

TRY | FINANCIAL

First time landlord guide

Getting onto the housing ladder can be daunting, especially if you are venturing into the Buy to Let market for the first time! We have put together some top tips for new landlords, take a look below to help you get started.

Find the right property:

All kinds of people rent property including families, young professionals, students and corporate tenants and they will all want different things from the property they are going to live in. You will need to tailor the property to the tenant you want to attract. For example a family may look for a large dining area, and a garden. Don't be shy in promoting a property's key features!

Choose the right location:

Location is important when searching for a rental property. Don't just buy where you live as there may not be a big enough market for tenants. If you look at purchasing property further afield you may increase your options. Think about properties with selling points, such as being within walking distance of a local train station, or local to a main employer in the area. Don't consider any properties next door to a pub or club for example.

Arrange your finances:

Once you have found a property and are looking to pursue this, you will need to know how you are going to finance it—you'll need a mortgage unless you are a cash buyer. With a Buy to Let mortgage, the rent you charge will need to cover the monthly mortgage payment. You will also need to consider any other costs, such as any fees associated with the mortgage, any fees for the conveyancing also Stamp Duty and Land Tax.

Protect yourself:

Before you let your property, you should thoroughly screen any prospective tenants. This is something a letting agent can help you with. But if you are not using one then it will be you as the landlord who needs to do their homework! Collect a couple of references from a tenants previous landlords, make sure you check everything from income to Social Media! You may want to get landlord insurance, which will cover you for any rental voids, legal expenses or damage caused. Remember that most standard building insurers don't provide the protection a landlord needs.

Letting agents:

Some landlords will use a letting agent. An agent can do the following for you: advertise the property, arrange the tenancy, vet the tenants, collect rent for you and deal with any queries/complaints from the tenants. A benefit of using a letting agent is that if you don't live near your rental property, they can manage it for you and arrange for any maintenance work that needs to be carried out like plumbing etc.

Furnished or unfurnished?:

Once you have decided which type of tenant you want to attract, you can choose if you want to let the property furnished or unfurnished. For example if you are planning to let to students, you should furnish the property with affordable furniture that will withstand a student lifestyle. Whichever you choose, you will need to reflect this in your tenancy agreement. It's also important that you have photographic evidence of the property before it was let.

Make sure you collect the rent:

It is surprising how many landlords are not assertive enough when it comes to collecting rent. Letting agents will have strategies in place to deal with tenants who don't pay on time and they can help you with any legalities surrounding this including starting the eviction process if late payments mount up. Collecting rent on time must be a priority, especially if the property is mortgaged.

Remember it's not your home:

Remember your rental property is not your home, it's a business and you should think about it this way. Do not furnish the property with expensive high end appliances, you are not going to live there and benefit from them and it won't do a lot to increase the rental value.

