

Alfreton & Ripley

PROPERTY NEWS

Issue  12

BUY TO LET...

Advantages and Disadvantages!

What are the Advantages & Disadvantages of a buy-to-let?



There is no denying that the buy-to-let is not as straightforward an option as it used to be. With an ever shifting property market, less favourable tax conditions and increased stamp duty there's a lot to consider before taking the plunge.

Thinking about becoming a landlord for the first time can be a daunting prospect. We have helped many landlords take the first steps, and it has never been more important to do your homework and get professional advice.

Here are some of the fors and againsts that are worth considering before making that investment.

Affordable locations are more inclined to growth

There may still be opportunities to profit from property, if bought at the right price and in the right area. In our blog post from last month we compared the four towns of Amber Valley to see how their growth compared. Visit the blog for more information.

Uncertainty in politics can lead to a hesitant and uncertain housing market

Like any type of investment economic and political instability create uncertainties in both the property and finance markets.

The Property Rental Market is predicted to continue growing

There's unlikely to be a shortage of people looking for decent, well maintained private rented property in the medium to long term letting market. We have also found that tenants are staying in homes for longer periods than had previously been predicted.

Extra stamp duty is now payable on additional homes

A question that our new landlords frequently raise is how will the extra cost of stamp duty affect their investment since it was introduced in April 2016.

Unlike regular stamp duty, the extra 3% is charged as a flat rate on the entire cost of the property.

HMRC, mortgage lenders AND the Government appear to be making it more difficult and less profitable to invest in buy to let.

From April this year, the relief available on mortgage interest started to be capped at the basic rate of 20%. By April 2020 all landlords in the private rented sector will be affected.

Property is a long-term investment that can really pay dividends

It is a fact that house prices fluctuate and vary by region. However, the last 12 years have shown that property prices have continued to increase, albeit at different rates, but generally with an upward trend. An investor should always buy a property with the resale value in mind, and not just consider the rental income. It is worthwhile to have a plan of how long you are going to keep that property depending on your personal circumstances.

I hope you enjoy reading our newsletter and find it both informative and useful.

These articles are designed for people who have an interest in the residential property market in and around the Alfreton and Ripley areas.

We are a local, family run letting agency, passionate about property and our local area.

If you have any questions regarding the information in this article, property investment, lettings or management please feel free to contact me. I am always happy to help.



Olivia Thomas
Director



RF&O
Properties Ltd

Aspen House, Derby Road,
Swanwick DE55 1BG

01773 609 446
07530 298 948

enquiries@rfoproperties.co.uk

www.rfoproperties.co.uk

2018 EPC regulation changes...

Everything you need to know!

Do I need an EPC?

Energy Performance Certificates (EPCs) are needed whenever a property is:

- Built
- Sold
- Rented

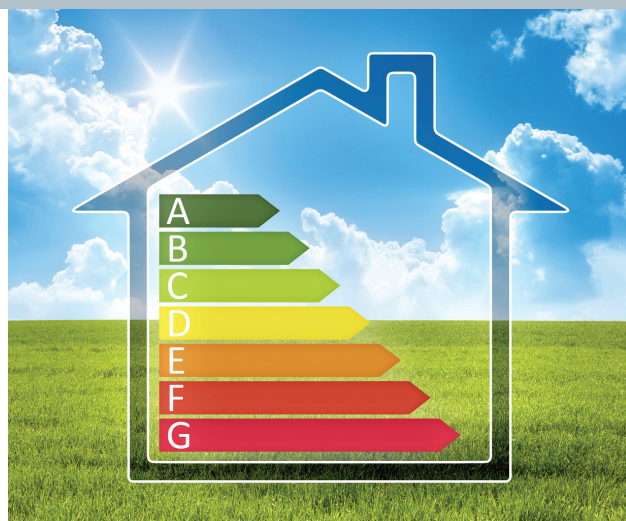
You must order an EPC for potential buyers and tenants before you market your property to sell or rent.

What is an EPC?

An EPC contains:

- Information about a property's energy use and typical energy costs
- Recommendations about how to reduce energy use and save money

An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. If you are unsure if your property has a valid EPC or not please contact us with the postcode of your rental property and we can investigate this for you.



How do I get an EPC?

You'll need to find an accredited assessor if you're selling or renting out your home. They'll assess your property and produce the certificate. A local estate or letting agent can arrange this for you or you can find accredited assessors on the government website.

What are the new changes?

As from the 1st April 2018 there will be a requirement for all properties rented in the private sector to have a **minimum energy performance rating of E** on an Energy Performance Certificate (EPC).

The regulations will come into force for all new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will therefore be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to **£4,000** could be imposed for breaches.

It is recognised that there are some properties that will not reach an **E** rating and the Energy Assessor will note this on the EPC and a note of the highest achievable rating will also be given on the document.

As long as landlords comply with all the recommendations on the EPC it will be legal to let properties that cannot be brought up to the minimum standard. The new rating will be noted on the revised EPC and a potential tenant will therefore be aware that the property may be expensive to heat – this may have an impact on a landlord's ability to let the property as more tenants become conscious of higher fuel costs.