

HOW TO ANALYSE YOUR PROPERTY PORTFOLIO CHECK LIST



*Our Online Property
Programmes Rock!*

You did the deals, renovated the properties and built that portfolio! Ace. Well done! Now comes the next stage. Put that property jigsaw puzzle together. Set targets to improve your profitability every year.

It is a great brain puzzle to enjoy focusing on. Way better than a J.O.B. (Just Over Broke!). Once you have a property portfolio, it is important to not stop once the deal is done. Now you are an investor, the key thing is to keep improving the efficiency and therefore the profitability of your assets, as well as analyzing new deals for acquisition.

Listed below are a number of key analytics experienced property investors use, to evaluate and seek continual improvements on their property investments.

Big Picture Analytics

- ☐ **Asset value:** the total value of the properties.
- ☐ **Equity Value:** the value of the equity, once you have deducted all loans. Effectively this is your net wealth. Equity is the wealth you have in the asset, the part of the property you own.
- ☐ **Loan to Value (LTV):** expressed as a %, this is the loan amount divided by the asset value, times 100. EG 75k/100k * 100% = 75%.
- ☐ **Profit:** the monthly or annual net profit after deducting all costs.
- ☐ **Turnover:** the value of the monthly or annual rent income, before costs.
- ☐ **Capital Gains Tax:** Even if you are not selling, note the level of CGT you would incur if you sold. This means keeping good records of the capital repairs you did at the outset.
- ☐ **Net Profit to Sales:** This is your profit divided by your rent turnover, expressed as a %. This allows you to compare like with like properties.

Portfolio Management Analytics

- ☐ **Repairs:** the monthly or annual cost of repairs. Aim for 10% of rent income as a maximum spend, and set 10% of the rent aside to deliver these repairs. At TGPC I also set a max monthly KPI of only 5 repairs outstanding at the end of the month. Thus, you cover cost and quality in your KPI (Key Performance Indicators).
- ☐ **Days Void:** the number of days your properties are not let out, per month. At TGPC, despite having a large portfolio, I have a very high target of less than 5 days void per month, which is a stretch for the team to deliver! (But worth setting!). We also measure the ££ cost of void days.
- ☐ **Management Cost:** whether you manage internally, with a team as I do, or externally to a letting agent, measure the cost of managing your portfolio, expressed as a % of turnover.
- ☐ **KPIs:** Key Performance Indicators, to measure your portfolio, on a monthly basis. Mine include all of the measures in this check list.

Portfolio Investment Analytics

☐ **Cost of Capital:** I measure not just the cost of the capital borrowed, but also look at it as an indicator of improving efficiency by looking at the Cost of Capital as a % of Rent Income. Work this out by taking Cost of Capital (all Monthly Interest Cost, such as mortgage and private investor interest cost) divided by Monthly Rent Income, expressed as a %.

(Cost of Capital / Rent Income) *100 (%)

Aim to continually push this equation down, year on year and set targets to do so.

☐ **Age plus LTV < 100:** We none of us are getting any younger! This equation helps us improve our position as time marches on. Aim to always have your LTV plus your age lower than 100, which may be difficult to achieve as the early days, but is a valid long term goal



Portfolio Overview

Key Paperwork Recorded: I could really go to town here, but I will stick to critical info you need to record.

Mortgage & Property Key Info: As your interest cost is likely to be your largest cost, it is worth keeping an eye on regularly.

in your Portfolio Overview, note:

- ☐ the lender,
- ☐ the interest cost,
- ☐ when the fixed period comes to an end, and
- ☐ current SVR (Standard Variable Rate) or Base Rate Plus that your Lender will revert to.
- ☐ Note any penalties or redemption fees you would like to avoid.
- ☐ Not date bought and price bought, which will be important when/if you sell, to calculate Capital Gains.
- ☐ Note capital costs, (initial renovation and one off purchase fees) which again can help reduce CGT and may get lost in the midst of time. You'll be glad you did!

As mortgages take a few months to organize, this helps with forward planning. Your goal is to have the lowest possible interest costs



Plan / Do/ Review

You have heard of the cycle of being an entrepreneur – which finishes with Review, before you go back to planning and doing! Well, a Portfolio Review, which I hope this Factsheet kicks off for you is part of that cycle of being a successful Property Entrepreneur.

Do let me know how much more you make as a result of putting these analytics into action, and if you are just starting out, fab, kick off with the structure in place to keep you focused. Details on how to contact us below.

Good luck in Property!

Susannah and the TGPC team



Susannah Cole

Susannah Cole is highly respected in the Property Investing Circles. She is a well established property expert who has experience running a very successful flipping strategy and owns a substantial HMO and single let property portfolio.

She started The Good Property Company in 2011, as a kitchen table startup. In the first 5 years alone, she and her team sourced, bought, sold or let out more than 200 properties, with a value of £45 million, and an agreed purchase price of £30 million (before refurb).

She loves property and loves to give back, in the shape of Online Masterclasses and her Property Academies, helping others achieve (and hopefully, surpass) her own successes to date.

Get in touch with us if you would like to hear more about how her masterclasses and Property Academies can help you – all top athletes need a coach, and she has found having training in property to be invaluable.

Check Out More Great Content on

Our YouTube Channel



www.youtube.com/user/goodpropertycompany

Our Website



www.thegoodpropertycompany.co.uk/

Our Facebook Page



www.facebook.com/SusannahColeTGPC/

Our Instagramme



www.instagram.com/susannahcoleuk/

We'd love to hear from you!

Email us on info@thegoodpropertycompany.co.uk

