

franchising

Long-term wealth

PLATINUM PROPERTY PARTNERS' PORTFOLIO BUILDER AS AN ATTRACTIVE ALTERNATIVE TO THE MORE TRADITIONAL ROUTES TO PENSION PROVISION

Is property the best route to a secure pension? Platinum Property Partners (PPP), one of the UK's most successful property companies, believes so - and the uptake of its Portfolio Builder investment opportunity certainly suggests this could be the solution to long-term wealth that people have been looking for.

With so much uncertainty in the economy at the moment, many people have been thrown into a state of confusion about where their money is safe and what or whom can be trusted to invest it to provide for their retirement, now that the state and its public resources are unlikely to be able to.

SECURITY

Everyone is looking for security and, despite the recent downturn, long-term property investment has proved to be one of the most secure wealth retention and creation vehicles available. You only have to look at The Times Rich List, where the largest single category for a number of years has been Property and Construction. Even where it's not their primary business, very wealthy individuals - such as Sir Alan Sugar - usually have a significant portion of their wealth invested in property.

"The great thing about property is it's an asset you can kick," says Nick Carlile, co-founder of PPP. "It's tangible and, unlike shares, which can be wiped out overnight, property always retains some value."

PPP was founded in 2007 by Nick and his business partner, Steve Bolton, both of whom have built multi-million pound buy-to-let portfolios in the UK and invested in residential and commercial property in the UK and overseas for many years.

Through 2009 there was a significant increase in the number of people looking to become passive investment partners, most of whom are business people who recognise PPP's Portfolio Builder as a very attractive alternative to the more traditional routes to pension provision. PPP builds and manages small portfolios on behalf of investors, acquired at between 20-40 per cent below their true market value*. The investment comprises an upfront fee plus an amount of working capital, which is returned on completion of the portfolio.

Says Gerry Scannell, a PPP Investment Partner: "Having invested in property as a 'sideline' for more than a decade, I realised how little I really knew about how to make money from the property business after learning from and working with PPP. Portfolio Builder is a great strategy that leverages the resources of time and money. It enables me to build for my family's future while still spending every valuable day with my six-year-old son."

PORTFOLIOS

Once built, the investor's portfolio will have a minimum of £80,000 equity, split 75 per cent/25 per cent between the investor and PPP, so that both



parties have 'skin in the game'. PPP is incentivised to buy the right properties and ensure they are rented with the minimum of voids.

The portfolios are currently built in Barnsley, South Yorkshire, where Nick worked for many years as a quantity surveyor and where he has bought, sold and rented out properties all his life. It is a market he knows probably better than anyone else, and one where he has built solid relationships with industry professionals, which enables PPP to take advantage of the very best opportunities and structure great deals.

Robin Lawrence, a psychiatrist practising in London's Harley Street, has already had one portfolio built for him by PPP and is starting a second. The first comprises four properties with a combined value of over £317,000 and equity of £81,000 - the portfolio was acquired at a discount of 25 per cent. The monthly gross profit is around £600, but the real strength in the portfolio comes through leverage. Robin's only capital still invested is his fee, as all his working funds have been returned to him.

The 'exit strategy' is where property investing becomes really appealing as a pension pot, because you have invested into an almost certainly appreciating asset. It's recognised as so secure that you can leverage the bank's money and therefore benefit from periodical Lump-sum returns through remortgaging without having to dispose of the property.

Predicting the growth of any property portfolio is difficult but, taking Robin as an example and assuming annual growth of between three-seven



Nick Carlile: "Property always retains some value"

per cent over the next five years, there should be between £50,470-£127,609 additional equity in the portfolio. If you look at 10 years it could almost double in value, and when you look at a 20-year forecast the value is likely to be around the million pound mark. For an investment of less than £30,000 it's hard to dispute the quality and viability of this kind of investment proposition. **MM**

FOR MORE INFORMATION

- *Verified by a RICS surveyor.
- For more details visit www.platinumportfoliobuilder.co.uk.

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