

## Short Let Consulting Ltd

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**Have you considered renting your whole block of properties a serviced apartments operator?**

**Here is a quick guide on how to make money from serviced apartments.**

*Q: What's a serviced apartment?*

*A: A serviced apartment is a type of furnished apartment available for short-term or long-term stays, which provides amenities for daily use.*

Developers and buy-to-let investors across the county are already finding that leasing to serviced apartment operator can be a landlord's dream. The serviced apartment operator takes full responsibility for your building and occupancy levels, meaning your income stream is guaranteed regardless of occupancy rates.

You will have peace of mind that your tenant (serviced apartment operator or Management Company) will only rent to the most qualified corporate clients, many of which have long standing relationships with them. Between each guest the serviced apartment operator completely refreshes and restocks each unit so it looks and feels like new, including taking care of any essential maintenance at their own cost.

In ever changing market it is good to know that you will benefit from:

- Assured income regardless of changing occupancy
- Lower marketing and administrative expenditure
- The operator creates desirable living spaces that attract high-income, low risk tenants

- One convenient point of contact for all service issues
- Reduced turnover expenses

**Short Let Consulting Ltd is associated with Serviced Apartment operators who are ready to lease multiple units in these areas:**

- Mayfair
- Anywhere in Westminster borough (Marylebone, Baker street, Paddington etc..)
- RBKC (Chelsea, South Kensington, Gloucester road, Bayswater, Hyde Park)
- City (Aldgate, Spitalfields, Tower Hill)
- Camden (St John's wood, Kings cross, angel, Old street, Regents park, Caledonian road)
- Wandsworth (Vauxhall)
- Lambeth (Waterloo, Lambeth North)
- Southwark (London Bridge, Bermondsey (Not Old Kent road!), Canada Water)
- Tower Hamlets (Limehouse, Whitechapel, Canary Wharf, Westferry, Bow)
- Newham (Stratford only)
- Hammersmith and Fulham, Chiswick, Ealing
- Richmond & Kingston
- Central Wimbledon

**Outside of London we are also in touch with Serviced Apartment operators who wish to expand in key metropolitan towns and cities throughout the UK:**

- Thames valley: Reading, Slough, Newbury, Maidenhead, Bracknell, Windsor,
- Surrey: Egham, Woking, Croydon, Camberley
- The Shires: Farnborough, Wokingham, Basingstoke etc
- Oxford
- Bath
- Southampton

- Bournemouth
- Poole
- Exeter
- Plymouth
- This list is not exhaustive...

In general a Serviced Apartment operator would prefer to lease a whole block of apartments to gain complete control. Smaller Serviced Apartment operators will consider leasing little blocks of 5-10 properties, Mid-size Service Apartment operators will lease around 10-40 apartments, whilst the larger Serviced Apartment operators can comfortably handle up to 200 apartments in one location.

The rule of thumb is 70% individual units (studios or 1 bedroom apartments) with the balance spread between 2 and 3 bed apartments. 3 bedroom units are less popular in Central London.

Serviced Apartment operators will take an lease lasting (minimum) of 5 years up to 25 years (with appropriate break clauses built in) thus, this will create a quasi-residential/commercial investment and may facilitate an alternative exit route for landlords, as a successful operation can be sold on the investment market.

Rental values are close to AST rates but typically attract a discount of around 10% for large amounts of stock (20 plus apartments). Annual rent reviews upwards only in line with RPI (capped) can be built in, plus landlords make a huge saving on building management costs as the Serviced Apartment operator usually takes care of it.

Your obligation as the landlord would be to deliver the apartments fitted out with white goods and a brand standard furniture fit out, the serviced apartment operator would normally take care of their own fit out in lieu of an increased rent free period.

In terms of the covenant strength of serviced apartment operators, we can demonstrate that the Service Apartment applicants are a safe bet; of course we will be happy to furnish their audited accounts from the outset.

Short Let Consulting welcome the chance for an in depth discussion with any interested parties, and if you represent a Serviced Apartment company who is looking to expand its portfolio feel free to get in touch.