

Are “sell and rent back” schemes as good as they sound?

As the credit crunch takes hold, and more and more people are struggling with their mortgage repayments, a number of companies are springing-up who offer a [sell rent back](#) scheme. This type of proposal involves the homeowner having their house bought off them, for a percentage of its market value, but then offered the chance to be a tenant, negating the need to move. For many people, it seems like the perfect opportunity to get rid of their mortgage problems and not have to deal with the hassle of moving house, however there are some critics who state that the schemes may not be all they appear to be and might actually be more trouble than they're worth. Some homeowners have reported receiving only half the market value of their house, with others stating that the rental agreement was not upheld. There is also the risk that the company to whom the house is sold may not be able to maintain the mortgage repayments, and the tenant will ultimately face eviction anyway. Although the general premise of sale and rent back is sound, the way that it is handled and put in place is not, and homeowners aren't as protected as they should be. As soon as they have sold their house to one of these schemes, then they have very little control over and above what is written in their contract. This forms the basis of one of the main arguments against sell and rent back companies – that the landlord can set the purchase price, rent and terms of letting, is bound to be abused. There are a lot of calls for this industry to be more highly regulated, in order to give customers the protection they deserve, and if complaints about various companies continue to rise, then the government and Office of Fair Trading will have to step in at some point and put down some ground-rules.

About the Author

This author works with people who want to [sell house quick](#) and who are generally looking for a [quick property sale](#). For more information, contact Swift Capital to get an excellent quote today.

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