

# DEVISING A STRATEGY THAT WORKS FOR YOU

A BLUEPRINT FOR INVESTING IN BTL



# INTRODUCTION:

## Why do I need to read this eBook?

Nowadays there is a huge amount of free information around on the internet, and whether you are thinking about investing for the first time, or are a more experienced investor already managing properties, it can be overwhelming. Paul Mahoney, founder and Managing Director of Nova Financial Group, finds people can often be confused by the conflicting information researched, and lapse into what he terms 'paralysis by analysis'.

This eBook is here to help you understand the facts and financials behind investing in property. Many people invest with their 'heart' as opposed to their 'head', so it is important when considering which area to invest in and property you want to buy, you understand your target market and ensure you deliver a property they want – even if it is not decorated to your taste or one you would live in.

This eBook covers part of the 'Education' and 'Testing the water' element of Paul's RETIRE investment model, which was explained in the first eBook (link required) which details the different stages of the landlord life cycle:

- **R**eady to get started
- **E**ducation
- **T**esting the water
- **I**nvesting further
- **R**etirement Transitioning
- **E**asy retirement

Most people want to generate a certain amount of income but may well have secondary goals as well. Whatever these are, it is essential you can work out financially whether a property will deliver – before you make an offer. Paul's company, Nova Financial Group, has decades of expertise in understanding these requirements and in tailoring a strategy that works towards their clients' specific goals, helping to ensure any investments they make will help them achieve it.

As Paul points out, *"there's not one blueprint for everyone because everyone's situation is different. They need to be personalised."*

## AWARDS

Nova Financial Group's clients can make sensible decisions with their investments and have the confidence that they are receiving the best advice with regards to their goals and objectives. This comes from Nova Financial Group often being recognised independently as a well-respected buy-to-let investment and mortgage adviser, including their award, for example, for being 'Best Property Investment Provider' by LIS in December 2019. At whatever stage of their clients' investment journey, Nova help them benefit from their advice and support.

Nova does not offer clients a 'get rich quick' scenario, but instead helps you to understand what amount of wealth is achievable, and how this can be done within a reasonable time span, regardless of how the economy is performing.



## ABOUT PAUL MAHONEY



Paul Mahoney is the founder and Managing Director of Nova Financial Group and has recently published a book which is now an International Amazon #1 best-seller. It's called "The Property Pension Plan, Financial Freedom Through Buy to Let Investment".

As a successful landlord himself, Paul's own portfolio reflects the advice Nova gives to clients, which is to invest in central locations in major cities, where there may be a shortage of land supply but strong growth in, for example, the population, the economy, and infrastructure spending. Paul recognises that in a flourishing economy, you can do well as a property investor, but that it's important to help you understand that choosing your investment properties carefully can buffer you against periods when market conditions are not flourishing.

## ABOUT NOVA FINANCIAL

Nova Financial Group is a multiple award-winning, privately-owned and independent buy-to-let property and finance advisory company.

The group assists clients in:



Nova's management team have successfully advised thousands of new and experienced UK and overseas property investors during their decades in the industry. They don't sell their own products and can therefore provide you with objective advice rather than sales-oriented guidance. Nova provides one-stop expertise, together with a range of educational services, under one roof from their centrally located offices in London, Birmingham and Manchester.

Nova also have a [YouTube channel](#) with lots of useful content for property investors. In addition to this, you can read [Nova's independent reviews on TrustPilot](#). Paul can be contacted directly on [pm@nova.financial](mailto:pm@nova.financial) or at head office on 0203 8000 600.

# DEVisING A STRATEGY THAT WORKS FOR YOU

## A blueprint for success:



- 1 It's important for your first investment to be a safe one. Invest in a property that is not going to need extensive renovation in a central location, known for attracting stable and desirable tenants. Keep it simple.
- 2 Consider investing in a busy location in major cities such as Birmingham, Manchester, Liverpool or Leeds where there may be constricted supply, and where there are strong growth factors such as population, economic and infrastructure growth. This will offer you protection during recessions when property prices can dip.  
Paul comments, *"Net migration within the UK is now very strong towards the North... A lot of major businesses are moving a lot of jobs, especially services, to those areas."*
- 3 If you are starting out consider a 75% Buy to Let mortgage as most lenders will offer acceptable rates, make good use of the money you have and ensure you are allowed to buy more property.  
As Paul observes, *"Demand is driven by desirability."*
- 4 Buy a property in strong demand from a particular target market. Either decide your target market first and choose the location and property accordingly, or vice versa. For example, if your target market is young professionals, there should be amenities such as bars, restaurants, cafes and professional job opportunities close by, whereas for young families, you need enough bedrooms, a good school catchment area, decent public transport and shops nearby.
- 5 Remember that property management is very important, particularly if you are buying remotely. The right adviser will be able to help you invest in the right, most suitable areas, even if you are unfamiliar with the locations yourself.

Once you have invested, do not become subject to what Paul terms 'analysis paralysis'. Reviewing and considering whether to reinvest and remortgage is important to do every year or two.

Consider how to step forward while still protecting your investment.

# DEFINING AND ACHIEVING YOUR GOALS



When you enter the property sector as a newcomer, it can all be a bit overwhelming. There are higher-risk and lower-risk strategies to consider, and even with no experience, you have to formulate a strategy that meets your own specific needs and circumstances.

Paul's advice here is that, *"Safety, and being able to sleep at night, are two key points."*

What you should aim for is peace of mind and confidence because with your first investment, if it goes badly, you may lose confidence and not want to continue to invest in property. Starting off with a simple, low-risk property in a good central location that is desirable to a healthy target market is the safest way to get started.

It's easy to make money when the economy is doing well, but when the economic climate is uncertain or in recession, you need what Paul describes as 'depth' in the market. Again, a central location, attractive property and a good target market are likely to result in your property always being let, because there are strong reasons for people wanting to live there, however the property market is behaving.

## Your guide to devising a strategy that works for you:

- Work out what your goal are. When you have decided what you are trying to achieve, then work out the best way of getting there.
- If you are considering investment, talk to anyone who has Buy to Let experience in the property market; private individuals who let their own property, professional property investment advisers and mortgage brokers can all help you develop an understanding of what you are contemplating and how realistic your strategy is.

- Once you have decided you want to jump into the property market for the first time, educate yourself so you can decide what will work for you use a combination of online resources and professional advice about your options.
- Start learning about good locations, and the infrastructure serving those areas. Then consider the best type of property for that location, e.g. whether a terraced house or a flat.  
*According to Paul, "In very central locations, 60% to 65% of the market are single occupancy, now when you also add dual (couples) occupancy to that it makes it up to 80% of the market. So, one- and two-bedroom flats make sense in those locations."*
- Remember that in periods of economic uncertainty, low-risk investments are particularly important on your first venture into the market. In this way, you'll understand the process, it will go well, you will learn from it, and develop the confidence to explore further options.
- Since you should invest in the most desirable property you can find in your chosen location, consider leveraged property. Someone with £50,000 to spend can make better use of their money with, for example, a 75% Buy to Let mortgage at acceptable rates. Interest rates and lending are the two main risks with leveraged property.  
*Other risks are minimal because, as Paul comments, "Property tends to trend upwards over the long term... so long as you've got a tenant, you should be safe."*
- Make sure you secure a mortgage that is the right fit for your goals and circumstances. If you want to build or buy again in a few years, or recycle your money, a five-year fixed mortgage would make no sense at all. So speaking to a broker who understands your situation is essential.
- Take into account that if you don't already own your own home, you'll have very little stamp duty to pay on your first investment. You will, however, have some legal fees to absorb and could be subject to taxation.
- Make sure that the amenities in your chosen location match your target market, whether this be young families or young professionals, as this will increase desirability.
- Yield is always important, and especially so in periods of uncertainty. Having a buffer on yield which delivers a few extra thousand pounds per annum will help cover any rise in interest rates or vacant periods.
- It is crucial to find the right property management, especially if you are buying remotely. A property manager who is familiar with a location you want to invest in will be able to advise you on a suitable place and property, and advise you on the best options in developing the right strategy for you.

When you've taken the first step and invested in your first Buy to Let property, be sure to review your strategy every year or two. Take the time to look at your investment again, and ask yourself whether it might be worth remortgaging, reinvesting and rebuilding as time passes. Again, a professional adviser can help you to decide the best way for you to proceed.

## Pitfalls to watch out for



- Don't go into property investment as a means of making a lot of money quickly; be conservative about what is achievable when formulating your strategy. Low-risk investments may take longer to mature but are a safer approach for anyone investing for the first time.
- Remember that investing isn't just about making money; you need to develop a strategy that sits easily with your own style, and is tailored to your own ethics, goals and circumstances.
- While some new investors try to 'go it alone', professional investment advisers provide a 'one-stop shop' for people starting out in the property market. They also continue to offer valuable advice, guidance and support services as you gain experience and expand your portfolio. There is a cost to this, but your reward is in the confidence you can place in their years of expertise, and knowing that they will support and advise you every step of the way in devising a structured strategy that dovetails precisely with your own ambitions.
- Ensure your strategy includes your ultimate goals: for example, equity or income generation? This may depend on your current investable asset base because, for example, if you have limited funds to work with now, you're not going to be able to instantly generate lots of income, so growth is likely more suitable. On the other hand, if you have a substantial enough asset base then perhaps an income-focused approach could work for you.
- It is easy to 'overload' on information on the internet. There's a lot of contradictory advice available, and it can be difficult to separate the good from the less reliable information. Try to achieve a balance between researching on the internet and getting good, professional advice before taking the next step.
- Don't go in over your head and risk a setback through tackling a complex investment scenario. Start simple, low-risk and uncomplicated so that you can understand the process and develop confidence in tackling more complex projects.  
As Paul says, *"It's not timing the market, it's time in the market."*
- Don't forgo the use of a property management service. Many people don't want a 'hands-on', full-time role, and in any case, it is a complicated area, with government intervention, taxation, uncertainty, political and economic fluctuations, and changing legislation, and it's easy to slip up.

Once your investment has been made, don't 'sit' on your strategy and consider it to be cut and dried. Your circumstances and requirements will almost certainly change over time and it's essential to sit back and review your strategy every now and again to see if it needs tweaking to suit your current situation.

# IMPORTANT POINTS TO REMEMBER IN DEVISING A STRATEGY



- **‘Look before you leap’:** do your research, inform yourself and consult a professional adviser before engaging with the investment market. Devise a strategy that answers your requirements precisely. While it’s easy to feel overwhelmed, seek out as much advice as possible before embarking on your first project.
- Make sure you that your personal strategy is structured, detailed and identifies your own personal goals before investing in your first property. Evaluate your strategy and your goals as you proceed. These need to suit your own approach and your own personal circumstances, which may vary at different times of your life.
- Consult a professional adviser as to the best locations to invest in, especially when the area you’re considering is a long way from home. They will be able to help you make the best, most suitable choice and manage your property for you.
- It’s a mistake to invest in complex schemes when starting out. Begin with simple, low-risk projects that you can understand easily while you grow in experience and confidence.
- Consult a mortgage broker and consider leveraging your investment, even if you have enough cash to invest. They will be able to advise you on investing with cash versus a mortgage and will find the mortgage with the right terms and conditions to suit your circumstances and anticipated position as your investment matures.
- At each stage of your first property investment journey, consider whether your investment is still working towards the goals that you established when embarking as a landlord. Consider which changes in your strategy might help you better achieve those goals.
- The way you approach your investment is unique to you and should reflect your starting point, your financial position, your attitude to risk, and how much time you want to spend on managing your investment.



# Watch, listen, read Paul's advice: or meet Nova Financial advice in person!

## Watch Paul's advice on video.

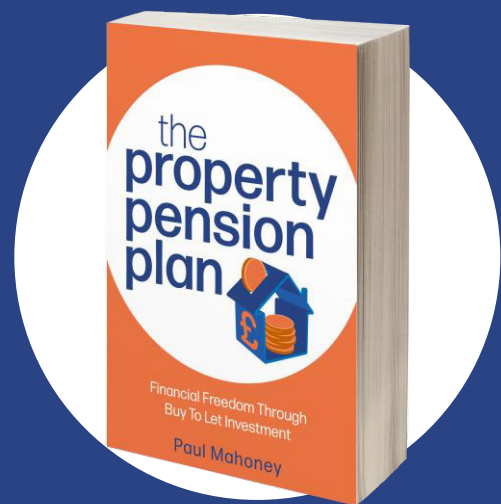
The Buy-To-Let Blueprint is powered by Nova Financial and is co-presented by Paul Mahoney MD and also founder of Nova. Paul shares his thoughts on property investment in general and his approach as a landlord and investor to building a portfolio.

Nova also have a [YouTube channel](#) with lots of useful content for property investors.

## Read Paul Mahoney's best-selling book!

Paul recently published a book which is now an International Amazon #1 best-seller. It's called "The Property Pension Plan: Financial Freedom Through Buy to Let Investment".

You can obtain a free copy of Paul's book, paying postage only, by clicking [here](#) and completing the form; or from Amazon by clicking [here](#).



## Listen to Paul's the property pension plan book on Audible.

You can also listen to Paul's audiobook by clicking on the Audible link [here](#).

## Meet Paul and his team in person

[Nova Financial Group](#) are financial advisors specialising in buy-to-let property investment. Nova helps clients to have full control and flexibility of property and investments. They approach property investment by assessing risk versus return, and focusing on fulfilling their clients' investment criteria. They use stringent selection criteria and select only those opportunities most suitable for in-depth analysis and potential recommendation.

You can check out Nova's [independent reviews on TrustPilot](#). Paul can be contacted directly on [paul@nova.financial](mailto:paul@nova.financial), or call Nova Financial Group's office on 0203 8000 600.