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[Name of company]

Business Plan

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1 Executive summary

1.1 Who we are

The overall goal of the business is to...

1.2 What we do

[NAME OF COMPANY] will...

(Explain what the business will do)

1.3 Financial Summary

(An overview of the business strategy and financial forecast for year 1 to year 5)

Launching a property investment business requires...

By purchasing properties at prices below the 'normal' market value, [Company Name] can...

By using this strategy the business will...

The five-year plan will deliver a yearly gross profit value of:

- FY1:
- FY2:
- FY3:
- FY4:
- FY5:

Delivering gross margins of:

- FY1:
- FY2:
- FY3:
- FY4:
- FY5:

The above figures are a summary of the [NAME OF COMPANY] forecast which is fully detailed in section 0.

2 The Business

2.1 Business overview

[NAME OF COMPANY] is a ...

2.2 Management Team

2.2.1 [Name]

Key skills brought to the business:

2.2.2 [Name]

2.3 What makes the business different

2.3.1 First year of business

For the first year of operations...

2.3.2 After five years of operations

The business will have...

3 Products and Services

[NAME OF COMPANY] business will centre around the concept of ...

(Example: To source Below Market Value (BMV) property deals [NAME OF COMPANY] will employ a number of marketing strategies (detailed in section 5.1). Once opportunities have been identified they can be used to generate revenue and accumulate assets in a number of different ways.)

3.1 Renting residential properties to tenants (Example – add/delete/amend as required)

(Example: using a combination of director and private investor funds the company will purchase property BMV by using investment funds to pay for the deposit, associated fees and any improvements required. A 'buy to let' (BTL) mortgage will be used to provide the financing for the remainder (75%) of the purchase price. Once the property is owned it will be let to tenants thus generating a monthly income that will be in excess of any cost of ownership (mortgage repayments, maintenance, management fees, insurance, etc.) and therefore providing a profit. Following 6 months of ownership of the property it may be refinanced to its actual market value, therefore releasing a significant proportion of the original investment funds while still maintaining ownership of 25% of the equity. The released funds can then be used to invest in further BMV properties.)

3.2 Selling properties purchased BMV (Example – add/delete/amend as required)

(Example: Some properties purchased BMV will represent a good opportunity for buying and then selling after a short period of time for their actual market value. This is known as buying to sell or 'flipping' the property and allows for the investors funds to be released along with a profit. There will be no long-term benefit i.e. monthly revenue or asset accumulation from these deals; however, cash generated can be used to invest in properties that will be retained for rental purposes.)

4 The Market

(Example: [NAME OF COMPANY] primary business is built around the demand for and subsequent income from rental properties in the UK, with a secondary aspect of the business being the generation of a significant asset base created by acquiring equity in each property purchased. Further benefit may come from growth of this asset base as a result of increases in value of properties owned by the business.)

4.1 Property Market Overview

4.1.1 Rental Market

4.1.2 House Prices

4.2 [NAME OF COMPANY] Customers

[NAME OF COMPANY] success will depend on its ability to meet the needs of...

4.3 Investors

In order to finance property deals Solution Property will need to source investment capital...

4.4 Tenants

(Monthly cash flow will come from rental income paid by tenants...)

4.4.1 Property Buyers

(Example: for the properties that [NAME OF COMPANY] intends to buy-to-sell, the customers will in the majority of cases be people looking to buy a home. These customers will be looking for good value for money, homes that do not require any extensive repairs or renovations.)

4.5 Profiling competitors

(Example: As part of the director's research in developing the [NAME OF COMPANY] business plan a number of the current competitors in the market have been identified. In order to understand where these competitors sit in the market and how [COMPANY NAME] can differentiate itself, a competitor analysis has been conducted.)

4.5.1 Competitor Analysis

(Example: The following table notes the various strengths identified against each a selection of Solution Property's competitors.)

Competitor Name	Competitor Strengths

Figure x: Competitor Analysis Table

5 Strategy and Implementation

5.1 Sourcing Strategies

5.1.1 Company Website

The [COMPANY NAME] website will act as a doorway to our business...

5.1.2 Newspaper Advert

(Example: Adverts will be placed in the property section of local newspapers on a weekly basis...)

5.1.3 Estate Agents

(Example: This strategy involves [COMPANY NAME] being on an investor short list with an estate agent(s). When the agency has a 'good deal', they will phone investors on their short list to offer this deal to them.) To be on a shortlist of investors involves gaining trust from the agent...)

5.2 Sourcing Investment

(Example: In order to attract investors [COMPANY NAME] will employ a number of marketing activities.)

5.2.1 Website

(Example: [COMPANY NAME] website will also allow investors to make contact...)

5.2.2 Networking

(Example: Networking is a great way to get to know people who potentially would like to invest in property...)

5.2.3 Joint Ventures

(Example: [COMPANY NAME] will undertake joint ventures...)

5.3 Finding Property Tenants and Buyers

(Example: As outlined, [COMPANY NAME] will focus on...)

5.4 Risk Assessment

(Example: In order to ensure the potential pitfalls of this business plan are understood a risk assessment has been conducted to capture the key risks along with the mitigating actions. Below is a table detailing the main items. (For information only – Example)

ID	Description	Impact	Mitigation	Likelihood	Severity	Score
1	Tenants not paying rent.	We may have to take legal action or claim on insurance. Financially this will impact our cash flow in the near future. The tenants may not respect the house as expected during proceedings.	Having a detailed tenancy agreement/contract and insurance in place to cover costs .In addition [COMPANY NAME] will target and screen tenants, only accepting those less likely to miss payments due to financial difficulties.	2	3	5

Table x: Risk Analysis

5.5 Operational Specifics

In order to operate the [COMPANY NAME] business on a day-to-day basis there are a number of practical and legal considerations, these are covered in this section.

5.5.1 Business Functions

The directors have identified the following business functions and denoted the person who will ultimately take ownership to ensure the functions performs effectively.

Each function will cover a number of aspects which are detailed in Section 7.2.

5.5.2 Staffing

(Example: For the first full year of operation the directors...)

5.5.3 Premises

5.5.4 Suppliers

(Example: In order for the company to operate, a team of the following suppliers will be required to complete the various aspects of each property deal:

- *Solicitor*
- *Accountant*
- *Financial Advisor (mortgages)*
- *Estate Agent (s)*
- *Tradesmen (for renovations i.e. painters, plumbers)*
- *Software Engineers (for website)*

This is an essential team that will always be required by [COMPANY NAME] to complete deals and provide on-going support for company activities.)

5.5.5 Equipment

Set up costs are...

5.5.6 Legal requirements

(Example: The business that [COMPANY NAME] will operate within calls for some specific legal and insurance requirements: ...)

5.6 Milestones

The following milestones represent the key targets that have been set by the company directors for [Company Name]:

- *Year 1:*
- *Year 2:*
- *Year 3:*
- *Year 4:*
- *Year 5:*

6 Financial Plan

(Example: The financial details for the [COMPANY NAME] business over the first five years of operations are documented in the following sections...)

6.1 Property Deal Forecast

FY1
FY2
FY3
FY4
FY5

6.2 Income Generated

FY1
FY2
FY3
FY4
FY5

6.3 Private Investment Required

FY1
FY2
FY3
FY4
FY5

6.4 Running Costs

FY1
FY2
FY3
FY4
FY5

6.5 Profit and Loss

FY1
FY2
FY3
FY4
FY5

6.6 Assets and Liabilities

FY1
FY2
FY3
FY4
FY5

7 Appendix

7.1 Company Details

Company name:

Address:

Telephone number (s):

Legal status:

Registration Number:

7.2 Operational Functions

The following section details the various aspects required to run [COMPANY NAME] on a daily basis

7.2.1 Mortgages - Name

(Example:

Finding best value mortgage offers (financial advisor)

Arranging mortgages for initial purchase at BMV

Re-mortgaging properties after offer periods and to release equity

Arranging property survey

Engaging solicitors)

7.2.2 Property deals - Name

(Example: Advertising campaigns in newspapers, flyers and shops

Website for sellers to request services

Communication with potential sellers: calls, talking with them

Assessment of deals for commercial viability

Assessment of property condition

Assessment of tenant situation

Packaging of deals for sale to other investors (junk leads)

Sourcing BMV deals from other investors

Maintain list of potential sellers)

7.2.3 Renovations - Name

(Example: Defining requirements

Getting quotes

Managing/coordinating suppliers and agreeing contracts

Assessment of work against contract and sign off

Sourcing materials)

7.2.4 Investment funds - Name

(Example: Source private investors

Maintain investor list and communication

Present investment opportunities to gain funds

Communication to investors throughout deals and renovation execution)

7.2.5 Management of properties and tenants - Name

(Example: Maintain database of all properties

- Mortgage details
- Valuation
- Tenants
- Management agent details
- Monthly income
- Monthly costs
- Property details
- Schedule for redecoration

Selection and management of estate agents

Management of issues i.e. decorations, maintenance

Management of insurance, safety certification, etc.

7.2.6 Accounts and admin - Name

(Example: Managing income from all properties

Managing expenses from all properties

Paying contractors for renovations

Paying directors

Re-paying investors (including interest)

Liaise with Accountant

Manage tax return

Filing system and house keeping)

7.3 Property Deal Generic Models – (Examples below: please delete/add/use as required)

7.3.1 Buy to Let Investment Property

7.3.2 Buy-to-sell Property

7.3.3 Serviced Accommodation

7.3.4 Commercial to Residential

7.3.5 Rent to Rent