

UMEGA • A BETTER WAY TO RENT YOUR HOME

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# FINDING THE RIGHT INVESTMENT FOR YOU

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Our step by step guide for investors looking to buy great investment property in Edinburgh.

HOW WE'LL HELP

At each step you'll see how we can help. **We don't charge for this.** Our focus is on helping investors buy great properties for our letting team to manage.

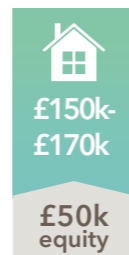
# 1 GETTING STARTED

## £ UNDERSTANDING YOUR FINANCES

The first step towards buying an investment property is understanding your finances. Speak to your bank or a mortgage advisor to find out what's possible.

### How much to leverage?

The entry point to buying a good 1 bedroom property is around £40-50k equity. If you have a larger amount of equity available, the best return may be achieved by splitting the equity between 2 or more good-yielding properties.



## RA REGISTER WITH A SOLICITOR

Register with a solicitor early so you're ready to offer when the right property comes on the market (they'll carry out some identity checks).

## OWNERSHIP

An accountant will help you decide whether it's best for you to own personally/jointly or under a company structure – owning within a company is becoming popular and an accountant will explain what's best for you, based on your personal tax position..

HOW WE'LL HELP

Umega will introduce you to a mortgage broker, accountant and solicitor who we trust.

# 2 SEARCHING

## WHERE TO SEARCH?

Keep an eye on the main selling portals and register for notifications when properties matching your search criteria become available.



## HOME REPORTS

Request and read home reports for each property to highlight anything to look at during an inspection. Check comments on recent or required upgrading to electrics, heating systems, windows, stonework and the roof and check the property questionnaire for information on communal repairs. Most of the time it's best to avoid anything marked '3' as these will often require substantial work. However, with the right team and cash reserves to cover work, a property with '3's might be secured more easily than other, more popular properties on the market.

## WHERE TO FOCUS?

### 1 BEDROOM PROPERTIES

1 bedroom properties work well, offering fantastic returns. We normally recommend focusing on 3 key areas in Edinburgh which are popular with professional tenants and where we expect property values to grow over the next 5 years due to large redevelopments in each area.

- Dalry / Gorgie
- Fountainbridge / Polwarth
- Leith Walk / Broughton / Easter Road

### HMO PROPERTIES

HMO properties (3+ bedroom properties with licence normally let to students) also offer fantastic returns, with strong rents and proven capital growth, as Edinburgh is such a popular place to study.

- Newington
- Marchmont
- Old Town

HOW WE'LL HELP

We'll take you through our recommended hot spots around Edinburgh and share some case studies of great properties our customers have bought to give you a taste of what's possible.

# 3

## COMPARING INVESTMENTS & OFFERING



### HOW TO COMPARE INVESTMENTS

Calculate each property's **gross yield** so that properties on your shortlist can be compared.

$$\text{ANNUAL RENT} / ( \text{PURCHASE PRICE} + \text{ANY UPGRADING COST} ) = \text{GROSS YIELD}$$

List the properties in order of your preference taking into account **the yield, the home report highlights and your inspection notes**. Now you're ready to offer!



### MAKING OFFERS

**Your solicitor will note interest in properties on your shortlist**, meaning the seller will let you know if a closing date is set or anything changes during the marketing.

Your solicitor will also be able to advise on their recommended offer level based on their knowledge of the current market and factors such as the number of interests in each property, the home report valuation and the length of time the property has been on the market.

If you send us a link to any properties you're considering we'll provide a rental valuation and our thoughts on each property. We can also give approximate costs for any refurbishment needed to help with your appraisals.

HOW WE'LL HELP

We'll provide you with **rental valuations for each property** and our general opinion of suitability if you provide us with a link to details. We can also give **approximate costs for any refurbishment** needed to help with your appraisals.

# 4

## ONCE YOUR OFFER HAS BEEN ACCEPTED...



### WORKING WITH SOLICITORS

Your solicitor will arrange any surveys that made up part of your offer. Once these are completed they'll work on the purchase contract in the run up to your completion date. They'll also liaise with your lender, register the property and pay any LBTT due on your behalf.



### REFURBISHING AND FURNISHING

This is a good time to prepare quotes for any refurbishment or furnishing required so you can hit the ground running once the purchase goes through.



### COMPLETION

Prior to completion, Landlord's property insurance should be in place and on completion date keys should be collected and an inspection of the property carried out within 5 days to report any defects to the sellers solicitor.



### AND FINALLY...

Over to our **FANTASTIC LETTINGS TEAM** so you can enjoy your investment knowing **WE'VE GOT EVERYTHING UNDER CONTROL.**



HOW WE'LL HELP

We'll provide **quotes for refurbishment** and furnishings, we'll introduce you to an **insurance broker** and we're able to **collect keys and carry out an initial inspection** of the property for investors not based on Edinburgh



**#ABetter  
WAY  
— TO —  
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OR  
SELL  
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