**TBP 175 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 - 1:01)

Hi, it's Mark and welcome to the latest Deals, Deals, Deals podcast, and I'd like to give a warm welcome to my guest, who is David France. How are you doing, Dave?

[David France] (1:02 - 1:03)

I'm very well, Mark. How are you?

[Mark Barrett] (1:03 - 1:10)

Yeah, yeah. Very good. Thank you.

So you are in a bit sunny Cumbria, is it?

[David France] (1:10 - 1:18)

That's right. The Lake District and it is very sunny today. Normally it's chucking it down, past few days it's been really bad, but today's lovely.

Yeah.

[Mark Barrett] (1:19 - 1:31)

Very good. So I think we've actually come across you a few years ago. I think we've been in touch and then it was good to see the property entrepreneur.

[David France] (1:32 - 1:38)

Yes. It was going to be seeing each other on a regular basis, I think as well.

[Mark Barrett] (1:38 - 1:45)

Yeah. So that's good. So for anybody that doesn't know you, could you just give us a bit of background to yourself, please, Dave?

[David France] (1:45 - 2:05)

Certainly. Yeah. 41 years old, based up here in the Lake District and got two children, a three-year-old and a six-year-old boy and girl.

And yeah, I've set the businesses up. So we work remotely and mainly from home so I can take the kids to school and such. And that's the way I wanted to build the businesses.

So yeah.

[Mark Barrett] (2:05 - 2:15)

And then your background then, so quite interesting. So you kind of left school and then you got into a trade, didn't you?

[David France] (2:15 - 3:49)

Yeah. I was a joiner. So I did an apprenticeship doing joinery and mainly started out in the workshop, making doors and windows and then transitioned and went out onto site and started doing the fitting.

And then I went into fitting kitchens and then working on building sites. And yeah, it's a long, long time ago, so over 15 years ago on the tools properly. And I went self-employed and it was a hard way to make a living.

It was good because quite ambidextrous, quite liked doing the work, you know, stand back at the end of the day and you can see what you've done, which is a bit different to the world we're in now, but it's obviously a lot more lucrative what we're doing now. So yeah, so that was then, did the joinery and then started to get curious into how to get out of that because I saw some of the people that were in it that were coming up to retirement and they didn't, you know, this sounds a bit judgmental, but you kind of end up judging people. They go on maybe one or two holidays at best a year and they just seem like they're just working their fingers to a bone.

And in winter you're on building sites, it's just not good fun. So I needed to get out of that. So I started looking how to do that and picked lots of different things, you know, stocks and shares, eBay shops, all this kind of stuff.

And then came across property through Sarah Beeney. You probably remember Sarah Beeney, the good old days. And then you just get a bit of a flavor and you start trying things and then property is really the only vehicle that's ever made me any money.

[Mark Barrett] (3:51 - 4:33)

Yeah, OK, that's. Yeah, it's interesting, this kind of, you know, I think a lot of people will watch like the Sarah Beeney type programs and kind of they are great, they kind of certainly get the imagination going and it is a great way to get into property. And we were talking before about, I think it's quite common, certainly the people I speak to and the first property you buy can be a bit of a lemon.

And I've had one which was kind of like near Burnley, which wasn't the best property I kind of bought. And I think yours was in the States, was it?

[David France] (4:33 - 5:13)

Yeah, we bought one in Detroit. And yeah, luckily we broke even when we sold it. But there's a lot of people that lost all the money that bought over there and come across all kinds of horror stories.

But, you know, distance, buying unseen, loads of common mistakes, which you think about it now sounds crazy, not buying a property unseen. But you do some of these things. And, you know, when you when you start out, I guess, and you pay the price one way or another, you're paid to get educated by someone who's done all that and can help you avoid some of the expensive pitfalls.

Or you go through it yourself and you could end up, you know, being stuck with these lemons and trying to figure it out yourself.

[Mark Barrett] (5:13 - 5:19)

Yeah, that's right. So you've been full time, was it about 10 years, did you say?

[David France] (5:19 - 5:35)

About 10 years full time. I bought my first proper investment here in the UK about 15 years ago in Liverpool, in a place called Versace and I've got the property to this day. And it's been one of the best performing assets in my portfolio since I started.

[Mark Barrett] (5:35 - 5:37)

What type of property is that?

[David France] (5:37 - 6:04)

And it's just a non-glamorous bi-toulette, it's just a three bed semi off road parking with a garden and the tenants get to live in that property to stay for years and years and years. Very little problems. And they're the kinds of properties I've generally put in my portfolio over the years just because they're very safe and provide a very predictable cash flow every month.

And capital appreciation as well. As opposed to flats.

[Speaker 4] (6:05 - 6:05)

Yeah.

[David France] (6:05 - 6:15)

That's some of the mistakes I made buying flats over the years. But yeah, it comes with just trying different things and finding things that work.

[Mark Barrett] (6:16 - 6:19)

Yeah. So when you got into property, you was deal sourcing?

[David France] (6:20 - 8:20)

Correct. Yeah. I didn't have a lot of money to get started in property, so I started deal sourcing to build up my cash pot.

So finding deals, broken them, standing in the middle, collecting fees. And the best part about it is very low risk and you can soon build up the fees quite quickly. I was actually, remember when I was transitioning out, I've been a joiner, I was fitting kitchens at the time.

And I was relating every deal I did in property because I was doing both jobs at the time. So I was doing the property business part time. But the main source of income was meant to be the joinery.

But then I realised very quickly the property business started to overtake the income without doing hardly half as much, obviously, physical work. I think some of the average deals would take about seven hours to put together, start to finish. So from finding them, negotiating them and finding a buyer, collecting a fee.

And then I was relating that to how long it would take to fit a kitchen, might take two weeks and you get paid two or three grand. These days, the rates, labour rates are a bit higher, I suppose, but still, you've got to work very hard to get that money. Whereas the business we do now, it's a lot of leverage and there's many different sides to it as well.

And the thing I loved about sourcing is that when you do start taking the deals and buying them for your portfolio, you can cherry pick the ones you find into. You find some really good ones, keep them and the ones you don't want might be out of your area or just not your criteria. And then you can just sell them on for a fee.

And that's how the business really started going, just by finding deals, selling them on and then starting to accumulate the properties through cherry picking the really good ones. I remember one of the best ones I did today. I know, in case you're curious, one of the deepest discounts I've ever done to date was about 47% off the market value.

So I was quite blown away when I got that deal. We don't do that many to that kind of discount, but that's when it gets really exciting, this property business.

[Mark Barrett] (8:21 - 8:23)

So what type of property was that?

[David France] (8:23 - 9:45)

That was a, it was set up as a five bed HMO, it was in a place called Walton in Liverpool. It was half finished. And this is why obviously we were able to get deals at really good prices, because it only suited an investor.

The story behind it was, I mean, I've learned so much about negotiation over the years as well. Whoever mentions a price first loses. And that's one thing that stuck in my head since I got told about some of the tips and tricks for negotiation.

So I just said to the seller, what do you want for it? Rather than me blurting out a figure, I said, look, I'm fed up with the property. My ex-husband lives next door.

Every time someone comes to view it, he scares them off. And there's a whole story behind this. And this is when these motivated sellers are starting to get these types of sellers that just are fed up with property.

You're certainly not taking advantage of them because they can only really sell to one type of person, cash buyers, because the property wasn't mortgageable. So you're really their knight in shining armour. You're there to help them.

And you're honest with them from the start. So I just said, well, what do you want? She said, I want this.

Just want what I paid for it. I'm sick of it. And we did the deal.

And yeah, that was one of the deepest ones in Discount we've sort of done. So they are out there to be done. But generally, the discounts are around about 15, 20 percent at the moment in today's sort of climate.

I find it vital.

[Mark Barrett] (9:46 - 9:52)

Yeah. So coming up to like current date then. So what is it you're actually doing then in property?

[David France] (9:52 - 11:15)

So we've got different sides of business. I've got my portfolio that I've been able to build up for the deal making. We've got the, sorry, through taking deals, putting them in the portfolio from when we've been finding them.

We've got the deal packaging company. And then we've got the franchise company where we train people on how to find deals and how to cherry pick the good ones, put them in the portfolio. The ones who don't want to commoditize and they can sell them to our investors for a fee.

But all the businesses link in. They're all dovetailed quite nicely because there's also there's like a synergy between them all. And that's how I started to really build them up.

But being on property entrepreneurs really helped, actually, because like a lot of business owners, you start something and you think, well, what's the end? And you're just working on this. It's almost like a treadmill.

There's no end in sight. And you kind of think, well, I just want to get bigger and I want more money. But there's no real rational thinking about it.

Whereas when I come on property entrepreneur, they tell you the structures of your business, the ways to operate them, especially through the seasons. And it makes a lot of sense that it just helps you get that clarity as, oh, this is why I'm doing this. And it's not all about the money.

The money is great. It's important. And it provides a very good lifestyle for us.

But then it comes a point where what you want is perhaps different to somebody else. And you've got to make sure you're not taking comparisons off Facebook and all that.

[Mark Barrett] (11:15 - 11:24)

That's right. Yeah, definitely. Life by design.

So you joined a year ago. How did that come about then?

[David France] (11:24 - 12:44)

I was listening to some of Dan's podcasts. I think I've seen him on Facebook and such like over the years. And then on some of the podcasts, I listened to them and some of his stuff just made a lot of sense.

I remember listening to him at the gym in the morning, probably on the treadmill or something. And you listen to these things and then you have to stop and you write stuff down. I think he made so much sense of that.

And it gives a lot of this really good information, powerful information away for free. So you're there scribbling it down. Right.

I need to implement that. And then I went along to the Blueprint event because it holds the three day Blueprints at the Belfry. And at the end of it, I was kind of very much sitting on the fence of whether I should join because I thought, well, it's a commitment.

You're signing up. That money could go into something else, into the business. But then, you know, I have to think about, you know what, I'm going to go into this because you see a lot of people like yourself have been on for many years and obviously you're very successful and lots of the other people I see are very successful.

So I think, well, if they're on it, then they're obviously getting something out, especially if they're on it multiple times, not just one year, every single year. And it's just like a cult, really, isn't it, where you're just a good one and you guys are just every year just and it's just about improving, you know, your lifestyle, your business. And it's not just about making money, which I like.

[Mark Barrett] (12:45 - 12:57)

Yeah. So that's interesting. What's what would you say after doing it for one year then?

And you've now gone on to advance, aren't you? Yes, I've signed up to advance. And what would you say the biggest takeaways have been for you?

[David France] (12:58 - 15:30)

I think really just getting clarity on what I want and what I don't want. And I think the thing you do at the start of the year, there was less grief, there's more less grief. That's it.

Yeah, that's brilliant. And it just helps you really get that clarity and you scribble it all down. And then at the end of it, you kind of and because you're writing it yourself, it's only, you know, it's you, it's coming out of your head what you like and what you don't like.

And and then you can really just start to focus on on what you want from there and just building your business and your life by design. And that's the thing that's brilliant about it, because especially with the deal party businesses, you look at any business that's successful and you try and emulate them and and take some of the best bits from them so you can build your business. And you kind of speak to people who see these companies are massive and they've got millions and millions in turnover.

And if you go, you want to be like them. But after going on property entrepreneur, you kind of think, hang on, that doesn't mean it's the right path for me, because, you know, when it comes to this whole set of problems, if you've got a massive office, there are loads of salespeople in and you're paying hundreds of thousands in marketing every month. And in fact, I know one of my business partners, he had the same type of business and he actually said to me, you're not making any more money.

He said, you're far better off staying as you are, there's a sweet spot. And Dan talks about this of any business and you're 40 percent net margins. You want to stay at a really decent margin level.

And this is why it works so well, what we do, because we don't have the big flash high street offices because that just drains your profit. And a lot of this stuff is ego driven as well, I think some of it. And so in the end, I just thought, well, I love what I'm doing.

I can take these kids to school in the morning like I did this morning, dropped them off. And, you know, stuff like that when you've got children, I think it's just a bit different from it's not all just about making money. It's got about creating a life that you want and going on lots of holidays, which is what we do.

Everyone's got the vices and that's what we like to do. But yeah, I think that's one of the biggest takeaways, really just getting the clarity on what I want and what I don't want. So then I realized I don't want that big high street office.

I just want to do everything remotely because pre kids were traveling the world. I got around the world ticket at one point, went around Hong Kong, Singapore, Bali, Australia, America, and just love doing all that. And I was able to operate.

I was still I was doing bits of property then, so I was able to operate it all remotely. And that's the vision for this business. You don't be restricted or location dependent and change to a desk and a place nine to five.

You can work this business wherever you want, whenever you want.

[Daniel Hill] (15:33 - 16:36)

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 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] (16:36 - 17:10)

I think there's a few things that you've kind of like mentioned then about kind of like business modeling, about kind of like looking at the kind of the sweet spots for your business. And also what you're saying about the kind of talk about the wealth hierarchy of kind of profit, sorry, cost flow, profit and assets and kind of like not getting too caught up in the noisy profits, making what you want to make and then be able to then spend your kind of like your time on building up profit and assets.

[David France] (17:11 - 19:35)

Yeah, well, some of the deals we'll talk about today fit in line with some of those layers. But I think once you've got your cash flow nailed, it's really good, as Dan says, not to try and scale a noisy business because it becomes even noisier and you want to start to work your way up the layers. And again, these businesses, because they all dovetail my portfolio, for example, been at the top of the wealth hierarchy with the assets, they're kind of very, very passive.

A lot of the buy-to-lets don't produce huge amounts of cash flow, but we've got quite a lot of them. And they obviously start to compound. You've got the capital appreciation.

And because we've got the SPV structures now as well, we can actually potentially look into in the future, put the children on as shareholders and have some kind of legacy benefit where you can hand these assets down to children. So this is what I like about the different layers and just making sure I'm conscious when I'm operating the business from an aerial view, because it's very easy to get caught up in the day-to-day running of the businesses. But then you've got to have that step back.

And this is why I like going to the Belfry every month, because I'm stepping off this treadmill I'm on every day, doing the businesses, spinning all the plates, managing all the team, because all the staff work remotely. And that comes, obviously, with sets of troubles from time to time. But yeah, you step off the treadmill, go to the Belfry, working on the business and not in it, and you're strategically making these little changes that really compound and make a massive difference over the year.

I mean, if I look back to when I started with Property Entrepreneur, I mean, that's SCS management. These are just some of the things that come to mind. SCS, so I was teaching the team on it.

In fact, one of the team members yesterday, I was telling her, she's not been on with us that long, and I said, we follow the SCS model. And she said, what's that? I said, set up, check in and sign off.

So I said, in a morning, so on a weekly basis on the deal packaging business, on a Monday, we'll do the set up. So we're setting the week up, what deals have we got to sell, who's selling what, who's doing what. In the middle of the week, we're checking in.

And then the end of the week, we're doing a group sign off. But I say it's relatable because you can do it weekly, you can do it daily, you can do it monthly, annually, and it relates to many parts of the businesses. So that's just one of the things that's been a big game changer at SCS.

And then lots of the other stuff that's not just the business stuff, the lifestyle, obviously, making sure you're looking after your health as well, because your health is extremely important and just making sure you're taking care of yourself as well.

[Mark Barrett] (19:35 - 19:43)

Very good. We also go about, sorry, cover the wealth dynamics. So you are, do you want to just go through what your profile is?

[David France] (19:43 - 19:55)

So I'm a creator and specifically built up of 40 percent Dynamo. 12 percent Blaze, 28 percent Tempo and 20 percent Steel.

[Mark Barrett] (19:56 - 20:08)

So there's a bit of a variety. Yeah, quite a good mix. And how did that land with you?

Because obviously, as that's predominantly 40 percent is like a creator. So are you the type that comes up with a lot of ideas?

[David France] (20:09 - 20:27)

Yeah. And not good at finishing them. Yeah, I do come up with a lot of stuff and then some stuff's not taken off.

So I am very head in the clouds and that's what that generally is, isn't it? I think it can serve you quite well. But then, you know, the it's really useful, the wealth dynamics, I think.

Yeah.

[Mark Barrett] (20:27 - 20:34)

And then you then got the Tempo as your secondary. So that's kind of like, you know, operational doing deals.

[David France] (20:34 - 20:35)

Yeah.

[Mark Barrett] (20:36 - 20:39)

So that kind of probably works very well in your business.

[David France] (20:39 - 21:25)

And when you do that test, I mean, you've got the free one, obviously, and you've got the paid one. So I actually was curious because it's only like 50 quid. I think it was for the main paid for test.

So you get the full. I don't know how many pages it is. It's like 10, 20 pages, something in there.

It goes into detail as to what specifically what your profile is about. And I really love some of the elements to it that you can kind of take away some of the best bits. But some of it really just is so accurate.

You know, the fact that I love the deal making, structuring deals, put a deal in front of me, I can help, you know, decide which way to go with it. And I love kind of structuring them, but also got that head in the clouds kind of thing as well when it comes to ideas. And but it's not always a good thing because I don't always finish things when I start things.

So, yeah.

[Mark Barrett] (21:25 - 21:40)

OK, so your Tempo, Tempo, Tempo. Yeah. Yeah.

So I'm kind of like opposite you. And I I love doing deals as well. So, yeah.

But yeah, it's it's interesting. It is.

[David France] (21:41 - 21:50)

And I haven't really come across it, I don't think, before Property Entrepreneur. And again, that was another thing that's that's really, really useful.

[Mark Barrett] (21:50 - 21:56)

I think it's also good when you're recruiting as well to get the right profile into the right position. Yeah.

[David France] (21:56 - 22:44)

Well, I'll tell you a quick story just quickly. When I first learned about it, I came on Property Entrepreneur and they got to one of the workshops where they were discussing the wealth dynamics. I actually went back the day after and told the team about it, the staff.

And I said, right, take this test. They didn't have a clue what it was about. I said, don't.

There's no right or wrong answer. Just take the test and tell me what the answer is. And one of the sales girls we got working for us, I thought, I hope you come back as a blaze.

And luckily she said, oh, I'm red. What does that mean? I said, it's a blaze.

Brilliant. And that was that was really good. So one of the other team members, she came back the same as me and I was a little bit disappointed.

But I think if we'd done the paid version, I think it would probably come to light. She's probably got a bit more, a bit more of the other profiles because she's definitely in the right role.

[Mark Barrett] (22:45 - 22:46)

What is she in it?

[David France] (22:48 - 22:48)

Sales progression.

[Mark Barrett] (22:49 - 22:49)

Oh, yeah.

[David France] (22:50 - 23:03)

And sort of more of a general manager now because she's very good at turning her hand to many parts of the business. And obviously sales progression is very delicate and I need to keep a close eye on it all in great detail.

[Mark Barrett] (23:05 - 23:22)

Very good. So we're going to go through three of your deals. And this is kind of how do you get like a 100k profit in three deals.

So, yeah, looking forward to going through these. So you want to introduce the first deal then.

[David France] (23:22 - 26:40)

Yeah. So the first one we did was an auction flip. This was in Slough.

So this one was sourced through our database. So we've got a database, obviously been in this business so long, we've compiled a database of investors, buyers and sellers, landlords, all kinds of stuff. And we have nurture sequences that are managed and we put marketing out.

So we basically asked the database if anyone had a property to sell because we sell a lot to investors. But then these investors are like us, they buy themselves lemons, they buy themselves the wrong properties or they get problems, properties and this is where we can come in to help. So one of them came forward, he had this property in Slough, it was a flat, one bed, had a short lease on it, 58 years.

So anything below generally 70 years, the mortgage lenders aren't really going to touch and you're going to be a cash buyer. So we managed to spot a strategy with this. It was a value add kind of strategy.

So we thought if we secure it, so we're going to actually buy it, we have to actually buy it with cash for 50k. Now, before we did that, part of our due diligence was and the market being as I mean, this was quite recent, this deal within the last few months and all these deals are. And it was the landscape of the interest rates.

It puts a lot of retail buyers off. There's lots of deals falling through on the retail market, people putting deals on right move. So we thought, well, a bit more certainty for us is to put them in auction.

But we won't make as much money. We thought we can churn our cash much quicker and it's going to be literally a two month turnaround. So we actually thought that was the best route to sell to more like traders and leave a bit of profit in it for someone else.

So we decided to buy it for 50. We spoke to an auction house before we bought it, part of our due diligence. They said, we think you can get 70k in the room.

No problem at all for this with a lease extension. So what we did was we did some research, made sure we got confirmation of the costs of the lease extension and the owner, because he'd owned the property for two years or longer, we were able to apply for Section 42 notice between exchange and completion, which was assignable to the incoming buyer, which meant they got the benefit of extending that lease, which then in turn increases the value massively.

So by doing that and without lifting a hammer, because at the moment, again, we've been trying to avoid anything that needs big refurbs because builders are charging the earth and probably a good time to be a joiner, actually. And yeah, so and getting hold of the right tradespeople is an absolute nightmare. So we thought, well, let's add value just through this bit of paperwork, the Section 42.

And we knew what we could do. And anyway, sold at auction for 90k, actually got carried away in the room and we were just watching the auction. We were just over the moon when it sold at 90.

And our plan B, because we do know that all this is a little bit of a risk, that it could go to auction, not sell. So the plan B was we could put it to auction again or there's loads of other things we could do. We could retain it for the portfolio, but it's a flat.

I'm not a big fan because high turnover tenant, service charges, all that kind of stuff. So we did know that we could have actually just sold at breakeven and just got out of it. Worst, worst case.

So it's always about protecting the downside and having a plan B as well.

[Mark Barrett] (26:41 - 26:54)

Yeah. So with this one, so you bought it for 50, you went to auction and you sold it for 90. So there was 40 and then you'd also had a buyer's premium in there.

[David France] (26:55 - 27:24)

We had a buyer's premium, exactly. In the auction contract, you're actually allowed to put in a premium in there as well. You've got to be fair with the premium.

Otherwise, it can cause perhaps a problem with trading standards and such like. But we made sure we stayed within the parameters and we put in an extra fee in there for us. So we actually walked away because we had some small costs because it was a flat rating.

We incurred some small service charges. I mean, it's still a clean and clear, but we walked away with around about 44,000 profit on that one.

[Mark Barrett] (27:25 - 27:37)

OK, excellent. So I think with the terms, it's quite common that you have like your legal pack, the cost of that to be paid by the buyer on completion. So there's things like that you could add.

[David France] (27:37 - 28:11)

That's brilliant. That's the thing I love about auction. There's so much more guarantee than putting it on with an estate agent because you've got no guarantees.

As soon as someone makes an offer, it goes in conveyance and it could take six months to go through and it could still fall through. But once that hammer falls, you've got 10 percent down, 28 day completion or 20 day. You can actually dictate that, but you want to make it a bit more favourable.

But as soon as that hammer falls, you know, it's pretty much a guaranteed sale. So auction flips right now, I just think it's a great way to de-risk and protect the downside, because I think flipping on the retail market's way too risky, in my opinion, anyway.

[Mark Barrett] (28:12 - 28:17)

Yeah, very good. So that's a great deal. So just going to the second deal there.

[David France] (28:17 - 30:16)

Second deal was a block of six flats, freehold. And there seems to be a lot of demand from buyers at the moment. And we've got a buyer who buys quite a lot of these.

And this is in Yorkshire. So we agreed a strike price for the vendor at £290,000 for the whole building, including the freehold. Needed some work, but it was quite a good price.

And so what we did on this one, we actually got a fee from the seller. It's quite unusual for us in this game to get a fee from the seller. Normally we just charge the buyer.

But this turns the estate agent model upside down, because generally estate agents get paid by the seller. But with us in deal packaging, we always get paid by the investor. But on this occasion, because it was a bigger deal, there was a bit more meat on the bone.

And we spotted that we could make a bit of an overage. We decided to sell the building for £300,000. We found a buyer to take that.

We knew what type of yield he buys off. So we knew what he'd pay on this building. And this is the important thing.

If you know buyers, you're inside out, you know what they're looking for, what price they'll pay. You can do your calculations and you can match the deals up with the right people. And then we were able to collect a 10K difference overage from the seller's side.

And we also charge the investor a fee of about 3%. And we got a £9,000 fee on that sourcing fee as well. So the total fee on that was £19,000 generated on that one deal.

The interesting thing as well, Mark, and you're in the game as well, you know all this. But you can, it's economies of scale. You've got one seller who's selling a big building with multiple flats in it.

You've not got lots of different sellers, lots of different personalities, lots of different headaches. One person, a big deal, and you make more fees. So taking a step up to some of the bigger deals is a lot more lucrative than some of the smaller ones.

And they're not actually that much more work either, which is quite interesting.

[Mark Barrett] (30:17 - 30:18)

And then how did you get that deal?

[David France] (30:20 - 31:14)

This was actually through social media. So the longer, there's a saying about this, I can't remember exactly how it goes, but the longer you're in a business, the luckier you get, I think. Because over the years, people just know you're in the game and they know you've been in it a while.

So people generally come to people that they feel, I guess, have got some experience or can deliver. So this person approaches on social media, said he's still selling to investors. We said, yeah.

He said, we've got a block of six flats in Yorkshire. And then they sent it in. We had photos, told them what we wanted, brochured it up and then started working on it from there.

So it's quite nice when that happens, because it's not like we've had to spend a lot of money to find that deal through the likes of marketing. We've done a lot of the heavy lifting over the years and things start to come to fruition through different areas of the pipeline.

[Mark Barrett] (31:15 - 31:19)

Very good. And then the third deal then, what's that Dave?

[David France] (31:19 - 32:24)

The third one's a portfolio. I quite like portfolios. We used to do quite a lot of these, but now we're working on, as the markets change, it depends what becomes more popular.

I suppose it's that Cresta wave that Dan talks about as well. But portfolios, this one was a portfolio sale of 20 properties in Durham on the North East. They're all cottages, just small terrace cottages.

And we sold these all on a 10% yield to a fund. And they have to deploy a certain amount of cash every quarter. And we took them to this portfolio and they're very clinical.

You just send them a spreadsheet, they analyse it and they just say yes or no. And it's an absolute dream to work with. But they have got quite strict criteria in some ways where they actually just want right now a minimum of 20 houses.

So if it was less than that, they wouldn't have looked at it. So we were able to get a £39,000 fee for putting that deal together. And there's not that much more work on that deal than an individual deal, which is quite scary.

So that was quite a decent fee.

[Mark Barrett] (32:25 - 32:29)

And then from the fund agreeing to buying it to completion, how long did that take?

[David France] (32:30 - 33:36)

Not as long. I mean, the solicitors do a lot of the legwork. But because they actually get penalised if they hold the fund money too long, they have to deploy it quickly.

So they're actually pushing us, which is quite unusual. They're pushing us more than the seller. The seller was sort of taking his time with the conveyancing, but they were saying we've got to complete by this date.

So it completed, I think it was probably around about eight weeks from initial instruction. And they're very quick. I mean, these guys know what they're doing.

They've got analysts that work for them, they've got their own solicitors. And they're just very, very clinical and just buying for the long, long term. I know, you know, obviously I wish we could do a lot more of those, but it's not always as simple as that.

It's working on what comes in at this moment in time. And as they come in, you can work on, you know, your blocks of flats. But this is a beauty of what we do.

You start sourcing these deals and you can start to see, like the Slough one, the angles to make money. But not everyone can see that. And that seller certainly didn't have any clue about how to extend leases.

And this is where our knowledge kind of comes in. But the portfolio stuff's really good. I like dealing with portfolios.

[Mark Barrett] (33:37 - 33:45)

Very good. So where did you get the enquiry from? And then where did you get the buyer from?

[David France] (33:45 - 34:49)

So the buyer was on our database, someone that we've been working with for quite some time. So we just nurtured them. And the same with the seller.

This was part of our nurture sequences because we have lots of sequences set up when people come on our list to educate them and to also say we do this, this and this. So some people come to us, they've got, you know, they've got a portfolio they want to get rid of, burnt out landlord, got to the point of life where he's made loads of money, just wants to get out and realizes that when, I mean, this is the thing with portfolios is why it's quite a good opportunity. When they come to sell up, these old school landlords are very limited where they can go, because if they go to Rightmove, they can only ever really sell to an investor because they're generally all tenanted.

And if you start kicking tenants out, they become a liability, you've got to foot the bill. So they're in a very difficult situation. So usually they come to people like us with the full thing and say, right, I want it gone in one hit.

And in return, I am a bit flexible on price because I know if they go to the open market, they're going to have to take a bit of a hit anyway. So I really like portfolios in that sense.

[Mark Barrett] (34:50 - 34:53)

Very good. And then that was a buyer's fee then, was it?

[David France] (34:54 - 35:11)

That was just a straight buyer's fee. We didn't make anything on the seller's side. A lot of the deals, we don't make anything on the seller's side.

Certainly normal buy to let's we don't. But mainly, but on some of these bigger deals, there are ways you can structure them where you can get a seller's fee as well as a buyer's fee. And obviously the higher, the more fees you can make, obviously, the better in what we do.

[Mark Barrett] (35:12 - 35:18)

Very good. So those three deals then, what did they bring in then?

[David France] (35:18 - 35:54)

So the combined fees in total is about one hundred and two thousand in fees. So quite a healthy amount of fees. We have costs, obviously, we've got staff and we've got things, but our overheads are very, very low.

And again, with the property entrepreneur stuff, we're able to make sure we're maintaining at least a 40 percent net margin, at least. In fact, I think when I was doing this for Josh on one of the exercises, I think I think we're closer to 65, 70 percent in some cases on some of the margins. Because we don't have huge costs that drain a lot of the businesses.

[Mark Barrett] (35:55 - 36:09)

Yeah, very good. So. As far as top three tips, anybody that's looking to get into doing deals like this or investing, what would you say that they would be, Dave?

[David France] (36:10 - 39:17)

So I think the first one I would say probably get educated, because I mean, when I first started, I didn't have a lot of cash, not even for education. So I was just trying to figure this out on my own. I did sort of learn from some of the other people in the industry and some people did take me under their wing and I learned a lot from them.

But I did definitely fast track myself and avoided lots of the mistakes I made buying the wrong properties. And also, you know, even with the deal packaging, if you don't have the right paperwork and you're not compliant as well, you're going to be obviously a compliant deal sourcer. If you don't have any of that, so if you're open to big fines, whereas if you get trained, someone tells you how to do it properly, it's going to cost you some money initially.

Of course it is. But then you're going to pay the price one way or the other anyway, either through a big fine or taking the wrong property and getting a lemon. Or getting trained and paying someone who can help navigate your way through all the turmoil and all the different types of things.

And also LinkedIn with one of the other parts as well is the other top tips would be strategy and make sure you get educated, like figure out what you want to do. Because if you go on social media, it's rife with people saying they're making this, that and the other every week and every month. Some of these people will generally be making it and some of them will be trying to sell courses.

Some of them will just be, you know, not being truthful. And I think you've got to take a lot of that with a pinch of salt. And as you become experienced, you've got to just figure out what's right for you.

Because I, you know, I was guilty of some early days of shiny penny thing where you start looking at what other people are doing. It's very easy to get sidetracked and, you know, everyone seems to doing maybe rent to rent service accommodation, for example, not saying anything bad against it. But, you know, everyone seems to do strategies like that and then they're on to something else.

But if you get your teeth stuck in something and stay the course, like I've done with deal packaging, there's different crest of waves, I guess, like Dan says, within deal packaging, different strategies that become more relevant. But I've always stayed consistent with deal packaging and I have veered off sometimes and it's always gone wrong. I've always gone down something that doesn't fit in line with my wealth profile, my dynamics profile.

But deal making has always been a big passion of mine. So find something you enjoy doing and you can get stuck into it and turn it into a business. And again, that flows nicely into the final tip, which is patience and playing that long game that again Dan talked about.

The long game is extremely important because everyone's looking for that get rich quick, the secret pill that's going to get you rich overnight. Well, there's nothing that does that. And you've just got to make sure you enjoy what you're doing and you're getting out of bed every single day and just doing something you enjoy.

And if you do that and you can make good money along the way, then that's the important thing. And you build that asset base because if you ever have to take a year off or you have to, you know, if your business stops operating, then at least you've got cash flow coming in from assets as well. So this is why some of these, you know, the wealth hierarchy that's taught within Property Entrepreneur is really useful as well.

[Mark Barrett] (39:18 - 39:28)

Very good. So, yeah, thank you for going through those, go through those points. Anybody that would like to contact you, could you just go through your contact details, please?

[David France] (39:29 - 40:33)

Yes, there's a few ways. I'm not on social media every day because I have to limit my time. Again, I got this with Property Entrepreneur, just limiting my time and don't have emails on phones.

But the best place to contact, if you want to hunt me down on Facebook, it's David France. Just find me on there. Same with LinkedIn.

And also you can go to one of our websites, which is FastPropertyPartners.com and you can find out more about our training, education and how we can help you do some of the things I've talked about today, whether it's building a portfolio or doing deal making, where you're putting deals together to make fees. And then finally, as well, we've also got a book on Amazon and how to build a portfolio, a property portfolio about the banks. And you can have a look at that on Amazon.

And I believe you can just type a name in on there as well. It also comes up. So just type in David France on Amazon and check the book out as well.

We cover a lot of the strategies on there that I've implemented over the years of doing this. And as I said before, there's so many different things within deal packaging you can do. So it's all in the book as well.

[Mark Barrett] (40:33 - 40:40)

Very good. So we've got all those details in the show notes and good to catch up with you, Dave. And I look forward to seeing you soon.

[David France] (40:40 - 40:42)

Thank you very much, Mark. Really enjoyed it. Thanks for having me.

[Daniel Hill] (40:45 - 41:29)

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