

How do I find the right buy-to-let property for me?

Buy to let (BTL) properties take up a huge section of the UK property market, as the demand from tenants grows. According to the Office of National Statistics (ONS) the private rental sector (PRS) has seen an increase in demand, which has caused rental prices to rise by 1.3% across England; in the 12 months leading up to January 2021.

In the private rental sector, there are approximately

2.7

MILLION PEOPLE
 who register as a landlord.

70%

of landlords are not planning on selling their assets during 2021, as demand from tenants remains high.

In fact, only

10%

plan on exiting the PRS this year, according to Property Master.

But how do you know if BTL is for you?

There are many factors to consider before jumping head-first into being a landlord:

1 Type of tenant

Choosing the tenant you want to market for, will ultimately determine 3 things: the type of property, the ideal location, and your monthly rental charge.

There are 4 key BTL property styles, that landlords should consider:

 Studio Apartments

 Flats

 Houses

 HMOs

 Studio Apartments

These buy-to-let properties are often found at the centre of big cities and are popular as a cheap living space for those work within the central hub of the inner city.

Popular tenant age bracket:

16 - 24 **25 - 34**

 Flats/Apartments

Whether it be for a couple looking to rent a 2-bedroom flat, or someone flying solo – these properties should offer a higher spec than HMOs. Particularly if you're aiming to rent to midlife renters. The quality of the property will be reflected in what you can charge each month.

Popular tenant age bracket:

25 - 34 **35 - 44**

 Houses
 Semi-detached or detached properties

Renting a property can be the perfect solution for couples and families, especially if they're unable to save up a deposit to buy, or they are constantly re-locating for work purposes. The additional space and higher spec these properties can offer are perfect for midlife renters who are potentially looking to start a family.

Popular tenant age bracket:

25 - 34 **35+**

 HMOs
 House of Multiple Occupancy

Often the cheapest option, HMOs or house shares are favoured by young professionals for this very reason. HMOs can offer a form of income protection for landlords, as well as a higher rental yield.

For more info on HMOs, download our [HMO Guide here](#)

Popular tenant age bracket:

18 - 24

Other aspects to consider in the area when you're purchasing a BTL for a specific tenant:

- Transport Links
- Schools in the area
- Distance to central hubs
- Distance to a University campus

Check out our latest blog for more information on the [MFS Top 5 Commuter Towns](#).

2 Location

If you're looking to invest in a buy-to-let property for the sole interest of capital gain, then the location in which you purchase your property will be of the utmost importance.

Location will determine:

- Cost of the asset
- Rental charge
- Potential property price increase

Properties in the North have recently seen a steady rise in property value, as well in rental charge over the past 12 months.

Whilst monthly rental charges may be lower than elsewhere in the country, the overall value could see a greater growth of return in the future.

Average House price in the UK stands at a record high of £252,000, rising 8.5% over the year finishing at December 2020 according to ONS.



- The North West saw the highest regional increase over the course of the year, rising by 11.2%

3 Rental Charge

As mentioned, this will be largely influenced by **location, size and finish**

If you're looking to rent at a higher price, you could consider refurbishing your property. A refurbishment bridging loan will allow you to renovate your asset in the quickest time possible and give you the time you need to let the property as a viable exit strategy.

ONS: Private Housing Rental Prices percentage change of 12 months to Jan. 2021

Statista: Average rent in the UK by region by Dec. 2020 (info released Jan 21) For UK houses

Region	ONS: Private Housing Rental Prices percentage change of 12 months to Jan. 2021	Statista: Average rent in the UK by region by Dec. 2020 (info released Jan 21) For UK houses
South West	2.2%	£924
South East	1%	£1085
London	0.8%	£1556 (Greater London)
East of England	1.3%	£983
West Midlands	1.8%	£735
East Midlands	2.2%	£694
Yorkshire & The Humber	1.4%	£682
North West	1.7%	£772
North East	1.2%	£539

Key Dates

The stamp duty holiday threshold will reduce from £500,000 to £250,000 on the 1st July 2020. Deductions will cease on the **31st September 2021**.



The deadline for Electrical Safety Compliance on the **1st April** may require landlords to upgrade some of their current regulations, so make sure you get this checked ahead of time.

Changes in the Right-to-rent rule will be implemented on the **30th June**. The government is yet to issue details on these amendments, so keep on eye out on the [gov.uk](#) website.

