

THE LIFE OF AN ENTREPRENEUR

ARSH ELLAHI

Hi Arsh,

I have started a deal sourcing business, and I am finding that I have a lot of emotional highs and lows. Is this normal? I'm on a high one minute, having spoken to the agents and getting a positive response, and the next I could be facing rejection and find myself on a low.

How do you deal with this?

MRS G, HACKNEY

Thank you for getting in touch, Mrs G. I know exactly how you feel. Property is a weird and wonderful industry that can create magnificent highs and catastrophic lows. The art is understanding how to deal with them respectively.

First of all, let me inform you that whatever you are feeling is absolutely normal. I have days where I am high-fiving everyone, and others when I refuse to speak to anyone. Some might even say that I have a split personality!

As many are aware, deal sourcing is one of my property ventures and it has been very successful. Building up that level of success, however, comes at an enormous price. Let me elaborate on that ...

Deal sourcing is a fantastic strategy, regardless of where you are in your property journey. Whether you are just starting out and looking to generate some quick cash flow to save for the first purchase deposit, or you are a successful property professional who uses deal sourcing to find their next deal, it's a strategy that caters for all.

Two things all deal sourcers talk about is:

1. how great they are, and
2. how much money they have/deals they have done that month.

However, it is very rare that any of them would stand up and tell you about the struggles they face on a daily basis. These could include, for example:

- Lots of rejections from vendors
- Agents refusing to deal with you
- Finding a deal and not having anyone to buy it
- A buyer who turns out to not be a buyer and is sourcing it on elsewhere
- Buyers who need to get clearance from a JV partner

- Finding a buyer who then wishes to offer a stupidly low amount
- Buyers trying to reduce the fee you charge
- Buyers taking forever to instruct solicitors and mortgage brokers
- Down valuations
- Solicitors – generally being solicitors and trying to screw everything up
- Buyers – having a change of mind during the process, as they have seen a better deal coming in

It's a list that can go on and on. Typically, I trade between 20 and 30 deals a month, and therefore I hear a lot of b****hit.

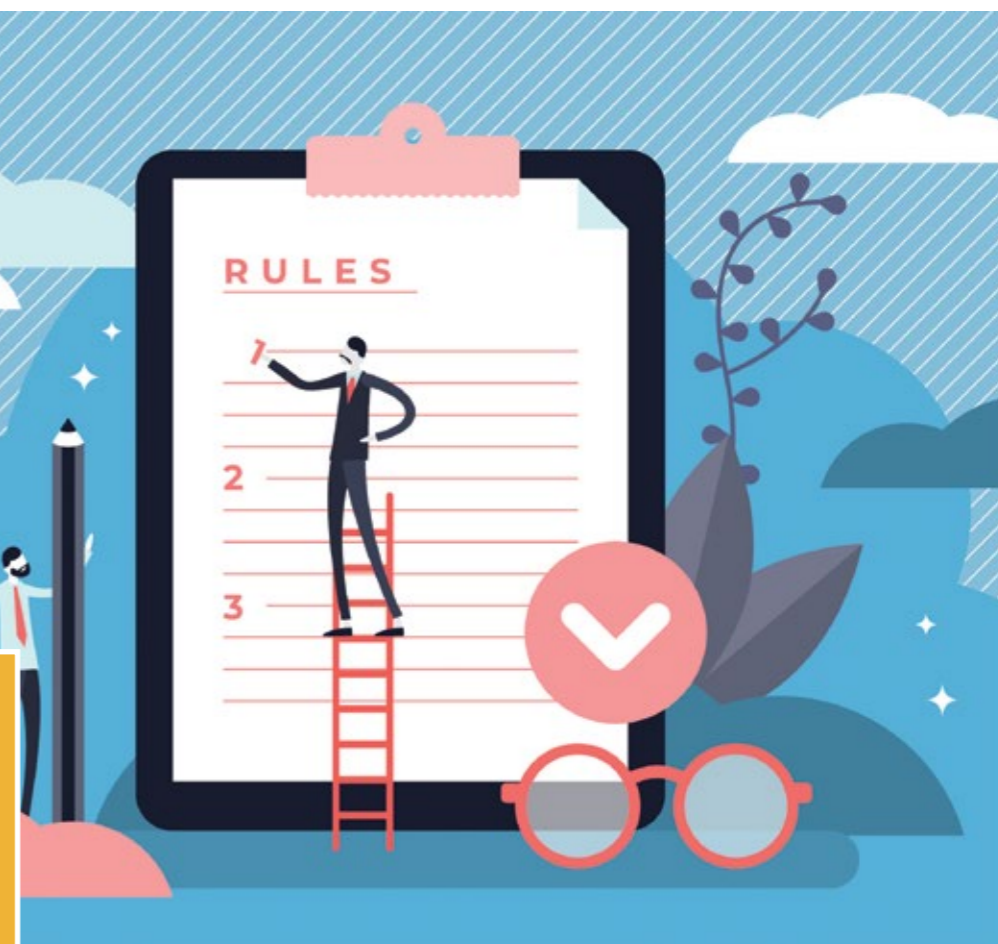


Just to balance the article, it's important to note that you can make an extremely comfortable living from sourcing properties. However, you will need to develop rhino-style thick skin! On average, it takes approximately:

- One-two weeks for a standard rent-to-rent
- Four-eight weeks for a standard single let to complete
- Eight-twelve weeks for a multi-let or apartment block
- Three-six months for a lease option – providing the solicitor hasn't screwed it up

It is fair to say, that the highs of being a deal sourcer definitely outweigh the lows. Here are a few things that really make my day:

- Meeting vendors daily and creating win-win scenarios (I always walk out the house and give myself a fist pump)
- Appraising a deal and seeing that it works
- Meeting an investor who is looking to work with you and can show proof of funds
- Confirming that a valuation has come in on target or above valuation
- Confirmation that both parties have set a date for exchange of contracts
- Completion
- Receiving a thank you email from vendors and agents for the hard work you put in to get the deal over the line. This is priceless and for me, quite emotional.



If we combine the highs and lows, it could very easily turn a light-hearted person into a nervous wreck! So over the years, I have developed a few rules that have allowed me to overcome any issues without affecting my mental health.

RULE NO. 1 Always stay in control of the deal.

Make sure you are in the centre of communication for both solicitors and finances, so you can see exactly where they are and what information they are missing. You will be surprised at how slow people are at chasing this up. This is actually the golden rule, as it can help speed up the legal process from eight weeks to four weeks.



One tool I should mention is the Property Investor app, the UK's marketplace for Property Investment deals. Whether you have a deal to sell or are looking for your next deal, it is the place to go. To find out more, please visit: www.propertyinvestorapp.co.uk

RULE NO. 2 Do not let anything faze you.

Every issue can be dealt with. Get to the root of the problem and find the solution.

RULE NO. 3 Always have a backup purchaser.

Just in case the first one falls through.

Above all, just remember why you are doing this. I have a picture of my wife and kids in my office and in testing times, a quick glance at them allows me to refocus. Let's face it ... if it was easy, everyone would be doing it.

If you have a question you would like answered in this article, please feel free to email me: arsh@arshellahi.com. I'll answer as many as I can over the coming months.

CONTACT

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