

### Property starter investment checker

This is a table that I base my research around. I use this table in an excel document and will look to fill out it based on my research and conversations with the selling agent.

<b>Capital costs (costs to purchase)</b>		<b>Comment</b>
Price	£75,000	The price you are looking to pay.
Loan	£56,250	The loan amount. This is 75% of the purchase price. Adjust based on the loan to value you have decided on (75% is common).
Deposit	£18,750	25% of the purchase price.
Broker	£400	Can vary but this is the figure for the broker I use.
Solicitors	£2,000	Probably a bit more conservative, but again you can adjust this accordingly.
Stamp	£2,250	Stamp duty at an additional 3%. In this instance, 3% of the purchase price.
Survey	£300	The approximate cost to get a surveyor to come and check that the property is worth the money you have agreed to pay for it (highly recommended!)
Total invested	£23,700	The total cash required by you in order to purchase a property (does not include mortgage).
<b>Revenue costs (day to day costs)</b>		
Rent	£5400	The annual gross rental income
Lease	£100	Leasehold and management fees. Generally speaking, flats will be leasehold, it is important to check the costs connected to buying a leasehold property.
Maintenance	£540	As a rough figure, I allow for 10% of the annual rental income. Some years it will be worse and other years it will be better!
Void	£324	According to the Landlord association, the average property is vacant for 3 weeks a year. I make this out to be about 6% of the time in one year.
Interest	£1687.5	Based on a 3% interest rate.
Managing agent	£540	An estimate of 10% of the rent is charged in managing agent fees.
Total day-to-day costs.	£3191.50	The total costs incurred on a day-to-day basis (lease, maintenance, voids, interest and managing agent).
Net	£2208	The total day to day costs minus the rent.
ROI	£9.3%	The net return divided by the total invested