



HMO MANAGEMENT

TIPS

**4 COMMON
MISTAKES MADE
BY NEW R2R
BUSINESSES**

EXCLUSIVE

1. Poor Compliance

- No LTD set to run the Rent to Rent Business
- Company not set under the right SIC Code
- Company set under private address
- Lack of PRS / Property Ombudsman
- Subscribing to PRS and Property Ombudsman simultaneously
- Lack of Business Bank Account
- Poor understanding of Professional Indemnity Insurance
- Confused reasons for having Professional Indemnity and Public Liability Insurance
- Purchase of irrelevant insurance (suggested to go through a good commercial insurance broker)

EXCLUSIVE

2. Poor Due Diligence of the selected patch

- Choosing too many areas of focus
- Poor understanding of rental demand in the area for Buy to Lets, HMOs or SAs
- Lack of engagement with local letting agents, HMO Managers and SA Managers
- No understanding of potential rates for specific type of accommodation
- Limited awareness associated with available online research portals
- Misused "Dummy Ads"
- Too much assumption and not enough research
- Poor understanding of potential client
- Misleading profit calculations
- Excessive positivism / ignoring potential challenges
- Paralysis through analysis (too much thinking and lack of action)
- Article 4 used as an excuse not to take action

EXCLUSIVE

3. Finding leads and securing deals

- Lack of motivation and drive to succeed in short space of time
- No roadmap and clear plan for business targets
- Wrong understanding of the initial investments needed to secure deals
- Contacting wrong type of property owners and/or letting agents
- Using obsolete methods of getting new leads
- Poor preparation for conversations with landlords/letting agents
- Lack of confidence on the phone
- Lack of legal contracts
- No structure to viewings
- Poor negotiation skills
- Lack of awareness regarding what can be negotiated (not just rent)

EXCLUSIVE

4. *Managing tenants and properties*

- Poor understanding of potential clients and where to look for them
- Bad organization of viewings
- Poor management of referencing and vetting potential tenants
- Illegal deposits
- Poor AST Contract not protecting a Company from variables (e.g. growing energy prices)
- No understanding of compliance (legal obligations in BTLs, SAs, HMOs)
- No understanding of where to look for important local information
- No / poor communication system with tenants
- Communication causing stress and hassle
- Disorganized Power Team (maintenance, cleaning, handy man etc.)

EXCLUSIVE

You're not ALONE!

Although this might seem a bit overwhelming, with the correct knowledge, training and mentorship you can master those skills very quickly. And the best possible way to comprehend those skills is simply by getting and running your HMO properties on a regular basis.

Whether you're considering to start your Rent to Rent business or you're already running it and you're looking to scale it up, we can definitely review your situation and discuss how we can help to achieve your next milestone. This program will change your life!

Book your FREE call – <https://calendly.com/freedommastery/freedom-mastery-join>

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EXCLUSIVE