

# FULCRUM INSIGHTS

## Fulcrum Global x Investment Consultant Lucy Jiang Having a Trustworthy Property Management Company Handle Your Overseas Properties Ensures a Stress-Free Experience



Investments in buy-to-let property can be the best bang for your buck, with rented properties generating stable rental income from month to month. If the property market is rising, you can even enjoy the value appreciation of your properties, maximising the return on your investments. As a landlord, you can indeed maximising your earnings by managing your own rental properties. However, it also means you must deal with all the relevant trivial matters on your own, including renting out your property, contacting tenants, solving tenants' problems and even collecting rent. Besides tenant-related matters, there are also issues like maintenance and repair, various expenses, taxation and regulatory compliance.

In fact, beginner landlords without adequate experience in managing properties and communicating with tenants can easily encounter rogue tenants who may trash rental properties or even go into rent arrears. Therefore, many landlords tend to hire property management companies to oversee their properties on their behalf to save effort and time. Choosing a reputable property management company will yield innumerable benefits if you have overseas properties. The UK has become one of the most popular places for relocation and investment in recent years. In the following paragraphs, I will explain in detail the benefits of hiring a property management company in the UK.

### Minimise the Risk

Every landlord wants to find and select dependable tenants. However, selecting a good tenant is not easy for those without sufficient experience in leasing. The most unfortunate may even suffer from losses that outweigh the gains. An outstanding property management company will handle the entire tenant selection process, including screening and even carrying out reference checks on tenants to minimise the risk of exposure to rogue tenants.

In addition to using broad-based, comprehensive background checks that identify critical information to narrow down and select quality tenants, the property management company also follows applicable legal procedures like the Deposit Protection Scheme in the UK, in which the tenant is required to make a deposit into the landlord's designated account 30 days before moving in. After the tenancy agreement expires, the owner will have to refund the deposit within 10 days if the property is in good condition and the tenant has paid all the rent and sundry charges. With the help of property management companies, mistakes and omissions will be minimised.

Further, property management company staff are usually experts equipped with the latest market knowledge and familiar with the most up-to-date legal terms and conditions. In the course of my work, I have met owners who manage properties themselves who have been faced with huge losses or even litigation due to their outdated and incomplete knowledge about rental matters. For a truly hassle-free landlord experience, I recommend that you entrust your property management company.

In the UK, if you want to be a landlord, you must first ensure that your property is rentable. As in Hong Kong, a mortgage for an owner-occupied flat differs from that for a rental flat. It is necessary to check the details before leasing your property to avoid violating the terms of your mortgage. Also, to rent a property in the UK you must prepare all kinds of safety certificates in advance, such as an Energy Performance Certificate (EPC) with a rating of at least E, a Gas Safety Certificate and an Electrical Installation Condition Report.

A good property management company not only should be good at communicating with tenants (for letting, lease signing and rent collection) but also needs to ensure that a rental property is safe and legal. In addition to ensuring the legitimacy of all documents, a property management company helps to deal with important details such as taxation, miscellaneous fees and compliance with all local laws throughout the entire process.

### Reduced Costs

Every property needs regular maintenance and repairs, with different ways of handling them depending on the location. If you own an overseas property, a poor understanding of how things work where your property is located can easily result in a series of problems. The cost of repairing a property in the UK can sometimes be sky-high, especially for older second-hand properties that were not properly maintained because of the previous owner's inattention to maintenance. Depending on the age of the property, this can often translate into extremely high maintenance costs for the new owner.

Property management companies often get to the root of problems and tackle them quickly. They usually have long-standing relationships with contractors to provide professional maintenance and repair services. Outstanding property management companies are also able to source high-quality services at competitive prices, giving them a leg up in identifying potential problems in advance to avoid exorbitant costs that would otherwise be incurred.



### Stable Cash Flow

Stable cash flow is a reason why many invest in real estate. However, rent arrears may affect mortgage repayments. Property management companies strictly screen tenants to minimise the risk of encountering rogue tenants. Not only that, but in the unfortunate case of trouble with rogue tenants, they can deal with them professionally, giving you peace of mind as a landlord.

### Enhance the Value of Your Property

A high-quality property management company conducts regular inspections and maintenance for the properties it manages and promptly handles problems to satisfy both tenants and owners. As a result, many tenants favour renting properties operated by property management companies. In addition, many tenants in prime locations of the UK prefer flats with a furniture package included, which is a service provided by some property companies. Indeed, on average, a well-furnished property rents for 25% more than an unfurnished property, reflecting the added value of this service. For all the above reasons, having a quality property management company can save you time and effort – and even provide a more assured return on your investment.



Lucy Jiang  
80+ Investment Expert  
Master of the Property Market

**【About Lucy Jiang】** Lucy Jiang, known as “Master of the Property Market”, is an investment expert born in the 1980s. Starting with HKD50,000 in her bank account in 2012, Lucy took only a few years to build her investment portfolio from 0 to 30 properties in various locations, including Hong Kong, Malaysia, Thailand and across Southeast Asia. In addition to her engagement in property investment, she is the founder of P&S Academy, empowering people to unleash their potential in real estate investment.

**【About Fulcrum Global】** FULCRUM INSIGHTS is published by Fulcrum Global, a leading international real estate development and investment firm. Headquartered in Hong Kong with regional offices in Shanghai, Bangkok and Manchester, Fulcrum Global was established in 2008 and boasts an investment portfolio comprising projects in key cities across the United Kingdom, Thailand, Singapore, Japan and China. To create long-term value for investors with integrity as one of our core values, Fulcrum Global offers a comprehensive range of services, including real estate development, strategic investment and asset management, combining its global expertise and unrivalled distribution network to create added value and ensure high-quality deliverables.