



MANSFIELD

BUILDING SOCIETY

Versatile lending can smooth the way for landlords and empower tenants

Tom Denman-Molloy, Intermediary Sales Manager, Mansfield Building Society

Selling up for a landlord can be an involved process. Not only will they potentially have to evict the tenant - which can be painful if they have been a quality tenant over a long period - but they then have to go through the rigmarole of selling on the open market. This can be a big unknown - while some properties will sell quickly, and at around the asking price, others may be left on the market for a while.

Even those that do attract interest quickly may still suffer from a prolonged sale as a result of vendors being reliant on a lengthy housing chain.

Selling directly to the existing tenant through a concessionary purchase cuts out those issues. There is no need to go through the pain of enlisting an estate agent, conducting viewings and negotiating over price. Instead there is an interested buyer, ready and waiting, who understands the selling points of the property from the outset.

Obviously, concessionary purchases will hold a big appeal for the tenant too. Not only are they able to buy a known quantity, a property which they understand and know that they like, but they are also able to do so at a substantial discount.

It's no secret that tenants with aspirations to buy face huge challenges in doing so. The incredible increase in house prices seen in recent years, even accounting for the recent slowdown, has made the homeownership dream even harder for renters.

Saving a decent deposit is difficult enough, but with rising household bills - including rent - and the removal of the Help to Buy scheme, that challenge has become seemingly insurmountable for some.

A concessionary purchase can be the perfect solution though, given the potential to pick up the property at a price comfortably below its market value, and at Mansfield we offer 95% and even 100% mortgages on the discounted price within our Versatility range.

Working with the right mortgage lenders

While the theory around a concessionary purchase makes sense for landlords and tenants alike, it can only be acted upon if there are lenders willing to offer flexibility in this area.

We have always believed in a more human, details-based approach to lending at Mansfield Building Society, and that is absolutely the case when it comes to concessionary purchases. This sort of lending approach opens up purchases that could not happen were we to instead be prescriptive and automate the assessment of cases.

Concessionary purchases are just one example of how important it is for lenders to play a positive role to help brokers and borrowers in the current mortgage market.

A common sense approach

If you've got a case on your desk that requires a common sense approach to lending then please pick up the phone to our Broker Support team on 01623 676360 or visit <https://www.mansfieldbs.co.uk/intermediaries/>.