

# Research

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- SAP approach: Strategy → Area → Property
- Market cycle indicators: employment, GDP growth, lending, population growth, first home buyers, repossessions
- Market macro analysis: “RIDER”  
Ratio, Interest Rates, Demand, Employment, Rental Demand
- Know local market well



# Macro Area Identification

- Choose a market that suits your strategy
- Draw upon your research
- Consider factors such as
  - "RIDER" analysis
  - Stability of currency
  - Rental yields
  - Property price movements
  - Timing
  - Political risks
  - Legal system and property laws

# Market Analysis (RIDER)

- **Ratio**

Avg. house price / Avg. annual salary

-Low: 3-5 → buy/sell; rent

-Medium: 5.1-7.5 → buy/sell; rent

-High: >7.5 → rent; higher rental market

- **Interest Rates**

-current

-historical

-future (expected)

-what can we do to protect against increases?

-look at base rate and lending rates

# Market Analysis (RIDER)

- **Demand & Supply**
  - Immigration
  - Divorce rates
  - Population growth
  - Urbanization trends
  - Government studies, statistics, articles
- **Employment**
  - Unemployment rate should be low to moderate
- **Rental**
  - Demand
  - Yield

# Micro Location Analysis

- **Area:**
  - High rental demand
  - Good infrastructure
  - No “turn-offs” (e.g. cemetery, electricity pylons)
- **Property:**
  - Location**
  - Fits your strategy
  - Valuation
  - Condition
  - Yield
  - Timing

# Property Sourcing

- Compare properties via sourcing table, comparing high/low sales prices and high/low expected rents for a given property type & area
- Sources: letting agents, estate agents, sourcing agents, auctions, websites, newspapers, authorities, asset disposal companies, ads
- Strategy: check with (min 3) letting agents on which areas are good and not good for easily renting out  
→ go to estate agent and ask for available properties in those good areas (avoid bad areas);  
ask also for distressed properties and properties on their books > 3 months
- If seller doesn't accept offer, put into funnel and keep following up every few weeks





**Value 170-180k**  
**PP 120k**  
**11% p.a. GRY**



# Sourcing Agents

- Sourcing Agents are different from “normal” property agents
- Typically specialize in finding BMV properties in specific areas or market segments
- Find good deals and market those to their clients against a sourcing fee (upon success)
- Are the most important source for finding suitable properties

# My sourcing agency in UK



<http://results-property.com>

# Sourcing tips

- Do not buy off-plan
- Auctions
  - stick to your pre-determined max bid
  - don't get emotional
  - don't buy 'blind' (get s/b to view it before)
- Goldmine ads
  - localized ads, flyers, biz card distribution to find people who want to sell their house
- Biz card
  - Professional Property Investor; your strategy (e.g. repossessions, cash buyer), on back just \$1,000

# Identifying The Right Property

- Fits your strategy
- Is in the area that you analyzed
- The numbers are within your expectations
- The price is right (make money when we buy)
- You have done due diligence on
- You don't have to 'like' it
- Residential vs. commercial
- Freehold vs. leasehold
- Bungalow, semi-D, terrace, condo, apartment