



MY PROPERTY CONSULTANT  
LONDON

## A buy-to-let property case study

My Property Consultant (MPC) has already turned the dream of becoming a property investor into a reality for many clients. Here is a typical example of how it works, including the type of property we recommend, and the sums involved.

### Where should I invest?

London is a big city, and there are lots of pockets of investment opportunity if you look hard enough. We like to focus our property search in South West London. We know this area like the back of our hand, and we believe there are excellent opportunities for the buy-to-let landlord both from a capital appreciation and a solid, dependable rental income perspective.

### What do I get for my money?

We typically recommend one or two bedroom period flats/ maisonettes that are within a short walking distance of a Zone 3 underground station. We choose areas that are up and coming with young professionals, and where rental demand is high.



#### First Floor Property

Approx 58.9 sq metres (634.2sq feet)

#### Master bedroom

3.16m (10'4") x 3.15m (10'4")

Window to rear, wardrobe, two double doors

#### Second bedroom

3.19m (8'6") x 2.34m (8'8") max

#### Kitchen

3.41m (11'2") x 2.66m (8'9")

#### Utility room

1.58m (5'2") x 1.16m (3'10")

#### Hall

5.73m (18'9") x 1.95m (6'5")

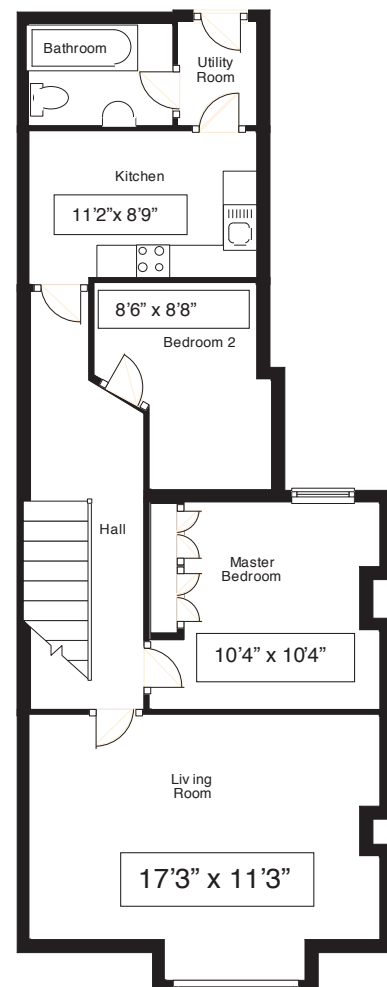
#### Living room

5.26m (17'3") x 3.43m (11'3")

Full width room with window to front.

#### London Borough of Merton

Floor plans are identification and guideline purposes only not to scale.



## How do I finance the investment?

Most of our clients invest in their buy-to-let by remortgaging an existing property, removing some of the equity, and using it as a deposit on their investment property. Here is an example:

### Remortgaging your current property

	Now	After remortgaging
Value of property	£500,000	£500,000
Amount borrowed on mortgage	£140,000	£270,000
Loan To Value	28%	54%
Repayments per month*	£1,281 (3.75%)	£1,211 (2.5%)

\*It is common to reduce payments on your mortgage, even when you take equity out of the property as interest rates are currently at an all time low. For other clients, remortgaging may increase mortgage payments, so the rental income from the new property must be able to cover this.

By remortgaging their existing property, our client released £130,000 to put towards their investment property. This is used to cover a deposit, and all associated fees and costs:

New Property	
Value of property	£400,000
Amount borrowed on mortgage	£300,000
Deposit	£100,000
Stamp duty	£10,000
MPC Fees	£9,600
Legal Fees	£1,000
Finance fees	£3,225
Furniture (if required)	£2,500
Professional clean (for first tenant only)	£150
Mortgage arrangement fee	£2,000
<b>Total needed</b>	<b>£128,475</b>

## How will the ongoing costs work?

This client bought a two-bedroom maisonette for £400,000, which typically achieves £1,400 per month. Their objective was to achieve good capital appreciation, while ensuring that the rental income covers all expenses. In this example, our client makes a monthly profit of £312, which they hold in a savings plan to cover any unexpected expenses.

	PCM	Per annum
Rent	£1,400	£16,800
Mortgage repayment at 3.19%	£797.50	£9,570
<b>Profit before expenses</b>	<b>£602.50</b>	<b>£7,230</b>
MPC managed service 12% plus VAT	£201.60	£2,419.20
Buildings Insurance/maintenance charges	£80	£960
Ground Rent	£4.16	£50
Gas safety certificate	£3.75	£45
<b>Net profit</b>	<b>£312.99</b>	<b>£3,755.80</b>

## **I would like to know more – what happens next?**

**Here is how it typically works:**

### **Step 1 - Let's meet**

We meet either face-to-face or on the phone to discuss your requirements.

### **Step 2 - A free, no obligation proposal**

We will send you a proposal with high level figures, a Terms of Engagement letter, and our Terms and Conditions. If you would like to proceed, all you have to do is sign the letter, pay a commitment deposit, and we can get started.

### **Step 3 - Arranging finance**

We're happy to recommend a mortgage broker to help you with your remortgage and the mortgage for your new property. They will search for the best deals, and will do all of your paperwork for you. Mortgage brokers are especially useful if your situation is in anyway complex.

### **Step 5 - Finding a property**

We will carry out a search for the ideal property. Sometimes this takes a few weeks, other times we find one instantly. It really just depends what is on the market. Once we have found one, we will send you all of the details. Some of our clients want to visit the area and view the property before they buy it, others have never set foot in their investment. It's completely up to you.

### **Step 6 - The legal process**

If you agree to buy the property, we will negotiate on your behalf. If the offer is accepted, we will deal with the solicitors and estate agents, keeping you informed of progress every step of the way.

### **Step 7- Renting out the property**

Once the sale is complete, we do everything to get your property ready for new tenants. We will send you a report on the condition of the property, and we'll arrange painting, and furniture and fixtures if required. We take meter readings, arrange council tax, and we will source buildings insurance quotes for you.

If you choose to use the MPC level 2 service, we will also find you tenants, arrange contracts and deposits, and we will be their day-to-day contact should any problems arise.

**Call us on** +44 (0)20 3819 6070

**Email us at** [hi@myproperty-consultant.london](mailto:hi@myproperty-consultant.london)

**Find out more at** [www.myproperty-consultant.london](http://www.myproperty-consultant.london)

Your home may be repossessed if you do not keep up repayments on your mortgage.  
Our service is completely independent and whole of market. There is no charge for our initial meetings.