

SPECIAL REPORT

Part 1

**Worried You'll Make A
Mistake On Your Next
Deal? Here's How To
Analyse Property Deals
Like A Pro...**

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How To Use This Special Report...

This special report will help you best when it is printed out and read in hard copy format. This allows you to easily and quickly flick through the report and highlight the most important sections. You can also make notes as you go along, directly onto the report itself.

Important:

The very best way for you to get the most out of this special report, is to print out the report and read it at least twice (making notes as you go along). File the report away as a handy reference guide.

I advise you to read through the whole special report in one sitting if you can. If you have any questions or queries you would like me to answer, please do feel free to contact me directly on:

Email: <mailto:deep@property-system.com>

Dear friend and property entrepreneur,

Thank you for requesting this deal analysis special report – **by the time you're finished I promise you'll never look at another property deal the same way again!**

Here's why I wrote this special report...

As a fairly well known property investor, fellow property developers and investors are always asking me for my opinion on deals they've come across and whether they're worth following up on...

Worryingly, I have noticed a tendency for those starting in this business to approach me with totally unrealistic propositions and expect me to wave some magic wand to make the deal magically profitable...

Even I Cannot Turn A Lemon Of A Deal Into A Peach!

You see, the key is to ditch the bad deals quickly and move on the good ones immediately before somebody else gets them...

“Easier Said Than Done” I hear you shouting at me!

That's why I have taken the time and trouble to show you how to quickly assess a potential property deal with the least amount of risk and time as possible.

Lets kick off with the most common questions I get from other property entrepreneurs, to give you a flavour of the secrets you are about to discover throughout this report:

- What is your step by step formula for quickly analysing any property deal?
- What calculations do you perform when assessing a property deal?
- How do you decide what price to offer for the property? How do you make your offer?
- What are the major things to look out for when researching a property deal?
- If you decided to ditch a deal, how and why would you ditch it?
- If you took the deal on, what would make you do so? What would you do next?

Before I go on to talk about what a good deal looks like, I want to show you some examples of poor deals that have recently been sent to me.

I am starting with the bad deals first because I want you to see how and where most deals fall apart.

BAD DEAL 1

- **“15% off 2 bed off plan apartment in Nottingham City Centre, will rent for £800/month, the developer wants just £130,000 for it (actual value is £153,000) – what do you think Deep?”**
 - Looks ok, until I check www.rightmove.co.uk and I see 12 similar flats for sale and rent within 5 minutes walk of this one. This suggests a saturated market.
 - I use www.yell.co.uk to find local letting agents who I can call about the rental market. Instead of asking what I think they can get for it, I ask them what they are actually getting on flats nearby that they have on their books – I soon find out that similar flats are actually renting for £500 max and they have many 2 bed flats on their books that aren't shifting.
 - Using www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk I discover that 3 flats in the same block as the one I'm investigating recently sold for £112,000, £117,000 and £118,000 – a lot less than the 'market value' stated by the developer.
 - I call the sales lady acting for the developer who says she may be able to negotiate slightly on the price, suggesting she is having difficulty shifting it.

- All in all, this is a real stinker of a deal. The price and achievable rent have been vastly over inflated. The deal does not stack whichever way you look at it. Going forward, the area looks set to become even more saturated with properties like this. **Run a mile!**

BAD DEAL 2

- **“5 bed detached house, purchase price = £255,000. Renovation costs = £45,000. Resale price = £350,000. Profit = £50,000 for 3 months work! I’ll let you partner 50/50 on this one with me Deep, if you put in all the money and do all the work. Cheers mate.”**
 - Lets dig a little deeper...
 - First of all, how much experience do you have with properties requiring extensive development? Do you have a reliable team of people you can use to get everything done on time? I’m not talking about a bunch of guys pulled out of the yellow pages! Ideally, you will need people you have worked with in the past for a deal of this scale.
 - All developers underestimate how long a project will take to complete. Yes, the actual works will take 2 and a ½ months, but you won’t get your money back for at least 6 months or so. This is because the works will take 2 and a ½ months, then you have another 2 months to find a buyer and then another 2 months on top of that before you actually get your hands on his money.
 - In most cases, I find that the developer has forgotten to properly document the costs of financing the development. 6 months of payments on a £200,000 mortgage will eat up around £6,000. If private

investors supply the remaining £95,000, then expect to pay them around £12,000 interest for 6 months use of their money. This brings the total interest payments to £18,000 for a 6 month development project.

- Have you factored in 2% for the estate agent = £7,000?
- What about your solicitors costs when you come to sell = approx £1,000?
- By purchasing the property for just £5,000 less, £5,150 would be saved on stamp duty.
- Most importantly, where did the resale value of £350,000 come from? It should not be based on the asking price of properties for sale in the area – no matter how similar. Only the actual selling prices count – use www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk and www.landregisteronline.gov.uk. As well as this data, you need to see for your self what else is on the market in that price range to gauge for yourself whether your property presents an appealing proposition for potential buyers. In other words, why would somebody pay you £350,000 for your property when she can get a bigger house in better condition just down the road for the same price?
- After properly crunching the numbers and taking **ALL** the costs into careful consideration, this project struggles to break even let alone make £50,000 in ‘quick’ profit!

Throughout the rest of this special report, the leads you will be looking at are actual leads that my Internet desperate seller finding system has generated for me over the

last 4 years. This is to give you an idea of the type of leads you should be generating if you want to be successful in property...

In each case, I have given you a brief step by step breakdown of how to go about evaluating each lead from the information given. In fact, the notes and comments that I have made about each deal are the actual notes I made for my staff before they went and looked into these deals for me.

I then left them to call the seller and investigate the deal based on what I've said in my notes.

I give them the pros, cons and "here's what to do next"... tips for each deal.

For your benefit, I've also given each lead a mark out of 10, so you know the difference between the "ok.." deals and the **"DROP WHAT YOU'RE DOING AND GET OVER THERE RIGHT NOW!!"** type of deal!

Obviously, it's the 2nd type that you want to concentrate your efforts on finding ☺

Ok, that's enough small talk. Let's start off with a typical example of the type of deal I get every day through my Internet desperate seller finding systems.

All the details you see have been given by the motivated seller over the Internet, over the phone or via a physical form printed off the net and posted back to my office:

Deal 1

Untitled - Message (HTML)

File Edit View Insert Format Tools Actions Help

Reply Reply to All Forward Print Attachments X Undo Redo A Help

From: Matt [matt@property-course.com]
To: deep@property-course.com
Cc:
Subject:

LEAD 211

Title: Mrs

Full name: Lisa [REDACTED]

Daytime contact number:

Evening contact number: [REDACTED]

Email address: [REDACTED]

House name/number: [REDACTED]

Street/Road: [REDACTED]

Town: Slough

County: Berkshire

Postcode: SL3 [REDACTED]

Property type: Apartment/Flat

Number of bedrooms: 2

How quickly do you need to sell?: Under 1 month

Why are you selling the property?: Breakdown of Relationship/ and change of financial services

Is the property currently for sale through an estate agent?: No

What is the condition of the property?: Good

What is the value of the property?: 130k approx

Please provide further information you feel may be relevant for the cash buyer:

I have contacted you before and i had a phone call, i was told that someone from the area would contact me shortly, I am getting desperate to sell my Flat as soon as possible, please can you let me know if you can help. Contact by email would be easier.

Deal 1 Analysis

Pros

- Good situation and timescale to force flexibility on price
- Not on the market
- Good condition
- Needs a very fast sale

Cons

- Can't see any

Here's what to do next...

- Check www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk, www.rightmove.co.uk, www.findaproperty.com and www.asserta.com for comparable properties (rental and sales). Also check on www.landregisteronline.gov.uk for properties in the same postcode that have sold recently (the land registry shows you when the title was last updated - this is sometimes due to the property being bought/sold). Do a property enquiry on properties nearby to get the selling price - this gives you an indication of the true value of the property you're investigating.
 - a. Figure out the rough market value by taking the average value of properties for sale nearby and knocking 10% off that figure. Or, use www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk to find out what similar properties are actually selling for.
 - b. Calculate the achievable income from the property.
- Check that the rentals stack
- Find out more about her problems and the amount she actually needs to move on.
- What's the mortgage amount? Use this to figure out how much equity is in the property – some people just want to pay off the mortgage and move on.
- What does she need the cash for?
- Has she found somewhere to move to? If she has, then she may be very flexible.

Deal Rating = 9/10

Deal 2

Untitled - Message (HTML)

File Edit View Insert Format Tools Actions Help

Reply Reply to All Forward Print Attachments Delete Undo Redo Font Size Print

From: Matt [matt@property-course.com]
To: deep@property-course.com
Cc:
Subject:

LEAD 143

Title: Mr

Full name: paul [REDACTED]

Daytime contact number: [REDACTED]

Evening contact number: [REDACTED]

Email address: [REDACTED]

House name/number: [REDACTED]

Street/Road: [REDACTED]

Town: coventry

County: warwickshire

Postcode: cv6 [REDACTED]

Property type: Terrace

Number of bedrooms: 3

How quickly do you need to sell?: Under 1 month

Why are you selling the property?: Divorce, and so I can go back to New Zealand

Is the property currently for sale through an estate agent?: Yes...but no luck yet. Been up one week and two viewing cancellations

What is the condition of the property?: Excellent, bring your furniture and move in..!

What is the value of the property?: £148,000

Please provide further information you feel may be relevant for the cash buyer:

3 bed, Loft conversion with skylight and pull down ladders(not counted as bedroom). 18 month old staybrite conservatory. Double brick garage. Block paved front and rear. Porch. Alarm. Extended kitchen. Recently decorated and in excellent order. Good catchment area for top local school. Close to all amenities and 10 mins from city centre, 5 mins from local countryside.

Deal 2 Analysis

Pros

- Seller is clearly flexible given timescale and reason for selling
- Extra lettable room in the loft
- Garage can also be converted into a bedroom if it is attached to the house
- Well located near to City Centre and the local University
- At £50-£60 per room, the total achievable income will easily cover the mortgage payments

Cons

- It's on the market, but I wouldn't worry about that too much because the condition is good and most bargain hunters will pass this up due to the condition. It's the hidden information about his situation that gives us the edge.
- There will be an upfront investment required to convert this property into bedsit accommodation.

Here's what to do next...

- Is the property close enough to a University to rent it by room to students?
 - a. If so, how much will it cost to convert this into bedsit accommodation?
Take Joe with you if seller accepts our offer.
- Check www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk, www.rightmove.co.uk, www.findaproperty.com and www.asserta.com for comparables (rental and sales). Also check on www.landregisteronline.gov.uk for properties in the same postcode that have sold recently (the land registry shows you when the title was last updated - this is sometimes due to the property being bought/sold). Do a property enquiry on properties nearby to get the selling price - this gives you an indication of the true value of the property you're investigating.
 - a. Figure out the rough market value by taking the average value of properties for sale nearby and knocking 10% off that figure. Or, use www.nethouseprices.com, www.proviser.com, www.houseprices.co.uk, www.ourproperty.co.uk to find out what similar properties are actually selling for.
 - b. Calculate the achievable income from the property.
- Once converted into bedsits and fully let, the property could be sold on as a ready made investment through auction for approximately 10 x annual income.

Deal Rating = 8/10

As you can see, the key to making money in property lies is finding desperate sellers of bargain properties because...

You'll Never Make Any Money In Property If You Do Not Know How To Find Desperate Sellers Of Bargain Properties!

When you buy bargain properties from desperate sellers:

- 100% financing is easy to raise because investors can plainly see you have a good deal on your hands...
- The best builders are easy to afford when you know for sure you have made thousands of pounds in profit even before you've done anything with the property...
- Delays and setbacks aren't a problem when you know you will still walk away with twenty or thirty grand in profit...
- You can turn a fast profit and bank anything from £10,000 all the way up to £300,000 or even more by cleaning up the property and simply putting it up for sale with an estate agent or auction house – **people I know do this all the time!**

Ask yourself this question:

“How much profit would I be banking each and every month if I could consistently find desperate sellers of bargain properties?”

What figure did you come up with? How much of a difference would that kind of money make in your life?

As I mentioned earlier, the real life leads you've seen in this report were all picked out randomly from the hundreds I have generated using an Internet desperate seller finding system called the...

Property Marketing Millionaire System



I personally developed the “**Property Marketing Millionaire**” system over the space of 3 years to automatically find me desperate sellers of bargain properties using clever marketing techniques for my own property portfolio.

Here is why the “**Property Marketing Millionaire**” system works so well to automatically find me bargain properties:

1. I advertise my website (**usually for free or next to nothing**) using proven leaflets, postcards, classified adverts, yellow pages adverts, search engine advertising and dozens of other techniques to drive desperate sellers to my website...
2. All the marketing I do has been proven to **magnetically attract only desperate or “motivated” sellers** of bargain properties...
3. Desperate sellers of bargain properties then visit my website and give me their name and contact details, as well as the address of the bargain property they want to sell quickly...

4. Their details are **automatically emailed to me** to follow up as and when I'm ready to do deals with desperate sellers of bargain properties...

And that's all there is to it!

Let me tell you, there really is no better feeling than opening up your inbox in the morning to be presented with dozens of desperate sellers of bargain properties where...

All You Need To Do Is Send A Letter Or An Email To Start Doing Deals With Desperate Sellers Of Bargain Properties!

No more estate agent butt-kissing or standing around like a lemon in auction rooms bidding for overpriced properties against dozens of amateurs!

If you want to know more about the **Property Marketing Millionaire**" system, you can check out the following website to learn how I managed to find and invest in £1.5m of undervalued bargain properties using this system:

<http://www.property-system.com/system.htm>

That's the end of this special report I'm afraid. If any more deals like these come through, I'll send them straight through to you with my accompanying comments to help you analyze any property deal like a pro.

Before you know it, you'll be able to confidently and quickly spot the gems from the "so-so" deals to help you dramatically skyrocket your profits through property.

Sincerely,



Parmdeep Vadesha