Iain Maitland's

PROPERTY ALERTS

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GREED-STUPIDITY-FEAR

How High Do You Rank On the Property Scam Artists' Hit List?

Dear Property Alerts Friend,

I've been a writer for 25 years now. At one stage, I was approached by someone who wanted me to become a copywriter for them. I'd make a fortune much quicker from copywriting than I would from property, they said.

"Fact is, Iain", they explained, "You can sell anything to Joe Public just so long as you remember three things. They're greedy. They're stupid. And they're frightened their friends will get a great deal and they'll miss out."

I turned down their lucrative offer for many reasons. Even con-artists should know that people, however greedy and stupid, can turn up on your doorstep with a baseball bat on Christmas morning. But I listened and learned about scams…

Are You Greedy?

Property scams usually have one characteristic in common. They offer – and I'll resist the temptation of capitals and exclamation marks – big returns. That land banking scheme will make you 1,000 per cent or whatever.

Genuine property deals – and you still need to do thorough due diligence – give you a yield of maybe 6 to 8 per cent. And you're in it for the long haul, 10 to 15 years or longer. It's dull. Drip, drip, drip. It's not very exciting.

Not so with a property scam. It's big money and it's quick too. I've never done a proper day's work in my life – a bit of teaching many years ago – but if you're in a 9 to 5 job, a little short of cash and not much of a pension ahead of you, a 1000 per cent return next year is incredibly tempting.

Stupid Or What

I could tell you of a deal where I made £30,000 from an hour or two's work. I could tell you of the £250,000 I made from this and that. If I were a con-artist, I'd go on to say you could do the same too and could persuade enough readers to put a million or two in my bank account.

I've made these deals, and others like them, because I've knocked around for many years. I've built up contacts, most of whom are much smarter and richer than me. Someone who puts in nothing except cash – no know-how, no work, no effort - and who expects a complete stranger to give them a big return and fast is liable to be ripped off.

Con artists will often make the scam exotic and unusual and beyond the realms of most investors' knowledge. Most people realise they won't get rich quick from an apartment in Grimsby. But a land-banking scheme in Costa Rica or farmland in Argentina? Maybe just maybe?

The Fear Factor

A key characteristic of a property scam is a sense of 'act now' urgency or you'll lose out. Enough members of the public have been pulled in by the promises of big money and fast that they suspend disbelief on that 'maybe, just maybe' basis.

What the con artists want to do is to play on fear – that someone else will get the deal and you'll miss out. They want you to take a chance and go ahead immediately without doing any due diligence at all. I regularly speak to investors who don't even do a Google check on a developer etc.

Don't 'act now'. You need to do the due diligence, however long it takes. There are some genuine deals where you will miss out. If there are only four units for sale, the chances are someone will lose out. But there are other deals tomorrow and the next day. Use a lawyer and listen to their advice. Bottom line? If in doubt, don't do it.

With Best Wishes,

Iain

Iain Maitland
Editor, Property Alerts

COMMERCIAL PROPERTY IDEAS

WHAT YOU NEED TO KNOW AS A FIRST-TIME COMMERCIAL PROPERTY INVESTOR

Adam Lewczynski B.Sc. MRICS, adam@londonpropertyinvestments.com.

'Commercial Property' is the common and wide-ranging term used to describe non-residential buildings such as offices, shops, warehouses, factories, pubs, leisure centres, hotels, car showrooms, supermarkets, retail parks etc...

1. What's the main difference between commercial and residential? During the past twenty years or so we have acquired a broad range of commercial investments for clients and it still surprises me that many private investors and property companies will only buy commercial properties and turn their noses up when you mention residential. Property snobbery! For those investors not experienced in commercial property, the main difference is that commercial investments are generally acquired with a tenant already in place whereas residential properties are more commonly bought with vacant possession and a tenant is then found. In addition, commercial properties are usually let on 'full repairing and insuring' terms (FR&I) which means it is the tenant's responsibility to arrange and pay for all works and costs associated with repair and maintenance to the property during the period of the tenancy. This is very different to residential property where the landlord is usually responsible for carrying out and paying for all the maintenance and repair.

2. Be aware of 'shell condition'. Worth mentioning to prospective first-time investors, commercial properties are very often let in 'shell condition' with little more than four walls and a supply of electric, gas and water. The tenant will then undertake a 'fit-out' to suit their own particular store or office layout. This will include laying carpets, putting in lighting systems and decorating the unit in their own corporate colours and branding. Then, at the end of the tenancy, the tenant will very often have to strip out all their fixtures and fittings and remove all their furniture etc. If this isn't done to the landlord's satisfaction he will issue a 'schedule of condition' telling the tenant what repairs they have to do or compensate the landlord for. This is a minefield of a topic all in itself, and this article doesn't have room to expand upon it, but suffice it to say that specialist lawyers and barristers have bought big houses and sports cars off the back of 'dilapidations' claims and disputes!

3. What is a 'prime' property? The term 'prime property' generally refers to properties found in the main office and retailing areas of cities and town centres. These properties will attract the major corporations. With retail property in particular, most major high streets will have a 'prime pitch' where all the main tenants are congregated next door to one another, often with a major 'anchor tenant' such as Marks & Spencer. Other traders will vie to rent shops close to these anchor tenants as this is where footfall is most concentrated. If you have a shop at the far end of the high street, the chances are that the amount of customers walking by your front door will be far fewer. Because the prime pitch is where the big tenants want to be, it follows that the rents in this area will be much higher than the rents at the end of the high streets. Shops are also often measured and valued 'In Terms of Zone A' (ITZA) with the front portion of the shop by the door and windows being more valuable than the back of the shop where the stock room and toilets are usually found.

4. Get to know 'secondary' properties. Secondary properties are more usually those found outside the prime areas and in local town centres and suburban locations. As an example, a local secondary neighbourhood parade will have the usual mix of bakers, newsagents, opticians, estate agents, hairdressers and local convenience shops. These properties will often have residential upper floors let on separate leases, accessed from rear alleyways or a small front door next to the shop. Rents are lower than in the prime locations and tenants' lease lengths are generally shorter so yields are higher to reflect the perceived increased risk to investors. When the property market imploded a few years ago, commercial values took a real hammering and rental values plummeted especially for secondary locations. New tenants, however, were able to negotiate incredible terms, often getting 18 months or so 'rent-free periods' on a new five year lease etc. Many secondary areas are still suffering. This is not good news for existing landlords but it is throwing up some excellent investment opportunities.

5. What else needs to be taken into account? Be aware of 'over-rented properties'. Residential rents are usually re-negotiated every six or 12 months and therefore very much in line with current market values. Commercial rents are nearly always fixed for the term of the lease or are subject to 'upward-only rent reviews' every three or five years. An investor buying a property with an existing tenant, who agreed a rent during the boom years, may not now be able to re-let the property at the same level if the lease expires or the tenant goes out of business. A lot of the commercial acquisitions we handle for clients include buying vacant commercial buildings such as office blocks and vacant pubs and then obtaining planning consent for converting or re-developing them into residential and mixed-use schemes. The rewards can be very high in a short period of time but it is also more speculative and can involve properties where little or no rental income is being received during the planning application period.

Bottom Line Advice: Commercial properties can be hands free investments but you need to take professional advice. For further advice, please contact adam@londonpropertyinvestments.com.

BOTTOM LINE BASICS

WHAT 'DUE DILIGENCE' IS & ISN'T & WHY YOU NEED TO GET IT RIGHT

Peter Esders, international property lawyer, pje@chebsey.com.

I am about to speak on the subject of 'due diligence' to several hundred IFAs at a conference. The idea is that I speak to them about what due diligence they need to be doing on products they will be selling. Here are my thoughts…

1. Understand what 'due diligence' is. I'm very happy to talk to the IFAs and what I have to say is all very sensible but, to be honest, I am surprised that I am still having to speak about this. But there are still people out there who don't understand what due diligence is. There are still people out there who don't understand what due diligence to do. Even worse, there are still people out there who don't understand the importance of due diligence or that play down how much they need to do. So, to start with, what is due diligence? Put simply, it is checking something out. Nothing magical, it is simply carrying out some research. This can be at various different levels. From the point of view of an investor, you need to check whether the product itself stacks up. What is the property like? How many weeks will it rent out? What is the market like? Who is the target market? What is the exit plan? Do the financials stack up? You need to list all the questions, just like these, that you can think of and answer them before, not after, making any commitment to buy.

2. Who's involved? Depending on what is happening, it may be necessary to carry out due diligence on the other people involved. If you haven't dealt with somebody before, what is their background? Are they really as experienced as they seem? Are there are scare stories that can be identified by searching via Google etc? I regularly get contacts of mine phoning me up and asking whether I have heard of certain people or companies and asking what I think of them. Often, a simple phone call can avoid a lot of problems. I have a friend who bought several off-plan properties abroad. Unfortunately, he was an old school friend that I had lost contact with. We met up years later and when he found out what I am now doing he told me of the problems that he was having with the developer. If I had known that he was thinking about investing in that particular development I could have warned him not to and saved him several hundred thousand pounds. Sadly, he didn't do even the basic checks on the developer. If only he had put the name of one of the directors into Google.

3. Always do the legal due diligence – 'before' not 'after' and don't take risks with a DIY approach. You need to use an independent lawyer who acts for you, and you alone, and who is familiar with that particular market. There are some obvious questions. Is the property registered in the seller's name? Is the property legal? Does the property have a building licence or a habitation certificate? Are there any charges on the property? Are there any disputes over title? Are there any other issues that may affect the buyer's ability to have free enjoyment of the property? Nothing so far is magical or mysterious – it is simply common sense if you sit down and think about it in advance (not afterwards). What does amaze me is the number of people who get this so badly wrong. Going ahead with a purchase without having all the title deeds issues sorted out is very common and, frankly, is asking for trouble. Inevitably, these are the same people who look for somebody to blame afterwards. (There is only one person ultimately – themselves).

4. What's the property look like? I'd always advise you to go and visit any property you are buying. Do not rely on the developer or the agent. Remember the brochure often bears little resemblance to reality. Don't rely on a friend or neighbour who is on holiday there next month and can take a look. It's your money – so you do it. Again, there are lots of due diligence questions. How accessible is it? What's the infrastructure like? What's around and about? A month or so ago I was in Spain and went to have a look at a property for a client. He was thinking about buying a distressed property which - on paper - looked good. It was a well-known, big developer who had built the property. The quality was good. We were told that it was legal. The price and the deal were good. The client wanted to go ahead. I arrived at the property and quickly realised that the infrastructure simply wasn't up to scratch and that the property wasn't worth buying. The development was like a ghost town with lots of properties for sale.

5. Check out my final thoughts on due diligence. Not so long ago, I had a phone call from somebody buying a modest property in Spain. They wanted a translation of the title deeds. This, to them, was carrying out due diligence. They thought that just understanding what the title deeds say was all the due diligence that they needed. I explained that the title deeds that they had been given don't even mean that the person still owns the property – they could have sold it to somebody else, or mortgaged it, or had it repossessed or even have a court case regarding it. It was only when I pointed this out to the buyer that they suddenly realised that what they thought was sufficient due diligence was actually a very basic check which in itself didn't mean much and wasn't adequate. That particular buyer was doing everything that they could to try and keep costs down by cutting things to the bare minimum. Unfortunately, they didn't actually realise what the bare minimum was and were potentially looking at risking their investment for the sake of cutting corners.

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PROPERTY FRAUD ALERT

THE FIRST THING YOU NEED TO DO BEFORE BUILDING A PROPERTY PORTFOLIO

Mick Rawlinson, property investor, info@ypcam.com.

If you're planning to build a property portfolio, you'll know there's lots to do. You need to arrange finance, find properties, bring in professional advisers; the list is endless. But first – protect your credit file!

1. Who would steal from a champion boxer? WBC World Super Middle-Weight champion boxer Carl Froch has invested wisely over the years in a substantial property portfolio and immediately knew something was wrong when a buy-to-let mortgage application was declined. Knowing that his credit line should have been in good order he instantly suspected that he could have fallen victim to the UK's fastest growing crime – identity fraud, also known as identity theft. Carl checked his credit report to find a loan and two credit cards had been taken out in his name running up close to £35,000 of debt that he knew nothing about. With months of defaulted payments against his personal record it was no wonder he wasn't able to arrange a further mortgage. It took over six months to rectify the issue, which involved proving his innocence, going back and forth with the police, credit reference agencies and associated financial institutions. The identity fraud caused substantial stress and resulted in Carl losing out on several investment properties while the situation was rectified.

2. Recognise the growing problem of identity theft. Clearly, impersonating people remains a profitable route for fraudsters and an expensive problem for the organisations and individuals affected. Once a person's identity is compromised, their identity details can be used to attack a range of products. The increasing use of mobile technologies and new communication devices makes identity fraud a more attractive option for fraudsters. In addition, it becomes arguably easier to commit on a larger scale. Identity fraud remains a complex affair ranging from an opportunist applying in the name of a family member or landlord, to increasingly intricate malicious software being placed onto computers in order to steal personal information. It is also evident that fraudsters do not necessarily need complete information about individuals in order to try to impersonate them. They will attempt to circumvent security measures with incomplete information; for example, attempting to trick a call centre operator into revealing information.

3. Understand why this is a relatively easy crime. A significant proportion of identity theft is carried out by fraudsters stealing or cloning your personal details or data to obtain lines of automated credit; taking advantage of your squeaky clean credit record. Have you ever applied online for a credit card or a mobile phone contract? Many of the details provided are pretty general; name, address, date of birth etc and could be entered by virtually anyone. It's then shockingly easy for the identity thieves to have the fraudulently obtained credit card or goods re-directed to another address. They have no intention of paying the instalments, their only remit is to max out and 'milk' your good credit history as fast as possible until your account falls into default and they can't obtain any more credit. Meanwhile, you remain blissfully unaware of the unfolding events until eventually months down the line you need to re-mortgage or even need something as basic as a mobile phone contract…and get your credit refused!

4. See what identity theft could cost you. Basic errors can in fact be very costly and can end up with you paying higher rates of interest on your mortgage, loans and credit cards than you need to. Look at the following example on a typical mortgage of £200,000, where the mortgage provider's score card qualifies you for a rate of 4.5 per cent due to an error on your credit file rather than 3.5 per cent which you should legitimately be entitled to. That 1 per cent difference makes for an incredible impact on your wallet. £200,000 at an interest rate of 3.50 per cent will cost £583.33pm on an interest-only basis. However, the same interest-only payment at 4.50 per cent is £750pm, an overpayment of £166.67. Over the 25 year term that's a staggering £50,000 over-payment! Statistics show that the average victim does not become aware of the crime until 15 months have passed. This leaves them with 15 months' worth of defaulted payments against their credit file and the huge task ahead of them of clearing up the mess.

5. Make sure the buck stops here. The first thing you need to do if you are serious about building a property portfolio is to protect your credit file! The ability to maintain 'credit on tap' is absolutely crucial to a successful property portfolio building strategy. So the message is if you are serious about building a property portfolio then you need to have a comprehensive credit monitoring programme in place. Considering the relatively tiny cost per month it really should be the first tool in your property portfolio toolbox. Your credit file is probably the most important document you own and many of us have never even looked at one. The UK is losing millions every year due to identity fraud. The vast majority of identity thieves are not prosecuted and the lenders don't want adverse publicity so they write the losses off. Unfortunately, we all end up paying more in interest payments to cover the debt. So, take a stand. Prevent identity theft and keep your credit file squeaky clean! Check this out, for example, http://www.fraudlock.co.uk/rrp/mi712G. This links to a credit file monitoring company. I'm impressed with the service. There are other agencies available.

New, novice or armchair: Work with advisers you can trust. For help in finding property deals with good solid fundamentals that are structured in a CML compliant way, please email iain@ukpropertyalerts.co.uk.

WEEKLY PROPERTY E-ALERTS

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1. Planning to borrow French money for your France property purchase? Hurry. As France Property Alerts at www.francepropertyalerts.co.uk tipped earlier in the year, French lenders are tightening up. Athena Mortgages now advise, 'At least two banks have closed their international branches, Societe Generale and UCB, compounding the trend for an overall increase in the reluctance to lend to international investors. Several banks have reduced the amounts they are willing to lend to borrowers. Traditionally, French lenders will only allow a maximum of 33 per cent of the gross income of the borrower to be set aside for loans such as mortgages. However, lenders have started to change the goalposts, refusing borrowers who they feel do not have sufficient funds to live on even though they meet the 33 per cent gross income requirement. Total outstanding loans should be no more than six times borrower income. Serial investors with large buy-to-let portfolios and first time buyers, in particular, are the most vulnerable to the changes, as lenders' appetite for risk recedes.'

2. Ireland, South Africa, the United States and Spain are seeing the biggest rises in distressed property listings according to the Royal Institution of Chartered Surveyors (RICS). As reported by Investment Property Alerts at www.investmentpropertyalerts.co.uk, the RICS Global Distressed Property Monitor covers 25 property markets and focuses on property that is under a foreclosure order or is advertised for sale by its mortgagee. The biggest falls in distressed property listings are in Poland, Russia, Canada and Brazil. In terms of the next quarter, Ireland, Spain, Hungary and Italy are expected to see the biggest increases in distressed properties coming to market whilst Russia, China, South Africa and Poland are expected see the biggest falls. Note that quarter-on-quarter, changes can be quite volatile. Simon Rubinsohn, RICS chief economist, adds, 'Many central banks have already tightened or are thinking of tightening monetary policy; consequently, the distressed property forecast remains overcast.'

3. What is happening, generally, to US property prices asks America Property Alerts at www.americapropertyalerts.co.uk. This is a bull-free service so APA has to say that, on average, the drift for property prices is still downwards. The widely-respected S & P/Case-Shiller Home Price Indices, which focus on the major cities across the United States, indicate that property values declined 4.2 per cent in Q1 2011 after a 3.6 per cent fall in Q4 2010. As ever, the average does mask a range of performances as experienced investors will know. Washington DC, for example, saw prices increase on both a monthly (+1.1 per cent) and an annual (+4.3 per cent) basis. Minneapolis, by contrast, has seen, over the year, a 10 per cent decline. S & P's David Blitzer comments, "The rebound in prices seen in 2009 and 2010 was largely due to the first-time home buyers' tax credit. Excluding the results of that policy, there has been no recovery or even stabilisation in home prices during or after the recent recession. The most recent data do not point to renewed gains."

4. Exchange rates are a key factor on where Brits are looking to buy overseas, according to Charles Purdy at Smart Currency exchange. As stated by Lifestyle Property Alerts at www.lifestylepropertyalerts.co.uk, he says, 'The dream of living abroad may have taken a knock but is still very much alive. Anyone thinking of buying overseas needs to go in with their eyes open and doing as much research as possible into the property purchase system and also into intelligent currency strategies that can help cut the cost and remove risk from cross-border transactions. Bargain hunters are moving into some places while avoiding or delaying moves to places where sterling has been hit hardest. Cyprus stands out because we saw a doubling in interest from potential buyers compared to last year. There are bargains to be had, ironically as a result of other expats moving back and putting homes on at a big discount.' But note: there is an issue concerning deeds and we would advise against buying in Cyprus unless title deeds have been issued.

5. Interested in hotels in Scotland? As Hotel Property Alerts at www.hotelpropertyalerts.co.uk reports, new PKF figures suggest that, year-on-year to end April 2011, occupancy in Scotland was up 7.7 per cent, compared to 3.2 per cent in Wales and 1.4 per cent in England. Revenue for hotels in Scotland rose 6.8 per cent compared to 0.4 per cent in Wales and minus 1.9 per cent in England. Alastair Rae at PKF says, "These figures indicate that the sector continues to improve and, indeed, outperform the rest of the UK. There is considerable hope and expectation that the continued trend toward staycationing will benefit Scotland greatly this summer. April 2011 marks a return to the pre-recession figures for Edinburgh, which the sector will undoubtedly welcome. Edinburgh remains the jewel in the crown for the sector and the continuing announcement of substantial growth in the hospitality sector in the city is testament to investors' confidence in the market. However, Aberdeen is also bouncing back and Glasgow continues to pro-actively attract visitors." Email Iain@hotelpropertyalerts.co.uk for more information.

Spain Property Alerts: Sign up at www.spainpropertyalerts.co.uk today, email Imaitland@aol.com and we'll send you the latest list of bank repossessed, heavily discounted, 100% mortgages-to-go properties there.

HOT SHARE INVESTING

LOOK AT ADDING WOLSELEY SHARES TO YOUR INVESTMENT PORTFOLIO

Robert Sutherland-Smith, UK350.com, www.UK350.com.

Property Alerts occasionally draws your attention to property-related shares tipped by the t1ps.com group of websites. This month, we are introducing you to Wolseley shares tipped by Robert Sutherland-Smith at UK350.com…

1. Build some background know-how. Notwithstanding the poor US economic employment figures for May, which have pulled down the US Treasury yields (a bearish economic indicator), I return to an equity, Wolseley (WOS), that I last picked out in early April 2009. This is a company that supplies building and plumbing goods and materials for DIY, tradesmen, builders and construction companies. The share price - last seen - was 1,960.5p. I tipped them in April 2009 for several reasons: first, although it had got its financial management wrong by gorging on takeovers to the detriment of its balance sheet by being massively over geared with debt, its operational management of the business had hitherto been impressive. The accumulated debt was by then history (so far as the share price was concerned) and the operational management was lowly valued as was the size of the enterprise. Top down, it was also my macro-view that the Obama administration was stretching with Herculean determination to save US citizens and the rest of us from another great depression.

2. What's happening now? Looking at the shares as of today, one does not really expect to make such enormous gains again but the company strikes me as offering good value now that it has decisively turned a corner in recovery in the first half of the current year to 31 July 2011. The latest accounts for the first half of this year show a return to solid gross margins of 27.7 per cent in what are very competitive and challenging market conditions these days. Revenue is up by 5 per cent to £6.3 billion. Trading profit has improved nearly two-thirds to £275 million from £167 million the year before. The adjusted net debt has fallen from £1.45 billion to £933 million. What's more, the 'headline' reported earnings came in at a positive 47p which is in contrast to an earnings loss of 79p the year before. Moreover, the dividend that had been slashed to nothing in 2009 has now been reinstated with an interim payment of 15p. The management has lowered the debt and cost base whilst revenues are rising again.

3. See where the revenues are coming from. In the US (40 per cent of sales revenue) the retail and 'maintenance improvement' business (individual DIY and building trade demand know as IMR) is progressing and the construction business is reported as having 'stabilised'. In contrast, the UK was declared uncertain because of the Chancellor's zealous austerity blitzkrieg. In that regard, note that the UK only represents 20 per cent of group sales revenue. As part of its recent restructuring, the management has fully exited from its Italian business. Apart from the US, the rest of the revenues was made up of sales to the thriving Nordic countries (15 per cent of the total), 6 per cent to the resource-driven Canadian economy and some 13 per cent to France. The overall judgement of the management about prospects is indicated in the reinstatement of dividend payments. To quote from the statement, 'The reinstatement of the dividend reflects the strength of our balance sheet and our confidence in the future trading prospects of the Group'.

4. What's happening next? So, with a confidence-building first half, what about the future for the company? Those who have been watching Wolseley's progress closely estimate that its top line revenue should rise some 3 per cent this year and a further 5.5 per cent next year to a forecast estimate of £14.3 billion of turnover. So, on balance, that makes the last gearing figure look reasonable in a recovery phase. In valuation terms, it also means that Wolseley equity is conservatively capitalised at 37 per cent of the value of projected estimated sales revenue. Putting it in other words, the share price of 1,960.5p last seen generated estimated sales per share of 5358p of sales. Earnings per share, having fallen nearly 19.5 per cent last year, are now estimated to increase by 81 per cent this year to 134p per share and an estimated 29 per cent next year to 172.5p per share. That makes the projected estimated dividend payouts 44p for the current year, and 56p next year, all look very credible.

5. Assess the bottom line. In short, I estimate that Wolseley shares, at 1,960.5p last seen, are selling on a forward estimated price to earnings ratio of 14.6 times for the current year, falling to 11.4 times for next year. The shares are also estimated to generate a forward well covered dividend payout of 2.2 per cent for this year and 2.9 per cent for next year. Given that the last published balance sheet showed attributable assets worth 1,235p, that makes Wolseley shares look good value at 1971p. Buy. The value of investments can go down as well as up. Past performance is no guarantee of future success. Investing in equities can lose you part or all of your capital. The tips given by t1ps.copm are of necessity, general. They cannot relate to the individual circumstances of investors. Anyone considering following the recommendations contained here should seek independent advice. Property Alerts: share tips are given in good faith. Do not invest more than you can afford to lose in a worst-case scenario. Always take professional advice before investing.

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LONDON PROPERTY ALERTS

WELCOME TO A NEW PROPERTY SERVICE – ‘EVERYTHING LONDON PROPERTY-WISE’

Iain Maitland, editor, London Property Alerts.co.uk.

Anyone who wants to make money from property should sign up to London Property Alerts at www.londonpropertyalerts.co.uk. It’s full of news and exclusive off-market deals. Here’s an example of what we’re sending out…

1. A quick overview of prime, central London property? Savills report that a ‘significant portion’ of the London market is financed by overseas investors. Every year, as much as £3.3 billion is invested in the sector with as much as £16.5 billion over the past five years. “This cash injection means that prime London values now move more in line with other global real estate, commodities and investment markets than domestic UK housing markets.” Yolande Barnes, head of residential research at Savills, says, “We anticipate that London will continue to attract overseas buyers in the foreseeable future, especially with the eyes of the world on the London Olympics next year. The biggest source of growth in the market is likely to come from China, India, Pakistan and Latin America. If the money from China were to start flowing into London at the same rate it does from billionaires in other countries, we would expect the values of ultra-prime London properties to grow by as much as 15 per cent. At present, Chinese buyers aren’t taking, or can’t take, their money out of China.”

2. Source best-buy London properties for your portfolio – sign up to London Property Alerts via Iain@londonpropertyalerts.co.uk for the best deals. We are now live with our bespoke sourcing service for serious investors who are interested in the London market. Working closely with our colleague Adam Lewczynski, we are assisting private investors with: search and acquisition; residential and commercial investments; off-market, receiverships and repossessions; buying at auction; letting, refurbishment and asset management. Bottom line? The best deals in London are being sourced off-market; Adam can introduce you to them. It’s as simple as that. You won’t find these deals in high street estate agents’ windows. Do get in touch via Iain at Iain@londonpropertyalerts.co.uk for full details of the bespoke service on offer and to be introduced to Adam. The aim is to provide a bespoke service with most investments being sourced and offered throughout London on a one-to-one basis.

3. Profit from property away from ‘Prime Central’ – be aware there is a ripple effect taking place right now. Savills’ just-out World In London report says there is something of what they call the ‘champagne tower effect’. What they say is happening is that Brits in prime central London locations are selling up to rich foreign buyers and are moving a little further out. ‘British sellers of homes in central London have outnumbered British buyers by 30 per cent this year compared with 5 per cent in 2008. Meanwhile, foreign buyers have outnumbered foreign sellers by 58 per cent in 2011, up from 23 per cent in 2008.’ Cluttons make a related point in their latest report on the lettings market. ‘The Central London lettings market is maintaining momentum during 2011, with rents forecast to grow well ahead of trend, albeit down on the record rental growth seen in 2010. Tenants are really feeling the pinch and are being forced to widen their search areas to secondary locations and beyond.’

4. Introductions to off-market deals? Here are some examples. One, a high yielding, ex-local authority apartment in Camberwell, SE5 which comprises a refurbished three bedroom apartment set on the sixth floor. The property has been let for the past year to three students and the tenancy has just been renewed at £1,350pcm. Offers are sought at £120,000, subject to contract, and a purchase at this price would represent a gross yield of 13.5 per cent. Two, a freehold house situated in a quiet mews development midway between The Oval and Brixton stations. The adjoining ‘mirror image’ property sold last year for £335,000. However, this one can now be acquired at £290,000, subject to contract and availability. Three, a two-bedroom ex-local authority flat close to Waterloo station. The flat is currently let at £1,200pcm so income is guaranteed from day one with no void period. Whilst the vendors are quoting £279,950 we think there is potential to improve on this and achieve a yield at circa 7 per cent.

5. Know where to look for investment property – look at lettings hotspots suggest Anita Mehra and Marc von Grundherr of Benham and Reeves Residential Lettings. “When buying an investment property, location is paramount. Prime areas in Central London are red-hot, both new riverside developments like Imperial Wharf and Chelsea Bridge Wharf and traditional period conversions in exclusive areas such as Knightsbridge. And smaller units with easy access into the West End and City like Beaufort Park in North West London and the new Mojo building near the Olympic village remain highly sought after.” The current shortage of rental accommodation is prompting an increase in rents which have risen by over 10 per cent in the last year. Properties are letting quickly, particularly in new developments like Pan Peninsula and The Landmark in Canary Wharf and with shorter void periods landlords are seeing a steady increase. Demand is continuing mortgage restrictions and a shortage of new homes being built.

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SET UP SAVVY

JOINT VENTURE PROJECT? BE SURE TO AVOID THE PITFALLS IN ADVANCE

Dixie Walker, property investor & broker, Dixieglobal@aol.com.

Lately, we've been running a number of successful joint venture projects, making money for everyone concerned. It set me thinking about when we first started doing this many years ago and the problems we faced…

1. Understand what a joint venture is. Simply put, a joint venture project is one where two or more individuals come together to form a partnership in a particular project with a view to making some money. Usually, those individuals bring differing skills or resources thereby making the sum more powerful than its parts. Typically, in a property refurbishment joint venture, there will be an individual or group of individuals who put some money in and one or more of the group that goes on to acquire the property and carry out the work required and then the property is disposed of or refinanced and the profits are split at a pre-determined rate. There will inevitably be silent partners and active partners but each brings to the table what they have and every group will have its own arrangements. If you look up the word 'venture' in the dictionary you will find the word 'risky' in the definition but there are a few simple rules to follow to minimise the risks. Clearly, it is better to identify these in advance and to put measures in place before rather than after.

2. Know what you're getting into. So, a joint venture is invariably not without risk but then so is crossing the road. Before you cross the road, you will, or certainly should, look both ways and then look again just in case and so it is with joint venture schemes. You first assess the risk then eliminate as much risk as possible and build in a contingency arrangement just in case. Property for refurbishment schemes, for example, can be very profitable but the unexpected will happen so you have to have at least one person in the group who is flexible enough to handle issues and nimble enough to deal with them quickly. The whole venture can often be made successful simply by writing down what the group has agreed in a simple plain English document such as 'Five people will put in £20,000, buy 25 Nowhere Street for £80,000, spend £15,000 on renovating it, about £5,000 in fees and costs and sell it for over £130,000 and split the profit equally.' Simple! Of course, you will want to cross the t's and dot the i's in an agreement but the basic principle is to set out what's what upfront.

3. Try to own something physical. It's not always possible depending on the project but the safest route for you to invest money is where you personally own an asset or a share of an asset. Ideally, you want something tangible like bricks and mortar. The simplest way to do that is to set up a limited company such as 25 Nowhere St Ltd and each of the group own shares according to their investment, whether that be money, time or expertise. Then, once the asset is sold the capital can be repaid along with interest by way of dividends and the company closed. Very simple and very tidy and, if you do it the right way at the start, pretty inexpensive too. After all, you have 270 days to produce accounts after the financial year end of a company and can elect for the first financial year to run for eighteen months. So, all being well, the project is started and finished and dividends distributed before the accountants start to spend your money (although accurate bookkeeping is essential, of course).

4. Think about who to partner with. It is tempting to get together with a group of friends and go off and find your own project but, in our experience, all that usually does is to ruin a group of friends and, in any event, it invariably doesn't maximise profits. Ideally, you want a relatively small number of people who are happy to tie up their cash, two or three who can find the property and do the work and one to manage the project. So that is a maximum of nine in an ideal world. Of course, one of the group can take on more than one responsibility or do twice the work or, indeed, put in twice the cash and they will need to be recompensed accordingly but a well-run joint venture can make enough money to keep everybody very happy. All being well, you can then go and take out your friends and maybe even buy them dinner and have a little gloat if you wish. Note that it is also sometimes much easier to speak frankly and honestly with people you are less close to. It is not, for example, easy to speak plainly with in-laws as you have to be mindful of family relations.

5. Don't be unrealistic and don't be greedy. It is quite easy to pick up refurbishment projects and even new-build bargains when you have the cash ready and waiting and an average project, such as the one mentioned earlier, can easily earn 30 per cent profit in six months or so. However, the key is in the buying and the skill is in the selling at the right price. Everybody loves a bargain and, as James Caan is wont to say, a good deal is where everybody gets something out of it. The example above is based on a project we completed recently where the refurbished market value was actually just shy of £150,000 and we put it on the market at £140,000 and had offers flooding in, had a pick of buyers and sold in days. Alternatively we could have held out for the maximum and six months down the line still be holding the property. How to find the partners? We are launching a completely free service for people who are interested in joint venture projects. We will need to know whether you wish to invest cash or your time and/or skills and which area of the country you reside. Do get in touch today.

Joint Venture Projects: If you are interested in finding out more about Dixie's offer, do get in touch today. Email via Property Alerts at Iain@ukpropertyalerts.co.uk or email Dixie at Dixieglobal@aol.com.

PROPERTY ALERTS' INTRODUCTIONS

REVEALED! HANDS-OFF PASSIVE INVESTMENTS FOR UK & OVERSEAS INVESTORS

UK & International Property Alerts & sister services.

UK and International Property Alerts regularly introduce property opportunities to members on a week-to-week basis. These are marked 'Open Or Delete'. Here are the latest passive investments for you…

1. Looking at student HMOs? We have a number of properties which have been renovated and refurbished and are currently tenanted. These properties are specifically catering for the student market and are in a number of locations in the North of England - Newcastle, Liverpool, Salford, Sunderland and Bradford. The property prices range from £120,000 upwards. They have been registered and licensed, etc and come ready tenanted and managed by an experienced company. An example? A three bedroom house in Sunderland, 10 minutes walk from the university, is university accredited with an HMO license in place, gas safe certificate in place, full electrical certificate in place and an energy performance certificate in place. The price is £120,000. This property is achieving a rental income of £975 per month, letting charges are £647 per annum, management fee is at 8 per cent per month, £78, utilities per month are £133; which gives a net annual income of £8,520 and a net yield of 7.1 per cent.

2. Buy into the Center Parcs' success story – look at what's on offer on a leaseback basis in France. Located in the heart of the Chaumon-sur-Tharonne forest, this is a highly successful Center Parcs project which is just two hours from Paris. It's been developed and managed by Europe's leading brand and offers a guaranteed rental income net of all charges, paid quarterly. It's a fully managed and maintained investment with no running costs during the lease period. These are luxury cottage properties - two, three and four bed properties in a range of styles. Cottages are equipped and furnished to a very high standard, including parking. Complete renovation and refitting of existing cottages is to be completed in December 2011. Prices start from €243,000 (excluding VAT) and 19.6 per cent VAT is reclaimable under the government's leaseback scheme. There are personal usage options available within the renewable, nine year leases. You can get high occupancy rates all year round. Up to 100 per cent mortgages available (subject to status).

3. Want a hands-off, buy-to-let investment? We can offer a limited number of three and four bedroom freehold properties. Investor prices start at £124,750 to £135,000 per property which is up to 22 per cent+ below today's market value for similar units sold on the site. Cashflows show a positive return on your investment from £89 to £233 per calendar month net. Deposits are from £25,000 subject to an individual's circumstances. These properties were built approximately two years ago by a well-respected local developer. All units are let on assured shorthold tenancy agreements. They are located in a popular residential area in Yorkshire. The offer is open for a short period only otherwise the developer plans to retain the properties. A full service is available for Property Alerts members from purchase through finance and on to the letting and management of the property – you do as little or as much as you like. Already, hundreds of clients are taking advantage of this service which is very popular with passive and overseas investors.

4. Get into the often overlooked UK holiday market this summer – take a look at a North Devon opportunity we have sourced for you. The location of these properties is on the North Devon coast in a popular seaside town that is a well-established holiday destination. The site is just 50 metres from a beautiful Blue Flag beach. The resort itself will be managed by one of the best-known UK holiday companies and ownership will offer a guaranteed rental return plus a buy back opportunity at the end of the fourth year. The specific opportunity itself is to purchase a two bedroom apartment which is priced at £159,950. For comparative purposes, nearby two bed apartments are currently priced at £235,000. For the first four years, there is a guaranteed return of £8,000 per annum and a buy back option at £198,000. There will be a finance package available. There are also fractional opportunities for cash investors and these are at £20,000 with guaranteed rentals of £1,000 per annum and buy backs at £24,750 (Subject to status).

5. Seeking a safe passive investment for your portfolio. This care homes offer is based on the sale of individual care home rooms. The first of its kind within the health care sector, this innovative investment model offers purchasers a guaranteed yearly return, a substantial ROI and a clear exit strategy. Added to this is the reassurance of a sturdy, permanent and growing market that will provide consistent returns. The key features of the investment are: low entry level, £62,500 per room, no VAT chargeable; 7 per cent net annual return, contractually guaranteed; legal fees paid; SIPP compliant; entirely passive investment; clear exit strategy - via guaranteed buy back with profit; reputable and ethical developer; rental income payable quarterly in advance. This is an exciting opportunity for 'cash investors' (i.e. no finance required) to benefit from early-stage investment in a brand new section of the health care market which offers all the security, stability and legally guaranteed returns required for a passive investments portfolio. We have, on request, how-to-invest articles on all of the sectors mentioned on this page from student HMOs to care homes. Just ask!

Coming Up Soon: We are currently looking at a range of passive investment opportunities in Florida, USA. These should be ready to be presented in the July newsletter. Email for a heads-up though!

BUY-TO-LET UPDATE

WHY YOU SHOULD STICK TO THE 7% BTL RULE & WHERE TO FIND IT RIGHT NOW

Alan Forsyth, UK property investor & broker.

The basic idea behind buy-to-let is buying a property to rent out to either get an income from it or to pay off any borrowing taken out against the property when you buy it and then enjoy the mid-term capital growth…

1. Where are the best places to invest in the UK for buy-to-let? You are looking for the strongest return on investment. So, with rental property, you will generally be looking for highest rental return based on the property value i.e. the yield. Let's look at two examples. In Hartlepool, the average two bed house is £70,000 and the rent is £425pcm, i.e. a rental yield of £5,100 per annum divided by £70,000 i.e 7.3 per cent. In Cheltenham, the average value of a two bed house is £180,000 and the rent is £700pcm, i.e. £8,400 per annum divided by £180,000, i.e. 4.7 per cent. So, based on rental return, I will get 50 per cent more return in Hartlepool than I would in Cheltenham if I buy the average two bed house in the area. Whether I am taking out a mortgage or not, this rental return is very important when defining your return on investment. In general, we would recommend areas where you can get a rental yield of over 7 per cent. Over 10 properties, 2 per cent makes a huge difference to your return. On a 500k portfolio an extra 2 per cent is £10,000 a year extra income.

2. Remember your 7 per cent rule. Quite simply, we'd always suggest that you apply this 7 per cent rule to all would-be investments that you are looking at. As a rough and ready rule of thumb, we'd also suggest that you are looking for below-market value properties with strong letting potential and in an area of solid employment and growth. The fact is that this 7 per cent rule knocks out quite a few parts of the UK when deciding where to invest in buy-to-let. That's true even with prices dropping in some of these areas - unless you go for HMOs which come with plenty of headaches and voids and more hands-on management. We prefer two- and three-bed houses or tenement flats in Scotland often giving us 8 to 10 per cent yield - they put far more money in your bank account every month than a couple of 200k houses in Cheltenham would do. Another city that ourselves and many of our investors, either buying individual properties or as part of a portfolio building programme, have seen some good returns in is Hull. This city meets all of our criteria.

3. Why Hull? Hull is often overlooked by investors, especially those down south, but has a lot going for it right now. The city, with a population of around 250,000 and on the east coast of England, remains a busy port, handling 13 million tonnes of cargo per year. Freight handling at the port is projected to rise following Network Rail's investment of £14.5 million in the rail link, which was completed in mid-2008. The port operations run by Associated British Ports and other companies in the port employ 5,000 people. A further 18,000 are employed as a direct result of the port's activities. The port area of the city has diversified to compensate for the decline in fishing by the introduction of Roll-on Roll-off ferry services to the continent of Europe. These ferries now handle over a million passengers each year. Hull has also exploited the leisure industry by creating a marina from the old Humber Street Dock in the centre of the city. It opened in 1983 and has 270 berths for yachts and small sailing craft.

4. Look more closely at the jobs market. Industry in the city is focused on the chemical and health care sectors. Several well-known British companies, including BP, Smith & Nephew, Seven Seas and Reckitt Benckiser, have facilities in Hull. The health care sector is further enhanced by the research facilities provided by the University of Hull through the Institute of Woundcare and the Hull York Medical School partnerships. In August 2010 a 110 per cent increase was reported in tourism enquiries to the city with Hull becoming an increasingly popular destination for staycation short breaks. Overlooking the Humber, the new £165 million Humber Quays development, which has now gained World Trade Centre status, is adding new high-quality office space to Hull's waterfront. Kingston upon Hull is also home to the University of Hull, which was founded in 1927 and received its Royal Charter in 1954. It now has a total student population of around 20,000 across its main campuses in Hull and Scarborough

5. See what's 'coming soon'. Siemens' decision to build an £80 million turbine factory in Hull marks a major milestone in the city's history. Industry on this scale has not been seen in the city for decades. The Siemens factory could generate up to 10,000 new jobs in the region and will feed into the biggest wind farms the world has ever seen. It will be built on 130 acres of Associated British Ports (ABP) land at Alexandra Dock. ABP are to construct a £100 million riverside berth at the dock which represents the biggest investment by the company since they built the docks. Siemens' factory and export facility will supply the Dogger Bank, Hornsea and Norfolk Bank wind farms. With Siemens, the world's biggest turbine manufacturer coming to Hull, it is likely that most of these turbines which could reach up to 175 metres in height and generate 6MW, will be assembled and shipped out of the city. Under the current plans, construction on both the Siemens factory and the riverside berth will start in early to mid-2012 and will take 18 months to two years to complete.

More On Hull: This is a good-sized city for BTL investors and has plenty of economic opportunities that can allow further growth from a very affordable starting point.

LATEST CURRENCIES OUTLOOK

WHERE NEXT FOR STERLING, EURO AND OTHER MAJOR CURRENCIES? READ ON…

Peter Lavelle, Pure FX Limited, www.purefx.com.

If you are buying or selling property overseas, you need to know what is happening with the respective currencies. Often, the timing of a sale makes a huge difference to the price you'll pay or receive…

1. Get an overview of what's been happening in the British economy. Looking at British data of late has been like seeing a chocoholic being forced to eat just one Mars bar per week. (In this case, of course, the Mars bars are government spending. The one doing the forcing is the Chancellor.) The chocoholic is used to receiving a sugar boost (public borrowing) and all of a sudden this has stopped. As a consequence, results have been sluggish compared to what we're used to seeing. However, that's going to happen given that the country is striving to forge a healthier lifestyle and become less reliant on public spending. This past month or so, manufacturing PMI hit 52.1 compared to 54.3 forecasts. Services too hit 54.3 against 57.1 the previous month. Now, essentially, this means that, whilst both sectors grew, the growth was below market expectations. So, all in all, not too bad. However, certain more bearish economic commentators tend to jump on to negative figures and start shouting about a double dip recession!

2. Consider the outlook for sterling. Well, whatever these more bearish economic commentators might say, there is, in our view, some sunshine hiding behind the clouds. Britain's trade deficit is -£4.339 billion this month which compares to -£4.495 billion for last month. This is a vital indicator since a smaller trade deficit means Britain is exporting more. And the Bank of England has been very keen to see the economy rebalance away from being consumer-driven to becoming more export-led. These figures would suggest the strategy for recovery is working. Turning now to interest rates meanwhile, the Bank of England held rates at 0.5 per cent in June. As expected and until the economy picks up the pace interest rates won't go up (in our opinion, of course). If you insist on asking - and, naturally, everyone does, we anticipate that the first rate increase will be very late in 2011 or maybe not even until early 2012, Olympic Year. (As always, for a more in-depth assessment of your particular currency feel free to speak to a currency dealer at Pure FX).

3. Check out the euro and the US dollar. The euro remained fighting fit last month, in spite of the dire financial condition of its peripheral members. For instance, Portugal became the third member of the euro club to accept a bail-out and Greece looks set to receive its second IMF rescue. Now would you lend money to someone that has got absolutely no means of paying you back? I thought not. However, as long as the Germans post fabulous economic data it doesn't seem to matter too much. In terms of GDP, the EU posted strong 2.5% year-on-year growth last month – better than Britain – and the ECB held interest rates at 1.25 per cent. The US dollar? US citizens might be known for being optimistic, though you wouldn't think so judging from recent headlines. Following downbeat Non-Farm Payroll data, revealing just 54,000 jobs were created last month against 190,000 forecasts, sentiment in the US is bleak. In fact, things are so bleak there's talk of the Federal Reserve introducing a third round of quantitative easing (printing money) to keep things afloat. Watch this space.

4. Think about the Australian, New Zealand and Canadian dollars. There's been a good deal of negative data from Australia of late. In spite of strong investment from China and India, growth in Australia's housing and industrial sectors declined last month. However there is a ray of sunshine on the horizon. Inflation in Australia reached 3.0 per cent last month and this could prompt the RBA to raise interest rates (again), boosting the Aussie dollar. There's been a remarkable turnaround in New Zealand's economic fortunes following the Christchurch quake two months ago. New Zealand managed a $1.1bn increase in exports against imports last month according to recent figures. This derives from strong investment in China. So long as it continues it could put wind beneath the Kiwi dollar's wings. The Canadian dollar hasn't had a great month. In large part, this is because pessimism in the US bled over to Canada, the biggest trading partner to the States. Poor economic data from Canada didn't help.

5. Keep up-to-date on the less well-known currencies. It's been a good month for the Brazilian real. Foreign investment has driven the real high and, so long as Brazil's economy remains on course, this should continue. For instance, unemployment rates in April dropped to the lowest among major economies worldwide, just 6.4 per cent. There could be trouble on the horizon however - inflation in Brazil stands at 6.55 per cent, forcing the Central Bank to push interest rates higher and higher (12.2 per cent at present.) This, in turn, could increase export and manufacturing costs and hurt Brazil's economic pace. The Turkish lira meanwhile faces rather an uncertain future. In 2010, Turkey posted an impressive 8.9 per cent growth, beating all but two members of the G20. This indicates that, unlike certain other major economies, *cough* Britain *cough* Turkey has raced back following the global downturn. However, Turkey is dependent on Europe for investment and dire conditions there mean that, in future, Turkey and the lira could experience a comedown. We will have a further update for you next month.

Find Out More: Whatever you are buying or selling, you need to keep an eye on the currency markets. Email my colleague, James Roberts at james.roberts@purefx.co.uk and we'll send you regular updates.

NEWS & VIEWS

STUDENT INVESTING – WHAT YOU WON'T READ IN THE TABLOID SCARE STORIES

David Burgess, director, www.thehotelinvestmentcompany.com.

Every time I open a tabloid newspaper, I seem to see a story about the increasing student fees. I don't know if everything they write is hysterical and misleading but it is when it comes to investing in student accommodation…

1. Get up-to-speed on student investing. There's no denying that the student accommodation market has been one of the most buoyant in recent years. The annual reports from Knight Frank have made very positive reading. As student numbers have increased, accommodation provision has struggled to keep up and it has been left for private companies to try and keep up with demand for good quality accommodation. However, during the current recession, bank lending has slowed, which has meant a lack of development finance for new projects. Interestingly though, there has been an influx of private investment from overseas to facilitate new development. For example, there has been the partnership between the Bahrain-based Oasis Capital Bank and student property developer Unite Group. At the same time, there has been increasing regulation and licensing in the Houses of Multiple Occupancy (HMO) market which has resulted in landlords leaving the market and new landlords reluctant or unable to enter the fray.

2. So far, so good! However, we now have the new fees increase for students which poses the question - is student accommodation still worth investing in? The answer is undoubtedly yes. Understandably, there has been concern about the impact of the forthcoming fee structure on student numbers but some basic facts get overlooked in the debate. Demand for university places significantly outstrips supply. In 2010, there were 700,000 applicants for 490,000 places. Student numbers are still growing. The applications in February 2011 were 2.9 per cent higher than in 2010. It is anticipated that there will be a dip in numbers in 2012, but that this will be a one-off and that demand will recover and grow. A degree still has value. There are careers that demand a degree and, additionally, achievement in education means a significant advantage in an increasingly competitive jobs market. There is a significant gap in supply of good quality accommodation compared with demand. There hasn't been a corresponding growth in supply compared with the growth of student numbers.

3. So what will the future bring? The new system will mean that the higher education system is more market-driven, with universities having to be more competitive. They will have to focus on their core tasks, that is teaching and research, and will present a scenario of current university-owned accommodation being sold off and privately operated. Student accommodation will therefore increasingly become the preserve of the private sector and private landlords. The most recent Knight Frank report states that the new funding system allows for a 10 per cent increase in places over the first three years. Universities will be free to take more students so that for courses that are regularly over-subscribed they will be able to offer more places. Thus, the better courses at the better universities could actually see a significant rise in numbers. This is a key point and is something that seems to be overlooked in all of the tabloid stories.

4. Decide what this all means for investors. First, for the big players it's all good news, giving them the opportunity to partner with our major universities as the accommodation providers. The individual investor still has the chance to invest directly in student accommodation but maybe the watchword needs to be location (as always). There are a number of ways in which the individual investor can access this market; self-contained, fully equipped apartments in a purpose-built student hall of residence; student 'pods', (study bedrooms) contained within refurbished buildings with shared communal facilities; ready tenanted HMOs, refurbished specifically for the student market and which come ready-tenanted with all necessary licences and certificates, etc. in place. In my view, student property will continue to be a good area for investors and particularly where investors are looking for a passive, hands-off property purchase where their investment will be properly managed by an experienced management company. We are currently looking at a student accommodation deal in Yorkshire that ticks all of the boxes. Email Iain@hotelpropertyalerts.co.uk

COMING SOON

Why Every UK Investor Should Monitor London Auctions

Portugal – Time For A Bottom-Fishing Lifestyle Buy?

USA – Why Florida May Be The Best Investment Buy Of All

London – What Happens To East London After The Olympics?