



Unlock Stable, Hassle-Free Rental Income

**Why Lease to Social Housing &
Supported Living Providers?**

Introduction

Leasing property to Social Housing & Supported Living Providers offers property owners a secure and stable investment with reliable rental income and long-term tenancy arrangements. With the growing demand for social housing, this investment strategy presents an opportunity to contribute to societal welfare while benefiting from hands-off property management. This guide will address common questions, provide insights, and offer best practices to help landlords navigate this leasing model effectively.

How long will the legal purchase process take?

- Cash purchases normally take a few weeks to complete all legal due diligence.
- We're able to offer a panel of solicitors who can help expedite transactions of this nature

What happens if I need to sell?

- We're confident we can help locate a buyer in the event you need to liquidate your holdings.

Book a call with one of the team and we will talk you through how we help landlords dispose of their assets.

What happens at the end of the lease? Will the registered provider renew the lease?

- In many circumstances, the RP will look to extend or renew the lease: they are still likely to have a demand for housing. It is worth bearing in mind this bespoke housing product was purchased to order for this provider, and providers value security of tenure.
- In the unlikely circumstance the provider no longer wants to continue to lease the property, we will be able to assist in locating a new provider should you wish to continue leasing to Social Housing & Supported Living Providers.

What will the RP pay for? What do I need to cover?

- As a minimum most RPs will cover the cost of utilities and local taxes.
- They will also cover the cost of making good any repairs that have been caused by them or their service users
- Some RPs go as far as to offer part of fully repairing and insured (FRI) leases covering all aspects of maintenance, however this is uncommon.
- In most instances it is wise to retain buildings insurance so should the worst happen, there will be the recourse of a claim to make provision for items that are covered under the policy.

Do I still need a managing agent? Do you do management? And what's the cost?

- Not necessarily: having an RP as a tenant has some fantastic benefits. One such benefit is the business-to-business like relationship. In our experience, many of our clients rarely hear from their RP tenants, beyond annual check-ins and the occasional maintenance request.
- That being said, some of our clients want a truly hands-off experience, and for that we are able to act as an asset manager, acting as the primary point of contact for our clients' properties and handling all issues including preventative maintenance, reactive maintenance and annual rent reviews.

Do I still need insurance?

- It's prudent to have a buildings insurance policy in place to ensure provision is in place should the worst happen.
- Buildings insurance is designed to provide cover relating to the fabric and structure of the building.
- Speak with one of the team if you would like a referral to one of our preferred suppliers.

Where does the rent get paid? How often is rent paid?

- Rent will get paid directly from the RP and direct to you, or wherever you would like it sending.
- Rent is paid one month in arrears.

How long do renovations take?

- Our yield generating turnkey assets are already fully renovated. You are buying income generating assets that create revenue for you from day 1.

Furnished vs Unfurnished?

- In the majority of instances, we take the headache away from RPs and supply full furniture sets for them. In return they pay an enhanced rental premium.

Ongoing maintenance costs?

- Lease and RP dependent, it is sensible to allocate a small amount of rent towards a maintenance pot. Given the RP takes care of a lot of operational expenses, 5% of the gross in our experience provides a healthy buffer for ongoing preventative and reactive maintenance challenges.

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Tax Efficiency?

There are a selection of tax efficient vehicles available for the acquisition and ownership of UK based assets, including limited companies and private trusts

- Whilst we are not tax advisers so unable to comment directly we're more than happy to signpost clients to our partners who can provide appropriate advice based on your personal circumstances.

Regular Rent Reviews?

- Some RPs will include specific rent review clauses in their leases, whilst others will not. We always suggest to our clients to engage with their RP tenants on the anniversary of their lease and discuss a rent review.

- For our clients who want a fully hands-off service, we're able to undertake this as one part of our offering.

Get in Touch

Interested in learning more about leasing to Social Housing & Supported Living Providers?

Book a call with our team today to discuss how we can help you maximise returns while maintaining a hassle-free investment.

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