

Module 4 – Choosing your area

Area Selection:

Using desktop research, chose 10 areas/towns and qualify them simply by running your basic numbers. Pick a similar type of house and compare for each area.

Area	Travel Time	Ave Cashflow	Ranking

Now rank the areas. Use the following questions to help with your decision making:

- Do they work for your strategy?
- Do you have a 2nd exit strategy?
- What are the demographics of the area?
- Is there any regeneration planned?
- What else makes them viable (or not) for your strategy?

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Understanding demand

The best way to understand demand is to speak with a letting agent/estate agent/managing agent in the area depending on your strategy. Here are a few helpful questions to ask:

BTL	<p>If I were to bring you a BTL property that would that would be tenanted in no time, where would it be and how many rooms?</p> <p>Are there areas/streets to avoid in this area?</p> <p>Are there hot-spots/more desirable areas at the moment?</p> <p>What are the demand levels for 2/3/4 bed houses in the area?</p> <p>What are the rental ranges for these properties? Certain areas higher/lower?</p> <p>What are families looking for at the moment? Any new trends?</p> <p>What is the profile of tenants in this area?</p>
Flip	<p>If I were to bring you a property that would that fly off the shelves, where would it be and how many bedrooms?</p> <p>Are there areas/streets to avoid in this area?</p> <p>Are there hot-spots/more desirable areas at the moment?</p> <p>What are the demand levels for 2/3/4 bed houses in the area?</p> <p>What are the price ranges for these properties? Certain areas higher/lower?</p> <p>What are families looking for at the moment? Any new trends?</p> <p>Where are the first-time buyers usually looking?</p> <p>Where are people looking to move up the ladder looking to buy?</p>
SA*	<p>If I were to bring you a property that would have great occupancy rates, where would it be and what type of property?</p> <p>How many rooms/bed are the most popular properties?</p> <p>Whats the average nightly rate in this area?</p> <p>Whats the average occupancy in this area?</p> <p>Are there areas/streets to avoid?</p> <p>Are there hot-spots/more desirable areas at the moment?</p> <p>What is the profile of customers in this area?</p> <p>Are there specifics that they're looking for at the property? i.e parking, facilities, etc.</p>
HMO	<p>If I were to bring you a HMO that would that would be tenanted in no time, where would it be?</p> <p>Is there a preference with tenants for the number of rooms in a house?</p> <p>What are the HMO tenant profiles in this area? And are there certain areas that each profile stays in?</p> <p>Are there areas/streets to avoid in this area?</p> <p>Are there hot-spots/more desirable areas at the moment?</p> <p>What are the rental ranges for these properties? Certain areas higher/lower?</p> <p>What are tenants looking for at the moment? i.e parking, bike storage, desk-space, communal space etc.</p>

*For serviced accommodation demand analysis, you may wish to look at tools such as PriceLabs and AirDNA to answer these questions as there may not be easy access to managing agents in your area.

Narrowing down your area

We want you to narrow this down to 3 areas that you'll now go and visit.

Remember, planning the visit will make it more productive. What is your general plan for action for each visit?

- Do you want to pre-select some properties to view? Or do you simply want to get to know the area?
- Do you have details of where the lettings/estate agents are in the area?
- Will you visit any of them or not?
- Consider how you feel about the area. This may have a bearing on your final selection.
- Remember to get out of your car and walk the streets to get a good feel of the place.

Area Selection Sheet - 1

<p>Area:</p>	
<p>Notes:</p>	

Area Selection Sheet - 2

Area:	
Notes:	

Area Selection Sheet - 3

Area:	
Notes:	