

# Newsletter

JANUARY 2023

Happy New Year from all of us here at C&W Homes. We hope you had a wonderful festive period and managed to relax and recharge those batteries ready for a good year ahead.

We managed to take some well deserved down time over the Christmas period, after what had been a very busy, productive and successful 2022 for us. Christmas for us is a time for family, spending as much time as we can with them, as we often sacrifice time spent with family over the year to work on our business. Juggling a normal job Monday to Friday and a property business takes its toll.

We found the days between Christmas and new year a great time to reflect on the past 12 months, and it gave us time to plan the year ahead, setting our goals and intentions over a drink and some good food.

We have set some pretty big goals for 2023, with our focus being capital strategies (flips/buy to sell). We acquired some fantastic HMO (House of Multiple Occupation) properties for our portfolio in 2022, increasing our annual income quite substantially, a lot more than the goal we initially set which is fantastic. However we need to refocus our attention on capital strategies for the next 12 months, so our focus will be acquiring properties to flip/buy and sell for capital profits, but we won't say no to adding more rentals to our portfolio either.

We hope you enjoyed following our progress over the last 12 months and we look forward to sharing more this year.

We would like to take this opportunity to thank all our private funders for their continued support in 2022, and all our team that have supported us from solicitors to brokers, project managers to trades, without you we couldn't do what we do and we will be forever grateful.



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The week before Christmas 2021, after what turned out to be a delayed refurbishment programme for various reasons, the full renovation at Park Road, our first flip property came to an end.

After the property being live on the market for 2 days we accepted an asking price offer the day before Christmas Eve 2021.

We sold to a first time buyer, who we know will be very happy with their first house purchase. We aim to create homes that we would be proud to live in ourselves so we know they themselves will be very happy there.

We entered into this deal with the aim to refurbish and hold in our rental portfolio as a simple buy to let. However due to the strength of the sale market at the back end of 2021, we decided to sell, release the capital and profit to enable us to purchase bigger and better deals in 2022.

Progressing the sale was not easy, we had a buyer who wanted to go at a snails pace, which just isn't how we work so it made it quite frustrating. The sale finally completed in May 2022, so 5 months sale process in total.

Those who follow on social media will have seen the numbers, but for anybody that doesn't follow us, there is a number recap below. Just like all of our deals, this deal was funding with private investor finance, with our funders earning £4,500 interest from a £75,000 sum, all within an 11 month timeframe,

### Project Numbers

**Purchase:** £48,000

**Stamp, Survey and Legals:** £2,600

**Refurbishment:** £27,613

**Holding Costs:** £1,285

**Total Required:** £79,498

### How We Funded The Deal

**Private Investment:** £75,000

**Interest Paid:** £4,500

**Our Own Funds:** £4,498

**Total All in:** £83,998

Sold for **£119,950**, minus selling fees, left us with a profit of **£33,952**

The capital realised from this deal provided us with a great foundation to do bigger and better deals in 2022....

# PARK ROAD



# BENT LANE



Now the property has been handed over to Serco with a 5 year lease signed. We have great satisfaction being able to provide a safe, warm, comfortable home for 5 venerable tenants, with the added benefit of no maintenance, no voids and no management fees as all of these are covered by the housing provider.

This property now generates us £600 net profit each and every month, which equates to 83% return on capital employed!

Our funders also earned £7,500 in interest from this deal!

Our goals for 2022 included venturing into bigger deals in the form of HMO's (House of Multiple Occupation) specifically HMO properties that we could hand over to a Social Housing provider on a long lease. This strategy was a step up for us, but also allowed for a greater return and increased annual income. Bigger the risk, better the reward!

We had spent the back end of 2021 learning about this strategy. In January 2022, we started the year with an offer accepted on a terrace property in Leyland, Lancashire that was perfect to covert into a HMO.

We completed the purchase in April 2022, refurbished the property by July, turning the 4 bedroom house into a 5 bedroom HMO. We then refinanced to release the capital invested by November 2022, so a very quick turn around on this one ready to go again. Rinse and repeat the process.

There were lots of mistakes and lessons along the way with this project, specifically with all the HMO regulations to satisfy both the Social Housing provider and the local council.

We even tried our hand at presenting on this one, with Prosperity Network featuring us and this property on their deal diaries series....still waiting for our BAFTA!





# STATION ROAD

As 2022 came to a close, we completed the refurbishment of another HMO, this time an 1880's property in Bamber Bridge, Lancashire.

We had been waiting to make a start on this one for some time. We first viewed this house in October 2021 following a referral.

The house was not on the market, somebody told us that the owners were looking to sell, they made an introduction and we paid them £500 as a Thank You when we finally completed the purchase in August 2022 after a long wait due to probate. (pic on the right)

The house hadn't been touched since it was first built in the 1880's and had so many original features. This project again had its challenges, but we managed to keep most of the original features which we are very pleased with, as were the family of the previous owners when we invited them back for a nosey when the refurb was complete.

The property is now a stunning 4 bedroom HMO, our largest refurb to date with a total cost of circa £57,000 but the transformation is truly amazing, if we say so ourselves.

The timing of the refinance in December 2022 was not great, with predictions that housing prices will decrease in 2023 we were a little concerned, however our valuation estimate stacked up meaning this property has provided a 29% return on capital which we are more than happy with.



This project was again funded by private investors.

£110,000 funding  
12 month term  
6% interest  
£6,600 interest paid

We will be returning £116,600 to our investors in early 2023 once the refinance completes.

There is no period in the world of property investment where you will not encounter set backs and issues, this last year has been no different. Property is a long game with a long term mindset needed, so when issues do crop up it doesn't demoralise you. You can't build a long term future on short term thinking.

This year one of our buy to let tenants left after being in the house for 2 years, they had been fantastic tenants and this was the first time any of our tenants had left. The only reason for leaving is the fact they bought a house so we are very pleased for them, maybe just a little sad that they have left.

We couldn't of asked for better tenants they left the house in great condition...just look at the kitchen...still like new.

However....some damp had started to appear in places where the previous damp proof course had failed. During the initial refurb we had a DPC, however the builder was not qualified and we paid the price, lesson learned.

As soon as the tenants left, we had damp specialists ready to go to fix the issue as well as providing us with a 10 year guarantee. The house is now all ready for new tenants to move into in the new year.

*'You can't build a long term future  
on short term thinking'*

Although tenants leaving and maintenance issues can be seen as a negative, there are also positives. Market rents have some what sky rocketed over the last year or so. As a result we have been able to increase the rent by £125 per month, there are always positives in any situation.

In addition to maintenance we also had the crazy house prices situation, houses selling like hot cakes and quite simply we struggled to compete and even getting viewings for properties on the market was difficult (off market all the way for us). There were numerous occasions we booked 8 viewings on a Monday for the following Saturday (we can only view on Saturdays due to work commitments during the week) By the time Friday came, we would get 7 or sometimes even 8 phone calls from agents advising the properties we had set up to view had now sold...this is why we mainly focus off market direct to vendor as a source of finding deals...we will probably start looking more on market again in 2023 as we are expecting lots of opportunities around the corner.

## ISSUES FACED





# FAMILY UPDATE

Time flies!!

Martin's son Oakley turned 2 in November 2022!

Oakley loves nothing more than diggers, cars and of course accompanying Martin on viewings and refurb check ins...future property entrepreneur in the making!



Simon and his wife Gemma finally managed to go on honeymoon after many delays due to COVID, an 11 night all inclusive break to Jamaica which was well needed.

They also celebrated their first wedding anniversary in September 2022, celebrating with a weekend away to Keswick in the Lake District with their pooch Bella.

We are finishing the year with some fantastic news and an exciting announcement.....in 2023 Simon, Gemma and Bella will welcome a new addition to the family....Baby Charnock is on the way, due on the 1 July 2023!

# WHAT IS TO COME...

On reflection, 2022 was a very successful year for us.

We managed to complete our first flip project and increase our monthly net income by an additional £1,200 by the acquisition of 2 HMO's getting us closer to our end goal of being full time in property.

We have met so many great people along the way this year, vastly growing our network and learning so much from like minded people that we now call friends.

We have raised an additional £235,000 in private investor finance this year, returning a whopping £14,100 in interest alone to our investors. We will be forever grateful for the belief our private investors have in us and look forward to providing more opportunities and creating wins for as many people as we can in 2023. If you are interested in working with us next year, please do get in touch.

This will hopefully serve as a springboard for bigger and better things in 2023 and we have set ourselves some ambitious goals. We will be focussing on capital strategies in 2023 with maybe the addition of a rental property or 2, who knows.

If you are wanting to learn more about what it is we do and how we can benefit you, then please feel free to reach out using the details on the right....if you are not already following us on social media, then now is the time to hit that follow button.

Here is to a prosperous new year and we wish you all the very best for 2023.



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