



TOP TIPS FOR THE PERFECT BUY-TO-LET

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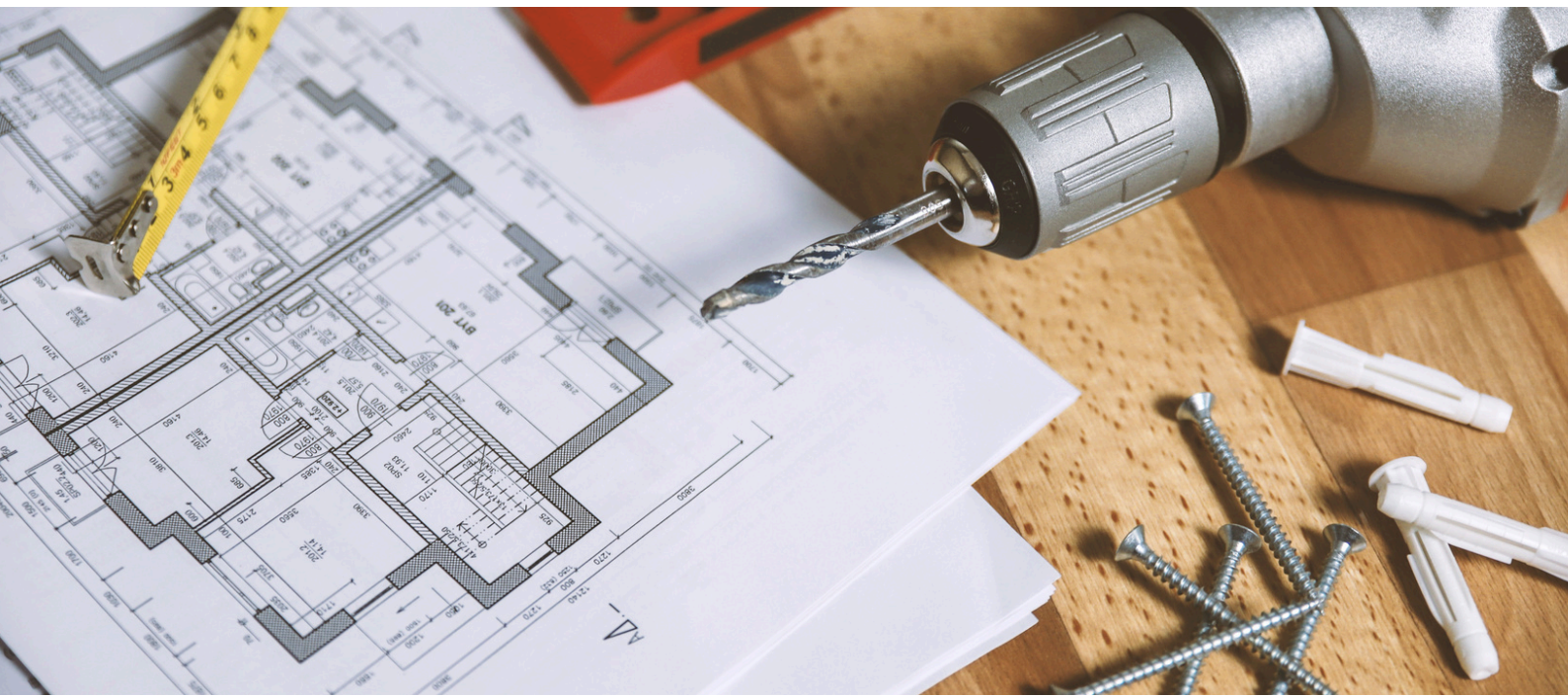
INTRODUCTION

Are you thinking of becoming a landlord or just want a practical checklist when viewing potential properties?

Here are our thirteen buy-to-let top tips...

With investment properties on the rise and an ever-growing demand for rental properties, it's clear that we haven't lost our appetite for buy to let.

We have come up with lots of tips and advice in our new guide to the world of property rental:



1.

Layout

Most modern apartments and houses will have fairly straightforward layouts, while older buildings may have awkward chimney breasts, stairs and rooms through rooms. If you can change the layout fairly easily, that's a good way to increase its appeal to tenants. For example, it's often worth moving a bathroom upstairs from the lean-to at the back or creating a kitchen/diner from a small galley kitchen and dark back room. Stick with what people expect.

2.

Size Matters

This depends on your target tenant. If you're after a single professional, you might consider a small flat, maybe even a studio, in a good, central area. If you want a family, for a longer-term let, you might look at three-bedroom properties, a larger home with more square footage, or a house in the suburbs. Studios, or one and two-bedroom flats are often easier to let and appeal to a wider audience.





3.

Cash To Spend

So you've got a bit of money in the bank and it's not gathering much interest. If stocks and shares are an unknown country to you, maybe bricks and mortar is the answer. First of all, do your homework. Decide how much you've got to spend, whether you can do any repair work yourself, whether you want to deal with the tenant yourself and how much it will cost if you don't. Research mortgage options and calculate your likely profit. Only then are you ready to go out and start spending?



4. **Location, location, location**

Obviously, you know your local area best and if you can afford to buy in it, then that makes things easier. If your own area is too expensive, then look further afield. Key to a great buy-to-let is having it somewhere where people want to live. A city/town centre location, close to transport links or handy for shops – all these will help drive tenants to your door. You might have to weigh up negative aspects against the initial price but remember that a takeaway restaurant next door will limit your rental even though the property might seem to be a bargain. However, it's worth considering a cheaper road near to a popular area as the rent will be similar.

TOP TIP: LOOK OUT FOR COMMUTER HOT SPOTS (NEAR GOOD TRANSPORT LINKS: BUS ROUTES OR TUB STATIONS) ALONG WITH HIGH-END STORES: WAITROSE, TESCO, SAINSBURY'S, OR STARBUCKS.



5.

Add Value

Even if it's not going to add to your rental income, it's often worth making improvements such as those mentioned above. They'll add value when you come to sell, and they'll make the house easier to let. Other improvements to consider include double-glazing, a new bathroom or kitchen, and creating extra bedrooms. Spend money on making it as maintenance-free as possible which will save money in the long run.



6.

Talk To The Professionals

Will you be doing the work yourself or employing tradesmen? Weigh up the cost, the time it will take and whether you are capable.

Unless you are used to DIY, it's probably quicker and cheaper in the long run to get somebody in.

Boilers and electrical work will need to be signed off by a suitably qualified person.

Cheap workers who are available immediately might not be the best option. A skilled worker can often do the work in a fraction of the time. Get recommendations from friends, if possible.



7.

Decoration

Don't spend too much money on decoration. You won't be living there. Unless it's a top-end property, avoid expensive and unusual finishes. White paint is cheaper to buy and saves time because you don't have to cut it in around the edges.

New carpets throughout can change the feel of the property. Add a decent underlay, haggle a little, and you can achieve a good-looking finish without an enormous outlay. Replace avocado bathroom suites or damaged kitchens. You might get away with new cupboard doors and fresh grout in the bathroom. Clean up or replace socket fronts, light switches, knobs, and taps and the property will look as good as new.



8.

Presentation

Give everything a good clean. Bathrooms and kitchens should be sparkling. Doors and windows are easily wiped down. If there's a garden, clear it. If you've got time to seed it, do that. If not, use turf, decking, or tidy up existing paving. Replace fences and fix broken glass in sheds. Kerb appeal is crucial when you are selling a house and tenants are no different to buyers in their responses.





9.

Leasehold or freehold?

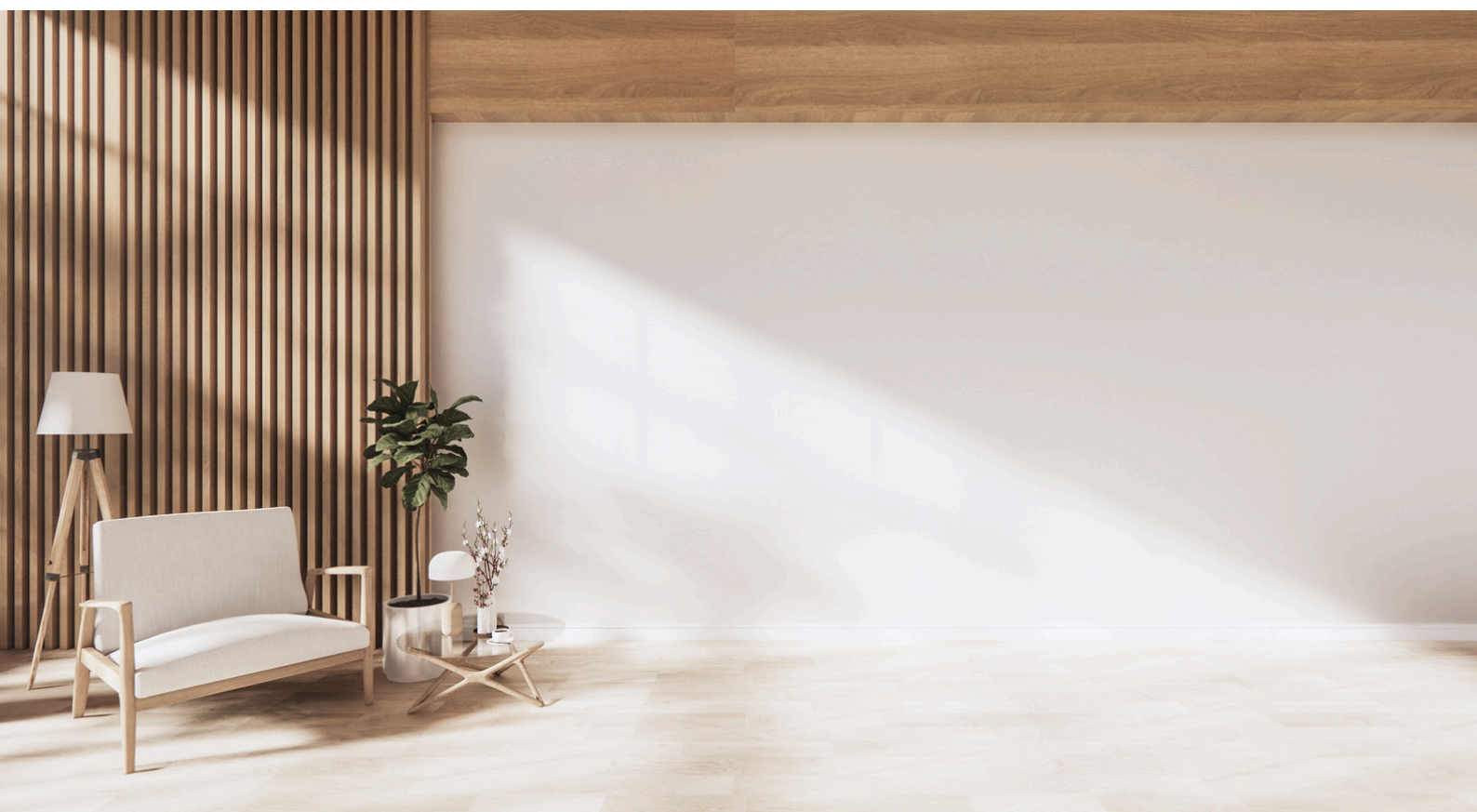
Freehold is always better. It means you have more control. In theory, leasehold could mean maintenance charges are spread across the building and in practice, it may mean you have to deal with somebody else to get things done and agree on costs. Read the lease carefully and aim to have at least 100 years left on it. You might not get a mortgage if it is less than 70 years. Renegotiating the lease should be a condition of the sale if you are in a good position to buy.



10.

Hidden Costs and Void Periods

You need to be able to cover your costs if the property is left empty for a couple of weeks or months, or if the tenant gets into rent arrears. If the tenant fails to pay the rent, it may take months to get them to leave. You can get landlord insurance to cover this. And once the tenants have vacated, you might find you need to redecorate before you can let the property again.



11.

Furnished vs. Unfurnished

This depends partly on the type of property you are letting. But if you are going to furnish it, you need to be aware of fire regulations. That means you can't just go down to the junk shop and buy a sofa. You need to be sure it conforms to fire safety rules. Check labels. You also need to consider durability, so buy soft furnishings with removable, washable covers. Mattresses can be covered, too. You will also need to fit carbon monoxide and smoke alarms. Tables, cabinets, and wardrobes shouldn't be too flimsy. Make sure the property is safe, reliable, and comfortable.





12.

Tax and Capital Gains

Make sure you've factored in paying your taxes correctly and don't forget you'll be charged capital gains when you sell the property. Save your receipts as you can claim against tax when you eventually sell.

Redecoration between tenants, however, does attract tax relief.



13.

Good Relations

It is key to get on with your tenants. Treat them well, and communicate effectively, then you are likely to find the sentiments reciprocated.



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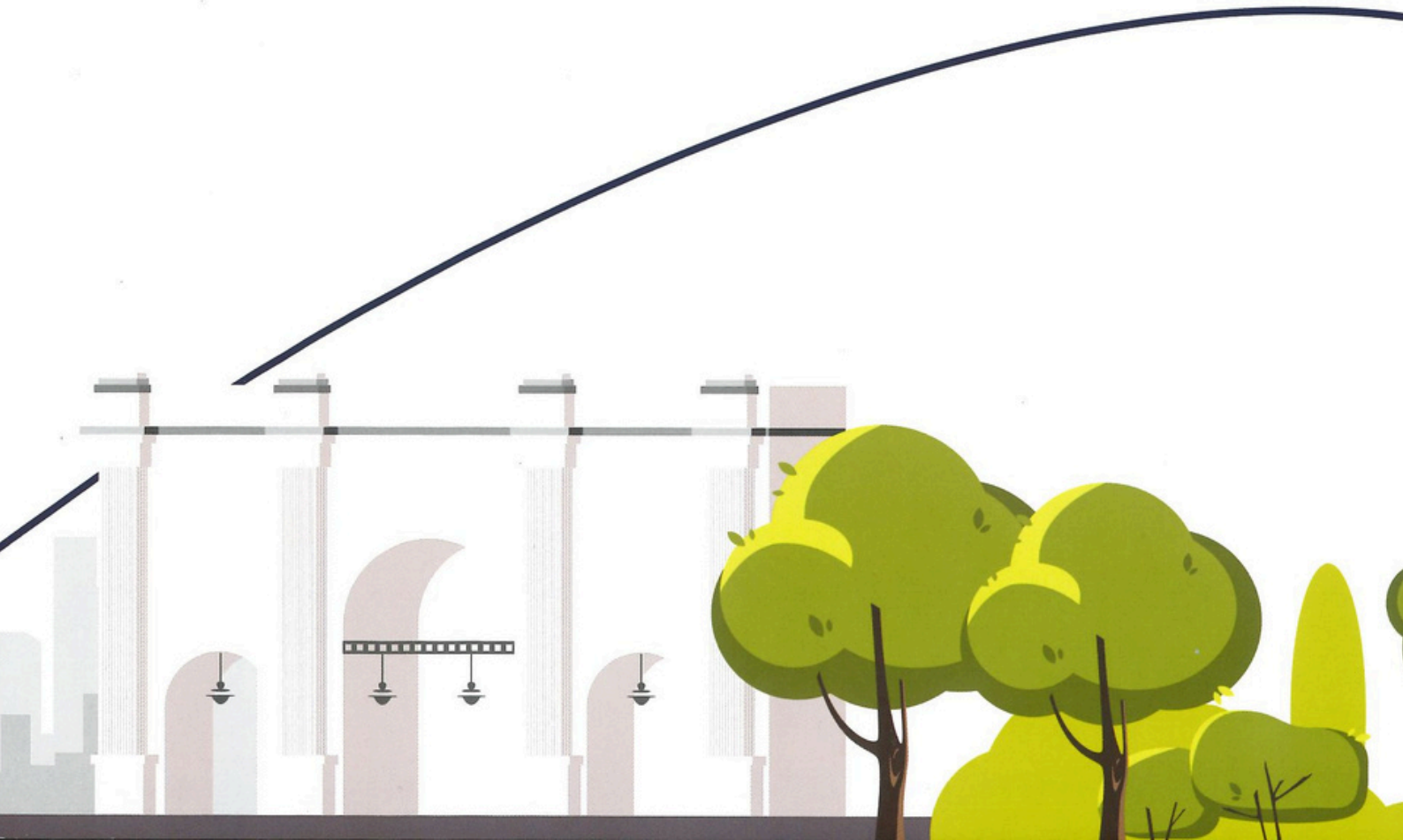
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