



Lifestyle
PROFESSIONAL SERVICES

Lifestyle Guaranteed Rent Service

The Lifestyle Guaranteed Rent Service (LGRS) is a new premium service which gives you the fantastic returns of investing in Property, without the burdens of ownership.

The Problem

While BTL property is a tried and tested method of creating financial security for you and your family, it does come with its own challenges, e.g:

- Tenants don't pay the full amount of rent on time, every month
- There always seems to be some issue or another at the property
- You don't receive rent in between tenancies, but still have to pay the bills
- You always feel like the agents are over-charging for repair work
- You don't feel like the managing agent is always working in your favour

The Solution

We now work with a panel of pre-vetted Registered Housing Providers in Leeds & Sheffield to offer our clients a BTL model that has a number of benefits over the standard private rental model, e.g.:

- A fixed monthly rent paid for the full term, whether or not your property is occupied
- An annual increase in rent, in-line with inflation, without having to negotiate with tenants
- A 5-year contractual agreement, covering all voids, certificates, bills and repair costs**
- No tenant issues, as they stay in the property on a license agreement instead of an AST
- Proactive daily maintenance runs, reducing the chances of unexpected repair costs

Property Standards

Although this sounds like a no-brainer, Registered Housing Providers have to abide by property standards that are stricter than those for private rental properties. In general, the properties must:

- Meet the minimum size requirement
- Be structurally sound
- Be water-tight
- Have interlinked smoke alarms installed throughout
- Have fire-doors installed throughout
- Be in a good state of repair and decoration
- Be furnished throughout

As a result, it is highly likely that you will have to spend money upgrading your property before it can be accepted onto the Lifestyle Guaranteed Rent Service.

We currently have an opportunity for a limited number of clients to work with us to provide properties to these Providers.

*As per the illustration in 'The Numbers' section below

**As per the FAQs, 'the fabric of the property' remains the responsibility of the owner

The Numbers

Below is an illustration to give you an idea of how the service will affect the profitability of an average BTL property. These numbers will vary for every property.

2 Bedroom Property				3 Bedroom Property			
Income		Letting Agent		LGRS		Income	
Gross Rent		£8,100		£8,833		£9,000	
Gross Rent						£10,591	
Ongoing Costs		Letting Agent		LGRS		Ongoing Costs	
Management Fee	10%	£810	12%	£1,060		Management Fee	10%
Insurance		£200		£250		Insurance	10%
Lettings Fee		£354		£0		Lettings Fee	10%
Repairs & Maintenance	10%	£810		£0		Repairs & Maintenance	10%
Safety Certificates		£250		£0		Safety Certificates	10%
Void Periods	5%	£405		£0		Void Periods	5%
Bills (During Voids)		£200		£0		Bills (During Voids)	5%
Annual Net Rent		£5,071		£7,523		£5,746	
Annual Net Rent						£9,070	
One-off Costs		Letting Agent		LGRS		One-off Costs	
Survey Fee		£0		£350		Survey Fee	
Refurb & PM		£0		£10,000		Refurb & PM	
Set-up Fee		£0		£500		Set-up Fee	
Total		£0		£10,850		Total	
5 Year Net Rent		£25,355		£26,766		£28,730	
5 Year Net Rent						£34,500	
Average Equity		£30,000				£30,000	
Average Equity							
Return		Letting Agent		LGRS		Return	
5Y Return on Equity		85%		89%		96%	
5Y Return on Equity						115%	

Up to 19% Increase in Returns without any of the Hassle

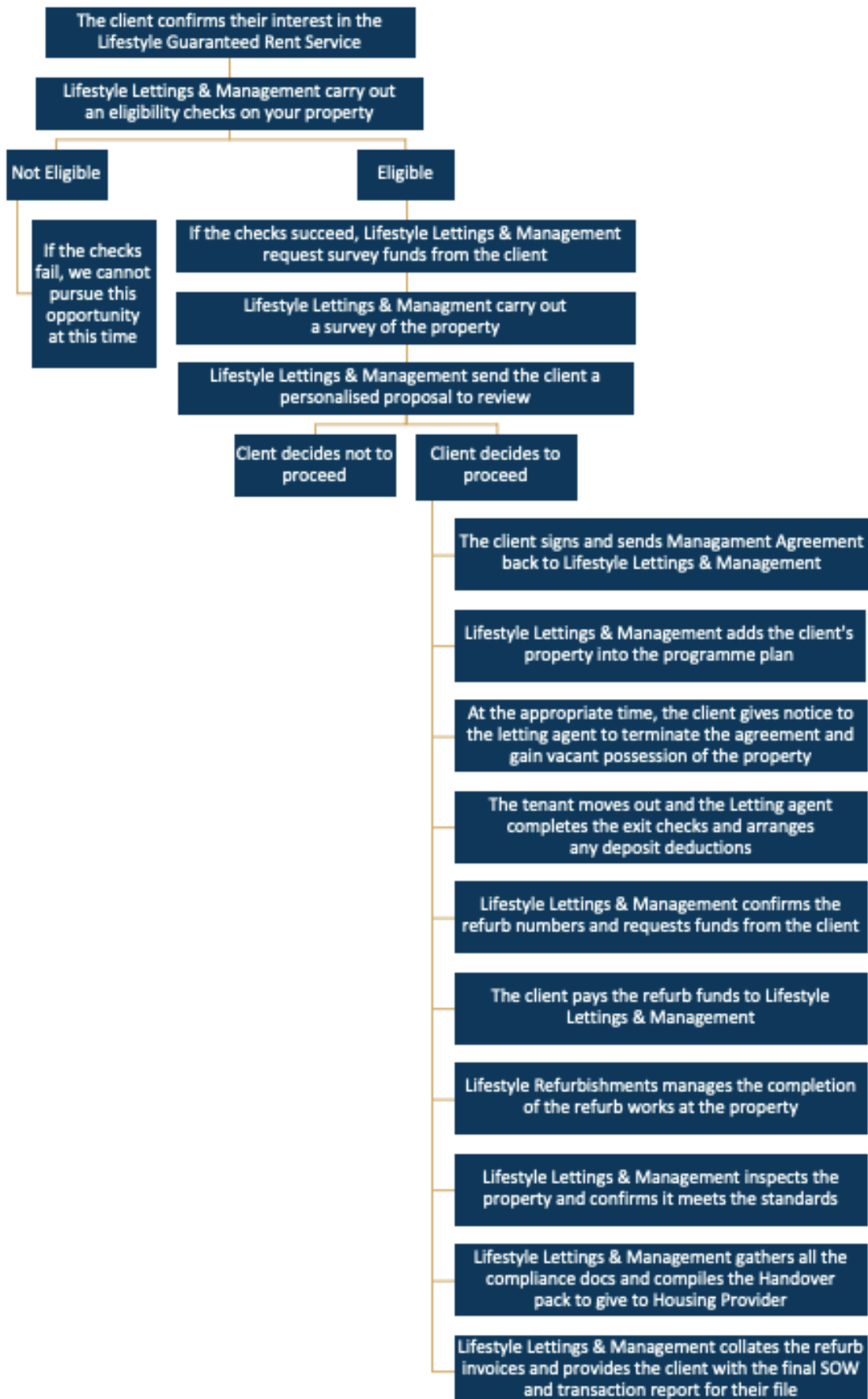
- **Management Fee:** ongoing fee of 12% to be the first point of contact and deal with all queries from the Registered Housing Provider on your behalf
- **Insurance:** additional insurance premium since the letting of the property will be completed by a third-party Provider
- **Survey Fee:** one-off fee of £350 to survey the property and compile a personalised proposal
- **Project Management (PM) Fee:** one-off fee of 20% of the refurb spend (minimum £500) to manage any works that need to be completed to make the property compliant
- **Set-up Fee:** one-off fee of £500 to get the property handed over and let

Next Steps

Interested? Simply complete [this form](#), to express your interest in the Service. We will then be in touch to discuss the next steps.

For now, we only have 25 spaces available and will be rolling this service out on a first come first served basis so reply now to secure your spot.

The Process



FAQs

Who do you let the property to?

We work in partnership with a pre-vetted panel of Registered Housing Providers, who use the property as social and affordable housing. The tenants can be asylum seekers, homeless people or simply people with additional care needs.

How much rent will I get?

We have pre-negotiated the rents for our clients as below:

- 2 Bedroom - £736.10
- 3 Bedroom - £882.58

However, the Registered Housing Providers have strict requirements on the sizes of rooms so the amount may vary depending on the number of usable rooms.

When will I receive rent?

Rent is paid monthly in arrears, but the first month's rent can take up to 8 weeks to arrive as the Housing Provider needs to get each new property approved. All rent will be back-dated to the date the Housing Provider took over the property, so the delay doesn't affect your overall profitability.

Does the rent get reviewed throughout the lease term?

The rent is reviewed every April and increases in line with inflation. The rent review is upward only, meaning the initial amount of rent is the lowest rent you will receive throughout the lease term.

Who pays the bills during the lease term?

Once the Housing Provider takes over the property, they will pay the bills, namely: gas, electricity, water and council tax. However, the mortgage and buildings insurance will remain the responsibility of the landlord.

Will I have any void periods?

Whether the house is vacant or not, the Housing Providers are obligated to pay the rent every month. As such, you will not have any voids for the duration of the lease term.

Why do I have to get consent from my mortgage company?

Many buy-to-let mortgage offers are conditional on renting the property out on an AST (Assured Shorthold Tenancy Agreement) which gives the landlord certain protections.

However, ASTs only apply to tenants, not to companies and in the case of the Lifestyle Guaranteed Rent Service, you will be renting your property on a commercial lease agreement instead of an AST.

For that reason, you will need to confirm that you have consent from your mortgage lender before we can accept your property.

FAQs

Why do I have to pay for a survey?

In order for us to confirm whether the Housing Provider will accept your property and, if so, what rent they will offer on it, we will need to carry out a site-survey.

During the survey, we will measure the size of the bedrooms and scope & estimate any refurbishment works required to bring your property up to their standard. We can then compare the returns against what you are currently getting so you can decide whether this offering is right for you.

Why do I have to do additional refurbishments works to my property?

In order for the Housing Provider to accept the property onto a fixed rent lease, they need to meet their minimum standards. These are more stringent than private rentals, owing to the nature of the tenants they house.

As a result, it is highly likely that some additional work will be required in the property, including fire doors and smoke alarms, as well as general maintenance and decoration throughout.

Why do I have to pay a Set-up fee?

Although the Housing Provider is responsible for tenanting the property, we still need to:

- Ensure that the property meets compliance requirements
- Negotiate the initial rent for the property
- Arrange inspections to confirm the property meets the Housing Providers standards
- Compile the Handover pack
- Deal with handover queries

Who pays for repairs & maintenance of the property?

The Housing Provider will take care of any internal maintenance works that arise on a day to day basis at their own expense.

However, some items that form 'the fabric of the building', such as the external structure of the property, the roof, the boiler and the electrics are the responsibility of the landlord.

What if the tenant damages the property?

Each property is appointed a Housing officer who is accountable for the property and its occupants. These housing officers carry out weekly inspections and assess and remediate any possible threats or misuse immediately.

As per the agreement, all leased properties and their contents must be returned to the owners in their original condition less any fair wear and tear. As such, we will obtain a full inventory before the property is handed over to the Housing Provider to ensure there are no grounds for disputes at the end of the lease term.

FAQs

Why do I have to pay an ongoing management fee?

Unfortunately, the Housing Providers don't want the hassle of working with individual landlords directly, so we set up Lifestyle Lettings & Management Limited to act as an intermediary.

In doing so, we act as your agents and complete important tasks such as:

- Reconciling rents and sending out a monthly statement of deductions
- Negotiating the rents during the annual rent review with the Housing Provider
- Ensuring the properties are being maintained as per the agreement
- Pushing back on maintenance requests on behalf of the landlord

What happens at the end of the lease?

Depending on the Housing Providers requirements at that time, you may have the option to renew the lease subject to a re-letting fee of £500. If you decide that you don't want to renew, you can simply let your property on the open market or sell the property on as a cash-flowing asset.

Can I terminate the agreement?

As this is a 5-year fixed term arrangement, unfortunately, you are tied in for the lease term and may not terminate the agreement until the end of the 5 year term.



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Capital at risk. The value of your investment can go down as well as up. The properties that you purchase through Lifestyle Property People are not protected by the FSCS in the event that you do not receive back the amount that you have invested. Forecasts are not a reliable indicator of future performance. Gross rent and capital growth may be lower than estimated. Lifestyle Property People does not provide tax or investment advice and any general information is provided to help you make your own informed decisions. Customers are advised to obtain appropriate tax or investment advice where necessary.

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