

**LANDLORD**  
MORTGAGES™



*the difference is ...*

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*If you're considering investing in property, our services and products, and of course our expert advice, are provided exclusively for you.*

Call us free: **0800 917 3324**

Mail us: **info@lml.co.uk**

Or visit our website: **www.lml.co.uk**



## Your guide

*to investing in property  
with Landlord Mortgages*

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## All about us

*Landlord Mortgages has been providing expert advice to landlords and prospective landlords for many years.*

*Everything we do is geared specially for people investing in property. Because we deal exclusively in this market we offer our customers the best choice of products and services and independent advice, plus the latest news and information about the property market. And, we'll sort your business faster – we know that speed is important.*

## One of us

Many of our customers start with one investment property and enjoy the experience of being a landlord, they have added more property to their portfolio. We're delighted that they keep coming back to us for advice to help them expand their property business. Getting to know each other is important. Our relationship with our customers doesn't end with selling a product. We hope they will come to view us as a trusted partner and friend.

## In touch

Landlord Mortgages regularly keeps in touch with customers through our consultants and our newsletter. Whatever's happening in the market, from new legislation and new rates to sharing tips from other landlords, we'll keep you in the picture.

## Independent

Whatever your needs, we want to make doing business with us simple and straightforward – that means offering independent advice about the range of choices available to you. Landlord Mortgages subscribes to The Mortgage Code. We offer comprehensive advice and can recommend products and services from the whole market. We are not tied to a single lender.

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# How we can help



## Under one roof

*Providing advice and services for people investing in property is our core business. We have years of experience and like to think we really know what our customers want.*

One of the things customers value most is having everything they need to become a landlord available under one roof. From the loan to mortgage protection, tenancy service, buildings and contents insurance, everything you need is provided by Landlord Mortgages – all with the assurance that our advice is impartial and independent.

## Our fees

We have built good relationships with lenders and we receive a fee for introducing business. Because people keep coming back to us we achieve high volumes of repeat business, so a significant portion of our income is gained in this way. Unlike many brokers it is not our policy to charge you an arrangement fee. This would only be the case in exceptional circumstances.

Be assured that every detail relating to your mortgage product will be discussed fully with you by our consultants. We always like things to be clear.

## In the know

We have all the information that you'll require. We'll tell you about important issues affecting tax and legal obligations or tenancy agreements and insurance. We can even advise you about choosing the right type of property for investment.

There's a lot to consider when you're purchasing a property to rent, so let Landlord Mortgages help you make the right decisions.



# Quick start

*What landlords want most is a fast and thorough service. That's why Landlord Mortgages is continuously finding ways to speed things up – without compromising on quality or cost.*

Because of our unique relationship with lenders, if you like, we can manage the whole deal for you.

From the initial application we'll process your request, including valuations and credit checks. We will recommend loan and insurance options – and even underwrite the business.

This means that deals can go through very quickly. What can take days to process with other brokers can be completed in just hours with Landlord Mortgages.

*Please remember if you do not keep up your mortgage payments, you are in danger of losing your property and will be responsible for any outstanding debt.*

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# The property market

*More and more people are buying property to let. They come from all walks of life and have different reasons for choosing property as an investment.*

The pattern of our lives has changed. People need to be flexible and more mobile to take advantage of different opportunities. Being able to easily move yourself and your family is important.

Young people are choosing to rent rather than buy in their early working years and students, away from home want a safe, comfortable place to live. These are key reasons driving the demand for rented accommodation and short-term lets.



Of course the erratic behaviour of the stock markets has led many more people to invest in bricks and mortar.

If you purchase the right property you could achieve a gross annual rental income of up to 10%, plus with increases in property value this could provide an innovative way to produce capital growth and income.

Please remember though that none of this is guaranteed, as values can go down as well as up.







## Making it simpler

*The 1988 Housing Act made investing in property more attractive as it introduced a new type of tenancy that gave landlords greater control over their properties. But in the early days, financing second or subsequent properties meant that prospective landlords were stuck with their existing lender.*

Loan products for investment properties often came with higher interest rates and other restrictions.

Then, lots of lenders jumped on the bandwagon. The market became confusing.

Landlord Mortgages has cut through this confusion. We're specialists who look after customers nationwide, offering the best deals, speedier service and excellent advice. If you're considering buying a property to rent there are four key aspects you'll need to consider starting with choosing the right property, financing the purchase, and finally managing the property and covering the costs.

*Let us guide you through the important stages ...*

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## Location location location

*It may sound obvious but always research your market.*

*If you're buying a property to let you're running a small business – it's not the same as owning your own home.*



# Choosing your property

If a property seems exceptionally cheap there's probably good reason.

That house next to the sewage works might seem like a bargain – but would you want to live there? Chances are not, and nor will prospective tenants.

Check how close the property is to local amenities such as schools, transport and shops. How important will each of these be to your tenants?

What's the general condition of the property? Most people expect high standards including a nice kitchen and modern bathroom.

Is there parking at the property? Is the area well lit and safe?

Make thorough searches about the general area and the type of rentals it may attract. The local authority, major employers, newspapers and estate agents are good sources of information.

Lots of people ask us whether they'll be eligible to borrow towards the purchase of a rental property if they also have a mortgage on their own home. Happily, the answer for most of you is yes – subject to you meeting criteria set by the lenders. Landlord Mortgages has excellent relationships with many key lenders and we've been able to help thousands of customers like you, purchase property to rent

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## Long term investment

Property is a long term investment. Your money will be tied up and not instantly accessible, so finding the best way to finance the purchase and understanding your obligations is important. For example, any rise in the value of a rental property, unlike your own home, is liable for capital gains tax charged at your personal tax rate. You'll need to assess this against your capital gains allowances.

If you need funds to help you purchase your property we hope that you'll ask Landlord Mortgages to find the best package for you. There's more about our products and services on page 12.

Loans for buy-to-let properties are calculated using different criteria to home loans. The main difference is that eligibility is assessed primarily on the potential rental income from the property, but salary may be taken into consideration. Our mortgage consultants will be happy to discuss your individual circumstances before you complete your application.

Normally, the lender will expect you to invest an amount of capital – a deposit of between 15% and 25% of the value of the property or purchase price.



*Once you have purchased your property you can either manage it yourself or bring in an agent to do this for you. Their service will typically cost between 10% and 15% of your monthly rental income.*

If you decide to manage things yourself you'll need to allocate time to finding tenants, checking their references, collecting the rent and maintaining the property. Oh, and dealing with any problems.

You also have legal obligations such as carrying out repairs, ensuring gas and electrical appliances are checked and safe, and ensuring that furniture and furnishings meet safety requirements.

*Landlord Mortgages can offer you more advice about your legal obligations.*

## Be a good landlord

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## Counting the costs



Landlord Mortgages will be happy to help you with every aspect of purchasing your buy-to-let property.

***Remember, the difference between us and other brokers is that we're experts in this field – we specialise in buy to let.***

*If you are running any type of business you should consider all eventualities and have a contingency available to cover the unexpected.*

*In addition to your mortgage payment here are some factors to build into your plan:*

- maintenance costs
- funds to cover a shortfall – (if the property is left unrented or if tenants fall behind on payments)
- rise in interest rates – this might affect your mortgage repayments
- tax liability
- income – profits from renting your property are taxable (although you will be able to offset some of your costs)
- stamp duty – payable when you purchase your property
- capital gains tax – when you sell it
- insurance – buildings, contents and mortgage protection



## Clear and simple

### a guide to our products and services

*Nearly all our customers have or have had a mortgage, so you'll know that there are a variety of options. We will help select the best type of product for you by searching the whole market.*

*Once you decide to proceed, Landlord Mortgages promise a fast and thorough service.*

*We've produced a leaflet 'Understanding your mortgage' that provides all the detail you need. Please ask us if you'd like a copy.*

*In brief, here are some of the options we can offer you:*

goodshoot.com

# Mortgages

## Fixed rate

*Fixed rate mortgage* – with a guaranteed interest rate charged for an agreed period (normally 2 – 5 years) – so you know exactly what your payments will be. After the period ends the rate reverts to the lenders standards variable rate.

## Standard variable

*Standard variable rate mortgage* – the interest rate you pay is what the lender sets as its standard rate. The rate is variable so it can go down or up.

## Discounted

*Discounted mortgage* – the lender guarantees that you will be charged a rate that is an agreed percentage below their standard variable rate for an agreed period (normally 1 – 5 years). Your payments may vary and when the period of the rate ends you'll revert to the standard variable rate.

## Capped

*Capped mortgage* – is set so that the rate you pay can't rise above that level during the term (normally 1 – 5 years). If the standard variable rate falls below your capped rate, your charges will also reduce.

*Other options include deferred rate mortgage, capped & collared mortgage, cash back mortgage and tracker mortgages.*

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# Paying for your mortgage



*When you're paying your mortgage, eventually you have to repay the capital (the amount you borrowed) plus the interest accrued during the term of the loan.*

There are two main types of mortgage payment; a repayment mortgage or an interest only mortgage.

With repayment your charges cover both the capital and interest so that at the end of the repayment period you'll have repaid everything you owe (as long as you have kept up your mortgage payments)

With interest only mortgages the initial capital sum you borrowed at the beginning remains outstanding until the end of the mortgage term. This means you have to save towards the repayment through some sort of investment plan. These can include endowment policies, ISA's (individual savings account) and pensions. However, landlords have an advantage, they could sell the property to pay the mortgage.

*Our consultants will be happy to discuss all the options with you, and you can find out more from our leaflet 'Understanding your mortgage'. This also covers extra information about other costs associated with purchasing a property. These may include mortgage indemnity guarantee, valuation fee, stamp duty, letting assessment fee and redemption fees.*







# Protect yourself

*Insurance provides peace of mind and Landlord Mortgages recommends you consider cover to protect your investment mortgage.*

We have arranged a competitive range of Mortgage Protection Plans with a panel of providers. Cover is particularly suitable for landlords who want to protect their families or business associates. Benefits include options for death benefit and critical illness benefit. Please call us if you'd like to find out more.

Other policies you'll need to consider are buildings & contents insurance and rent protection insurance.

Landlord Mortgages is happy to advise you.

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# Choices – what to do next

*We hope you've found our information useful. You now have to decide if buy to let will be a good choice for you. Are you clear about the important aspects?*

## Finance

- This will be a big investment that ties up your money long term.
- Are your expectations realistic? Will your rental income cover your mortgage payments and other costs (such as insurance, mortgage protection etc)?
- Will you have reserves available to cover the unexpected (repairs, fees, charges, or event a downturn in the market)?
- Do you understand the tax implications about purchasing and renting a property?

## Choosing your property

- Will you manage the rental yourself or will you use an agent?
- Have you researched things thoroughly?
- Are you sure about the location and rental opportunities?
- Have you found out about Assured Shorthold Tenancy Agreements? – most lenders will expect to have these
- Are you aware of the all safety and legal aspects of renting a property?

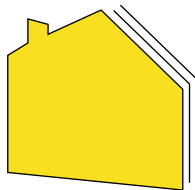
**Landlord Mortgages –  
ready to help you now!**

*If you've made the decision to  
buy-to-let or would like more  
information from our experts call  
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*We promise you a fast and thorough  
service, the best mortgage options  
and expert advice so that you can  
make that deal today.*



Landlord Mortgages is a trading name of Landlord Mortgages Limited, Bridge House, 181 Queen Victoria Street, London EC4V 4DD (Registered office), Registration number: 3564796. Landlord Mortgages Limited – the business of credit brokerage (Licence no: 449012). The company subscribes to 'The Mortgage Code of Lending Practice' (registration no. 5236040).

*Your home is at risk if you do not keep up repayments on a mortgage or other loan secured on it.  
Written quotations available on request.*

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