

# The Property Tycoons Newsletter

Showing you how to get started in the property business, how to find cheap bargain properties, how to fund property deals 100% no money down, how to get mentoring from property experts and MUCH MORE!

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This Month 70,970 Property Investors Worldwide Are Reading The Property Tycoons Newsletter!

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## "No Money Down" Property Investing - The Naked Truth

**"Can I really (and I mean really) buy a property absolutely no money down? If so what's the catch?"**

I get a lot of emails from property investors on buying investment properties using as little of their own capital as possible. I'm going to cover this topic in detail in this month's newsletter.

The answer to the question is (as you might have already guessed) is "Yes of

course you can – you just have to know how it works".

We do no money down deals all the time for our own property purchases and for our clients too. The catch is this: you will find it easier to achieve a truly no money down deal if you find and purchase a property at least 17% below market value. So that would mean buying a property worth £100,000 for £83,000 or less.

**"Why should I purchase below market value?"**

The key to doing no money down property deals lies in the equity that you get in the property when you buy. In the example above you would have £100,000 - £83,000 = £17,000 000 in equity in the property the day you buy it (ignoring costs to keep the numbers simple).

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## My Recommended Book Of The Month

Every month I send our Property Tycoons Community Gold, Gold + and Gold VIP members my 'book of the month' as part of their membership of my Book Of The Month Club. I also include my review of the book to help Gold members understand why they should read the book, the lessons to be learned and how best to use the book to help Gold members reach their goals.

This month I'm sending my Gold members a property investment book with a difference. The author Frank Mckinney is a developer of exceptional very high spec homes in North America.

Frank started off in the real estate business buying and selling cookie cutter residential investment properties. 21

years later he is about to sell one his latest creations for... wait for it... \$135,000,000!

Armed with a unique look and a willingness to attempt what others don't even dream of, Frank McKinney has truly earned his nickname of the "daredevil developer," and the "real estate rock czar", defying both conventional wisdom and the predictions of others to achieve success on his terms.

As well as my recommended 'book of the month' Gold members also get an audio CD of me grilling the Property Tycoons community member of the month sent to them in the post each and every month.

The member of the month is

picked by the other Tycoons community members largely based on how helpful the member has been on our Property Tycoons Community forum ([www.tycoons-forum.com](http://www.tycoons-forum.com)) - check out our back page to see who our members chose as our member of the month this month!

Gold members are also able to upload and download an unlimited number of documents, images, audio, video and software from the FREE Downloads section of the Property Tycoons forum.

To learn more about Gold membership check out:

<http://www.property-networking.com/memberships.htm>

## "No Money Down" Property Investing - The Naked Truth (continued from front page...)

This is the 'deposit' that you would normally put into the property if you purchased at full market value. By purchasing below market value the deposit is already in the property when you buy it. To purchase the property no money down you then cleverly structure the purchase to take full advantage of this.

You then end up putting none of your own money into the deal and having the whole thing financed 100% via a mortgage from day one. This is what gifted deposits, cashbacks, closed bridging etc all achieve in different ways.

Taking the above example, some property investors might choose to purchase the property for £83,000 with a deposit and an 85% mortgage. They would then aim to remortgage the property after a few months based on the true value of £100,000+. The problem here is you might not get a valuation of £100,000. It may well come back a lot lower.

### **This would mean having your money stuck in the property for a few months more!**

With closed bridging for example you get around this problem by getting your remortgage valuation in place before you purchase the property. Therefore, if the valuation comes back lower than expected you may decide to walk away from the deal or renegotiate a better price.

So, taking the above example again you would first of all approach the bank with the aim of getting a re-mortgage valuation. They would then send a surveyor round to do the valuation. This then comes back at £100,000.

You would then get a remortgage offer based on this valuation. If you went for an 85% loan to value loan, the bank would be lending you

£85,000. Remember, this is a remortgage so you cannot draw the funds until you own the property.

### **This is where the bridge comes in...**

On the same day, you will purchase the property cash using bridging funds and then remortgage later on that day. So in the above example, £83,000 of bridging funds would be used to purchase the property cash in your name and it would then be remortgaged later that day. The £85,000 remortgage would pay back the £83,000 + interest to the closed bridging company and you now own the property no money down. We do an incredible number of these closed bridging deals through my [www.property-finance.com](http://www.property-finance.com) service – just last Friday I did four bridges for four different investors on the same day.

All of this manoeuvring has to take place because the bank will lend to you based the lower of either the purchase price or valuation. Therefore, the fact that you are paying £83,000 for a property worth £100,000 makes no difference to the bank. They will still expect you to put down a deposit when you purchase in the conventional way. The creative techniques I mentioned earlier all allow you to get lending based on the true value of the property and not the purchase price.

### **This allows you to put little or none of your own money into each property deal and therefore build your property portfolio much more rapidly!**

You could of course purchase a property for it's full market value, get an 85% mortgage and borrow the remaining 15% from other sources but then you would struggle to cover the interest payments on both loans from the just the rent alone– for a start

the 15% element will typically cost you at least 10% or more per annum in interest.

### **"Where can I get the deposit from without paying any interest?"**

Some people I know use 0% balance transfer credit cards to constantly juggle one credit card balance to another just before the 0% interest period runs out. This allows you to borrow interest free unsecured funds for a period of time. Please do not even attempt this risky strategy if you are not highly organised and without reading through this website – [www.stoozing.com](http://www.stoozing.com)

### **"What about private investors who can lend me the deposit?"**

This is a good strategy. In fact, I kicked off my portfolio by borrowing the deposits from private investors. They would lend me either the deposit, or more commonly the entire purchase price at around 2% interest per month. I would then refurbish the property (quickly!) and apply for a regular mortgage from a buy to let lender.

This would be based on the true value of the property and not the purchase price since I'd already purchased the property several months earlier using the investor's cash. Using the previous example, the bank would then lend me 85% of £100,000 = £85,000. I would use that to pay £83,000 + interest back to the investor and I would then own the property with 100% bank funding and having used absolutely none of my own money.

If you want a detailed blueprint for purchasing investment properties no money down and how to raise deposits, check out [www.property-deposits.com](http://www.property-deposits.com) for a lot more information on the subject.

## Case Studies & Success Stories

This month I want to highlight a newsletter reader and avid user of our [www.tycoons-forum.com](http://www.tycoons-forum.com) members only website.

She joined us on the 27th of July so she's quite new to the Property Tycoons community. Since then, I've seen her posting on our discussion forum website and asking for help from the other members (we have 1,500 property investors on the website helping each other). In other words she made full use of the discussion forum resources to help her build

her property business.

The other day I spotted the following post describing her very first below market value property deal.

<http://tinyurl.com/yvh5kf>

First of all, I'd like to say well done Ann! Secondly, this post made me realise how very fortunate I am to be a part of such a vibrant community of property enthusiasts.

Make sure you also make full use of

our [www.tycoons-forum.com](http://www.tycoons-forum.com) website. It is a support community run by property entrepreneurs for other property entrepreneurs to help each other make more money with less risk – make sure you use it to your advantage.

Oh and the key lesson is this—don't be afraid to ask questions. You'd be surprised how friendly and helpful other property investors can be!

## Parmdeep's Bargain Property Marketing Tip Of The Month

I'd like to continue along the theme of no money down for this month's marketing tip. Earlier in the newsletter I covered how to buy properties using none of your own money. Now I want to talk about how to advertise for bargain properties in a way that minimizes wastage and maximizes your results.

If you know me well, you will know that I find almost all of my property deals myself using my own advertising and contacts. I have picked up a lot of useful tricks of the trade in the process.

A lot of property investors assume advertising is expensive and therefore never give it a go. You can in fact advertise your business very efficiently with little risk—it just takes a little 'out of the box' thinking...

**First of all, we all know that doing things in bulk saves us money.**

For example, you know that buying a two pint carton of milk usually works out cheaper than buying two individual pints. Advertising works in exactly the same way, except in advertising you are working in a two dimensional space.

You have the amount of advertising

space you buy. And you also have the length of time for which you agree to run that space. There are two ways in which you can work this principle to your advantage.

First of all, you approach your local newspaper. Ask the price for a full page advertisement. This will work out cheaper than taking out lots of small advertisements AND you'll generally get more leads from a single large ad compared to a smaller ad (based on a comparison of the cost per square inch). So your cost per lead can be lower.

Now approach four or five other property investors in your local area who are already advertising say in the property wanted section of the local paper, the yellow pages or the Internet. You can also search the member list on [www.tycoons-forum.com](http://www.tycoons-forum.com) to find local investors.

All of you pitch in for the ad, then split the leads between you in a way that's fair and square. If this proves successful you may look into large scale leafleting, radio ads or even local television. When you have a successful campaign, book your advertising for a few months or even a year ahead. This will reduce your advertising costs significantly allowing you to place even more advertising with the money you've saved to generate even

more leads.

**BEWARE:** this approach works well when you are using a proven advertisement that you have already promoted successfully either in the newspaper, on the Internet or as a design on a leaflet. To learn how to come up with proven advertising check out my "how to find bargain properties" instructional videos:

<http://tinyurl.com/29q4zm>

You also need the mindset of a successful entrepreneur to properly implement this strategy. All the millionaires I know think like this "I can get everything in life if I just help enough other people get what they want". The unsuccessful people I know have a Me Vs Them attitude – they would never dream of helping their 'competitors' make money.

That's why they'll remain small fry and the millionaires continue to run successful businesses. Unfortunately I see the latter mindset much more often than the former.

Work this to your advantage. Be willing to work with other people in your local area. Why slave away on your own when you can help each other make a bundle of money and have fun in the process?

## What's Parmdeep been up to this month?

We've been really busy this month ploughing through around 40 "ready made" fully negotiated deals we've sourced for our clients. These are all going through to completion so we have been focusing our efforts on completing those before we pass on too many more.

Expect to see more ready made deals on the ready made deals section of the [www.tycoons-forum.com](http://www.tycoons-forum.com) in the coming weeks. The section can be found here:

<http://tinyurl.com/25w4kg>

We also completed on a few dozen closed bridging deals which is a 100% financing service I provide through [www.property-finance.com](http://www.property-finance.com). Here's a small selection of the deals we've completed for Property Tycoons Community members:

### Deal 1: Kent

Purchase price bought with bridge: £100,000

Remortgage 85% LTV: £101,700

Cash back: £1700

Open Market Value: £119,647

Equity: £17,947

Total profit = £19,647

### Deal 2: London

Purchase price bought with bridge: £120,000

Remortgage 85% LTV: £135,000

Cash back: £15,000

Open Market Value: £158,823

Equity: £23,823

Total profit = £38,323

### Deal 3: Gwent

Purchase price bought with bridge: £97,000

Remortgage 85% LTV: £110,250

Cash back: £13,250

Open Market Value: £129,705

Equity: £97,275

Total profit = £110,525

### Deal 4: Middlesbrough

Purchase price bought with bridge: £65,608

Remortgage 85% LTV: £68,000

Cash back: £2392

Open Market Value: £80,000

Equity: £12,000

Total profit = £14,392

### Deal 5: Doncaster

Purchase price bought with bridge: £220,000

Remortgage 85% LTV: £221,000

Cash back: £1000

Open Market Value: £260,000

Equity: £39,000

Total profit = £40,000

### Deal 6: Doncaster

Purchase price bought with bridge: £58,000

Remortgage 85% LTV: £68,000

Cash back: £10,000

Open Market Value: £80,000

Equity: £12,000

Total profit = £22,000

### Deal 7: Manchester

Purchase price bought with bridge: £98,000

Remortgage 85% LTV: £110,000

Cash back: £12,000

Open Market Value: £129,411

Equity: £19,411

Total profit = £31,411

As you can see, we're helping property investors across the UK purchase properties using little and very often none of their own money. Actually, all the deals I've just outlined gave our clients cash back which means they not only purchased the property using none of their own money, they also got cash back on top to spend however they like!

### To help you understand this concept I'll take an example and walk you through.

Check out "Deal 7: Manchester". The market value of the property is £129,411. Based on this, the bank agreed to lend our client £110,000 as a remortgage.

The client cannot draw these funds

unless he owns the property so he came to us to purchase the property cash using our bridging funds. We lent him £98,000 which allowed him to purchase the property for cash. On the same day, he then drew down the remortgage funds of £110,000 which paid back the £98,000 bridge.

This left around £12,000 cash back from the remortgage which the client banked.

He also has £19,411 equity in the property (the difference between the market value of £129,411 and the remortgage amount of £110,000) so he is a very happy client indeed! We have many clients doing deals like these with us every week.

I wanted to highlight these real life examples as my way of proving to you these deals are definitely out there! Do not feel discouraged if you aren't finding as many deals as you need. Read through the [www.tycoons-forum.com](http://www.tycoons-forum.com) knowledge rich posts (we have over 55,000 posts on there on all aspects of property investment). Ask questions. Contact our resident property experts for help and guidance and...

### I hope to be highlighting one of your deals in an upcoming newsletter very soon!

I mentioned on the Tycoons forum recently that I am now going ahead with the purchase of a plot of land for a self build project. I will be living in the home.

I have looked at several builders to take on the project. The one that caught my eye is a German housebuilder called Huf haus. They have been showcased on the Grand Designs television program and have been awarded numerous awards for their eco friendly, energy efficient homes. Check out their website - <http://www.hufhaus.com/gb/>. If they can offer me a competitive price I will use them to build the home otherwise I will go with a traditional masonry build.

I've kept a detailed diary of all the various elements of the project which I'm really looking forward to sharing with you! There's so much useful information in there. A few hiccups from the seller's solicitors have delayed exchange of contracts so when that takes place I'll be...

Continued on page 5...

## What's Parmdeep been up to this month? (continued from last page...)

...in a position to really walk you through the project step by step.

I aim to complete on the land in time for next month's newsletter issue. I will include lots of pictures and detailed commentary to help you understand how development projects are put together right from finding the plot through to building out the property.

### Very exciting!

Finally, I'm releasing three brand new products this year to show you how to buy investment properties using none of your own money

([www.property-deposits.com](http://www.property-deposits.com)), a set of ten DVD's showing you how to find bargain properties without spending much if anything on advertising & marketing (**coming soon!**) and finally a huge manual full of leaflets, advertisement and postcard templates ready for you to use – just fill in the blanks and off you go (**also coming soon!**)

I've developed the products to fulfil an enormous need from my newsletter readers and clients for high quality information on buying properties no money down, finding bargain properties and how to advertise effectively for bargain properties.

The pre-release version of the no money down product has just been released at a special 50% discounted price for newsletter readers for a limited time only. If you want to take advantage please do before I raise the price in the next couple of weeks. The link again is [www.property-deposits.com](http://www.property-deposits.com)

The other two products will be launched in the next few weeks – similar time limited special discounts will apply for Property Tycoons newsletter readers.

## How to find bargain properties — FREE training

Last year, for the benefit of my extensive network of thousands of business contacts I set up a website called the Property Tycoons community. The website URL is [www.tycoons-forum.com](http://www.tycoons-forum.com). The website expanded at an **exceptional** rate from zero members at launch to over 1,000 subscribed members in just 12 months! The Property Tycoons forum is where over 1,000 property investors go to pass on and take property deals from each other, discuss property investment, help each other arrange networking meetings, chat live with each other on the Internet and **MUCH** more!

I thought it may be instructive for me to go through some of the commonly overlooked features of the forum here for the benefit of newsletter readers.

A lot of our members do not know about the **LIVE** chat room feature we have provided for our members to speak with each other in an online chat room environment at any time of the day or night. You can find this by clicking the "LIVE chat" link at the top right of the forum page. Log on between 8pm and 11pm to find members chatting about property investment.

Our deals and leads sections have also proven to be exceptionally popular

with members. This is where our members can pass on and take deals from each other. Go to [www.tycoons-forum.com](http://www.tycoons-forum.com), scroll down the page and look for the sections titled "ready made deals..." and "pass on and take leads..."

For a bit of fun and relaxation, I have also included a games section on the forum. Simply click the "arcade" link in the top right of the forum.

**Choose the classic arcade game you want to play and see if you can beat our resident games masters!**

I have also put up several training videos to teach Property Tycoons Forum members how to find bargain properties. The aim of the calls will be to teach Tycoons community members how to...

- **How to find bargain properties using other people's time and resources...**
- **How to set up your own bargain property finding website...**
- **How to set up advertising campaigns on Google and Yahoo...**

- **The software I use to spy on my competition and figure out their Google keywords...**

- **Search engine optimization techniques...**

- **How to pass on the deals and leads you do not want to pay for the ones you do—here's how the professionals get their bargain property marketing paid for by other people!**

- **And much, MUCH more!**

To watch the training videos go to [www.tycoons-forum.com](http://www.tycoons-forum.com). Click 'free downloads' from the top left of the screen then go to the "How to find bargain properties - training videos for Tycoons members" section. The videos are all in there – simply click the blue links to open the videos. They will take a few minutes to load so please be patient.

The videos will even show you how to generate leads for **FREE** – using little known jealously guarded secrets us 'nerds' keep to ourselves. In the meantime email me your burning questions about finding bargain properties through [www.askparmdeep.com](http://www.askparmdeep.com)!

## Would you like to write an article for this newsletter?

Do you have valuable information you would like to share with over 60,000 property investors?

Do you have a property related issue you would like to discuss in this newsletter?

If any of the above statements apply to you, then I strongly recommend you consider our Gold VIP membership...

### **GOLD VIP members get a page to themselves each and every month!**

This is a great way to let the Vadesha Properties database of over 60,000 property investors know more about your product or service.

Your article will also reach over 4,000 of our investors by post—the majority of

these investors have purchased products and services from us over the last 3 years making them great prospects for products and services they can use to become even more successful in property in less time.

Email me to learn more about Gold VIP membership—[deep@property-course.com](mailto:deep@property-course.com)

## Recommended Resources

In this section I will be highlighting the latest and very best resources to help you build a successful income generating property business. Some of the resources are best selling products we have developed to help our clients maximise their profits with minimal risk:

### **How To Get Started In The Property Business...**

- “Free Mini Course Reveals How to Find Bargain Properties” -> [www.property-course.com](http://www.property-course.com)
- “Do You Make These 7 Fatal Mistakes When You Look For Bargain Properties To Renovate And Sell On For Fast Profits Of £50,000 Or More?” -> [www.property-renovation.com](http://www.property-renovation.com)
- “They Laughed When I Wrote Down My Goals... But When I Started Making £2,578.39 Per Week...” -> [www.property-habits.com](http://www.property-habits.com)

### **How To Find Bargain Properties...**

- “Free Mini Course Reveals How to Find Bargain Properties” -> [www.property-course.com](http://www.property-course.com)
- “How To Use The Internet To Find Bargain Properties” -> [www.property-svsystem.com](http://www.property-svsystem.com)

### **How To Raise 100% Finance And Buy Properties No Money Down...**

- “How To Buy Investment Properties No Money Down Using Other Peoples Money - A Proven Step By Step 100% Financing System Anybody Can Use To Rapidly Build An Income Generating Property Portfolio...” -> [www.property-deposits.com](http://www.property-deposits.com)
- 100% Finance Service For UK Investment Properties – Special Rates For Tycoons Newsletter Readers -> [www.property-finance.com](http://www.property-finance.com)

**Creative Property Investment Strategies** (No Money Down, Tax Avoidance, Buying Properties through a limited company, joint venture partnerships, options

and lease options etc)...

- “How To Skilfully Use Little Known About Creative Property Investment Strategies To Dramatically Skyrocket Your Passive Income And Profits...” -> [www.property-legals.com](http://www.property-legals.com)

### **Do You Need Inspiring? Lacking Motivation?**

- “Accelerate Your Income, Personal Growth And Well Being In Truly Inspiring Surroundings - My Ultimate Motivational And Goal Setting Retreat Can Be Yours From Just £60 Per Day” -> [www.motivational-retreat.com](http://www.motivational-retreat.com)

### **Back Issues Of This Newsletter...**

- Can be downloaded from -> [www.tycoons-newsletter.com](http://www.tycoons-newsletter.com)

Virtually all of our products come with full money back guarantees giving you the

## Do you have a property to sell? Are you a property finder looking for investors?

Do you have a residential or commercial property to sell but you are not sure where to start or how best to market your property? Can you consistently source property investment and development opportunities? If so, we may be able to help you...

We have over 2,500 serious property investors who rely on my team to source UK property investment opportunities for them. We supply these investors with 50+ ready made deals **every month**. This has given us one of the largest UK databases of experienced investors who know

a deal when they see one.

Our ready made deals come to us through a wide variety of sources including our own extensive nationwide marketing efforts, networks of nationwide property finders, offshore search engine optimization experts, estate agents, banks, solicitors, insolvency practitioners and many other sources.

We then package everything up for our clients if required including solicitors and finance. The rest of our time is spent on

pushing the deals through to completion as quickly as possible (most of our deals complete in 4 weeks or less).

This leaves you free to focus on other things while we deal with the time consuming leg work.

So if you have a property you would like to sell or you are a finder and you would like us to market your deals for you please email us on [deals@readymadedeals.co.uk](mailto:deals@readymadedeals.co.uk) for a free no obligation discussion. If we cannot help you we will try our best to point you in the right direction.

## Tycoons Team Member Profiles

If you have any queries whatsoever about the Tycoons community you can contact our support department for help. Our "Tycoons Team" are responsible for this role. You can find them by going to [www.tycoons-forum.com](http://www.tycoons-forum.com). Scroll down the page until you see the "Forum Feedback And Queries" section. Feel free to post any query or feedback for us in there. To help you find our Tycoons Team I have listed their profiles for you below.

Please feel free to contact them anytime for any help you may need, to make new contacts or if you see any opportunities to work together.

### Profile: Bhupinder Sohanpal

I am a young, enthusiastic lawyer who has worked for one of London's top five law firms. I am currently on sabbatical to do a postgraduate course (PhD) and learn the art of property of entrepreneurship.

Through my study and application of the law I have acquired the ability to be discerning, clear thinking, logical and of common sensical mind. These are qualities which are transferable in any business venture.

I have excellent research skills together with sound commercial nous and a strong sense of integrity.

As well as adopting the role of Member Satisfaction Manager, and as a newcomer myself to property, I am happy to be a mutual point of contact for all those new comers for whom things may seem a little daunting. Together we can share the experience of realizing our aspirations.

Due to my insatiable appetite to learn and implement I am also willing to help an experienced investor and or developer with any suitable tasks.

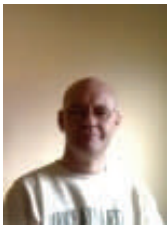
Further, I am keen to help look for properties on behalf of investors in West/SW London.

Passions that stir my heart are moun-

taineering, the great outdoors, poetry and literature, environment and service to make this planet a better place.

I feel privileged to have this opportunity to learn, work and help on the Tycoons Forum.

### Profile: Leslie Parr



Hi my name is Leslie Parr. We have three grown-up children two lads & a girl and two beautiful grandchildren. We have recently celebrated our 25th Wedding anniversary. We went to Deep's Spanish retreat for the celebrations.

I worked in the Chemical industry on 12 hour shifts for 24 years. When I was made redundant at Christmas 2006, I joined Deep's forum after searching for information about buying investment property. I had never heard of BMVs before I sat reading the forum for about 4 weeks before I posted.

I wanted to know as much as I could so I would not make a fool of myself when posting questions. I have met Deep twice (very down to earth guy).

I received a call from a forum member who asked if I could view a property for them in my area we had a good chat. Since then we have done a few JVs we are waiting to complete on two properties in Wales. We are in the process of setting up a meeting with a landlord who is selling a property portfolio of 35 houses. If we succeed with the negotiations we will have purchased around 40 Properties in the span of twelve months.

This is a whole new world for me and I learn something new every day. This is the best property forum that I have been a member of and 99% of the members will help you move forward to achieve your dreams and goals. The amount of information and help you receive far outweighs any membership fee. If any tycoon team Member can be of any help to any new members please

just ask. Don't sit there like I did for a month. Read as much as you can on the forum as 90% of your questions have already been asked, just search for the answers. They are there.

### Profile: Tee Bodani



Like many of you, I have Deep to thank for opening my eyes to the world of BMV property some time ago and it's great to be part of this community of like-minded investors! I

have a Finance/Marketing background, I have developed a special interest in Creative Finance/Legal methods to purchase property and I'm actively using these strategies to build my portfolio.

You'll also find me working behind the scenes helping Deep put together the Tycoon's Community Newsletter every month so if any of you have a product/service that you feel the Tycoon's Community could benefit from then please do feel free to get in touch with me. The property business rewards those who take action so just get out there and do it! I look forward to hearing from other forum members with similar interests with a view to combining forces to create wealth.

### Profile: Juswant & Sylvia Rai



Hi everyone, we are Juswant and Sylvia Rai aka Mr. and Mrs. Rai. We'll keep it short, but once Sylvia gets going...!

Our background is 20 years working in IT (Juswant) and 15 years in Finance (Sylvia). When we met three years ago we realized very quickly that we had a common interest - Property!

Continued on page 8...

## Tycoons Team Member Profiles (continued from previous page...)

After years of watching other people get wealthy from investing in property, we decided we wanted a piece of the action, too! During our research on the Internet for better ways of buying property, Deep and his No Money Down methods jumped out at us.

We dived in head first, started attending Property Networking events and joined Deep on his forum - and what a goldmine of information! We were warmly welcomed by all and information was freely available for anyone that asked. This forum has grown and evolved into a much bigger place but the spirit has remained. We have made many great 'virtual' friends that have translated into 'real-world' friends, colleagues and contacts. At the last Property Investors show, we helped a good friend of ours on his stand for 3 days and with our real names and pictures on the forum, many people recognized us and stopped to chat.

Going from a J.O.B to Property Investor has been an interesting & challenging journey for us. We have had help from many people often with no expectation of anything in return. It was in this spirit that we launched our own meeting in Berkshire to enable many liked minded people to meet, connect, learn and prosper. From there we personally know of a few JVs that have come together, including 2 of ours and our own property investing business took an unexpected turn and has proved very lucrative for us.

If any member of the tycoon team needs help please do ask. One thing we have learned is that without the selfless help of the many others via the forum and the many networking events we have attended, we would not have achieved everything that we have so quickly. Mix and converse with like minded people, they will raise your game and hold you to a higher standard that you thought yourself possible. We wish you all the best in your endeavors. We are here to help so please do ask and stay in touch.

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### Profile: Chris Bannoeks



In A nutshell:  
Chris spends his days running a business for Reuters in Canary Wharf and is building his property portfolio with his partner Adria. She has recently left her job as an Estate agent and they are setting up a sales, lettings and property management firm and growing their portfolio from the 5 UK properties and 2 overseas properties they currently have to 10 properties overall by the end of this year and 22 properties by the end of 2008. Chris is interested in hearing from people who need low cost property management and wish to JV or pass on leads in Nottingham, Derby, Essex or East London. He is also looking for investors interested in working with him and Adria whilst they build their portfolio and property developers interested in Agents to sell their properties in the UK and abroad. Chris is about to embark on an MBA at Cranfield so is a very busy man and helps out on the forum conducting member of the month interviews and is currently working on the Vadesha properties podcast, coming to you soon!

Chris can be contacted at [chris@fastproperty.net](mailto:chris@fastproperty.net) and Adria can be contacted at [Adria@fastproperty.net](mailto:Adria@fastproperty.net) or direct on 08000 789391 or 08000 789381

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### Profile: Pankaj Shukla



Pankaj passionately believes that property is one of the few investment vehicles that make people genuinely rich over time. Since BMV route allows the transfer of real Wealth in the direction of an investor, Pankaj decided to put his consulting career on hold to build his property portfolio. He is excited to be working with so many multi-talented individuals on this forum, as well as with Parmdeep and the rest of his Tycoon team behind the scenes.

Pankaj has worked as a consultant for

large organizations, and in various industries including media, online marketing and IT, among others. But he remains an entrepreneur at heart, and ever willing to help others with his experience and contacts.

He may even help you develop a business idea, if you have one, especially if it involves marketing to online audiences.

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### Profile: Parmdeep Vadesha



Parmdeep has been described by some as the UK's 'bargain property wizard' after having introduced over 60,000 UK property investors to proven techniques they can use to find distressed sellers of cheap properties and how to buy these below market value bargain properties using little or none of their own money.

Parmdeep owns and manages his own property portfolio across the Midlands including a block of twenty four apartments that he built from scratch.

He runs several other successful property businesses one of which finds distressed sellers of bargain properties for his newsletter subscribers, negotiates below market value prices and passes these 'ready made' deals on to his newsletter subscribers.

Parmdeep also runs a financing business that helps his Property Tycoons newsletter subscribers purchase properties no money down using 100% bank financing. He helps around four newsletter subscribers every week to purchase bargain properties using 100% financing to make his subscribers over £60,000 per week in profits.

This continual sharing of the latest techniques has helped transform many of Parmdeep's newsletter readers into financially free property millionaires.

## How to Slash Your Property Taxes



Remember, one of the easiest ways to make money in property is to pay less (or totally avoid) property taxes!

My good friend Amer Siddiq, founder of Property Tax Portal ([www.property-system.com/TaxTips.htm](http://www.property-system.com/TaxTips.htm)) has agreed to share some tax saving tips and strategies with you every month!

### Should I wait until April 6th 2008 before I sell my property?

The pre-budget report from Alistair Darling in early October was heralded as a budget for residential property investors.

Why?

Because one of the main headlines was that the capital gains tax rate from 6<sup>th</sup> April 2008 would be reduced to a flat rate of 18%.

What this means is that people who have been investing in property and have been concerned at paying capital gains at a whopping 40% have been relieved of this pain – if they sell on or after 6<sup>th</sup> April 2008.

Actually, to be more to the point, the 18% flat rate would be payable if contracts are exchanged on or after 6<sup>th</sup> April 2008.

### Giving with one hand and taking with the other

Although the reduction to 18% represents a capital gains tax saving of over 50%, it is important to understand that the Chancellor has also proposed removing two reliefs that would benefit longer term investors.

These are:

**Indexation relief:** a relief that is available for properties that were purchased before 6 April 1998. This is an allowance that adjusts gains for the effects of inflation up to 1998.

**Non-business taper relief:** a relief that became effective on 6 April 1998. This tapering relief is a replacement for indexation relief and is available for non-business-related assets, such as properties.

The amount of relief available is dependant upon the period of property ownership. Taper relief starts once you have owned the property for a minimum of three years and increases to a maximum of 40% of the gain after 10 years.

### So who are the real winners?

Well, it is certainly a real tax saving proposal for people who have started investing in residential property over the past few years, which probably includes the majority of buy-to-let investors.

Let's look at an example of the traditional buy-to-let investor.

#### Case Study

John buys a residential property in March 2002. He is a 40% tax payer. The property purchase price is £120,000. In September 2007 the property is valued at £180,000.

This means he has made a £60,000 capital gain.

But what is his tax liability if he sells now at this price?

#### Capital gains tax liability if selling the property in the current tax year

If he sells now, he won't be eligible for indexation relief, as the property was not purchased before 6<sup>th</sup> April 1998. So the fact that the Chancellor is removing this from 6<sup>th</sup> April 2008 for all investors has no consequence for him anyway.

However, he will get a non-business taper relief benefit. This is because he has held the property for five whole years and this will bring down his taxable rate from 40% to 34%.

Therefore, the tax liability (excluding annual CGT allowance) would be:

£60,000 (gain) x 34% (effective rate after non-business taper relief) = £20,400

The capital gains tax liability would be £20,400

#### Capital gains tax liability if selling the property in the following tax year

If he waits until the following tax year, the tax liability (excluding CGT allowance) would be:

£60,000 (gain) x 18% (flat rate capital gains tax) = £10,800

#### Conclusion

Should he sell now or should he try to hold out until at least April 6<sup>th</sup> 2008?

As you will already have realised from the calculations above, there is a significant tax saving by not selling the property until the following tax year, i.e. until the new capital gains tax flat rate is introduced.

### But what about long-standing property investors?

Even though the buy-to-let market has boomed over the past few years, there are a good number of investors who originally invested in the early 1990's or even earlier.

Will they pay less in taxes if they sell now, or if they sell in the following tax year?

Well, the fact is that by waiting until next year, they will definitely miss out on indexation relief and probably the maximum amount of non-business taper relief.

Let's look at the following case study:

Julie buys a property in May 1988 for £35,000. The property is now valued at £160,000. She has made a whopping £125,000 capital gain. She is also a 40% tax payer.

Continued on page 10...

## How to Slash Your Property Taxes (continued from previous page...)

### Capital gains tax liability if selling the property in the current tax year

What is CGT liability if she sells before the proposed budget changes come into effect?

Indexation relief = £18,585

Non-business taper relief = Full 10 years reducing rate to 24%

This means that Julie's tax liability (excluding CGT allowance) would be as follows:

£125,000 (gain) - £18,585 (indexation relief) x 24% (non-business taper relief) = £25,540

Therefore, her tax liability would be £25,540 if the property was sold in the current tax year.

### Capital gains tax liability if selling the property in the following tax year

The capital gains tax liability if the property is sold on or after 6<sup>th</sup> April 2008 (excluding CGT allowance) would be:

£125,000 (gain) x 18% (flat rate capital gains tax) = £22,500

### So which produces the bigger tax saving?

Once again, in this particular instance, the investor would make more of a tax saving by waiting until the following tax year.

In this particular case she would make a £3,040 tax saving.

However, it is no where near as significant as the tax saving made by the more recent property investor!

### **Conclusion**

There is real significance in the statement "this was a pre-budget for property investors." As we have seen in both the case studies above, holding out until the next tax year, when the flat rate tax of 18% is introduced, will bring about a tax saving for both the more recent investor and the long term investor.

However, the saving for the newer investor is far greater than for the more established investors.

Having said this, if you are considering making a sale this year or early next year then you should make a CGT calculation to determine how much tax you will be liable to pay.

What I am hearing more and more from investors is that the 18% flat rate capital gains tax payment is now "bearable". Everyone hated the thought of giving 40% of their hard earned profits to the tax man, but this will no longer be the case from 6<sup>th</sup> April 1998 onwards.



To get 7 Free Tax Saving Strategies that are Guaranteed to Slash

Your Property Taxes visit [www.property-system.com/TaxTips.htm](http://www.property-system.com/TaxTips.htm)

### Property Tax Tips

- Do you own any shares that have become worthless? You can make a claim for "negligible value" and produce a loss for CGT purposes to set against other capital gains in the year, or in a later year.
- Do you own (or have you recently sold) a house that was occupied by an elderly relative before 5 April 1988? Did they pay you rent, or has it been let since? HMRC have recently announced a change in their interpretation of the rules for the £40K "letting relief" – they now accept that this is due on "dependent relative" properties as well as on properties that have been your own main residence.
- Another scam, this time by post – HMRC have issued a warning about fake Forms P86 that are being sent to people coming to the UK for the first time, or returning after an absence. The fake form asks for details of your bank account – the real one does not. If you receive one of these forms don't fill it in and return it – take it to the police!
- If you have two properties that could be your main residence (such as a cottage in the country and a flat in town) it is always a

good idea to nominate one of them as your main residence within two years of acquiring the second property – this will give you the flexibility to vary the nomination later.

### Your Property Tax Questions and Answers

**Q.** I have moved three times in the last ten years and spent four years and three years (conveniently) in each before moving into my current address. How can I prove this? I now rent these properties on private tenancies, and continue to pay the mortgages but now have no way of proving I lived there for this period.

**A.** It is a question of fact which property was your main residence at any given time. Presumably you still have correspondence that was sent to you at the properties, and there are other types of evidence - the electoral register, for example, or the council tax records, and your Self Assessment returns of the rental income. In addition, if the properties you were not living in were let, then by a process of elimination, the one that was not let must have been your main residence.

**Q.** If I rent out my current PPR and remortgage to fund my deposit on a new property which I will then live in, and if after the remortgage the rent no longer covers all the expenses and I need to contribute towards the payments i.e. making monthly losses, can I offset this loss against future rental profit?

**A.** You can offset the interest on the remortgage against the rental income, provided the total of the mortgage loans is not greater than the market value of the property on the day you first let it. If this and the other expenses produce a loss, you can set this against rental income from other properties in the same year if you have any, or otherwise carry it forward to set against future rental profits.

**For more tax saving tips visit**  
[www.property-system.com/TaxTips.htm](http://www.property-system.com/TaxTips.htm)

## Buy to Let - Excellent Way to Grow Your Own Business by Alan Forsyth

### Buy to Let – excellent way to grow your own Business

When I sit down with investors and they ask me what area of property investing they should go into, I almost always will say go for buy to let and will relate it to business.

If you think of large businesses and how they measure growth and performance – they will continually talk about growing by either opening new branches or shops, or taking over existing ones.

So for instance a company may say “Our target is to open 30 new stores throughout the UK in 2008.”

Another company may say we shall consolidate our position and work on performance of existing stores.

In terms of growing as a business, this is where buy to let has a huge advantage over buying to sell.

**If you buy to sell, you have to re-start your company each time, and are not building up any longer term growth – you can make short term profits but you work very hard for this at times and is not very tax efficient.**

**For me I look to increase the overall value of my portfolio each year by buying further properties in areas I see continued capital growth and a healthy cashflow, and holding onto existing properties.**

**The great thing with buy to let is it takes far less time than buy to sell, and is far more tax efficient in my opinion.**

Once you target an area and affordable properties – you can pay your deposit, mortgage the remaining amount, and let your money start working for you, and then move onto the next one.

I always think of each house as the equivalent of one store in a large chain of stores eg a Marks and Spencer store in an area of the country. If the house is performing well, it can be down to a good tenant/good managing agent/or good local area, vice versa if it struggles it will be down to one or two of these key points not performing.

It is always worth looking at how your overall business is running, but then drilling down and looking at individual houses to see how they are individually performing.

**For instance overall your portfolio may be going up in value by 10% per annum, and running at a neutral cashflow, which you may think is very good – but if look closer may see that 50% of your properties are going up by 20% in value and making a net income each month, while 50% are not showing any capital growth and losing money each month. Or you may see that a property you thought was performing very well, actually is giving a low return on investment as has very little borrowing on it.**

**How do you measure the performance of each investment?**

Let’s look at a couple of example properties:

You own 2 properties in the same area of the country, both bought in Jan 07. Therefore similar levels of capital growth are expected – 10% for the year - and rental yields are similar as they are both 2 bedroom terraced properties.

#### Property 1

One is worth £70,000 and rents for £350 a month

You have an 85% mortgage on this – and your mortgage payments and maintenance costs each month are exactly covered by your monthly rent.

#### Property 2

You have bought this for cash. It also rents for £350 a month – with no mortgage after maintenance costs you make a net figure of £2000 over the year.

Which has performed better?

Well different investors may see it differently – for some the fact property 2 has made £2000 income would put it ahead.

I would look at the return on my investment,

Let’s assume buying costs on each were £2000.

With property 1, you have invested £10,500 + £2000 = £12,500, and at end of year you have made no net income, but have made £7,000 capital growth.

So I would calculate this as a ROI of 56%

With property two, you have invested £70,000 + £2000 = £72,000, and at end of year you have made £2000 net income and £7000 capital growth.

So I would calculate the ROI here as 12.5%

**A big difference – and shows emphasis is always on high leverage and capital growth. How do you get this? Buy in affordable areas – and mortgage as often as you can – as long as your cashflow is kept to a manageable level.**

It is also important to realise like any business there will be short term issues but these should never get in the way of your longer term goals.

So if you get an issue with your first tenant, or managing agent, but had a goal to get to 10 properties by the end of the year – do not give up at one property, or think there is no money in property! The only thing that is for sure is if you stop at one, you will not make a huge amount of money – you should continue with your mid term goals. I lost money on one deal early on, but learnt from it, and have had issues with problem tenants from time to time, but have always had a clear longer term goal.

**So treat property as a business, review it regularly, and overall measure the performance of your business by the growth each year, and the return on investment each year.**

**Alan Forsyth runs two successful property investment websites. He also sends out weekly newsletters to over 8000 subscribers – sign up for free at [www.property-system.com/7-part-course.html](http://www.property-system.com/7-part-course.html). He also writes for several property magazines and gives free consultations to investors.**

**And Last but not  
least...**

Vadesha Properties Ltd  
314 Uppingham Road  
Leicester  
England  
LE5 2BE  
Phone: 0116 2460205  
Fax: 0116 2764 569  
E-mail: [deep@property-course.com](mailto:deep@property-course.com)

**"Helping You Find And Buy Masses  
Of Bargain Properties Using Little  
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Get your questions answered  
by property experts:  
[www.tycoons-forum.com](http://www.tycoons-forum.com)

opportunity to try any of our products (at our risk)). If for whatever reason the product does not match your expectations you may request a full and immediate refund.

**"I founded Vadesha Properties Ltd four years ago to help property investors benefit from the tips and tricks I've learned on the way to financial freedom through the purchase of bargain properties..."**

**Since then, I have helped 70,970 property investors build successful property businesses. Our Property Tycoons Community forum has become the most popular website for property investors of all skills and experiences to learn how to get started in property, how to find bargain properties and how to buy bargain properties using little or none of your own money. Visit [www.tycoons-forum.com](http://www.tycoons-forum.com) to join us today. I look forward to welcoming you aboard!"**

Parmdeep Vadesha



## **Our October 2007 Member Of The Month And Charity Donation**

This month our Property Tycoons Community member of the month is John Cummings!

John's username is 'Sofie' on the [www.tycoons-forum.com](http://www.tycoons-forum.com) discussion forum which is how a lot of our members know him.

I've spotted John actively helping out on the forum answering member's queries and not being afraid to speak his mind.

You will find John ready and willing to give a helping hand on our [www.tycoons-forum.com](http://www.tycoons-forum.com) forum, where his experience and knowledge have helped many of our newer (and experienced) investors make more money in property with less risk...

**That's why our Property Tycoons voted John our 'member of the month' this month. Well done Dave!**

To listen to us grill John Cummings for an hour about his unique property investing philosophies then visit the FREE downloads section of the Tycoons forum:

<http://shmyl.com/vacoson>

Click the "property related audios" section to listen to the online version (I'll be posting up the audio soon).

If you want me to send you the audio CD and transcripts of the member of the month interview each and every month then consider becoming a Gold member of our Property Tycoons forum. Gold members also get my recommended book of the month through the post each month.

Oh I nearly forgot to mention, I personally donate 10% of the Property Tycoons forum subscription revenue each month to the charity nominated by our member of the

month. This month I'll be giving away £1,103.52 to John's nominated charity.

As our Property Tycoons community grows, I will continue to donate 10% of the Property Tycoons community subscription revenue each month to the charity nominated by our member of the month.

I hope this encourages you to think about ways in which you can help other people who may not enjoy the same benefits and advantages as you do.

To nominate our next member of the month go to our [www.tycoons-forum.com](http://www.tycoons-forum.com) and look for the 'member of the month' section midway down the main homepage:)