

HOW TO FIGURE OUT WHAT PRICE TO OFFER TO GET A PROPERTY DEAL CHECK LIST



*Our mentoring
group rocks!*

One of the core skills in property is Sourcing Deals. And to know you got a good 'un, you need to know exactly HOW to figure out what price to offer on a Deal!

We sourced over £45 million of property, at an agreed cost of £30 million (before refurb), starting life as a kitchen table start up and ending up with a multi million portfolio. I share my experience with you so that you too can do the same!

Your Task: Establish what a property is worth, once done up and how much to offer. We call done up 'A1', and explain it by 'white walls, beige carpets, nothing fancy'. That way a done up 'A1' Market value property valuation is smack in the middle of prices, and not at the hopeful top.

To get good research and a sensible end value, you need a large data set! I suggest you get 45 valuations, split into the triangle of sold properties, properties currently for sale and estate agent opinions.

Properties Sold

Giving the actual price paid in the close past

- Go to a website that displays land registry sold prices, such as like mouseprice.com
- List 20 Properties Sold within the past 6 months, which are near to your property and are a similar type, with the same number of bedrooms
- Take the average of those 20 or so properties sold to get an average property sold value

Great resources: <https://www.zoopla.co.uk/>,
<http://www.rightmove.co.uk/>, <https://www.mouseprice.com/>

Properties on the Market

Showing what people are prepared to sell their properties for in the present

- Go to a website listing current properties for sale, such as Rightmove or Zoopla
- List 20 properties on the market or Sold Subject to Contract (SStC) which are near to your property and are a similar type, with the same number of bedrooms
- Take the average of those 20 or so properties sold to get an average property on the market value

Estate Agent Desk Top Valuations

Agents are at the coalface of the market, close to the action in their ¼ mile radius and know their patch intimately. They can give you a solid idea of your particular house, A1 market value.

- Call 5 knowledgeable estate agents, explain the property you are looking to buy, and tell them you will refurb it to an acceptable standard (white walls, beige carpets, nothing fancy)
- Ask them what their estimate would be for the end value of that particular property, refurbished to the 'average' refurbish standard
- Take the average of 5 telephone valuations sold to get an average Estate Agent Desk Top value

Establishing Value

- Take the 3 values you have established.
 - Sold Values,
 - On The Market Values and
 - Estate Agent Opinions.
 - Add them together and divide by 3, to give you a likely end value of the property, done up.
- This is likely to be the end value of the property. By using 45 data points, you are much less likely to get this figure wrong, usually by adding a little hope, when you need to be realistic. This is a lot of money you are thinking of spending!



Establishing Your Price for a Buy to Sell Project

- If you are doing a Buy to Sell, industry standard is a 20% Mark Up after all costs.
- Next Step: estimate the refurb cost, to understand the costs of bringing the property up to an 'average market value, nothing fancy'. In my example, it is £8k, a light refurb.
- Look at all other costs; interest cost, professional fees, water / council rates, utility fees, and total them up to get a total cost. Estimate these while you are holding the property between 6 and 9 months before it is sold. The timeframe depends on your refurb speed and the market conditions. In my example it is £3.5k, a fast turnaround.
- You have already established the average end value. You want to have a 20% mark up in the deal, both for profit and to cover any unforeseen costs.

Establishing Your Price for a Buy to Sell Project (cont.)

- So look at the final price, being 120 percent of all the maximum cost you can go to. So you can calculate backwards to the maximum cost you can go to by dividing by 120 percent, expressed in decimal form, which is 1.2.
- For example, if you know the property, once done up, will on average be worth £120,000, then it comes as no surprise that you calculate thusly:

$$\text{£120,000} \div 1.2 = \text{£100,000}$$

£100,000 is the maximum spend you can allow yourself to agree to, which includes the purchase of the property, the refurb cost and all other costs that you can spend, to get the Industry Standard 20% mark up for a Buy to Sell.

Let's say the refurb is **£8,000**
Let's say the costs are **£3,500**

So your Top Offer is
£120,000 ÷ 1.2 = £100,000

then

$$\text{£100,000} - \text{£8,000} - \text{£3,500} = \text{£88,500.}$$

So your Top Offer Price in this case for a property worth £120,000 once done up, is **£88,500.**

In writing, here is the equation!

To get to your perfect 20% Mark Up for a Buy to Sell Project, take your end value, divided by 1.2 then take off refurb costs and all other costs.

End Value ÷ 1.2 - refurb costs - all other costs = Top Offer Price.

I have done pretty much this exact deal, and we sourced over 200 deals in less than 5 years, at an end value of £45 million with an agreed purchase price of £30 million, so those deals are out there!

We have more info for you on Sourcing Deals – check the YouTube channel, the website or come on one of our workshops or mentoring programmes and we can help you with that aspect of property investing!

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 Workshops and her Property Mentoring Programme, 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 workshops and mentoring can help you – all top athletes need a coach and she has found having mentoring and 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!

Give us a bell on **0117 942 8914**, or email us on **info@thegoodpropertycompany.co.uk**



PROPERTY ENTREPRENEUR OVERVIEW



*Our mentoring
group rocks!*

By taking your place on Property Entrepreneur Online, you get access to working with Susannah Cole for a full year, to support the delivery of your property objectives. You will receive our Online Mentoring Curriculum and Susannah Cole will teach & support you throughout the year.

The mentoring programme is designed to support you to develop and work towards your goals in property investing, working with an experienced property investor on the key wealth creation aspects of property.

Property Entrepreneur Online is focused on the clear wealth generating strategies within property. These include:

- **Business Planning and Goal Setting**
- **Joint Venture Overview and Structures**
- **Sourcing Discounted Deals from Estate Agents**
- **Finding Private Investors**
- **Joint Ventures - Creating Proposals and Pitching**
- **Buy to Sell Successfully - Make Serious Money Selling Property**
- **Effective Letting**
- **Joint Ventures - Pitching and Paperwork**
- **Sourcing Deals Off Market and Direct to Vendor**
- **Buying and Selling Deals at Auction**



Ongoing online reporting by you is on a fortnightly basis.

Ongoing 'surgery' conference calls with Susannah herself is to ensure that your progress is monitored and that the ups and downs of property investment is discussed and actioned. The focus of the calls is to provide review, direction and support to ensure the delivery of your strategy is on track, with key questions relevant to your current strategy being the focus of the calls.

*"I find that the harder I work,
the more luck I seem to have"*

Thomas Jefferson



What do you get?

Monthly live conference calls with Susannah to ensure you have her on your side, discussing the ups, downs, deals and misses in property, so you have direct access to Susannah's knowledge through live conference calls with her.

Monthly high quality online curriculum, high quality key subject presentation slides, written booklets, downloadable audio and live film, so you can learn in the way that suits you best - all through Susannah's respected teaching.

We focus on the subjects that are the sensible 'get wealthy' subjects, and ones we have huge experience in, having bought, sold, let out or sourced over 200 deals, at a value of £45 million for an agreed purchase price of £30 million (before refurb).

In addition, we share the systems we used to start in property, so that you have a ready made Business in a Box for you to kick off with all the online systems waiting for you.

We also have all the legal agreements Susannah used (which cost her thousands), waiting for you as samples for a basis of your own work.

Your Next Step

Book your place on Property Entrepreneur Online by either calling the team on 0117 942 8914 or clicking <http://www.thegoodpropertycompany.co.uk/resources/online-mentoring-programme/> to get started straight away.



Face to Face Mentoring – Work with Susannah Directly

If you would like to work with Susannah Cole and the team at TGPC in person, we have a fantastic face to face mentoring group. A high quality mentoring group, meeting monthly in Bristol, with direct contact and teaching from Susannah to help and support your property plans.

Interested in Working with Susannah? Your Next Step:

Have a read of the programme, as it may well be helpful to you to move to the next stage in your property goals. If you would like to work with Susannah for a full year on your property goals, through the face to face mentoring programme, please call the team to apply for a place, on 0117 942 8914 or email them on education@thegoodpropertycompany.co.uk