Hot property

A typical interior of a PPP room to rent

Secure your financial future with a property investment franchise that delivers market-beating returns

Despite the current uncertainty in the UK economy, Platinum Property Partners (PPP), one of the UK's most successful property companies and the world's first property investment franchise, believes property remains one of the most secure wealth creation and retention vehicles available to us. The caveat is that with higher levels of capital required to purchase property and no guarantees about growth in the short to medium-term, it is not a market for amateurs.

One of Suky Walia's properties in Nottingham

Property has long been a key investment choice of the wealthy. Even where it hasn't been their primary business, most millionaires and multi-millionaires have significant portfolios because they understand that - unlike many other forms of investment - property always retains some intrinsic value. And while the historic trend of values doubling around every eight years is no guarantee of the same happening over the coming decade, significant growth is more than likely.

Security

Most people are striving for financial security and many have a goal of achieving financial freedom, where their passive income exceeds their outgoings. PPP has refined systems and proven strategies for building a property portfolio that delivers precisely that, and the uptake of both its hands-on franchise business and passive investment opportunities certainly suggests property is the solution to long-term wealth and pension provision that people have been looking for.

In any business cash flow is king, and the trap too many amateur investors fell into in the past - particularly in the 12-year boom to 2007 - was a reliance on capital growth with little attention paid to monthly profits. As a result, a number of high-profile companies offering 'get-rich-quick' solutions, riding on an unprecedented upward trend, foundered, leaving their clients facing mortgage debts they couldn't service as neither rental income nor capital growth lived up to promises.

Property is a 'get very rich, steadily' business, and now that the availability of mortgage finance has tightened buy-to-let investing has gone from a 'no money down' proposition to one requiring significant capital input at the outset. As a result, many of the amateurs and opportunists have dropped out of the market as they don't have the skills, resources, experience or desire to make it work for them long-term.

PPP's founders, Steve Bolton and Nick Carlile, have both been in the property business for most of their lives. Nick is a qualified quantity surveyor with

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considerable experience in development and negotiating discounted purchases, while Steve has invested in both commercial and residential property for many years, primarily focused on achieving significant cash flow.

PPP's core investment strategies combine Steve and Nick's expertise to offer their franchise and passive investment partners the training, ongoing support and access to joint venture opportunities to ensure that everyone profits both today, and for the long term. All PPP's partnership investment opportunities are precisely that - partnerships - as Steve and Nick firmly believe in sharing both the risk and the reward so that all parties have a vested interest in ensuring ongoing success.

And property makes for a superb pension pot. PPP has found that, over the past 12 months, the majority of people who have joined the franchise are business people who have realised that the traditional private pension plans they have paid into all their working lives are highly unlikely to provide a suitable level of income in their retirement.

A partner-level management consultant, who has held senior positions within first-class consulting firms, including AT Kearney, Butler Cox and Fujitsu Services, and joined the PPP franchise in December 2009, had this to say about the private sector pension: "During my career I have diligently followed the advice of my financial advisers to save the maximum amount of salary permissible into my private pension plan as it is 'the most tax efficient way to save'.

"Since 1986 I have regularly paid a minimum of 15 per cent of my gross pre-tax salary into one or another private pension schemes. Most people calculate that on retirement you should be able to live on approximately two thirds of your final salary, so I was shocked to discover that if I continue to work and save, and to rely on my private pension for retirement income, then I will either have to move down to a radically different lifestyle at around 60 or keep working until 70. But then I found an alternative."

PLATINUM PROPERTY PARTNERS ®

Appealing

What makes property such an appealing pension pot? In short, you are investing into an almost certainly appreciating asset, which is recognised as so secure that you can leverage the bank's money and benefit from periodical lump-sum returns through remortgaging without having to dispose of the property.

In addition, the property market has averaged 4.9 per cent growth per annum since 1970 and, despite periodical cyclic market corrections, with a significant shortage of housing and a scarcity of available land prices will certainly continue to increase over the medium to long term. It's then through compounding that the growth of your capital is accelerated, ie each year that your portfolio increases in value, the following year's growth is on that value, not the original price at which you bought.

Finally, there is little risk to your initial investment. Stocks, shares and pension funds are all vulnerable, as we have seen over the past couple of years, but as Nick Carlile says: "Property is tangible and, unlike shares, which can be wiped out overnight, property always retains some intrinsic value." The in-built equity, achieved by buying at a significant discount and often refurbishing immediately after completion, provides a cushion against further market falls.

PPP's passive property investment opportunities tend to focus on recycling capital as quickly as is possible and securing property assets that service their own debt and offer excellent longer-term growth potential. These are sourced by an experienced team who have built up relationships and contacts in the area over a number of years and know the local market probably better than anyone else. The active, hands-on opportunities that franchise partners pursue are more focused on generating market-leading cash flow and, while the two strategies could be combined, it's very rare to find such perfect deals.

Suky Walia, based in Nottingham, joined the PPP franchise in 2008. He had worked for a number of years as an office equipment engineer before setting up

Founders of PPP: Nick Carlile and Steve Bolton

his own company, employing a team of engineers and salespeople. Although the business was very successful, throughout his working life Suky had also made various property investments and began to realise the potential returns that could be made if he dedicated himself to it full-time.

And while he had some experience in property, Suky realised he'd not been making anywhere close to the returns PPP partners were achieving, and that he had a lot to learn. "Buying into proven systems for generating cash flow and having the enormous bank of knowledge, experience and professional advice on tap whenever I need it is well worth the investment," says Suky.

"On my first buy-to-let purchase with PPP - which I got significantly below its true value and which I would never have bought if I'd stuck to my old methods - I am making £2,200 gross profit per month, and I have just finished renovating my second, which should gross over £2,500."

Suky's first two properties have estimated current equity of £135,000, £50,000 of which is clear profit, in addition to the £50,000-plus annual gross profit from rental income. Needless to say, Suky is already in the process of buying his third property - the first of four purchases planned for 2010. **WF**