

Managing Your Property

Tenant Or Not?

- No tenant: any short-term strategy like e.g. “fix and flip” or “change of use” does not involve tenants.
You will need to manage the designer, builder, project manager, lender and agent to re-sell your property
- Tenant: long-term strategies for passive income.
Tenant selection is crucial!
You will need to select and manage the letting agent, tenant and lender

Letting Agents

- Letting Agents vetting
 - How many properties do they manage
 - How many staff (50-80 properties/staff is good ratio)
 - Take 5 properties and ask how easily they could rent them
 - Tenancy due diligence and termination procedures they use
 - How they conduct viewings
 - Cap on repairs?

Tips For Letting/Selling

- Give your house a name
- Maintain well
- Clean and tidy
- Don't make it look too personal
- Add scent before viewing
- Remove turn-offs

Tenant Selection

- Do your due diligence on potential tenants:
 - **legal in the country (work permit or such)**
 - reason for changing residence
 - **frequency of changing residence**
 - job situation / salary
 - **other credit obligations**
 - credit rating / bad credit?
 - **pets / smoking**
 - no bias
- **Talk to them (if remote, over phone or video call)**
- Gut feel?

Tenancy Agreements (UK)

- Assured Shorthold Tenancy (AST) is a MUST
- Avoid 'protected tenancy' properties
- Min 6 months, after that on rolling monthly basis
- 2 months notice for landlord, 1 for tenant
- Deposit can be registered with 3 different government bodies in UK

Social Housing

- Long-term contracts with Council → no voids
- Repair lease → lower MoE
- No management fee
- Local authority incentives, grants, free loans
- Not all areas
- Rent is approx market rent; for disabled people potentially above market rent

HMO

- Min 3 parties (individual tenancies)
- Shared kitchen, front door (maybe living room)
- Fully furnished, fit for purpose
- Licencing required if >3 floors and >5 tenants
- Requirements for safety, gas and fire etc.
- Higher cash-flow
- Less risk of voids

Landlord Obligations

- Provide shelter
- Safety / security
- Maintenance and repairs (major)
- Compliance with regulations
- Property insurance
- Property tax
- Administer/register deposit

Tenant Obligations

- Pay rent and place deposit
- Pay utilities
- Maintain interior in original condition less reasonable wear and tear
- Cleaning during tenancy and before moving out
- Drains, gutters, garden
- Not to use property illegally
- Not to cause nuisance and excessive noise
- Notification if property needs repairs
- Grant access to landlord with advance notice

Maintenance

- Need to keep property in good shape
- Certain things might be mandatory (be aware of those)
- Can potentially agree with the tenant to have him/her organize required maintenance activities so it suits their schedule
- Decoration: max 3 different colours
- Give your house a name

Managing Your Properties

- Yourself
 - Advantage: you are in full control. No monetary cost
 - Disadvantage: time intensive. Beware of the “landlord trap”
- Property Management Agency
 - Advantage: saves you a lot of time. Collects rent and takes care of maintenance/repairs
 - Disadvantage: charges 8-15% of monthly rent
- Your staff (employed by you for this purpose)
 - Advantage: for large property portfolio, esp. across locations cheaper and more synergies
 - Disadvantage: increased risk if they manage your money