**TBP 256 Ultimate Purchase Lease Option 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 via 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 - 0:57)

Hi, I'd like to welcome back my guest who is John Woodman. John, how are you doing?

[Jon Woodman] (0:58 - 0:59)

I'm good, thank you. How are you?

[Mark Barrett] (0:59 - 1:14)

Very good. I know you're back from Rome and you had a bit of a late night. Feeling a bit sleepy today.

So yeah, it wasn't long since you was on the podcast. I think it was about three, four months ago. So welcome back.

[Jon Woodman] (1:14 - 1:16)

Thank you very much. Thanks for having me.

[Mark Barrett] (1:16 - 1:23)

And I'm welcoming you as the triple award winner from the Property Entrepreneur Board. So congratulations for that.

[Jon Woodman] (1:23 - 1:28)

Thanks for that too. Yeah, that was obviously not planned, but you know, nice to win these things.

[Mark Barrett] (1:28 - 1:41)

Yeah, absolutely. So you had a challenging year last year and you've come back. It's now been termed doing a John Woodman, which is having a challenging year and coming back and absolutely smashing it.

So congratulations.

[Jon Woodman] (1:42 - 1:49)

Yeah, last year was distinctly different to the one we just had. It's been quite different. So yeah, all good.

[Mark Barrett] (1:50 - 2:01)

I think for anybody that is going through a challenging time, it's just really keep going and looking for ways to improve your situation, but keep positive.

[Jon Woodman] (2:02 - 2:18)

Yeah, yeah. I think you've got to spot the opportunities that are out there and yeah, take every opportunity you can. Talk to people about what's going on.

Not always what I'm good at, but yeah, talk to people what's going on. You know, there's definitely light at the end of the tunnel. You just got to keep going and keep chipping away.

[Mark Barrett] (2:19 - 2:38)

Yeah. So congratulations for that. So you was nominated for the property entrepreneur board member of the year.

And then you also got the, you was voted for the deal of the year, the deal that we're going to go through, which we've termed the ultimate purchase lease option. It is an absolute banger here.

[Jon Woodman] (2:39 - 2:41)

It ticks all the right boxes.

[Mark Barrett] (2:41 - 2:48)

Yeah. And the icing on the cake was also the golf. So you won the golf.

[Jon Woodman] (2:48 - 2:57)

I did. Obviously that's the most important trophy that everybody wants to win. So yeah, it was a close run thing, but we got there in the end.

[Mark Barrett] (2:57 - 3:03)

Yeah. So well done. So yeah.

If anybody that doesn't know you, can you just give us a bit of an introduction to yourself?

[Jon Woodman] (3:04 - 3:37)

Yeah. John Whitman based down on the South coast in between Southampton and Portsmouth, been doing short term let's for nearly eight years now did mastermind with Simon Zucci and then joins property entrepreneur. I think this is my seventh year doing PE third year on the board.

Now PE was a bit of a game changer for me in terms of helping me do all the things I know I need to do my business, but you would never get down to if somebody wasn't keeping you on track. Yeah. So yeah, no, it is good.

And yeah, it's, it's done, done me well over the last few years. Very good.

[Mark Barrett] (3:38 - 3:46)

So you also talk about wealth dynamics and you're a blaze profile. So what would be, what would you say your strengths are?

[Jon Woodman] (3:47 - 4:29)

I am great at talking to people and connecting people with other people. So I'm a blaze. I'm a supporter.

I've got a lot of contacts in my phone book often get asked, you know, do you know someone who does this? That'll do that. Yeah, I probably do.

Or I know someone who will do. Yeah. So great at pulling deals together, connecting people, making stuff happen.

Not always particularly good at the detail, but yeah. And, and, and complete a finisher. So anybody who knows about that kind of stuff, not really my thing.

I'm great at starting stuff, not necessarily great at finishing it. Sarah, Sarah will give you a long list of stuff around this house. It's never been quite finished, but yeah, very, very much.

The connector, the, the, the, the puts it together of groups of people to get stuff done. So that's kind of, yeah, my, my forte really.

[Mark Barrett] (4:30 - 4:32)

And you're a pin host as well. What about is that?

[Jon Woodman] (4:32 - 4:53)

Yes, I hosted Hampton pin with Michael Taylor. So we co-host that first Tuesday of every month. That's good.

Got a growing body of people there. So 40 or 50 people every month, which is great. And yeah.

And that's, that's how a lot of deals come to us these days, you know, being, being, being at the front of the room definitely helps with the people coming to you with deals or advice or stuff like that. So all good.

[Mark Barrett] (4:54 - 4:58)

So what are you focusing on now? What was, what's your main business? Would you say?

[Jon Woodman] (4:58 - 6:06)

We obviously we had the service accommodation business, the short term lets that's been going for seven, nearly eight years. We, what's that business called John? That's the accommodation company, but it does what it says on the tin.

So we, because last year was such hard work. We have spent a lot of this year or all of this year actually working with the councils to provide emergency accommodation. So they're using our properties for short term bookings two, four, six, eight weeks, that kind of thing.

Normally while families and transition from wherever they are into a more permanent accommodation. So we get paid a nightly rate for that, which is not dissimilar to what the rates we'd be getting if we were on Airbnb or booking.com or any of the other platforms. So that works really well for us.

The councils are inundated with requirements at the minute. So we are using all our own properties, but also, you know, we are providing bookings into other people's properties as well. So that's been a bit of a game changer for us this year in terms of revenue generation.

So it's busy. It's not something that's going to go away anytime soon that we can see. So yeah, just do more and more of that.

[Mark Barrett] (6:07 - 6:13)

Where do you operate that, John, just in case anybody's got some properties that might be interested in connecting?

[Jon Woodman] (6:13 - 6:29)

So that's at Amsterdam and Portsmouth primarily at the minute, but we're looking to fill the gap in between those two and then the surrounding councils as well. So anything in and around there in the Hampshire area, we're looking for more people and properties to work with, satisfy that demand. Yeah.

[Mark Barrett] (6:29 - 6:35)

So how many properties are you working with at the moment then with the council? It's about 90.

[Jon Woodman] (6:36 - 6:52)

Right. Okay. Yeah, it's grown quite a lot in the last nine months and that demand is increasing.

Yeah, every week or so we get a request for some more properties. So yeah, we're just doing everything we can to support those councils and keep them on side.

[Mark Barrett] (6:53 - 6:59)

And typically, what kind of properties are those? Are they like one and two bed flats or houses or what's the mix?

[Jon Woodman] (6:59 - 7:20)

Yeah, so one and two bedroom properties are the most popular ones, flats or houses, doesn't really matter too much. Houses are a little bit easier just because there's less disturbance for neighbours and things like that. But yeah, we do get a few requests for threes, three and four beds, not very many, but two beds is kind of the mainstay.

Right, yeah. And then ones in studios as well. Yeah.

[Mark Barrett] (7:20 - 7:47)

Okay, very good. So we're actually going to discuss your deal of the year, which we have termed the ultimate purchase lease option. It's an amazing deal.

So let's go through that then. Could you, first of all, just set the scene, just tell us the type of property it is, the kind of rough location, and then we can then go through to the background as to how it came about.

[Jon Woodman] (7:47 - 8:17)

Yeah, so this is in Southampton. It's a large semi-detached property. The left hand side of it is a four bedroom house, three slash four bedroom house.

And the right hand side is split into four flats, two two bedroom flats, a one bed and a studio flat. And then behind that side of it, there's also a large dance studio, which was built 20 years ago out the back. So it's kind of six properties in one, one commercial and five residential properties, all in one size.

[Mark Barrett] (8:17 - 8:22)

So when you look at it, is it like a Victorian property? I mean, it kind of like floors, is it on?

[Jon Woodman] (8:23 - 8:34)

Yeah, normal, normal sort of two story house, if you look at the front of it, but yeah, long left hand side, four story, four story, four bedroom house. And then the right hand side is two stories, two flats downstairs, two flats upstairs.

[Mark Barrett] (8:35 - 8:39)

Do you know the kind of approximate square meterage of each one, would you say?

[Jon Woodman] (8:39 - 8:50)

Oh, I know off the top of my head, actually. They're all quite sizable, really high ceilings, you know, being an older building, so yeah, it's quite an imposing looking building. Okay, good.

[Mark Barrett] (8:50 - 8:52)

And how did this come about then, this opportunity?

[Jon Woodman] (8:54 - 10:45)

So about three years ago, we helped one of our friends get into property. So they got four or five properties off the back of us helping them out. One of them is a lecturer at a local college about doing business and economics.

She said, could we come and speak to their students about making money from property or getting involved in property? So I went and did that presentation a couple of years ago. And then someone in that class followed up, came to our pin meeting, then got a job in a letting agent at an estate agency.

He'd been chatting to his grandparents who owned this property. They were potentially going to put it on the market. Well, they were looking to put it on the market.

They'd had a valuation from an agent, which was probably about 20% over what it's actually worth. So he suggested to them that maybe there was a better option, a better way of them still earning money off it over the next few years. Because they had, there was no mortgage on the property, which was great.

They needed some income, but they didn't obviously need all of that, all of the value upfront. They'd also, because in their heads, they decided to sell, they'd also told the tenants that. So some of those tenants had moved out, so their income was reduced.

One of the two bedroom flats was going through a major refurbishment. In terms of new electrics, it needed a new kitchen, new bathroom, re-plastering, all of that kind of stuff. So they kind of started that.

So they were hemorrhaging cash, basically, looking after this property. They were in their seventies, decided that, you know, do you know what, this is, we're done with this. So then I got involved in the conversation and we decided that actually there was an option here for us to give them a fixed monthly fee.

Were they guaranteed buy price or an option price in five years time? So yeah, they were happy with that. We agreed on the numbers.

[Mark Barrett] (10:46 - 11:14)

Okay, very good. So just go back on something you said, because it might be like people within the community that have kind of into property and might want to be trying to like pass on that kind of like knowledge to like younger people, just out of interest. What kind of a thing, the presentation that you did to like the young people, obviously it made an impact on the guy that's brought you this deal.

What was it that you kind of like went through as far as your presentation that you did?

[Jon Woodman] (11:14 - 11:51)

So that was all around different ways that you could earn money out of property, whether that is, you know, stand normal buy to let's or HMOs, all the sort of, you know, top five or six routes that people would normally, you know, do from invest, generate revenue from investing in property. So it's fairly high level, but we did, we had some case study examples of stuff that we've done and showing them that actually, you know, they don't need to follow the traditional route of raising loads and loads of finance to buy their own personal home or save a lot of money to buy their own personal home. There's other ways they could, you know, get into it.

So yeah, we've done it. We've done it since we did it this year as well.

[Mark Barrett] (11:51 - 11:52)

Oh, very good.

[Jon Woodman] (11:53 - 11:56)

First, the first year was 20 people in the room. The second year was 120.

[Mark Barrett] (11:57 - 11:57)

Oh, wow.

[Jon Woodman] (11:59 - 12:02)

Yeah, slightly different experience, but they all enjoyed it.

[Mark Barrett] (12:02 - 12:23)

So yeah, that's very good. So just going back to the deal then. So there's got this couple in the seventies, the grandson has, you know, come across you and started his like property education and then you've then spoken to them and then you've looked to create the terms.

Was this over like a number of meetings or was it one meeting or what?

[Jon Woodman] (12:23 - 13:05)

So it was backwards and forwards via the grandson because they trusted him. And then we met up at the end of kind of, they had a whole lot of questions and it was easy just to meet them for a cup of coffee. We sat down over a cup of coffee for an hour and I just went through all of their concerns, answered their questions.

We had a draft heads of terms at the beginning of that conversation based on the previous conversations, but then we just went through each of those things line by line and just talked through what it actually meant for me, what it actually meant for them. And we made a couple of tweaks and changes as part of that conversation. But yeah, to all intents and purposes, it was just backwards and forwards.

Yeah, via the grandson.

[Mark Barrett] (13:06 - 13:14)

And then your heads of terms, was that something you'd handwritten or at this point have you typed that up and brought it along?

[Jon Woodman] (13:14 - 13:27)

Yeah, so I typed it up. I know it's slightly neater and tidier than my writing and everybody can read it. So yeah, no, I took everything out of the previous conversations and turned it into just a one page heads of terms.

[Mark Barrett] (13:28 - 13:53)

Yeah, I think anybody that's looking to do like a similar deal, you can just have like a blank piece of paper, pen, right on the top, heads of terms, and you just basically write down what it is you've agreed. Then once you both kind of like agree that, sign that. And I think at that point, it's them kind of like signing something.

They're more committed to that. It goes to the solicitors to then draft up. But that's a great starting point, isn't it?

[Jon Woodman] (13:54 - 14:29)

Yeah, absolutely. And as long as it's got the address, your name, your details, their details, everybody's contact details, the headline numbers, the actual detail of, you know, as soon as you put it into solicitor speak, that one page heads of terms becomes 10 pages of legal document. But actually, those are the kind of the key points that everybody needs to agree.

And it's not, heads of terms is not a formally binding document. It's just a, this is what we've agreed to take to the next stage. It could all fall over at the next stage.

But, you know, those are the key things that people need to worry about and be concerned about.

[Mark Barrett] (14:30 - 14:50)

I think sometimes it just, when I've like dealt with people, it just seems to be that once we've agreed something and kind of like, it's on a heads of terms, just them kind of signing that, they just feel that the problems have been taken care of. And yeah, you've got to go through the solicitors. What were some of the questions, some of the issues that they had?

[Jon Woodman] (14:51 - 15:40)

Do you remember some of them? So there was some stuff around, you know, when were they going to get paid? How much are they going to get paid every month?

You know, what sort of guarantee was there that they would be getting that money every month? You know, the thing with an option, one of the things with an option is if you don't pay every month, they've got the right to, you know, that option terminated. They are, there was questions around, just a bit around the process.

So if you've not done an option before, you do need to kind of get your head around what that looks like in terms of a process. And then, you know, where we covered their legal fees. So I gave them a list of three solicitors that I knew understood options.

I said, you know, you pick, I don't know, I don't mind who you choose. You pick who you want, I'll pay the bill. Just making it easy.

[Mark Barrett] (15:40 - 15:58)

And that's the point though, because if you go, if you take like an option deal to a solicitor that's never done it before, they'll probably say, oh, don't do this. Or I'm not sure about this. And then they just talk them out of it because it's outside their comfort zone.

So it's good that you've got three that's experienced in that.

[Jon Woodman] (15:59 - 16:14)

Yeah, absolutely. You know, and option deals are, you know, very common in the commercial and agricultural world, but in the sort of residential property world, it's not what people do. So yeah, using a normal solicitor doesn't really work.

You need somebody who's done it before and understands it and is independent from you.

[Daniel Hill] (16:17 - 17:15)

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[Mark Barrett] (17:18 - 17:25)

Let's go through the numbers then. So the initial figure that they had from the agent, how much is that?

[Jon Woodman] (17:26 - 18:32)

So they'd valued it kind of one and a half million, which I couldn't get anywhere near that valuation looking at comparables for similar sorts of flats and house prices. And even if they were in separate buildings and all this kind of stuff, couldn't get anywhere near that. Neither could their grandson.

So that was quite good because they trusted him anyway. So we got to a valuation of about 1.3. Between 1.1 to 1.3. And then we settled on the 1.3. Which was at the end of our valuation. But that was fine because our monthly option fee, which is 4,000 pounds a month, everything we pay between now and exercising the option is coming off that 1.3 million. So although we would have ideally gone for the 1.1, we agreed at the 1.3, we'll end up in roughly the same place at the end of the five-year period. If you've got a five-year option with an option to extend for two years, just depending on what the market is doing in five years time. And we've got multiple exit options on this one.

So we'll decide that in a few years time.

[Mark Barrett] (18:32 - 19:20)

Yeah. So just to go back to that then. So you're paying 48,000 pounds a year.

So over five years, you've pretty much got 200,000 that you've paid then. That's actually coming off the purchase price. So instead of being 1.3, pretty much like 1.1. And then you've also got an extension to the deal as well. Yeah. So we've got an option for a two-year extension. Yeah.

So if you triggered that, then you could pretty much get another 100K, 96,000. Yeah. Off the price as well.

Yeah. So, yeah, it's good. I've done that before.

How have you actually turned that? So will you actually get the interest to come off the purchase price? Just talk me through that because obviously that is a huge game changer.

[Jon Woodman] (19:21 - 19:46)

Yeah, yeah, yeah. Certainly makes a difference to the end. I'll do it at the end.

I can't remember how it's written in the actual legal document, but it says something on the lines of all monthly payments will be deducted from the final option price. And I think we even put a little example in there. Yeah.

So yeah, just to explain it. But it's just, yeah, it's a relatively simple sentence written in a very complicated way because that's how legal documents are written, right?

[Mark Barrett] (19:46 - 19:50)

Was sellers okay with that? How did you phrase that with them?

[Jon Woodman] (19:51 - 20:06)

Yeah, they were fine with it. So they, well, they asked me if their monthly payments would be coming off the end price. And I said, yes, if that's okay with you.

And they said, yes, that's fine. So yeah, yeah. Always a good answer to get.

[Mark Barrett] (20:07 - 20:50)

Yeah, absolutely. Yeah. So you've got the two semis, you've got the dance studio.

So you've agreed 4,000 pounds rent. And is there any rent increases during the period? No, that's fixed for the five-year term.

So that's great to actually not have to have rent increases. And then for the five-year period, I think the other thing that I really like about the deal is you've got the purchase price, but then the purchase price is not increasing. Yeah.

And to your extension, you're not paying an additional option fee? No. Which can be, you know, quite like a chunk of money.

[Jon Woodman] (20:51 - 20:51)

Yeah, yeah, yeah.

[Mark Barrett] (20:52 - 20:57)

And also at that point, if you get the extra two years, the purchase price is still not increasing, is it?

[Jon Woodman] (20:58 - 20:58)

Correct, yeah.

[Mark Barrett] (20:59 - 21:24)

Yeah, so that's, yeah. Amazing to have negotiated that. And the option fee that you paid?

A pound. So you paid a pound, obviously it's got to be a legal, a, an amount of money. So why not a pound?

Fantastic. Yeah. And you did do some refurb on that.

So how did that come about? The kind of like costs and the returns, how long did it take?

[Jon Woodman] (21:25 - 22:15)

Yeah, so the downstairs two-bedroom flat, they were kind of two-thirds of the way through the refurbishment of that. It'd been rewired in bits and pieces. So they finished, we agreed that they would finish the rewiring and the plastering.

But then we did, we put a new kitchen, a new bathroom, recarpeted and redecorated throughout on that one. And then all of the other apartments in the house have all been fully redecorated, new carpets, everything, just to bring them up to, they were old, a bit tired. So they've all been kind of brought up to, they're not A plus standard, but they're certainly, you know, B heading to A internally.

Outside needs a little bit of work. But all in all, in terms of the redecoration and the furnishing of them all, we spent about 50,000 pounds. Well, you know, well worth it in terms of the returns that we get off those properties at the minute.

[Mark Barrett] (22:16 - 22:28)

Okay, so let's go through what returns you gain and how you actually use in the property there. So we've got 270 attached, we've got the house and then we've got the flats. Do you want to just talk us through how you've actually used the property?

[Jon Woodman] (22:29 - 23:19)

Yeah, so the four flats, they are currently being used for emergency accommodation. So they've been set up as service departments, but they're currently being used for emergency accommodation. So we've always got the service department option as a fallback.

They're fully redecorated, fully furnished, being used by the council. And they have been ever since we, as each one became ready, the council took it straight away. So they've not had any particular void periods for those.

There's a dance school at the back as well, obviously, and they're carrying on using that. So we get a small amount of income from that. And then the four bedroom house, that is online in terms of, so Airbnb, booking.com, contractors, that kind of stuff. And that's been doing okay as well since that went live. Target for that one is long-term contractor bookings. We've got a few of those lined up for the next few months.

We've got working on some for the beginning of next year as well.

[Mark Barrett] (23:20 - 23:26)

So it's been four beds. Do you have it as like just four beds in there or do you have like two single beds in each room?

[Jon Woodman] (23:28 - 24:25)

There's three double rooms in there, but there's two single beds in each of those rooms. And the smallest room, it's a large single. We could put a double bed in there, but it works better as a single.

So it's sleep seven, plus we've got a sofa bed in the lounge if we need it. We always put single beds in just because it increases your option with contractors and stuff like that. Because contractors will share rooms, but they won't share beds.

So we could have put double beds in each room, but actually that limits the number of people you can have. We, in that, the four bed house had quite a large bathroom. And with a toilet sink and a bath and a shower in it actually.

And next to that was another small, just a toilet and a sink. But actually we've pinched some room out of that large bathroom to extend the small bathroom to another separate shower. So we've created two bathrooms now.

So that works much better for contractors. And you've probably got five or six of them trying to use the bathroom. And yeah, so that works really well.

And bookings and stuff are coming through for that too.

[Mark Barrett] (24:26 - 24:32)

That's good. So let's just talk through the, so you're paying rent of 4,000. How much are you actually grossing?

[Jon Woodman] (24:33 - 24:39)

So with the council bookings, plus the contractor stuff and the dance school, we gross about 16 and a half thousand pounds a month.

[Mark Barrett] (24:39 - 24:46)

Okay, fantastic. And then you're running costs on that as well as the 4,000 rent.

[Jon Woodman] (24:46 - 25:10)

Yeah, so running costs are with council tax, agility bills, that kind of stuff. It's about 3,000 pounds a month. So all with our option fee every month of four.

So we're spending about 7,000 pounds a month. Just keeping the place, keeping the lights on and keeping it all ticking over. So yeah, gross of 16 and a half, but then net profit of nine and a half thousand pounds a month.

[Mark Barrett] (25:10 - 25:13)

Which is 114 for the year. So that's a fantastic deal.

[Jon Woodman] (25:14 - 25:22)

Yeah, yeah. And over the seven years, it's almost, yeah, almost covered the entire cost of buying it. Not quite, but almost.

[Mark Barrett] (25:22 - 25:40)

Yeah, yeah, fantastic. So you've got the 4,000 out, you've got nine and a half thousand net then. And then what's your options in the future as far as the purchase?

So you've also got a potential development angle on that as well.

[Jon Woodman] (25:41 - 26:29)

Yeah, so we're not quite sure what we'll do, but in terms of what the options are, the things we could do, we could keep it as it is, just let it out as four flats in the house. But there's also, it is on quite a large plot. So one of the options we will consider is whether we knock it down, clear the entire site and then put something between 16 and 24 flats on the site.

That works locally to where it is. That wouldn't look out of place. There are similar sorts of things around.

So yeah, whether we actually build it out, whether we just get planning permission to build that out, not quite sure yet. We'll worry about that in three or four years time. But that's kind of, yeah, that's the sort of large end goal.

That would give us a GDV of somewhere between five and six and a half million estimated at the minute. So yeah, it'd be quite a sizable deal to add to our financial fortress if that's what we decided to do.

[Mark Barrett] (26:30 - 26:43)

And then the kind of build costs for that, because you'll have like the purchase price, which may then be down to like 1.1, even less than that. What kind of a build cost if you do the new build?

[Jon Woodman] (26:43 - 27:06)

Yeah, somewhere between two and three million, depending on how many flats we did and the total build price and all the other fees and charges we'd have to pay to get to that point. So we would be looking at somewhere between around four, four and a half million pounds all in, I suspect. But yeah, the GDV of five to six and a half, then we're looking at somewhere around 1.5 million pounds profit. Yeah, amazing. On that deal.

[Mark Barrett] (27:07 - 27:14)

So fantastic. So yeah, amazing deal. So your top three tips, what would you say they would be, John?

[Jon Woodman] (27:14 - 28:48)

I guess the first one is probably, you know, tell everyone what you do. You never know who's having conversations with other people, whether they've got family or property in their family that they can get rid of, or investors or whatever. You know, I never expected to do a conversation at a college to some 16, 17 year olds.

And walk away with a deal like this. That was never why I went into that conversation. I was doing that to give back and get other people interested and enthused about property.

So that was a good one. Make it a win-win as well. So these kinds of deals, it's got to be a win for everybody involved.

You know, they're happy, they get regular income. They don't have any of the stress and the hassle. It's all down to us.

And then the third one would be, look at all of your options with this one, with any of these deals. So any property deal. If our only option here was to do ASTs, it probably wouldn't have been such a great deal.

We're doing the stuff with the councils and emergency accommodation. Our fallback from that, because of the way we set them up, would be to do just normal short-term lets. Definitely an opportunity in the market with that.

But then if all of that failed, we would just drop down to normal AST rentals, but we'd still make money. So yeah, have different options. And then obviously, we have the potential to redevelop the entire site at the end if we wanted to.

So having plan A, B, C and D is definitely a good thing, especially with potential rule changes and whatever governments fancy doing this week versus next week. Don't have all your eggs in one basket when it comes up with plans and ideas for sites.

[Mark Barrett] (28:49 - 29:20)

Yeah, yeah. And I think the other bonus tip that we kind of discussed is that if you don't ask, you don't get. So I think what you've managed to get within that deal, all those kind of elements, the £1 option, the rent not increasing, the two-year extension without an extra option fee, without the price going up and the purchase price staying the same, I think adding all those just makes it an absolutely fantastic deal.

[Jon Woodman] (29:21 - 30:14)

Yeah, and I think having had those conversations early on, doing the heads of terms type stuff and then providing them with a solicitor, so we gave them a panel of solicitors to choose from. They chose one. We paid the bill, but it wasn't us arm twisting their solicitor to get stuff through.

They had totally independent advice and that's really important. And that's part of the whole win-win thing in terms of they've had totally independent advice. The things we talked about that we put in the heads of terms mean that I don't feel guilty about anything that's gone into the agreement because they've had somebody advising them that that's a good thing, that's a bad thing.

You don't want to do this, you don't want to do that. And it all went through. So be cheeky, ask for what you want and not all of it will land, but some of it will work.

[Mark Barrett] (30:14 - 30:48)

Yeah, I think from their point of view, you've taken on probably what was in the 70s, the hassle, you spent 50,000 on it. So that obviously it's not just the money, but it's also actually getting the trades in and doing the works. And from that point of view, they've got some guaranteed income going their way so they can enjoy the time now.

Yeah. So anybody that's looking to contact you, if you could share your contact details, please, John.

[Jon Woodman] (30:49 - 31:19)

Yeah, they'll be in the show notes, but you can, I'm on Facebook, I'm on LinkedIn. Info at The Accommodation Company is the email address, two C's and two M's in accommodation. I still get it wrong after seven years, but if you do that, that will get to me.

Is that .co.uk? Dot com. Dot com, okay.

Yeah, info at theaccommodationcompany.com and then yeah, I'm on Facebook, I'm on LinkedIn, all the usual places. And if anybody wants to chat about deals they've got going through or wants some help getting a deal over the line, they're more than happy to do that.

[Mark Barrett] (31:20 - 31:24)

Yeah. And then anybody else that you're particularly interested in speaking to?

[Jon Woodman] (31:24 - 31:48)

Yeah, we're after similar deals, obviously. A few more of these every year would be great. But we're looking at a couple of portfolio purchases at the minute.

So if you know landlords that are looking to offload portfolios, we are doing more and more emergency accommodation in the Hampshire area. So anybody who's got properties, potentially empty properties or SA properties that they're wondering what to do with over the winter, we can certainly help them out with that as well.

[Mark Barrett] (31:48 - 31:53)

Very good. Okay, John, congratulations again and hope I see you soon. God bless.

Thanks a lot, Mark.

[Daniel Hill] (31:55 - 32:39)

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