

**Look out for HMO and Short Term Let business in 2021 - from Foundation Home Loans**

The extension of the Stamp Duty Land Tax tiered exemptions and anticipation of lightened lockdown has fueled both the property and mortgage markets, resulting in heightened opportunities for mortgage intermediaries right through to September and potentially beyond. But what types of clients and landlords can you expect to see active over the next six months?

It goes without saying that the residential market momentum has been boosted, with the additional measures coming from government to mobilise first time buyers, we can also expect buyers up the chain to be mobilised.

However, the buy to let sector also holds additional promise this year, particularly in the case of specialist properties or criteria. Additionally, the tax changes for buy to let and second homes (begun in 2016) are now in full force, and so landlords continue to seek value and yield on their investments in specialist areas. Here are three of those which are worth exploring and gaining confidence in this year.

1. **HMOs**

With incredible annual [rental yields of 7%](https://www.foundationforintermediaries.co.uk/news/yields-and-demand-for-hmos-increasing/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-broker-hub-hmo-yields) compared to an average of 5.8%, it is no surprise that more landlords are branching into this genre of property. As appetite for HMOs increases, so has the availability of competitive mortgage products and, importantly, the ease with which you can now arrange one. Foundation Home Loans are experts in HMO lending, and we have just launched [a suite of new and highly competitive HMO products](https://www.foundationforintermediaries.co.uk/news/reduced-buy-to-let-rates-and-new-short-term-let-products/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-broker-hub-7-april-product) to support you in proactively reaching out to your professional landlords with some added value.

1. **Short term lets**

With the internal holiday ‘staycation’ market set to re-open between May and June, short-term lets in particular offer a likely diversification for portfolio landlords. We have just released a new set of [highly competitive 5 year fixed rates](https://www.foundationforintermediaries.co.uk/news/reduced-buy-to-let-rates-and-new-short-term-let-products/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-broker-hub-7-april-product) for short term lets. No AST is required and we value short term let properties and their rental coverage as a standard BTL, which means a simple application process.

1. **Limited Company buy to lets**

This structure is here to stay. For the last 5 years, a consistent 2 in 10 landlords have owned some or all of their portfolio in a Limited company structure, and there is no reason to believe that trend will decline. Limited company landlords are [more likely than individual portfolio landlords](https://www.foundationforintermediaries.co.uk/news/limited-co-btl-v-individual-what-do-the-numbers-say/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-broker-hub-ltd-co-v-ind) to mortgage their properties, take higher loan-to-values and are more likely to sell and buy, so if you’re going to expand your network of clients this year, this is the area in which to upskill. At Foundation Home Loans, we calculate ICR for limited companies at just 125%, and furthermore, we use the pay rate for 5 year fixes, which is why products like our [Limited Company only special 5 Year Limited Editions](https://www.foundationforintermediaries.co.uk/news/reduced-buy-to-let-rates-and-new-short-term-let-products/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-broker-hub-7-april-product) are so attractive.

Even if it’s your first time arranging a niche mortgage, it’s not ours. So whichever area you plan to expand your specialist buy to let mortgage advice into this year, give yourself the edge by offering Foundation’s flexible criteria and case-by-case underwriting. Start the conversation today.

[Not yet part of the Foundation community? Register here](https://www.foundationforintermediaries.co.uk/register/?utm_source=HMO-STL-product-update-7-april-2021&utm_medium=partner-article&utm_campaign=10338-registration-page)

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