

Entrepreneurs' Forum Above & Beyond



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All it takes is determination

AS long as you've got the ideas and the drive you don't need money to start a business.

While that may sound pie in the sky to some, it's a view true entrepreneurs will recognise.

It certainly describes Ian Baggett's business.

From only a £2,000 inheritance he has grown a property empire worth tens of millions of pounds.

His initial investment in a house he and his father refurbished and rented to students in Bowburn has gone above and beyond even his own expectations.

In a volatile sector, the Adderstone Group is not only stable but also growing.

Ian's first property cost £15,000 into which he invested his inheritance, with Northern Rock funding the shortfall.

It brought in annual rent of £7,000 and by the time he left university he had a portfolio of five properties.

After three years in the Royal Navy, during

which time he travelled the world, indulged in his passion for tennis and completed his PhD in political geography, he joined chartered surveyors Sanderson Townend Gilbert.

"It was excellent experience. I saw people doing big deals and thought I quite fancied doing that myself," Ian explains.

The equity in his property portfolio had risen to £500,000 so he reinvested it in six derelict properties in Heaton and Jesmond.

They doubled in value in a year. Larger scale residential property development followed but by 2003 the popularity of buy-to-let investment had forced down yields from 50% to 7%.

Ian shifted to developing to sell, employed his own labour force – up to 100-strong at its peak – and built 200 apartments in Jesmond and Newcastle City Centre.

"It's a story of diversification that wasn't deliberate but was just a reaction to the market," explains Ian.

"We are an innovative company and



RESIDENTIAL: Keel House, on Newcastle Quayside, part of Ian Baggett's Adderstone business empire.

with hindsight seem to have gone against the experts' advice to focus only on our core activity."

This includes expanding into property management, allowing clients who invest in Adderstone properties, or those the company trades on, to use their tenant management services. Managing

blocks of flats and buying the freehold of the buildings have been a natural progression.

Adderstone's typical investor client now wants to diversify into commercial property investment, so the company is developing offices at Keel House on Newcastle Quayside and

Quay West business park, Sunderland.

Large projects are undertaken by Brims Construction, a company created by former managers of Tolent with whom Ian has gone into partnership.

With its various divisions, the Adderstone Group currently has a

development portfolio valued at in excess of £30m and manages property worth a further £100m.

It's the biggest private residential letting agent in Newcastle with 1,200 tenants and the only company north of Leeds that's a member of both Arla and Arma, the professional Associations for Residential Letting and Managing Agents.

Then there is the Adderstone Foundation which has plans to support local sporting and cultural charities, and the group's involvement in saving the Tyne Theatre.

Ian says: "People assume we must have really gone for it but that's not the case.

"We have never attempted big, risky, speculative developments.

"We're ambitious but cautious.

"It's not about my personal success; my ambition now is to share it with our team and the people we do business with."

He's even found time to get back into tennis, recently winning the St Tropez Open to join the top 50 players in the world and top six in Britain for his age group.

Ian adds: "In everything I've done I've done my best and I genuinely believe that if you do that, success will follow."

DRIVE: for cutout of Ian Baggett

