



Buy-to-Let Mortgages Guide

Zelus Mortgage & Finance

Important Information

Your home may be repossessed if you do not keep up repayments on your mortgage.

This mortgage guide is provided for general informational and educational purposes only. It does not constitute financial advice, mortgage advice, or any form of regulated advice under the Financial Conduct Authority (FCA) regulations.



What is a Buy-to-Let Mortgage?



A Buy-to-Let mortgage is specifically designed for those purchasing property with the intention of renting it out to tenants. Unlike residential mortgages, these loans are assessed based on the rental income the property is expected to generate, not just your personal income.

Thinking of investing in property? A Buy-to-Let (BTL) mortgage could be the key to turning your investment goals into reality. This guide will walk you through everything you need to know about BTL mortgages, from how they work to the steps involved in securing one, and how we at Zelus Mortgage & Finance can support you along the way.

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Key Criteria for a BTL Mortgage

To be eligible for a Buy-to-Let mortgage, most lenders require:

- You to be at least 21 years old
- A minimum deposit, typically 25% of the property's value
- A strong credit history
- Sufficient rental income (usually 125–145% of the mortgage payment)
- In many cases, an existing residential mortgage or home ownership

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How Much Can You Borrow?

BTL lenders assess affordability based on projected rental income, not just your salary. Typically, they'll want the rental income to exceed the mortgage payment by a certain percentage.

We can help assess your affordability using our professional calculators and market insights.



Deposit Requirements

Most Buy-to-Let mortgages require: 25% deposit (some lenders accept 20%, others prefer 40% for better rates)
Higher deposits often unlock lower interest rates and broader lender options.



Tax Implications

Buy-to-Let income is taxable, and recent changes have affected how landlords can deduct mortgage interest.

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Types of Buy-to-Let Mortgages: Exploring Your Choices

Standard BTL Mortgages

Standard Buy-to-Let mortgages are ideal for individuals looking to purchase properties to rent out. They typically require a larger deposit and offer competitive interest rates for long-term investment.

Interest-Only Mortgage

Pay only the interest each month; repay the full loan at the end of the term. This is common for landlords as it keeps monthly costs lower.

Fixed-Rate BTL Mortgages

Fixed-Rate Buy-to-Let mortgages provide stability with consistent monthly payments. These mortgages lock in an interest rate for a set period, protecting landlords from market fluctuations and ensuring budget predictability.

Repayment Mortgage

Pay both interest and part of the loan each month; own the property outright by the end of the term.

Tracker BTL Mortgages

Tracker Buy-to-Let mortgages follow changes in the base interest rate, meaning monthly payments can vary. This option benefits those who predict rates will remain low, allowing potential savings over time.

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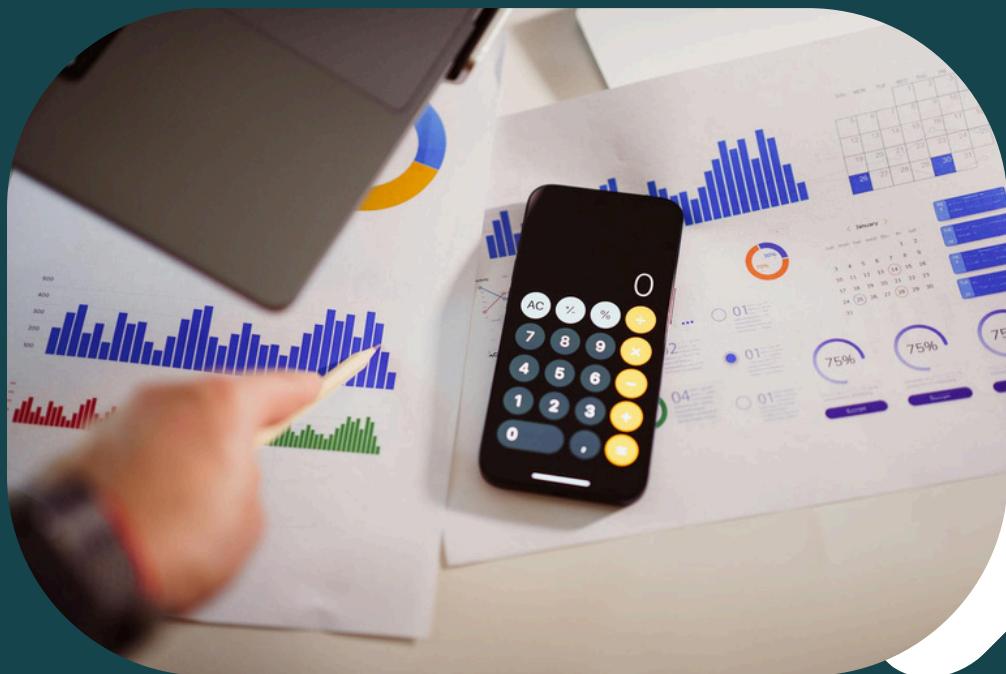
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Budgeting Wisely

Plan for **unexpected expenses** to ensure financial stability.



Tax Considerations

Understand how **taxes can impact** your rental income.



Additional Charges

Investing in property involves more than just the mortgage. Keep in mind:

- Stamp Duty (higher for BTL properties)
- Letting agent fees
- Landlord insurance
- Maintenance & repairs
- Periods of vacancy
- Tax on rental income

We'll walk you through all costs to help you plan wisely.

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Pros of Personal Name

Owning properties in your **personal name** can simplify the management process and may be beneficial for new landlords with fewer properties.

Pros of Limited Company

Limited Companies can offer **tax efficiencies** and limited liability, making them an attractive option for serious investors in buy-to-let properties.

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How Zelus Mortgage & Finance Can Support Your Journey

At Zelus, we offer **personalized guidance** through every step of your Buy-to-Let mortgage process. Whether you are a first-time investor or looking to expand your portfolio, our experienced team ensures you receive the support, knowledge, and resources to make informed decisions and achieve success.



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Contact Us



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