

POACHER TURNED GAMEKEEPER

How to go from successful estate agent to professional property sourcer, mentor and trainer

Many of us begin our journeys into property with a blank slate. We start right at the beginning and we feel our way using every resource we can to teach us how to do what we want to do. Others come into the industry in a different way, starting out as estate agents and then branching out into their own specialist areas. Mark Dunsmore did exactly that. After a very successful 10 years working as an estate agent for one of the Top 3, Mark now runs his own property company - Goliath Property Solutions - specialising in finding off-market deals for investors using ethical methods and creative investment strategies. Mark also runs Goliath Sourcing Academy, which focuses on teaching people like you how to source properties using his methods, to help you to build your own portfolio or to package deals and sell them to other investors.



"My light-bulb moment was realising the part I always enjoyed the most was finding properties for clients."

Now, that was a tough job!

So, then you became an estate agent, tell us a little about that, please.

In 2005 I became an estate agent, during which time I helped thousands of landlords to buy, sell and manage their properties to maximise rental income. My property career went through all the different disciplines, training, negotiating, maintenance, team leading and property management, then after a number of years I became an Area Manager. I was looking after 11 offices in the North of England, and it was all going well, then suddenly I realised that I'd become detached from property and was more involved in politics which I didn't find enjoyable. I was a middle man who wasn't doing his passion any more.

So, in the summer of 2014 I left my Area Manager role to set up my own property-related business. Like a lot of people at the beginning, I wasn't entirely sure which direction this would take me in. The obvious thing would have been to set up an agency, but I definitely didn't want to do that. I'd had enough of agency life at that point, and wanted to do something different, so we set up Goliath Property Solutions as an outsourced property management and maintenance company. We did maintenance jobs. We specialised in work with letting agents and I was able to utilise my knowledge in lettings whilst also putting a different angle on it.

After about 3 months it was clear that it wasn't for me. Too much work for not enough return. After dabbling in a couple of other property-related ventures, I had a light-bulb moment - the part I always enjoyed the most was finding properties for clients. It was a while before I realised this was called 'sourcing'. This realisation and the fact that an actual industry existed that was based entirely on my favourite part of my job was happy news to me. So in January 2015, Goliath Property Solutions - the sourcing company - was set up and since then it has just gone crazy.

I basically tweaked my agency skills. Is it poacher turned gamekeeper, or is it gamekeeper turned poacher? I don't know. I've used all the skills that I learned in agency, such as how we get new stock into the agency, or new instructions etc, and I just twisted that around to looking for stock for private investors. I've self-educated, I've used everything available online, and I've read YPN magazine, of course!

As an ex-estate agent, what do you believe differentiates a successful property agent from those who don't make it?

Service. It's all about service. One of the big things for an estate agent or a listing agent, in terms of being able to promote themselves as being one of the best, tends to be two things:

1. The price that's achieved
2. The speed in which that price is achieved.

If an agency can nail those two services, then it will succeed massively.

We met up with Mark to discuss his background as an estate agent, what spurred the start of his own property sourcing business, and what drives him.

Let's start at the beginning then Mark, and your life pre-property...

I grew up overseas, spending most of my childhood in Portugal. Dad worked in insurance, and his job took us all over the place so we moved around a lot, which meant from a really early age I experienced a lot of different properties, and I developed a genuine interest in property when I was only about 7 or 8. I loved viewing houses with my dad. I loved going into other people's houses. I remember it so clearly - some of the ones we saw were such wrecks.

I went to boarding school in the UK, and once I finished school I did what everyone does when their parents live overseas, I went back to Portugal and worked in a bar for a year.

I am naturally quite chatty so working in the bar was great for me. I became very outgoing, and was used to dealing with people from all cultures and backgrounds. I really enjoyed it, but I quickly realised my career progression was limited and bar work wasn't going to be the lucrative career that would help me towards my dream of being wealthy!

Sounds like a dream many of our readers can identify with. Have you always wanted to be wealthy, Mark?

"As a salesman, I got used to hearing 'No' a lot, as you can imagine, which really hardened me to negatives and rejection."

I've always had this vision of being super rich, being very comfortable, with my family having what they want, nice houses, nice cars. Growing up overseas I was surrounded by that kind of lifestyle. The expat community tends to be very affluent, so I had always grown up wanting to be successful and wealthy too.

Whilst working in the bar I was still living with Mum and Dad, but one day Dad decided to start charging me 'rent'. That came as a real shock! Suddenly my bar wages didn't seem that much anymore, and it also didn't seem as attractive living at home anymore...

So in the early 2000s I moved to Glasgow, where my outgoing and talkative nature landed me a job in sales - telesales to be precise. I worked for one of the first contact centres for Talk Talk - one of the pioneers of selling on the phone. I literally spent every day hammering the telephone. Making 200 to 300 calls a day, it was relentless. I got used to hearing 'No' a lot, as you can imagine, which really hardened me to negatives and rejection. I also did some dreaded door-to-door sales. Working for a charity, I was collecting on behalf of 5 charities and my role was all about getting people's bank details on the doorstep.

Case Study 1



Property: 5-bed mid-terrace existing HMO with 4 bedrooms currently let out.

Sourced via: email campaign to HMO landlord list

Deal Structure Agreed: Lease Option

PP: £140,000

Works to be done: Addition of a second bathroom, refurb current bathroom, cosmetic refurb throughout & over time put laundry room in, new kitchen, look at the outside area

Refurb £: £5,000

Tenant profile: Professionals, blue collar, probably working in the city, need to be close to bus & train links or city centre.

Monthly payment to landlord: £850 (covers mortgage payments, bills and a bit of top-up for his pocket)

Term: 7 years to exercise the lease option, option cannot be exercised before year 3

Monthly profit for Goliath: £750-800 per month
Keeping this for our own (Goliath Property Solutions) portfolio



Property: 5-bed mid-terrace in poor state of repair. Previously let to LHA tenants.

Sourced via: referral

Landlord situation: Tired landlord looking for solution which didn't involve selling BMV.

Deal Structure Agreed: Lease Option

PP: £100,000

Refurb £: £10,000

Tenant profile: Professionals, blue collar, single professionals, probably working in the city, need to be close to bus & train links or city centre.

Net cash flow after refurb: £1,000 per month

Monthly payment to landlord: £500 (covers mortgage payments, bills and a bit of top-up for his pocket)

Term: 7 years to exercise the lease option, option cannot be exercised before year 3

Monthly profit for investor: £500 per month

Deal sourcing fee: £5,000

The big problem is that not many agencies do the basics well. It's always been the same. I've worked for a number of agents in both lettings and in sales, and the ones that work the best were always the ones that have the customer's best interests at heart. That means achieving the best possible price, for both sales and rentals, in the shortest space of time.

Unfortunately at the moment, there are so many agents, and there's so much emphasis on what the agent benefits from rather than the end user. The client isn't the priority, which is one of the biggest mistakes you can make in the property industry. Putting yourself ahead of your client is the wrong way to do it. And unfortunately that's what a lot do. The ones that focus on the client's needs – price and speed - are the ones that do very well.

It is clear that your training and experience have helped to give you a secure footing to do your own thing in property. At what point did you decide to make the switch from being an agent selling and letting houses to becoming an investor?

I always recognised that landlords and investors were flipping properties to make a profit - this has been going on forever and it works. I suppose I always thought it would be amazing to do it too, but did the usual 'Ooh, maybe not just yet. Maybe it's a bit risky, or ooh, I can't get a mortgage, I'm only young' and all that sort of stuff. Through my job I had managed to carve out quite a comfortable life for myself and my family, helping other investors and other landlords building portfolios, and I suppose I wasn't ready for that leap just yet.

So, after taking the leap to start out on your own what hurdles did you come across in the beginning?

Like I imagine most people do, I went through a very weird phase of doubting my own experience, because you look at other people who are doing it well, and are successful, and have maybe been doing it a few years, and you ask yourself, 'Do I have the skills to do this?' Then one day you just start to realise that you can do it, you are competent and when that first deal comes through you realise that you know a lot more about what you are doing than a lot of other people, some of whom are doing it very successfully. That was how I felt during the course of last year (2015). The minute that realisation kicked in, we just exploded, the sourcing business went crazy, and we expanded into other avenues too.



We all know that sourcing is a tough job in its own right. How do you approach the chicken and egg situation – do you line up your investors first, or do you find the deals and then find the investors for those deals? Which came first for you?

You're absolutely right. Sourcing is tough.

I think there's a lot of publicity about sourcing and about it being a really good source of income and you can earn a very good living from it, which is absolutely true. But a lot of the publicity doesn't explain how hard it can be, and at first it can be difficult to decide which comes first – the property or the investor. The way that Goliath started was actually to find the properties first while building up an email list. We found property deals, and basically emailed the property details out to our mailing list then waited for buyers to come through, and then we secured and completed on deals that way.

How did you go about building a list like that?

Through networking events, friends, and friends of friends. It's amazing when you start telling people about creative property investment. Everyone is interested in making money. Word travels very quickly too, so you just stick them all on your mailing list. Also social media is a really big one. We approach various groups and we ask them if they want to go on the mailing list. It's that simple.

I imagine a lot of those people on your list have different requirements and different criteria, so do you have a specific criteria for the type of property you're looking for, or do you have a few different criteria, for different types of property?

In the beginning we didn't have a criteria at all. We just basically went out and looked for deals. We ran facebook ads. We did data mining off the free ad sites. We ran pay-per-click advertising. We sent out marketing letters, and we would work with whatever deal came through - packaging it and selling it on. Some deals would be BMV (below market value) deals, some would be lease options or rent-to-rent, and some would fit other strategies. We would just send out the deals to the whole list. Then whoever was interested in that particular strategy would then get back in touch. We didn't actually have a plan at first. It was all very scattergun and volume driven.

Of course having all these leads for different strategies can be quite overwhelming. If you get a load of leads coming through, from people in difficult situations; divorces, negative equity, pending repossession, you've got to be

Goliath's VIP client checklist

- ✓ Good relationship
- ✓ Mutual liking
- ✓ Trust
- ✓ Investment Criteria details provided
- ✓ Proof of funds in place
- ✓ Agreement in principle

ready for that. I'm fortunate I've got a lot of property experience. I know how to deal with a large number of sellers and landlords at once because I've dealt with them for 10 years previously so it isn't difficult for me to speak and empathise with these clients. But this is one area where sourcing can be quite overwhelming for newbie sourcers.

How is your sourcing structured now?

We've restructured now so it's a lot more focused. We don't source deals and send them out to lists en masse any more. We are more targeted, often working with investors to order.

We provide a business resource for our clients. We call them VIP clients, and we source for them on a one-to-one basis. Each VIP member gets a dedicated sourcer. Each sourcing member of staff has 5 investors that they work with and we specifically look for property that match their specific criteria in their chosen area.

This not only helps us to be more targeted with what we are sourcing, which is more time efficient, but it also helps us to avoid having deals that we can't sell on, or working with people who aren't serious. Unfortunately in this industry there are a lot of 'tyre kickers' out there - people that attend training events and have grand plans but really they are timewasters and when they've got to put their money where their mouth is, they panic or they back out. When you're dealing with sellers and landlords who are in vulnerable circumstances and situations, the last thing you need is for something to be going on for a long time and for the buyer to pull out, which forces the sale back to the beginning again. We have to be sensitive to both the needs of our clients and investors and to make sure that we match them up perfectly.

"By discovering what a landlord really needs, we are able to help him or her to find the right solution."

How does someone get on to your VIP list?

In order to get onto our VIP list, there's a criteria that you need to meet. The first thing is that we need to get on with you. It sounds really basic, but if we don't get on with you, we're not going to be able to build that lasting relationship, which is essential between a sourcer and their client. Serious investors will buy multiple deals and always do. They need someone they know, like and trust to work on their behalf, and that is what we do.

We are able to meet a potential client if we can, or if this isn't possible due to location we have a Skype conversation or video chat. We do all the basic checks, due diligence, check that they've got the funds in place, including any set up costs etc. These are just a formality and help to identify if an investor is serious or not. It also makes for a better working relationship if everything is clear from the outset.

We work very much on a one-to-one level, forming lasting relationships built on trust and it works really well, for us and our clients.



What kind of deals do you do, and how do you source them?

We specialise in creative investment strategies, such as lease options and Guaranteed Rent Service (otherwise known as rent-to-rent).

We have a number of different methods, one of which is a direct mail letter to our local HMO list. At Goliath, we are constantly innovating with our marketing letters, templates and techniques. My business partner, Brad Lazarus, is an internet marketing genius. He works with the psychological parts of internet marketing and then incorporates them into our direct mail letters. So we use attention-grabbing techniques that maintain interest and it is working incredibly well for us at the moment.

In your letter do you tell them who you are and what you do so they know they can trust you?

No, we don't. We approach them as an individual, which is more personal. What's interesting is that people tend to google my name before they speak to me, and then they ring, and then they tell us that they googled me already. As soon as you put my name into Google, Goliath comes up, so they know the business and can see what we do.

None of our marketing goes out on letter-headed paper. We find that the corporate angle puts some people off. When you're speaking to them as an individual you build rapport, then you explain that you are a business, because that then gives them the confidence to move forward. It's a double whammy really. It's ironic that they wouldn't call you if you approached them as a business, but when you speak to them as an individual they want to know that you're a business.

"Sourcing is tough, and can be really difficult at first. Having loads of leads for different strategies can be quite overwhelming."

Do you only source individual properties or do you also source portfolios or properties?

We source everything and anything, everywhere and anywhere. Our aim is to help anyone who needs help with their current property or portfolio of properties, wherever that may be. We have dealt with a number of investors on individual properties and have also worked with landlords with large portfolios to help them to find a solution to a problem. Because we find creative solutions we are able to help with a whole host of different property problems, even negative equity. We help people to get rid of their headaches, for good.

Hmm negative equity. Every property owner's worst nightmare. Doesn't that make you want to run a mile?

No, quite the opposite. I see potential in everything, I'm very much a glass half full type of person, or just a full glass to be fair, its never empty. This is when my agency experience comes in handy. There is a lot that can be done with a property of portfolio of properties in negative equity that might not seem obvious at first. Rental prices may not have been increased for some time, different strategies could be used, maybe single-lets aren't the right strategy, so we could think about something like serviced accommodation or multi-letting. We love being able to find a solution to enable the landlord to maximise their return, whilst also enabling us to make money too – a win-win solution.

We like to look at all opportunities. We don't know how each deal is going to unfold when we start talking to people, and it could go anywhere. It's all about asking the right questions.

One of the questions that so many people forget to ask, but it's probably one of the most important is 'Do you have any other properties that we might be able to help you with?' Chances are if you help them with one, they may have another one they need help with too. But often they won't volunteer that information, you've got to ask. It's a simple question, but one that so many people forget to ask.

I do a one-to-one mentorship, and one of my mentees sourced a deal direct to vendor. After a few conversations it became clear that the landlord had 22 properties in his portfolio and he was looking for a solution for all of them. So, that's her year sorted right there, and one happy landlord.

How long does it usually take from the initial conversation to actually getting it over the line and selling it on to somebody else?

For a lease option with one single property, we can usually have it done and dusted within a week or couple of weeks. If we are talking about a portfolio, it can take anywhere up to 6 months from start to finish, depending on how complicated it is. As soon as all the DD is done and the deal agreed, it can be sold as quickly as within a week, to the right investor.

What do you do with all the deals that you source?

We package most of them, and keep one or two for our own portfolio.

How do you package a deal for an investor?

Once a deal has been agreed we always draw up a heads of terms document, followed by an option contract, or short-term option contract, which then gives us the sole rights to then sell that on to an investor. The investor then carries out the relevant paper work with legal representation and a solicitor draws up the formal contract. It sounds more complicated than it is.

How much do you sell each deal on for?

It depends on the deal, but usually anywhere between £2-5,000, and more for a portfolio of properties.

How do you carry out your due diligence?

Due Diligence is hugely important on each and every property. It depends on the strategy that you're sourcing for as to how you approach it. Obviously the main things you've got to factor in are the current market values for sale and for rental. You want to be looking at the room rate in the area, and supply and demand. You also want to be sure that the owner is the owner. I know it sounds really obvious, and it's something that most people will glance over, because you would assume that the person that is speaking to you, has the right to sell that property.

Last year I had a person trying to sell their Aunt's property, and they weren't on the deeds or anything, which caused a lot of problems.

Goliath's Quick Guide to Due Diligence

- ✓ Current market values (for property and those in local area)
- ✓ Current rental values in area
- ✓ Current room rates in the area (rent-to-rent / HMO)
- ✓ Supply & demand in area
- ✓ Check the owner is the owner
- ✓ Tenant demographic for area
- ✓ Local amenities
- ✓ Transport links
- ✓ Refurb estimates
- ✓ Resaleability values

Find out more & get more guidance on your own DD at Goliath Academy

How different is the DD process when you're dealing with a portfolio of properties?

You have to carry out the same amount of due diligence and work on each property in a portfolio as you do for a single property. You spend a lot of time going through the portfolio with a fine-toothed comb, as you would do with a single property, but the advantage is you're not speaking to loads of different people about each different property, you're only speaking to one seller, so you can get all that information from them, which makes it easier.

If you're looking to try and split the portfolio up and package and sell individual parts of that portfolio, it becomes hard, because you need to explain to the seller what you're trying to do, which of course can also confuse matters. Then obviously if you're looking to package and sell that up as a whole deal, the buyer numbers are less. You're not going to have your everyday

investor looking to buy a portfolio of, say, 12 properties. You're going for more niche investors, plus where you save time on the 12 properties' due diligence, you add time to trying to find the right investor.

It's clear to see that Mark has put his estate agency skills to good use, and that Goliath Property Solutions is a sourcing company that really knows what it is doing and has the good of all concerned – landlords, vendors and investors - at the forefront of their business. Sourcing property can be a tough game but when you know how to do it properly it can work well for everyone.

If sourcing isn't for you but you're always interested in finding deals, you could speak to Mark about becoming a VIP client. Alternatively, if you wish to find out more about Goliath's sourcing methods and strategies visit the Goliath Sourcing Academy facebook group. It's a very active group, with a wealth of information on videos and Q&As, as well as practical guidance and advice to help you on your sourcing journey.

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