

ASSISTED SALES & REPOSSESSIONS

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How many tools do you have in your property deal bag...?

- In an easy marketplace maybe one tool is sufficient...
- In a tough market place it's not...
- To gain visibility with agents... offer a different – or more than one - way forward
- Provide social proof of what you've done – agents/vendors
- Listen to and/or network with others who've done different things
- Get agents onside with you – empower them with the knowledge
- Get a good solicitor who is smart, responsive & well connected
- Be organised on paper and explain deal offers in writing



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Make good relationships with a small number of agents



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Burn the midnight oil on the portals, learn your areas and use alerts



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What paperwork might I need.....?

- Purchase lease option
- Assisted sale agreement
- Power of attorney
- Commercial agreement
- Loan agreement
- RX1

A good solicitor is vital..!



Pick someone who is a good communicator, responds quickly by phone and email, speaks your language, lives in the real world and has a good network around them



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Is there a set format to an Assisted Sale?

NO

My approach is to start with a blank sheet of paper and create it from scratch each time

- Begin by addressing the seller's pain and needs
- Work out viable timescales for the set up and exit
- Ascertain what the seller's expectations are
- Is external funding required? Make sure the investor and their money are protected
- Work out what security is required / possible
- Decide whether it's a guaranteed sum for the seller / a share of the uplift / both?
- Who covers the estate agent fees?
- Who covers council tax / utilities / service charges?
- Who covers the fees for the legal documents required?
- Do the "*what if*" exercise thoroughly
- Make sure all parties are legally protected

What or where are the opportunities...?

- New development sites
- Buyers for your project who have their own property to sell
- Owners with incomplete or unsold projects
- Properties that won't sell - bad layout / poor presentation etc
- Probates / ex rentals / second homes

Magpie Strategy



Look for developers who need to move on, but where value can be added easily on a deferred completion.....



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Key Lessons

- Understand the rationale and modus operandi of the developer
- He/she may only need to exchange – not complete
- Can you add value easily and quickly that lots of people want and will pay for?
- Focus on the cosmetic – kitchen/bathroom/lights/flooring/curtains
- Be proactive with your marketing – show off your work
- Think carefully about how long you need – be very disciplined



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Piggyback Project 1



Potential flat buyer had her own bungalow to sell

Do the motives work for you and the buyer...?



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Key Lessons.....

- Get the agent and owner together - so everyone feels empowered
- Be prepared to use investor funds in a different way
- Explain to the owner what changes you'll make to their home
- Give them the chance to influence changes to what they are buying....



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Piggyback project 2

Prospective flat buyer had to sell her own house



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Key Lessons

- Understand the needs & circumstances of your clients
- Hold their hands – and the hands of others close to them
- Get everything agreed with your client signed off and agreed in writing
- Try to ensure the client's solicitor is chosen by you / your solicitor



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Deals that got away



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Key Lessons

- Avoid complicated ownership rights
- Steer clear of “know it all” agents / owners / solicitors
- Be alert to the “I can buy it quick” merchants
- Clients may want to do things with you – but can’t.....
- Retain the link with agents / clients – there could be a next time....



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Some Pointers and Tips...

Key actions...

- Inform and empower the agent
- Get a direct relationship with the vendor(s)/ owner(s)
- Provide social proof of having done it before
- Put offers in writing and explain deals fully
- Get your paperwork organised quickly

Try to find....

- Properties that do not need to be sold for the owner to be able to live somewhere else
- Ex rentals/ probates/second homes/distressed owners or children with P of A
- Places that can clearly have value added internally
- Projects with low overheads and quick turnarounds
- Agents that do the looking and thinking ahead of you

Be wary of....

- Probates – inheritees often want unrealistic sums asap
- Unstable vendors – irrational decisions / changes of mind
- Doubting Thomas vendors and agents – anything unorthodox “must be illegal”
- Executors / Managing Agents - no flexibility ...traditional sale only



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Time to draw breath.....

Q & A – part one

REPOSSESSIONS – RESCUE MISSIONS



Where can you find them...?

- Solicitors / mortgage brokers / estate agents / sourcers
- Friends / network contacts
- Property portals
- Chance conversations

Rescue Mission 1



Two developers who fell out with each other; project half finished with bridging loan penalties



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Key Lessons

- Deal with the people at the centre asap
- Be clear with your paperwork
- Pick the right bridger & solicitor pairing
- Think about the communal areas outside your own flat
- Do what you say you're going to do...



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Rescue Mission 2



Novice developer who took too long, overpriced the property and ran into bridging loan difficulties



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Key Lessons

- Be persistent
- Keep digging until you discover the real pain / truth
- Establish a separate relationship with the bridger
- Build a rapport – but stand your ground too
- Signed Heads of Terms are not enough...
- Check, check and check again with the client about their solicitor's skill sets
- Get your works all planned – with back ups...
- Make sure you offer a “fresh product”
- Don't share problems - give people solutions
- Set realistic expectations and keep them on track



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Rescue Mission 3



Key Lessons

- Build a face to face personal relationship asap
- Ascertain physical and mental health levels
- Establish a relationship with the lender
- Do not rely on the clients' solicitor
- Agree power of attorney and heads of terms asap
- Ensure the client has a script to work to when speaking to the lender
- If at first you don't succeed – try try try again

Some Pointers and Tips...

Key actions...

- Get a direct relationship with the client and lender(s)
- Put a team together very quickly
- Inform all the key parties at every stage
- Explain things fully and put it in writing
- Get your paperwork organised quickly

Be wary of....

- Unstable clients – irrational decisions / changes of mind
- Clients hiding under the blankets
- Solicitors and investors who talk the talk but don't walk the walk
- Lenders and their solicitors dragging their feet

Try to find....

- A broker who is proactive
- Investors prepared to step in and help



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Time to draw breath.....

Q & A – part two

Thanks for listening tonight

I hope you've enjoyed it and picked up some knowledge, as well as gaining some new ideas and fresh motivation.!

Get in touch after this evening if you think I can help at all

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