



6 Tips For Investing
In A
Buy-To-Let Property

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Welcome

Hello, My name is Mark and I'm the founder and CEO at Nicholsons Estate Agents.

Since 2019, we've been serving the people of Bassetlaw, and during that time we have helped hundreds of landlords

Whether you have experience in property or not, chances are you already own your own home. But buying a property with the intention of letting is very different to buying for yourself.

You need to think about rental yield, capital appreciation, maintenance/ refurbishment requirements and costs, finding good tenants with the property. There are many things to consider, so we have created this guide to help.

For investors that just don't have the time to go out and find great investment properties Nicholsons also offer a property sourcing service. As a part of the service we invite you in for a consultation so that we can fully understand your requirements and then can give you access to an exclusive list of investors where we share the details of off market investments first.

I hope you enjoy the guide, and if you need anymore information please feel free to reach out via any of the contact methods on the final page of this guide and me or one of my team will be happy to help.

Mark Nicholson



Budget

Investing in a buy-to-let property requires you to put down a significant deposit. And unless you are in the financial position to go down a different route, it will also require you to take out a mortgage. So create a cost assessment and find out how much you can truly afford.

Remember that buy-to-let mortgages are more expensive and they normally require a minimum deposit of 25%. Don't forget to factor in arrangement fees as well. You can book a free, no obligation chat with James our mortgage advisor by [clicking here!](#)

Then calculate the rent that you're planning on earning from the property, financial institutions normally want this to cover at least 125% of your mortgage payments but even up to 145% at times.

Remember to also set money aside for maintenance and periods of time when the property might be empty and you will have to make these payments yourself.



What Makes A Good Investment?

This depends on your own personal goals.

If you're focused on long term growth, or improving a property to sell in future, you'll need to buy in an area with growth potential.

Chances are you want a passive stream of income while you own the property so then you will need to choose a property with the highest potential rental yield.

You need to assess your goals and then each property that you are viewing and decide how well they correlate.



Rental Yield

Rental yield is your regular monthly return, or how much you earn from a property investment.

They are calculated as a percentage of the value of your property.

Generally, you want to have a rental yield of a minimum of 5%. This isn't always achievable due to the area and its rental costs like London, whereas other investment hotspots have shown a 7%-8% rental yield could be possible.

Example; rental income of £10,000 per year on a property that cost you £200,000 gives you a 5% yield.



Tenants

Consider who you want to rent to, families, students or young professionals?

Think from their perspective and imagine what their needs and wants would be.

Families might want a garden, students might want to be close to entertainment areas and young professionals might want a very modern space.

Whoever you rent to remember the legal requirements such as a lease and placing the tenants' deposit in a deposit protection scheme.



Where To Start

Decide on a few areas of where you might want to buy.

You might want to stay closer to home since you know the area well, or if you're going to have an agent manage the property for you then you can look further away in areas that might be more lucrative.

Look for particular roads to buy property on that are near the types of amenities that would attract your ideal tenant, like roads near a very good school if you're attracting families, or general areas that have a high average price or is up and coming or that other areas are expanding into.



Type Of Property

The right property will most likely be different from the property you would choose for yourself. You generally want a property with a broad appeal so that you can let quickly.

Do you want to buy a house or flat? What type of tenant is attracted to either of these?

Do you want a new property or old? Consider that old properties require much more maintenance but will have much more character but might be harder to let.

Layout is important. Does it have large communal spaces that families and students could make use of? Or are there many separate rooms that might deter families?



Why we can help you

Selecting the best agent to help you let your property is a big decision, with most landlords being busy people, you need a lettings partner who can look after your investment - ensuring it gives you a consistent return, whilst remaining compliant with the legislation. Here's why we like to think you'd be wise to choose us to work for you.

Experience

We've been helping landlords in Bassetlaw let their since 2020, collectively our team has more than 40 years experience, and during that time we have helped hundreds of landlords.

Deal Sourcing

For investors that just don't have the time to go out and find great investment properties Nicholsons also offer a property sourcing service. As a part of the service we invite you in for a consultation so that we can fully understand your requirements and then can give you access to an exclusive list of investors where we share the details of off market investments first.

Financing

With our own in-house whole of market mortgage advisors, Nicholsons can help you find the best buy-to-let mortgage deal the market has to offer.

What's more, with our lifetime broker fee - once you've paid us once, any subsequent re-mortgages or new mortgages as you expand your buy-to-let portfolio is covered.

[Click here](#) to book your free mortgage consultation.

Tenancy Management

With 170 pieces of legislation and the new Renters Rights Bill governing tenancies in England, letting a property is a minefield for landlords to navigate.

With legislation breaches ending in hefty fines, banning orders, prosecution and the inability to evict a tenant, it is essential that landlords choose a professional letting agent to manage their tenancies for them to remove their own personal liability.

Nicholsons have a dedicated professional tenancy management department staffed by qualified lettings experts, to ensure that all of the legislation is followed to the letter - protecting both you and your investment property.

What's more - experience shows that properly managed tenancies tend to be longer tenancies, reducing your long term costs for tenant finds and new tenancy set ups.

Need further help?

Get in touch by using the contact numbers or email address below.

Scan the QR code to visit our website or click the WhatsApp symbol to start a conversation.

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