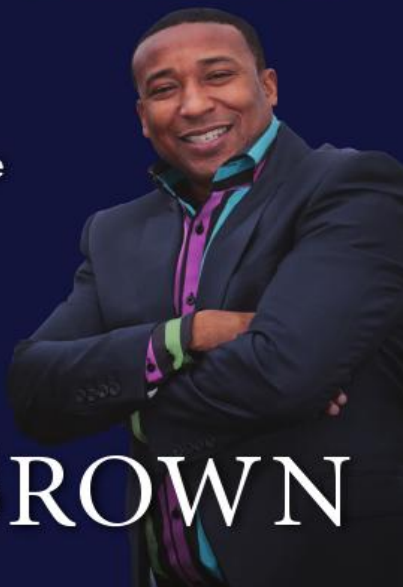


MAKING MONEY FROM PROPERTY BRISTOL FASHION

"I transformed my life
and I can help you
transform yours"



DEL BROWN

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STARTING OUT IN THE PROPERTY BUSINESS

INTRODUCTION

Thank you for buying this book. I am Del Brown. I am not famous, but I am fairly well known for creating various successful property businesses in my home town of Bristol.

I had a very humble beginning in life. My family came to the UK from Jamaica in search of a better life in the 1960s. They worked hard and we had a small house in a working class area of Bristol, Bedminster. We had to work hard to make ends meet; I am sure that will be a similar kind of background to many of you reading this book.

My aim is to tell you of my own journey, warts and all, the successes and the mistakes. And trust me – there are plenty of those!

WHAT IS BRISTOL FASHION?

Back in the day, 'Bristol fashion' meant having your vessel 'ship-shape'. Although I like things to be ship-shape, what I am really stressing is the need to take a positive kind of approach.

Nowadays I come across lots of entrepreneurial types trying to get ahead, whether through buy-to-let, getting their kids on the property ladder or creating property portfolios using lease options.

So now I take 'Bristol fashion' to mean *hustling* for business, doing deals, trying to create more income for yourself now and for the future. Of course, this happens everywhere, but I am from here and know the Bristol market. I hope you can take the lessons I have learned here and apply them elsewhere.

ABOUT THIS BOOK

People always ask me for the secret to my business success. The truth is, there are no secrets. There is nothing 'secret' that someone else could not find out about or pick up.

I have made a lot of money from the property business, that much is true. The 'secrets' are basically hard work, building up your own business rather than someone else's, and not being afraid to make mistakes. Plus, I have educated myself along the way: self-education is very important.

This book will show you how to get into property; there are many routes, not just the well known ones such as buy-to-let. I will also share my experiences of property management, plus some thoughts on general business management.

This book isn't an autobiography, although I am happy and proud to share with you some of my early experiences and thoughts. I have done this because I know people like to know who they are dealing with, and I also think real-life examples are more useful than theoretical principles.

I mentioned my humble family background. As well as this, I left school with only five CSEs, and started working on building sites in the 1980s after completing a Carpentry Apprenticeship at Brunel Technical College.

I have achieved more than I ever dreamt possible – and I genuinely believe anyone can do what I have done, or at least part of it. I know it is a bit of a cliché to say 'If I can do it, you can too'. So let's just say I would like to see more people take control of their financial futures, and this book is written to help you achieve that.

I have broken it into sections. The first part is about my own journey, my 'rags-to-riches' tale, if you like. I then go on to discuss inspiration, and in Part Three we get on to the nitty gritty, focusing on my business of property and telling you how *you* can make money from it, too. There are lots of practical bits of advice in here, lots of tricks of the trade – all valuable information that has taken me years to accumulate.

I believe it takes great teams to achieve big things; even the very best individuals need great people around them. So in Part Four I share the inspirational coaching messages that have helped me make the transition from builder to businessman.

Finally, Part Five is more on the day-to-day property business methods which I think are important. I hope lots of property people read the book, but I also hope I have advice to give which will reach out into the wider business community.

So far I have told you *what* you will find in this book, but I haven't

explained *why* I am writing it. I have reached the luxurious position in which if I wanted to, I could stop working. I have enough money. But I *do* keep working, because I love to work and I love the world of business.

Right now, in 2012, the world is going through so many changes, and people are living in fear of their jobs. Life has become a lot more unpredictable. I want to show people how to make their futures more secure. I want to show them that going to work doesn't need to be a chore. Mostly, I want to help you get more control over your lives, and ultimately enjoy life more. We are only on this planet for a short time; let's make the most of it!

Del Brown, Bristol, 2012

MY STORY

My parents came to the UK from Jamaica in the early 1960s, part of that first wave of immigrants who thought they were coming to the land of plenty. They were in for a bit of a shock. They moved to Bristol as my dad had a brother here, and we all lived together. I was born in 1963, one of four kids.

My parents had to work two jobs, day and night, to make ends meet. Our first place was in Mendip Road, with the whole family in just one room! My mum had various jobs as an auxiliary nurse at local hospitals, and dad did everything from cleaning to engineering work.

Between them, my parents and my uncle managed to save enough money to buy a small house in Mendip Road, Bedminster, a working-class area with traditional two- and three-bedroom terrace houses south of the river Avon.

It is interesting looking back at this, now, because times were tough and we had to work hard to get ahead. But times are also tough right now, and one of the trends I am seeing in the property market today is people looking for more family help. What was true then is true now. You can still get on, but it requires either a bit of creative thinking, some help from family and friends – plus, of course,

work on building sites. It was very repetitious and boring. I'd have to hang hundreds of doors or lay hundreds of feet of timber noggins. Not only was it hard, it was also piece work, which meant I would get paid by the metre – but although I didn't appreciate it at the time, I was building some knowledge that would prove to be very handy later on.

My first business, SOS building services

From casual work on building sites I built up my own building business over the next 10 years. I was supplying construction services to organisations such as housing associations, the council and some private developers, and eventually I got to the stage where I was employing 18 people and we were working on lots of properties. The downside was that I was working really long hours. I wasn't happy, and it was so stressful that I got to a point where my hair started falling out!

I was chasing payments all the time, constantly worrying about the work other people were doing, feeling over-reliant on them, so never in control of what was happening. On top of all that, the business was just not making money – so one day, I just decided to quit it all.

My second business, DB Properties

Although you could argue that my first venture was a property business, I never considered myself to be working in that world until I made a conscious decision to do so and set up DB Properties.

I had bought and sold my first house in 1992 and had made a good profit, too, of nearly 25 per cent. This was with very little experience in raising credit, and without a clear strategy.

It was in 1997 that I decided to try going into property with the intention of making my living from it. I had no idea how far it would go, but I realised pretty quickly that buying and selling properties ('flipping') was a much less stressful way to make a living than what I had been doing. I was helped along the way by the strength of the market, which was on the up, and by the fact that I had many

necessary contacts from my previous building company.

From 1998 to 2002 I invested in a wide range of properties, and while I sold many of them on for a profit, I also kept quite a few to rent to tenants. It was this that gave me my next idea.

My third business, property agency Liv'N'Let

By 2002 I had a group of properties that I was letting out. Things were going quite well, but I was still working very hard and spending a lot of time running around town trying to keep on top of things.

I couldn't help but feel the business could be better. A new problem starting to emerge that the letting agencies weren't promoting my properties very well. This was incredibly frustrating: they weren't really doing their job, but you can't get too shirty with them as you need to keep them onside.

I hit upon the idea of starting my own letting agency, so that I could promote my properties in the way I thought best. I clearly remember thinking: *'How hard can it be?'*

Truth be told, it wasn't and still isn't that difficult. The key component I needed, which I found quite quickly, was a database. There are databases tailor-made to letting agencies, and these take a lot of the stress and hard work out property letting. Most importantly, the database provided all the structure I needed to stop worrying, giving me the mental space to start thinking of things other than the day-to-day running of my let properties.

Up to this point I was always trying to juggle 10 things in my head at once. I had notebooks with lists of things to keep on top of – which property needed which bit of work, who owed me rent, who I needed to get a reference for – all those little bits and pieces which build up into a mountain of administration very quickly. By setting up the property letting business and taking on extra responsibility, I had actually managed to make my life easier; life was looking up again.

Now, 10 years later, my lettings agency employs five people. I have over a hundred units (flats and houses) being let out through Liv'N'Let, plus I am letting out other landlords' properties, too.

Well, that's enough about Del Brown. This isn't about me bragging about what I have achieved – but I *do* want you to know that you are reading a book by someone who has been there and done that.

The key ingredients to my success (and yours)

- Vision
- Determination
- Be willing to do whatever it takes
- Don't worry about making mistakes
- People Skills
- Know your market

One of the reasons I like working in this sector is that property has no face. It doesn't matter whether you are short, tall, female, male, black or white. As long as you can show the money, you can have any property you want.

WHY GO INTO BUSINESS?

Business is at the heart of everything, and making a deal is at the heart of business. Every time we go out to eat, turn the television on, meet friends for a coffee or buy our houses, we are helping the wheels of business to turn.

I started out with nothing, and part of the attraction has been building up something out of nothing. I had no access to credit or money and had to beg and borrow to manage my first detail.

There is a famous book written by Robert Kiyosaki called *Rich Dad, Poor Dad*. In it, he says that if you want to free yourself from the nine-to-five rat race, you need to go into business. Otherwise you will always be a wage slave.

I want the freedom to be doing things because I *want* to, rather than *need* to. It may seem like a dream, but it isn't as hard as you might think. I don't have any educational qualifications beyond five CSEs and I don't have any formal business training. I know it is a cliché but honestly, if I can do it, anyone can.

It may seem from a distance that setting up a business is hard work and there are lots of risks involved. But a bit of risk can really focus the mind, and it also gets you out of bed in the morning. I know that if something goes wrong, it is down to me. I also know that if something goes well, that is also down to me.

I see people look at me sometimes and I can almost read their minds. They are saying 'I wish I could do that, but I can't', and then they carry on with the day-to-day drudgery of going to work in a job they hate. Trust me, it is harder to do that than it is to get up in the morning and get on with something you are really passionate about.

WHAT IS PROPERTY INVESTMENT?

The underlying factor to successful property investment is making a profit. At the time of writing in 2012, the market is still holding up; although it isn't as buoyant as it has been in the past, the value of property is still good.

Essentially, if you can buy a property and sell it at a profit, you are in business. If you can buy a property and rent it out making a profit, you are in business.

It is still possible to find what is termed a *below market value* property. People may want to sell a house at BMV for the following reasons:

- The current owners have got into financial difficulty, and it is better for them to sell quickly and take some of their equity rather than lose it to the bank.
- The house has been repossessed already, and the new owner wants a quick sale.
- The house has been inherited, and the new owner wants a quick sale.

As all the world's markets face tough times, the nature of investment is changing to reflect this. People are investing together to reduce the risks, so now we are starting to see property clubs forming. One of the great things with groups of people working together is that it

lowers the entry level for people wanting to invest.

Despite the recession, or perhaps because of it, property is still a good long-term investment. There remains a shortage of property in the UK, and this keeps prices good. Obviously, they have come down from a peak in 2007, and the market might have slowed, but there is still enough going on for people to get involved.

THE BRISTOL MARKET

In the first months of 2012 the Bristol property market was still very strong. We are lucky that in the city we are beating the national trend of cooling prices, which have seen valuations drop as much as 20 per cent in some places.

The drop in Bristol since the peak of 2007 is possibly around 2 per cent overall, but some hotspots remain and there is still a profit to be made by homeowners and developers alike.

During the recession of the early 1990s Bristol again got away relatively unscathed, and there are several good reasons for this. The jobs market here is consistently steady, with a mixture of industries. And importantly for readers of this book Bristol has a very *strong rental market*, which I'll come back to. The infrastructure of the city is good, we are close to the M4 and M5 and have two major stations with good rail links to London and the rest of the country.

With prices in Bristol strong, the challenge for many first-time buyers is getting a foothold on the ladder, and this book will examine various techniques for doing this.

The national average house price in 2012 is £233,252. In Bristol it is £207,669 – but these figures don't tell the whole story. What we have here is a market place akin to London in that there are vast differences in prices, depending upon location.

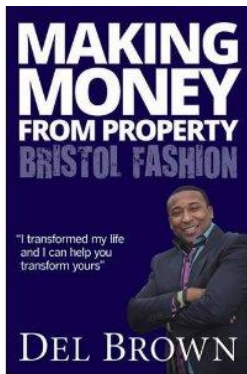
Largely speaking, the property market increases in value from east to west, so prices are lower in such areas as Easton, St George and Whitehall. Then, across the M32, heading west into the more fashionable areas of St Werburghs and Montpelier, the prices start rising a bit before, continuing further west, we hit the peaks of

Cotham, Redland, Clifton and Westbury. Besides that east to west trend, parts of south Bristol also boomed in the early 90's, creating new hotspots such as Southville.

The strong rental market in Bristol is largely fuelled by the two universities, strong graduate employment opportunities for young professionals and international industries such as Aerospace and Rolls Royce which bring skilled workers to the city. All these factors keep the rental market ticking over.

The future looks good, too, with major projects continuing to be announced: investment in hospitals, schools, a new enterprise zone, a new science park and the like. In essence, Bristol has continued to hold up despite the global recession which has seriously knocked the wind out of many places. If you are reading this outside Bristol, I recommend that you research your own market thoroughly, look at the history of prices and analyse the market place.

If you are in Bristol, know that you are lucky to be living in the ideal place to make an investment in the property market, whether you are thinking of buy-to-let or planning something more ambitious.



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