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Acorn Group Lettings



Let-to-let

An alternative option for homeowners who want to move but are not ready to sell.

What is let-to-let?

As we enter a more challenging economy, let-to-let is likely to become more popular over the next few years amongst people who want to trade-up and move home but who can't sell (or just aren't ready to yet).

This growing housing trend allows a homeowner to rent their existing property and move into a rental property by charging a tenant more in rent than the owner pays in mortgage payments, resulting in leftover income to put towards the rental of another property - essentially becoming both a landlord and a tenant the same time.

There are a number of situations where let-to-let may be the best option for you, and for the first time in many years it has become, in some cases, more affordable to rent than to buy.

It also means you get to hold on to your valuable asset and may even be able to let it without changing to a buy-to-let mortgage (although you will need to obtain the permission of the lender). This is extremely advantageous because the rates on buy-to-let mortgages can be significantly higher.

It's important that the property you are letting-out (plus the one you are looking to rent yourself) are legal and safe to live in. As experts in rental properties, we can help guide you through with the various regulations and laws. We can even help you find you a place to rent!

Is it right for me?

There are a number of reasons let-to-let could be a suitable option for you, like if you are

looking to upsize, move for school catchment areas, or because you're moving in with someone new. Another key benefit is the ability to move quickly - it doesn't take three-to-four months like it would with a sale.

Renting a property when you already own one may seem counterintuitive, but for many who own a smaller home or a flat, it is proving a good way to move into a larger property in a more volatile lending market, without compromising on standards of living or location.

For guidance on let-to-let or any other property aspect, speak to a member of our team today.

Example scenario



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The bottom line: If you're not ready (or unable) to trade up to a new property, for certain circumstances it may be worth considering let-to-let. For a relatively small amount extra per month, you might be able to continue paying off your asset, and also live in a bigger property. Speak to one of our agents for more details.