



# *Property Investment & Management*

## *Mission Statement*

*To provide a bespoke property investment and management service for the discerning property investor to achieve rapid capital growth and sound rental return.*

**Issued: September 2008**  
**Revision 1: July 2009**

## **An introduction to revision 1**

Further to the inception of the CXG Property Services formula for successful property development in probably the harshest climate that the property market has seen in living memory CXG continues to attract clients and build successful property portfolios. Our business accommodation has been upgraded and our staffing increased to reflect the successful expansion of our business. It is felt that now is the right time to revisit this document and make adjustments where experience has shown us that we can improve the service to our clients. Only a few alterations have been made but it is felt that additional advice can be given to potential clients. The document is kept under regular review.

July 2009

## **Introduction**

### *CXG - Who are we?*

We are a small focussed and dedicated team specialising in building property portfolios for our clients to match their requirements.

### *CXG - What are we?*

We are a business that provides a vehicle for our clients, to remove the vagaries and stress, from acquiring a property portfolio. We offer a bespoke investment strategy with an established and proven track record.

### *CXG - Why we do this*

Our Directors having developed the experience and expertise to build their own property portfolio expanded the concept from 2006 to suit a selected clientele now feel ready to offer the concept UK wide.

### *Our Clients*

Our prime clients are serious property investors seeking to build a property portfolio of investment properties for maximum initial capital re-valuation and long term growth with immediate maximised rental income.

We provide a unique bespoke service customised for each client.

We also provide a property letting, maintenance and management service to existing landlords looking for a trouble free service.

### *CXG - Why use us?*

There are plenty of property management companies out there. However we believe that we offer a unique service at a sensible fee. Our service is based on our own experience and proven track record so that we know it works.

CXG Property Services

CXG also provides a Lettings Agency that is constantly focused on ensuring that it provides the highest yields for clients for each property managed.

We are a company formed by property investors for property investors.

We have case studies of investments made for clients and can supply testimonials from existing clients.

We are, as far as we are aware, the only property company that makes use of the LHA rates, and have developed a method that ring fences tenant rents. We can obtain rents in excess of £1,000 per month on properties purchased between £100K and £125K.

**Are you interested?** ..... then please read on.

## **Finding the right property**

There are always plenty of properties on the market. The skill is finding the right property in the right location at the right price. Easily said but get this bit wrong and the whole project gets off on the wrong foot. Buying a property is not difficult but only proven and measured experience can maximise this first vital step in the investment chain. We will only offer you properties that meet these criteria.

We source properties that meet these criteria by advertising weekly in the local press, leaflet dropping potential investment areas and have established relationships with Local Estate Agents who appraise us of likely investment properties.

## **Negotiating a deal**

Having found a suitable property how do you make the deal you want? There are a number of skills required here and of course the right channels to the selling agent or owner – we have developed those skills and contacts in our catchment area.

Closing the right deal for our clients is one of the strongest features of our service.

## **Getting the finance right**

All investment is built on making the right finance arrangements. We have excellent consultants with specialist buy-to-let broking backgrounds who work closely with us to ensure that the right finance is arranged quickly and efficiently to expedite an investment decision.

## **Maximising your capital investment**

We expect to more than cover our fee to clients in only offering properties at a substantial market discount. We expect to provide a market valuation (if required) within six weeks of purchase to establish the capital return for re-mortgage purposes (if required). However capital returns should be viewed as long term (5 years plus) whereas maximising immediate rental income is also key to a successful property investment. (See our case studies for more detail).

## **Finding the right tenants**

Without good regular rent paying tenants a buy-to-let investment makes little sense - an obvious statement maybe, but not often so easy to achieve? We only source properties where we have an established demand from our tenant base.

We always 'march' tenants in and out of properties for our clients and ensure maximum occupancy levels.

### **Our fee – what does it cover?**

Our fee covers all the services described above. We will locate and offer you properties that meet our criteria and match your stated portfolio objectives.

We will negotiate the purchase and take the process through to completion with your authority.

We will source appropriate tenants and 'march' them into the property with appropriate tenancy agreements in place. We will prepare a Property Report and check security to ensure the property is safe and secure.

We will advise and cost any works necessary and install the furniture package sufficient to make the property adequate for tenants and take your instructions accordingly.

**See attached schedule**

### **Our fee – what is not covered?**

As explained above we charge per property to our clients. This covers all our work in sourcing and purchasing the right property and finding and 'marching' in suitable tenants with appropriate Tenancy Agreements and rent payment arrangements. It is also simple to administer and transparent compared to setting a multiple bank of charges for each stage of the procedure and can be seen to be more than covered in our post purchase valuation.

We hand over the property to our property management team tenanted and habitable.

It may be that in the process of preparing the property we recommend works to be carried out that in our view will immediately enhance the valuation of the property – this is particularly important for clients seeking an early re-mortgage or cash purchasers seeking a first mortgage to draw down equity to fund further purchases.

In this case we will present options to clients with our costs to carry out such works and only proceed on instruction from the client.

Such additional works can include painting and decorating – new floor coverings – new kitchen – new bathroom – garden make-over. Clearly the list can go on and on but we concentrate on features that offer immediate capital return. In some cases where we have taken on re-possession we have carried out a complete refurbishment on instruction from a client and achieved a spectacular capital revaluation.

We only carry out any such works in consultation with a client.

What we emphasise is that we work closely with each client on each property to produce maximum financial returns within the stated objectives of the client.

### **Our furniture package**

Landlords can waste a lot of time and money over the level of furnishing provided but can have the choice of dealing with this themselves should they choose but must agree to work to an agreed time-scale.

Most clients prefer to buy our service at an agreed rate as we co-ordinate this into the whole package in co-operation with the prospective tenants who often have items of their own that they wish to supply and thus be responsible for.

We do not mind which choice is made as long as it is exclusive – either we deal with it or the landlord does as joint provision only leads to confusion and runs the risk of misunderstandings arising and time delays.

### **Is there an alternative to paying our fee?**

Yes we do purchase properties and complete the refit (painting, decorating, new kitchen, bathroom – as much as necessary to make tenanted to ensure the property is ready as soon as a client completes a purchase directly from us. We can supply furniture and in most cases have the property tenanted before the client purchase is complete. We will provide you with a post purchase valuation (if required) to show the discount achieved against market value at the point of purchase by the client.

The benefit of this is that there is no sourcing fee, furniture package or for any charge for works carried out and income should be generated during the first month of purchase.

### **Repairs & Maintenance – maximising your investment**

All properties require repair and maintenance from time to time. Sometimes emergencies arise when boilers fail or electrical faults arise that require immediate attention. Other maintenance can be carried out on a scheduled

basis and we have built up an expert team to cover all situations. It is up to each client to agree the level of maintenance required and we will provide regular reports on property condition with our recommendations to discuss with clients. We normally agree a base line figure with clients to carry out immediate and minor repairs when required that will be advised to clients in advance when possible and always itemised on monthly statements.

## **Reporting to clients**

Clients will receive monthly statements for each property's income and expenditure and details of funds transferred to client's bank account. In addition regular (normally) six monthly property inspection reports will be prepared for clients with recommendations for any actions that need to be considered.

Clients are free to arrange one-to-one meetings with us at any time to discuss the development of their portfolio and we would advise at least a meeting every 12 months unless the client chooses a 'blind' management strategy.

## **Managing tenants**

With the area of the market that we have identified to maximise returns it does mean that tenants need to be carefully monitored and have to build up a relationship with us so that we are always aware of what is going on in each of our managed properties.

We react quickly to situations and generally try to defuse disputes before they escalate. Sometimes this is resolved by a simple meeting. On other occasions it may involve moving tenants to a different property or in extreme situations ensuring that a tenant leaves with minimum disruption – we have the right people to handle all these situations.

On all HMO properties we use a License Agreement rather than a Shorthold Tenancy Agreement which gives us more control and means that the police will accompany us (and exchange information) should we need to remove unruly tenants.

Our monthly service charge covers all of this with the intention of providing clients with a stress free interface to their investment.

## **What happens next – moving forwards?**

Well that is up to you. We hope that if you match our client profile and have asked all the questions you have then you will fill in a client profile form and identify your portfolio objectives with us.

CXG Property Services

Have a look at our case studies of recent client situations to see if this is the investment opportunity you are seeking.

Then the exciting bit can begin and you can complete an instruction form for us to accept you as a client of CXG and we will immediately start sourcing properties for you to match your intended property portfolio.

**R M Pilley**  
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**CXG Property Services**