

# Otago Property Investor

NOVEMBER 2014 - FEBRUARY 2015

## Kevin Green U.K. Landlord inspires!

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# KEVIN GREEN

## UK Landlord inspires!



**A turning point for Kevin Green to get into property was when his sister died at 22 and he questioned what he was doing.**

Life was too short to be doing things he did not want to do, so he stopped farming and started full time property investing.

“Family are stronger than anything else for me, so when my sister died, I questioned everything. My gut and soul were telling me that I really liked getting stinky smelly properties and doing them up and selling them to the English for a profit,” the Welshman said.

His motivation to buy property is to have a good lifestyle for himself and his three children. He is now the largest residential

landlord in the UK with 762 properties.

Green was a farmer, because his father was a farmer, not because he wanted to be. “If the pain of where you are is not great enough you will not change. I was doing farming for my family and Dad.”

This is a problem in life because people have dreams, but other people often try to knock them down. His careers officer at school didn’t believe he could come too much, and told him **“don’t set your goals very high.”**

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Green went back to visit the careers officer years later, who was then working in a biscuit factory, and he showed him that he had become successful.

Green remembers things. If he says he will take your business card he follows up on it. He pays attention to the details. And he urged everyone at the conference to never lose control of their property portfolio. Even now he still goes to court if there is a dispute, he still looks at properties before they are bought, and he meets the tenants before they are confirmed.

“Track everything on a week to week basis. Most businesses do it every month but that is too long. When you get the reports, look at the money in the bank first. See if it is trending up or down and why. Ask what has happened before. Look at the profit and loss see why these have happened. It is a very easy management style. If it has dropped I need to take action. We may cut our losses and get out.”

He values his team, and has regular performance meetings with them, and says “you are only as good as your team.”

“The main thing that I like to do is see properties when they are being bought. If it does not feel right I do not buy it. Do not ignore that because later down the track, you might not be able to rent or sell it. I need to speak to owners and take the deal forward to close the negotiation. The rest of the process is dealt with by the team. I probably do not see the property again. Listen to your gut feeling.”

Green’s mentor is Richard Branson, and he always says not to surround yourself with negative people.

Green’s former wife did not like property investing so “I got rid of her and got the properties...be aware how bad energy can hold you back.” Ironically his ex wife is now a full time property investor.

Another mentor for Green is Robert Kiyosaki, the author of Rich Dad Poor Dad. “I follow his rules for investing and passive income. I put a lot of energy into setting up a business. Richard (Branson) always said, in business you need to be an observer. I am always an observer. I do not interfere with the front line unless I have to. I could never have a job.” He said jobs is just another word for “just over broke.”

He is very tight with his money and proud of it.

“I never buy anything that I couldn’t get my money back on the same day. I buy nothing brand new. You get them cheaper second hand.”

There is a saying “safe as houses” and there is a reason for that, he says, because buying houses is one of the safest forms of investment. “I am not a risk taker. I do not gamble or do Forex. The only investments I have are gold and property.”

His strategy is to pay down debt as quickly as possible. “One

of my goals is not to hold debt long term. I want to pass on property to my children debt free.”

One of the things he does to clear debt, is for every three houses he buys, he holds onto two and sells the third. The other thing he does is to have other business interests, aside from property, to bring in cash. He has a soil business and a repossession business. He buys properties that are going to be repossessed by the bank and he does them up, and either rents them out or sells them. He always does his figures first, to work out if the properties will make a profit before he goes ahead with the project.

One of the problems investors have when they get a larger property portfolio is that they are too rent dependent, and



Kevin Green leading attendees in a motivational affirmation

banks are hesitant to lend to them.

Green has moved into a business where he is an approved Peer to Peer lender. This business works by paying a very good interest rate to an investor, for a period of time, to lend money to another investor. His company is the middle man and he gets 1 percent for doing the transaction.

He also encourages people starting out with little money to use their credit card to get money. By moving money from a credit card it does two things. It helps increase the person’s credit rating, if they pay off their balance quickly, and it also gives you extra cash. Moving money from one credit card to another one that offers a zero interest rate is another way to generate cash, he says.

Social Housing is another area he has ventured into. He gets subsidies from the UK Government to provide housing for people who are either disabled or just out of prison or have mental health problems. He predicts this could be a growth area in New Zealand so investors should be ready to move into social housing if the opportunity arises as the monetary gain is good. All of these other businesses help to clear debt on his properties.



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“What I do with the profit is that I bring it across, and use it to clear some of the debt on the properties I have. Take profits from the 3-2 rule along with profits from the other businesses I have and pay down debt. “

His gearing on his properties sits at an extremely low level of just 27 percent. “Banks like to see gearing of 60 percent or less and clearing of debt. Think about that in your strategic planning. It is a good thing to clear down the mortgage on the property. We aim to clear a mortgage on a property by the 10th year. Then I transfer the ownership of the property into



the Trust.”

He prefers to pay his capital gains tax early, so that he does not pass it on to his kids.

“It is not the number of properties you have. It is the amount of equity you have in the property and the amount of cash flow they are making. Be aware that the New Zealand market has been fairly buoyant. The American market went down and the Australian followed. What is going to be next? Will it be New Zealand?”

### Green has four C’s for success.

These are **CONTROL** and having clarity of Vision. “If you are clear, your team is very clear on what they need to follow. Do not be afraid to change direction if something is going wrong.

Maximise the outcome and have exit strategies. Do the yield calculations, so that if you cannot sell it, It will cover itself.”

His portfolio is the grunTERS-properties that are predominantly housed by low to middle socioeconomic groups - usually family units with two to three bedrooms.

The second C is **CALCULATE**. Know the figures.

His third C is **CONNECTIONS**. Mix with people who can help you do the things you want to do. For example, Green is often at functions where he is mixing with the Royal family and celebrities.

The fourth C is to **COMPLETE** the projects.

He surrounds himself with women, because he says they get the jobs done.

The three books he recommends are

**Who Moved my Cheese by Spencer Johnson,**

**Living Magically by Jill Edwards**

**The one Minute Manager by Ken Blanchard and Spencer Johnson.**

He is not conventional. Instead of being the CEO of his company, he is the chief officer of Happiness.

Green is a man with not just a head for business, but a vision to make the world a better place. He supports several charities, and all of his funds from public speaking go to charities. He wants to give back, and says business could do more of this. He also doesn’t just listen to mentors like Richard Branson, Anthony Robbins and Robert Kiyosaki, but he taps into spirit guides as well. His sister is one of his spirit guides, and she continues to inspire him on a daily basis.

