The Mortgage Bureau Norwich Offers Buy to Let Arrangements for Property Investors

January 08, 2020

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The Mortgage Bureau Norwich, based in Norwich, UK, has announced that they are offering buy to let financing arrangements that are available for property investors. It should be noted that those who plan to purchase a property as an investment cannot use the usual home financing method. Fortunately, there are a lot of buy to let deals out there, whether the investor is an ?accidental? landlord, a first-time landlord, or an experienced investor. On the other hand, the rules that govern buy to let financing can be a minefield.

Andrew Masterson, the founder of The Mortgage Bureau, says, ?Buy to let is a British phrase that refers to the purchase of a property for the purpose of letting it out or renting it out. Buy to let financing arrangements are for the investor to get some help with regards to the money needed to buy the property in the private rented sector in order to rent out to tenants. Buy to let financing arrangements have been available in the UK since 1996.?

The calculation made by the home financing companies employs a different formula compared to that used for an owner-occupied property. Depending on the company, property investors may be permitted to include their own personal income in the computation of the maximum amount that they may be able to get.

First-time landlords might need to have a separate yearly income of at least 25,000 pounds sterling. For an owner-occupied property, the computation is usually a multiple of the yearly income of the homeowner.

The most common kind of buy to let mortgage in Norwich is an interest-only arrangement. And the interest rate can be either fixed or variable. Furthermore, the fees and interest rates for buy to let home financing, on average, are slightly higher compared to those for owner-occupied homes. As a result, requirements for acceptance for buy to let financing may include credit rating, deposit amounts, and more.

When buy to let financing is provided on an interest-only basis, the property investor will only need to pay the interest for each month for the duration of the arrangement. While this may seem to be easy for the short term, the investor must have a plan on how to come up with the full amount at the end of the term. Mortgages are also available on the more traditional capital and interest basis otherwise known as ?repayment? basis whereby the capital balance of the mortgage reduces over time. However, clients usually prefer to pay interest only and elect to make reductions in capital from their own resources as they see fit and in their own time.

It should be noted that buy to let rates have decreased substantially in recent years. The interest rate was 3.25 percent in November 2018, which was lower than the 4.38 percent in 2013. Meanwhile, the deposit required would usually be about 25 percent of the value of the property. The bigger the deposit, the better will be the interest rate. The best deals are usually those that require a deposit of at least 50 percent of the value of the home.

It should be noted by those who are planning to become landlords that they will have a broad range of responsibilities on their shoulders. These include the Assured Shorthold Tenancy contract, which provides tenants the legal right to live in the property for a certain period of time; the need to check whether the tenants have the right to rent in the UK and that each tenant is provided with the Government?s ?How to Rent? booklet; tenancy deposit protection through the government-backed schemes like the Tenancy Deposit Scheme and the Deposit Protection Service; checking of gas appliances and wiring and electrical appliances by registered tradesmen; the need to have an up to date Energy Performance Certificate of which a copy must be provided to the tenant; the need for furniture and soft furnishings to have passed fire safety regulations; and the need to maintain the property based on a good standard for the benefit of the tenants and for the protection of the investment.

Those who are interested in Norwich buy to let mortgage arrangements can check out The Mortgage Bureau Norwich website, or contact them on the telephone or via email. They are open from Monday to Friday, from 9:00 am to 5:30 pm.

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The Mortgage Bureau Norwich

The Mortgage Bureau offers mortgages when buying a home, remortgages to save cost, commercial mortgages to fund ventures and associated requirements such as life insurance.

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