

Planning on becoming a landlord? Then we can help with advice on budgeting tips. It makes good sense to look at all the outgoings to ensure no possible expenditure has been overlooked.

### **Landlord expenditure can be divided in to two sections:**

1. Set up costs
2. Ongoing costs

These costs will vary from landlord to landlord and from property to property, but overall most landlords would encounter the following expenditure.

#### **1. Set up costs**

The mandatory costs at the initial set up stage refer to your legal obligations and include:

- Energy Performance Certificate (EPC)
- Gas Safety Certificate
- Portable Appliance Test (PAT) – tests all plug in appliances which will be provided by the landlord as part of the tenancy (this includes fridge and washing machine)
- Electrical Installation Condition Report (EICR) – this tests wiring and sockets in the property
- Smoke detector system including: 1 functioning smoke alarm in every room that is frequently used by tenants for general daytime living purposes (lounge); 1 functioning smoke alarm in every circulation space, such as hallways and landings; 1 heat alarm in every kitchen. All alarms should be mains wired and interlinked.
- Legionella Risk Assessment.

There may be additional costs to consider in order for you to maximise the rent including pre-tenancy cleaning, redecoration and provision of new carpets etc.

### 2. Ongoing costs

The ongoing costs are related to the management of the property and include:

- Mortgage fees
- Management charges
- Landlord insurance
- Maintenance costs
- Tax charges Safety certificates renewal

Once you have an idea of all costs associated in becoming a landlord you can determine the viability of the investment.

At ESPC Lettings we will talk you through your budgets and arrange the necessary certificates on your behalf. We will also manage outgoings during a tenancy to ensure that all expenditure is necessary and monitored effectively.