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HUSBAND-AND-WIFE PROPERTY INVESTORS

## *United in property*

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# Building a partnership

Husband-and-wife team **Jeremy and Marion Ashworth** ditched their careers to concentrate on developing their property business. They tell us their secrets to making a business work as a married couple

WORDS: MICHELLE PERRY / PICTURES: TONY C FRENCH

**L**ike many landlords, Jeremy and Marion Ashworth became property investors more by chance than design. Building up their business, which now earns them an annual six-figure rental income, has been more an evolution than a targeted goal. But once immersed in property, the husband-and-wife team quickly realised that their property portfolio could become a full-time business for them if they were prepared to leave behind their established careers and work together full-time.

But that final step into the property world was a long time coming from when they bought their first property in 2001. In fact, it has only been in the past 18 months that they have dedicated themselves to their property business, Vivace Properties, on a full-time basis, despite having bought their first property as an investment almost two decades ago.

Both had enjoyed successful careers of their own and making the switch took careful and gradual planning. After five years at Unilever in brand management and marketing, Jeremy decided that working inside a large corporate was not for him, and carved himself out a career as a leadership and team coach, typically working with boards and CEOs of blue-chip organisations. In both these areas, he learned vital skills and knowledge that

would serve him well in the property business, from people psychology, interpersonal skills and relationship building to communication, leadership and running a profitable business.

Likewise, his wife, Marion, was also self-employed, running her own business. Marion worked as an agent for clothing manufacturers for the mass market, dealing with retailers such as Debenhams and M&S. The qualities she contributes to their business include a focus on the bottom line, planning, an eye for design, attention to detail and negotiation.

It's undoubtedly these dual skill sets that have equipped the husband-and-wife team well enough to manage their own property business, but also to kick-start it in the first place.

"One of the reasons why it works for us working together is that we have complementary skills," says Jeremy.

"We both had our own businesses," Marion adds. "We were never long in big organisations. We were self-motivated. We had those qualities already."

## DREAM TEAM

It's clear that they thought long and hard about how they would work together and what skills they had before throwing in the towel on their own careers to create a new property business. "One of the characteristics about working

It's undoubtedly these dual skill sets that have equipped the husband-and-wife team well enough to manage their own property business



for yourself is that you risk operating in a bubble, where you are not entirely sure of where you are in fact doing well and where you could do better,” says Marion.

But neither has sat on their laurels. Both have looked at the gaps in their skill set and gone out and filled them. Marion has undertaken a number of interior design courses, including a recent course on how to use light more effectively in buildings, while Jeremy has researched aspects of property finance and development intensively, through a combination of contacts, finding their own experienced property coach and plain common sense.

One area where they have both worked hard is in building up a support team to help them achieve their goals. After years of working with different people, they now have in place what they call their “power team” – a network of specialist partners that includes a planning consultant, architect, mortgage broker, financial adviser, letting agent, structural engineer and two builders.

The Ashworths' first investment property was three commercial floors in a Westbourne Grove building



Marion and Jeremy Ashworth left full-time careers to develop their property business



*“If you’re both gung-ho about risk, then you can get into trouble. There have been times where I have said ‘no’ to deals”*

“It’s taken us a long time to sift through people to find partners who are superb at what they do and who we can trust. It’s also a symbiotic relationship in that if you do well, they do well, too. Our broker is, for example, extremely proactive in helping us look at our 10-year plan. That is unusual, but for us essential,” says Jeremy.

“We endeavour to bring the utmost professionalism to our job, in a sector where you will often find a distinct lack of professionalism,” he continues. “I learned a lot at Unilever, even though I realised big businesses weren’t right for me. One outcome of this is that we have very tight processes in place.”

**PLAYING TO THEIR STRENGTHS**

Despite living together, raising a family and working together, they are very complimentary about each other’s

strengths and respectful of their weaknesses, which is undoubtedly one of the vital ingredients to a successful husband-and-wife business partnership.

There are clear divisions of tasks, however. Jeremy deals with the finances and the coordination of the team, while Marion focuses on property design and interiors, and all the negotiation that accompanies it. But they both get involved in sourcing and assessing new properties to purchase and agreeing their risk appetite, which is one area where they recognise their differences and work closely to minimise the gap.

“I love dealing with all the financial aspects, from raising finance and seeing the power of leverage work to the due diligence required to assess the profitability of a project,” says Jeremy. “I had little interest in money in the past and that is probably why I find myself very comfortable with risk now. Take the emotion out of it, and it is just a purely logical exercise mixed with common sense. I manage risk more carefully these days, but I am not risk-averse. My experience is that usually one of the partners is more nervous about money. Marion has come a long way in terms of accepting risk, coming from a place where any debt was bad.”

But, as Marion points out, that differing attitude can only be an asset to a personal property portfolio. “I think it’s a good balance, because if you’re both gung-ho about risk, then you can get into trouble. There have been times where I have said ‘no’ to deals. Because of my fear [of debt], Jeremy has had to work harder at ensuring we make the right deal,” she says.

**Investing abroad**

Like many British property investors in the mid-noughties, Jeremy and Marion were attracted to investing abroad. And like many others, the couple had their fingers burnt. Marion’s advice to others considering investing abroad is succinct: “Don’t do it. Disaster.”

Their first foray involved the couple buying an apartment off-plan in Romania, which turned out to be “a complete disaster”, because it was fraudulent, losing them £10,000.

In 2007, they also sought to buy in Prague, which was a genuine deal, but then the global economic crash hit

and property prices slumped in Eastern Europe.

“Everyone was getting excited about buying abroad and then the crash came. The thing about buying abroad is there are so many unknowns – the laws and taxes are different,” says Jeremy. “We are still trying to understand the UK market. You still come across things here that you didn’t know

about or are changing. There’s so much uncertainty.

Even buying in unfamiliar locations in one’s own country can prove challenging. Last year, Jeremy travelled to the North West of England to scout out the potential there, but decided the distance was too much to properly manage the investment.

“Time is as important as money,” he says.

Right: A cobblestone street in Prague’s Old Town

**ADVICE**

**Top tips for great landlords**

**Look after good tenants**

● Think carefully about tenants. When you secure good tenants, look after them. Jeremy and Marion organise curry evenings at one of their HMOs in which they foot the bill for the curry and go along to chat with them informally.

**Be competitive**

● Offer similar or better properties than your competitors.

**Prioritise any issues**

● Go in with trust and communicate well. When something goes wrong, don’t let it spiral out of control. Keep tenants abreast of the issues. If it’s an emergency, make that your number one priority. Drop everything and get the problem fixed.

**Manage your letting agent**

● If you’re using a letting agent, spend time managing that agent. Don’t just expect them to do the job, as you are only one of many landlords they deal with.



# Ad to come

THE TENANT

## “The house is so spacious and Jeremy and Marion choose the tenants well”

**L**auren Prema, aged 27, moved into one of Jeremy and Marion’s HMOs just outside London in 2015. She had been living in Farnborough where she worked, but there was very little social life after work.



After looking at a number of properties, she chose Jeremy and Marion’s because of the size of the house, the ample parking space and the proximity to the M4. “It’s really well-connected,” Prema says.

### MAKING NEW FRIENDS

“I used to live in a two-bedroom apartment with a friend in an unexciting neighbourhood and I wanted somewhere where I could meet new people and make new friends. This houseshare ticked all the boxes,” she says.

The 10-bed property, Prema says, is very friendly and furnished to a very high standard, with smart TVs in all the bedrooms, and is “very homely”.

The added bonus, she says, is the large separate living room, spacious dining room area and garden, so the tenants can regularly get together for dinner and socialising. Jeremy and Marion bought the tenants garden furniture and provide a regular gardener, too, and a cleaner.

“It’s a really nice place to be, especially when the weather’s great. I sometimes work from home, so it’s great to be able to take break in the garden,” she says.

“You might think that living with 10 people is a lot, but it’s not because the house is so spacious and Jeremy and Marion choose the tenants well. They are very selective and they know us well and understand what we’re like, so they match our personalities well,” Prema says.

Prema remains firm friends with many of the former tenants that have moved on, but for now she is happily staying put.

In order to persuade Marion, Jeremy admits he has, at times, had to rein in his impulsiveness and focus on the attention to detail to clarify the ‘sheer logic’ of a certain deal. “There’s a big responsibility and the stakes are higher now with a family. We have had to become more professional,” he says.

### FUTURE-PROOFING

The couple have come a long way since they bought their first property as an investment in 2001, when they bought three commercial floors in a building on Westbourne Grove. It was only in hindsight that they realised what an amazing deal they had achieved. But it took six years before they converted the commercial building into residential flats to secure a much higher capital value and rental income.

“It was one of the best work decisions we’ve ever made. We were courageous and bought at the right time. That’s been massive, because it’s created everything we went on to do,” says Jeremy.

Yet, despite their success in this venture and two other residential conversions in West London that followed, these investments were only ever meant to be a back-up plan for their lack of pensions. In 2012, the position changed for them. “The opportunity to have another career and learn new skills appealed to me. I had more time to organise things around the kids as they grew up,” he says.

So, that same year, they were in a solid position financially, but felt they still weren’t making enough income for their life plan. By then they had also come across higher-yielding houses of multiple occupation (HMOs) and that’s what they have been concentrating on since. Today, in total, the couple’s portfolio extends to 22 residential properties, comprising a mix of 12 London flats of one or two bedrooms, and 10 HMO properties outside London, totalling 71 rooms.

### Get in touch

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Jeremy and Marion changed tactics due to regulatory changes and uncertainty around Brexit

Their strategy, until now, has been to buy properties, convert them into flats or HMOs and hold on to them. They have recently decided to change tack and have just exchanged on a house in Ealing, which they will convert into flats and then sell – for the first time since they entered the property game. For future projects, they will be partnering with high-net-worth individuals to invest and share in the profits.

The reason for their change in strategy? “Because of the Prudential Regulation Authority regulatory changes, we haven’t been able to refinance our portfolio as effectively,” says Jeremy. “With Brexit worries, there have been a lot of down valuations. We were going to be in a position where we might erode our float of cash by leaving a relatively greater amount of money in each development. We didn’t want to be in a position where we didn’t have anything with which to invest in the property market.”

Despite the myriad challenges facing private landlords, there are still opportunities to be had, and Jeremy and Marion are not deterred. They are moving with the changing times to ensure their business evolves. **UKL**