

**RAJ BERI**  
PROPERTY MENTORING

## Top Tips – Protect your Buy-to-Let Investment



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## Top Tips - Protect your Buy-to-Let Investment

Undoubtedly, the most exciting part of buy-to-let investments is actually getting the deal but this doesn't make you any money in the short term (although securing the equity is a great start!). Your income will be generated if you follow some of the tips highlighted below.

Follow the tips below to keep you BTL investment in top shape:

- ❖ **Payments:** Never default on a mortgage payment. The best way to plan for any shortfalls e.g. due to a larger repairs or property sitting empty (voids) is to have a cash buffer for every investment property you have. You should also be checking your bank account for the rent on the day it is due and follow up immediately with the tenant if there is a missed payment. Rental income is the life-blood of your business
- ❖ **Stay up-to date:** Changes in the industry appear to be happening at an alarming rate whether you rent to benefit tenants, working tenants or student/non-student house shares. Keep up-to date by joining a landlords association, reading property magazines and attending landlord forums
- ❖ **Keep you property in good shape:** One of the best ways to attract good tenants and ensure they stay longer is to keep your property up-to date and carry out essential repairs & maintenance as and when they are required. This will set the standard for what is expected. This also has the added benefit of increasing the capital value of your asset if you ever decide to sell.

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- ❖ **Tenant Communication:** Be an approachable landlord & tenants are likely to stay much longer. You are also likely to find out earlier if they have any financial problems so you can help in resolving these eg via a payment plan
- ❖ **Property Inspections:** Make sure you undertake regular property inspections - there is a balance between trying to check the property weekly (tenant harassment) versus never checking the property after the tenants have moved in!!
- ❖ **Exit strategy:** It's worth thinking about your exit strategy i.e. paying off the debt on the mortgage or perhaps selling when the market peaks or perhaps you never plan to sell but will pass the property onto your children in which case consider all the tax implications using a specialist tax adviser.
- ❖ **Tenant Vetting:** Ensure you conduct all credit, ID and reference checks thoroughly (the latter being current employer, current landlord) and if in any doubt, also request a working guarantor.
- ❖ **Consider using a letting agent?** A large number of landlords are also in full time employment during the day so it might be prudent to seek out a reputable letting agent who can take care of the day-to-day property management.
- ❖ **Become Tax efficient:** Develop an understanding of ALL THE COSTS that you can deduct from your rental income before tax. There are lots of tax-efficient strategies so work with a reputable property tax accountant

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