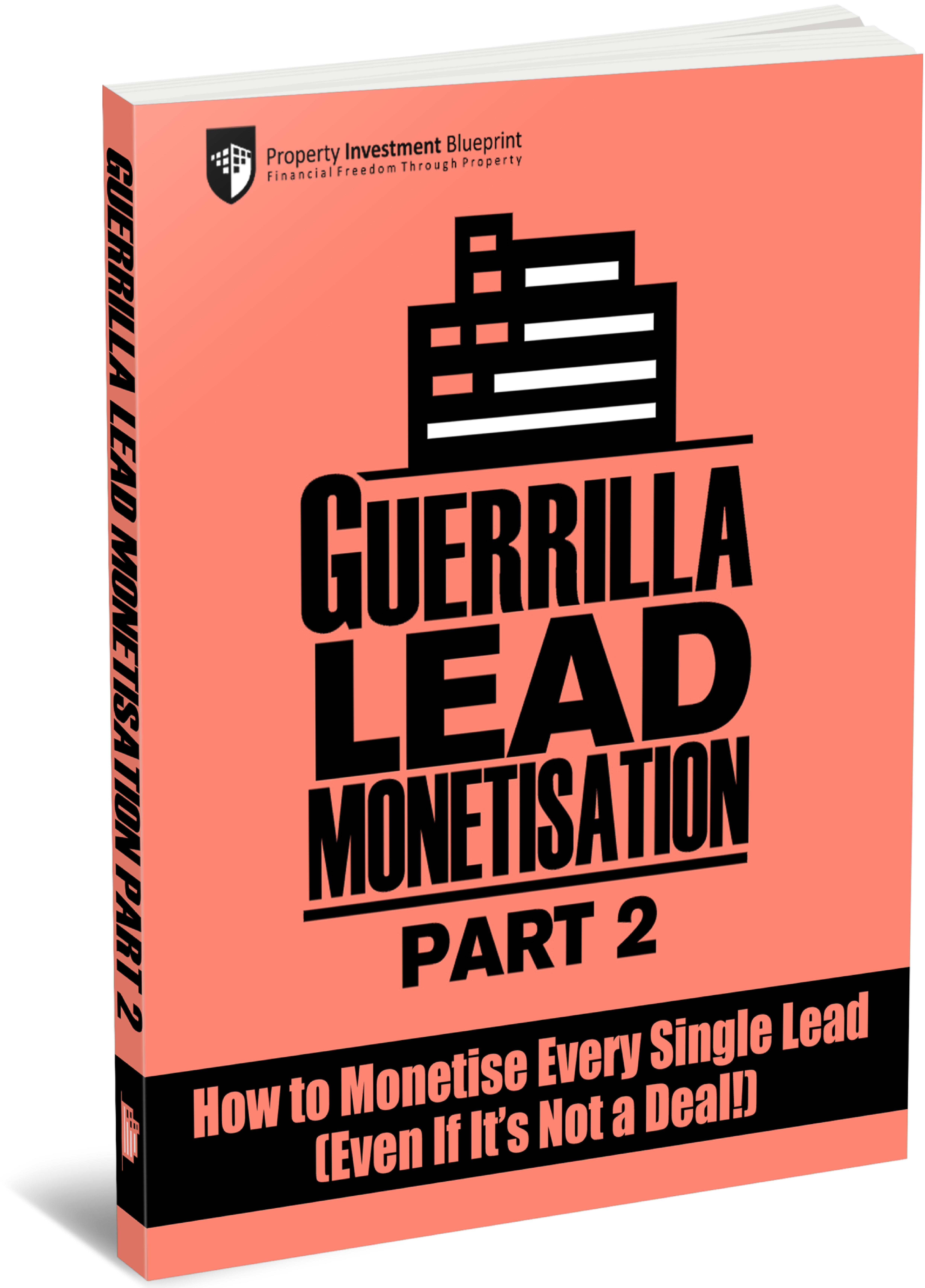

JOHN WILSON BSC

The Small Print

Disclaimer

While every effort is made to keep this manual and associated resources up to date, no guarantee is given that the information on it is correct, complete and/or up to date.

No responsibility is assumed for any loss or damage caused by the use of information contained in this manual or the associated resources. You should always consult a financial advisor when taking out a loan or mortgage.

The author/ publisher is not regulated by the FCA and none of the information on this site should be construed as financial advice.

The Guerrilla Property Manifesto

What is a Guerrilla Property Investor?

It’s more than just a “cool” name for a course, it embodies timeless values that have underpinned the success of great entrepreneurs, investors and businesspeople throughout history. Here are those values, in no particular order:

1. The Guerrilla Property Investor is on a mission. Family, friends and colleagues may try to discourage or even mock him (or her) but he ploughs through, making his mission a priority.

2. The Guerrilla Property Investor is a value investor. He seeks to create (usually off-market) deals that have value built into them: either in terms of discount, high-cash flow, or both.

3. The Guerrilla Property Investor has an abundance mindset. He knows that there are more than enough deals out there for everyone, he just has to find them.

4. The Guerrilla Property Investor thinks outside the box. When rules and regulations change, he doesn’t cower and whine about it with other lesser “investors”, he sees the situation as an opportunity and quickly figures out a way to capitalise on it.

5. The Guerrilla Property Investor cultivates multiple streams of income. He knows that by doing this, if something changes and an income stream disappears, he’ll be just fine.

6. The Guerrilla Property Investor is diversified. He has an entrepreneur's mindset and considers all excellent investment and business opportunities, even if they are not strictly property-related.

7. The Guerrilla Property Investor is on the cutting edge. He continually works on his education with quality books and courses in his chosen fields.

8. The Guerrilla Property Investor never lets lack of funds hold him back. He knows that the return on money that is not his own is infinite and knows how to get hold of it. He also knows strategies to invest without it.

9. The Guerrilla Property Investor operates within the confines of the law and has the highest ethical standards.

Don’t Forget!

If you don’t have Part 1 of this exclusive report, it’s available on the confirmation page when you register for the “Dream Deal Attraction Formula” webinar which you can **register for here**.

Scope

This guide is not intended as a training manual for each strategy mentioned -- we simply don’t have space for that here! Instead, it’s intended as a kind of “menu” for investors to select strategies from, for further study.

Introduction

Much is said about multiple streams of property income. But what does that actually mean?

To me, the true skill of creating extra income is that of creating additional income from resources that you already have.

I once heard of a cafe or catering business that started a new business using their used tea bags. I can’t remember what it was they did with them but that’s not the point. They were monetising something that they would normally have thrown away.

And that’s how we’ll be thinking in this short guide. In addition to doing different types of property deals, we’ll be looking at creative ways to monetise the property seller leads that you generate but don’t end up using.

This will have the effect of uncovering new sources of income in your business but also, will make you a better “property problem solver”. You will have more “tools” in your bag to help your customers with. And this will:

- Make your job more rewarding
- Make your customers love you
- Potentially generate referrals for you
- And increase your bottom line even more!

Do remember that not every strategy will be appropriate in every situation. Remember where appropriate to check that your proposed strategy is OK with lenders, local authorities, leaseholders etc.

So, without further ado, let’s get into it!

Assisted Sale

Let's say you find a property for 30% BMV (below market value). This strategy will allow you to get a share of a nice chunk of that equity.

The buyer to target for this type of deal is first time buyers. A first time buyer will be delighted with a 20% discount -- that will be unheard of to them!

If you exchange with an assignable contract (or use a property option) then you can structure the deal in such a way that you will make 10% of the equity in the property.

Note that you'll need legal help from someone who really knows what they're doing for this!

Rent to Rent

This strategy may be appropriate where your motivated seller is a tired landlord. You can offer the landlord a “guaranteed” monthly rent (possibly a little lower than the market rent since there will be no voids for the landlord). And then you can either rent out the individual rooms on long term tenancies.

The property will usually need to have at least 4 or 5 rentable rooms for this to be viable and you’ll want to get a decent length of lease too: a minimum of 4-5 years is recommended.

Rent to Serviced

Similar to rent to rent except you'll be renting out individual rooms or the whole property as serviced accommodation. This may be appropriate where the property is not large enough to use the rent to rent model

Flip or Trade

You can use this strategy if you have funds or access to funding to buy the property yourself. Purchasing the property yourself certainly removes a lot of hassle of dealing with investors or partners and gets things moving quickly.

The main advantage of this strategy is that you can sell on the open market and realise the equity discount that you negotiated; this will most likely be somewhat larger than any fee you could get by passing the deal to another investor.

You may optionally wish to give the property a light refurb and/or stage it in order to add value before placing back on the market.

Be careful of the type of funding you use for this: if using a mortgage, check for early redemption penalties. Private funding or bridging finance may be more appropriate for this type of transaction.

Property Option

This involves purchasing -- often for as little as £1 -- an option (but not an obligation) to purchase a property (or indeed piece of land).

This strategy tends to work where there is little or negative equity in the property or the seller does not need the equity right now.

Once you have an option on the property, you are then free to find a buyer, rent it out for a short time, refurb, get planning permission, add value in any number of ways before exiting with whatever profit strategy you choose.

The sandwich option is a variation on this theme where you in turn offer an option to a “tenant buyer” to purchase the property.

Instalment Contract

Also known as Delayed Completion, this is a variation on the option, above, where instead of giving the buyer an option to purchase the property, you exchange contracts and then stage payments over an agreed period of time.

This form of vendor finance is rather more secure than the option method and can be extremely profitable if structured correctly.

Some Now, Some Later

Again viable when the seller doesn't need all of the equity now, this strategy can be used as a kind of vendor finance model to get the property profitable for you before you have to pay the seller.

I've found this method effective in the case where the property was too low value to get a mortgage on (and therefore hard to sell). We offered the seller enough now to move on and wrote into the contract that we'd pay the balance within 3 years.

What you'll often find in this scenario is that the seller needs the balance sooner than agreed and will settle for even less than agreed, in order to get the funds before the agreed deadline.

Property Development

Actionable on your own or in partnership with a development firm, you could develop the property in some way to add value before selling it on. This is usually considered the most time/labour intensive of strategies but potentially the most profitable.

The possibilities are endless but should always be informed by local market demand. Options include but are not limited to: add extra rooms in an extension, add a downstairs bathroom, do an attic conversion, convert from a house to flats or vice versa, add a new-build house in the garden and so on.

Title Splitting

This highly profitable but less often used strategy involves taking a single dwelling unit and splitting it up into self-contained sub-units, each of which may then be sold or let for profit.

This can be a complicated process however and must be preceded by extensive research and due diligence, including contact with the local council and planning officer.

Buy and Hold

The core of many successful investors' business model, this strategy is responsible for creating innumerable millionaires.

No longer strictly limited to traditional buy to let, this strategy could encompass operating serviced accommodation, holiday lets or HMO.

HMO

With the advent of section 24 removing tax relief for buy to let mortgage interest payments, HMO and also our next strategy -- serviced accommodation -- have surged in popularity as they have such large profit margins compared to traditional buy to let.

HMOs (house of multiple occupation) involve buying a house with at least 4-5 lettable rooms and letting each room individually to separate tenants.

UK demographic trends of recent years have contributed to the demand for such accommodation.

Watch out for red tape which will differ by region and also be ready for a higher-intensity property management requirement. Specialist lending for these units may be required so be sure to look into this upfront.

Serviced Accommodation

Like HMOs, SA is a potentially high cashflow strategy and uniquely, these are classed as trading by the tax man and therefore not affected by the section 24 rules.

By the same token however, you'll need specialist funding so again, look into that upfront. SA involves renting rooms or entire properties out to guests on a short-term basis.

Depending on location, your units could be of interest to tourists or short term contractors. Units will need to be fully furnished and equipped for self-catering so a little more investment and planning may be required upfront.

Joint Ventures

Any property strategy can become no money down when another party puts up the costs. An advantage of this strategy is that it can allow you own property using the more traditional buying methods, except using your JV partner's money.

The possibilities are endless in terms of how to structure these but two common ways are with a simple loan or with each partner getting a pre-determined share of the profits.

A great partnership is always one where each partner brings different attributes and resources to the table. Experience has taught me to be very wary of jumping into partnerships without very careful consideration but the right one can be very profitable for both parties!

Be careful not to fall foul of the 2013 FCA ruling that puts limitations on how you can advertise for partners.