

Buy-to-Let Guide



STAGS

Welcome

Welcome to the Stags Buy-to-Let Guide. We hope you find it packed with helpful and informative advice on becoming a rental landlord. Buying a property to let as an investment is a preferred choice for many people, despite the changes that have affected the private rented sector over recent years. In changing and often challenging financial times, many of us understand and trust bricks and mortar. It is relatively easy to purchase an investment property close to where you live and find it provides not only an annual rental yield but, in addition, capital appreciation. As a result, buy-to-let property can generate a return that compares well with other investments. However, when you become a landlord you need to be aware of the many

rules and regulations that will affect you and your tenants. This guide is designed to give practical guidance on all the key factors to consider, whether buying your first property or adding to your existing portfolio.

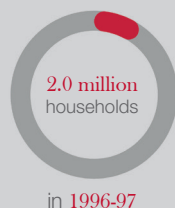


Andrew Luxton MRICS FARLA
Partner, Head of Residential Lettings



The percentage rise of the private rented sector

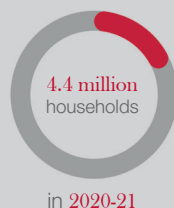
19% of households live in the private rented sector, up from 12% in 2006-07 and 10% in 1996-97



in 1996-97



in 2006-07



in 2020-21

Source: English Housing Survey, HM Govt.



What to buy?

If you're house-hunting for a buy-to-let property, it's important not to let your heart rule your head...

Your knowledgeable Stags Lettings team can advise you on the best type of property to choose as a buy-to-let investment. We may have the right property for sale with our estate agency team or you have seen it with another agent and we can accompany you on viewings of all properties to advise, should you wish. Above all, make sure you carry out the following before committing yourself to a purchase:

- Carefully research the local market and tenant demand in the area where you intend to buy.
- Consider your preferred tenant profile and the most sought-after size, style and type of property they will require.
- Focus on the local amenities, main lines of transport and employment, which will ensure your property is let quickly. Above all, be sure to choose an area where plenty of

rental tenants are searching for properties.

- Try not to let your personal taste in property sway your judgement.

**A comment from G Edwards,
Stags Lettings Department Client...**

“ — Stags offered advice on the best areas for my property search, the type of property that would serve me best as well as potential rental yields backed up by historical data. They also offered the invaluable service of accompanied viewings during my search. This made buying the property so much easier. Once I found a suitable property Stags successfully found me the perfect professional tenants. I highly recommend the Stags comprehensive service. — ”



Focus on finance...

Get out the calculator and the spreadsheet - now is the time to make sure your sums stack up

For the many buy-to-let investors who borrow towards a property purchase, a focus on finance is vital. You will find that buy-to-let mortgage providers have specific requirements when assessing your application, which can be different from conventional main-property mortgages. It is important to bear the following in mind:

- Ensure you choose a mortgage that best suits your current and future needs.
- Take advice from an experienced independent mortgage advisor.
- Ensure you have enough capital to cover up-front costs such as the deposit, legal fees and stamp duty.
- If and when you sell your buy-to-let investment, the proceeds could be subject to Capital Gains Tax.
- There have been many recent changes in how a buy-to-let investment is taxed; be sure you are fully aware of these. Visit www.hmrc.gov.uk for more information.

■ Make sure you anticipate your tax position. The income from rented properties is taxable but you will be able to offset some of the costs you incur as a landlord to include:

- Agency fees
- A percentage of the interest element of mortgage payments
- Domestic Items Relief
- Accountancy and other professional fees
- Insurance premiums
- Repairs and renewals



Do the maths...

Make sure you calculate your potential returns and costs accurately

The main points to consider when deciding to buy-to-let are as follows:

- Allow for the cost of refurbishment prior to letting.
- Make sure the rent covers borrowings and costs, including void periods.
- Factor in maintenance costs, servicing fixtures and fittings, buildings insurance and service charges/ground rents.
- Capital appreciation is always hoped for but cannot be guaranteed. Buy-to-let property should be viewed as a medium to long-term investment.



Your obligations

As a landlord, you will have certain legal obligations to your tenants, to include the following:

- Landlord Gas Safety Certificate
- Electrical Installation Condition Report
- Energy Performance Certificate
- Repairs and maintenance
- Furniture fire safety
- Deposit protection
- Tenancy agreements and notices
- Smoke and carbon monoxide alarms
- Compliance with letting legislation
- Immigration Act, right to rent checks
- Legionella risk assessments

Stags has a wealth of expertise in all aspects of landlord obligations. Just pop into your local office today to find out how we offer support to buy-to-let landlords.



Protect your income and investment

You can reduce the risk of buy-to-let with a management package to protect your investment

You can choose various ways to manage your buy-to-let property and its income. At Stags we offer a range of tailored services to suit everyone. You may wish to manage the property yourself and prefer our Let Only or Rent Collection services. Alternatively, we offer a Full Management Service dealing with all aspects of letting your property.

We take pride in protecting your investment and, in addition, taking the stress out of letting a property with the following measures:

■ Stags is a bonded agent of ARLA Propertymark and the RICS. As such, we work within a robust Code of Practice which covers the key stages of letting and managing a property. We can offer expert advice on all legal aspects of becoming a landlord.

■ Premium Management Service: Stags pays your rent if the tenant does not, as well as providing cover for legal costs.

■ With experienced and knowledgeable staff who are kept up to date with all legislation and compliance changes, and undertake regular training.

A comment from K Gibbs, buy-to-let landlord...

“ —

I have a property portfolio which I leave Stags to manage fully for me. They carry out all the necessary checks to allow for a trouble-free tenancy. The staff are very helpful and keep me fully advised throughout. I am very happy with the service they provide and would have no hesitation in recommending them.

— ”

Why Stags?

Our trained, experienced and dedicated letting staff have unrivalled knowledge of the West Country lettings market and management of properties. Stags lets and manages over 3,000 properties throughout our established network of 22 offices across the South West.

Being a landlord can be a time-consuming and an increasingly complicated task in the fast-changing lettings market. Many landlords do not want to be directly involved with the letting, tenant selection and management of their property. Here is how Stags can help...

Strong South West Coverage

We have a linked network of 22 offices across the South West, plus The London Office, all of which can access our entire database. This exposure maximises our ability to promote your property to the widest audience of prospective tenants.

Quality Tenants

Our active database of over 6,000 pre-qualified applicants means we strive to provide you with tenant choice.

Digital Marketing

With an average of 200,000 monthly visits to our website we make sure your property will be showcased to thousands of potential tenants. Stags will also promote your property on Rightmove.co.uk and OnTheMarket.

Social Media & Advertising

Our dedicated marketing team will attract potential tenants via Facebook, Twitter, Instagram and LinkedIn through engaging social media promotion. In addition, we advertise Stags' properties in local and regional newspapers throughout the West Country.

Peace of Mind

As fully bonded and licensed members of the Association of Residential Letting Agents (ARLA), The Tenancy Deposit Scheme (TDS) and Royal Institute of Chartered Surveyors (RICS), we follow strict codes of conduct to ensure we maintain the highest professional standards at all times.

Proven Record

With proven low rent areas and minimal void periods our proactive approach to managing your property will provide consistent yield and return.



Trust • Reputation • Experience • Knowledge

stags.co.uk

If you require a free market appraisal or are looking to purchase an investment property,
contact a member of our team:

Barnstaple.....01271 322837
Bideford01237 425030
Bridport.....01308 428000
Dartmouth01803 833681
Dulverton.....01398 323174
Exeter.....01392 671598
Honiton01404 42553

Kingsbridge01548 853131
Launceston01566 771800
Okehampton01837 659430
Plymouth01752 223933
South Molton.....01769 572263
Taunton01823 447355
Tavistock01822 619818

Tiverton01884 232872
Torquay01803 200160
Totnes01803 866130
Truro.....01872 266720
Wadebridge.....01208 222333
Wellington.....01823 662822
Yeovil01935 475000