LEARN, INVEST, RETIRE

3 Key Factors to consider before investing

Considering investing in UK property? Excellent! Before taking the leap, it's vital to evaluate a few key factors for sound decision-making. Let's examine these points using real-world examples.

Firstly, market research is invaluable. Suppose you discover a town booming with new businesses and infrastructure. This could signal a potential hotspot for property investment. Staying informed about such trends and growth areas enables you to identify lucrative opportunities and capitalise on them. A vivid example is the substantial price gap between the north and south of the UK, where you could purchase six properties in

THOUGHT OF THE MONTH

Take the time to manage your first property to gain a comprehensive understanding of the rental process. This experience will guide you when selecting an agent in the future.

Liverpool for the price of one in Kent.

Next, let's discuss budgeting. It's crucial to account for escalating costs. Consider, for instance, the growing electricity expenses households nationwide are facing. Plus, remember the steady rise in mortgage rates, which sit around 6% as of June 2023. These increasing costs could diminish your profits if unanticipated. By being pragmatic about your budget and including these expenditures, you'll be prepared to handle any unexpected challenges.

Lastly, due diligence is essential. When evaluating a property for investment: **(to page 3)**

IN THIS ISSUE

CALENDAR

Property Massive Bootcamp, Aug 23

1 day with the investor, July 29th

Inner circle Call, CIP, July 25th

Property Elite Mastermind, July 30

6 week master class, Sept 15

PHRASE OF THE MONTH

The real name of failure is Preparation.

What Is A Property Gold Mine?

By Noel Cardona

Instead of asking, "What," I should have inquired, "Where is your property Goldmine?" This is an essential understanding for you as a Renegade investor to grasp and master.

This week, I conversed with two members of my inner circle eager to invest. Their enthusiasm is commendable, but I fear they are overly zealous. They entertained investing in three different countries simultaneously, to which I advised against. The reason? Focus...

I counselled them to establish a starting point and hone in on that area until they master it. If they later wish to invest elsewhere, by all means, but...

Recognise that investing in the UK is not straightforward. Regulations vary from council to council, as they possess the power to alter National Planning Laws and modify certain critical aspects to limit certain investment strategies... Yes, I'm referring to article 4...

...returning to our primary topic: focus. They then queried, "Noel, if I need to focus, where should I begin?" The answer, quite simply, is: "You need to identify your gold mine or what I term your High Growth Area (HIGA)."

When investing in property, you aspire to not only buy below market value but also to capitalise on local area high growth. It's akin to compounded growth.

If you examine the UK, there's a wide range of price profiles across the country. The disparities are so vast that we refer to it as "The Price Gap": **(To Page 3)**

(From Page 1) Inspect its condition closely to uncover hidden repair costs. Although it's not feasible for every property, striving to do so or even hiring an expert for a survey is worthwhile. For instance, my first HMO revealed significant cracks only visible once we stripped the property back to brick.

Verify the legal aspects, checking for zoning restrictions or pending issues that could disrupt your plans. This is particularly vital for advanced strategies like HMOs, which may face different restrictions than single let properties.

Stay updated on broader economic and political factors that could affect the property market. Changes in government regulations or economic shifts could alter rental demand or property values. For example, the Renter Reform Bill currently being approved could pose additional risks for landlords, and the high UK inflation is pushing mortgage rates up, impacting investors.

By performing comprehensive research and due diligence, you'll be well-equipped to make informed decisions and protect your investment.

In summary, by conducting market research, setting a realistic budget that accounts for rising costs, and executing due diligence, you'll be set for successful UK property investment. A resource I recommend is my free book: The 5 Pillars of Successful UK Property Investing. Get your free copy here:

From Noel Cardona's Dictionary

Risk Tolerance: Your Capacity to lose money without having an emotional response. It can only be learned in the real world.

What Is A Property Gold Mine?

(From Page 2) You can acquire more assets in the north for the same money you'd spend in the south. Astute investors are banking on riding the wave for that price gap to close, resulting in substantial compounded capital growth for their investments. As a Renegade Investor, you should aim for the same.

A HIGA also has another significant aspect for the investor: "Auditing logistics". Suppose you own 50 properties scattered across different UK cities... Even with agents in all locations, it would be challenging, both time-wise and financially, to visit all to ensure the agents are performing adequately.

If your properties are concentrated within, say, a 10-mile radius, auditing becomes more efficient and speedy, bringing your passive investments closer to that descriptor.

But why is "Property Auditing" important? The answer is simple: No one cares about your investments as much as you do. You need to ensure your tenants are not damaging the property and that your agent hasn't permitted such behaviour.

In conclusion, the Property Goldmine concept resurrects an age-old, yet critical business principle: focus your resources to succeed.

This is Why Most People Won't Make it!

By Noel Cardona

The human nature I'm about to describe won't surprise you, yet it's precisely why many individuals won't succeed.

You may already be aware that I host a property Boot Camp. Currently, it's an online course I painstakingly created, containing over 8 hours of excellent content for aspiring property investors. I've been providing this course free of charge for about a year, and I've noticed a fascinating trend: more than 500 people initiate the first lesson, but this number dwindles to fewer than 200 by the second lesson. By the fourth lesson, alarmingly few persist! It's a disappointing reflection of human nature. Many lack the mental discipline to recognise an invaluable resource such as this (which won't remain free for much longer) and devote the time to maximise its potential. I hope you're not one of them.

Who will succeed in property, Noel?

I can answer that without hesitation: those who can self-discipline without needing a boss to enforce it. Interestingly, that's what most employees do: they're "paid to be disciplined". Remarkably, individuals with this mindset tend to work harder to realise others' dreams rather than their own.

If this strikes a chord and you recognise a challenge you need to overcome, I recommend my book, "**The Mental Breakfast**". As I state in this book, ***"First comes Mental Freedom, then Financial Freedom".***

Mental Freedom is the key to unlocking that vital discipline.

Congratulations to Carlos Giraldo and Olimpo Garcia

Today, I'd like to extend my congratulations to two members of my elite investors group who've just finalised their first UK property purchase. They are Carlos Giraldo and Olimpo Garcia.

They've recently acquired a three-bedroom property located in L6 0BJ, Liverpool, for £108,500. This property was meticulously selected due to its potential to be converted from three bedrooms to six, enhancing its value and promising a well-deserved income stream for

both Carlos and Olimpo.

If you're an investor who feels property is too costly, or you're not the right age, or your finances aren't in order, reach out to Carlos and Olimpo. They navigated through all the challenges and now own this property. Now, it's refurbishment time!

Supporting them in this acquisition hasn't been a smooth journey. The financing process was sluggish, and it took about six months to finalise, but they are incredibly pleased and are already contemplating their next purchase!

If you need assistance in locating your next property, send me a message at info@propertycashflow.co.uk. I can guide you through each step of the process: from discovering the property, liaising with lawyers, securing financing, finalising the purchase, refurbishing, renting, and managing it.

July 2023 Property News

By Noel Cardona

While property investment may seem slower than other businesses, the sector never falls short of news and developments:

House Prices

Despite market gurus predicting a decrease, so far, the numbers indicate that property prices are stable and even slightly increasing. This is good news for us, as our assets are retaining their value. However, in my daily property search, I've started to notice many properties reducing their prices, as they aren't selling as quickly.

Property Sales

Speaking of property sales, statistics reveal they're 20% lower than before Covid. To give you a sense of this, before the pandemic, a property listed on Monday would often have a sale agreed by Friday. This isn't happening as much now, and the reason? As the Bank of England battles inflation, it has made it more challenging for investors to secure mortgages, resulting in fewer buyers in the market. This shift has turned the incredible "Seller's Market" that existed pre-Covid into a "Buyer's Market" currently. The implication for you, as an investor, is you're now more likely to secure a property at a discount compared to when people were offering above the asking price just to secure the asset!

Rent Increases

Landlords are typically hesitant to raise rents, so if you are one of them, you're not alone. However,

with the current spike in mortgage rates, rents are sometimes increasing above inflation.

To illustrate, I currently rent a property near London Bridge for £1750 per month. As the flat was rented during the pandemic, this price was considered as a "discounted" rent. Now, upon lease renewal, the owner has requested a 30% increase to £2300 per month! This means I'll be returning the flat to the landlord and applying section 21 to the tenants, who will inevitably pay higher rent elsewhere…

As I mentioned in my last newsletter, the structure of our economy is a vicious cycle. The Bank of England tries to decrease inflation by increasing the base rate, which then boosts mortgage rates, which in turn raises rents, ultimately contributing to an increased cost of living (inflation)… That said, as a landlord, you need to adjust your rents to maintain the profit of each asset, otherwise you may need to sell! Hopefully not.

House Shortages

One reason why investing in UK property is a sound decision is due to the significant imbalance between the number of available houses and the high demand for rental properties.

The UK's largest housebuilder by volume, Barratt Developments, anticipates building at least 20% fewer homes this year due to inflation and macroeconomic conditions!

Just for your information, according to centreforcities.org, the UK needs to construct about 4.3 million houses. The government's goal is to build

around 300K per year, but we are far from reaching this target, thereby exacerbating the gap year by year and maintaining the imbalance!

For us investors, this is fantastic because it results in an oversubscribed business. This is reflected in the speed at which you can rent a property and how rental prices sustain an increase over time.

Renters Reform Bill

We must keep a close watch on this reform. No new updates so far, but I foresee some significant impacts. See page 6 "This Is Going to Be a Big Problem".

Highlighted Video:
https://tinyurl.com/hidcost

I am all the time looking for new properties to evaluate and purchase. In this highlighted video I want to show you one which, if your eye is not trained well, it will not spot a hidden cost that can take your investment into the red.

This video is aimed to the Spanish speaking community which also follows me, for whom I have a special resources. The reason I do this, is because t here is a segment of our population in the UK who wants to invest in property but find their English as a barrier, which should not be a limit!

THIS IS GOING TO BE A BIG PROBLEM!

By Noel Cardona

I've mentioned in other sections of this newsletter that I have a Rent-to-Rent (R2R) in London Bridge. The rent was raised by 30% by the landlord, while I could only increase it by 10% for my tenants. As a landlord, in this case, you would let the contract expire and then seek tenants who can pay more. That's what the landlord side would do in the context of an R2R.

From the operator's perspective, in this case, me, I would serve a Section 21 notice to my tenants, giving them two months to vacate. After that, I can either return the flat or find new tenants...

That's feasible under the current regulations...

However, under the proposed Renters Reform Bill, two significant changes could affect this flexibility...

Firstly, Section 21 is set to be abolished, so I couldn't ask my tenant to leave unless they've done something wrong like not paying rent or demonstrating antisocial behaviour.

Secondly, the typical Assured Shorthold Tenancy (AST) is being phased out and replaced with a monthly periodical renewal. This means for R2R, and all other rental strategies, you won't be able to have a fixed 3-year contract, for example. This could benefit the R2R operator but reduce income stability for a landlord. Moreover, if a landlord wants to increase rent by 30%, it won't be feasible without taking the tenant to court (a rent tribunal), and they'd likely lose the battle under the "Fair Rent Increase", which is likely to be pegged to inflation levels.

That's why it's crucial for you to keep an eye on this new piece of legislation...

PROPERTY FINANCES: YOU MAY BE DOING IT WRONG.

By Noel Cardona

How do you manage your property finances? Many landlords lack a clear overview of ongoing monthly costs, let alone annual expenses such as boiler servicing, PAT testing, fire alarms, and emergency testing, etc...

Furthermore, understanding the average costs of property repairs, like bathroom fixes, leaks, broken appliances, etc., provides a true understanding of the real ROI...

You might believe the Return on Investment on a property is 10%, but when factoring in vacancy rates and all other costs mentioned above, the figure could easily drop to around 7%.

It's tremendously crucial to know your **(To Page 8)**

Ladder OF Success

Property Investment Mastermind & Inner Circle: These are not for the faint of heart. Are you ready to accelerate your results while working and discussing your strategies with me and other investors like yourself? Are you willing to be on the hot seat and put your ideas to the test? If so, **send a message to info@propertycashflow.co.uk enquiring about the Property Investment Elite Mastermind or Inner Circle (CIP).**

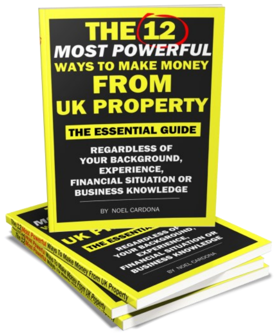
Let me Invest in Property For you: if you have neither the time or the experience but you do have the funds to invest in property (from £50K) at extraordinary returns and capital gains, then I can help you using my several years of experience building portfolios for me and other investors. I do everything for you, from the beginning to the end and you get the value increase and the monthly income. All from the comfort of your home. **Request a 30 mins Free consultation With me on info@propertycasflow.co.uk.**

Hunt Properties with me: Do you want to discover how it is to be in the trenches with an investor looking for properties which have the kind of hidden value that will yield extra-ordinary value for you? Are you ready for a full on day talking to real estate agents and investors, sifting the good from the bad and looking over my shoulder as I uncover the hidden value that the average invertor will never see? **Enquire about the next days available at info@propertycashflow.co.uk**

Attend my 6 week Masterclass: Want to uncover my most important secrets to start from zero and get to freedom in less than four years? Do you want me to break down my strategies, contacts, software, legal packs, everything you need to become a master in property? If you do, then you need to attend my 6 Week Masterclass. Learn about R2R, HMOs, deal packaging, raising finance, buy to let, investing mindset, service accommodation and more. All the tools you need to succeed in property. **Enquire about dates available at info@propertycashflow.co.uk**

Ultimate Property Boot Camp: For those members of my circle who want to start from scratch and get sound bases for their future property investing this is the second step of your journey (The first is to read my books). What is a good deal? Where to start in property? This outrageous boot camp will give you the big picture required to make the right decisions and get where you need to get to. I am aware there is so much information out there that it causes the opposite of what it should do: show you the clear path to move fast and create money speed.

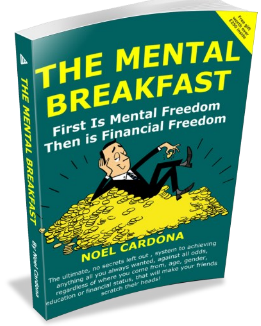
Other Resources from Noel Cardona



The 12 Most Powerful Ways to Make Money From UK Property. Get to know how investing in UK property is a unique ladder where you can start with no money and get to create a tremendous amount of value. My Story is all layout here for you to get inspired. **Buy the book in amazon:** tinyurl.com/Noelbook

The 10 Golden Rules of UK Property Investment will give you access to the 10 most important high leverage actions you must use to achieve money speed. Being busy is not the same as being productive and this book is the key to answer that puzzle. **Available to members of my CIP.**

The 5 Pillar of Successful UK Property Investing is about mindset, about the 80% that will make you successful: You. I've seen many investors fail because they retreat on the first sign of difficulty instead of pushing and winning the war. They give up too early. **Free here:** tinyurl.com/5pillarsbookNoel



The Mental Breakfast? This book challenges your beliefs about what you can achieve. This book works with the most valuable assets you have, that is, your mind and your time. If you don't know how to manage those two, you will just give up when problems come. **Free Download here: https://tinyurl.com/MentalBreakfast**

PROPERTY RENEGADE

I love this section of my newsletter because it allows me to speak to you in a brutally honest and clear way, no ifs, no buts, no excuses... that's what the real world is like...

For a Property Renegade (PR), there's nobody who will come and fix their problems... they know they need to deal promptly with that tenant who decided to stay without paying or that agent who painted a rosy picture of amazing management skills but failed miserably at managing even one property...

Property is not a passive income, forget about it. Yes, in some cases if it is well managed, it can get close to it, but don't expect a 100% hands-off money-working-for-you strategy... it never is.

The Power of Focus

One of the best property investors I have a close relationship with has over 60 properties, most of them located within a 10-mile radius of what he has identified as a very profitable gold mine.

Compare this to some aspirant investors I know who want to invest their money in other countries, trusting somebody they have only met in an online video 100% to care about their money as they do!

Think of Potential

One of the main topics we touch on in my Private Investor Circle is about the limiting beliefs Property Renegades have managed to remove from their minds: thinking about resources first and then about what they can do with them...

A real PR thinks about potential first... I'll give you an example, last week I saw a 9-bedroom HMO advertised for £220K. This property looks like a great investment as the price is low, it seems to have all the licenses in place and it has the potential to generate over £30K a year (gross). You would need about £80K to buy it... the question is... if you see this investment but don't have the funds, what do you do:

You think: "I don't have that much money to invest right now. Maybe later"... OR,

"How can I get those £80K to make that investment and at least try to come up with 3 ways of doing so?"

A PR thinks the second way. By the way, if you want to join me on a venture, have around £20K and want to invest in that property, let me know and we can invest together... (I just showed you a way PRs like me operate: We think about potential, then about resources)...

Remember that the most valuable asset you will bring to your business is the quality of your thinking. This asset allows you to do one crucial thing: make the right decisions.

Do You Want to Become a Property Renegade?

If you want to join a mastermind that allows you to evaluate your mindset and become a PR, you can join my **Private Investors Circle**, which we will be opening again soon.

Property Renegade Principle

Learn the operation of your business but delegate as fast as you can so you can focus on all types of leverage.

PROPERTY FINANCES

By Noel Cardona

(From Page 6) numbers per property for all the units you own and hold each one accountable for making your money work hard for you.

For this, I recommend employing an accountant or using an accounting system that can provide these numbers, so you know the property inside out. A financial statement per property is the best way to accomplish this - it's what a professional investor would do. Do you aspire to become one?

Also, it's vital to understand, once you've repaid the directors' loans - if you purchased the property through a limited company - how much money you need to set aside for taxes. This way, when it comes to reporting to the tax authorities, you won't find yourself thousands of pounds out of pocket!