A Nation Of Shopkeepers But Not Landlords

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Two years ago the Coalition government stated that a further 1.4 trillion would need to be invested into the Private Rental Sector (PRS) by 2035 to meet anticipated demand. With interest rates at record lows and stock markets increasingly volatile, many heading towards retirement looked to property investment to subsidise their pensions. However, it appears the government is becoming increasingly hostile towards private investors with today's announcement that private landlords will be hit with a punitive 3% additional stamp duty rate.

The move could potentially backfire for Osborne if rents go up for tenants. Rents have stagnated across many areas of Britain but Finders Keepers is anticipating that in the wake of the reduction in mortgage relief for landlords and now the additional stamp duty hike, landlords will seek to increase rents to maintain their yields.

Canny investors will also look to make savings in other areas to mitigate the stamp duty increase. Finders Keepers has a specialist buying agency arm tasked with finding suitable properties for buy-to-let investors and the team is bracing itself for the next wave of enquiries as landlords look to negotiate keenly on the initial property price. As many developers are dependent upon investors, many are likely to offer at least a 3% discount to lure in potential landlords.

Finders Keepers is also advising its landlords to look closely at their existing portfolios to see where value can be added. Often converting a loft or extending a property can add another bedroom to the existing home which, in turn, would command higher rents as well as increase the capital value of the property.

Specialist buy-to-let advisor Frank Webster of Finders Keepers comments, “Today's announcement isn't the end of buy-to-let but it is going to have an impact on tenants and developers. Perhaps what is of greater concern is that the government seems to have the PRS in its crosshairs. With more and more tenants forced into the PRS, I don't know where Osborne thinks the new rental homes are going to come from.”

-Ends-

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Notes for editors:

Founded in 1972, Finders Keepers is one of Oxfordshire's leading lettings agents. With eight offices and over 100 members of staff, the company offers a multitude of services to both landlords and tenants. It is dedicated to matching tenants with the perfect property while helping landlords make the most of their investments. The company offers a full property management service in addition to its own interior design and building teams. Finders Keepers lets and manages over 2,400 properties each year and boasts a 98.25% occupancy rate. FKStudent Lettings, its specialist student division, has a portfolio of over 200 properties, 95% of which are already let for the 2014-15 academic year with an average rent of £400-450 per person per calendar month.

Company Contact:

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