



FURNISH

THE ULTIMATE GUIDE TO
FURNISHING YOUR PROPERTY

BY AMPLO



FURNISH - THE ULTIMATE GUIDE TO FURNISHING YOUR PROPERTY

Content

Page 1 Preface
Page 2-3 Introduction
Page 4-6 Interior Design
Page 7-9 Furniture Supply
Page 10-14 Lease Finance
Page 15-19 Tax & Accountancy
Page 20-23 Dressing Rooms
Page 24 Thank You

This ebook is written with you in mind. We have reached out to the industry experts, some you may of already heard of, to help you understand furnishing your property from all perspectives. From interior design all the way through to the tax surrounding furniture, we haven't forgotten anything.

This is the ultimate guide to furnishing your property, whether you are a seasoned property investor or just starting out there's certainly something you can take away from this ebook.

A big thank you to all businesses that took part in the creation of this book.



FURNISH - THE ULTIMATE GUIDE TO FURNISHING YOUR PROPERTY

Preface

The content of this ebook includes everything a professional investor will need to know about furnishing their rental property, from interior design through to the tax implications of either owning or leasing your furniture.

The book has been written by leading experts within the property space. The information that is provided comes from the opinions of professional businesses that operate the supply line on a day to day basis.

Whether you're a seasoned expert or you're just starting out there are tips and tricks that you will certainly take away from this book.



FURNISH - THE ULTIMATE GUIDE TO FURNISHING YOUR PROPERTY

Introduction

It's a fresh summer morning, the sun is shining through the trees. You take a deep breath and you can feel the fresh summer air hit your lungs. You walk up to the front door, insert your key, twist the lock and with a little bit of persuasion the door opens. Stepping into the house you take a deep breath, no longer can you smell the summer breeze, instead you inhale the sweet scent of fresh paint, new carpet and opportunity.

Whether you've just completed a full renovation or a light refurb, you know what's next on the schedule. Furniture.

Where do you start..?



Although from the surface furniture may seem simple. Don't be fooled; like most things in life when you peel back the layers there are more and more moving mechanics you may not have considered. Mechanics that can play a big part on how you approach furnishing your property, from an interior design perspective all the way to the tax benefits.





WWW.INVITINGINTERIORS.CO.UK

Interior Design

AMI LEAROYD - INVITING INTERIORS

So, when it comes to the interior design of your property where do you start?

First of all you need to identify who is going to be living there? What the property is going to be used for? How you want the property to feel?

Once you have decided the key function factors, you need to think about setting a colour scheme/vibe for the whole property. The best and easiest way to do this is to create a mood board that you can then use as a base for the whole house. There are lots of different apps that you can use to create this mood board – within it you need to include a colour swatch of the



colours you'd like to use throughout the property, materials, patterns and anything specific to a particular style you want to go with.

Use this mood board as a base when designing each room within the property to create a cohesive feel. As you work through the property think about the general items that you need to have in a room to make it functional – so for example a bedroom needs to have a bed, bedside table, lamp, lampshade, curtains/blind and somewhere to put clothes as a bare minimum. Then have some FUN when choosing these items, make sure you keep referring back to the mood board you've made to ensure that the style and colours of items you're choosing are in keeping with the rest of the house.



When choosing these items it is important to also consider the size, style, shape and colour of each item. Remember to check the dimensions of the room against your furniture sizes to ensure that all your furniture fits into the space perfectly and you're good to go!





INTERIOR DESIGNERS | FURNITURE SUPPLIERS | LARGER RETAILERS

Furniture Supply

AMPLO

Furniture supply is clearly the main factor to furnishing your property. However, there can be multiple approaches when it comes to furnishing your property.

Interior Designers:

Using people like Ami Learoyd from Inviting Interiors to design and furnish your property can be a good option if you are looking to stand out in a competitive market. Using this option comes at an extra cost, however it often pays dividends as you're able to stand out from the market and offer inviting rooms, apartments or houses.



Furniture Supplier:

This is typically the most common approach to furnishing properties. As it tends to fall into most peoples budget and level of convenience/service they are looking for. Working with specific landlord furniture suppliers can make the process a lot more convenient as most companies will install all the furniture on site at an affordable cost.

Dale Wild from Landlord Furniture Co – The main benefits of using LFC are that we have a large selection of Exclusive to us Furniture to choose from with safe knowledge that it will last, as well as a modern selection that helps improve the likelihood of finding good tenants. Delivery teams will Install all the furniture in the relevant rooms and remove all of the waste. It's good to order around 2-3 Weeks before you need it, and we also deliver nationwide.



Larger Retailers

There is also the option of using the likes of Ikea or other furniture retailers. However, this is often used by investor / landlords that are looking to save on costs and often have the time to build the furniture from flat packs.





WWW.AMPLOLEASING.CO.UK

Lease Finance

What is lease finance?

A finance lease is a type of Asset lease where the leasing company will purchase the item from the supplier on the customers behalf, the customer then rents the asset from them for most of the item's useful life.

One key feature of a finance lease is that the customer takes on the majority of the risks and rewards of ownership (i.e. maintenance costs and fluctuations in value), but never actually owns the asset. What this means in practice is that a finance lease looks and feels a lot like hire purchase, but they're different on the balance sheet. Many companies prefer to show an asset as an operating cost and offset rentals against



profit, and so therefore choose a finance lease – more on this later.

Finance leases consist of a primary rental period, where the monthly payments will add up to the full cost of the asset plus interest (hence their other name, capital leases). Once the initial period is up, the asset will normally be near the end of its useful life. At the end of the initial lease period, you will usually have three options:

- Your business, acting on behalf of the finance company, sells the asset to a third party
- The asset is returned to the finance company to be sold
- You gain the title of the asset via a third party for a nominal fee therefore having continued use of the furniture



Why lease finance?

Tax Benefits. Your monthly lease payments can be claimed as a revenue expense rather than capital expenditure, and can be offset against corporation tax generating you a healthy tax saving.

Affordable Payments. Rather than having to pay out large sums of capital. Asset finance will allow you to pay an affordable amount over a period of time. Erasing the worry of finding additional capital.

Retain capital. We understand the importance of retaining capital and utilising what you have. Asset finance releases capital that would otherwise be tied up and allows you to pay the lease payments with the revenue generated from the property.



How the numbers stack up...

If company is more than 3 years old:

Furniture Value (ex VAT): £6000

Term: 36 months

Approx monthly payments for a new company (ex VAT): £214.17

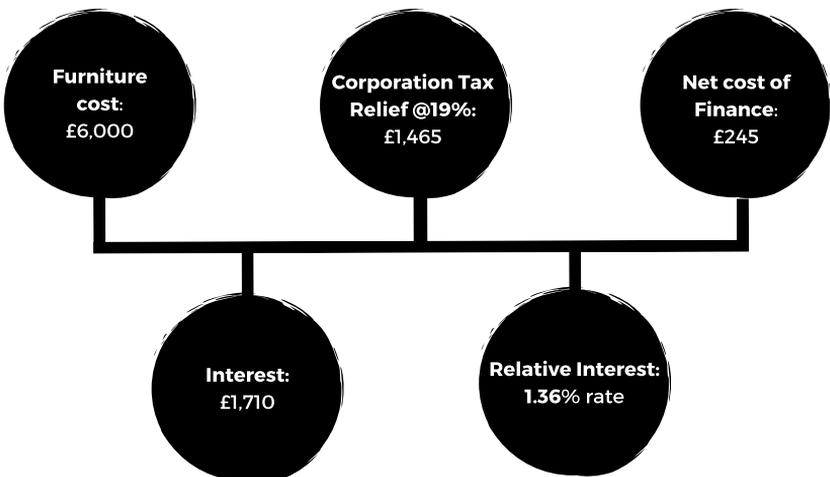
Total Repaid: £7,710

Total Interest Paid: £1710

Corporation Tax Relief @ 19%: £1465

Net Cost of Finance: £245

Relative Annual Interest Rate: 1.36%



All lease monthly payments are subject to VAT **All figures given exclude VAT
The figures presented are for guideline purposes only. The final lease finance offer will be determined by the funder's underwriter.



If company is less than 3 years old:

Furniture Value (ex VAT): £6000

Term: 36 months

Approx monthly payments for a new company (ex VAT): £233.17

Total Repaid: £8394

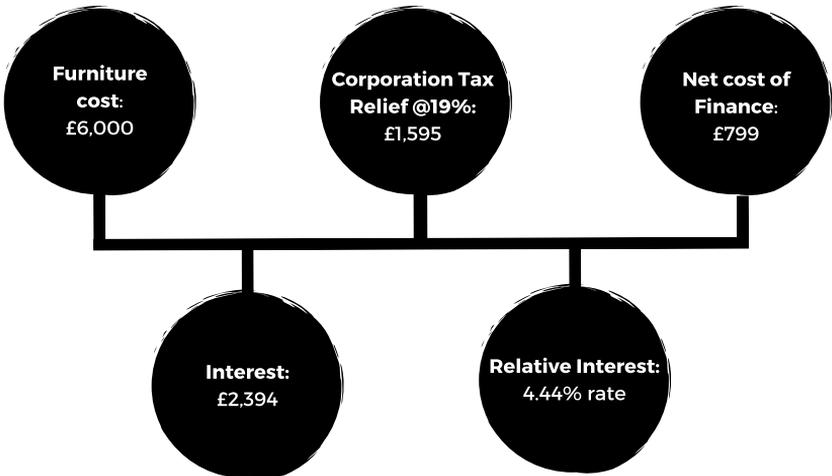
Total Interest Paid: £2394

Corporation Tax Relief @ 19%: £1595

Net Cost of Finance: £799

Relative Annual Interest Rate: 4.44%

Check out our calculator: www.ampleasing.co.uk/calculator



All lease monthly payments are subject to VAT **All figures given exclude VAT
The figures presented are for guideline purposes only. The final lease finance offer will be determined by the funder's underwriter.



WWW.CHESHIREACCOUNTS.COM

Tax and Accountancy

ANDREW BUDDEN - CHESHIRE ACCOUNTS SERVICES

When considering whether to lease or purchase as a business brings with it many factors to consider which are beneficial to either the Company or you as an individual.

In principle leasing furniture and appliances could result in a full tax deduction at cost (saving you or your company lots of money). This means that, all charges (including the interest you are paying on your lease) is fully tax deductible against your profits.



How is this of benefit?

Company

As explained leasing allows you to potentially utilise the full tax deduction. What does this mean, to you as a business? The full tax deduction against your corporation tax results in for every £1000 spend on your lease payment you will receive £190 reduction on your corporation tax bill. Assuming you have a lease for £8,000 you will benefit with a tax deduction of £1,520.

Individual Landlords

As a residential landlord, if you are furnishing one of your properties, you DO NOT receive tax deduction on your initial Furnishings cost. This means that you CANNOT offset any initial costs against your tax, therefore not receiving the benefits as highlighted in the lease finance section above.



Due to the various tax changes over the past 4 years, there has been a significant impact on landlords buying in their own name to the point that purchasing furniture in your own name is now 20% to 40% more expensive (depending upon your personal tax bracket). This is because you are effectively paying after the tax has already been deducted from your income!

What are the benefits to the Company for their long-term planning goals?

Specification

Renting (Leasing) furniture is very similar to when you lease a vehicle.

How many of us don't think twice of leasing a vehicle, but we don't consider leasing furniture? When you want to upgrade your vehicle you simply take it



back and upgrade the specification giving you an up to date model. Wouldn't you like to upgrade your furniture providing your clients with the new specification of luxury?

Retain the cash in the business

There is a saying "Cash is King", tying up large chunks of cash in your business for a long period means you will have to wait for a positive cash position at some point in the future. If you are leasing/using finance, you spread the cost of your furniture meaning you are not having to seek large amounts of capital every time you are furnishing a property. You have the cash available for those unexpected events that will always occur in your business.

Flexibility

There is no need to defer your purchase until you have the cash saved.



For a fraction of the capital outlay you can have the latest furniture in your property.

Budgets

When you are setting your annual budgets, you know at the beginning of the period exactly how much you need to spend each month on your lease payments. You enter into a fixed term agreement with your lease so even if bank rates change this does not affect your monthly outgoings.

Tax Benefits

The payments you make on a monthly basis as part of your lease agreement are a 100% allowable expense against your taxable profits. This means less money to the tax man and more money in your back pockets!



DRESSINGROOMSHOMESTAGING.CO.UK

Dressing Rooms

NATASHA COLLIER - DRESSING ROOMS HOME STAGING

So, you've designed your property, the refurb is done and you've got the furniture in place ready for tenants to move in. The next thing is marketing your property and getting the highest rent achievable in your area. To do this, you need awesome photos to really show off the house to its best!

You've likely ordered your furniture from a furniture company or braved Ikea, but either way you're left with bare mattresses and fairly simple looking rooms. This is fine and super practical, but it doesn't make for great photos. So the best way to achieve stunning



photos is to dress the rooms – definitely the fun part of the job! You can add pops of colour with cushions, lamps, artwork and rugs, transforming it from a basic room to a stunning living area. The splashes of colour help the rooms to stand out online and appeal to more potential tenants, helping you to break the rental ceiling price.

If you're not planning to leave bedding and cushions etc in the property (I don't think any investor would recommend doing this as it can become such a hassle, plus tenants usually prefer to bring their own!) then you'll need to look at either investing in a kit to use over and over again or hiring someone like us to dress the rooms for you!

We'll bring everything needed to turn the rooms into stylish spaces, as well as provide professional photos for you to use in your marketing. All it takes is one day for us to



dress all the rooms and living areas, each slightly different to keep them interesting. We'll match in with the design and colours you've chosen, plus we can even leave the artwork in the house and keep one of the rooms dressed for viewings if you prefer. After doing a fab refurb and leasing gorgeous furniture, dressing the rooms really is the cherry on top!

If you're concerned about timescales or have slightly overrun on budgets, the alternative is for us to virtually dress the house. We just need photos of each of the rooms with the furniture in place, then we can digitally add bedding, cushions and artwork so that they stand out online – the results are fantastic and very realistic.

Whether you choose to hire a company like us or not, it's definitely worth thinking about dressing the rooms and hiring a professional



photographer. Why put all that effort into getting the refurb done well and choosing amazing furniture, only for no one to see your hard work because the photos aren't attractive enough!? Photos are the thing that hook people in and make them want to view a property, so prioritising getting them done properly is something everyone should do!





FURNISH - THE ULTIMATE GUIDE TO FURNISHING YOUR PROPERTY

Thank You

Firstly a big thank you to Ami Learoyd of Inviting Interiors for letting us use her stunning photos And for writing the interior design section to this book.

Thank you to Andrew Budden from Cheshire Accounts Services for writing the tax and accountancy section to this book.

Thank you to Natasha Collier from Dressing Rooms Home Staging for Dressing Rooms.

Thank you to Dale Wild from Landlord Furniture Co for his quote input.

And finally a MASSIVE thank you to the readers. We would love to hear form you enquiries@amploleasing.co.uk - all feedback is greatly appreciated.

FURNISH

BY AMPLO

This ebook is written with you in mind. We have reached out to the industry experts you may of already heard of to help you understand furnishing your property from all perspectives. From interior design all the way through to the tax surrounding furniture, we haven't forgotten anything.

This is the ultimate guide to furnishing your property, whether you are a seasoned expert or just starting out there's certainly something you can take away from this ebook.

A big thank you to all businesses that took part in the creation of this book.

WWW.AMPLOLEASING.CO.UK

