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**DUE DILIGENCE PACK**

**BUY TO LET**

PROPERTY DETAILS (Step 1)

|  |  |
| --- | --- |
| **Property Address**  **URL to the property**  **Comparable 1**  **Comparable 2**  **Comparable 3**  **Property Type**  **Number of bedrooms**  **Property Size in m2**  **Agreed Purchase Price**  **Refurbishment costs**  **Estimated GDV**  **Estimated Rental Price**  **Estimated Monthly Costs**  **Estimated Monthly Profit**  **Type of Tenure**  **Occupancy**  **Estate or Lettings Agent**  **Local Amenities**  **Does it feel safe at night?** | [insert address]  [insert link to video tour/brochure]  [insert url]  [insert url]  [insert url]  [insert type e.g. house, flat, etc.]  [number of bedrooms]  [insert m2]  [agreed price]  [refurbishment costs]  [estimated Gross Development Value]  [estimated rental price per month]  [estimated monthly costs]  [estimated monthly profit]  [Freehold or Leasehold]  [Vacant Possession or Tenanted]  [Insert agent’s details]  [insert distance from schools, hospitals, universities, public transport, city centre, cinema, pubs and restaurants, etc.]  [yes or no] |

PURPOSE OF THE DEAL (STEP 2)

|  |  |
| --- | --- |
| **DELETE AS APPROPRIATE:** | * I am selling the deal via deal connect * I am selling the deal myself * I am not selling the deal |

DEAL VIABILITY (Step 3)

|  |  |
| --- | --- |
| **INCOME/OUTGOINGS** | **AMOUNT (£)** |
| **MONEY UPFRONT**  Deposit:  Mortgage fees:  Legal fees:  Refurb costs:  Other**:** | £  £  £  £  £ |
| **MONTHLY COSTS**  Mortgage:  Council tax:  Utility bills:  Broadband:  TV:  Maintenance costs:  Voids:  Cleaning:  Insurance:  Management costs:  Other: | £  £  £  £  £  £  £  £  £  £  £ |
| **INCOME PER MONTH:** | **£** |
| **PROFIT PER MONTH:** | **£** |
| **PROFIT PER YEAR:** | **£** |
| **ESTIMATED ROI** | **%** |

DUE DILIGENCE (Step 4)

Question 1 – Property Viewing

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| --- | --- |
| **Answer 1 a** | **Evidence that you viewed the property yourself**  (e.g. photo, video or proof of appointment)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 1 b** | **Evidence that a professional has viewed the property on your behalf**  (e.g. screenshot of email or message)  **[INSERT EVIDENCE HERE]** |

Question 2 – Landlord identity

|  |  |
| --- | --- |
| **Answer 2 b** | **Evidence that you have you checked the title deeds to ensure the landlord is not an imposter**  (e.g. copy of Title Deeds)  **[INSERT EVIDENCE HERE** |

Question 3 – Value of the property

|  |  |
| --- | --- |
| **Answer 3a** | **Evidence that you know the value of the property**  (e.g.  estate agents quotes, comparables or official valuation)  **[INSERT EVIDENCE HERE]** |

Question 4 – Agreed purchase price

|  |  |
| --- | --- |
| **Answer 4 a, b, c and d**   1. Agreed purchase price is 20% + below market value 2. Agreed purchase price is 10-19 % below market value 3. Agreed purchase price is 1- 9 % below market value 4. Agreed purchase price is equal to market value | **Evidence of BMV (below market value) and evidence purchase price** (e.g. email from landlord or estate agent) |

Question 5 – Estimations of rental

|  |  |
| --- | --- |
| **Answer 5a** | **Evidence of estate agent’s estimation of rental for that address**  (e.g. email from estate agent)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answers 5b** | **Evidence of comparable properties in similar estate of similar size recently rented at that price (like for like)**  (e.g. screenshot of comparables)  **[INSERT URLs of comparables here]** |

|  |  |
| --- | --- |
| **Answer 5c** | **Evidence of comparable properties recently rented at that price but not like for like**  (e.g. screenshot of comparables)  **[INSERT URLs of comparables here]** |

Question 6 – Mortgage

|  |  |
| --- | --- |
| **Answer 6 a** | **Evidence of mortgage quote or online mortgage calculator for a 75% BTL interest-only mortgage of the finished value**  (e.g. email from broker or screenshot of mortgage calculator or mortgage quote)  **[INSERT EVIDENCE HERE]** |

Question 7 – Mortgage Stress Test

|  |  |
| --- | --- |
| **Answer 7 a** | **Evidence that the monthly rental is 25%+ more than the monthly mortgage payment**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 7 b** | **Evidence that the monthly rental is 1-25% more than the monthly mortgage payment**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 7 c** | **Evidence that the monthly rental is the same or less than the mortgage**  (e.g. show the two figures separately and the percentage difference between them)  **[INSERT EVIDENCE HERE]** |

Question 8 – Freehold Property

|  |  |
| --- | --- |
| **Answer 8 b** | **Evidence that the property is freehold**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 9 – Leasehold Property

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| --- | --- |
| **Answer 9 a** | **Evidence that the property is leasehold**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 10 – Length of Lease

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| **Answer 10 a** | **Evidence that Lease is over 100 years**  (e.g. Estate Agent’s brochure or Title Deeds)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 10 b** | **Evidence that Lease is under 100 years and evidence of quote to extend the lease**  (e.g. Estate Agent’s brochure or Title Deeds and quote to extend – email or screenshot)  **[INSERT EVIDENCE HERE]** |

Question 11 – Vacant Possession

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| **Answer 11 a** | **Evidence that the property is acquired with vacant possession**  (e.g. Estate Agent’s email or message)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 11 b** | **Evidence that the property is tenanted**  (e.g. Estate Agent’s email/message or Tenancy Agreement)  **[INSERT EVIDENCE HERE]** |

Question 12 – EPC Rating

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| --- | --- |
| **Answers 12 a, b and c** | **Evidence of EPC Rating**  (e.g. Estate Agent’s brochure or screenshot from https://www.gov.uk/find-energy-certificate)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 12 d** | **Evidence of EPC Rating and costs to upgrade**  (e.g. Estate Agent’s brochure or screenshot from https://www.gov.uk/find-energy-certificate, and quote to upgrade EPC rating)  **[INSERT EVIDENCE HERE]** |

Questions 13 and 14 do not require evidence

Question 15 – Auction fees

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| --- | --- |
| **Answer 15 a** | **Evidence that you included auction fees in your calculations**  (e.g. your calculations with auction fees included)  **[INSERT EVIDENCE HERE]** |

Question 16 –Legal Pack

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| **Answer 16 a** | **Evidence that solicitor has read the legal pack and approved the purchase of the property**  (e.g. solicitor’s email)  **[INSERT EVIDENCE HERE]** |

Question 17 – Survey

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| --- | --- |
| **Answers 17 a** | **Evidence of independent building survey**  (e.g. independent surveyor’s report)  **[INSERT EVIDENCE HERE]** |