

# Questions for new landlords

Several years of low interest rates have seen savers investing in buy to let properties in an effort to keep their money working for them. If you are considering spending your savings on a second property, what should you think about?

## 1. What kind of property should I look for?

In Jersey your main choice is between an apartment or a house. As a rule, there are more tenants available for apartments, but they will pay less rent, and may stay for shorter periods of time. Houses command higher rentals, and tenants are more likely to be families or groups of professional people. These tenants may be harder to find, but are more likely to enter in to an extended tenancy agreement. You may find that you have to redecorate and renovate an apartment more often than a house occupied by a family; you should account for this when calculating your income and outgoings.

## 2. Do I have to pay tax on rental income?

Income from rent must be disclosed on your tax return and will be assessed for income tax. Non-resident landlords will also pay Jersey income tax, but this is collected under a separate system. You should take specialist tax advice to ensure you comply with the law and ensure you remain tax efficient.

## 3. How do I keep the right side of the Housing law?

If you buy a freehold or flying freehold property, you will need to obtain a registration card before completion to ensure that you comply with the Control of Housing and Work (Jersey) Law 2012. The Population Office and Social Security can issue registration cards. Whatever type of property you purchase, it can only be occupied by an appropriately qualified tenant. A 'qualified' property can only be occupied by an 'entitled' or 'licensed' tenant. A 'registered' property (previously 'unqualified') can be occupied by tenants holding registration cards showing them to be 'registered' or 'entitled for work only'. The Population Office will be able to confirm in to which category your property falls. You must take and keep a copy of your tenant's registration card before they move in to the property. Failure to comply with the law may result in a criminal record.

## 4. Should I insure the property, or should the tenant have their own insurance?

Blocks of flats will usually be covered by a collective buildings insurance policy, but you may wish to take out an additional policy to cover the fixtures and fittings that may not be covered. It is usual for tenants to cover their own personal belongings, and you can include this in the tenancy agreement.

## 5. Do I need to prepare a written lease?

All tenancy agreements need to comply with the provisions of the Residential Tenancies (Jersey) Law 2011, which sets out the details that must be and cannot be included in a residential lease. In particular you must give a tenant time to read the lease before requiring them to sign it, and deposits must be documented. While many of the provisions of the law are to protect tenants, compliance with the law can assist you if you wish to evict a difficult tenant.

## 6. Can I get a mortgage for a buy to let property?

Most of the major lenders do offer buy to let mortgages, but you will probably need a bigger deposit than you would for a normal residential lease. Your lender may restrict the terms of the tenancy agreements you use.

## 7. Can I restrict the kind of tenants I have?

Some apartment blocks will contain restrictions relating to the age of tenants, pets and the use of apartments and common areas. You can include more detailed restrictions in your lease, but you may find that this is unacceptable to some tenants. In general tenants occupying flats are more likely to accept restrictions on their behaviour, but tenants occupying family homes may think it is important to be allowed to keep their family dog, or redecorate kids' bedrooms.

*For an informal chat please do not hesitate to contact Ogier Property on +44 1534 514056 or Marcus Matthews at [Indigo Estates](#) on +44 1534 639955.*

# Contact Us

For a friendly chat call the residential property team on

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