**TBP 281 DDD 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 - 1:00)

Hi, it's Mark, and I'd like to give a very warm welcome back to my friend and fellow property entrepreneur, David France. Dave, how are you doing?

[David France] (1:00 - 1:02)

Hi, Mark. Thanks for having me back.

[Mark Barrett] (1:02 - 1:11)

Yeah, so I was just looking back, you was on the episode which came out the 1st of October 23. Wow. Getting up to 18 months ago, yeah.

[David France] (1:12 - 1:14)

Time flies when you're having fun, doesn't it?

[Mark Barrett] (1:14 - 1:17)

Yeah. And you're enjoying the sunny weather.

[David France] (1:18 - 1:22)

Yeah, it's lovely today, actually. Yeah, it makes a change, normally raining up here in the lakes.

[Mark Barrett] (1:23 - 1:27)

So for anybody who doesn't know you, do you want to just give us a bit of background to yourself, Dave?

[David France] (1:27 - 1:54)

Yeah, sure. So I've been in property now for about 17, 18 years, something like that. Bought my first property about then, and then got into deal sourcing because like everybody else, you run out of money quite quickly when you're buying the traditional way.

At the time, I was a carpenter joiner fitting kitchens and all that kind of stuff, domestic and commercial kind of work.

[Speaker 4] (1:54 - 1:55)

Yeah.

[David France] (1:55 - 3:10)

And then realized very quickly, property was my passion, and I really liked deal sourcing because finding properties, I happened to buy them and getting paid particularly well, and it's also very low risk, really appealed to me. So I quickly left my job and then actually ended up, it was a bit bumpy, I had to go back to joinery a few times when I had some fall throughs of deals, learning the ropes and all that. And then eventually I was full time in property doing deal sourcing.

We're doing deals in the UK, we're also doing deals overseas as well, because at the time the market was quite ripe for that kind of activity. And we were just, again, just working with motivated sellers, putting these deals together, making five grand a time. And then it just got really exciting, started to scale up.

And then since then, we've been able to build several businesses, all property related. And the good thing is it's like an ecosystem we've created, they all dovetail and link in with each other quite well. So I'll talk about one of those businesses today, which is the auctions.

[Mark Barrett] (3:10 - 3:11)

Very good.

[David France] (3:11 - 3:30)

So you're a family man? A family man, yeah. I've got two children, Amber, who's five, James, who's eight, they're an absolute handful.

He's quite easy, but she's crazy, absolutely crazy. But yeah, it's a girl thing, I believe. So I know you've got some girls, so you probably relate to this.

[Mark Barrett] (3:30 - 3:40)

Yeah, yeah, yeah. My girl's a little bit older now, so 15 and 13, but yeah, great blessing for sure, yeah. What about in the Lakes eBase, Dave?

[David France] (3:40 - 3:43)

Just in Kendal. Okay, yeah, yeah.

[Mark Barrett] (3:43 - 3:47)

And then your properties, do they have them locally or are they nationally?

[David France] (3:47 - 4:50)

Actually, we have some holiday lets locally, but the one thing I learned very early on was the buy-to-let recipe for high yielding and growth and high cash flowing assets don't really work so well where we are. So the first one I bought, like I say, it was about 18 years ago now, I bought in Liverpool in Fazakley, it was a three-bed semi, and that property I've still got to this day, and it's been a great performing property. So yeah, I think because of some of the people I got introduced to in the property world, they helped me understand what makes a good investment, so then this is why I didn't stick to my local area.

Because had I done that, I would have made a mistake, I don't think I would have made as much cash flow. Capital appreciation for sure, house prices are very buoyant around here, but the buy-to-let model just works much better outside of this area.

[Mark Barrett] (4:51 - 4:56)

Yeah, okay, that makes sense. So do you want to just give us an oversight onto, is it four businesses that you have?

[David France] (4:57 - 6:11)

Yeah, we've got several businesses, so I'll touch on them. So each business is quite small and lean, high margin we're focused on generally, high profit margins. We have a handful of people in each business that all operate remotely generally, everyone's just working and logging to our central CRM system.

So we've got a sourcing company, and we just do buy-to-let sourcing, deeply discounted properties, 20, 30% off the market value generally, selling them on for a fee, basically what I started doing. So we've refined that and we're doing that model still. We've also got a property training company, and again, I was saying before, these businesses dovetail quite nicely because the people that we train to become deal sourcers, when they find deals, they don't necessarily have the buyers, and this is where we come in.

So they bring us the deal, we sell it to our investors, we split the fees 50-50, everything's very fair. They like it because we're taking 50% of the work out, and we like it because they're going out finding deals, bringing them to us, and it helps grow our business as well. So that helps grow both businesses in essence.

[Mark Barrett] (6:12 - 6:13)

What's that business called?

[David France] (6:14 - 6:23)

So we've got Fast Property Consultants, which is the deal sourcing company, Fast Property Partners, which is the training company.

[Mark Barrett] (6:23 - 6:28)

And how many people have you got in that business? Kind of like the partners?

[David France] (6:29 - 6:44)

Oh, we've got about 67 partners at the moment. We keep it quite small. That's a good size?

Yeah, it's not too bad. It's easy for us to manage. If we get too big, we'd have service issues.

So we like to keep it manageable.

[Mark Barrett] (6:45 - 6:45)

That's good.

[David France] (6:46 - 7:11)

Yeah. Like I say, I've always favored the business operating remotely, so I don't have to be restricted to locations. I certainly don't have any desire to have high street office, loads of staff in it, because it just drains the business and obviously your location dependent.

I love working from coffee shops, traveling, and unrestricted in terms of location, really.

[Mark Barrett] (7:12 - 7:19)

Yeah. And then the other two is the auction side, which you're going to mention today, and then your portfolio.

[David France] (7:19 - 7:50)

Yeah, so we've got a property portfolio, which I managed to build up using the same model that our investors buy the deals from us that we find. So we cherry pick the good ones and we... Well, they're all good deals, but generally we've got a certain recipe for the ones that we buy, and we're able to cherry pick them, buy them for our own portfolio.

And then we've also recently acquired, about a year ago, a small caravan park as well up here in the lake. So that's a very interesting business model as well.

[Mark Barrett] (7:51 - 7:55)

Yeah, that's good. And what you're doing later, you've got a hot tub, is it?

[David France] (7:55 - 8:15)

Yeah, we just had a brand new hot tub show up to the park. So I've just got to go up and just do a bit of a risk assessment and just check that's in the right place. We've got a joiner on site who's actually doing some decking.

So we've got to check he's getting on with that because we've got people ready to show up to the park.

[Mark Barrett] (8:15 - 8:18)

Whereabouts is the caravan park, if anybody's interested? Just outside Kendal.

[David France] (8:19 - 8:28)

Yeah, it's a small village. So yeah, it's really exciting. And that's the thing with these property businesses, it can take you down different paths.

[Mark Barrett] (8:28 - 8:29)

That's right, yeah.

[David France] (8:29 - 9:04)

And you try some of the things. I mean, some of the things I've tried over the years, like HMOs, I didn't really take to them. I've tried service accommodation, didn't really take to that too much.

But then caravan park sector, really like that. Very profitable and very exciting business. Although opposite to property, caravans drop like a stone in value.

Lodges also drop in value. So it's quite the opposite to the property model. But still, there's angles in that business to make it rewarding.

[Mark Barrett] (9:05 - 9:09)

And then the auction side, do you want to just give us a bit of background?

[David France] (9:09 - 10:31)

So we've got an auction franchise. Now, this dovetails with the sourcing company, because when interest rates were rising, no one knew where the top was, including myself. So we were panicking a little bit.

A lot of investors were sitting on their hands, they weren't buying the deals like they were. So what we decided to do is we acquired a town and country franchise. So we took the Northwest franchise that was available.

So we took that because that way we realized if we've got sellers that need to sell quickly, then where else aside from a deal sourcing company would they go? Now, the natural one would be an auction, because under auction conditions are done really quick. There are guaranteed sales as soon as that hammer falls.

So we decided to acquire that. And we've had it for over a year now. We've had a phenomenal year with it.

My business partner heads it up from Spain. He used to own one of the biggest home buying companies in the UK. And so he's a brilliant person to operate that business because of the background he's in.

He's a people person. And obviously, he's able to spend the time on that day to day to help grow it. So it works really well.

And we have auctions once a month. And we've been trialing twice a month recently as well. That's been going really well.

OK, that's good.

[Mark Barrett] (10:31 - 10:43)

Yeah, OK. So we also mentioned about like, you know, you're involved in the property entrepreneur community. How did that come about?

How did you, when was that?

[David France] (10:43 - 11:37)

I can't remember the exact date, but I'm on the advanced. This is my second year in advanced. I started on the program.

And I think it was maybe the podcast of Dan Hills I was listening to. And he spoke a lot of sense. I mean, the thing is, you know, from my background of carpenter, I didn't know how to run these businesses.

And some of the stuff that we learn within property entrepreneur, the blueprints, the, you know, I can, I might just touch on a few that I've really benefited from. Josh stood up on stage. One of the trainers, obviously, as you know, he stood up on stage and said, on one of his workshops, you need to get a PA.

And I thought, what do I want a PA for? I just, you know, I haven't got enough work for them. And he said exactly the same.

And he said, but he got one and it changes life. And I got off the back of that. I remember on the train home, I started drafting my job advert for Indeed for a PA.

[Speaker 4] (11:38 - 11:38)

Yeah.

[David France] (11:38 - 12:20)

And I've never looked back since this PA I've got on board. I could never do without her. She's like my right hand person.

She does everything. She books my hotels. She does everything.

Absolutely game changer. And then things like the frameworks for the business. So SCS management.

So set up, check in, sign off, implemented that with the team. And some of this stuff, like I say, I wasn't aware of. PDPs, personal development plans.

I never knew that because I'm not from a corporate world. And I absolutely love that framework. It really helps the progression of your staff members.

And they love it. And, you know, it's all about retaining, you know, world-class talent. And we have got certainly some world-class talent within our businesses.

That's for sure.

[Mark Barrett] (12:21 - 12:24)

So that's good. And your Wealth Dynamic profile, what's that?

[David France] (12:24 - 12:25)

It's Dynamic Creator.

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

Okay, yeah.

[David France] (12:27 - 12:30)

Sorry, Dynamo. Yeah, the Dynamo on the green.

[Mark Barrett] (12:30 - 12:34)

Yeah. So you're constantly coming up with ideas.

[David France] (12:35 - 13:48)

That's probably why we've got so many different businesses. But yeah, head in the clouds, love starting stuff, but don't like finishing things and not great at maintaining things. But again, the blueprints are really helping for this.

Making sure we have the right people in place. Because running a business is extremely stressful, as you know. And it's making sure, you know, I think letting go of some of the profits has been a big thing for me.

Because over the years, when I first started, I thought, oh, I'm not going to hire anyone, I'll do it all myself. But then you restrict yourself. There's only, you know, 24 hours.

Everyone's got 24 hours in a day. And to help leverage that, bring team members on. As soon as you start bringing PAs on, and sales staff, and sales progressors, your time, you're just buying that time back.

Yeah, yeah. And it's just absolutely amazing. Yeah, you just buy that time back.

And then you just become the orchestra, really, just managing and spinning the plates. Any problems, you just zoom in on them, into that business, and you help fix them. That's good.

And then zoom back out again. So it really is that thing where people say, work on the business and not in it. But some parts of business still like being involved a little bit in certain elements.

[Speaker 4] (13:48 - 13:49)

Yeah.

[David France] (13:49 - 13:51)

Doing the deals. I love doing deals. It's good.

[Mark Barrett] (13:51 - 14:08)

Yeah. Which brings us nicely on to doing the auction deals. Oh yeah, yeah.

I think you was kind of saying everything like dovetails together. So like having the auction has been like a good outlook for some types of properties that you look to sell, yeah?

[David France] (14:08 - 14:50)

Absolutely, yeah. Yeah, because like I say, when we acquired it, it was because interest rates were going up. And we needed an outlet to sell some of these deals.

And the auctions worked really well, because you've got national exposure, because we've got platforms like Rightmove, Zupla, and so on. So we've got a much broader audience to buy the deals. So anyway, fast forward to today.

Yeah, we've got some really exciting deals I can tell you about today. And the best part is, similar to a deal sourcing model, we're collecting fees as auctioneers, chunky fees. Not always chunky, but some of the ones I'm going to talk about today are particularly lucrative ones that we've done recently.

And I'm delighted to share them with you today, yeah?

[Daniel Hill] (14:53 - 15:52)

Jumping in with a request, if I could please. Through the last 12 months of 2024, it cost us £132,707, plus a lot of time, work, effort, and energy to be able to deliver our content to you completely free of charge. If you genuinely enjoy these podcasts that get delivered weekly, enjoy our daily posts on social media, all of this we aim to make maximum value for you at absolutely zero cost.

And if you appreciate that, you get value from it, would you please take a moment now to rate this podcast, or leave me a review, hit the subscribe, follow on whichever platform you're on, just to show us your support, enable us to increase the reach, it would be hugely, hugely appreciated. It really will enable us to continue to invest in the channel over the year ahead to give you maximum value at zero cost through the next year of 2025. Please press pause now, do it before you forget, and just show your support.

We would really, really appreciate it. Back to the podcast.

[Mark Barrett] (15:55 - 16:01)

So we're going to cover four property deals where the fees are in excess of 100k.

[David France] (16:03 - 16:25)

111,000 to be precise we generated in the auction company alone. Sorry, no, well, in the auction company, but me and my business partner, Dan and Danny, there's three of us involved with Town & Country. The fourth deal I'll talk about, we actually bought that ourselves.

But I'll talk to you about that when we come on to it.

[Mark Barrett] (16:25 - 16:27)

Okay, so take us through the first deal now.

[David France] (16:28 - 17:14)

So the first one was in Kingscote in West Sussex. Now, you'll remember I said at the start of this, we've got the franchise which covers the Northwest Territory. Now, all these deals are outside of the Northwest.

It's important, we did tell them at Town & Country, we needed to make sure we're flexible on our regions because we get deals nationally. So they seem fine with that, which is really good. We do get a lot in the Northwest, obviously, because that's where we're located.

But this one's in Kingscote in West Sussex. We listed it with a guide price of 600,000 to 700,000. And we actually got a sale of 665,000 on it.

And that was a four-bedroom detached property with development potential.

[Mark Barrett] (17:15 - 17:18)

Very good. What was the reason for the selling of that?

[David France] (17:18 - 17:26)

Yeah, good question. So that was a divorce case. And they needed a quick, discreet sale.

And that's perfect for the auctions, really, yeah.

[Mark Barrett] (17:27 - 17:29)

And how did you come across that?

[David France] (17:30 - 17:45)

Yeah, we came across that through an introducer, a deal sourcer brought it to us. You know, we work with deal sources who can bring us these deals. And they get a percentage of the fee.

And on that one, we generated 40,000 pounds on that one deal.

[Mark Barrett] (17:46 - 17:49)

Okay, excellent. And then the second one?

[David France] (17:50 - 18:03)

Yeah, the second one was Great Dover Street. This one was in London. And this one had a guide price of 360,000.

And we sold it for 380,000.

[Mark Barrett] (18:03 - 18:04)

What type of property was that?

[David France] (18:05 - 18:06)

That was a two-bedroom apartment.

[Mark Barrett] (18:07 - 18:07)

Yeah.

[David France] (18:08 - 18:50)

And yeah, the reason for sale on that, Mark, was that came from a national cash buying company that we work with. They've got an estate agency arm. And this had been on the traditional market with a retail buyer.

It collapsed, fallen through, and they passed it through to their quick sale arm, who in turn passed it to us at the auction. Because those types of deals, it's typical on these London large blocks of flats, the conveyancing is extremely complex and time-consuming. So the auction was a great route for this one.

Again, you know, lots of problem properties would come across the suitable for auctions generally.

[Mark Barrett] (18:50 - 18:51)

Very good.

[David France] (18:51 - 19:31)

And we got a £21,000 fee on that. It's worth saying that the King's Coat one that I just talked about and the Great Dover Street, they were sold pre-auction. We actually sold quite a lot before they even go to the room.

And all that, in the same room, everything's done online. All our auctions are hosted online. Dan's based in Spain, operates it all from Spain.

And my other business partner, Danny, is based in Liverpool because he helps cover that kind of location as well. Boots on the ground. But it's all run remotely.

And yeah, pre-auction seems to be quite popular, getting deals done before they go to auction. And also after the auction as well, we sell a lot after the auction.

[Mark Barrett] (19:32 - 19:35)

Yeah. Okay, good. And then the third one.

[David France] (19:35 - 19:46)

The third one was Style Road. This was in Oxford. This was a three-bedroom HMO.

It was pulling in some pretty chunky figures. It was 28,000 or something, around about 28,000.

[Speaker 4] (19:47 - 19:47)

Yeah.

[David France] (19:47 - 20:14)

In gross income. And it was only a three-bed HMO. They had a guide price of 200,000, and we managed to sell that for 230.

The story behind that, Mark, was the owner had been trying to sell it for years, but there was some serious title issues on it. Okay. So he knew he'd have problems, and that's why it's taken him so long to sell it.

So he decided to put it to the auction, and we generated a £20,000 auction fee off that as well.

[Mark Barrett] (20:14 - 20:16)

Nice. Which the buyer pays.

[David France] (20:17 - 20:20)

Which the buyer pays. Yeah, the buyer pays all the fees. Yeah.

[Mark Barrett] (20:20 - 20:22)

Yeah. Okay, that's good.

[David France] (20:23 - 21:21)

The fee range is generally 3% to 7% or thereabouts on some of these deals. Depends what we can get agreed. Yeah.

How popular we think it's going to be. There's a bit of an art into pricing them, but Dan is really good at that and coming up with the correct strategy. That's good.

Good. And then the final one was, this was an interesting one. We obviously were in the sourcing game, so our sourcing business had produced this.

This deal came in, and this is the beauty of being in this business. You can cherry pick the good deals. So we saw this one.

This one was in Hook Road in Surrey. We picked this up, and we decided to buy it with cash. So we paid £95,000 for it.

They needed a quick sale. It needed a full refurbishment. The sellers just needed it gone quick.

So we bought it with cash, £95,000, and we decided to flip it through a local auction.

[Speaker 4] (21:22 - 21:22)

Yeah.

[David France] (21:22 - 22:34)

See what we could get, because we knew we'd got it a good price. Now, what happened was, when it was in the marketing phase, we actually had what was known in the game as an insurance bid offer. So somebody wanted to make an offer to us on the property before it goes to the room.

Now, what they did, they underwrite the offer at 100. In this case, they made an offer at 125,000, and that's what we'd set the reserve at. So we knew we needed that really to make a margin.

So we agreed to it. Now, we didn't have to agree to it, but we decided to take a calculated risk, ring fence our profit straight away. We knew we were guaranteed our profit.

So we bought it at 95, and we had agreed insurance bid at 125, so that's a 30k spread we make on the deal. We're guaranteed that. Now, what happens is, if it goes to auction and it sells above the insurance bid price, we split the fees, the profit, 50-50.

Okay. Anything above the 125, we'd split 50-50 with the buyer. So you can see the benefit from their point of view.

They potentially make money from a deal that they didn't own or buy.

[Speaker 4] (22:35 - 22:35)

Yeah, yeah.

[David France] (22:35 - 22:54)

And then for us, we've ring fenced our profit. Now, the only thing is with this one, we didn't actually achieve anything higher than 125. It sold for 125.

So the person who made the bid had to actually, they completed at 125 because there was no other bidders on the property, if that makes sense.

[Mark Barrett] (22:54 - 22:55)

That's interesting. I've not come across that.

[David France] (22:56 - 23:33)

Well, to be honest with you, I hadn't. And the longer you're in this game, you come across new things all the time. Yeah, absolutely, yeah.

First time I'd actually come across an insurance bid. So, and just a point on our auction, we're very flexible. We'll deal with, we'll let people, we'll work with option agreements, power of attorneys, anything creative, because I know some auctioneers aren't familiar with all that stuff, but because we're in the game, we're familiar with some of these strategies.

As long as you've got the paperwork in place and authority to sell, then we can work with option agreements, power of attorney agreements, and insurance bidding as well.

[Mark Barrett] (23:34 - 23:45)

Yeah, because we do get approached with people that have got options on properties and they're kind of unsure as to ways forward. So yeah, it's good that you can do that as well, yeah.

[David France] (23:45 - 23:59)

Absolutely, yeah. And so, like I said, the fee we generated on that, that was 30,000 pound fee because the buyers cover all the costs as well. So that's, it's good.

There's no legal fees for us to pay anything. The buyers cover all that cost.

[Mark Barrett] (24:00 - 24:11)

That's good. So for anybody that's thinking about, you know, profiting from like the auction strategies, what would you say would be like the three top tips?

[David France] (24:12 - 25:30)

Certainly, yeah. So the first one would be your power team, making sure you've got a really good fast-acting solicitor who can turn around a legal pack quickly because one of the problems we find is if people are very slow with that, it's going to lose a lot of interest because people take it more seriously, the listing when there's a legal pack to view. Because sometimes they'll get a bit suspicious and think you're trying to withhold something.

So you need to make sure you've got a really good solicitor on board. Obviously, we've got some that we can recommend, but if you've got your own, make sure they're fast-acting. And a good auctioneer as well, like us.

Yeah. Tip number two would be timing as well. So I would say the worst times of the year would be to put a property to auction is probably August because you've got the school holidays, like a lot of businesses are very similar to this.

And then you've got December as well when the Christmas tree goes up, no one wants to talk about property. So I would avoid those months if you're thinking of going to auction. Yeah, okay, that's good.

January has been particularly good for us because as soon as Christmas is over, everyone's very predictable, they're all just back to business, motivated sellers, and then we're able to help them. So yeah, that's my second tip.

[Mark Barrett] (25:30 - 25:30)

That's good.

[David France] (25:31 - 26:07)

And then the third and final tip would be valuation. So making sure you're putting a correct value on the property, we can help with this. In fact, we offer free valuations.

So if anyone wants to get in touch and speak to Dan directly, he'll help appraise and make sure you've got the correct guide and reserve set. Generally, they're set within 10% of each other to meet the guidelines of trading standards. So make sure you've got a correct valuation and you're not looking for those rose-tinted glasses thinking it's worth more than it really is because we need to make sure we're leaving something in it again for the incoming buyers.

[Mark Barrett] (26:08 - 26:13)

Okay, that makes sense, yeah. And for anybody that wants to contact you, could you share your contact details, please?

[David France] (26:13 - 26:37)

Absolutely, yeah. And also I'd like to offer a copy if it's all right with you of my book that's on Amazon, How to Build a Property Portfolio at the Banks. If anyone would like a copy of that, and anyone wants to get in touch, then get in touch with us directly on david at fastpropertypartners.com.

Should also be hopefully in the show notes, I believe as well.

[Speaker 4] (26:37 - 26:37)

Yeah, that's right, yeah.

[David France] (26:38 - 26:51)

And yeah, just get in touch and we'll get my PA to send you a copy of my book over to you directly. So yeah, if anyone's got anything they want to bring to auction, again, to have a chat, then reach out to us directly.

[Mark Barrett] (26:52 - 26:54)

Okay, great. Good to catch up with you again, Dave.

[David France] (26:54 - 26:56)

Thank you very much.

[Daniel Hill] (26:56 - 27:43)

Thanks for having us. I hope you enjoyed this Blueprint podcast episode. If you're not already subscribed, sharing these, this is my lifetime's work and every Tuesday, I'm giving you one Blueprint away for free.

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