

WHAT I

LEARNED FROM

BUSINESS PLAN

**LORD ALAN
SUGAR**



Samuel Leeds

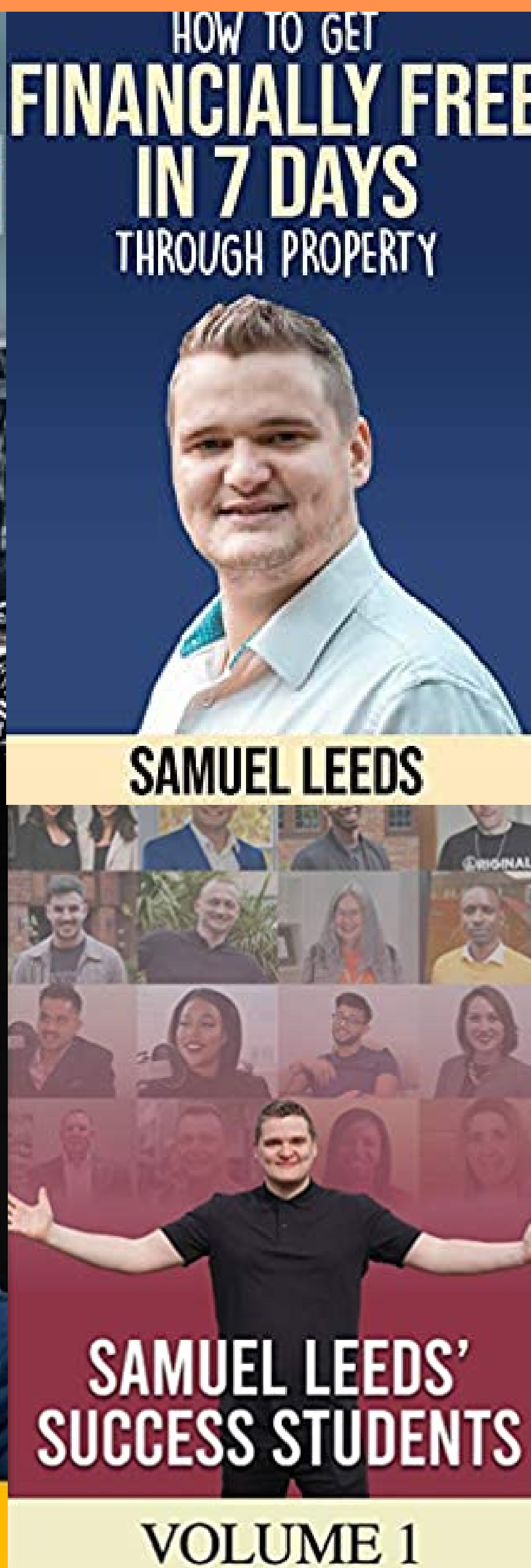
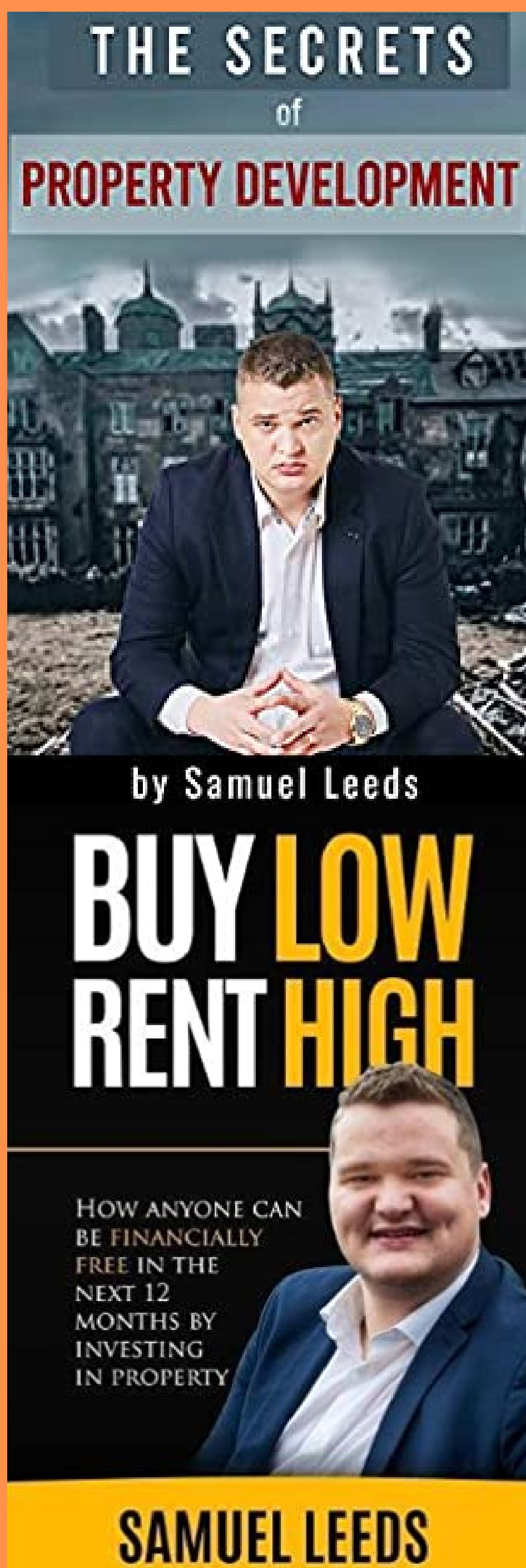
Contents

About the Author	pg 2
Introduction	pg 3-4
My Property Business Plan Was All Wrong!	pg 5
B2B Within Property	pg 6
Commercial Leases VS Residential Leases	pg 7
Rent-Rent Flipped On Its Head	pg 8-9
Invest In What You Know	pg 10
Deal Sourcing	pg 11-12
My New Business Plan	pg 12
FREE GIFT	pg 13
Final Words	pg 14

About the Author

Samuel Leeds started his property journey in 2008 with nothing. Within three years he was financially free and had built up a million pound property portfolio by the age of twenty-one. Post financial freedom, Samuel has travelled the world, set up many charitable projects in Africa, and written four #1 Amazon Best Selling Books.

Check out Samuel's Best Selling Books on Amazon



Introduction

I could have written a whole book about the below points but I decided to keep it extremely short and to the point because that is exactly how Lord Sugar is, direct and no fluff! I knew that I only needed a short time with Lord Sugar because he would grasp my business plan very quickly and point me in the right direction.

If a rocket made the tiniest one-inch change in direction it would end up making a huge difference to the rocket's final destination. In the same way, in business I am like a rocket because I take massive fast action and at the time, in meeting Lord Sugar, I had no intention of slowing down, therefore paying a billionaire for some small pointers could make a huge difference to my destination, and believe me it did!

When I was starting out in business as a teenager I was a novice and didn't have the first clue about business, property, finance or investments. I deeply desired to meet somebody that could give me all the answers and take me through a "crash course" in everything there is to know. By the time I was 26 years old I was already a millionaire and did not need spoon feeding or a "crash course" in business, I wanted specific advice about my current situation. Therefore, I went to Lord Sugar with very detailed and pointed questions and wanted a billionaire's perspective and advice on my next big steps.

When you are making good money in business, the smallest tweak can make you an extra million and paying £4,800 for the likely-hood of learning just one or two golden nuggets is well worth it.

When starting out of course it is a different story. Because of this some onlookers reading this may say,

"Why pay so much money for so little advice?"

Introduction

But this would be missing the point entirely. It is not about how big or little the advice is, but about the impact it could potentially have. Also the confidence of who it is coming from. Some would argue,

“Everything Lord Sugar told you is freely available online.”

It may be, but reading something online is not bespoke tailored advice to me, it is general advice. And bespoke, tailored advice from a billionaire like Lord Sugar, is worth its weight in gold.



My Property Business Plan Was All Wrong

I told Lord Sugar that my goal was to own 1,000 houses and I needed his advice on how to get me as fast as possible. His response left me speechless.

He simply said,
“Why on earth would you want to do that?”
I was a little stumped because other people had reacted very differently.

Others had said,
“Wow! Impressive goal!”, “Way to go Samuel!”, or “Just keep doing what you are doing and you will get there in time.”
But Lord Sugar wasn’t impressed with the goal, nor did he even seem to think it was a good idea!

I explained to him that I wanted to be as successful as possible and I am a property investor, so why wouldn’t I want 1,000 houses?

Lord Sugar explained that it is not about how many houses you own, but about having a business that is scalable and profitable. He said that 1,000 residential houses would most likely be a headache and I would be better off thinking more commercially.



B2B Within Property

Renting residential properties to tenants is B2C (Business to customer) You are the business and the tenant is your customer.

Renting commercial properties to tenants is B2B (Business to business) You are the business and the tenant is also a business.

Customers are individual people with individual needs. Customers are usually much more of a headache to deal with than businesses because companies generally only care about one thing, that their business can run smoothly and they can make money.

The law generally gives special rights to customers because they are seen as more vulnerable than a business, that is why it takes months to evict a customer not paying rent. The property is their home! However, a business renting a property has less rights than a customer. This is why Lord Sugar suggested that if I scale my business I find a way to do it without having thousands of customers.

BUSINESS TO BUSINESS



Commercial Leases VS Residential Leases

Commercial Leases are usually fixed for a very long time. If you rent a large property to an established business, you could easily be taking a guaranteed rent over a fixed lease for 20+ years.

Residential Leases are usually AST (Assured Shorthold Tenancies) which typically range from 6-36 months in length. This means that if you had 1,000 residential tenants and the average tenant stayed for two years, you would be having to move in a new tenant into a new house 500 times per year. That is multiple times per working day!

Commercial Leases typically put the onus of the tenant to look after the property and deal with any repairs whereas Residential Leases typically put all of the onus on the owner. This means that if you had 1,000 residential properties and the property had a maintenance emergency once per year, you would be having to send an emergency maintenance man out to a property 500 times per year. That is multiple times per working day!

If you have 10 residential properties, it is not difficult to put a management team in place and to have a nice passive income. However, as a big thinking billionaire that wants to scale everything and understands the importance of his time, you can see why Lord Sugar thought the idea of having 1,000 residential properties was not a great idea. This was not him being negative, but experienced and realistic.

A pair of glasses is resting on a document that features a table with several columns of numbers. The numbers in the table include 06404, 312632, 320065, 352049, 1650685, 6865320, 9453547, 4683351, 3354350, 6750510, 2559532, 363.25, 275.25, 64.28, 120.24, 612.36, 445.24, 8.34, .68, 24, .26, 26, 26, .1, and 4.

Commercial Lease

Rent-Rent Flipped On Its Head

Within minutes Lord Sugar had me in agreement that 1,000 residential properties was not a good idea after all. But I already had a relatively large property portfolio and was in the process of buying several other small HMO properties. What was the best thing to do?

There is a way to take residential properties that are currently leased to customers, and instead lease them to businesses on a commercial lease and let them deal with the headache. This is basically Rent-to-Rent. Ironically, Rent-to-Rent was a strategy that I had used myself to generate cash flow when I couldn't afford to buy properties myself. Now I was beginning to realise from Lord Sugar that as a 26-year old millionaire with a quickly growing property portfolio, that I had a very different problem to the one I had nine years ago when I started out.

My problem was not that I didn't have the money to buy property and needed some quick extra monthly cash flow, My problem was that if I wasn't careful I was going to end up with 1,000 customers and it would be extremely difficult to manage and the cash flow would be so varied depending on maintenance that it would be also difficult to know exactly how much to allocate towards taking on new employees. Some months were considerably different to other months financially depending on voids, repairs and unexpected problems.

This was my lightbulb moment.

I needed to find people who had a very different problem to me. I needed to find businesses who would enter into a long-term commercial lease with me, and while this would lower my monthly cash flow, it would give me time, security and confidence to begin to scale my property portfolio.

Rent-Rent Flipped On Its Head

I handed over some, not all, of my properties to companies that would give me a guaranteed rent, and then they would run the property for me. I even passed some of my properties on to people as Lease Option Agreements. This is where they buy the property off me at a fixed price in several years, and in the meantime give me a guaranteed rent. Most of them were run as HMO's, others as Serviced Accommodation, more recently others as Assisted Living. These properties had customers living in them, but my lease agreement was now with a company, not several individuals.

Some of my students thought Christmas had come early when I began letting them rent my properties on a commercial lease, because they would make at least £200 from each property. For me I did lose a little cash flow, but I felt like I had a proper business and 100% pure passive income from my investments.

This was a bizarre feeling for me because it only felt like yesterday when I was that person desperately looking for landlords who would let me take a slice of the pie and manage their properties. I wanted to get my foot in the door with as many properties as possible and an extra few thousand pounds per month was a big deal. Lord Sugar had not turned me into a tired landlord, I was more excited now than ever. He had taught me that if you focus on the pounds too closely then you may lose the billion.

Invest in What You Know

Being an entrepreneur I am always thinking of new ways to make money. To date I had done well for myself in property, but I had zero success in much else.

My friends would often talk about the stock market, gold and silver and other investments. I was keen to diversify and grow my wealth outside of just property.

I asked Lord Sugar what the best thing was to invest in outside of property. I was hoping he would give me the magic answer, the next big thing, the billionaire's secret investment, but he didn't.

He responded,

“Oh I don't know. Just invest in what you know. If you know everything there is to know about knitting, then invest in that. People lose money when they don't know enough about what they are investing in.”

Some might be disappointed with this answer but to me it was a revelation. Rather than trying to be an expert in everything, I just needed to be the best in property and absolutely kill the property game. I needed to diversify my types of properties, but not necessarily start throwing money into things I knew little about.



Deal Sourcing

In 2017, I was spending a lot of time deal sourcing, packaging and selling property deals to investors, and I was making good money, I'm talking hundreds of thousands of pounds. I wasn't aware of any other companies doing this especially to the scale I was and it made me a little nervous. What would be the future of this company? Would I saturate the market? Would I be able to systemise the business or did investors need to deal directly with me?

I spoke to Lord Sugar about the business model of Buy Low Rent High LTD and told him I was able to find cheap properties that generated a very high return on investment of around 20%

Lord Sugar grilled me on the business model and on the types of properties I was sourcing, it felt like I was sat on the apprentice.

He asked several questions including things such as: "How can you get such high returns?"

Who is going to manage all of these properties?

Are the areas just horrible deprived areas?

What if interest rates go up?"

I explained to him that the reason I can get such high returns is because I buy in areas with high yield and often will convert the properties into HMO's (Houses in Multiple Occupancy) and that I am an expert in sourcing excellent property management companies across the country that offer a fully managed service. I explained how I carry out due diligence on the area to ensure the area is not deprived and that I encourage all my investors to fix interest rates for as long as possible and make sure there was cushion in the deal all the same.

Lord Sugar simply nodded and said "good good".

To me this was an incredible sign that I knew what I was talking about and I felt extremely proud to have appeared to have the approval from a famous billionaire, when I am just a working class guy that was cleaning snooker tables eleven years prior.

Thereafter, I not only continued deal sourcing, but I began to teach deal sourcing as a strategy and have since helped hundreds of people quit their jobs using this strategy as well as directly or indirectly helped thousands property investors secure hands-off property investments. I have also since partnered with one of my students, Alasdair Cunningham, who has systemised and scaled our co-owned deal sourcing company Better Sourced LTD

My New Business Plan

With the profits I am making from deal sourcing have continued to grow my property portfolio, but instead of buying countless small residential homes, I have been focusing on property development. You may have seen in the newspapers that I am restoring a castle, building houses from scratch and focussing solely on bigger deals.

You will make mistakes starting out, so it is best to start with small property deals. However, once you have a decent portfolio I have learned that the best way to scale is not by buying more properties, but better and bigger deals. It takes just the same amount of effort to buy a small property as it does a big one. Many of my students are in the same boat I was, they have become super successful but are still focusing on the small deals.



FREE GIFT

That is why I'm running a brand new programme called 'Development Secrets Intensive' to share how to focus on the big deals and how to get started as a property developer.

There's a certain mystery to property development.

How do you get started?

Is it who you know, not what you know?

Do you need Millions of pounds to get started?

At the 'Development Secrets Intensive' I'll be sharing insider secrets to life as a property developer. How I find sites, build houses from scratch and make £millions in the process.

And right now you can Claim a FREE ticket to this groundbreaking programme where you will learn:

- The exact steps needed to get started in property development
- How to find and appraise sites
- How to finance the deals using none of your own money
- The best ways to avoid unnecessary tax
- How to carry out due diligence so you can avoid bad deals
- The full story of what happened in the boardroom with Lord Sugar

Go To

<http://www.property-investors.co.uk/development>

FINAL WORDS

Special thanks to Lord Sugar for his advice and time on 10th November 2017. Despite him sadly forgetting about this occasion, I will always credit him for the small tweaks he initiated in my business that has undoubtedly made me at least an extra million pounds and enabled me to scale my property business.

Thank you for reading this extremely short manual. I hope to see you succeed and if my teachings have helped you please tell the world about me and feel free to call me your mentor.

Samuel Leeds

