

## franchising

Anna and Simon Mackaness are PPP franchise partners based in Northampton



# Sound investment

EARN £100,000 A YEAR PASSIVE INCOME WITHIN THREE-FIVE YEARS, SAYS PLATINUM PROPERTY PARTNERS IN ITS MARKETING HEADLINES. AS IT APPROACHES ITS THIRD BIRTHDAY, THIS UNIQUE FRANCHISE PROPOSITION IS PROVING TO LIVE UP TO ITS CLAIMS

**W**hen Platinum Property Partners (PPP) launched in July 2007, it had just 10 foundation franchise partners (PPP's term for franchisees). Today there are almost 60, with nearly 100 highly cash-positive buy-to-let investment properties in the combined portfolio, each producing an average of over £12,500 pre-tax profit per annum.

When they join the franchise, prospects commit to making a minimum of two of this type of investment each year, and can be virtually assured that if they do, and follow PPP's systems and strategies to acquire, refurbish, tenant and manage the properties, they will see pre-tax profits of £100,000 within five years.

### INDUSTRY LEADING

Simon and Anna Mackaness are PPP franchise partners based in Northampton. Since they joined in July 2007, the couple have bought seven UK buy-to-let properties, with 43 rental units, which generate a gross yield of over 15 per cent, an industry leading level for residential buy-to-let. The annual gross profit from this portfolio - after they have paid the mortgage, all utility and other bills, and allowing for maintenance and void periods - is around



PPP multiple occupancy buy-to-let property in Gloucester

£100,000. The gross return on their own capital invested is over 33 per cent.

Their motivation for joining PPP was a desire to find a business they could run together and one that would generate enough cash flow to pay for their children's education. They had looked at a number of franchise opportunities, but found most of the businesses uninspiring.

"Most of the opportunities we looked at seemed to involve huge numbers, but a relatively tiny profit," says Simon, a former insurance broking director. "I just couldn't see a long-term future that

I'd be happy with. PPP's was the only one we looked at that really caught our interest. Most of my family are involved in property in some way, and it seems a very logical, sensible basis for a business, with tangible short and long-term profitability and excellent pension provision."

Their plan for the next 12 months is to consolidate their portfolio and make it more efficient. Says Simon: "I know we're making good profit, but I also know there are areas where we can still minimise the outgoings. Running this business properly takes time and effort and Anna and I are aware that with our busy lives we haven't been doing everything we could to really maximise the profitability. By following the franchise system, and with PPP's ongoing support, I have no doubt we will see increased profits this year." **MM**

### FOR MORE INFORMATION

■ For more details visit [www.platinumpropertypartners.net](http://www.platinumpropertypartners.net), email [info@platinumpropertypartners.net](mailto:info@platinumpropertypartners.net) or call **0845 293 2877** and speak to the investment team.

**FREE INFO NO: 4673**

**Name:** Neil Mansell (pictured)  
**Investment location:** Chelmsford, Essex  
**Portfolio value:** £3.5m  
**Annual gross profit:** in excess of £100,000  
**First PPP purchase:** December 2005

A Business studies graduate, 30-year-old Neil has been investing in property in Chelmsford since the end of 2005, following PPP's strategies, and presently has 13 cash positive PPP HMO buy-to-let properties. As a PPP franchise partner he is continuing to grow his portfolio, while mentoring other investors and supporting them in taking their own property businesses forward.

In 2005 Neil was working as a business development manager in the City, earning £35k and dissatisfied with his job. In late 2005 he undertook a mentoring programme with Steve Bolton. His first property gave him a monthly gross profit of over £700 a month. He spent 13 months building up his property business part-time until, in January 2007, he was able to give up his job and move into investing full-time as the surplus rental income from his properties had matched his salary. When the PPP franchise launched in 2007, Neil joined as one of the first 10 foundation partners.

After Neil bought his sixth property, he was in a position to be able to employ a property manager, after his ninth, a part-time finance/admin manager, and he has recently taken on a third member of staff, which has allowed him to spend more time concentrating on finding new properties and developing and diversifying his portfolio.

His last three purchases have been acquired at more than 30 per cent below their true market value; all are cash-positive, single occupancy lets. Neil continues to expand his portfolio using passive investors' funds and rarely has to put any of his own capital into his purchases. This was a core part of Neil's strategy and he has been able to grow such a large and profitable portfolio using PPP's support in helping him find, convert and structure win-win deals with passive investors.

Says Neil: "Being involved with PPP has not only developed my knowledge of properties and property investing, but also helped me to develop as a person and business owner. Learning how to invest in a professional way is a skill, which will always keep me ahead of the masses. I have learnt that you do definitely get out what you put in, and I have put in a lot of time and effort to make my business work. I am already enjoying the benefits of that, and will reap additional rewards in the long term through the capital growth of the portfolio. Only being 30, I don't often think about pensions, but my future in that regard is already sorted."

Outside of property, Neil enjoys working with a personal trainer to maintain his health and fitness, and also takes a break once a month to get away, or simply spend time with his friends and family.



PPP founders: Steve Bolton and Nick Carlisle

**Steve & Linda Hogan**  
**Investment location:** Aylesbury, Buckinghamshire  
**Investment portfolio value:** £2m  
**Annual gross profit:** in excess of £90,000  
**First PPP purchase:** July 2007

Steve's background is the corporate world, in which he has held board-level positions. Following 10 years with Coca-Cola, where he was European services director, he spent a number of years in the wholesale and retail sector, primarily dealing with mergers and acquisitions and business recovery.

In 2007, looking for new challenges and wanting to spend more time together, Steve and his wife, Linda, looked at a number of business options and decided the PPP franchise could offer them the lifestyle and financial security they were looking for. For the past two years, in addition to growing a property portfolio with Linda, Steve has also been working in a consultancy capacity for the franchise, as business development manager.

In terms of personal objectives, Steve and Linda wanted to fill the financial 'hole' between leaving corporate life and their company pensions coming to fruition, plus enhance their pension pot. Over the next 10 years they intend to build their dream home, which will be funded by building and selling houses. They also wanted to extend their portfolio internationally to allow them to enjoy winters in the sun. Their goal is to own at least £5million worth of property within five years, which generates an annual passive income for them of well in excess of £100k.

Their first buy-to-let houses in multiple occupation (HMO) property purchase was an extended three-bedroom semi-detached house, which they bought for £239k. Following refurbishment, it was valued at £279k and a subsequent remortgage meant Steve and Linda were able to release just over half of the £70k cash they had invested in the purchase, leaving just £34k capital in the property. It currently cash flows £14k per annum, giving them a 41 per cent return on investment.

The changes in the market over the past 18 months, with lower loan to value rates and falling prices, has meant Steve and Linda have not been able to release as much of their capital from their six UK HMOs as they had originally hoped, but tracker mortgages have resulted in their cash flow being higher than anticipated. They recognise that, even though a higher level of capital is required to buy HMOs in 2010, the opportunity to buy at a discount at the bottom of the market means some of those invested funds will be able to be released after six months.

In addition to their UK HMOs, Steve and Linda currently have three investments overseas, in Prague and Romania, and their portfolio has equity of nearly £370k. Their next project is likely to be a self-build, and they are looking at the possibility of working with other franchise partners and passive investors in order to minimise risk and maximise returns. They are also keen to invest in joint ventures with PPP's founding partners.

Says Steve: "We did a lot of due diligence and research before selecting Platinum Property Partners, which impressed us hugely with the calibre of individuals involved and the franchise opportunity. The fact they only make profit when we do reassures us their interests are directly aligned with ours, and we are confident that working closely with PPP we are investing in the best way we can and maximising our chance of success."