

HOW EFFECTIVE IS YOUR POWER TEAM?

By **Graham Kinnear**

It is beyond argument that on our own we are unlikely to possess all the knowledge and skills we need to progress in our property journey.

To that end we all seek to assemble a so-called "power team" to plug the gaps in our skillset, allow us to maximise the use of our own time and reduce otherwise insurmountable stress levels. Quite aside from the necessity, I thoroughly enjoy engaging with other property professionals.

But how effective is your power team?

At a recent networking event where I provide a Landlord Q & A session, I was met with an assortment of issues currently faced by property investors. Among them was a landlord whose tenant was 35 weeks in arrears, an investor who had given up on a deal as they were told that financing was not possible and a landowner whose nominated representative had negotiated an awful premium in respect of a wayleave agreement.

It started me thinking, firstly, whether the teams these people had put together were effective. Having previously owned a multi-branch letting agency, it is beyond my comprehension that a tenant can get 35 weeks in arrears without the agent serving notice and taking steps to rectify the situation. Furthermore, having represented property owners in numerous contentious matters, I am aghast that a lack of research and understanding meant that the property owner received thousands of pounds less than should have been the case. The investor without the finance was, as it transpired, a case study to demonstrate the importance of a specialist broker who has working relationships with those who provide bespoke finance to investors.

So in assembling a power team you must undertake research and due diligence in respect of the individual or their firm's knowledge and expertise. For their appointment to have any value, they need to know far more than you do and ideally be respected in their field and considered an expert in it. By definition this is unlikely to be the cheapest available but as the above three examples demonstrate, the right candidates will be worth every penny. Who would begrudge paying an enhanced fee where the alternative was missing out on a deal? Or paying an enhanced fee to significantly reduce the voids in your portfolio? Or consider saving a few hundred pounds on professional fees only to lose tens of thousands in a premium? I think you get the message!

This networking event also made me consider another view, namely whether your power team, even if they are experts in their field, still represent the most appropriate team given your current needs.

Many investors start their journey with vanilla BTLs and then maybe stretch their legs with a flip or test the water with some serviced accommodation. The power team involved may do a sterling job for you.

But then, let's say you really start to grow your business and seek out larger development opportunities. All of a sudden you are dealing with option agreements, conditional contracts, planning law, more complex funding structures, larger building firms, project managers, engineers, party wall surveyors and above all greater risk. How adept is your trusty conveyancing solicitor, residential mortgage broker and maintenance handyman now?

I am not advocating that you release from duty all of your trusted allies, but you have to make sure that the members of your power team are able to perform the functions required of them. If your business is in a different place than when you started, it is expected that your power team should change with those requirements. Alternatively, you may simply need to augment the team to provide additional skills as and when required.

Indeed it is also possible that your own role within the business has changed even if the direction of the business has not. You may be seeking to reduce your own input to focus on something outside property. One method of being able to do this could be to augment your power team so it can undertake the role that you currently provide.

It is therefore a useful review process to detail the skillset that your business currently requires and assess what proportion of those functions are covered by your existing team. A cruder method may be to create a list of all the aspects that your power team should provide and assess whether you would, having regard for those needs, still appoint the team you currently have. The results may give you the confidence that you have all areas covered but it may highlight some gaps which require filling.

If you are just starting out, keep in the back of your mind where you want the business to go. Select a power team from firms who can cater for the size you are and the activity that you undertake – but who can also provide more specialist or higher quantity output so your involvement with them can grow as your business grows.

As always, I am happy to assist YPN readers on any property matter and can be contacted on 01843 583000 or graham@grahamkinnear.com



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