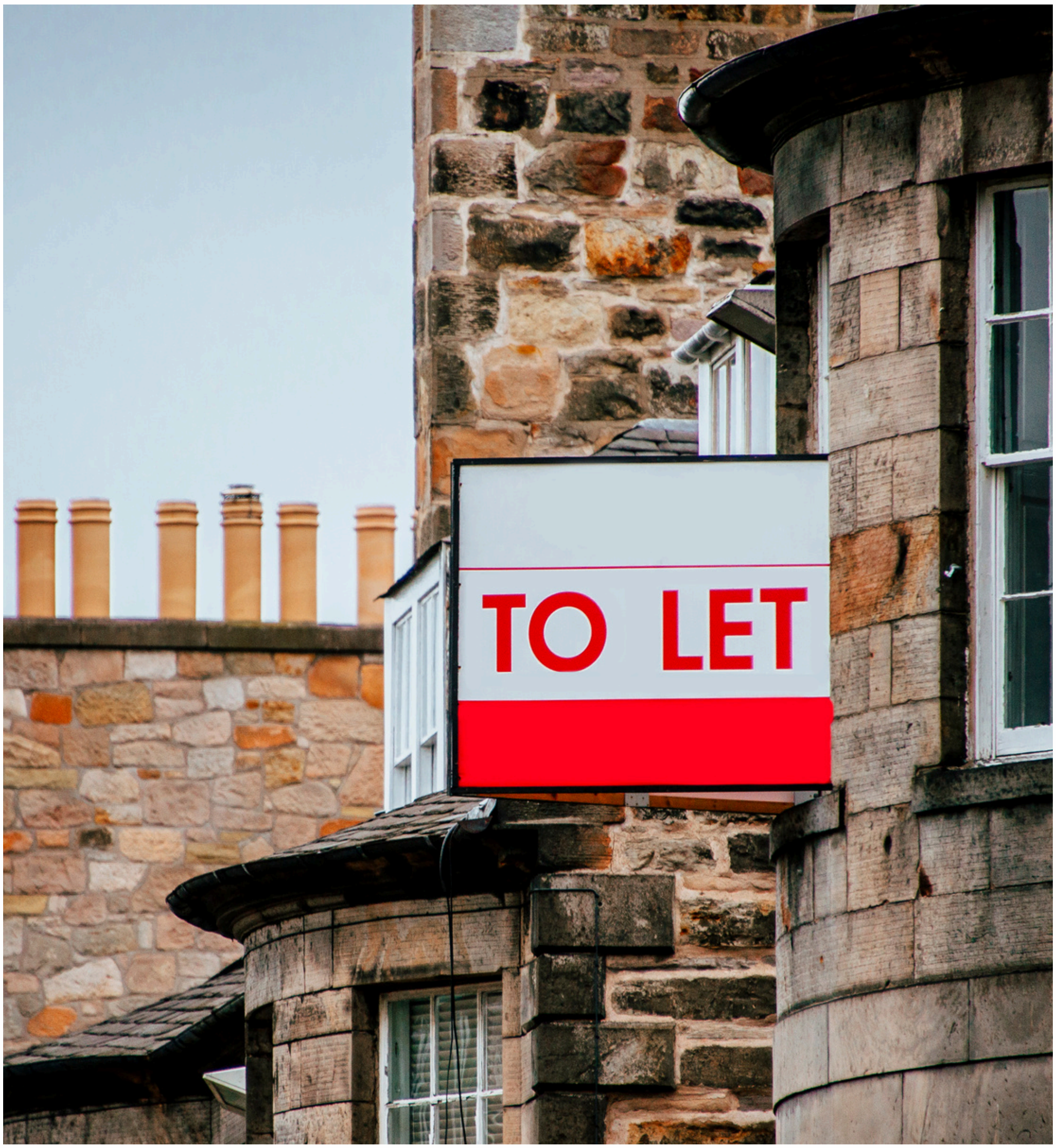
BUY-TO-LET MORTGAGES GUIDE



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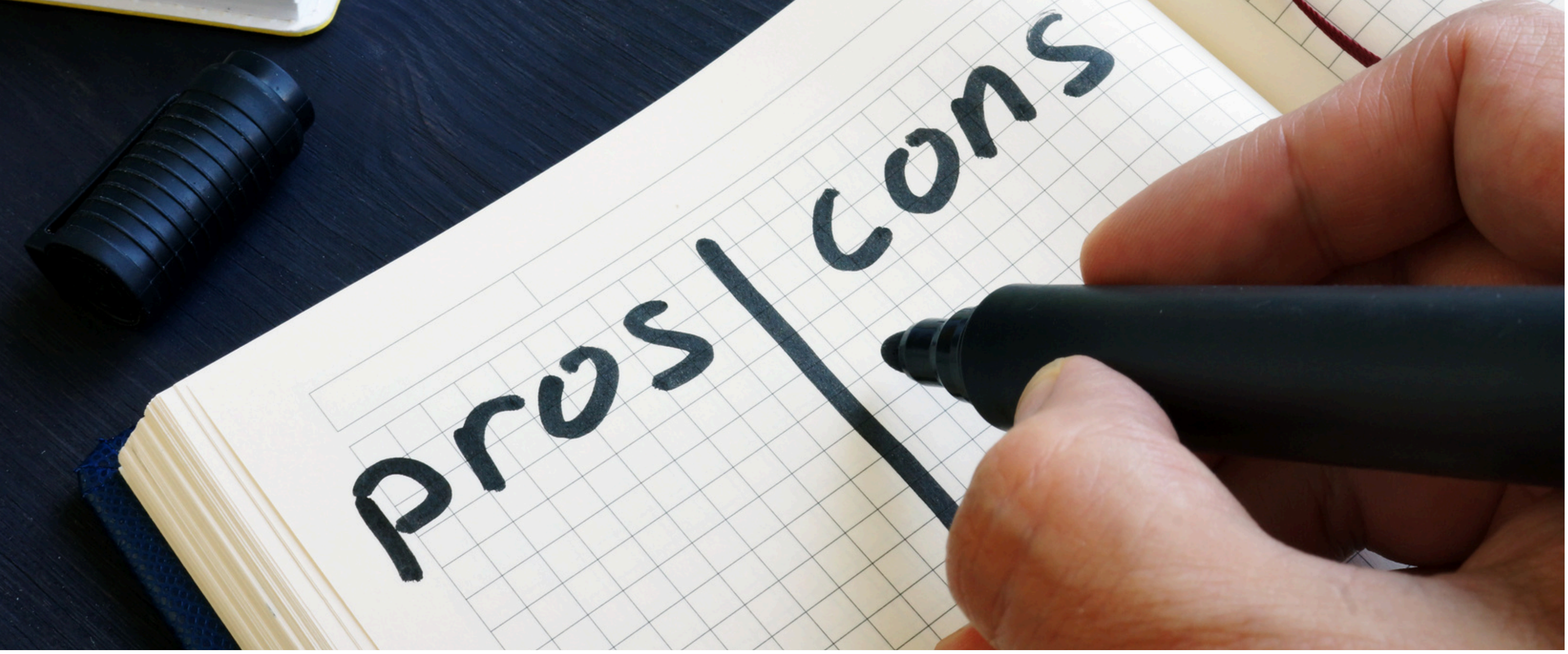
WELCOME

WHAT IS A BUY TO LET MORTGAGE?

Buy-to-let is purchasing a property specifically to rent out, aiming to make money from:

- Rental income (cash flow)
- Long-term capital growth

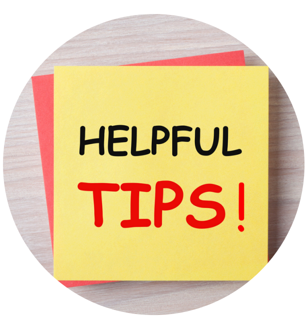
It’s an investment, not a home, so the rules, mortgages, and taxes are different.



IS BUY TO LET RIGHT FOR YOU?

- Regular monthly income
- Property value may rise over time
- Tangible asset (less volatile than stocks)
- Leverage via mortgages

- Taxation has increased
- Void periods (no tenant = no rent)
- Maintenance and repairs
- Regulatory responsibilities
- Interest rate risk



👉 Buy to let works best if you’re long-term focused (5–10+ years) and financially resilient.

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HOW MUCH MONEY DO YOU NEED?

01

Deposit

Deposit: 20–25% (sometimes 30%)

02

Stamp Duty

+3% surcharge on second homes

03

Legal Fees

£1,000–£2,000

04

Survey and Valuation

£400–£1,000

05

Initial repairs/ furnishing

Variable depending on personal finish desired

06

Emergency Fund

3–6 months of expenses

💡 Example:

£200,000 property → £50,000+ total cash needed

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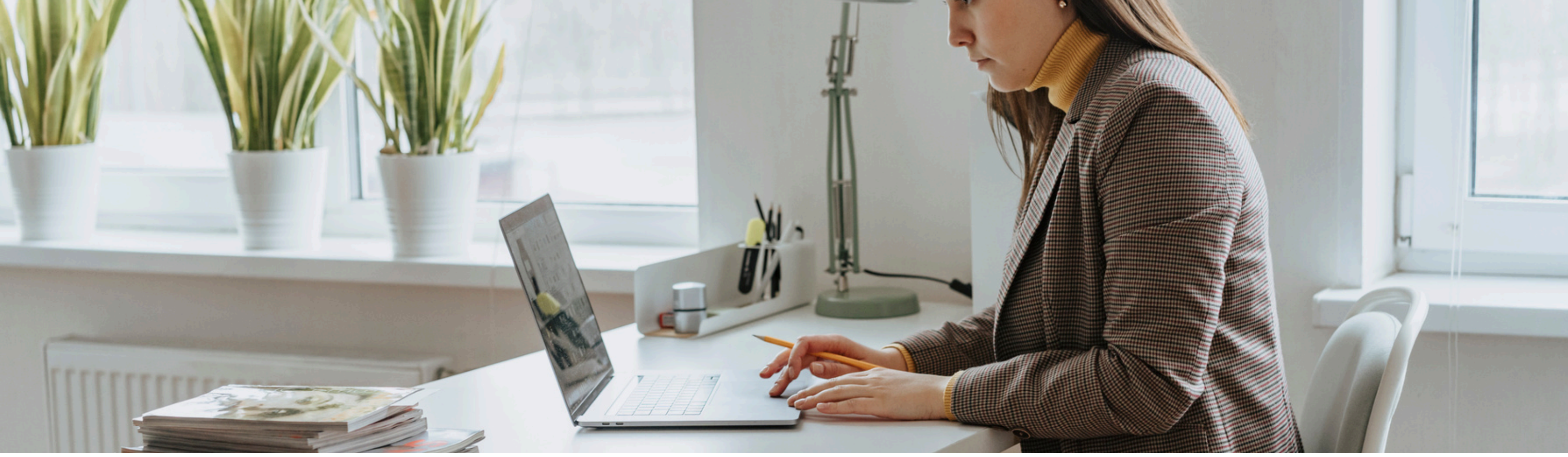

HOW LENDERS ASSESS AFFORDABILITY

Affordability is based on rental stress testing, not personal income.
Interest Coverage Ratio (ICR) Most lenders require rent to cover:

01 125% of mortgage interest (basic-rate taxpayers)

02 140–145% (higher-rate taxpayers) Stress Rate

03 Even if your mortgage rate is lower, lenders test at:

- 5.5%–8% (depends on lender and fixed term)

Example

- Mortgage: £150,000
- Stress rate: 5.5%
- Annual interest: £8,250
- ICR at 145% = £11,962 required rent
- Monthly rent needed ≈ £997

👉 This is the number one reason deals fall through.

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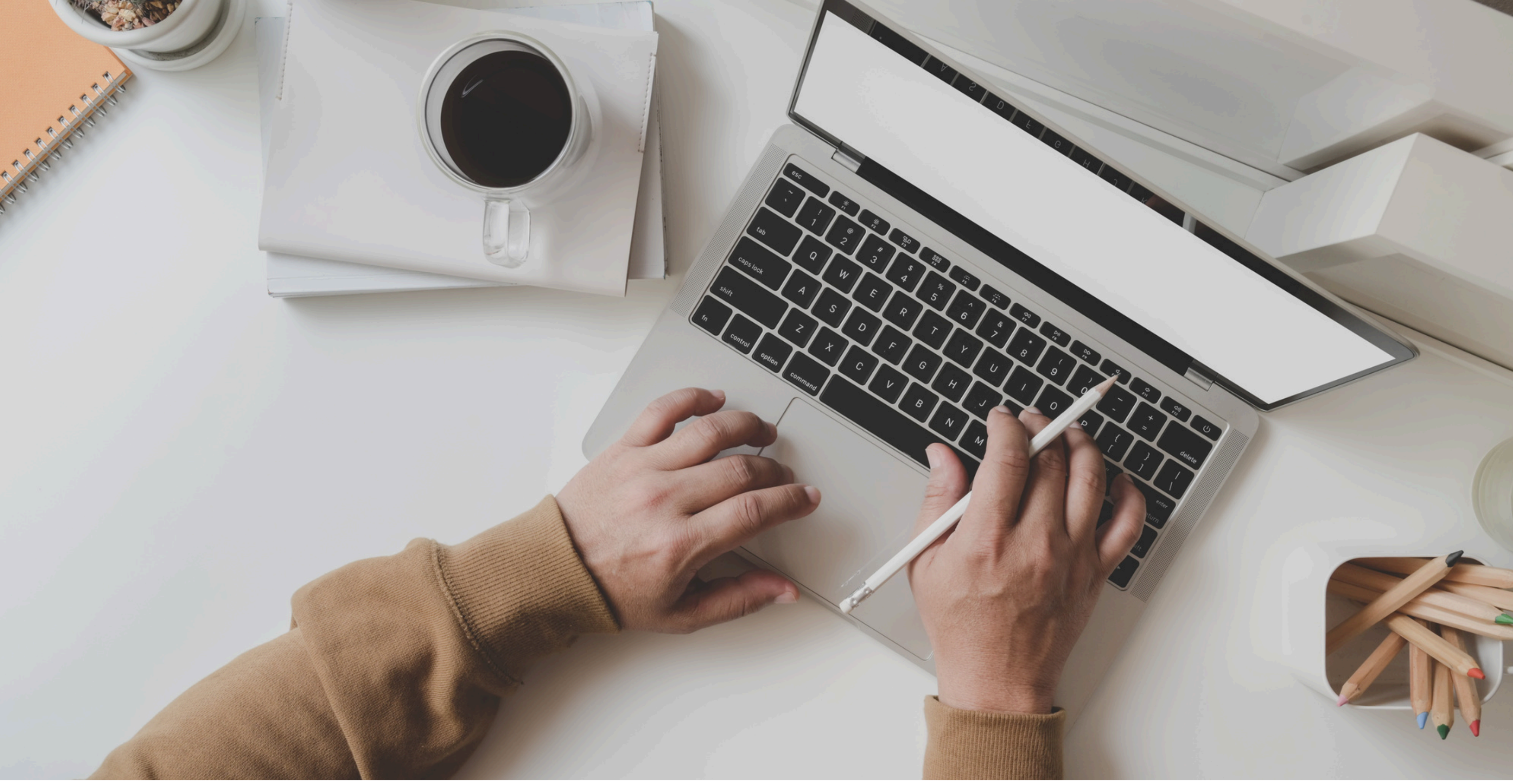

CONTACT US NOW

Want to This Taken Further?

I can:

- Stress-test a real property for mortgage eligibility
- Compare 2-year vs 5-year deals
- Model personal vs limited company borrowing
- Help you structure a multi-property portfolio

Just tell me where you are in the process and your budget

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