of property entrepreneur, which is called level up.

And we're taking every single one of you through a level up year to... It doesn't matter if you're starting for the first time or you've already got 10, 20, 50 properties and you want to level up your business, your wealth, your health, we're going to do it all together. And this is our 10th year.

Property Entrepreneur is now the UK's highest rated business and property training program. And it has been for the last three years. This is our 10th year of doing it.

So we're going to do a level up year. It's going to be the biggest year. It's going to be the best year.

New content, new strategies, new coaching, new framework. It's literally going to be off the scale. And the only question really is like, is that what you want to do?

Do you want to level up? Do you want to be the next person to achieve these things? Leveling up your business is the first step.

Most entrepreneurs build businesses that don't make money. The first thing we need to do is level up your business. We need to get you to the belfry, do the three days, look at what's working and what's not, and give you the blueprint to go away with so you're not another entrepreneur that's not making money.

We're all going to work hard, but you want to work smart. If you can work hard and smart, you will create wealth quicker than anybody else. But most entrepreneurs don't know how to do that.

They know to turn the tap on. They don't know how to actually create wealth. And this is what we'll show you.

And I've walked the talk with this for 20 years. You can go back, look at my track record of businesses, investments, awards. It's all there for you to look at.

This is what we want you to achieve as well. Here's two people who've done it in the last couple of years. So Rachel, again, in fact, these are through COVID.

Rachel went from having a full-time job, like many of you, as a corporate employee, and then left that to start a business. Two years into that, came a proper entrepreneur. And for the first time in her life, went on holiday and turned her phone off.

She had a team running it. It was paying for the money for the holiday. And she did no work for the first time ever.

Shiv Haria was a busy entrepreneur going around doing deals. And he was doing five deals a year at two and a half grand each. He was making 12 and a half grand a year.

And then within two years, he went from doing 12 and a half grand a year to doing 60 deals at 10 grand a year. That's actually an understatement, because he's actually doing more like 12 to 13 grand a deal. He's gone from making 12 and a half grand to doing nearly three quarters of a million in less than two years.

If you're going to do that, you need to level up your health as well. You need to be on your AAA game. You need to be clean, lean, full of steam.

There's no point being the richest woman or man in the graveyard. We need to get you on your AAA game. We need to get you your best, feeling your best, and performing your best.

This is a huge part of our methodology. Business is not just about making money. It's about living long.

It's about living well, looking, feeling, and performing your best. Last year, we had two winners. One was Guillaume Black, who gave up smoking, lost over 10 kilos, and not only started to do steps and training at the gym, he's actually just run his first ever marathon.

And he's in the shape of his life. He's quit his job, and he's literally changed his life. It's absolutely game-changing.

Oliver Ibbotson, who's one of my best friends, I've known him for nearly 20 years, he came on Property Entrepreneur two years ago. And last year, he won Property Entrepreneur of the Year because he lost 21 kilos, got in the shape of his life, quadrupled the size of one business, doubled the size of another, and then retired from the third. And if you want to listen to these interviews, they're all on the official Property Entrepreneur podcast.

All these guys did was took action, leveled up, got involved, and you guys can try this literally for no risk. Come along, see what you think. And if you don't like it, we'll give you your money back.

Literally, I've been doing it 10 years. I've put my money where my mouth is. If you're the right person, this stuff absolutely, absolutely works.

And then finally is leveling up your life. You want to have a good life. You do not want to be working to the end of your days.

You want to work as long as necessary. Work hard, put the hours in, do the heavy lifting. But we want you to create a life by design that you enjoy.

You literally go to bed every night looking forward to waking up, doing things you like with people you love, and having fun with it. I love Property Entrepreneur. I love creating.

I love doing deals. I don't do it for the money, but the fact I get paid for it is obviously really great. But it's my life by design.

It's what makes me happy. And the two people that deliver our blueprint for us, which will literally take you start to finish through this, Josh has been on Property Entrepreneur for seven years. He's on the board, and the board is 27 and a half thousand pound a year now.

He's been on it for seven years. He started, systemized, scaled, and then last year sold his business, which has enabled him to semi-retire, go down from a five-day week to a three-day week. He's got a four-day week with his new family, a three-day week working in his new consultancy business called Ultimate FD, and he's having the time of his life.

Adam Gough has been on Property Entrepreneur for five years. And in the first two years, he decided he wanted to get ready for an exit. I worked with him for the next two years to get the business scaled, systemized, and ready for an exit.

And again, you can listen to this on the podcast. Last year, he retired at 37, seven-figure entrepreneur, millionaire, and he's now traveling the world on his financial fortress, which he built on Property Entrepreneur. Again, we'll teach you this on the three-day blueprint, how to build a financial fortress.

I've actually got four, I've actually got five financial fortresses now. We'll show you how to build one, which is the only thing you should be focused on. And he's now traveling the world, following him on Instagram.

He's just flown back from Bali. He did three months in Verbier, doing the snowboarding season. This is life by design.

You've got to put the hard work in. It might take you a year, might take you five years, but if you do it strategically, it will not take your lifetime. So leveling up, for those of you that actually want to come, there's 10 places available this evening to the three-days event at the Belfry.

And this is all a game. This is the game that we play. This is a 12-month methodology.

And you will leave the three-day event with this printed out on five A5 sheets, which we'll work through for the three days. And you'll walk away with the same blueprint I've used for 20 years, I've taught for a decade, and has enabled just a few of those guys to go and achieve those things in the last 12 or 24 months. Unfortunately, all of our programs, 12-month programs are sold out.

They don't start until October. The program is 15,000. Advanced is 18,000.

The incubator is 18,000 plus 20% of your shares. And the board is 27 and a half thousand pounds plus VAT. And every single program is sold out.

You physically can't get another seat in those rooms. And the program doesn't start until next, or this rather, October. It's a big financial commitment.

It's a big time commitment. That's why we run our three-day accelerators once a year. We only run these once a year.

We've got three dates this year for 150 people. And you can try before you buy. You'll leave these three days having understood the whole blueprint start to finish at cost.

I'm going to give it to you for cost tonight, hand on heart. It's literally what it costs us to run these events. But we know 95% of people from the Blueprint three-day events then go on to do the program.

And of the program last year, 92% of people on the program stayed on for a second year to do advanced in the middle of a pandemic when it was virtual and online. I'm not trying to sell you something that doesn't work. I've been doing it for 20 years.

I've been teaching it for a decade. And every month, every program, every delegate for the last three years has rated us world-class. NPS score, world-class, every delegate, every workshop, every month for the last three years.

And some of these guys are paying £27,500 plus VAT to do these programs. Again, we know what we're doing. We walk the talk.

We want to take you with us. The three-day events sell out in record time. If you know anyone who's been on one, the last two years, we've had to ship people in from other hotels on minibuses.

Literally, we've had every single bedroom the hotel have had to offer, and we've had to ship people in. Last year, our blueprint events, these three-day events, were rated 9.9 out of 10. This is a program that's £4,000 for three days at the Belfry, three days out of your life at the Belfry, five-star accommodation, three-course dining, 9.9 out of 10 on average, all questions, all delegates, all feedback. Absolutely blown away. Here's a few bits of feedback for you. Hopefully, this gives you the confidence to secure one of your places.

Like I say, there's 10 places available. I wish you all the very best luck for getting them. And this is going to be the difference between leveling up and actually taking action at no cost and no risk, and sitting on the sidelines, observing the masses and doing the same, and missing the generation of a lifetime in this first 12 to 18 months where I showed you the last two or three periods, you can absolutely go out there and make this stuff happen.

So time to level up. These are the dates that we've got. 10 places VIP access, June 13th, 14th, 15th, July 11th, 12th, 13th.

It's £4,000 plus VAT for the three days. That includes accommodation, five-star accommodation, use the spa, you can pay to use the golf course, go to use the facilities, the gym, all your foods included, all your refreshments, three days including the full blueprint. But we're not going to charge you £4,000 this evening for the first 10.

And I'll put the link in the box. We're going to give you 50% off, which means it's not £4,000, it's £2,000. And you can bring a guest absolutely for free.

So it'll be £2,000 for two of you. It's basically £1,000 for you each, as long as you share a room. If you want a second room each, it's about £180.

It's literally whatever the Belfry charge us, we'll charge you. And it's got 100% money back guarantee. Literally, halfway through the second day, and it's not what you thought.

Actually, you're not ready for it. Actually, you've come and you just don't like the breakfast, whatever. We'll shake hands, we'll take your blueprint off you, and you can leave and we'll give you full money back on the way out.

Okay, property entrepreneurs. So the time is now. It is time to level up our businesses and make sure this is a boom period and not a bust period.

And we really are in a very unique period at the beginning of this next economic cycle. And the next 12, 18 months are going to be absolutely game changing for those of us that put this stuff into practice, execute relentlessly, and get ahead of the game ahead of the market and use inflation and economic uncertainty to our benefit, just like I did in the global financial crisis, just like I did through COVID-19. And now's the time for you to join us and we will take you through this step by step.

So join the private WhatsApp groups, official property entrepreneur, podcast listeners only, it's 07871 612 297 and just message podcast VIP 07871 612 297. And I very much look forward to seeing you in one of those private groups. Let's have some fun.

Let's get to know each other. Let's get some dedicated podcast episodes out for you and your business. And let's get you on one of these three day events to learn this start to finish at the lowest price ever made available for exclusive podcast listeners only.

Success and failure are ridiculously predictable. Ladies and gents, we're ready for the next part of the cycle. It's boom, not bust.

It's time to level up. I look forward to sharing this journey with you. I'll see you in the WhatsApp groups.

Thank you for listening to the official property entrepreneur podcast. Trust you found value and insight in the topics discussed and as always very much welcome your comments, feedback and any suggested guests or topics you would like us to consider. Please give us a review and let us know what you think.

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