



## the costs involved with buy to let properties...

Buying a house isn't cheap, it's probably one of the most expensive assets you will ever own. However, buy-to-lets have shown themselves to be great investments over the years, helping people earn a monthly income and benefit from capital growth.

There's a lot different with getting a buy-to-let than a residential property, but with the right advice and guidance, you'll have no problem! Here's a run through of all the costs involved with buying and managing your buy-to-let property.

### upfront costs

- ④ Deposit - this is typically 20-25% of the property value
- ④ Mortgage fees – application and arrangement
- ④ Legal fees – conveyancing
- ④ Valuation fee (some lenders don't charge for these)
- ④ Survey - if the property you're buying is old, you might want to pay for a structural survey to identify any costly repairs
- ④ Stamp duty – this is 3% of the property value
- ④ Finding a tenant – an agent can help you with this or you can do it yourself
- ④ License – you must register with Rent Smart Wales which is a one-off fee of £33.50

### ongoing costs

- ④ Mortgage – monthly payments
- ④ Certification - gas, electric, fire and deposit protection
- ④ Maintenance and repairs
- ④ Insurance - landlord and buildings insurance
- ④ Council tax (depends on what band you sit in)
- ④ Tax - 20% of your rental income
- ④ Utility bills – you need to decide whether your tenant arranges these, or you pay for them and include the cost in your rent from the
- ④ Ground rent and buildings maintenance if you're buying an apartment
- ④ Letting Agent – management fee

Don't forget, even if you have a void period with no tenant living in your property you will still have to cover all ongoing costs.