

Landlord Information Pack <<<<<





WHO ARE WE?



PROPERTY MANAGEMENT SERVICE BASED IN PLYMOUTH

We are property problem solvers! Able to provide landlords with a range of versatile management options to give them both peace of mind, and free time. Unlike traditional letting agents, we are both flexible and adaptable. This is because we are not tied into tight margins, that rely on a high quantity of managed properties. We prefer to provide a high quality service to our chosen landlords.

MEET THE TEAM



Alan
Director

*Electrical
engineer with 10
years experience
in the Landlord
market.*



Sam
Director

*18 years
experience in
finance &
accounting.*

Part of a property network that has sold
over 80 million!

WHY PLYMOUTH?



The Place

Britain's Ocean City is the industrial hub of the Southwest, with the Dockyard, hospital and trading estates, it has a high demand for rental properties.

The People

In a recent survey 'Janners' have voted their neighbours the friendliest in the UK.

The Properties

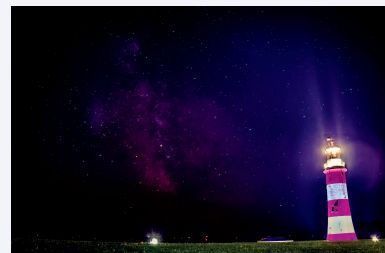
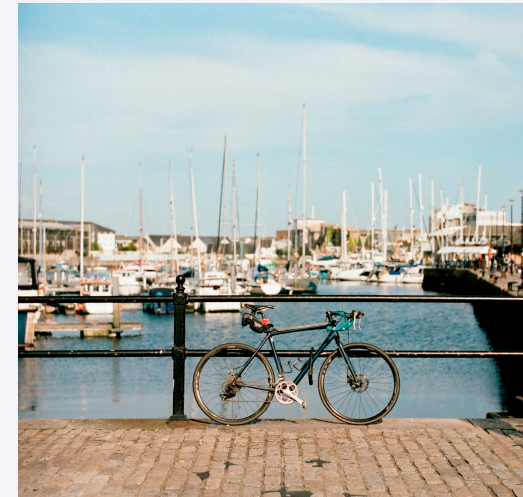
Due to a lot of money being pumped in to create commercial student blocks, many landlords are now switching to young working professionals.

The Price

Compared to the surrounding area in Devon, Plymouth is still very affordable. This means you get better rental yields on your property.

The Proof

Plymouth was named as the best area in England to invest in a property in 2022!



WHAT CAN WE OFFER? <<<<<

WHAT SHORE-THING CAN OFFER YOU AS A LANDLORD

1. **Guaranteed rent for HMO's during the period of the lease regardless of whether the property is tenanted or vacant.**
2. **A minimum contract of 5 years to give you peace of mind.**
3. **Rent paid directly to you each month.**
4. **No tenancy issues, such as chasing up rent.**
5. **Flexibility, If one rent-to-rent strategy doesn't work for you or the property, we can find one that does.**
6. **Refurbishment if needed (continue reading for more info)**
7. **A 'purchase lease option' for those that are struggling to or eventually want to sell the property.**
8. **Regular maintenance and inspection service.**
9. **We provide day to day repairs service and we offer our tenant(s) an emergency service for our out of hours maintenance issues.**
10. **We are responsible for paying all the utility bills and council tax during the term of the lease in a HMO.**
11. **We do not charge you a maintenance fee or commission.**
12. **Full vacant possession at the end of the lease at no cost to you. If requested the lease can be extended.**

WHAT WE NEED FROM YOU

1. **Proof of ownership (We will carry out a land registry search)**
2. **Current building insurance proof**
3. **Recent mortgage statement**
4. **Latest Gas and Electrical safety**
5. **Energy Performance Certificate (EPC)**
6. **A spare pair of socks for when the first pair get knocked off!**





HOW DOES IT WORK?



Landlord is looking for a creative way to earn income and gain free time using their property.



Initial chat with Shore-Thing. We do a face-value analysis of the property, location and potential for tenancy. This will enable us to search for the best solution to your problem.



Meeting with Shore-Thing. We verify the property and conduct non-invasive checks. Using the information we have obtained we provide one of the following options:



Option A

HMO
(Guaranteed rent/Shared profit)



Option B

Single let
(Shared profit)



Option C

Lets get Creative!



A

WHAT IS A HMO?



HMO or House in Multiple Occupation

- A House in Multiple Occupation (HMO) is a residential property that is shared by three or more individuals.
- Rather than let the house to a single family each bedroom is let out on a separate assured shorthand tenancy (AST) to an individual tenant. The tenants share the amenities and communal areas such as the kitchen and bathroom facilities.
- A large HMO (5+ people) is categorised under a separate planning use class and may require a licence from the local authority. Depending on area this may extend to a Small HMO (3+ people)
- HMO properties are popular with students and young professionals who are looking for affordable shared accommodation. It provides high rental yield and resilience against vacancy.
- Refurbishment works are normally required to convert spare spaces into additional bedrooms.

Myths busted



Myth - Rent to HMO is risky, as the landlord has the overall liability at the end of the day.

Busted - The Supreme Court has delivered a landmark ruling that where rent-to-rent companies take over the running of a property, they cannot pass their legal liabilities onto the landlord.

Myth - I thought subletting wasn't allowed?

Busted - This only applies to properties that have been sublet by a tenant on an AST, often without the landlord being aware...or turning a blind eye. When done correctly through a licensed management company, that has obtained all necessary permissions from the local authority it is accepted, and even encouraged because it provides desperately needed rooms.



B

SINGLE LET OPTION



What is a single Let?

- A single let is a residential property that is being rented to one family/household.
- This option provides a 'lower hassle factor', and may not need any refurbishment or repairs if the property is in a good rent-able condition. Plus, it has the ability to be let straight away.
- Since the property wouldn't need to be converted to HMO, once the 5-year term is complete it can be easily transferred back to the landlord for personal use, sold to us in the case of a purchase lease option. Or the landlord can continue to let, taking over management.
- Due to the rental income only coming from one source, the rental amount will be lower. It also has no resilience against voids. **For this reason we cannot offer a guaranteed rent option. So how about instead...**



Lets team up and share the Profits!

This involves creating a partnership for the running of the property. Shore-thing would handle finding and vetting the tenants, rent collection, organising any repairs and damages caused by the tenants. You would be providing the property and building insurance -thats it!

Profit share is 50/50.

Pros

- *No day-to-day running of the property*
- *Mitigated risk against voids.*
- *Help retain and attract better tenants.*
- *Potential to generate additional income.*
- *It can help build equity in the household.*

Cons

- *Liable for your share of the bills if the property is void.*
- *Not as much money as running the property yourself.*

Find out how we could pay for your refurb!





B

FANCY A REFURB ON US? <<<<<



Grow your capital using us to refurbish your property

This is the **massive bonus** of partnering with Shore-Thing rather than going through a traditional letting agent.

If you are struggling to rent your property or are only attracting less-than-desirable tenants due to its condition, it may need modernising or additional works in order to get it to a high standard; so you are able to ask for higher rent.

Unfortunately you don't have the capital to do it?!



We may be able to provide you with an answer!.

Your property may be eligible for a refurbishment grant at the start of your contract. This would then be paid back over the 5 year term by reducing the rental share you receive. **Profit split is 50/50.**

As an illustration : A £5750 refurbishment cost (inc 15% fee) over 60 month term is only a £96pcm deduction from your monthly share.

In the above example - If rental income has increased due to the refurb by an additional £250PCM, then you would receive an Additional £29 each month AND pay off your loan!

This means that without any money leaving your pocket for the refurbishment, you are getting all the rewards - Increased house value and capital growth. Higher standard of tenant. Better rental yields. No hassle, and still making money each month!



Lets try another option!

Keeping the property

- **Social housing** - We can negotiate with the local housing associations to see if they can use the property. If accepted, we would take over the management, but they would oversee the maintenance and all running costs. We would charge a processing fee. Rent would be guaranteed but normally 80-90% the amount of the private sector.
- **Letting agent** - Use our network of letting agents to see if they can provide you with a letting service. At 10-15% of your rent, they could be the balance needed. Remember, you will still be liable for the repairs and still have certain responsibilities.

Time to let go

- **Purchase lease option** - If you are debating selling the property, but due to having little or no equity in the property you are struggling to achieve the desired price. This has left you scrambling to find someone rent out the place while you wait for the sale. We could negotiate and agree on a future sale price, we would then be allowed to rent out the property until the term finishes.
- Shore-Thing is part of a property network that has sold over 80 million in property. An investor may be able to provide an assisted sale option. Essentially, this means that you agree a price with them and they will refurbish the property and take what they make on top.

Unfortunately we cant help everyone.

Here at Shore-thing we believe in a simple philosophy



INVEST WITH YOUR VALUES,
NOT JUST YOUR MONEY!

We value integrity the most. It is for this reason that we must inform you that sometimes the numbers just don't work!

It may be that the property needs too much work. The potential yield in the area is too low, your mortgage may be too high and would put too much of a squeeze on the rent we could provide.

We won't make promises we cant deliver!

THE PROCESS



The Beginning

1. Initial Chat
2. Property evaluation
3. Strategy agreed.
4. Refurbishment loan agreement agreed (*if applicable*)
5. A rent-to-rent management agreement is signed between Shore-Thing and the landlord. It is crucial to have a clear understanding of the roles and responsibility throughout the tenancy term. This will prevent any confusion in the long run.
6. The house is prepped:
House vacated and refurbishments begin.
If conversion to HMO; Landlord needs to remove/store everything they want to keep and/or is not required.
All refurbishments and renovations that are not for the purpose of the HMO are to be paid for by the landlord (via the refurb loan if needed).



Middle and End

1. Property is populated. Due diligence is used when selecting tenants and all necessary checks are carried out. AST are signed for each tenant.
2. Rent is paid to the landlord on the 1st of every month, starting on the second month of the term.
3. Minor repairs caused by the tenant are covered by Shore-Thing, bigger repairs like roof or boiler are covered by the landlords insurance (*This will be covered in detail in the management agreement*)
4. Two months before the end of the term, we will get in touch via phone and in writing to serve a reminder notice.
5. The property is to be left vacant at the end of the term unless specified otherwise. You will need to get in touch three months prior to the end of term, as we will be issuing section 21 notices to the tenants.



MY MORTGAGE IS INCREASING <<<<

I have to remortgage my rental property soon, I am worried that I will lose all my profit margins!

This is becoming a concern for all landlords keeping an eye on the current economic climate.

Luckily by working with us - Unlike a letting agent, we are flexible! If your mortgage has gone up AND the letting agent is deducting a fixed fee of 15% while you, the landlord are ultimately responsible to cover cost for all repairs, voids, vacancies and chasing up tenants. You may be spending **MORE** of your time to get **LESS** money!

We offer a split profit option.

We do all management for you! So we can guarantee you more **TIME**, and as this is a shared profit venture we will endeavour to get you more **MONEY** too!





F.A.Q'S



Q. Do you want the property furnished?

A. **Conversion to HMO** – No, we will take the property completely unfurnished. Fixed electrical appliances are permitted if it is less than 5 years old. If there is anything left in the property without consent, the landlord is likely to receive a bill for removal.

Single let option – If there are items we deem as appropriate and usable such as a dining room table, where the landlord is content to leave and accept that it may not be returned, he or she will not be compensated or a reduction in price granted, and we would not be liable to repair or replace. We may be able to accommodate certain requests.

Q. My Property is already tenanted, can they stay?

A. Possibly, but NOT straight away. For 3 reasons:
1) The property will likely need renovation works completed.

2) The building may be altering from a single let to a HMO and would no longer be suitable.

3) If it is to be a single let and no refurbishment is required the tenant can apply to return to the property, subject to our tenant checks (right to rent). A new agreement, including any new rental prices will be confirmed on welcoming them back.

Q. Can you guarantee the condition of my property?

A. Absolutely, We will replace or fix any tenant damage, except for fair wear and tear. A deep clean will be conducted before handing back. No superficial redecorating or re-carpeting.

Q. Will the lease be renewed at the end of the term?

A. Possibly, the property will normally be handed back to you at the end of the lease. If both parties are in agreement to a further fixed term, a fresh 5-year contract will be drawn up.

Q I wish to terminate the lease early, how much notice do I need to give?

A. 3 months notice, as stated in the management agreement. This allows us to serve the tenants with a fair notice to leave, and to conduct any necessary repairs before hand back. A minimum of 18 months of the lease must have lapsed. If a refurb grant was provided, the outstanding debt is to be paid back, plus the additional 15%.

Q. Who will you house in my property?

A. Shore-Thing will be your tenant and will then sub let the property to most likely city professionals. They will sign an AST for a minimum of 6 months.

Q. Who pays the bills?

A. In a HMO, Shore-Thing is responsible for all bills with exemption to the Buildings insurance (including boiler).

Q. What am I responsible for?

A. All external repairs (e.g. the roof, gutters, drains) and infrastructure services, (gas, electricity and water)

Q. When do I know my property is ready to be handed back?

A. Shore-Thing will notify you in writing and by calling when your lease has 2 months remaining contract.

Q. What if I am abroad when the lease ends?

A. You may send a representative on your behalf. Alternatively, if we cannot reach you by letter or telephone, we will send the keys back to you by recorded delivery to your last known address. Rent will stop immediately or at the end of the notice period.

Q. When will I start being liable for the utility bills and council tax again?

A. The date your property is handed back to you. On the day of the handback we will take meter readings and remind you to advise utility suppliers and council tax. You will be responsible from the next bill date.

THANK YOU & GET IN TOUCH



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PROPERTY INVESTMENTS



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Insured Custodial
PROTECTED

ASPIRE
PROPERTY
GROUP