



# CAPITAL STRATEGIES

# CAPITAL STRATEGIES

- Flips
- Sourcing
- Flipping Planning Gains
- Selling based on Yield
- Buying trade and selling in Auction or open market

# FLIPS

- Where to buy and why
- Close to motorway links
- Schools & Shops
- Check demand and what's selling in the area
- A way to add value - PD's
- Spend money in the right places
- Spec Sheet for builder



# EXAMPLE

**PP - £125,000**

**REFURB - £23,600**

**SALE - £187,000**



BEN  ROSE



**Haigh Close, Chorley**

**Offers Over £129,995**

Ben Rose Estate Agents are pleased to present to market this three bedroom, semi detached property, situated on a quiet cul-de-sac in Chorley. This would be an ideal family home or for an investor looking to bring the property up to a more modern standard. The property is located near to Chorley town centre and its superb local schools, shops and amenities with fantastic travel links via the M6 and M65.

BEN  ROSE



**Haigh Close, Chorley**

**Offers Over £189,995**

Ben Rose Estate Agents are pleased to present to market this fully renovated, three bedroom, semi detached property, situated on a quiet cul-de-sac in Chorley. This would be an ideal family home offering good space throughout. The property is located within walking distance to the town centre and its superb local schools, shops and amenities with fantastic travel links via the M6 and M65.

# STANDARD NEEDED TO SELL FAST



# FLIPPING PLANNING

- Planning 9 and under is deemed a minor app
- Normally takes 8 weeks from validation
- What to look for and why
- Negotiating the deal STP low deposit down
- Size of buildings
- Parking or town centre



# Example - FLIPPING PLANNING

## Balmoral Pub - Wigan

PP - £95,000

Cost of - 9 x £450 per unit plus architect fees

Sale agreed @ £165,000

Profit - £62,950 Gross



# SELLING ON YIELD



- What to look out for high Yield
- Buying at a trade price
- Seeing how you can add value, contract better tenant
- Finding a person that is happy to buy at a lower Yield
- Old landlords selling up don't see the added value

## **LEIGH - GREATER MANCHESTER**

**Income producing - £16,200 PA**

**Serco contract in place**

**Agreed at £85,000 = 19% Yeild**

**Sold at £146,000 = 11% Yeild**

**Gross profit = £61,000**

**Held for 4 hours only**



# HALLGATE - WIGAN

Income producing - £28,500 PA

Fully let at point of purchase

Agreed at £175,000 = 16.2% Yield

Sold at £292,500 = 9.7% Yield

Held for 15 months

Gross profit and income = £128,375





## **BUYING TRADE PRICE AND SELLING STRAIGHT ON**

- **Not always about maxing out the full potential, leave some in for the next person**
- **Quick turn on cash to then invest straight into cashflow**
- **Selling it Auction**

# LOCK ROAD - WARRINGTON

Purchase price - £111,328

Sold for - £132,000

Held for 7 days until sold

Bought off market

Gross profit - £20,672



NEW Completion stateme...

AMENDED COMPLETION STATEMENT - PURCHASE

Our ref: 283206-007

Date: 23rd July 2020

napthens solicitors

	£	z	z
Purchase price			110,000.00
<b>Add:</b>			
Search pack		289.90	
Lawyer Checker		14.40	
Land Registry search		4.00	
Land Registration fee*		95.00	
Landlord notice fee		385.00	
Napthens legal fees	660.00		
VAT @ 20%	132.00		
		792.00	
Our administration fee for arranging a bank transfer	40.00		
VAT @ 20%	8.00		
		48.00	
			1,628.30
			111,628.30
<b>Less:</b>			
Monies received on account		300.00	
			300.00
<b>Amount due from you to complete</b>			<b>111,328.30</b>

\* indicates disbursements not yet paid

Memo of Sale Vendor Lett...

Ashtons

Mr Almond

30 July 2020

Dear Mr Almond

**RE: 14 Lock Road, Paddington, Warrington, WA1 3NG.**

We are pleased to confirm that we have today advised your solicitors, Napthens in respect of your proposed sale of the above property at the agreed price of £130,000 subject to contract.

We trust the matter will proceed to a satisfactory conclusion.

Yours Sincerely

Sophie Everson  
Sales Negotiator

Padgate: 144 Padgate Lane, Warrington, WA1 3SP. Tel: 01925 479334

Ashtons.net

## PRIMROSE - WIGAN

**Purchase price - £230,000 plus costs**

**No Stamp - Probate to trade**

**Split the house back into 2 houses**

**Sold plot 1 - £157,000 cash**

**Sold plot 2 - £150,000 mortgage**

**Costs to split - £8,600**

**Gross profit - £65,935**

**Holding time 3 months**





# CAPITAL STRATEGIES

# FLIPS

Purchase Price - £72,500

Buying Costs (stamp, sols) £3,100

Refurb and Council Tax- £26,500

Cost of money (8 months) £6,800

Total spend - £108,900

Sold it within 7 days for £124,000 to a cash buyer

Profit - £15,100

## TRICKS TO FLIP

- DON'T DO THE REFURB YOURSELF
- Find deals, raise money repeat







  
**PROPERTY**  
NETWORK





**WHAT DO I PUT IN MY INVESTOR PROPOSAL?**

**WHAT AGREEMENTS / SECURITY DO I OFFER?**

**DO I LEAVE IN CASH?**



**“I DON’T KNOW PEOPLE WITH MONEY, HOW AM I GOING TO FIND WEALTHY INVESTORS?”**



# TWO IN ONE: HMO & FLIP PROJECT



**3-bed house refurbed to 5-bed HMO**

**PP: £124,000**

**Refurb & costs: £49,500**

**Rent PCM: £2,250**



# TWO IN ONE: HMO & FLIP PROJECT



**3-bed house refurbed to 5-bed HMO**

PP: £124,000

Refurb & costs: £49,500

Rent PCM: £2,250

**Sold: to an overseas buyer for  
£225,000**

**Profit: £51,000+ (& 6 months rental  
income)**



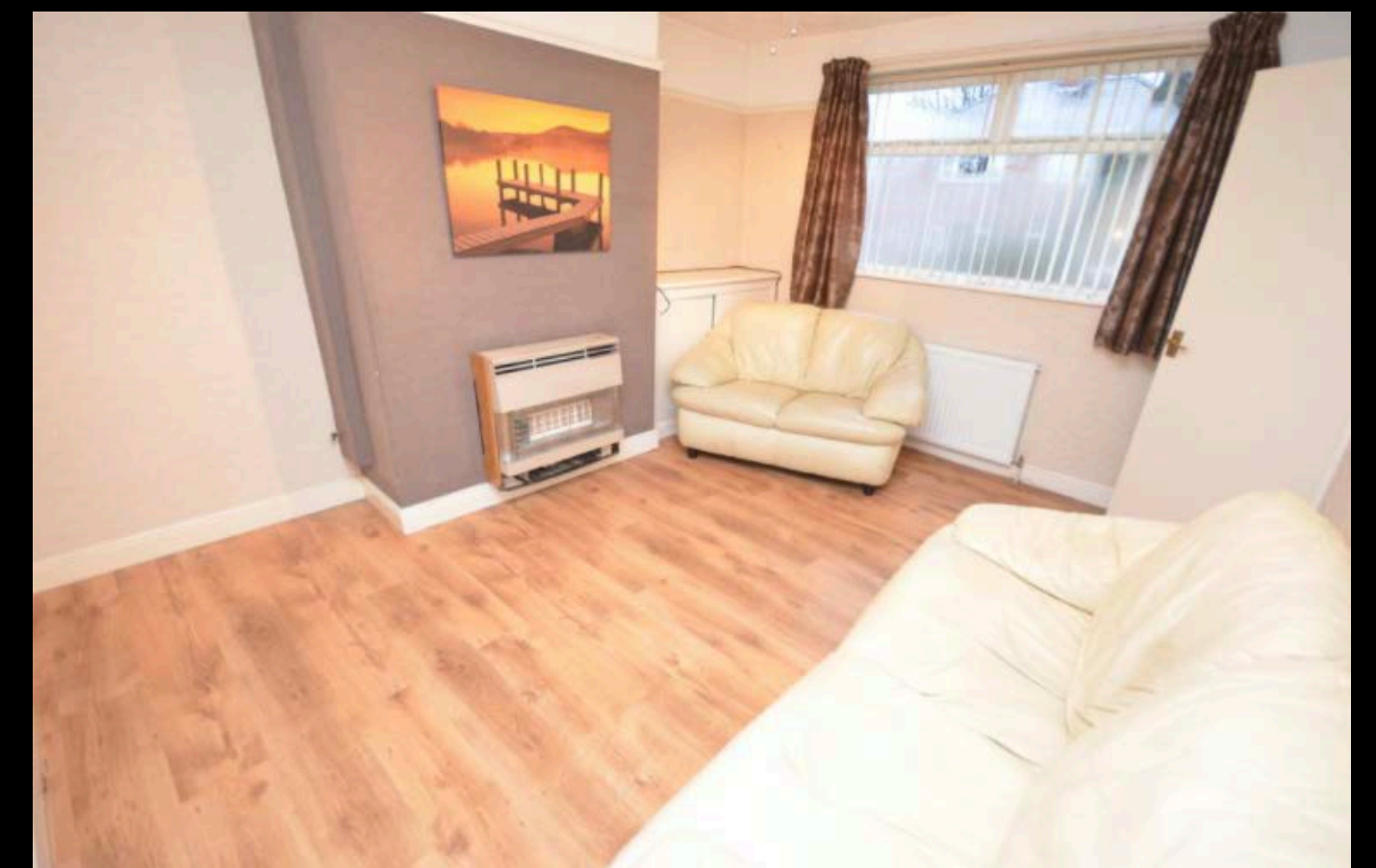
# BUNGALOW FLIP



**“The smallest house in the North West”**

**pp: £65,000**

**Bought with bridging finance.**



davies property

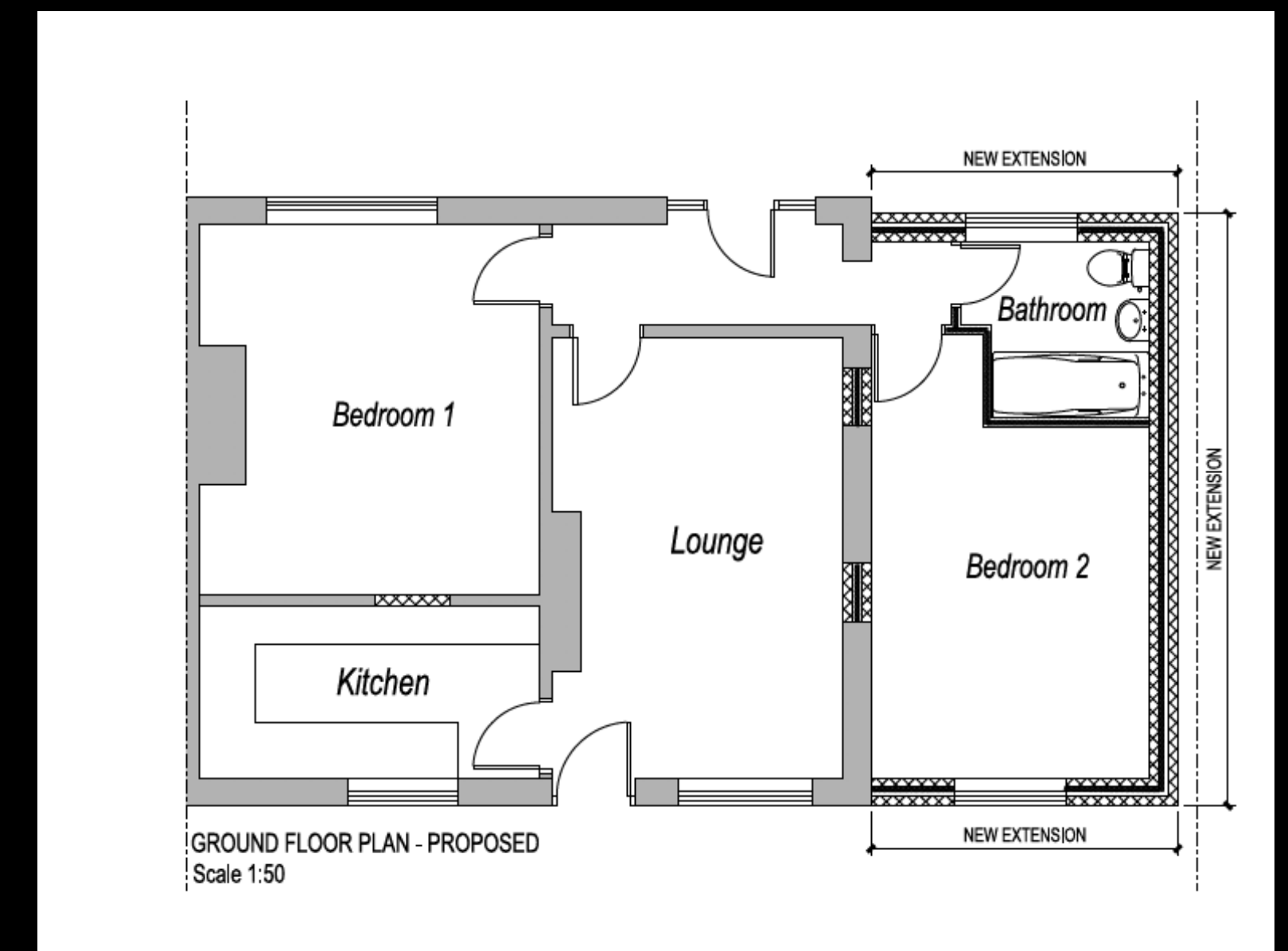
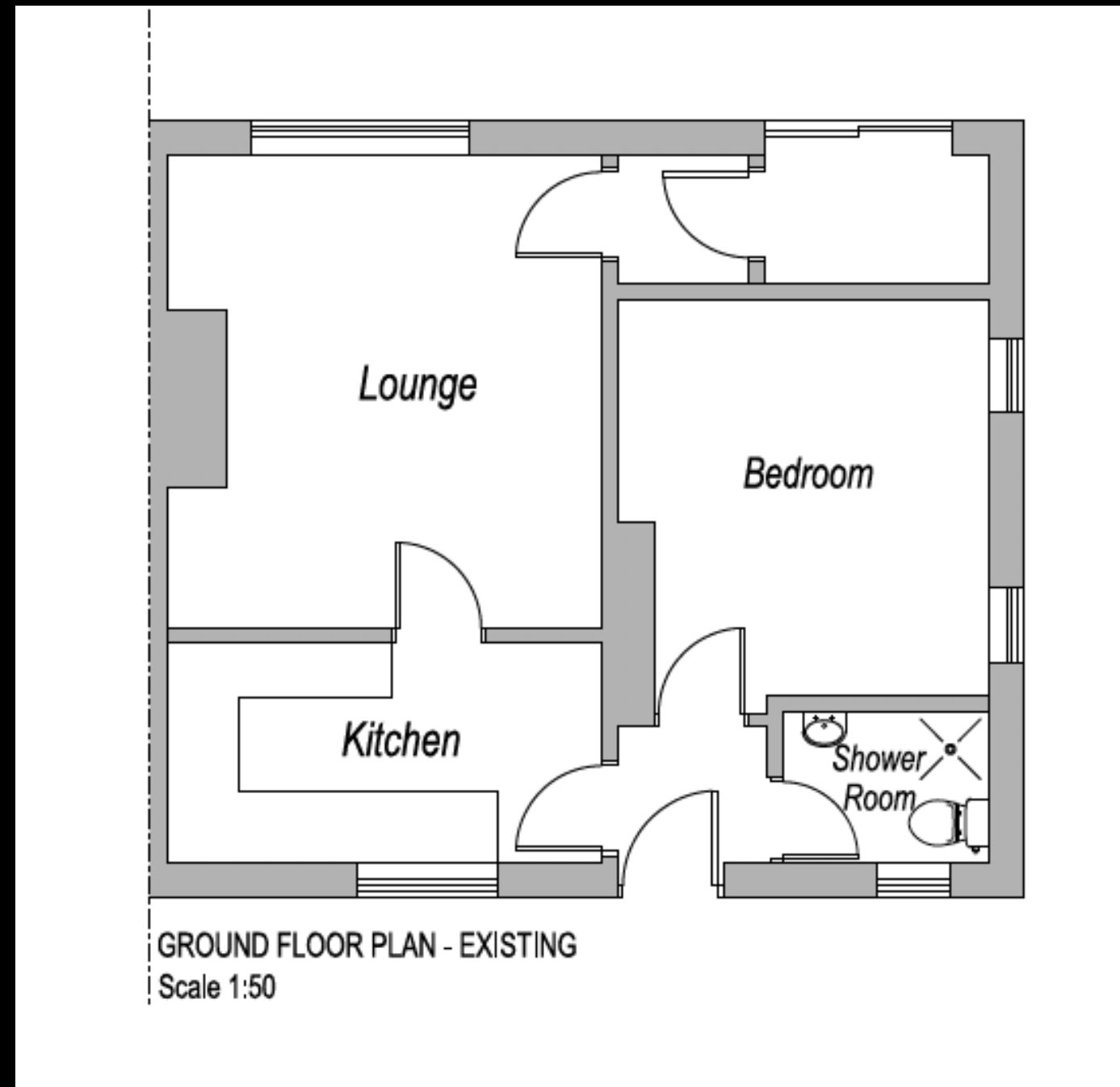
IG: @natgascoyneproperty

# BUNGALOW FLIP

Added value by adding a single storey side extension (PD) to make a 2-bed and full cosmetic refurbishment.

Refurb & costs: £49,800

All in: £114,800



# BUNGALOW FLIP



**Sold to the first viewer, an elderly lady whose daughter lived around the corner.**



**Sold: £133,000**

**Profit: £18,121**

**Sold within 7 months of ownership.**

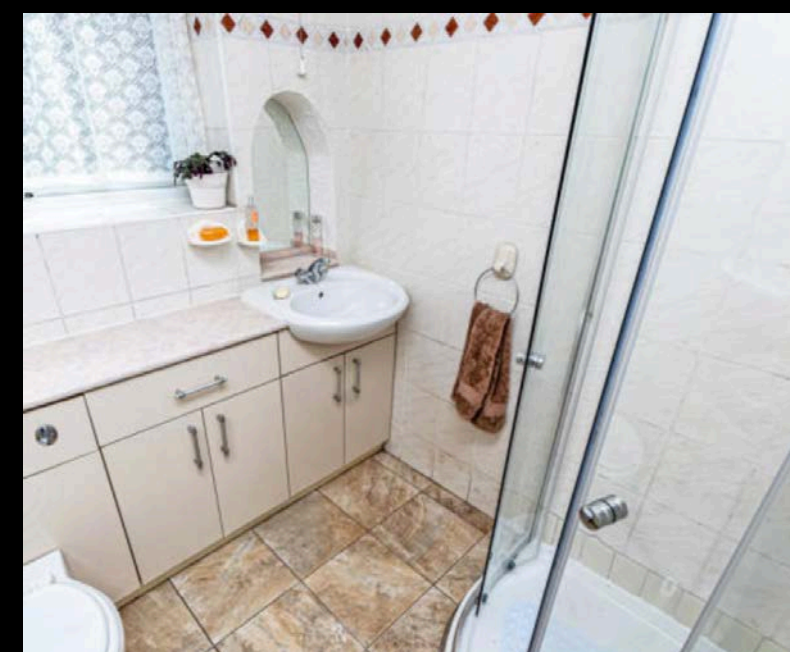


# WHAT DID I FLIP?



- **Why Bungalows?**

- **Supply and Demand**
- **Downsizing - Cash - Quick**
- **Largely Cosmetic Refurbishment**
- **Bungalow Life Cycles**
- **Less Saturated Market**



# FLIP CALCULATOR



On the market / PAID				£91,000	
DUV				140000	
Refurb				22,000	
Minimum Profit				20,000	
Agency Fees (%)		1		1680	(INC VAT)
Legals				1433	
Insurance				230	
		Number	PA Interest		
Bridge		7	0	£0.00	
Angel Deposit		7	0	£0.00	£22,750.00
Angel Refurb		7	0	0	
Stamp duty				£0.00	
Sourcing Fee				0	
<b>Max Offer</b>				<b>94,657</b>	
5% Below				89,924	
10% Below				85,191	

**PAID £91,000**

**REFURB £22,000**

**FEEES £3343**

**SOLD £140,000**

**PROFIT £23,657**

**TIMEFRAME 4 MONTHS**

# COMMERCIAL CONVERSION TO HMO - WAKEFIELD



**4700 SQUARE FEET BUILDING  
CONVERSION TO 20 BED HMO**

- **PURCHASE PRICE = £95,000**
- **EXCHANGE WITH CONDITIONAL COMPLETION  
(SUBJECT TO PLANNING APPROVAL)**
- **REFURBISHMENT CIRCA £190,000**
- **REFURBISHMENT PERIOD 4 MONTHS**

# SOLD AS A 17% GROSS YIELD PERFORMING ASSET



Sovereign	
Sale Price	£550,000.00
Purchase Price	£95,000.00
Purchase Fees	937.69
Other Fees	3135.60
Refurb and fees	197,390.02
Sale Fees	£6,600.00
Sale Legals	1062
Total Spend	304125.31
Profit	245874.69



RENTAL INCOME	PCM	7,845
	PA	94,140

- SOURCED FROM SOMEONE IN THE NETWORK
- FUNDED BY SOMEONE IN THE NETWORK
- REFURBISHED BY SOMEONE IN THE NETWORK
- RENTED BY SOMEONE IN THE NETWORK
- SOLD BY SOMEONE IN THE NETWORK (AND BOUGHT)

# HOUSE CONVERSION TO SERVICE PROVIDER HMO - RUNCORN



- **PURCHASED £65,000**
- **REFURBISHMENT AND FEES £25,000**
- **TOTAL SPEND - £90,000**
- **FAIR MARKET VALUE - £85,000**
- **DOH.....**

# HOUSE CONVERSION TO SERVICE PROVIDER HMO - RUNCORN



- 10 YEAR CONTRACT FROM PROVIDER

- £14,000 PER ANNUM PAID

- SOLD FOR £140,000

10% GROSS RETURN GUARANTEED FOR 10 YEARS?

## IS IT A GOOD DEAL?

- SOURCED THROUGH AN AGENT

- FUNDED BY SOMEONE IN THE NETWORK

- REFURBISHED BY SOMEONE IN THE NETWORK

- RENTAL CONTRACT PROVIDED BY SOMEONE IN THE NETWORK

- SOLD TO IN THE NETWORK

# PLANNING GAIN FLIP

- PURCHASED FOR £145,000 (TENANTED)
- INCOME £15,000 PER ANNUM
- PERMITTED DEVELOPMENT APPROVAL FOR 29 STUDIO APARTMENTS
- SOLD FOR £350,000 (LEAVING MARGIN IN FOR THE BUYER)



**GDV - 29 X £45,000 = £1.305M**

**ESTIMATED DEVELOPMENT COSTS = 29 X £25,000  
= £725,000**

**15% MARGIN FOR BUYER = £195,750**

**SALE PRICE = GDV - DEV COSTS = BUYERS MARGIN  
= £1,305,000 - £725,000 - £195,750  
= £384,250 (START HERE)**