

## PROPERTY MANAGEMENT NEWS LETTER October 2008

### LANDLORDS: IS NOW THE RIGHT TIME TO BUY?

*With the credit crunch raging on and property transactions at an all time low, more and more people are turning to rental - either renting their properties out if they are proving hard to sell in the current market, or renting a property themselves instead of buying.*

Many people see rent money as dead money- flushing away their hard earned cash to pay off someone else's mortgage. It is also seen as a temporary fix, living in a property you can't make your own - a house you can't turn into a home.

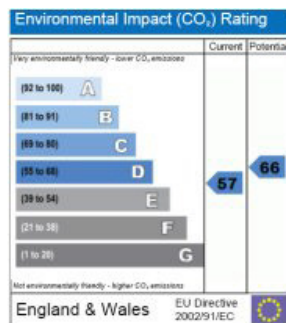
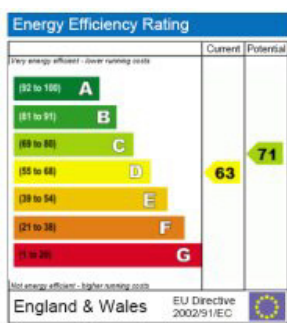
Now, thanks to the current market conditions, experts are predicting that the desire to own a home of one's own may fade and renting will become the preferred option. That way, it is far less responsibility-you don't have to worry about market conditions as you are not responsible for selling the place or for maintaining it. It is also likely that you could get a nicer property for your monthly rent than you could if you were looking to buy.

The credit crunch has forced many who were looking to sell their home to hold back until the financial climate improves and those looking to buy are finding it hard to get the necessary credit. As a result, the number of rental properties available on the market has increased dramatically, as has the number of prospective tenants.

This year has seen tenant demand rise at its fastest rate for a decade, with the demand for family homes particularly strong. This could be attributed to the new breed of tenants - less student or young professionals and more families - who may have sold their home and are looking to rent whilst they sit out the credit crunch.

Rents also continued to rise this year, but still remain cheaper than buying, with the typical mortgage rate sitting at 6.25 per cent and the typical rental yield at 4.5 per cent. As a result of rising yields, increasing numbers of landlords are opting to stay in the market, with just 2.1 per cent selling their properties when rental agreements ended, the lowest level since records began in 2003.

"Becoming a landlord was now an increasingly profitable option with rising rents and yields offering good returns," added Mr Scott-Lee. However, landlords are finding that as the number of rentals available is rising, higher standards of presentation are required in order to let their property. This may mean they are forced to spend money renovating or redecorating in order to rent it for the price they wish to achieve.



### Remember we now cannot re-let without an EPC.

We are now well underway obtaining EPC certificates which will be required on all properties before they can be let after October 2008.

We have adopted a policy of obtaining the EPC on every property and are working through our register. Typical cost £75 plus Vat

We have amended our Landlords Terms & Conditions to reflect this change.



We have now introduced debit & credit card facilities so that tenants are now able to accept payment from tenants. This will facilitate collection of late rents & credit reference fees.

A full copy of our current Management Terms & Conditions is available upon request or online at:  
[www.lane-browns.co.uk](http://www.lane-browns.co.uk)