

PORTFOLIO BUILDING



ACORN ACQUISITIONS

WE TURN
WEALTH GENERATION
INTO
GENERATIONAL WEALTH

YOUR PARTNER IN
PROPERTY INVESTING



ABOUT US

FOUNDER OF ACORN ACQUISITIONS LTD

I'm Dave and I've been renovating, managing and investing property for six years. Initially I renovated my own home with my Architect wife whilst co-managing a small portfolio of apartments belonging to the family.

Kickstarting my career in property

I started out like many young men and followed my father into Engineering. I studied hard and achieved my 1st Class Hons degree and put it to use in the Industry. I spent almost 20 years specialising in Project Management, delivering around £350M of Projects to car plants around the world. Engineering was good to me, but I'd gone as far as I could go as an employee. It was time to build my own business.

I inherited some money in 2021 and was determined to seize opportunity from a sad situation. I dived into property training and began to build my first portfolio, purchasing three HMO's in my first year and haven't looked back since.

My own portfolio is building to provide security and income for my family and has afforded me the time and energy to focus on building a lasting business to help others grow their own portfolio's



Targets

For me, wealth isn't just about money. Its about freedom. It's the freedom to chose how you spend your time and who you spend your time with.

Depending on what wealth looks like for you, we can tailor our strategies to support your requirements. Whether you're looking for ready made cash flow, or if you're looking to stretch your money as far as it will go and build an asset base over time.

PROPERTY IS THE ASSET CLASS OF THE
RICH - MADE AVAILABLE TO EVERYONE

DEALS

WHAT WE LOOK FOR AND WHY

The properties we aim to source are much like the property in Fig 1. These are mid terraced 2 or 3 bed properties that are in need of improvement. In fact, this property is one we own ourselves.

When you're looking to make a remote investment, you want properties that can provide high yielding rental returns, along with capital growth over time.

We always recommend buying a property that is run-down and in need of improvement. Depending on your investment criteria, we would recommend refurbishment to a single let rental, or to a HMO (house of multiple occupation).

Single lets are a little safer and require less management, but offer slightly lower rental returns.

HMO's can be more complicated but offer a significantly higher return.

Once we have discussed and understood your requirements, appetite for risk, size of investment fund, we can make some recommendations for you in terms of investment strategy.



Fig 1: Typical investment property we source

The example above was purchased for £90K and underwent a conversion to 6 bedroom, 6 en suite HMO for approx.£70K. This £160K investment was recently valued at £205K meaning the investor has less than £7K of his own cash tied up in this property. (see further down for explanation of the BRR principle). This property also generates £39K / yr in rental income giving a market leading 19% gross yield.

As a single let, the conversion would have been much cheaper (circa £15K) and the rental income around £9K.



[TAKE ME TO THE WEBSITE](#)

BRRRR

NOPE, WE'RE NOT COLD. THIS STRATEGY MAKES MILLIONAIRES!

BRR stands for **B**uy, **R**efurbish, **R**efinance **R**ent, **R**epeat.

This is the strategy that underpins property investment and is the reason that almost all high value individuals have built their or wealth or store their wealth in property. This principle works like this:

You **B**uy a run down property (way under market value). The worse they are, the better the deals you can find as you will have next to no competition from the owner/occupier market.

Then, you **R**enovate. This needs to be done in accordance with your end goal and costs need to be firmly managed.

Finally, once work is complete, you apply for a mortgage and the bank sends someone to value the property. Based on this new (hopefully much higher) valuation, you **R**efinance and take a 75% mortgage. If done properly, the 75% mortgage draw down will be equal or close to the amount you invested in the first place, thus refunded all or most of your cash, allowing to go again, and again!



Example numbers:

Property Purchase:	£90,000
Refurbishment (to HMO:)	£60,000
Stamp Duty (@ 3%)	£2,700
Legal Fees	£1,500

Total Cost: £154,200

The mortgage valuation assesses that the property is now worth £200,000.

Refinance @ 75% £150,000 -

Cash Left in £4,200

Congratulations, you now own a freshly refurbished HMO that generates £3k per month and it only cost £4,200!

Now, all out money deals are very rare these days, But even leaving £10K - £20k invested represent enormous value and unmatched ROI

TENANTS

OUR IDEAL TENANT PROFILE AND WHY

The properties in Doncaster that attract long term tenants are the properties just above the entry purchase price.

The entry purchase price in Doncaster (DN1 or DN4) is around £60,000 to £70,000. So the sweet spot purchase price is in the range of £80,000 to £90,000.

The rent on these are between £600 & £700 per calendar month (as single family lets) or £380 - £540 per room (HMO).

The tenant profile these properties attract are low income workers or people with stable benefits. These tenants tend to be looking for a council home on a specific estate, where perhaps they grew up in.

They have family and friends on the estate and as result of low stock of council homes, look to the private rented sector.

Because of low income or benefits, these tenants are rarely in a position to purchase their own home



if you renovate the property to a nice standard, ie. spend around £5,000 to £15,000 on refurbishment, the tenants tend to stay for a long time.

HMO refurbishments are generally carried out to the same standard as single lets, but the overall cost is higher due to the additional fire safety systems and need for individual bathrooms where possible.

We find you get good and bad tenants in both working and benefits. As long as you reference them correctly and get a guarantor, benefit tenants are fine.

DONCASTER

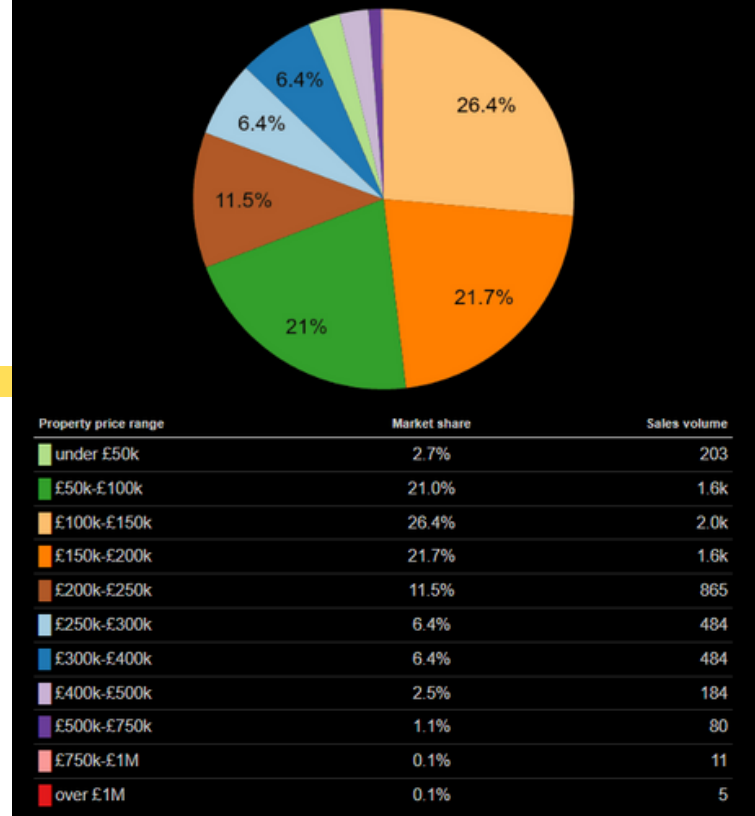
WHY HERE?
WHY NOW?

Doncaster is a large market town, recently granted city status in South Yorkshire, England. The city has a population of 110,000, and a population of around 308,000 in the wider area.

Thanks to its strategic location along major transport routes, Doncaster makes an attractive home for warehousing, distribution centres and transport infrastructure. Big names such as Amazon, IKEA and Lidl have distribution centres in Doncaster, offering employment to the people of the city.

Whilst the city economy is growing rapidly, the price of houses is still below the national average making it ideal for people looking to invest.

The combination of a growing economy and property prices that have yet to catch up provides a compelling opportunity to buy in before the prices jump.



Doncaster property prices

The average property price in Doncaster is £175k, just 50% of the UK average house price.

Terraced houses (our target) average at just £128K (Jan 2024) with many properties available in states of disrepair at significant discount.

For HMO properties, it is reasonable to value properties at approx £40K per room (meaning a 5 bed, 5 en-suite room could command a £200K sales price. This generates a 15.6% gross yield.

GET IN TOUCH
TODAY TO START
YOUR PROPERTY
JOURNEY


This is to certify that
ACORN ACQUISITIONS LTD

Membership No: PRS044593

is a member of the



Membership Start Date: 05/03/2024 Membership Expiry Date: 04/03/2025


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Sean Hooker - Head of Redress

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