



F.R.E.E.D.O.M Property Blueprint

"Helping you fulfil your potential"



Your Freedom Empire - F.R.E.E.D.O.M Property Blueprint

- get to £3k profit per month from property within 12 months...

So you may have heard that property is the “**thing to do**” if you want to be “**rich**” - but where do you start, how long is it going to take, and how much starting capital do you need to get going?

Well, we’ve put this guide together to show you three strategies that you can use in the market place today, requiring less money than you may think in order to get going and achieve your goals.

The three strategies are:

- **Rent 2 Rent**
- **Serviced Accommodation**
- **Property Packaging**

The Your Freedom Empire F.R.E.E.D.O.M Property Blueprint will show you the three strategies in action and show you how you can get earning from them quickly.

Before we dive into the three strategies it’s important to remember however that these strategies are examples of different streams of income from property – we truly believe at Your Freedom Empire that the goal to long term wealth is buying and holding assets (in this case property) long term. The strategies below assume you are not doing this – but what the strategies will give you is a positive cash flow or profit quickly, giving you then greater choice in terms of which direction you want your life and investment business to go.

**Okay, so now we've got that out of the way,
let's get cracking...**

The table below will help you understand which property strategy is best for you initially:

Property Strategy Summary

	Rent 2 Rent	Serviced Accommodation	Property Packaging
Return on Investment (ROI)	Medium	Medium - High	High
Time required (per week)*	2 – 10 hours	2 – 10 hours	15 – 20 hours
Startup capital needed	£500 - £7,000	£500 - £5,000	£500
Potential earnings per property	£500+	£500+	£2,000 - £5,000+
Time to get to £3k per month	12 months or less	12 months or less	2 months or less
Investor Risk	Medium	Medium	Low
Typical breakeven per property	Within 12 months	Within 12 months	With your first deal

*Once your business systems are in place

The Strategies

Rent 2 Rent

Rent 2 Rent is a fantastic strategy to obtain cash flow from property that you do not own.

What Is This Strategy?

In a nutshell you are controlling someone else's property with the objective of making a profit, i.e. cash flow from the property each and every month during the term of the agreement that you have with the owner of the property. You may obtain the property from an owner direct or via the owners Letting Agent. Once you have control of the property you either let it out to professional or student tenants as a House in Multiple Occupation (HMO) – which is what the rest of this section assumes, or to guests adopting the Serviced Accommodation strategy (more of that below in the next section).

Adopting the HMO strategy, typically you are looking for properties that you can create a minimum of 5 bedrooms from – so this may be a three bedroom property with two reception rooms that can also be converted to bedrooms. You can operate this strategy with less bedrooms, but remember that this is going to affect your cashflow or profit each month. Normally the following are included in the rent that each of the tenants pay – so remember you are covering these:

- **Gas**
- **Electricity**
- **Water**
- **Council tax**
- **Broadband**
- **Regular cleaner (bi-monthly)**
- **Gardener (Spring / Summer months only)**

The bedrooms and communal areas (living room and kitchen) also are usually rented to the tenants of the property as furnished. So this would include:

Bedrooms

- **Bed and mattress**
- **Wardrobe**
- **Drawers**
- **Bedside table**

Communal areas

- **All cooking essentials**
- **Dining table and chairs**
- **Sofa**
- **TV**

With the property being in a high demand area you should be able to easily rent out the property on property portals such as SpareRoom and get it filled quickly. However we advocate at Your Freedom Empire NOT managing the property yourself and instead using a specialist HMO Letting Agent – creating a truly hands free investment.

What you can earn per property

A 5 bedroom property with each bedroom being rented at £100 per week as rent to tenants:

Monthly Property Incomings (rent) – (5 x £100) * (52 / 12) = £2,166 per month

Monthly Property Outgoings (expenses):

- **Running costs – (we advise 35% of the expected monthly rent) - £760**
- **Rent to landlord: £750**
- **Total - £1,510**

Profit (incomings – outgoings) - £656

Number of properties needed in order to get to £3k profit per month – 5.

If you add one property such as this to your portfolio every month, after 12 months you would have cash flow per month of £7,872.

Serviced Accommodation

Serviced accommodation is fully furnished accommodation available for both short-term as well as long-term stays. It is in fact an exciting and rapidly growing strategy across not only the UK but the world in general. With the strategy you generally provide additional amenities to those expected in traditional rental accommodation and potentially offer more space than that found in traditional hotel rooms.

Types of properties:

'Normal properties' such as houses and apartments. There are in fact various weird and wonderful conurbations of different property types that we can use with this particular strategy – however we are keeping things simple here.

Terminology:

Host – the Landlord (or Rent To Renter)

Guest – the person staying at the property

Payment terms:

Per night basis

As mentioned earlier in this document, you can rent a property from a Landlord using Rent 2 Rent and then quickly adopt this strategy.

Depending on the property, and how you actually let the property (i.e. as a whole property or on a room by room basis) you can get up and running very quickly (within a matter of weeks or less!).

With Serviced Accommodation we are offering more in terms of amenities compared to traditional rental accommodation – just think of it as what you would expect in a hotel room plus a little bit more. The following would typically be included as part of the nightly guest payment – please remember this can vary depending on your target guest type:

- **Gas**
- **Electricity**
- **Water**
- **Property taxes (business rates)**
- **Broadband**
- **Bed linen and towels**
- **Toiletries**
- **Tea, coffee, milk and sugar**
- **Perhaps a movie streaming service such as Netflix**

With the property being in a high demand area you should be able to easily fill the property via bookings from property portals such as Air BnB, Booking.com, Home Away, and others. However once again we advocate at Your Freedom Empire NOT managing the property yourself and instead using a specialist Serviced Accommodation Managing Agent – creating a truly hands free investment.

What you can earn per property

A 3 bedroom property offered as a whole to guests on a per night basis (£125 per night) assuming an occupancy rate of 75%.

Monthly Property Incomings (revenue) – 22 nights * £150 = £3,300

Monthly Property Outgoings (expenses):

- **Running costs – (we advise 50% of the expected monthly revenue) - £1,650**
- **Rent to landlord: £750**
- **Total - £2,400**

Profit (incomings – outgoings) - £900

Number of properties needed in order to get to £3k profit per month – 4.

If you add one property such as this to your portfolio every month, after 12 months you would have cash flow per month of £10,800.

Property Packaging

Of the strategies that we are discussing as part of the F.R.E.E.D.O.M Blueprint, Property Packaging is the lowest risk of the three strategies as well as the lowest cost to get started with – mainly because you are not buying OR controlling the property yourself. Property Packaging (sometimes referred to as Deal Sourcing or Property Sourcing) is the process of finding suitable properties that you “package up” and sell onto an investor (your client) for a fee.

So you may be thinking – why would someone pay me a fee for a property that I do not even own? The answer to that is quite simple and straightforward. You are saving that person a tremendous amount of time and effort by doing all of the research, viewings, negotiation with the owner / estate agent, and other elements associated with this strategy for them. Your clients (i.e. the people that you find properties for) understand the benefits of property but may be cash rich and time poor – so cannot do the nitty gritty of what's required themselves. They may even be overseas investors that are not physically based in the UK – so you become an integral part of their overall Power Team.

They are happy to pay you a fee for your services in this area, and you effectively grow their portfolio together. They gain properties within their portfolio and you gain a fee for every property that you get for them that they subsequently purchase.

There are many strategies that you can adopt to package up for your clients, such as:

- **Buy To Let's (BTL)**
- **Houses of Multiple Occupation (HMO)**
- **Flips (properties that can be bought, have value added and then re-sold on for a profit)**
- **Rent 2 Rent (as detailed above)**
- **Serviced Accommodation (as above)**

What you can earn per property

The fees that you charge for sourcing properties that meet the above can vary between £2,500 - £5000+ per month.

If we take the lower end of the spectrum and assume two sourced properties (which is very achievable when you have your processes in place for your business) per month that would give:

Monthly Profit - £2,500 * 2 = £5,000

If you source 2 of the above properties per month for 12 months that would give you an annual profit before tax of £60,000!!!

You can even go to a level beyond this and build your own team to source even more properties in order to scale your business. Not only that but you can add ‘additional services’ for your clients to purchase from you; such as property management, tenant finding, property staging or anything else that is going to add benefit to your clients in this area.

What's next?

So now you have three strategies that you can use to help you achieve your immediate financial goals. Adopting the strategies you can exceed the average annual salary of an employee in the UK within 12 months – and the best part about it is that by implementing processes within your business this profit can be very passive. How does that sound?

So the next step now is ACTION – as nothing will happen without this! If you want to adopt any or all of these strategies, learn the ins-and-outs and the compliance needed to execute them, then visit the Your Freedom Empire Education Hub below and let us help you fulfil your potential:

