

THE LESSON OF LIFE

By Arsh Ellahi

You'd be forgiven for thinking property investors are born with phone in hand, closing deals, appraising properties and arranging viewings ... but this is certainly not the case. All the investors I meet on a daily basis are generally the product of hard work, dedication and of course, a little pinch of luck.

This month I am going to share with you guys my entrance into the world of property and some of the hard lessons I have learnt along the way. It is important to reflect on your journey and to take stock of where you are and where you want to go.

One of my earliest memories is going to collect rent with my father from what he called "the people upstairs." As a naive five-year-old, this was how I thought all families lived – your family occupying one part of the house with other people taking up residence in the rest of the house and paying for the privilege.

My father was the epitome of hard work. He grafted day and night in his steel factory. He ensured my siblings and I were exposed to his work so we wouldn't take what we had for granted.

As was typical of the many immigrants who arrived in the UK during the 60s, he landed in the Midlands with very little English and even less money in his pocket. But he knew one thing – he didn't want to be in that position forever. He wanted bigger and better for himself and his family. However, as a father of six children, it was not always easy.

We would often eat our evening meal circa 10pm, when our father returned from the factory covered in machine oil and iron filings. School trips and new clothes were luxuries we seldom experienced, but we were all on the same page. We knew we were doing this for a better life.

After living a thrifty life, my father managed to save enough money to buy a house in the local area. That was my first real experience of property. From as early as ten years old, I was tasked with the job of collecting rent and checking on tenants on a weekly basis. It was then that I learnt the fundamentals of property management. As I was the youngest child, I was the one closest to the electric meter on the ground, and my task



was to sit there and empty the electric meters and put the coins in the bag.

The one thing I really struggled with as a child was education. Possibly because I was always knackered. I went to school from 8am-4pm, then to Muslim school from 5-7pm, and then I would help my father at the properties. I rarely got home earlier than 9pm, and then it was time for homework. Generally, bedtime would be 11pm at the earliest.

As a result of the lack of studying, it was inevitable that the next rather painful lesson I learnt was when exam results day came around. I had tried and tried to study, I had done everything I assumed would help me pass my exams but ... I had failed all of my GCSEs.

As you can imagine, my father was highly disappointed and left me to sort out my mess. It was during this time **I realised I had to change strategy. What I was doing clearly wasn't working so I had to alter my approach** to education and analyse where I had gone wrong to figure out another way to succeed. I therefore switched sixth form and met a great group of friends, who are still my closest friends 22 years on!

At sixth form, I really found myself. Having failed my previous exams, I knew I only had this one chance before my father gave up on me.

One of my new friends told me that his uncle imported watches, lighters and novelty toys from China to wholesale them to market traders and retailers across the country. Effectively, he was a middle-man. I always wondered how I could potentially use this idea to my advantage. It's funny to think my main role today as a deal sourcer is merely a glorified middle-man.

At the time, I did not have capital to buy any stock, nor would I dare to ask my father for help. His stance was simple ... you want it? You go and get it. And that is exactly what I did.

It eventually came to me as I sat in a business studies lesson. My friend sat to my right and I asked him if his uncle would do a sale or return basis? And that was the start of it all. Admittedly, I had not met his uncle, but he sounded like a nice guy. After two weeks of badgering my friend, I finally convinced him to introduce me.

I had a simple proposal, which said: "Your normal retailers pay you £1.25 upfront per watch. If you allow me to take the stock, which is accounted for at the point of release, I will sell it to a market within my region. At the end of the day, I'll return to you and we can count how many watches I have sold.

"In return, I will pay you £1.40 per watch, which equates to approximately 14% increase for the sake of releasing stock."

I would also make his nephew – my friend – a business partner, so it created a real win-win-win scenario and everyone could make money.

I now had a product that I had acquired with no money down. Or in property language, an assisted sale.

I was fondly known as Market Boy in some of the pitches I visited, being the youngest trader they had met. I guess it took a while to lose my boyish good looks, although some would argue I still have these!

My two friends and I would wake at 4am to get to market pitches for a 7am start. We would arrive home hoarse and exhausted from flogging cheap watches, soft toys and any other paraphernalia we could get our hands on. We yelled from 7am till 4pm. It was exhausting, but we absolutely loved it. We were selling close to 1,000 watches a weekend.

But I couldn't imagine doing this at the age of 30.

It was at this time I learnt the very important lesson of maximising profit. I had to buy cheap, think about what I could make on it, ensuring my overheads were covered after everything had been accounted for. Otherwise there was no point doing it. In years to come, this formed the basis of my love for negotiation and BMV deals.

In the summer holidays, the operation expanded. We visited over ten market towns per week. I guess we learnt that when things were going well, it was time to expand and maximise on the opportunity.

I went to one market whilst my friend went to another and we stayed in contact via mobile phone. It was an amazing journey and one that formed my business outlook forever.

At 17 years old, we were making more money than any other 17-year-old I knew. But it was sheer hard graft.

My journey continued to university, and upon finishing my formal education, it was time to join the real world.

I had my first day in the family office at the age of 21, and thought it would be a doddle. My dad knew property well at this point, and I thought I could cruise in, push a few papers around, get paid, job done. **WRONG.** My father wasn't going to let me get away with doing the bare minimum. He made sure I worked my fingers to the bone – and I'm pretty sure what he paid me at the time was borderline infringing on my human rights.

But this was another life lesson – **if you want it bad enough, you'll make it happen.** I was looking for my own approach to maximise profits, establish my own place in the family business and make a success of my own projects.



Throughout this time in my life, I said yes to any opportunity that came my way. I reasoned that if I said yes to the opportunity now, I could figure out how to make it work later. I believe that's what led me to the many successes in my life, but there were tough times too.

One of my favourite projects was acquiring a large garden from a vendor who struggled to maintain the land. We secured the piece of land on an option, and gained planning permission for two bungalows. The total

cost for acquiring the property was £1, but we then had to speculate some costs for an architect and planning fees – approximately £2,000. But we were fairly certain we would achieve a positive outcome.

With the benefit of the added value, we sold the land to a developer who purchased the property from me on a back-to-back transaction, netting circa £30,000. Not bad for a young lad who only spent £2,001 on the property.

I could write a whole year's worth of magazines with all the property deals I have done, outlining the vendors' scenarios, the structures we created to allow us to manage properties and benefit from the gain. No two deals or vendors' situations are the same, and I always cater to them.

You might see my posts on social media and assume I do well, that things are always perfect for me. This is not the case at all. I have terrible days when I feel like throwing in the towel and submitting myself to a comfy 9-5 job where I could do the mundane and coast through life. But that isn't me, and although there are days where I have bitten off more than I can chew, I have to remember why I am doing this.

I want to honour my father's legacy and do better for my own children. I guess it was during these tough times that the power of visualisation and imagining myself succeeding became an excellent coping mechanism.

I still face daily struggles, such as:

- Deals falling through
- Solicitors not working or communicating together
- Properties being down-valued

However in the grand scheme of things, I can handle these setbacks. To sit here and say nothing bad has happened would be deceptive and untrue. The key is to be able to dust yourself off and look at all the positives you have achieved within your timeframe of property investing.

I know this article has been a very personal account of my life and some adventures in property. I wanted to share some of this with you to let you know that life is tough, you aren't alone. I have been there, and am testament to hard work, dedication and a bit of luck.

If you have a question you would like me to answer in next month's article, please email arsh@arshellahi.com and I'll aim to answer as many as I can over the following months.

Arsh Ellahi is the author of "Boom, Bust and Back Again: A Property Investor's Survival Guide"



CONTACT As always, you can connect with me on my social feeds by finding me on:

Mailing List www.arshellahi.com/deals
Facebook Profile www.facebook.com/arsh.ellahi.1
Facebook Page www.facebook.com/ArshEllahi123
Instagram www.instagram.com/arshellahi
Youtube www.youtube.com/c/ArshEllahi
Linkedin www.linkedin.com/in/arshellahi
Twitter twitter.com/arshellahi

To get access to all my updates and whereabouts, please sign up to my weekly newsletter at www.arshellahi.com

