



WEALTH AND SUCCESS

ACADEMY

Your Free Gift

Rent to Rent

Top Tips

Your Next Step to Financial Freedom

By Ashley Banfield - Property Investor and Mentor

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About Ashley Banfield

I have been investing in property since 2006 and have a portfolio of single lets that are managed for me and various Rent to Rent properties which I have sourced myself as well as working in partnership with those I have mentored from beginners to a monthly residual income. Many of my students are now financially free and have left their day jobs.

At Wealth and Success Academy we are passionate about helping you get to where you need to be and on the road to true wealth and success regardless of if that is for money or your own happiness.

The decision to provide a manual in conjunction with the one day course was simply down to demand – students wanted something they could take away after the course and use as a constant reference tool that can be used whenever a questions comes up. I really hope you enjoy the extract of the manual and should you have any questions please feel free to email me at info@wealthandsuccessacademy.com

Introduction

Investing in property is very simple if you want to invest in property in the traditional way. This may be a single buy to let or flipping a bungalow for profit once you have added some value. It is by all means straightforward if you have the right tools and knowledge for the job and of course the passion and drive to go and find the deals.

One of the key things we teach is sophisticated investing, which is where you take control of property, rather than owning it, leading to higher profits.

Why?

Because this means we can open up so much more opportunity with many more property deals - Rent to Rent and Lease options are two of these key strategies.

Nelson Rockefeller famously said, "The secret to success is to own nothing, but control everything"

Whenever you read about wealthy people, rather than telling you what they own, they talk instead about what they control, business, companies, cars, property etc.

When we make money from property today it is mostly from taking control, making some changes to the planning or use and perhaps adding value too. We then use methods to increase the value, getting our profits out or selling on as an option – we don't pay massive deposits, meaning we can work on several deals simultaneously.

Good News

Rent to Rent is one of these strategies and using Lease Options can similarly increase your profits and long-term wealth beyond your imagination.

To make this work, you will need to be a hard worker and very focused. To do this you will need a purpose in your life, a need to make money and a need to help others. This will create a drive in you that will continue to get you off the couch and onto the streets doing deals.

Look at the news on screen or in print and you will see what is driving the high demand for rental properties: immigration increasing in the UK, many young people who cannot afford their own homes, pensioners now spending all their capital and a shortage of homes. This also means a high demand for house sharing in big cities.

To buy a property in the current market you need at least a 25% deposit to buy a BTL and

you will also need to pay fees to solicitors, brokers etc. and of course their VAT and possibly stamp duty. As mentioned before, what we like is controlling property, as this takes up little capital and we also LOVE cash flow. Imagine not owning a property, but making a residual income from it every month and also having the right to purchase the property later when the time is right for you at a large discount, part of which you have already paid?

If you have little money but you have some time, then this is what you have been looking for - a simple to learn, easy to follow and sustainable business model using two key strategies together.

You can go out into the market place today and you can find properties and start making £500 per month minimum from each property.

Do this ten times and you have £5,000 per month income. Do it 20 times and you have £10,000 per month.

PLUS

You have control over £1m plus worth of property that you have an option to buy, but never an obligation, at a time that suits you over the next 5-10 years.

If you can find one, you can find many more – just rinse and repeat!

Many of the people that I meet on a daily basis and who attend our course echo the same desires. They want financial freedom and they want to be able to quit their day job and the daily grind of commuting – some 4-5 hours per day travelling just to get to work and then home again, missing precious time with family and friends. In most cases there are huge amounts of money being spent on childcare and trains that could otherwise be spent on creating your own property portfolio.



On the flipside, I ask you to respect those who will support your new freedom. Your tenants are people too with their own lives. Your property should be kept to an acceptable standard that you would be happy to live in and be conscious of the fact that this is the home for your tenants, their place to rest and recuperate after a hard day's work.

Also respect the owners of the properties you are now controlling and using as an income generating tool - after all it's in your best interest too.

Managing multi let properties is much easier than you think and many people do shy away from this strategy because they have no system and have no idea or knowledge on what they need to do. All of this is all contained within this manual and even more on the one day course. I look forward to meeting you face to face on the Rent to Rent day and helping you to achieve your goals of financial freedom so you can do what you want when you want.

What is Rent to Rent?

- Renting a property that you do not own and renting it out room by room.
- Landlords love it because you give them long term security of tenancy.
- You look after the property and take care of the smaller maintenance jobs yourself.
- You carry out a small refurb with the landlord's financial help and approval
- Find tenants to live in the property who pay you rent
- Profit on the difference between the rent you pay to the owner and the rent you get paid by your tenants.



You need to find a Landlord who is happy to rent their property to you with the knowledge that you will be letting to other tenants. They will need to be fully insured and, if they have a mortgage, they must inform their lender of the change in status.

NEVER let a property without the landlords consent and NEVER let a property until you have all the insurance and lender's consent in writing via the landlord. This will make sure that all the hard work you do does not go to waste and most importantly you don't mess your tenants around.



It also one of the quickest ways you can make a passive income with little capital of your own. You take control of a property and transform it into a multiple rooms that you let by the room.

Our ROI or return on investment time frame is always targeted at 3 months. In other words we like to get our money back that we put in to set the property up including deposit, furniture and any light refurb in this short period.

Beyond that, the rest is pure profit.

Research

When looking at your area, you will also be able to work out what type of tenants you will have most of and what type of properties are available for your tenants.

There will be places within which micro areas exist and these may even break down into particular streets. For example, this is the case for student lets, which are close to a college, and professional lets, which may be close to company headquarters.

Once you identify your gold mine area, you will be able to focus and pinpoint the properties you want and need. We do this by visiting the area and speaking to locals. Find out as much as you can about the area and the type of people that live there.

Once you know what a double room and a single room will let out for in your area, find out how much a suitable property will cost you in rent. Once you have this, you can also work out how many rooms you need to have in the property once it is rented out so that you know what profit you can achieve each month. We tend to stick above £600 per month, which in some areas we work is a minimum of 4 rooms but 5 in others.

The larger the house the better and old Victorian houses or ex local authority properties are very spacious and have high ceilings. These also have larger bedrooms and hence more doubles, meaning more rent for you.



Some of the requirements for tenants are as follows:

- Is there sufficient parking nearby if required?
- Companies in the area to provide employment?
- College?
- Retail, as many potential tenants work in this industry?
- Local transport?
- Supermarket?
- Suitability for the type of tenant?

In our properties, which are professional lets, we always maintain at least one single communal room or reception room. The best scenario for us is where the kitchen is open plan and incorporates a large dining/sitting room. If we can't find this, we make a room at the front of the property the communal area, because people won't appreciate others walking through their bedroom to gain access to the house.

Work out your rent per room rates in your goldmine area, particularly in the micro areas. Find out how many houses there are that fit your criteria – so if it's a minimum of 3,4 or 5 beds to make it viable, search on all because you can always convert up.



Rent to Rent - The Details

There are a lot of questions you will be asking yourself now and many of these may have been raised by your friends or other investors who don't fully understand the rent to rent strategy. Some of these questions are:

- Is it against the law?
- What will the agents say?
- What contracts should I use?
- Should I use an AST's or license?
- How do I evict a tenant?
- Are there systems?
- Is there a process?
- Do I use a letting agent or self-manage?
- Where can it go wrong and what are the risks?

Many will assert that Rent to Rent is a dubious strategy and they would be right - if you were to start without the knowledge you need to make it work and the systems to help you maintain a residual income.

Subletting can be seen as illegal by agents and others who do not understand how to set the strategy up properly.

Note – subletting is illegal if you rent the property on an AST and then use an AST to sublet.

We do not sublet – we manage the property and let the property out by the room on behalf of the landlord either direct or via an agent.

We speak to many agents and some will not help out no matter what. These tend to be large corporates who just don't understand. When dealing with landlords, you must always have permission and you must always have copies of the documents that they have from their insurance and lenders approving the subletting of the property. If the property is owned without a mortgage then it is a much simpler process.

There may also be a need for additional regulations and licensing depending on the property status.

The agents who do understand how it works will ask various questions to see how experienced you are and some will try to catch you out at viewings, asking you ridiculous questions around what you plan to do and how many tenants you have going in. They may even tell you that a property that will hold 5 people can hold 10 and if you look all excited

you have been caught. You need to know the ratios for kitchens and bathrooms – circa 1:5 for a single kitchen and one bathroom with a separate toilet as a minimum.

Systems and Processes are essential to your success in this strategy. You will need to follow a strict process so you don't miss anything that may jeopardize your credibility and profits.



Once you reach a level that you are working far too much on managing your properties, you will need to have some help and outsource the management of the properties to free you up to view more properties or to have a holiday. We have properties that are managed by agents who found us the properties, we have a couple we manage ourselves and we also employ a manager for the rest. She is extremely good at her job and we have complete faith in her ability. After all, we trained her!

Multi-Let, House Share & HMO

licensing and regulations

As you may have seen in recent years, rent is on the increase and many first home buyers have been priced out of the market. The population has expanded and continues to do so and no matter what the government tried to do, they simply don't have enough houses for the amount of people that need a home, let alone affordable housing.



As a result, many houses are being converted into flats, HMO's and multi lets which can be used to create a fantastic cash flow for property investors. We prefer big cities, as many people who want to rent a room do not own a car, but they will catch a bus, train, walk or bike to where they need to be.

So what are the main differences between the aforementioned properties?

House Share

Simply all who live in the property are all on the same AST. It can be any house of any size and some Local Authorities will have their own rulings on whether or not a House Share is an HMO. In most cases I would say that if there are more than 3 people who are unrelated then it is a HMO whether licensed or not. We don't really deal with House Shares as we will let out by the room not by the house.



Multi-let property

Multi let properties are properties that have multiple rooms within a property that are let out as individual rooms. So a 4 bed house could be turned into a 4 bed multi let where we will rent out the property room by room. We will also utilize any reception rooms, as rooms to let.

The rent for this property as a single let might be circa £600 per month. As a multi let, we could rent this out by the room at an average of £90 each per week. That's £450 per week for a 5 bed property or £1,950 per month, more than double the original rental and even with expenses taken out, yielding around £850 per month profit. The weekly rent will depend on the amount of single rooms and double rooms available. You will also get a premium for double rooms with an ensuite, so the monthly rent could increase to an average of £100 per month or £2,165 per month and £1,065 profit.

Now let's look at properties with many more rooms.

Take a property with 5 bedrooms and 3 reception rooms. If the rent was £900 per month and we had the opportunity to turn 2 of the reception rooms into two more rooms, there would be 7 rooms that we could let out. Using the average of £90 per week in rent we would get £630 per week in rent or £2,730. After expenses and rent, this would yield a monthly profit of around £1,180. Once again, if there were more double rooms than singles, we could get an additional £60 per week or £260 per month, taking our monthly profit to £1,440.

Licensed HMO's require you to have strong systems and processes in place as they take much effort to manage than any single let. By vet your tenants correctly, ensure the property is set up comfortably and is kept clean, you will be much more successful in retaining tenants for longer periods.

A Multi-Let will require each individual tenant to sign an AST (assured short tenancy) or a license to occupy. These are very similar except a license can allow you instant access to the property and if you have problem tenants, it is much quicker to evict them. Ashley – even on an AST, I thought you had immediate access to the common areas, just not to individual rooms?

What is an HMO and why does it need to be licensed?

Well that's the million dollar question. National guidelines exist, but be aware that the local council may not be aware of them and will simply follow their own rules. For example, in an Article 4 area, planning permission will be required for a change of use from Use Class C3 residential to C4 HMO, which may well not be granted. We have many HMO's in all areas of the UK including London.

Your area – The goldmine

Personally I stick to large cities where I know there is a lot of potential tenants and opportunity to take on HMO's. You may not live in a city like me, but you will need to be close enough to be able to take care of viewings, issues and meeting landlords, which in my case are no further than half an hour drive away. Ideally you would want to live within 15 minutes or so of your gold mine area to reduce the need for travel.



If you're going to employ a manager, this person should be within 10-15 minutes of your properties in your chosen area. Think of local letting agents – they are always in the area.

Target cities with large hospitals, companies and universities which will attract plenty of prospective tenants or supply. If you start to look on the outskirts you will have issues with tenants' travel, shopping, buying groceries and so on. Most will not have cars and need to walk. If they can't get there simply enough, they will eventually move out or worse, you just won't be able to let the property.

Go to Wikipedia, type in your chosen city and check out the population numbers, growth and local industry.

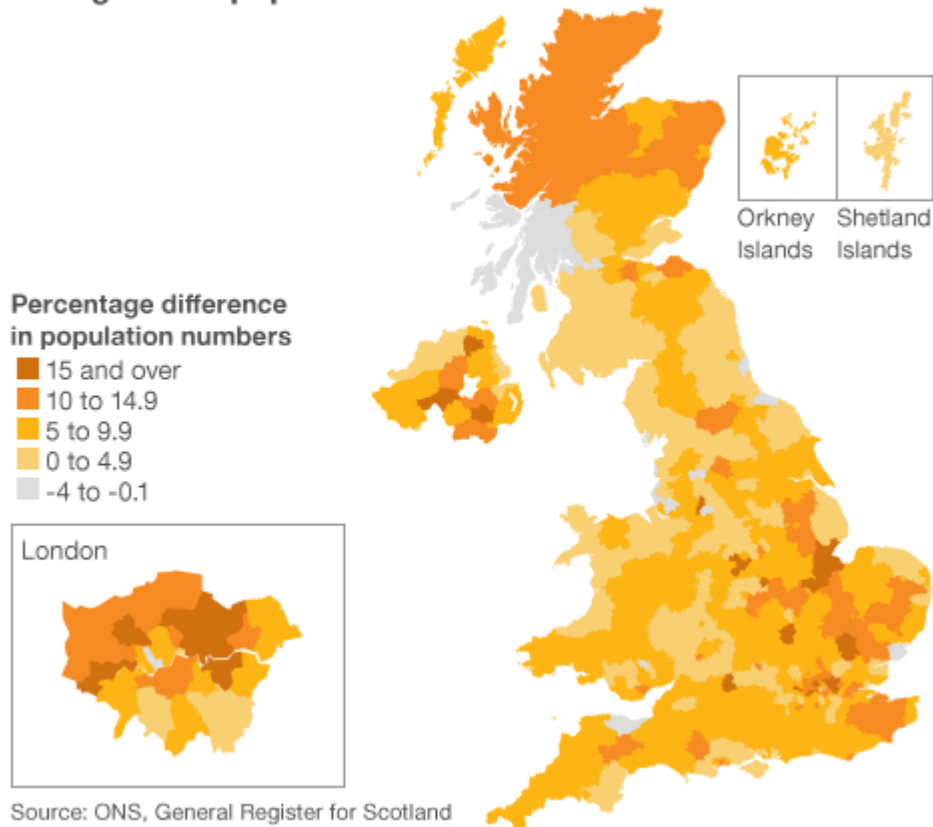
When I type in Peterborough, Wikipedia is at the top. Click on the link and take a look. Some information I get is: population estimated in 2012 to be 186,400, of which 137,910 were residents in the urban area of the city

Did you notice that people are concentrated in the city?

According to the 2001 census, the workplace population of 90,656 is divided into 60,118 people who live in Peterborough and 30,358 people who commute in. A further 13,161

residents commute out of the city to work.[69] Earnings in Peterborough are lower than average. Median earnings are £9.77 per hour, less than the regional median of £11.69 and the national median hourly rate of £11.26.[70] As part of the government's M11 corridor, Peterborough is committed to creating 17,500 jobs with the population growing to 200,000 by 2020

Change in UK population 2001-2011



Now that you have identified an area you want to target, go to www.rightmove.com and enter into the rent section. Select houses with 'Price range (£)' minimum £600 and 'no. of bedrooms' minimum 4. This will give you the pool of prospective landlords. Your area may dictate a higher rent for 4 bed houses and in London you can choose 3 bed houses, because you will command a higher price per room.

In my areas, I know that to achieve a minimum of £600 profit per month I need 5 rooms as a minimum. Getting a 4 bed house and turning it into 6 gives me a tidy profit of close to £1,000 per month profit if most are double rooms. Some areas will only need 4 rooms to get the same profit.

Now go onto either www.easyroommate.com or www.spareroom.com and check how many rooms are for let in your area.

I just typed in Peterborough into SpareRoom and I got 384 results for rooms to let. Rooms wanted are 284 and I can also see that the type of tenant I am looking for is willing to pay around £100-125 per week for a room.

Simple.

If you want to dig right into the gold mine area, you can also place fake adverts on SpareRoom. Placing adverts is free without the emphasis of bold typeface, or you can pay if you want it bold. There is a lot to fill in but it's well worth the effort to get live feedback on demand for your area. Create an advert for looking and also one for room available. In the case of Peterborough, there are a few more rooms than people looking so demand for rooms is slightly lower, but still within the acceptable range due to the large number of tenants looking.

This is also a great place to contact tenants directly about your own property once you have one.

Building Rapport – The 12 Step Process

-  Introductions
-  Qualify the opportunity & meet the landlord
-  Questions to identify LL challenges
-  Identify how you can help the LL
-  Present & demonstrate your solution to the LL
-  Test the water by asking for the business
-  Case studies/testimonials
-  Start to tie them down
-  Offer a time to start
-  Ask for approval and contracts signed
-  Thank them for the business
-  Identify other properties or landlords they may know

When you meet and greet people in your normal day to day life you notice that if you smile when you greet people for the first time they generally smile in return. On the flip side when you meet people and they don't smile it tends to put thoughts into your head that this is going to be a tough conversation.

A smile is one of the most infectious gestures we have in our tool kit and it is extremely powerful when establishing rapport with landlords and with agents and all the other people you will deal with. Try to make sure your smile is always genuine and sincere.

I have outlined the main steps for building rapport and essentially asking for the business with the landlord. These can also be used with the agents you work with and found in my rent to rent manual.

Finding Landlords with Properties

This is where you will spend some of your time and effort – ordinarily you will be looking for Landlords who are having challenges renting out their property and who may have a lot of voids because they may have inherited the property or have been thrown into being an accidental landlord for numerous reasons.

When you go knocking on their door telling them that you can offer them a long term tenancy with guaranteed rent, they are likely to listen to what you say.



Back to www.rightmove.com now and we need to see if we can find some HMO targets that will already be licensed and most likely in a bit of a mess. Yes, you guessed it, these are the student lets. Unfortunately for me in Peterborough, if I click on the student tab in the top right hand corner, I get little return if any.

If I click on the same student tab and type in to the box Manchester for example, then I get a load – over 1,000 listed. If I then break it down to 9+ bedrooms I get around 60 results. This is a great way to target HMO's that already exist and should have licenses, but always check.

Using agents to find properties

We smash this in our group and many students have over 10 deals via agents. This is a little harder, but the idea is to get a load of them working with you to achieve the same goal as with the previous two strategies – finding landlords who will sublet to you. You may even find that this is one of your best ways of sourcing deals.

First you will need to approach agents in a professional manner with plenty of answers for the questions you know they will ask you:

Do you have a company name?
A website I can see and show the landlord as a reference point?
Experience?
Credit Checks?
References?
Examples of other properties you may have?
Companies you deal with for corporate let?
Contracts?
Accreditations or membership?

You want to answer yes to as many of these as possible, so be prepared. You will need a website as a landing point to make you look professional, a business name if dealing with corporate lets and all the contracts in place (which we provide you with anyway).

From my experience, this is a harder strategy and so I suggest you start by going directly to landlords first, who are desperate for help. This way you get experience, references and examples of houses you sublet.

Once you have a website, join NLA and use the logo on your website with their permission. If you get time, take the accreditation too. This will help bolster your image as a professional and also educate you.

The best way to approach agents is with a simple short telephone introduction:

Hello, my name is John and I am looking for properties to rent in and around the city centre of Peterborough. I've seen some of your properties on Rightmove that I can use for my corporate letting business and I'd like to view some if possible over the next 2-3 days. Can you arrange this for me please?

Never use the term sub-letting! Although agents know what this means, it can scare them off quickly. Most will know what corporate letting is and understand the term, but if not you can explain it to them when you meet at the first property.

Agents also get excited when you mention a 5 year term and guaranteed rent and become even more motivated if you tell them you will ask them to manage it on your behalf, as they get double bubble (commission from you and the landlord) – but this is only sustainable if there is enough profit in the deal.

Want to Learn Everything About Rent to Rent?

For any questions and details please send to me at info@wealthandsuccessacademy.com and I will be happy to help. We run courses every month and for the latest dates please go to www.wealthandsuccessacademy.com

For information on our Rent to Rent Masterclass and our Serviced Accommodation class which we specialize in Rent to Rent and for Mentorships contact me directly.

You can go to this link and book right away on both Rent to Rent and Serviced Accommodation courses. <https://bookwhen.com/ashleybanfielduk>

We also run a New Investor Day each month where you can learn all about the strategies we use to acquire and control properties for little or no money.

I wish you great success and a profitable business and I look forward to seeing you on one of our rent to rent course.

This is what we include on the day;

- We are now teaching new and experienced investors how to get started in Rent to Rent with a full one day course which is content rich focusing on the following;
- Choosing the right area for the highest profits – down to the best streets
- Finding the Landlords and how to approach them
- Using agents to help you find multiple properties quickly
- Licensing criteria for HMO's
- Fire Safety regulations for all types of properties
- Finding long term tenants
- Managing the property yourself or having an agent do this for you
- Contracts for the landlord, agents and tenants all included.
- Tried and tested interview techniques for agents and landlords
- The Rent to Rent calculator and ROI checker
- Raise finance for the set up costs
- Systems we use and will teach you

- Experienced guest speakers on the day sharing their own success
- Lease Options covered for an additional revenue stream
- Full Manual with all the rent to rent information you will need
- All the contracts and documents you will need – 30 in total

Ashley Banfield