LegalforLandlords™

3 reasons to keep your buy to let

7 ways to make it pay

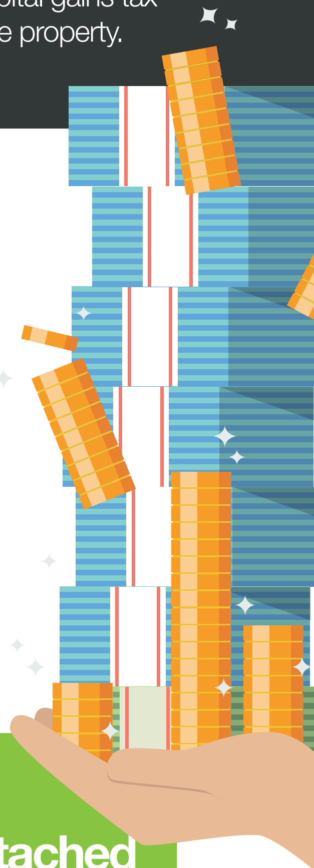
With interest rates on the rise and mortgages becoming more expensive, is it still worth keeping hold of your buy-to-let?

Recent events have caused much unease, with predictions of a massive sell-off, but it's important to keep the whole picture in mind. When times are challenging, the savvy landlord keeps focused on the ultimate goal and remembers that property price growth is strong over time and that high rental yields are still achievable.

Manage the challenges of owning a buy to let well and you'll be in a strong position. Here's the why and the how.

Why you should keep hold of your buy to let

1. You'll continue to earn rental income and the potential is growing. The UK has over 13 million renters, occupy-ing 4.4 million dwellings. With 20% of the population renting now, and demand on the rise, **rents will continue to increase.**
2. While you're earning revenue, **your capital is growing** too. Property values continue to reflect high demand.
3. If you have unrealised value in your property, you can re-mortgage and withdraw the **extra cash tax-free.** You only pay capital gains tax if you sell the property.



How to make it pay

1. Use the extra cash from re-mortgaging (see 3 above) to refurbish the property to **maximise the rent** or to invest in another property.
2. **Minimise your risks.** Make sure you have the right insurance in place. Take out cover against loss of rental income, damage and legal costs.
3. Understand and **claim all costs** allowable to reduce your tax liability. Speak to your accountant.
4. If you have three, four or more properties, **consider a company structure to boost tax efficiency.**
5. **Work with a great letting agent** who has your best interests at heart.
6. **Think long term** – 15 years plus, or even your retirement. Don't forget Inheritance Tax either. Get advice.

The last tip is the most important:

7. **DO NOT get emotionally attached to your investment!**

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