**TBP 169 Edited\_Transcription**

[Daniel Hill] (0:06 - 0:46)

Welcome to this month's Deals, Deals, Deals podcast hosted by my very good friend, Mr. Mark Barrett. Mark Barrett is a longstanding property entrepreneur board member, has successfully started, systemized, scaled and sold his property management company. Mark now spends his time building hands-free portfolios for high net worth individuals for his company, The Property Brokerage, and through these monthly Deals, Deals, Deals episodes, you're going to hear some of the UK's most lucrative, most strategic, award-winning and market-leading deals to inspire you and educate you in how you can do exactly the same.

Over to Mark.

[Mark Barrett] (0:51 - 1:26)

Hi, it's Mark and welcome to the latest Deals, Deals, Deals podcast. So we've got a bit of a special edition. We've got two guests today.

So I'm with Tim Witt. How are you doing Tim? I'm good.

How about yourself? Yeah, very good. And yeah, we've got a special guest.

So Guillaume Black, how are you doing? Very good. Thank you very much.

Thank you for having us today. Good. Yeah.

And we are in sunny Manchester as well. We've come to a studio here. So Tim, do you want to just, people that don't know you, just give us a bit of an introduction?

Yeah, no worries.

[Tim Witt] (1:26 - 2:05)

So that's the hint that he's from Australia. I was just going to say, yeah, but... There's going to be subtitles for anybody that doesn't...

Cue the subtitles for the fans. I talk very much like a pom now, but yeah, I'm from Adelaide in Australia originally. So I moved over to sunny Manchester in 2014.

Not necessarily for the weather, but yeah, I moved over just to get out of my comfort zone and do something a bit different, travel and stuff like that. Seems to be a common thing with Australians, isn't it? A bit of traveling.

Yeah. Yeah. Because, I don't know, the cities are fairly isolated in Australia, so it's good to get out and experience different cultures and stuff like that.

[Mark Barrett] (2:05 - 2:08)

So what did you do back in Australia then? What was your background?

[Tim Witt] (2:09 - 2:35)

Yeah. So my background was construction management, basically. So yeah, I did construction management economics at uni in Adelaide.

Worked for a building company managing lots of different projects for about eight years before I moved over. Big conversions and refits and school buildings and lots of different things like that, nursing home constructions, et cetera. So lots of different projects.

[Mark Barrett] (2:35 - 2:44)

But yeah. So I was saying, my friend Fitz here moved over to Australia and was at Austral Bricks, so you used to use them.

[Tim Witt] (2:44 - 2:48)

Yeah, we used them a lot. Yeah. Yeah.

We probably dealt with them at some point.

[Mark Barrett] (2:48 - 2:48)

Yeah. Yeah.

[Tim Witt] (2:48 - 2:52)

Austral Bricks, probably one of the biggest suppliers of bricks and those sort of projects.

[Mark Barrett] (2:53 - 2:56)

So what age was you when you came over then, 2014?

[Tim Witt] (2:57 - 3:00)

Yeah. So I was 27 when I came over.

[Mark Barrett] (3:00 - 3:05)

Good. Okay. So then you got involved in property when you was over here, was you?

[Tim Witt] (3:05 - 4:00)

Yeah. I got involved in property. So I started working, my first job was like a project management consultancy.

So I was representing developers on the sort of developer side as a project manager. So it got me interested in property from that perspective. But also when I started, I moved into a house, I was renting a room, which is like a HMO.

Yeah. And I was sort of like, oh, this is- Where was that? It was in Hill Green.

Oh, right. Yeah. Yeah.

Yeah. Near the airport. And I think it was 500 a month bills included.

I'm like, this is a bit pricey. But then when I looked at it, I'm like, oh no, that's the going rate. That's the double rate.

I'm like- So that was your introduction to HMOs. Yeah. Yeah.

And I'm like, yeah, he's making a bit of money out of this, isn't he? Whereas in Australia, rental is a bit harder to get cashflow. So I just automatically learned that it's just easy.

Well, you can do it. You can get cashflow easier in the UK, I suppose, because the rental demand and the higher rents and things like that.

[Mark Barrett] (4:00 - 4:05)

Yeah. Very good. So Guillaume, do you want to just give us a bit of an introduction to yourself with people that don't know you?

[Guillaume Black] (4:06 - 4:54)

Yeah. Thank you very much. So I'm Guillaume Black.

I'm the CEO and co-founder of Property Filter. We are an online platform that helps investors and developers find great deals faster. And there's a lot of little property softwares around, and the idea is that who really wants to be looking at data when you could be looking at deals?

So we flipped the whole thing on its head, and we've been the first one to make it really outcome-based. And it's all about finding deals, all about the outcome, the next step, and finding deals. So we've built a whole framework around it, all the way from generating the leads to having the framework to convert all these good leads into great deals.

It's all on the platform, and we've got 1,000 people using the software now up and down the country. People like you guys are doing really, really well. And so, yeah, it's been going quite well for us.

[Mark Barrett] (4:55 - 4:59)

So I've known you a few years from Property Entrepreneur. When did you join? Yeah, three.

[Guillaume Black] (4:59 - 5:55)

I'm finishing my third year, Property Entrepreneur, going on to my fourth. Yeah, I think when you get hooked, you know, with these things. Before that, I used to build and repair bridges.

So a bit similar to Tim, but in the highways, you know, infrastructure sector. So I had to unlearn a lot of stuff, you know, because the scale of the residential projects I went on to do, dealing with builders, it's not like managing contracts, you know, and all this kind of stuff. So, yeah, so that's how we kind of started.

When I started, Property Entrepreneur, I was still working full time. I think I had one HMO and one single let, and in the first year, we tripled the size of the portfolio. And people were asking us, how did you do that?

And it's where we had this little, ugly, clunky little software only I could use. And we started to share and then you just scale from that, from feedback and things like that. So from the first year on P, so.

[Mark Barrett] (5:56 - 6:01)

Excellent. Excellent. Yeah.

So your accent as well. What was that? Yeah, we need some subtitles as well.

[Guillaume Black] (6:02 - 6:09)

I'm originally from France, but I've been abroad since 12 years in the UK, since seven years now.

[Mark Barrett] (6:10 - 6:10)

Right. Okay.

[Guillaume Black] (6:11 - 6:12)

Very good.

[Mark Barrett] (6:12 - 6:58)

Yeah. Very good. So what we're going to do is we're going to come back and just find out a bit more about Property Filter, because Tim used it.

We use it as well for looking for some of the deals that we're looking at at the moment, which are like the social housing portfolio builder stock. So it's a great tool. And we're also going to record a special demonstration and we're going to put that in the show notes on a YouTube link.

So we'll do that as well, just to give people like an overview as to what it is. So Tim, you came over 2014 and then you was working in the property industry. How did you then kind of get involved in investing yourself there?

[Tim Witt] (6:59 - 7:45)

Yeah. So I started investing, we bought the first property, which is like our own house in 2017. Worked out that we could add some value fairly easily and refinance to produce some funds to invest.

So from there, we started buying some single lets while I was working, doing that on the side and stuff like that. And then I sort of got to a point that I had a few and run out of money and didn't really know what to do next. So then I just started networking a lot more, got involved in the PIN network.

And then when COVID hit, I really just decided to take it seriously and go, you know, I want to clear goal and what I want to get to, you know, and I wanted to, you know, get into a position that I could have more flexibility with my work and work on my own businesses and my own property portfolio full time.

[Mark Barrett] (7:46 - 7:50)

Yeah. So did you go on to the mastermind program?

[Tim Witt] (7:50 - 7:58)

Yeah. So I did a mastermind with Simon Zucci and Andy Haynes in end of 2020. So that finished the end of 2021.

Okay.

[Speaker 5] (7:59 - 7:59)

Yeah.

[Tim Witt] (7:59 - 8:05)

Which is great. It just completely changed the mindset of what you can do and how creative you can be and things like that. Yeah.

[Mark Barrett] (8:06 - 8:08)

And then you say you took a year out then?

[Tim Witt] (8:09 - 9:05)

Yeah, I took a year out from any sort of training programs or education, things like that, just to focus on getting a lot of my projects that I was doing finished and, you know, in a good state and things like that. And then I built up quite a big portfolio during that time fairly quickly. And then I got advised to look at Property Entrepreneur because, you know, it was important that I learned about the business aspects and how to properly get the team in place and outsource things and new systems and those sort of things to help that business and grow from there, basically.

So you're at the end of your first year, is that right? Yeah, almost at the end of the first year. Next month's the final presentation.

And how have you found it? Really good. Yeah.

Yeah. Great group of people. Yeah.

And really, really great structure to learn, you know, how to run a business and how to utilize the seasons and all those sort of things to structure it in the right way.

[Mark Barrett] (9:05 - 9:10)

Yeah. Very good. And wealth dynamics, we talked about that.

What's yours?

[Tim Witt] (9:10 - 9:11)

I'm a steel, actually.

[Mark Barrett] (9:12 - 9:12)

Okay.

[Tim Witt] (9:12 - 9:25)

Yeah, I'm very sort of numb, like I'm good with numbers and a bit of detail and stuff like that. So I'm fairly centered. But I do like to think I've got a bit of a creator side as well.

Okay. Trying to be, you know, being an entrepreneur, those sort of things.

[Mark Barrett] (9:25 - 9:33)

Yeah. Yeah. So you're in that kind of like, that kind of sector with kind of like steel, some mechanic and then some creator.

[Tim Witt] (9:34 - 9:37)

That's right. Yeah. And then fairly central lord, the rest of it.

[Mark Barrett] (9:37 - 9:37)

Yeah.

[Tim Witt] (9:38 - 9:45)

So, yeah, good with systems, good with processes, you know, getting through lists, stacking numbers and all those sort of things. So that's great.

[Mark Barrett] (9:45 - 9:45)

Yeah.

[Tim Witt] (9:45 - 9:45)

Yeah.

[Mark Barrett] (9:46 - 9:46)

Yeah.

[Tim Witt] (9:46 - 9:53)

Which makes sense because, you know, project management, a lot of that is those sort of things really, which is my, which was my previous career. Guillaume, what about yourself?

[Guillaume Black] (9:54 - 10:15)

So I'm a star, so I've got a bit of a creator and, you know, a bit of dynamo and a bit of blaze. Okay. But really, I think 10 years of engineering have deformed me, you know, like, so I'm good with spreadsheets and things like that as well.

But really, I'm more comfortable on my two feet and speaking with you guys, you know, and, you know, looking at my spreadsheets.

[Mark Barrett] (10:16 - 10:16)

Yeah.

[Guillaume Black] (10:16 - 10:16)

Yeah.

[Mark Barrett] (10:17 - 10:25)

Okay. Very good. So let's go to like, like current day then.

So what you're involved in now?

[Tim Witt] (10:25 - 10:58)

Yeah. So my main focus now is I've got a business called Property Portfolio Building. So we do a lot of development projects for clients where we do conversions of residential properties to cash flowing HMOs and commercial resi conversions to, you know, blocks of flats and things like that, multi-let properties.

And then we've also got the leadings business as well called Invest Multi-let, where we manage those sort of properties for us and our clients as well. Whereabouts you based? In Manchester, Greater Manchester.

Yeah. Yeah.

[Mark Barrett] (10:59 - 11:05)

Okay. Very good. And so the kind of project you're working on then, what would you say that would be?

[Tim Witt] (11:05 - 11:32)

Lots of different projects, but I'd say 70% conversions to HMOs. So we might get a big corner terrace or something like that that will convert to. We look at minimum five bed HMOs, so five bed or higher, you know, nice co-living designs and space and things like that, usually with predominantly en-suites or, you know, maybe a bathroom between two rooms, but, you know, a nice standard, best standard in the areas and things like that.

[Mark Barrett] (11:32 - 11:32)

Yeah.

[Tim Witt] (11:32 - 11:45)

And then we also do the other 30%, I'd say a commercial resi conversions where we find a good commercial size block and, you know, convert to, you know, five plus flats or something like that for us and clients. Right.

[Mark Barrett] (11:45 - 11:46)

Okay. Good.

[Daniel Hill] (11:48 - 12:51)

Jumping in quickly with a no brainer, potential 100 times return on investment opportunity for you. If you're an experienced investor and you're looking to go from property refurbs and conversions into smaller, medium sized developments to create seven figure equity and six figure incomes, the recording of our deals, deals, deals, half day training workshop is now available to purchase online for the comfort of your own home. And in your own time, you can learn the unique and proven blueprint that I've personally used to create multiple seven figures in equity and six figure incomes using the unique build to lease development strategy.

It's the full training, all resources, the deal appraisal spreadsheet that I've personally used to complete on over 10 million pounds worth of deals is all available and included in the pack. Turn 500 pounds into 500,000 in less than 12 months now by purchasing your training program online at www.buildtolease.co.uk. Back to the podcast.

[Mark Barrett] (12:54 - 12:57)

And how do you actually source these properties, Dan, what's...

[Tim Witt] (12:57 - 13:40)

So just to lead on to the special guest here, but yeah, all we use the system property filter, you know, all for our sourcing. And what I mean by that is even so the residential deals we get all through property filter pretty much. So, you know, things that would convert HMOs, things like that I talked about.

Some of the off market or commercial deals that aren't on property filter, we add them to property filter because we also use it as a database to go through the full system. So yeah, every property we view, make an offer for or purchase is all in property filter as a database. So we...

Like a deal progression. Yeah. It's a deal progression system.

Definitely.

[Guillaume Black] (13:40 - 13:41)

Yeah. Yeah.

[Tim Witt] (13:41 - 14:12)

Yeah. And we honestly, it saves us a huge amount of time. We're not scrolling through right move anymore.

We only view properties that will meet the criteria for us and our clients. And because of that, when we do view it, you know, could I'd say like 40% we end up making off before because, you know, they're pretty much the right sort of property before we view it. Sometimes we need to check some things like, you know, could the basement be converted loft or something like that?

Some things you can't tell like that online. But yeah, predominantly we know that it's the right sort of deal before we even go out to view it.

[Mark Barrett] (14:12 - 14:22)

Yeah. Okay. Good.

Yeah. Good. So if anybody that's not used it or seen it, do you want to, Guillaume, do you want to just give us an overview as to what it is that I know we're going to do like a demonstration, but...

[Guillaume Black] (14:22 - 18:30)

Basically it's a big data on powered platform all about finding deals. So we pull, we match and merge everything from the Internet, you know, that's property related and we build this into a framework so you can find your deal. So there's different steps to the framework.

but the main aspects is to set and forget one's criteria into those lead generator bots. And then the system would then just go and hunt for us while we sleep 24-7, brings leads in our inbox that match our criteria. And amongst these, it would give us a hit list of the most motivated sellers.

So instead, we might have 20 or 200 properties that match this criteria in this area. But then where do we start? What am I going to do this week?

And so this is where you'll have a hit list of 10, 20 properties, which are the most motivated. So they are the ones where the sales fall through, it's listed with multiple agents, it might be negative equity, and lots of clues and things we put together. And so you can basically manage your time and go straight to the viewings where it matters.

And then on the other side of that, it's what you were referring to as the deal progression. So we've got a sourcing pipeline, which is the only CRM system, if you like, for deal progression that is actually linked and live with the market. So you can, you know, most people going for it in property will have some kind of a follow-up system, you know, they'll have the spreadsheets or the trailer board of some sort, or they even pay for a system.

But the thing is, you're always copy-pasting right-move links or other links, and you're always enslaving yourself to opening the link every so often to update your system. So very quickly, you have to pay a VA, you know, 200, 300 points a month just to keep the spreadsheet updated, you know? So in contrast, all of this is live, but you can also add your off-market properties.

And you can leverage the database in the backend of Props Filter to do due diligence on the area of this off-market property or on this off-market property as well. You know, it will tell you the lease lengths, it will tell you if it's owned by a company, it will link with company houses, and quite a few other things. And the idea is all about, you know, property's a people business and it's a numbers game.

It's a people business because you want to buy from those people that really need to sell, and it's how we highlight this with those short leads. And then it's a numbers game, so it's having this deal progression and all this thing. Most people know, you know, that they need to do these things, but they don't because it's overwhelming, you know?

So the average property investors out there are spending most of their time scrolling through the portal, trying to make the deal stack, and then they're running around with the very little time they've got left to actually do the stuff that make money in property. And in contrast with Props Filter, what we do is we fast forward, when we pull forward all the research and the admin, which is automated, you know, done for you due diligence, picking up the full address and things like that, so that this is all done for you in the front so that you can build this healthy pipeline of deals. And visually, your mindset even changes because you don't have this scarcity thing trying to make this one deal work.

You know, there's dozens and dozens you're working on at the same time. So when you negotiate, you don't have this motivation of making the deal work because, you know, you don't care quite frankly if it's all these other ones you're following up on. And then this really buys back your time so that the vast majority of your time is actually spent on doing the stuff that actually makes money in property.

Just speaking with vendors, you know, positioning offers, following up, you know, negotiating, you know, building rapport with the agents and all that, which is, you know, like properties of people business again. And you can only do these things at scale if you are targeted and focused on the right opportunity in the first place. So that's kind of the methodology and the idea is exactly like you said.

So you don't waste your time on viewings, you know, nevermind scrolling through the portals, you know, anymore, but because you are highly targeting the viewings you do, you go only to see the right opportunities that are right for you and everything you see pretty much you're going to offer on, and then you never miss a follow up. And you and Phil, you've got to be some of the guys who embraced the blueprint, you know, in PropTilter the most. And any of these, you know, success and failure are very predictable, you know, like at the end of the day.

[Mark Barrett] (18:30 - 18:34)

So fair play to you guys. How many deals did you say you found this year then?

[Tim Witt] (18:34 - 19:03)

Yeah, so from January this year, we've secured 11 deals. We've got a few more that we're about to secure as well, by the way. About seven months?

Yeah, yeah. Yeah, in say seven months, because August has been fairly quiet because of some holidays and things like that. So, and seven of them were exclusively through PropTilter through the, you know, the way Guillaume was saying there.

And yeah, the other four have been sort of off market commercial and we've added on and we've got the process and yeah.

[Guillaume Black] (19:03 - 19:07)

Yeah, using the deal progression. Deal progression, yeah, the dashboard.

[Tim Witt] (19:07 - 19:21)

Yeah, we go through that. So like a Monday morning, we'll go through the ones that have come up on the filter, work out exactly which ones are worth viewing. You know, that's like a 20 minute, half an hour process on Monday.

Get the viewings booked in, get them in and then stack the deal from there.

[Guillaume Black] (19:21 - 19:26)

So how long would you say you spend on PropTilter? On a week or you or your?

[Tim Witt] (19:26 - 19:47)

Myself personally. Or you or the team, you know? About 20 minutes myself.

I'd say the bulk of the time is, so we have admin, somebody who helps us from an admin perspective. And she will go through it and see the ones for the criteria and then book in the viewings. So that takes, I'd say a few hours a week, maybe five hours a week or something like that.

Five hours a week and you get a deal a month.

[Guillaume Black] (19:48 - 19:48)

It's not bad, you know?

[Tim Witt] (19:49 - 20:28)

Yeah, so we, the way our business is working is that we're working towards two deals a month basically. So, you know, that time and that system, you know, helps us be able to do that. And like you said, we can focus on the high value stuff.

So making sure we're doing a really high value service for our clients, building the relationships, you know, managing all the projects successfully and having the right team and all those sort of things. So instead of, you know, scrolling through and going to properties that, you know, where the sales aren't motivated, we end up getting properties that the right size, need works that we want. And a lot of the time, they're really highly motivated because they're the ones that have come to us because sales have fallen through and all those sort of things.

[Mark Barrett] (20:28 - 20:38)

Yeah, yeah, that's good. I think you were saying on yours, you can set up your filters and then on yours, it's like a minimum of 100 square meters. Yeah, yeah.

It's the size that you need to be able to do the five bed HMO.

[Speaker 5] (20:39 - 20:39)

Yeah.

[Mark Barrett] (20:39 - 20:53)

And then you can do like the different areas. Yes. Focus on different areas.

You're saying like if you've got a different, sorry, you've got a client who's wanting a different area, you could just do one set up for them. Yes. I think it's quite good for that.

[Tim Witt] (20:53 - 20:59)

And the Article 4 one's really good because we secure a lot of properties literally just outside of Article 4 for that reason.

[Mark Barrett] (20:59 - 21:03)

It's got like a map filter that you can just have a look at to see if it's inside or outside.

[Tim Witt] (21:04 - 21:11)

Yeah, it has the map filter and then as you go to a property, it has the text whether it's inside or outside of Article 4 straight away as well, which is really helpful. That's good.

[Mark Barrett] (21:11 - 21:15)

So we're actually gonna go through one of your deals. Yeah. So what deal is that there?

[Tim Witt] (21:16 - 22:22)

Yeah, so this property was basically, it was three average flats in a big warehouse basically. And whereabouts is this? This is in Oldham.

Okay. So northern Manchester. So yeah, when we looked at it, there's a few different options of what we could do.

It was underpriced because it was on an auction site that basically it was just advertising, correct, because it's more of a residential property, but it was like advertised with about five or six other industrial units. So the people that would have bought that property just would have missed it completely. So it was on that site, which is, so yeah, our strategy was to build our cashflow at the time.

So one of the problems we had is there's a few different options, but what we worked out was, we want cashflow, HMOs were doing that for us. So to maximize the cashflow, we decided to convert two of the average flats to one six-bed HMO, and then convert the warehouse and basement to a four-bed HMO, and then do a bit of a light refurb the other flat. So we end up having 11 income streams from that property once all done.

[Mark Barrett] (22:23 - 22:29)

Great, yeah. So what was the, how much was it on for, the property?

[Tim Witt] (22:30 - 22:38)

I'm trying to think what it was advertised for. I think it was about 240, 250, but we secured it for 218,000. Okay, that's good.

[Mark Barrett] (22:39 - 22:51)

And then size-wise, is it about 320 square meters? Yeah, over, yeah, 320 all up. Yeah, okay, good.

And then, so then you bought it, do you need planning for that now?

[Tim Witt] (22:51 - 23:14)

Yeah, we basically, we needed two lots of planning approval. So the warehouse converged to the four-bed, needed full planning. The upstairs to basically amalgamate the two flats needed planning.

But the council were very supportive because there was a big under-supply in that area of HMOs, especially good quality ones, so they were really supportive and we didn't really have too much of a problem with planning for these two, which is great.

[Mark Barrett] (23:14 - 23:24)

Okay, that's good because I've had, yeah, some issues with that particular council, sometimes on getting HMO licenses approved.

[Tim Witt] (23:24 - 23:30)

The licensing was slow. The licensing was slow, definitely, because they're a bit understaffed, so yeah, I could imagine.

[Mark Barrett] (23:30 - 23:32)

Yeah, but I suppose getting the planning is the main thing.

[Tim Witt] (23:32 - 23:35)

Yeah, the planning was quicker than the licensing, definitely.

[Mark Barrett] (23:35 - 23:44)

That's good. So you've then, you bought the property in 218 and then you've then done, so two conversions you've done?

[Tim Witt] (23:44 - 23:54)

Yeah, we did it all together, but yeah, two areas, so like the warehouse was like a big open, quite high space, so we put in some extra floors for the rooms.

[Mark Barrett] (23:55 - 23:55)

Yeah.

[Tim Witt] (23:55 - 24:02)

Out the back, there's a sloped laneway, so we knew with the basement that we could add in some windows and natural light and convert the basement as well, so.

[Mark Barrett] (24:03 - 24:07)

Yeah, and then what was the tenant type that you was targeting for those?

[Tim Witt] (24:07 - 24:08)

Working professionals, yeah.

[Mark Barrett] (24:09 - 24:09)

Yeah.

[Tim Witt] (24:09 - 24:10)

Yeah, yeah.

[Mark Barrett] (24:10 - 24:14)

And then how long was the actual conversion period then?

[Tim Witt] (24:14 - 24:17)

Conversion time, I think it was about 24, 25 weeks.

[Mark Barrett] (24:18 - 24:18)

Okay.

[Tim Witt] (24:19 - 24:22)

So we had it fully tenanted late last year.

[Mark Barrett] (24:22 - 24:28)

Yeah, okay. And then was there any kind of like particular issues during the conversion?

[Tim Witt] (24:29 - 25:44)

The one biggest challenge we had was, because we're buying it from an auction site, we had the quick timeframes to complete on the deal. Okay. And how long was it?

Because sometimes 28 days, sometimes 56 days, what was the? I think this one was 28 at the time. So a lot of the times now we negotiate 56 days before the auction.

So that's a good learning is that you can negotiate that before you don't always have to do 28 days. And we had a valuation survey done that was just completely inaccurate to start with. How was your funding it?

So we were getting bridging and development finance plus a bit of funds of our own. And then because of the very low initial valuation, we end up cash funding through private investors, the development finance. Okay.

So how much was it valued at then initially? This is, yeah, this will blow your mind, but so it was valued at 200. So the final GDV was valued at 287,000 after the conversion.

Wow. 11 units. With 11 income streams, you know, 10 bed HO on a flat in one of the fastest growing areas for growth in Manchester at the time.

So it was just completely wrong.

[Mark Barrett] (25:44 - 25:44)

Yeah.

[Tim Witt] (25:45 - 26:12)

And the final valuation we got after the works were completed was 617,000. So it was, yeah, it's just really wrong. And obviously we knew it was wrong.

But because of the time frame with the auction, we didn't have time to do anything else. So. You were committed.

We were committed, yeah. 10% deposit. So now we've got a full system and we know the surveyors in the area and stuff like that.

And we, yeah, we haven't had a problem since, but it was a really good learning to be honest.

[Mark Barrett] (26:12 - 26:17)

Okay, good. So how much was the conversion cost there?

[Tim Witt] (26:18 - 26:47)

Conversion all up was 193,000 pounds. That's not bad, is it really? Yeah.

Part of it, yeah, I did the project manager myself, which is probably one of my learnings. It's good to have a power team involved because it can take up a lot of time. So these days I now have project managers that work with me on all these projects to free up time for the other works on the business and things like that.

But I was at this point project managing all of the developments myself basically.

[Mark Barrett] (26:48 - 26:52)

And then your, so who's in your team then? What's your team consist of?

[Tim Witt] (26:52 - 27:44)

So now at the moment we've got two project managers. Are they employed or self-employed? They're self-employed.

Yeah. Yeah, so they sort of work a project by project basis. One of them, a large majority of his works through our projects because we have a consistent stream, things like that.

And then, yeah, we've got someone that works full times in our leading business. And then we've got a combination of personal assistants, virtual assistants, finance team support and things like that as well. And then obviously the wider team is, we've got a good group of building contractors that we've used and architects, planning teams and those sort of things that we use project to project, mortgage brokers, solicitors, all those sort of things.

And then anyone that works with us where we do the full service end-to-end forum, you know, we use that team and we introduce them to people like brokers as well if they want, finance brokers, et cetera, and solicitors, so.

[Mark Barrett] (27:45 - 27:49)

Yeah, very good. So do you wanna just run through the numbers there?

[Tim Witt] (27:49 - 28:09)

Yeah, so the overview of the numbers, so yeah, purchase price 218,000, conversion 193,000. The final NGDV, like I said before, was 617,000. And the gross rent is, at the moment, 6,975 a month.

Net cash flow is around.

[Mark Barrett] (28:09 - 28:12)

Is that about 500 a room then, something like that?

[Tim Witt] (28:12 - 29:05)

No, no, the rooms are six, four, five. Wow. Pretty much all of them, apart from two of them that share one bathroom, and I think they're six, two, five.

So, yeah. Good rents, then. Yeah, they're great rents, yeah.

Yeah, excellent rents. And we do get really good, we get a lot of inquiries in the area as well, so, which is good. So what size of rooms would you say they are?

They're double, they're all double-sized rooms, so at least 10 and a half square meters. Yeah. Probably between 10 and a half and about 14, 15, I'd say.

Okay, good size then. Yeah, good size. The sixth bed has a much bigger communal space.

Yeah. And we just find that gets less voids. The rent's the same, but it gets less voids, so the big learning there is if you can get those really good communal spaces.

What size is it, what kind of square meters is it? The communal space.

[Mark Barrett] (29:05 - 29:07)

Yeah, because you need like 19 and a half as a minimum.

[Tim Witt] (29:07 - 29:27)

Yeah, I think it's about, so we got like a dining lounge area that's probably about 23, 24 square meters, and then plus quite a large kitchen with a bit of a separate, you sort of like breakfast bar slash study area at the end and stuff like that, that's probably at least 15 square meters as well.

[Mark Barrett] (29:27 - 29:34)

So it's a good size. Yeah. Yeah, very good.

So you've got the rent stand, sorry, just go back to that.

[Tim Witt] (29:34 - 29:44)

Yeah, so rent, yeah, almost 7,000 gross a month. Net cash flow, we appraised it at about 2,600, but we are getting probably more about the three grand net profit at the moment.

[Mark Barrett] (29:44 - 29:56)

Yeah, and then when you, did you refinance that then at the end? Yeah. You got the revaluation of 618, and then how much then did you have in, did you have any money?

[Speaker 5] (29:56 - 29:59)

Yeah, we had 30-odd thousand left in it.

[Tim Witt] (29:59 - 30:11)

Okay. So at the time, the ROI was about 80%, but, so this was the end of last year, we had it fully let, so we're almost all money out now with the three grand a month roughly, so. Great.

That's almost a sort of free property.

[Mark Barrett] (30:11 - 30:11)

Yeah, yeah, yeah.

[Tim Witt] (30:11 - 30:12)

As of now.

[Mark Barrett] (30:12 - 30:13)

Excellent, congratulations.

[Tim Witt] (30:14 - 30:14)

Thank you.

[Mark Barrett] (30:14 - 30:21)

Yeah, so looking back at that, is there any like top tips for people? Do you have three to go through, would you say Tim?

[Tim Witt] (30:21 - 30:36)

Yeah, yeah, there's definitely learnings and top tips for this one. So the first one is like I talked about with the valuation surveyor, so if you're doing these sort of projects, get to know the valuation surveyors in the area, and get to know the ones that value in the same way or similar way that you appraised the deal.

[Mark Barrett] (30:37 - 30:45)

So if you'd not, for anybody that's listening, if you'd not kind of like invest in that area, how would you go about to actually get to know them?

[Tim Witt] (30:47 - 31:02)

Either through references for other people or through experience, I suppose. So yeah, we've got a couple in Manchester that we, obviously you can't tell until that's who you wanna use, but the strategies where you do get the surveyor on your project.

[Mark Barrett] (31:03 - 31:11)

Yeah, I think like other investors kind of like networking with that and also mortgage brokers. Yeah, mortgage brokers are a good one, yeah. Be good for that one.

[Tim Witt] (31:11 - 32:57)

Yeah, investors that do these things regularly, they will know and they will tell you because they wanna help people and fast track that learning. So yeah, that's a good way. And then have a bit of a system in place.

So you get to know a surveyor, but you show them what the rents are, what they're gonna be, what the final photos are gonna be. You give them a bit of a pack, show them the properties you do and things like that without trying to like tell them how to do their job. It's more giving the information that helps them make the right decision.

Yeah, I think that goes well. Yeah, so that system really makes a big difference. So that's the first tip.

Second tip, these sort of projects, like it's all about power team. So you need a good building contractor. Yeah.

So again, you can do that many different ways. My biggest thing is have a project manager. If you can have a project manager and a team that can manage it for you, then you're not having to drive out to site to visit regularly.

You're not getting numerous calls from your builder day in, day out. And you can focus on finding more deals and building a business and things like that. So the power team is really important for these sorts of things.

And if people do a good job, reward them, make sure they wanna work with you regularly and give you good pricing and things like that. And then tip number three, we touched on it before with communal spaces, but the general design, the interior design by having good trendy colors, nice finish, really good professional photos that are dressed, helps get you the right tenant and the right really good rents in the area. Because like you talked about before, they are the top rents in that area.

And if you go to spare room, if you see our photos, it just stands out from the basic other ones. So that must help dramatically to get a lot of inquiries from people.

[Mark Barrett] (32:57 - 33:01)

Fantastic. And contact details, anybody that would like to get in touch with you?

[Tim Witt] (33:02 - 33:30)

Yeah, so on social media, you can add me, Timothy Witt on social media. So Facebook and LinkedIn, property. Can you just spell Witt?

Yeah, W-I-T-T. Yeah, okay. Yes, yeah, good point.

A lot of people put H in there. And also Property Portfolio Building on Facebook, propertyportfoliobuilding.co.uk. Yeah, and get in touch with those avenues if you're interested or you wanna get in touch. Excellent.

Guillaume, contact details?

[Guillaume Black] (33:30 - 33:55)

Yeah, you can find me on the Facebook and LinkedIn at Guillaume, so good luck with the spelling. So that'd be a G-U-I-L-L-A-U-M-E. And then the last name is black, like the color, which is a lot easier.

But you can't miss, you know, there's only one, you know, it's not a John Smith kind of name. Yeah, on Facebook and LinkedIn, and then property-filter.co.uk. And you can, yeah, have a bit of a play with the system yourself and find your next deal.

[Mark Barrett] (33:56 - 34:05)

Great. So we've put in those contact details in the show notes, and then we'll also put in the YouTube link for the demo as well. Awesome.

[Tim Witt] (34:05 - 34:09)

All right, thanks, guys. Thank you very much. Thanks for having us.

Thank you very much, Mark. Thank you for having me.

[Daniel Hill] (34:12 - 34:55)

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