

## Common Questions & Answers – How to Select

### QUESTION 1- How should I select a property from the list?

**ANSWER-** All properties of a particular category are assessed and categorised so that they have a similar value, investment return, and future potential **AFTER** they have been fully renovated. Clients should take their own preferences into account for **location** and **looks** and simply select the property they **like** within their budget. Any they select from the list will deliver the same % returns and similar long term value % increase – proportional to its price.

### QUESTION 2- Which Towns or locations are better?

**ANSWER-** When pricing the properties, the locations are taken into account. The North East towns represent better value as properties are larger for the same price, all are pure freehold, and future growth may be a bit higher. However, the rental % yields are the same, and the long-term capital growth in ALL areas is very similar indeed. On average, houses anywhere double in value over about 10 to 12 years. So you can select any location you like.

### QUESTION 3 - Which properties are better for capital growth

**ANSWER-** In the past 15 years, on average the capital growth in all of the 28 towns we sell properties in has been remarkably similar. This is also true for lower cost and more expensive properties.

The advice we can give clients is as follows. Providing the properties are categorised well and priced correctly, **they can select ANY property they like** and the future capital growth is likely to be similar to other properties of that type in the list. Past growth and other known factors have surprisingly little influence on future long-term growth.

### QUESTION 4- I have seen lower prices. Are your prices competitive?

**ANSWER-** Buying, renovating, renting and maintaining a property in a good condition for the long-term has a lot of hidden costs. Clients need to look at the **TOTAL costs** over the long-term.

#### Types of Prices

You will see many “types of prices” online as listed below, but the price that matters is the **TOTAL Cost**. And this is **lower** when buying from Find UK than buying in the open market from other agents.

- Previous Sold Prices - vary greatly
- Calculated Market Price – based on previous price and unrenovated state – inaccurate.
- Auction Guide Price or Advertised Selling Price
- Actual Auction Buy Price or Actual Buy Price via agent.
- Cost after auction fees, legal costs, stamp duty & other buying fees.
- Total** cost after renovation, compliance & rental – “Day 1 rental cost”.
- Total cost** after 6 years ownership.

The Comparison below on next page **compares** buying from Find UK with buying in the open market from other agents. This is an example using our 2-bed H1 Type house which we sell for £69,999. The same principle applies to other properties. The prices given are example “average” prices and individual properties may vary greatly.

See Chart on next page. Compare the **TOTAL costs** at the bottom of the chart.

# Purchase of 2-Bed House Type H1 at £69,999

CAMPARE - Find UK Total Price V Normal Agents Total Price

These figures vary from property to property - The "averages" for H1 is similar to this figures

	FIND UK	OTHER AGENTS	EXPLANATIONS
Previous Sold Prices - vary greatly	£25,000	£25,000	Previous "Registered" sold price much lower than actual selling price and not linked to market price. Property sold a long time ago will be very low previous prices e.g. £10,000. Price registered may be lower than actual price paid.
"Calculated Market Price" based on previous price, unrenovated state, and may be inaccurate	£50,000	£50,000	"calculated" market price by online portals is based on previous selling price & sale "as is" in unrenovated condition, & does not take into account post-renovation condition. This is lower & inaccurate for older houses previously sold in poor condition. Renovation has a big impact on price of low cost houses and houses on the
Auction Guide Price	£35,000		Vary greatly and may be very low to attract bidders - e.g. £20K. Property is sold at much higher price than guide price
Actual Auction Buy Price	£41,000		For same property auction prices are cheaper than agents
Auction costs & Fees	£6,800		Auction fees very high & buyer pays. Agents - seller pays
Cost via Auction to us	£47,800		Buying from auction is lower cost than buying from agent
Actual Buy Price via Agent		£52,000	Average selling price of H1 property that needs average renovation. Look at current selling prices to get this figure (not past sold prices)
Stamp Duty & Legal fees	£2,434	£2,560	Similar in both
Cost after legal & auction fees	£50,234	£54,560	Total costs of purchase alone - before any work done - We can buy better than clients can buy from normal agents
Average renovation cost of property to the set standard - Full Renovation	£15,500	£17,800	Upgrades as needed to kitchen, bathroom, double glazing, gas central heating, electrics. All Repairs & damp treatments. Full decorations. New carpets & blinds. These costs vary and are higher for cheaper houses in poor condition - Our renovations costs are less than via agents. Renovations may be done later for tenanted houses and may be done in stages. On average we do 3 renovations in
Compliance & HSSRS inspection	£600	£800	Certificates - Gas, Electrical, smoke alarms and safety checks - we can do it cheaper
Letting to Good Tenants	Included	£500	Average letting fee charged by agents
Total costs after renovation - "Day 1 Rental cost"	£66,334	£73,660	Total cost fully renovated, compliant, on day 1 of rental are higher if using other agents.
Guarantee on Property	Property Guaranteed	Not Guaranteed	There are no guarantees on properties purchased from normal agents. All Find UK Properties are fully guaranteed
Profit & Contingency for long term assuming we sell for £69,999	£3,665		This is average profit for us sold at £69,999. We make a profit but you still pay less than via using other agents and doing it yourself.
<b>Long-term costs - Example 6 years</b>	<b>FIND UK</b>	<b>OTHER AGENTS</b>	We are efficient and keep our long-term costs low and do not charge our clients. But normal agents make much of their profit from these & charge clients a lot over long-
Average Re-renovation at Tenant change	Included	£3,400	Every time the tenants move we do a mini-renovation on the property. Over 6 years a tenant may move 2 times on average. Typically property may be decorated and new carpets fitted. With other agents you pay for this. Approx £1,700 at each change
Avg. Maintenance & Repairs	Included	£3,000	We pay for all repairs and maintenance costs - for everything. E.g. faulty boiler. Gutters & roof leaks. Damp issues. Plumbing issues & drain blocks - Avg cost per year around £500
Avg. Council Licensing costs	Included	£450	Many areas have fees every 5 years for council licensing. We pay these under our system
Upgrade EPC "E" to "C"	Included	£4,500	Government law means that landlords will have to pay to upgrade their houses to higher EPC standard in the future. Current law is grade E. Future may be grade C. This could come in sometime between 2028 & 2030. We can do it efficiently & undertake to do this at our own cost. It will cost our clients nothing. Average charge from other agents
We sell Property to you for	£69,999		Our selling price
Your Stamp duty & legal	£3,100		You have to pay 3% stamp duty and £999 purchase costs
<b>Your TOTAL COST</b>	<b>£73,099</b>	<b>£85,010</b>	Actual total cost over the long term when purchased from other agents is much higher on "average" than Find UK.

## Common Questions & Answers – How to Select

The charts above on previous page explain how you will see lower prices in the market for similar houses. However, when you take “everything” into account, including all of the costs post-purchase, and compare “like with like” our properties and prices represent better value than buying via normal agents, for long-term investors.

### QUESTION 5- How do other clients select?

**ANSWER-** Everyone has different preferences.

-Our international clients normally like to be in the town centres as they feel these areas are busy and rental demand will be high there.

-Our clients from the UK normally like the suburbs, greener and quieter areas which are good to live in.

-Some of our clients like to buy in the smaller villages which are seen as more upmarket.

-Post-Covid, tenants, owners and buyers prefer to have properties with gardens. Thus many of our clients are selecting the larger H6 to H8 type of houses if they have enough funds. Such properties also attract good long-term tenants.

However, ALL the properties are priced proportional to their investment return and even if anyone closed their eyes and picked one, overall, they will be ok, over the long-term. The properties are fully guaranteed and will be maintained in a good rentable condition for as long as clients wish. If you cannot select one, short list 3 you like, and ask one of our sales consultants for their personal opinion.

### QUESTION 6 – Which properties are good for long-term rental? Are your rents competitive?

**ANSWER** – All of our houses are affordable and rental demand is strong for all price points. Larger properties attractive better long stay tenants and if you have the budget then these are good choices. The rents are guaranteed and proportional to the property price – so you can select any and your rent will be proportional to the price. Please see chart below comparing rents with market and other agents selling similar properties. These rent examples below are for H1 type of properties

COMPARING RENT	FIND UK	OTHER AGENTS	The comparison is for H1 Type House at £69,999
<b>RENT</b>	£4,200	£5,000	Other agents will state higher rent but they charge costs
Management Fee 15% +VAT	Nil	-£900	Average fee for "Full" management. There may also be re-letting and other costs via normal agents.
Annual compliance costs	Nil	-£150	Gas, Electrical, Smoke alarms and other inspection Annually
<b>Net rent unfurnished</b>	<b>£4,200</b>	<b>£3,950</b>	Overall the net rent per year -is better from Find UK and the rent is guaranteed. Flexi-furnished deliver even higher rent.
<b>Rent if Flexi-Furnished</b>	<b>£4,900</b>		
<b>Extra Rent Benefits with Find</b>			
Guarantee	Guaranteed	Not Guaranteed	Rent is not guaranteed by other agents
costs if property vacant - average	None	Rent not paid	Other agents do not pay Rent if the property is vacant. Client also has to pay council tax bills & some utility bills if vacant.
costs if tenant does not pay	None	Rent not paid	Other agents do not pay rent if the tenant does not pay.
tenant eviction costs	None	Extra costs	Other agents charge you for eviction and court costs
			On average, vacant property & bad tenants can reduce rent by 20%. Actual rent paid by agents may only be <b>£3,160</b>
Who is Owner	Client is Owner	Client is Owner	With our system, the client is a passive owner and not involved with property or tenant issues
Who is Landlord	Find UK are	Client is Landlord	With other agents you remain Landlord and are legally responsible for tenant safety & property maintenance issues
Tenant safety issues & liabilities	Our Problem	Client Problem	We act as "Landlord" and take this liability away from you
Legal responsibility for property	Our Problem	Client Problem	We act as "Landlord" and take this liability away from you