

Is fixed interest the ideal opportunity for you?

Like virtually all businesses, we have faced a number of challenges over the years.

A good challenge we have had in recent years is keeping up with demand. with our **acol** properties.

HMOs are popular with UK as well as overseas based investors and this is likely to continue for the foreseeable future.

To keep up we have expanded our management team (there are now twelve of us) and also the number of projects we have and the funds we have tied up in them.

If you work for a bank, please do not read on as you may be offended!

The Global Financial Crisis in 2008/9 taught us not to trust banks. Despite how strong you think the relationship is, at the end of the day unless you are a really big client you are just a faceless entity at the end of a phone or email that may or may not get their support.

Accordingly, we do not to have any bank debt .

We develop our projects using our client's funds on a secured, fixed interest basis, with the option of repayment with six months notice.

The arrangement allows us to take on more properties than we otherwise could and works well for everyone involved.

We have included details of how the arrangement works in this newsletter.

If you are looking for an attractive income stream over a shorter period then I would recommend you read the article.

This newsletter is our way of staying in touch with everyone and providing an overview of the UK market and how we operate. If you enjoy reading it please pass it on to friends and colleagues or refer us to them for future editions

The pandemic and the market

The good news is that whilst the pandemic restrictions in the UK have not been totally relaxed, the residential property sector is very much back on track.

Unfortunately, the commercial sector is another story and many landlords have major problems, not all of them caused by the pandemic.

But back to residential, viewings are taking place and sales and letting demand is sky high. Prices are still rising and look set to continue doing so for at least the rest of this year.

There is however, a shortage of builders and tradesmen throughout the country. If you know any good plasterers please let us know!

There is talk of a 'third wave' on its way. I seriously doubt it will have any impact of the market. The good times will be with us for some time yet.

A great home in Fulham?

I am not referring to our former office in Fulham, London or the apartment I lived in there while the office was there.

I am referring to a superb house we have for sale.

If you are thinking of a 'bolt hole' or future home, or just an investment with good capital growth prospects, it may be ideal for you.

Details can be found below.

Tony Davies
Managing Director



In this newsletter

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A fixed interest opportunity

Since our formation over twenty five years ago we have developed and refurbished a large number of properties and multiple individual apartments. We pride ourselves on completing our projects on budget and, of course, providing a quality product for our clients.

Our **acol co-living/hmo** (Houses in Multiple Occupation) properties are located in the north west of England. The properties include freehold houses and commercial buildings, which we convert and refurbish to a high standard to accommodate multiple tenants. Our projects typically take six months to complete - from acquisition through to refurbishment and eventual resale.

We have now undertaken nineteen **acol** projects and have a further five in the pipeline. As a result of this we know and understand the costs involved in developing such properties. Additionally, we have an experienced management team and sound cost control systems to ensure our projects meet our expectations.

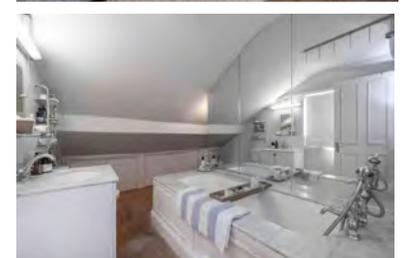
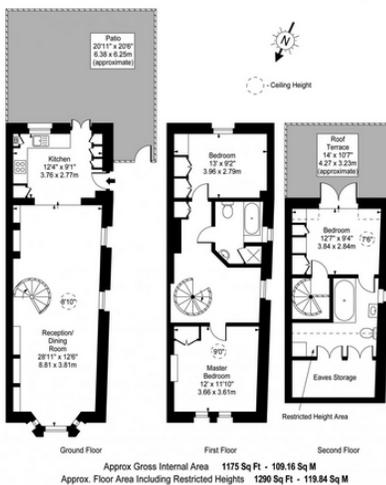
The good news is that there is strong demand for our **acol** projects and we have a waiting list for our completed properties. To satisfy this demand we are seeking to raise development funds which will allow us to acquire and refurbish additional properties.

We are accordingly offering a low risk, fixed interest opportunity at **10% pa. (8% p.a. after UK tax)**. Investors funds can be returned at any time with six months notice and a floating charge over the company's assets, including the properties will be granted. Importantly, there will be no bank or similar form of debt.

It is an ideal opportunity for those investors who are seeking an attractive, secure return with the flexibility of when their funds are returned to them.

We firmly believe in building long term relationships with our clients through 'delivering the promise' and have no hesitation in recommending this opportunity. For further information please contact us.

Freehold House in Fulham, SW6 We have a wonderful property for sale that will be a perfect home. It is a three bedroom, two bathroom house and is in a great part of London - close to shops, cinemas, restaurants, parks etc. It has a garden, roof terrace and is in great condition. The guide price is £925,000.





**HOT
OFF
THE
PRESS**

and market updates

House price forecast

According to Savills, house prices in the North West are predicted to grow by 28.8% over the next five years, the highest growth of any region.



Current house price

Halifax has reported that the average cost of a home in May hit a record high of £261,743.



London

Knight Frank advises that house prices in prime Central London have risen by 0.3% in the year to May, the first rise in five years.

Houses are selling quickly

RICS has advised that houses are selling at almost double the speed they did before the pandemic.

Hot lettings market in the summer

The number of prospective tenants hit the highest on record for the month of April with letting agents registering 82 new tenants per branch last month - ARLA Propertymark.



Universal Credit applicants

Many landlords and property managers will not accept Universal Credit applicants as there is a perception that the quality of tenant is poor and there will be difficulties in collecting the rent.

Such concerns are understandable and in many case are warranted. However, in recent times there has been a greater acceptance of such tenants as evidenced by a recent NRLA (National Residential Landlords Association) survey;

The proportion of landlord letting to tenants claiming benefits

2021	34%
2020	28%
2019	23%
2018	21%

Have you let to tenants claiming benefits in the past 12 months?



In the past 12 months have your tenants claiming benefits fallen into arrears

The major concerns are

Ability to pay the rent on time	25%
Higher risk of rent arrears	22%
Perceptions of problems with the system	15%
Rent too high	14%
Previous experience with the system	13%
Mortgage conditions ban letting to claimants	7%
Inadequate Local Housing Allowance rate	7%

Positive changes that could mitigate those concerns

Direct payment of rent from Government	64%
Financial or other incentives	29%
Higher LHA rates	27%
Reversing tax changes	26%
Reducing local licensing	15%
Increasing or abolishing the shared accommodation rate	7%

The important consideration is deciding whether to accept a Universal Credit applicant is whether the person has sufficient income to cover both their rent and every day living expenses. This typically means they need to be gainfully employed and the government payment is merely 'topping up' their income. Unfortunately, this is rarely the case and accordingly the majority of such applicants are rejected.

Planning laws - will there be a big back down from Boris?

Comment

The Conservative government has just lost a by-election in the south east of England and MPs are blaming the PM, Boris Johnson, for the loss.

It appears the PM's promise to liberalize the planning laws to allow for creation of 300,000 homes every year by 2025 is to blame. MPs in the north of England generally support the proposals, but the NIMBYs (Not In My Back Yard) in the south can be quite vociferous when it comes to protecting their precious greenbelt and house values. As you might expect, MPs there are certainly not deaf when it comes to hearing those complaints.

Boris's position on the matter is that there is a great deal of misunderstanding about his proposals. Whilst that may be the case, given the level of revolt within his own party many people expect him to water down the reforms. This would be a major defeat for Boris, but would presumably keep him in Number 10 for a little while longer.

For the past twenty five years there has been talk of the need for a major overhaul of the planning laws. Whether this government has the backbone to effect real change remains to be seen.



A day in the life of Si Jones, Dewisant's Senior Property Manager

Si joined us in April this year, having previously worked for several large property managers for over twelve years. His name is Simon, but we also have another Simon Jones in our team so from day one he has been called Si

This is what he has to say about a typical working day ;

Alarm goes off: I wake up at 5am and read over any property news whilst drinking my first coffee of the day, I like to use this time to catch up on any news or updates on the letting market ready for my day in the office. I then travel into work by car and reach the office before 8am.

I am responsible for: Managing the property team and letting agents to find and reference tenants ready to move into our properties. I also co-ordinate the team to prepare tenancy agreements and move in any tenants across the country as we have properties in London, Manchester, Liverpool and Stoke-on-Trent.

I ensure the smooth day to day running of these properties so we arrange contractors to repair and maintenance jobs that may arise in a timely and affordable manner. We treat this money as if it were our own, so we ensure we have a good team of contractors on hand to call upon in any situation.

My typical day starts off with: Checking emails that have come in over night and prioritising them for the team to action. I then attend a morning meeting with everyone in the office to update on any issues.

Two cups of coffee in and I'm on to the marketing and check outs, which takes me nicely to lunch, and a coffee. After lunch I will check compliance (Gas safety – EICR'S – EPC) as well as getting updates on any repairs.

To end my day, I will check the emails and update landlords and tenants on any relevant information they may need.

Right now, I'm feeling: Excited by the new properties we are about to take on such as our properties in Wigan, St Helens, Oldham , Birkenhead and Halifax amongst others.

My memorable moments; Helping our tenants have the best experience with Dewisant and staying with us for years. I recently helped a tenant in an ACOL with an issue and they said I had provided the best and most efficient service they have had with any letting agent in the years they have rented. It is nice to get positive feedback.

My worst work habit: I can never say no to coffee!

After work: I usually stay back for a couple of hours after the office has officially closed, just making sure all emails are answered and that there is nothing urgent outstanding. Then it is home to my wife and two daughters before another day starts at 5am.

Ambition; For Dewisant to be regarded by everyone, including our clients, as the best co-living/HMO property manager in the industry. We are definitely getting there!

The five rights of property investment

Invest in the right property in the right location at the right time for the right price from the right developer/adviser

We are pleased to advise that our **Acol Raffles LLP Private Syndicate** has closed for subscription



Something lighter

Thought of the month

Don't just develop great properties, develop a great company that develops great properties.

Ignore that noise and go back to sleep, it is just the sound of the value of your house expanding

Our MD has delayed his return to HK/BKK until the current Covid-19 travel restrictions have eased

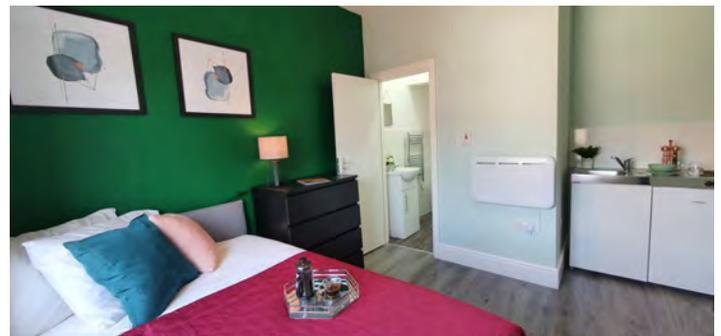
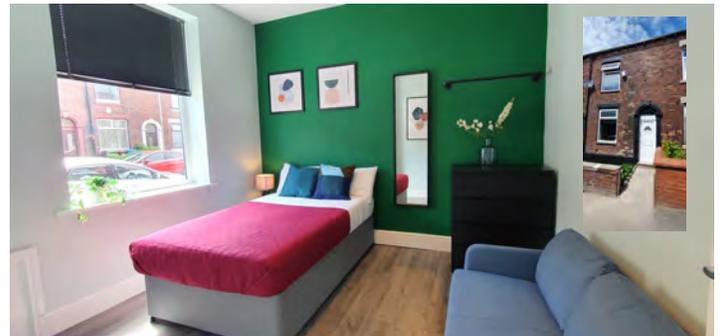
If you would like to discuss our projects and services in the meantime please contact us



We have just completed another **acol** property in Oldham, Greater Manchester

This property has been decorated in our standard colours.

We are always open to suggestions and feedback re our interiors so please let us have your thoughts!



Totally refurbished HMO properties

7.5% p.a. after all costs

St David as the Master Tenant for 3 years

www.facebook.com/StDavidGroup

info@stdavidgroup.com
www.stdavidgroup.com