



Rental Research

A guide to the rental research required before investing in a buy to let property.

Before you have even purchased an investment property or bought an additional property to live in whilst tenanting your initial property you should be thinking about how you propose to manage your rental property. Too many landlords/investors purchase properties without thinking about the rental process whilst only thinking about the gain made when purchasing a new property and how much the property value should rise in the future. If a wrong decision is made on how you intend to manage your property all the profit that may have been made at the start may be wiped out on rental expenses spiralling out of control.

Before purchasing an investment property it is a must too research the rental market in the area you intend to buy in. The kind of rental research required is not hard to find out and won't take you very long to gather. Most agents would be only too pleased to help you when you ask them advice as you may become one of their customers. A few questions to ask an agent would be:

1. How many rental properties do they have on their books that are currently vacant?
2. How many rental properties do they have on their books that are currently occupied?
3. How many tenants do they have on their mailing list?
4. On average how long do their properties stay vacant?
5. Would they have tenants lined up for your property?
6. What rental price would they advertise your property at?
7. Where do they advertise for tenants?
8. What are the fees that they charge for all services ranging from a finders fee to full management?

From just these few questions you will start to get a picture of the rental market within that area and further knowledge as to how good that specific letting agent actually is. By the time you have asked five or more agents these specific questions you should have a good idea of the rental market within that area. What you do have to remember is that you have only obtained advice from agents, who sometimes have been known to extend the truth to suit their needs.

So a great way to really test the market is to place a dummy rental advert with a company like Discount Letting service direct and test the market yourself. It is a known fact that 85%-90% of people searching for property use the internet as a first port of call, so that is exactly where you want to place your advert to determine how many enquiries

you will achieve and how quickly you will be able to tenant your property. After placing your dummy advert and gathering information from about five different agents you will have enough information to make an informed decision as to whether the rental property you are considering buying will tenant quickly and avoid costly void periods or stay vacant and cost you your valuable returns.

It is not only the special deal that you receive on buying the property at the start of the purchase process that counts, the rental prospects of the property are vitally important too. A heavily discounted property is all very well and good but with no tenants in place this can soon become a burden to a portfolio of any size especially if you haven't got funds in place from other properties to support the costly void periods from you under performing property.

A little research at the start of your investment process can save you money and avoid unnecessary headaches in the long run.

To try a dummy advert on a property you are considering buying call 0208 697 0984 to speak to an experienced advisor.

For a full list of benefits from Discount letting service direct please visit our [landlords section](#).