



SIMPLY MORTGAGE

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to think about carefully

HOW TO ATTRACT THE RIGHT TENANTS

Tips for marketing your buy-to-let property

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REPAYMENT OR INTEREST-ONLY MORTGAGES

All mortgages are either repayment mortgages or interest-only.

Repayment mortgages, sometimes called 'capital mortgages', allow you to borrow enough to buy a property (minus your deposit) and then repay that total amount, with interest, over time.

Interest-only mortgages allow you to borrow enough to buy a property (minus your deposit) and then pay only interest on that amount until the end of the mortgage period. You will then repay the original amount, often by selling the property.

Buyers who plan to live in their property almost always choose a repayment mortgage.

FIXED RATE OR VARIABLE MORTGAGES

Most repayment mortgages are either fixed rate or variable.

Fixed rate mortgages have set monthly payments that won't change for an agreed period – usually between two and five years, but sometimes longer. While the interest rate is usually higher than variable mortgages, you have the security of knowing it won't rise.

This can save you money over the long term. For example, if the Bank of England interest rates rise during your fixed mortgage period, you'll be glad your mortgage payments aren't affected. If Bank of England interest rates fall, you'd probably rather that your mortgage payments fell too – but that's the price of security.

Variable mortgages have monthly payments that go up and down. They might follow the Bank of England interest rates, or they might not. This depends on which type of variable mortgage you choose, out of the following options.

TRACKER, STANDARD VARIABLE RATE AND DISCOUNTED VARIABLE MORTGAGES

Variable mortgages can be any of these types, and the difference between them is how the interest rate (and therefore the cost of your monthly repayments) is calculated.

Tracker mortgages have monthly repayments at an interest rate that's set a little higher than the Bank of England base rate. When that base rate goes up or down, so will the monthly repayments.

Standard variable rate or SVR mortgages have monthly repayments at an interest rate set by the lender. Your payments can go up and down as they decide.

Discounted variable rate mortgages have monthly repayments that are lower than the SVR. This discount usually lasts for an agreed amount of time – and when your time's up, you'll switch to the standard variable rate.

CAPPED MORTGAGES

Any of the types of variable mortgages can be capped, meaning that your monthly payments will never rise over a certain amount. That gives you some protection – although the cap is often quite high anyway, so think carefully before signing up.

OTHER MORTGAGES

While the above categories are the main different types of mortgage, you might want to consider some of the other special features that are available.

These can include:

- Cashback mortgages, where you'll receive a lump sum when you take out the mortgage (but usually pay a higher interest rate on repayments).
- Offset mortgages, where your cash savings can reduce the interest you pay on your repayments.
- Current account mortgages, where your current account and your mortgage are linked, which can also reduce the interest you pay.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

HOW TO ATTRACT THE RIGHT TENANTS

Tips for marketing your buy-to-let property

For a buy-to-let property to be as profitable as possible, it's crucial to find quality tenants quickly. To help you do that, in this articles we present our tips for advertising and marketing.

IDENTIFY YOUR TARGET TENANT

Ideally you will have purchased your buy-to-let property with a specific tenant in mind – for example, families, young professionals, or students.

But this won't always be the case, as you may be renting out a property that you originally bought for yourself, or inherited.

If you're not sure who your target tenant is, look at:

- Location – is your property convenient for local schools? Does it have good transport links with a university? Would it suit commuters?
- Nearby rental properties – if you search on a property website for your area, who do you think those landlords are targeting?
- Quality – do you think your property offers a similar standard as other properties available, or is it superior in some way?

KNOW WHAT YOUR TARGET TENANT IS LOOKING FOR

Think about which features of your property make it suitable for the audience you've identified.

Examples of points to consider:

- Does it have a perfect garden for families?
- Does it offer parking?
- Is there access to a gym in the building?

- Is it suitable for pets?
- Does it have an en suite bathroom?
- Is it offered furnished or unfurnished?

These are all examples of features you'll want to draw attention to in your property listing.

TAKE GREAT PHOTOS

Well-shot photos can make your listing stand out and help your new tenants to picture themselves living there.

- Lighting – natural is best, so shoot on a § bright day, if possible, with the curtains and blinds open
- Angles – shoot towards a corner, rather than head-on to a wall, to give a better impression of the size of the space
- Staging – photos of clean and well organised properties are more appealing than cluttered and untidy ones. Consider finishing touches such as a flower or fruit bowl
- Details – if you have unique features, such as luxury white goods, make sure your photos draw attention to them
- Variety – include a good range of photos, including different angles of the same room if there's an opportunity to show different features

DESCRIBE YOUR PROPERTY CLEARLY

You can either write the descriptive text yourself, or review text written by your agent. Either way, make sure that it mentions everything you think will attract the tenants you want.

- Focus on the biggest and best feature first, e.g. 'spacious family home' or 'luxurious city apartment'
- List other features of the property
- Give reasons why it's suitable for a particular type of tenant
- Include positives about the neighbourhood
- Use relevant descriptors, such as 'quiet' or 'modern', rather than general ones, such as 'exciting' or 'fantastic'

Remember the things that aren't shown in your photos, such as a security system, off-street parking, or close proximity to local amenities. It might help you to imagine what you would point out to people if they were viewing your property in person.

You'll also want to be clear about your pet policy and smoking policy.

ASK YOUR AGENT FOR ADVICE

Your letting agent can check that you've included all of the essential information and add anything you've missed. They'll also confirm that you're meeting all of your obligations in line with the Consumer Protection from Unfair Trading Regulations (2008).

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TIPS TO GETTING YOUR FIRST MORTGAGE

How to boost your chances of mortgage success



Most people dream of owning their own home, and usually, getting a mortgage is the only way to do it. If you're planning to buy for the first time, it's important that you've got your finances in order – and that starts about a year before you apply for the mortgage.

MANAGE YOUR DEBTS WELL

Lenders want to see that you're a good borrower, so for as long as you can before applying, make sure you're paying debts and bills on time. Stay out of your overdraft and avoid emergency loans. And try not to apply for credit either – like a new credit card, mobile phone or car loan.

START SPENDING SENSIBLY

It also helps to prove that you can live on a budget and you know what your

outgoings are. Start to track what you're spending monthly on essentials, bills, loan repayments, and any other financial commitments. Then you'll be able to prove you know your finance inside out when you get to your mortgage interview.

STAY IN YOUR JOB

Lenders are often put off if you've been in your job for a very short period (six months or less). So, if you're planning to buy a house, don't think about switching careers at the same time. You can do that after you've secured the mortgage and moved in.

TOP UP YOUR DEPOSIT

Most lenders typically require you to have a deposit of at least 5% of the value of the property you intend to buy, but 10% is even better. Lenders offer better rates the bigger

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your deposit is, and they usually improve at certain levels (so, if you have a 9% deposit saved, it's definitely worth trying to break that 10% barrier).

CHECK YOUR CREDIT REPORT

You can get your report from a credit reference agency, like Experian, for £2, or free from ClearScore. Occasionally they have errors, or you'll see that your credit is still linked to an ex-partner or ex-housemate, which is affecting your score. You want all these problems corrected before you start a mortgage application.

GET ON THE ELECTORAL ROLL

You might not know it, but if you're not registered to vote, or you're still registered at an old address, it can affect your chances of getting a mortgage. Banks and lenders use the electoral roll for basic identity checks, so make sure your details are up to date.

If you've followed all of these recommendations, all that's left to do is to get all your paperwork together and put in your application. You could soon be on your way to the home of your dreams.

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When it comes to mortgages, taking advice can be a daunting process, whether you are looking to take financial advice for the first time or you've taken financial advice in the past.

Finances often take a low priority for many people because they are complex, but at Simply Mortgage our clients appreciate our ability to make the mortgage-arranging process both simple and enjoyable.

At Simply Mortgage, we ask the questions, look into your future, give straightforward advice and find the right mortgage solution for you.



Contact us today to begin your journey – we look forward to hearing from you.

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