**TBP 212 Edited\_Transcription**

[Daniel Hill] (0:05 - 15:49)

Welcome to the Blueprint Podcast. In these episodes, I'm going to share with you my life's work boiled down into simple blueprints that I used to build a 10 million pound portfolio and retire with financial independence at the age of 35. You can listen to these podcasts in any order, and I guarantee you that when you execute them in practice, you will see that success and failure are both very predictable.

Let's get into the next blueprint. Warren Buffett will go down in history as one of the most successful investors of all time. There's a simple practice that Warren Buffett used in the stock markets that you can use in property, and it's exactly what I used to build a 10 million pound portfolio with millions of pounds worth of equity, and it is the most simplest of strategies that most people do not follow.

If you want to understand the secret of taking six figure investments to make multiple seven figure profits, the Warren Buffett way is the only way to invest in property. Most of your competition are out there running around doing deals that do not make money, but the Warren Buffett way is the way to overcome this. You do not need to do the biggest deals.

You do not need to do 10 deals a month. Bigger is not better. The Warren Buffett way is the only way to invest, and in this podcast episode, I'm going to show you how to do this and build a financial fortress in property whilst all your competition are left by the wayside.

Warren Buffett is going to go down in history as one of the most successful investors of all time, and his strategy is very clear, but it's definitely contrary to what most people believe. I've used the same strategy, not directly or intentionally, but actually inadvertently to build my own financial fortress, my own portfolio of assets, and on reflection, one of the biggest things that I did was actually follow the Warren Buffett way. Now while Warren Buffett did this for stock markets and buying equities, I did it in property, but it's exactly the same mindset and strategy.

The main sentiment here that Warren Buffett talks about is that price is what you pay, but value is what you get, and what he's looking at is stock markets and companies where he's buying them fundamentally undervalued. What I'm looking at here is how to do the same with property, and it's what we call value investing. Most people are running around doing deals that don't make money.

They're doing deals to keep the boys busy, or they're doing deals for their ego, the excitement, and just hoping for the best. It is better to do less and get more than it is to go and do loads and make less, and the reality is most of your competition are running around and they're just doing deals that fundamentally do not make money. The Warren Buffett way and value investing is all about how to make money by having both low risk, which is what we all want, but also high return.

Now this is the needle in a haystack. You can't go out there all day every day. It's either low risk, low return, or high risk, high return.

You can't go out there every day and find deals which are low risk, high return, but I guarantee you from my own experience and from watching Warren Buffett, who's been doing this for decades, it absolutely exists. These needle in a haystack deals are the ones you want to find, and you don't want to go out there doing deals that don't make money. In the early days, most people will try and talk themselves into doing deals, say the rent's going to be higher, the GDV's going to be higher, the refurb's going to be less.

Once you've done that for long enough and got tired and exhausted and realized that's a complete false economy, you take my wisdom and mindset of everything takes longer, costs more, and you try and talk yourself actually out of doing the deal before, you would've talked yourself in. This is the difference between doing deals that don't make money and then sitting there and waiting to find the needle in a haystack. Warren Buffett talks about the fact that inactivity is one of the most powerful traits that an investor can have, which sounds backwards because most people think to be an active trader who makes a load of money, you need to be on the floors of Wall Street, you need to be day trading, you need to be in and out of the market going crazy, whereas we all know Warren Buffett and Charlie Munger just sat by the wayside watching deals go by. If they were too complicated, they didn't do them. If they sounded too good to be true, they didn't do them.

They basically just sat there waiting for the right thing to come. This is the concept of actually sometimes the best money you can make is from the deals that you don't do. The inactivity is actually an incredibly powerful trait to be able to sit on your hands and do nothing while everyone else is running around like a headless chicken.

When do you do this? When do you use value investing? The first thing is that less is more.

You want to do less deals and make more money. You don't want to do more deals. Bigger is not better.

The needle in a haystack, these really good deals come very few and far between. The reality is that nowadays I'm doing bigger and bigger deals. I'll probably only do one deal a year or one deal even every couple of years, but when I do, it's an absolute monster.

It's a no-brainer. It's low risk, maximum return. I could buy it with none of my own cash and genuinely make high six, if not seven figure profits from it because it's a needle in a haystack.

It's low risk, high return. I could buy it blind because I fundamentally know that that's the deal to do. It's basically not going out there chasing butterflies and trying to catch deals every day.

It's sitting in the corner with a harpoon gun, waiting for this next whale of a deal to come. When the deal's there and the time is right, you're ready to strike. The aim of the game really is to do deals whenever they come, but it's waiting for the right deal, not trying to hit a target of how many deals you do.

How do you actually do it? Well, what is value investing? Value investing is, Warren Buffett talks about price is what you pay and value is what you get.

What we're looking for is buying stuff that is fundamentally worth more than what you pay for it. In the middle of a pandemic, if you bought assets of people who were liquidated because they needed the cash, in a good market, you would know that asset is worth more. What you're looking to do is buy something that's fundamentally undervalued.

In property, we would call it BMV, below market value. You look at it and say, that is worth £100,000 of anyone's money, but you can buy it for 70. That is value investing.

Price is what you pay, 70. Value is what you get, 100. This stuff isn't necessarily just motivated sellers or people direct to market.

This can be open market. It can be sitting there on the open market. Warren Buffett will often say that these deals are there for everybody to see, but they can't spot the angle.

They can't see what he sees. It's there on the open market and it's exactly the same when I do deals. You want to be greedy.

The other thing is market conditions. You could be greedy when others are fearful, like right now, while the markets are turbulent, they're nervous. Be greedy when others are fearful.

But also, the whole thing about sitting still is you need to be fearful when others are greedy. When everyone else is running after Bitcoin, when your barber or your taxi driver is telling you to buy crypto, you've probably already missed the boat. So understanding about how to play the market.

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If this blueprint and training program does not make you a minimum of 10 times the £5,000 plus VAT you spent to do it, we will give you a 100% refund, no questions asked. The annual financial fortress training, www.livingoffthesteam.co.uk. Back to the podcast. The other thing is you need to master your market.

So Warren Buffett might only do one deal every two years or three years, but he spends all day every day reading the paper because you need to master the market and you need to see the sweet spot. I read the tabloids, the business pages, money week, every single week without fail, because I need to know what's happening. I need to understand what's going on.

I need to know when the stuff in the news is working in my favour and when it's working against me. You also need to know how to play the game. Warren Buffett says he'll buy deals that are on the open market, but he sees the value that nobody else sees.

Pretty much all of my financial fortress stock that I've bought, which has made me millions over the last few years, has been on the open market. I just bought it in the middle of a pandemic, or everybody else wanted it with planning, and I bought it cash, or it's in a bit of a dodgy area that everybody else steers clear of, but I bought it because I know in three years' time it's going to be fully developed and going to be fantastic. All that it's bark is worse than its bite, and its reputation is terrible, but actually in practice it's not that bad.

This is the whole thing about understanding value investing. You need to be bold. You need to be brave, but you need to not be foolish.

Examples of this, where this happens in practice, so financial fortress is where you want to be buying stuff cheap. So examples, inaugural house that I bought. It was on the market for $180,000.

Everyone was putting offers in over that for planning. I knew that I could probably get PD on it. I paid $152,000 and just knew that it would make me money.

I ended up flipping it on for over half a million. Stonehill house, I got offered the opportunity to buy a building. It was about 6,000 square feet, great, beautiful building, grade two listed.

You look from the outside, dream house, door at the front in the middle with pillars, sash windows around the front, private drive to each side. And I got offered to buy it for a price that I knew, even if I turned it into a detached house, I would still make money. The fact that I bought it cash, unconditional, and then got planning for eight apartments and a four-bed executive HMO on the top floor was just the icing on the cake.

I could make the money whatever the weather because I knew I was buying it for a good price. Wycliffe Mill, it was a 7,500 square foot business center. I saw it on Rightmove.

It was listed to go in the auction. It offers over 255,000, guided at 255,000. Now, per square foot, I knew I could pay 470.

I ended up buying it for 255,000 pounds because I just knew per square foot, it was 30 pounds a square foot. I could knock it down and sell the bricks and still make money. This is value investing.

I'm buying things cheap. I'm buying it cheaper than it looks, cheaper than I can build it for, cheaper than what it's worth to me. The money's already there and I'm making the money when I buy, not when I get planning or when I get development.

That's the icing on the cake. I'm fundamentally buying it cheaper than I can build it, or I could knock it down and sell the land or the bricks and still make money. Mankore House, 30,000 square foot business center, advertised as a garage for offers over a million quid.

I looked at the advert three times and never even batted an eyelid. Then one Sunday afternoon was scanning through a picture of a garage, offers over a million in the middle of the pandemic. In the small print, it said 30,000 square foot.

When I found out it was actually 30,000 square foot office block and I could buy it for a million pounds, and I actually ended up buying it for 960 in the middle of a pandemic, cash, unconditional, because even if I ran it as a business center, or again, knocked it down and sold the bricks, 30,000 square foot, it was just worth that all day long. This is value investing. Or one I looked at this week, 17 houses, guided at auction, offers in excess, or guided at 255.

Tried to do a deal before the auction because it was an absolute no brainer. I haven't really got the time, the capacity, or the energy, or interest to go into the auction room. I'll still watch it go.

But if I could have tied that up before the auction at 250, 350, 500,000 pounds for 17 houses, to me that on face value, it's my sort of deal. It's cheap as chips. It's a no brainer.

You have to do your DD, but this is what we're looking at. Ultimately, we're looking at low risk, high return. So buying stuff with low risk, it's not like a car park that we're going to spend half a million quid trying to get planning on.

It's a building. It's below market value. It's got permitted development.

It's cheaper than it should be. It's BMV. It's a motivated seller.

This is the Warren Buffett way. And when you're building a financial fortress, for those of you that are serious about creating generational wealth and financial independence, this is the only game in town. And it's all about value investing.

It's about low risk, high return. And that's how you create a low geared, high equity, strong yield financial fortress. If you're not already focusing on these strategies and you're already making over £100,000 a year, in my opinion, you're completely missing the point.

Luckily for you, we're running our annual financial fortress blueprint training. It's five weeks. It's online.

You do need to be making over £100,000 a year to qualify. Otherwise, it just won't be worth your interest. It's £5,000 plus VAT.

It's five weeks. And you'll learn the blueprint that I used personally to go from start to finish in building a £10 million portfolio, which gave me genuine generational wealth and financial independence to live in my dream house, drive my dream car, absolutely for free, and how you can do the same. So if you're already making over £100,000 a year from your job or your business, go to www.livingoffthesteam.co.uk to look at our five week training where you can learn start to finish how to build your own financial fortress. And it comes with 100% money back guarantee. If you don't genuinely make over 10 times return on investment, so over £50,000 on your £5,000 you spend, you'll get 100% money back guarantee, no questions asked to give you the confidence to go and do this. So go to www.livingoffthesteam.co.uk now to learn how you can build your financial fortress to have financial independence and generational wealth from everything you do in your business and in your portfolio. Otherwise, for the Warren Buffett way, it's not about how many deals you do. It's about the amount of money that you make on each of them. And value investing is the secret.

I hope you've enjoyed this podcast episode. Visit www.livingoffthesteam.co.uk now for your financial fortress blueprint training, and I look forward to seeing you on the next one. I hope you enjoyed this blueprint podcast episode.

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