



**sourcedforyou**

**RENT TO RENT  
GUIDE**

**JULY 2019**

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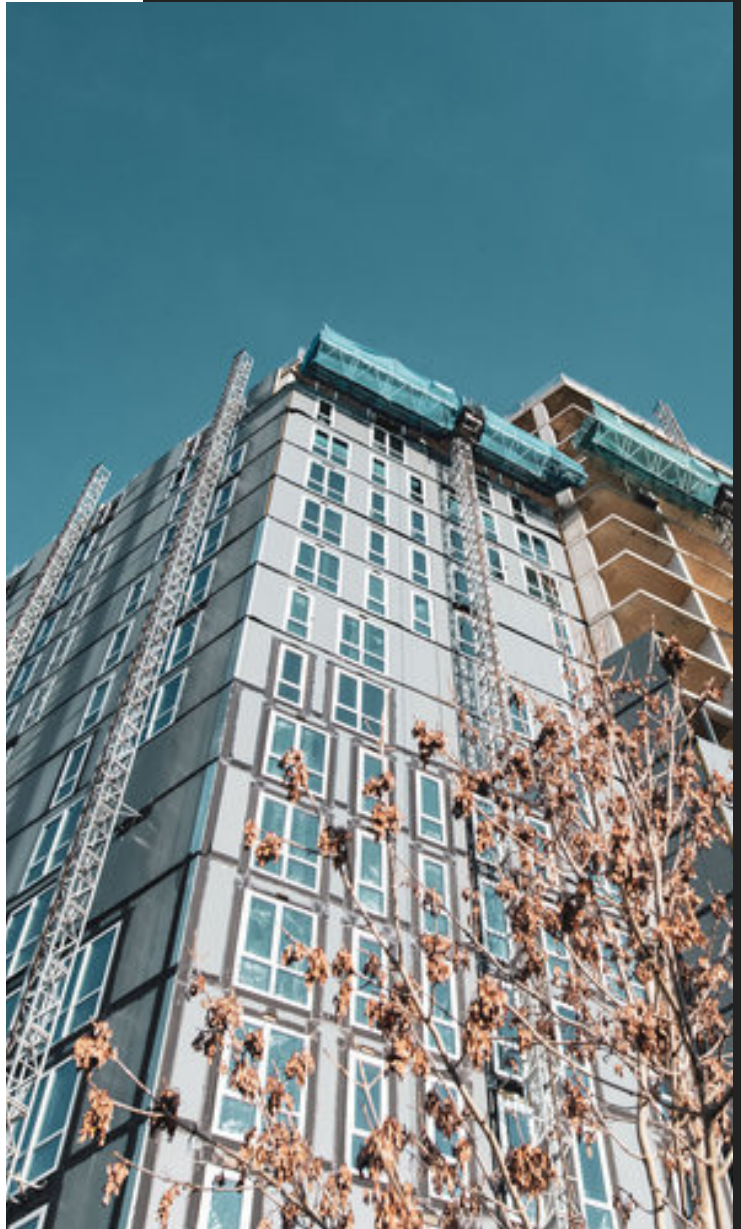
# WHAT IS RENT TO RENT?

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Rent to rent, or guaranteed rent, is an increasingly popular strategy, particularly utilised by those new to the property world. In essence, the "investor", once they have found a property suitable to whatever their requirements are, will approach the landlord of the property to see if a re-letting model would be an option. In effect, the investor becomes the tenant, and then re-lets the property on either a long or short term basis. The investor, as with a typical renting model, is then liable to pay the rent every month, as well as being responsible for ensuring the property is adequately maintained.

From the perspective of a landlord, this strategy may be attractive due to its guaranteed rent. Whether the tenant is resident in the property or if the property is vacant, their rent will still be paid.

For the investor, a number of strategies can be adopted to start generating profit off the back of the rent to rent model. Most commonly utilised are the multiple occupancy housing and serviced accommodation strategies. Profit is made by either collecting lower rates of rent from multiple tenants, or providing a service to your customer and subsequently being able to charge a higher nightly rate.





# AN INTRODUCTION TO SERVICED ACCOMMODATION

Serviced Accommodation, or Serviced Apartments, are an increasingly popular accommodation option. They're time and time again proving themselves to be the consumers' preferred choice over hotels, due to the privacy and home comforts.

Unlike buy-to-let properties, periods of letting tend to be shorter in nature (Often within the range of a week), and so operators often tend to use the term "guests" as opposed to "tenants".

Increasingly sought after are corporate stays or longer term lets. Where an arrangement can be met between the operator and a business owner or accommodation manager.

The serviced accommodation unit will then be occupied by staff for the negotiated term. Often they will take residence during week days, leaving the property available for bookings during peak times at the weekends.







## WHY SERVICED ACCOMMODATION?

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With the rise of major booking engines for any kind of accommodation, the holiday let industry is proving itself a worthwhile investment with a good chance of decent returns. But what makes serviced accommodation so appealing to the customer?

## LOCATION, LOCATION, LOCATION

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Serviced apartments can be found in every major city throughout the UK, both in tourist traps and business hot spots, enabling serviced apartment operators to meet the needs of any consumer group.



## SPACE

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A typical serviced apartment can provide up to 30% more space than an equivalent standard of hotel. With even one bedroom apartments often being as much the size of an equivalent hotel room, guests have the freedom to relax without elbowing for a glimpse of the TV.



## FLEXIBILITY

Guests are free to come and go, enabling them to do things within their own time frame. The availability of the facilities in the apartment mean guests can cook as they please, work whenever they need to, and have the added space to entertain guests or hold business meetings all within their own private space and at times that suit them best.

## COST EFFICIENT

Serviced apartments can often be cheaper than staying in a hotel, with many operators even offering discounted rates for longer stays. Plus, cooking facilities remove the need to go out every night!



## PRIVACY

Apartments allow you to bypass the formalities often found with hotel stays, and, in many cases, you simply can let yourself in and make yourself at home! A reduced maid service means your apartment can be kept clean, but you can retain privacy without constant interruptions



# WHAT DO WE OFFER?

At Sourced For You Ltd, we offer a number of services to assist you with every stage of your serviced accommodation journey.

From the very first stage of your journey, our experienced sourcing agents are on hand to advise. From location to property specifications, we'll discuss it with you to meet your goals. From there, we offer a bespoke sourcing service for our private clients. Our team of sourcing agents take care of everything, booking in viewings at suitable properties. Once you've found your perfect apartment or house, we guide you through the offer proposal and referencing, negotiating let terms and assisting with contracts where necessary.

Further to the initial sourcing of the property itself, we offer a full property management service. Our team deal with system implementation, guest management and communications, marketing and maintenance management.

For full transparency, all of our investors are given complete access to our channel management, alongside being sent monthly reports, including average occupancy rates and a full breakdown of monthly profits and costs.

If you're already operating serviced accommodation but need a little extra help, our teams are on hand. Currently, we provide both full and part property set up, professional photography, and photo editing, cleaning, and maintenance services. Or if it's marketing you're looking for, our in-house marketing team are on hand to help (At additional cost).

For those who require a more individual support, we offer a 1:1 mentoring service. Every mentoring package is bespoke and tailored to your individual needs, providing you with exclusive insight into the workings of our business.



**IF YOU'RE INTERESTED IN ANY OF OUR SERVICES,  
WE'D BE DELIGHTED TO SPEAK WITH YOU. TO  
DISCUSS YOUR GOALS. EITHER EMAIL  
INFO@SOURCEDFORYOU.CO.UK OR CALL BEN ON  
07773 213003 TO SEE HOW WE CAN HELP YOU  
BECOME FINANCIALLY FREE.**

# SERVICED ACCOMMODATION IN ACTION



**Berkley Court, Reading**  
**£1,600 PCM**



# READING'S HIDDEN GEM

Berkeley Court is our three-bedroom apartment that was rented through a letting agency agent back in 2018. The property came unfurnished and had just been renovated, but needed some finishing touches that we agreed to complete in exchange for two weeks' free rent. Ideally situated in a great location in Reading. Within a few minutes walking distance of the local town centre, Berkley House is surrounded by private gardens and is an ideal foundation to what we had planned. We agreed to replace some door handles, touch up the newly painted walls,

and repair some light fittings. Fully furnished the full property is shown in the photos below. The beds were chosen from a specialist company (zip & link), so, along with the sofa bed and three bedrooms of zip and link beds, we can comfortably accommodate nine adults. We have secured back to back 10/10 reviews, won online awards which has helped this property achieve over the local market values and have months of forward bookings.



# COSTING AND RESULTS

**£11,995** - Full set up costs  
**£1,600.00** - a month's rent upfront  
**£425.00** - NDI (no deposit insurance)  
**£495.00** - agent fees  
**£3,000** - sourcing fees  
**£6,475.00** - full furniture costs  
**£1,930.75** - operational costs  
**£1,600.00** - rent  
**£85.00** - gas and electric  
**£45.00** - water  
**£15.00** - TV license  
**£12.75** - SA insurance  
**£145.00** - council tax  
**£28.00** - Virgin Media

Apr-18			Oct-18	
Total revenue	£3,580		Total revenue	£3,896
Outgoings	£2,567		Outgoings	£2,660
Net profit	£1,013		Net profit	£1,236
May-18			Nov-18	
Total revenue	£3,664		Total revenue	£2,765
Outgoings	£2,470		Outgoings	£2,380
Net profit	£1,194		Net profit	£385
Jun-18			Dec-18	
Total revenue	£3,553		Total revenue	£2,584
Outgoings	£2,680		Outgoings	£2,380
Net profit	£873		Net profit	£204
Jul-18			Jan-19	
Total revenue	£3,965		Total revenue	£2,341
Outgoings	£2,177		Outgoings	£2,180
Net profit	£1,788		Net profit	£161
Aug-18			Feb-19	
Total revenue	£3,993		Total revenue	£2,878
Outgoings	£2,380		Outgoings	£2,280
Net profit	£1,613		Net profit	£596
Sep-18			Mar-19	
Total revenue	£3,868		Total revenue	£3,561
Outgoings	£2,480		Outgoings	£2,280
Net profit	£1,388		Net profit	£1,281



# AN EXAMPLE OF PROPERTY SOURCING



**Nottingham**  
**£900 PCM**

# NOTTINGHAM SOURCED APARTMENT

Two bedroom apartment  
 Nottingham £900 PCM  
 Two bedrooms  
 Town center location  
 Luxury apartment  
 Parking  
 Secured on a company let  
 Agreement for 3 years  
 Furnished  
 Reduced rent to £900 PCM  
 Set up costs £900  
 One month's rent upfront  
 £985 deposit help by the vendor  
 £3600 – sourcing fee with VAT  
 £485 – agent fee  
 £600 – team set up. (includes a team  
 at the property for the day, sourcing  
 and shopping for soft furniture,  
 photos, listing building etc)

£1500 – soft furniture. This is to  
 transform the property for use of  
 serviced accommodation. TV,  
 bedding, wall art, microwaves,  
 pillows, electrical items, full kitchen  
 equipment etc.

The total investment to set this  
 property up for serviced  
 accommodation was £8,070.00. This  
 includes the deposit and the first  
 month's rent upfront.

Guests Over Base		2 £0.00		Per Night
Occupancy	Revenue	Profit	Management	
100%	£8,000	£2,815	£0.00	£8,000
90%	£5,400	£2,428	£0.00	£5,400
80%	£4,800	£2,041	£0.00	£4,800
70%	£4,200	£1,654	£0.00	£4,200
60%	£3,600	£1,267	£0.00	£3,600
50%	£3,000	£880	£0.00	£3,000
40%	£2,400	£493	£0.00	£2,400
30%	£1,800	£106	£0.00	£1,800
20%	£1,200	£-281	£0.00	£1,200
10%	£800	£-888	£0.00	£800

Basic Information	
Property Name:	New Property
Nightly Rate:	£140.00
Max Guests at base rate:	2
Extra person rate:	£30.00
Avg. days per month:	30
Minimum night stays:	2
Cleaning fee:	£0.00
Ongoing Costs	
Rent:	£900.00
Electric/Gas:	£80.00
Water:	£30.00
Broadband/TV License	£45.00
Netflix:	£8.00
Council Tax:	£165.00
Gardening:	£0.00
Replenishments:	£25.00
Insurance:	£50.00
Management fee %?	0%
Costs Per Stay	
Cleaning per changeover:	£20
Laundry p/p:	£20
Check in cost:	£0.00
Booking fees:	15%
Guest comms software	£0.00



# GET IN CONTACT

IF YOU'RE INTERESTED IN GETTING STARTED IN SERVICED ACCOMMODATION, EXPANDING AN EXISTING PORTFOLIO OR JUST A LITTLE GUIDANCE, PLEASE DON'T HESITATE TO GET IN CONTACT. PRICING FOR VARIOUS SERVICES VARY AND BESPOKE PACKAGES CAN BE CREATED TO BEST FIT YOU.

TEL: 07773 213003

EMAIL: [INFO@SOURCEDFORYOU.CO.UK](mailto:INFO@SOURCEDFORYOU.CO.UK)

[WWW.SOURCEDFORYOU.CO.UK](http://WWW.SOURCEDFORYOU.CO.UK)



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