

coreco LANDLORD GUIDE*

*For landlords who own four or more mortgaged Buy-To-Let properties

Further Changes are Coming

LENDERS MUST ADOPT THE FOLLOWING CHANGES BY OCTOBER THIS YEAR BASED ON RECOMMENDATION BY THE PRUDENTIAL REGULATION AUTHORITY:



Ensure **income is checked properly** and thoroughly



Stress testing should take into account interest rate rises



Supply a full spreadsheet detailing entire property portfolio


When assessing the full portfolio and minimum Rental Cover threshold, consideration should be given to the following costs:



Management and letting fees



Council tax



Service charge



Insurance



Repairs



Voids



Utilities




Gas and electrical certificates



Licence fee



Ground rent and any other costs



Lenders will be expected to assess the borrower's experience in the market including their full portfolio of properties and any outstanding mortgages, the assets and liabilities of the borrower and the merits of any new lending in the context of the investor's existing portfolio


SO, WHAT DO THESE RULES MEAN FOR LANDLORDS?



A lot of paperwork!



Must provide a **cash flow projection** and full **business plan** with commentary



No more speedy **Agreements in Principle**



Must supply **tax returns** for all properties



Talk to an adviser to get a **helping hand** through the process and avoid any pitfalls

WHAT SHOULD LANDLORDS DO NOW?

SPEAK TO AN ADVISER

Coreco have advisers with over 20 years' experience in this market and we can put together a **Portfolio Landlord Pack** to ensure you can move forward with confidence.



LOOK AT YOUR PORTFOLIO WITH AN ACCOUNTANT

Ensure all accounts are **up to date** and consider if setting up a limited company would be suitable.



CONSIDER REFINANCING YOUR PROPERTIES

Whilst **rates are low** and before the changes come into play.



RELEASING EQUITY

This will enable you to **have the cash to move quickly** when looking at building up your portfolio.



WHAT INTEREST RATES CAN LANDLORDS ACHIEVE TODAY?



Buy to Let products have **never been so low**, and we mean really low.



2-year fixed rates from 1.34% (4.68% APRC) or a 5year fixed rate from 2.19% (4.32% APRC)



For those who want to keep their options open, there is a **variable rate at just 1.89%** (1.95% APRC) with no Early Repayment Charges which is remarkable.

There is no guarantee that it will be possible to arrange continuous letting of the property, nor that rental income will be sufficient to meet the cost of the mortgage.

Your property may be **repossessed** if you do not keep up repayments on your mortgage.

A fee of up to **1%** of the mortgage amount may be charged depending on individual circumstances.

A typical fee is **£495**