



27 INTELLIGENT WAYS TO CREATE WEALTH THROUGH PROPERTY

By Jeff Matthews, IQ Property Investments



This 10 minute read
could change your life ...



Creating wealth is not easy. You have only got to look at some investors who poured money into property, pensions and equities around 2007 and 2008 at the height of the market. By often acting on a whim or a trend - most people invested where the masses went and did not use foresight to carefully look at real opportunities.

2009 and 2010 will be the years of opportunity where property prices will be lower than previous years. Those savvy investors who stayed out of the market in 2007 and 2008 will be poised to re-enter the market and secure big discounts.

Investors are also changing their priorities now that the economic landscape has changed. Most investors now want solid and reliable yields on their property to replace nominal returns from the banks and other investments.

Creating wealth through property now needs an element of thought, planning, careful execution, selective timing and a bit of luck sometimes!


In this short book that we have produced, we will share with you our tips for getting a really solid head-start in growing your property portfolio.

Imagine being able to replace your earned income with passive income from property. Imagine the choices that would open up for you. Do you carry on working? Do you give up the day job and spend more time with your family? Do you become a full time property investor? By replacing earned income with property income - you have the choice.

At IQ, we are passionate about sharing knowledge. We want to share our experiences and help you create wealth, choice and freedom.

Jeff Matthews

**Managing Director,
IQ Property Investments**

A soccer ball is shown hitting a goal net, with the background being a solid orange color. The ball is white with black and grey panels, and the net is white. The scene is captured in a dynamic, slightly blurred manner, suggesting motion.

01: Set your Goals and Strategy right from the outset

What are you looking to achieve? Are you looking for Capital Growth or Passive Income? By what date do you want to achieve that? For example – what do you want 31 December 2012 to look like financially?

'By 31 December 2012 – I want to create £50,000 of income from property which will allow me to give up my day job.'

02: Have a solid base to start from

Where are your funds now? Are they accessible or are they tied up? If you are borrowing money to reinvest – have the funds been agreed?

03: Head not Heart!

It is easy to fall in love with a property for the wrong reasons. Ask yourself, as an investment – does this work and does it fit in with your strategy?

04: Exit Route – what is it?

Actually, this should be one of your first considerations. When you want to realise your profit on sale – who will want to buy this property? Are you making the investment widely sellable or are you limiting your options by being too specialised?

05: Use Leveraging – sensibly

Borrowing other people's money to grow your portfolio is a great way to grow your portfolio quickly. If you do this – then make sure you are allowing for interest rate increases and rental voids etc. Work out a worst case scenario just in case and then calculate how much you should borrow.

06: Buy Under Market value

You are more likely to determine the success of your investment by how you pay for your property – rather than how much you sell it for. For example – if you purchase a unit for £150,000 with a genuine 20% discount – you are already £30,000 up! Ensure it is a genuine discount by analysing comparative prices. Attractive discounts can be obtained by investing off-plan at the earliest possible stage.



07: Passive income is king

Aim for investments that are hands off and generate genuine rental guarantees and/ or passive income. For little or no effort – you receive monthly income straight into your bank account.

08: Deal with people you trust and that have your interests at heart – not theirs!

Lawyers, Agents, Developers etc. Shop around and get a feel for who you can get on with. Who is being transparent with their information? What do they know about the investment?

09: Ask tough questions of your agent

A great agent is worth his weight in gold. A bad one will leave you with nothing but concerns. Ask him searching questions. Have they been on site and seen the development? Have they invested there personally themselves? What are their obligations to you, the buyer? What is their knowledge of the area/ country? Ask them about their company.

10: Due Diligence

There is no substitute for good research. Gather information from your agent and then examine and re-examine all the detail. Who owns the land? Who is the developer? What is their track record? What is tourism like in the area? What are prices like on a comparable level?

11: Think Medium/ Long Term

Flipping is no longer a way to make money from property in most situations. If you are looking for Capital Growth – then think beyond 5 years.

12: Invest in Land

Mark Twain once famously said 'Invest in land – they don't make it anymore.'

Buying land gives you plenty of options. Land bank and resell. Purchase and build to occupy/ rent/ sell. Check the actual size of the land. What is the location like? What planning permissions are required? Can you connect mains services to the land or are they connected already? Is there road access? What will be built around you? Will the views be protected?



13: Added Value/ Extras

What else about your investment will appeal to the buyer on resale? What are the unique selling points? Will it appeal to a wide range of buyers or a small select few? Is there a golf course – great for rentals. What are the transport links like – i.e. proximity to airport? If you are investing on a development, what are the facilities? Has it got a pool/ spa?

14: Negotiate

Ask for a discount. If you don't ask – you don't get!
You are the buyer and the developer is keen to sell.
If you don't feel happy negotiating – ask someone to negotiate on your behalf.



15: Be Decisive

Once you've collected all your information and completed your own research – make your decision. Assuming you have the funds to put an offer in – go for it!
If it's not for you, say no and move on.

16: Joint Ventures

Buying a property with a partner is a great way to get on the investment ladder. Friends, family and work colleagues may all be suitable investment partners. Be sure they have the same goals as you.

17: Seasonal Locations

Avoid locations that will only attract seasonal business i.e. skiing. The ski seasons in Europe can be short as 12 weeks. If you look at investing in such a place – ask yourself, what other attractions are there at other times of the year to attract renters/ buyers? In most countries – golf is an all round seasonal sport.

18: Location, Location, Location

How many times have you heard or said that phrase? Most people prefer to be within about an hour of an airport. How far to the beaches, shops, restaurants, schools, golf courses? Does the location appeal to a wide range of people? What are the local planning laws? Is there an over supply issue (i.e. Dubai/ Bulgaria) or are new properties in demand in the area where planning laws are quite strict?

19: Check out the developer

What have they built? What is their track record? How long have they been in business? Can you see some of their past work? What is the build quality like? Check out their website. Google the company and look for comments on forums etc.

20: Mortgage Finance

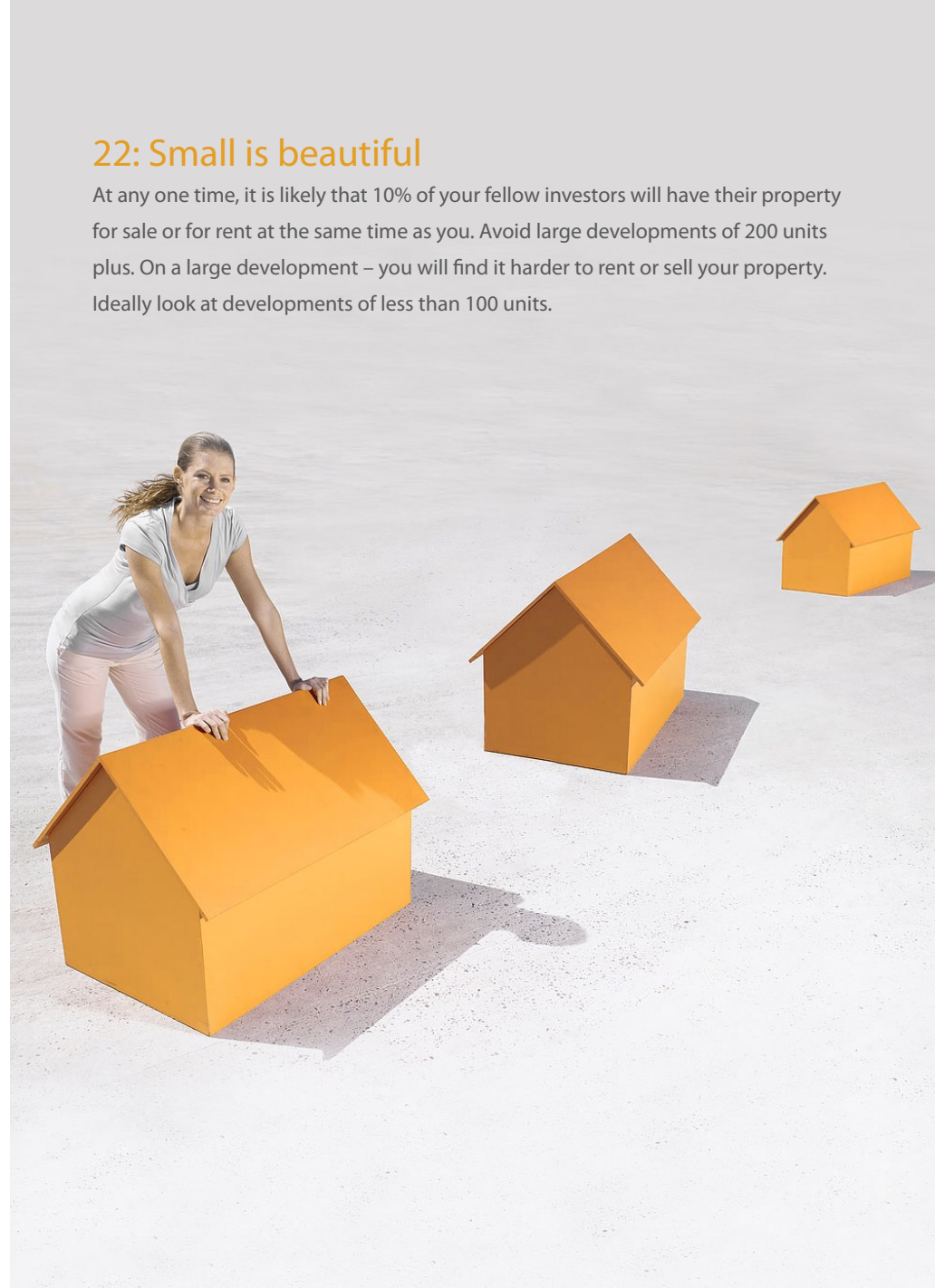
Use a reliable broker to get you the best deal. Check out what loan to value is available. What is the interest rate? How do they assess you for the loan? Is the application process simple and straight forward? Consider an interest only mortgage for the first few years of the mortgage if you need to build up your rentals.

21: Low Deposits

Look for developments where you are paying a low deposit and then nothing until completion. Developers now are quite comfortable asking for just 20% - 30% and then nothing until completion if you invest off-plan.

22: Small is beautiful

At any one time, it is likely that 10% of your fellow investors will have their property for sale or for rent at the same time as you. Avoid large developments of 200 units plus. On a large development – you will find it harder to rent or sell your property. Ideally look at developments of less than 100 units.



23: Calculate all the extras

This will vary from country to country. Find out all the buying costs, legal fees, running costs, taxes etc.

24: Lawyers

Make sure the lawyer is acting for you and not the developer. Make sure you seek independent legal advice. Don't sign anything you don't understand.

25: Currency

If buying abroad – watch out for currency fluctuations. Use a reputable Currency Broker. These will give you a better rate than the banks.

26: Know when to sell

If you've made a good profit – then consider selling the property. Don't get too greedy. Timing is everything. If you have purchased 'below market value' – consider selling at a discount to attract a quick sale.

27: Look to grow your portfolio

Successful investors are always looking at the next deal and how they can finance it. Check the interest/ forums/ exhibitions on a regular basis. Register with your agent and ask him to alert you of any upcoming deals.

Finally – take time to check your progress against your goals. Learn from your mistakes and celebrate your successes.

About IQ

IQ Property Investments is managed by Jeff Matthews. After 30 years experience in banking, Jeff decided that he wanted to enter into the business world himself by helping clients increase their wealth through property and by growing IQ as a successful business model. He already has numerous properties in the UK and overseas. He is married to Julie and has 5 children.



Jeff Matthews and Greg Thomson

IQ Wealth Creation was created to work with clients on a regular basis to encourage personal, professional and financial success. The Wealth Creation business is managed by Greg Thomson, an ex professional footballer who had a very successful career in financial services for over 12 years. He works with entrepreneurs, business owners and sports people to create 'a future bigger than their past'.

What's next for you?

Firstly, we want you to get lots of useful information from this short book. We really hope it will be the catalyst for you to take action and think about you and your family's future prosperity.



intelligent investments

If you want to talk to us about any of our investment opportunities, then visit our website below or contact us on this email info@iqpropertyinvest.co.uk

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