

Accommodation Unlimited:
Top 10 Tips for Buy-To-Let Success

Anyone can buy-to-let but not everyone can *buy-to-win!*
Take the lottery out of letting and follow our 10 tips for buy-to-let success.

1. It's a business

Before you start a business you draw up a business plan. Buy-to-let is a business not a hobby, so you need to draw up a proper business plan too. It should include a cashflow forecast, a description of your market and a breakdown of the areas you are looking at. In addition you need to set out a profit and loss forecast for a minimum of five years.

2. Know your market

Successful buy-to-let properties are attractive to their particular market. For example families will want good schools in the area, family friendly amenities like parks and a sense of community. Young professionals tend to prefer access to bars and restaurants and they like to be closer to the city centre, whereas being part of a community is not as important.

3. Know your area

Where does your target market like to live? Once you know your target market, concentrate your search to areas where they live. There is no point in deciding on family properties and looking in the centre of town, conversely a nice suburban semi is not that attractive to young professionals.

4. Factor in your costs

The costs involved in buying and running a buy-to-let property is not just about rental income and mortgage payments. You need to factor in your pre-purchase costs. These include stamp duty, legal fees, mortgage advisor fees, and surveyor fees. Then there are ongoing costs, building and contents insurance, block management fees, ground rent, ongoing maintenance and agents fees. These must all be factored into your business plan.

5. Preparation, preparation, preparation

Before you make an offer on a property make sure you are prepared. Have a solicitor ready, have a mortgage agreed in principal, and know what you are looking for.

With a hot market like now, estate agents are getting a lot of timewasters and can be pretty sniffy to who they think might be "tyre kickers" If you show you are serious and are prepared they will contact you with new property before it is advertised to the general public.

The Greater Bristol Letting Agency

6. Don't be swayed by smooth talking estate agents

Estate agents are sales people, they have targets and get commission on sales. They want you to buy a property through them, and sometimes this enthusiasm for a sale can lead to a little exaggeration when it comes to potential rental income.

If you see a property you think could be a good buy-to-let opportunity, get a second opinion on potential rent from a specialist letting agent, preferably one with 20+ years' experience in the Bristol market, such as ourselves!

7. Do your research

Just because a property looks good in the daytime it doesn't mean it's not party central after dark! What are the local schools like? How easy is it to get to the centre? Make sure that the area has the amenities to suit your market.

8. Don't be greedy

Empty properties don't earn you money but still incur you costs! It is better to have a good tenant at a lower rent than a bad tenant at a higher rent, or worse still no tenant at all in the hope of generating an extra £100 a month. If your property is not perceived good value, it will not let.

9. Do not fall in love with a property

As we said before, buy-to-let is a business. Our most successful buy-to-let landlords own properties they wouldn't dream of living in. They realise this is a business asset and have no emotional attachment to the property. You do not have to like your property to successfully let it.

10. It must satisfy Peter Ellis' 4 key questions of buy-to-let

These are:

1. How much rent will the property achieve?
Does the rent cover your costs, even if it is empty for a period?
2. Will I get over 90% occupancy?
You should expect a minimum of 48 weeks a year occupancy.
3. Will I see capital growth?
Looking back over a 5-10 year period, has the property increased in value?
4. Does it have bailout-ability?
All things being equal, if I need to sell the property will it sell quickly?

If your potential buy-to-let property has positive answers to these 4 "Key Questions" then this could be a property worth investing in.

For more information about successful buy-to-let, please visit our website: www.aul.org.uk.

Better still, why not try the Accommodation Unlimited 'Buy-To-Let Personal Shopper Service' and let us help you find a buy-to-let that fits your market and your budget, and if Accommodation unlimited manage your property, we'll provide the service free of charge!

Visit www.aul.org.uk/personal_shopper for more details.