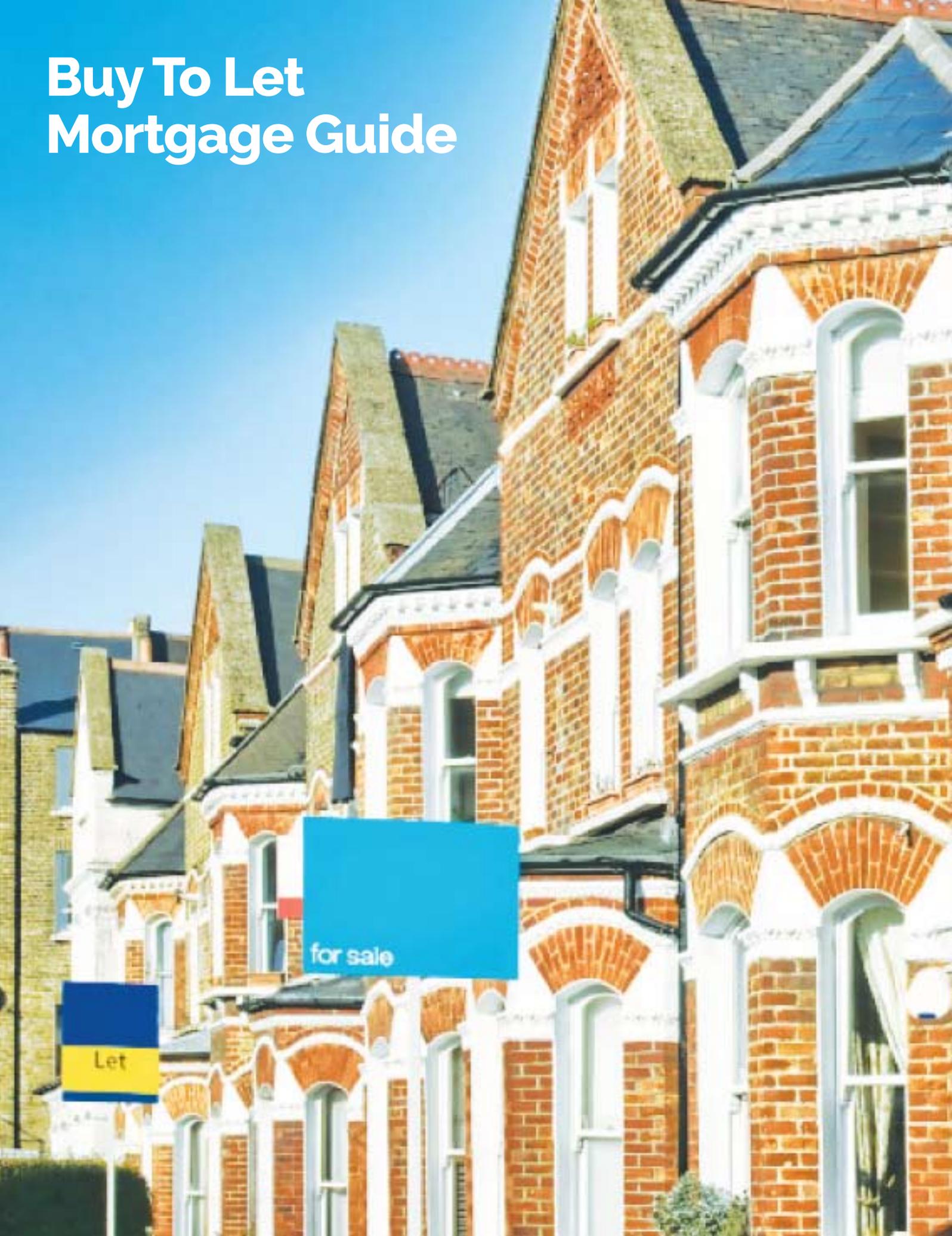


# Buy To Let Mortgage Guide



GASKELLS

## Buy To Let Mortgage Guide

The most important starting point for a buy-to-let mortgage is choosing the right property, in the right location with the maximum lettings potential. You need to ensure that you get a property that is attractive to tenants, will not lie empty for months at a time and gives you the maximum return for your investment.

It is vital that you get the best buy-to-let mortgage from the many on offer in the current market place. Buy-to-let mortgages are considered a specialist-lending product and as such you should not expect to get the best deals from the general mortgage marketplace.

We recommend you seek the advice of a professional mortgage adviser and here at Gaskells we offer professional advice from professional mortgage advisers who can help you make the right decisions.



## Getting Started

### Price Range

Set yourself a price limit and stick to it!! Remember you will have to put a bigger deposit on a buy-to-let property than you would need for a residential home. Also allow yourself a contingency fund for home buying costs such as stamp duty, valuation and legal fees.

### Kinds of property

When looking for your property, remember you are buying for rental purposes and not for your own residential home. You will need to consider properties that are in strong demand in that particular area, is convenient for local amenities and has good transport links etc.

## Financial Matters

### How much can I Borrow?

Generally the amount you can borrow is based on projected rental income for the property. When a valuation of your property is carried out, the valuer will provide an estimated monthly rental income for the property. This figure is used by the lender to calculate the amount you can borrow. Typically a lender will require the anticipated rental to cover 125% or more of the monthly mortgage payment. In some circumstances lenders will allow you to offset your annual income to allow you to borrow more. Buy-to-let is a specialised mortgage product and to get the best one for your personal circumstances, always seek advice from a mortgage professional.

### What types of mortgage are available?

They are available as fixed rate, discounted, tracker and flexible deals with differing options to suit your needs. Early Repayment charges may apply to these types of schemes. Some specialist lenders also consider unusual property types i.e. studio flats or properties above commercial premises.

### What fees are involved?

As with any residential mortgage transaction there are a number of fees that you will need to budget for. An up front valuation fee will be required, the cost will vary according to the estimated value of the property and it's location. Some lenders will require arrangement and rate reservation fees, either to be paid up front or in some circumstances be added to the mortgage advance. You will also need to consider solicitor's costs, buildings insurance, stamp duty fees and any service charges that will apply if the property is a flat.

## Top Tips for buy-to-let mortgages

### Get the right financial advice

The buy-to-let market is specialised and competitive, make sure you seek the advice of a professional mortgage adviser.

### Consider all the costs

As with any other financial transaction, there will be a number of additional costs you will need to budget for. Don't forget to check out all fees and charges up front and budget accordingly.

### Allow for a contingency fund

Aside from the house buying process, there will always be additional costs associated with being a landlord. Arrange a contingency fund that will cover any unexpected costs i.e. period when the house is not let or maintenance charges.

### Choose the right property

Always seek the advice of a local letting agent when choosing a property, the wrong choice of location or property type could have a significant impact on your expected rental income.

### Insurance

Remember to take out a good quality buy-to-let insurance policy. There are a number of policies to choose from, your financial adviser will be able to help you find the right one for you.



**Gaskells IMA Ltd**

9 Old Steine, Brighton, BN1 1EJ

Call us on: 01273 248929

email: [info@gaskellsima.co.uk](mailto:info@gaskellsima.co.uk)

or visit: [www.gaskellsima.co.uk](http://www.gaskellsima.co.uk)

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

THE FINANCIAL CONDUCT AUTHORITY DOES NOT REGULATE SOME FORMS OF BUY TO LETS, COMMERCIAL MORTGAGES, SECURED LOANS, UNSECURED LOANS, CONVEYANCING OR DEBT MANAGEMENT.

The guidance and/or advice contained in this website is subject to United Kingdom (UK) regulatory regime and is therefore restricted to consumers based in the UK.

Gaskells IMA Ltd, 9 Old Steine, Brighton, BN1 1EJ. Contact: 01273 248929. Registered office: 30 New Road, Brighton, East Sussex BN1 1BN. Registered in England & Wales number: 4473273

Gaskells IMA Ltd is an Appointed Representative of Pink Home Loans. Pink Home Loans is a trading name of Advance Mortgage Funding Limited.



**GASKELLS**