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Top 10 Questions to Ask When Choosing an Accountant



By specialist property accountant **Stephen Fay** ACA

Serious property investors should have a good accountant on their team, to minimise tax liabilities, produce accounts that help with funding and portfolio growth, and act as a trusted professional adviser. But what should property investors and landlords look for when choosing an accountant?

Clearly, it makes sense to ask the right questions when appointing any 'supplier' to your property business. Accountants come in all shapes and sizes, specialise in different areas, may or may not be qualified, be a people-person or a bookworm - this article covers the top 10 questions that landlords should ask to select the right accountant for them.

1. Is the accountant genuinely an expert in their field?

This is probably the most important requirement for any property accountant - do they really know their stuff? That means that they have actual daily experience of clients just like you - many High Street accountants have some property clients, but that's not the same as specialising in dealing with property clients. Are they able to demonstrate their expertise? Can they provide straight answers to your straight questions?

2. Is the accountant proactive?

'Proactive' simply means that your accountant coming up with tax-planning and business improvement ideas - without your prompting. You as the client should feel like you are in good hands. This means that from one year-end to the next, your accountant may need to identify tax changes, and industry issues, that have a major impact on your property business. For example, the capital allowances Annual Investment Allowance is soon to drop

from £100k per annum to £25k per annum - if this affects you, action is needed in advance of the reduction in allowance. Missing such a major change could mean big money is lost!

3. Is the accountant a property investor?

There is nothing like having your own money on the line to make sure you know your stuff! It brings the business to life and makes sure the accountant understands what matters to investors - because it matters to the accountant too. This ensures the investors and the accountants interests are aligned. Some accountants may talk a good game - but can they really understand a business that they are not involved in themselves?

4. Are they reasonably priced?

No-one has unlimited funds, and accountants have to justify their fees with advice and service that adds genuine value to investors. Some investors will always go for the cheapest provider, but that usually means that the accountant has insufficient time to proactively look for tax-planning opportunities and ways to help the investor to manage their business better - or is simply not up to the job.

Investors should be looking for the best value - not necessarily the lowest or highest price.

5. Do you feel you would get on well?

Dealing with any professional or tradesmen requires a certain rapport to ensure that the relationship works. As accountants often deal with clients on a more frequent basis than solicitors or tradesmen, and are privy to sensitive personal financial information, it's vital that there is trust and a mutual respect. Sometimes it's hard to put your finger on it - but we all know when we get on with someone, and when it feels like hard work. Often it's not anybody's fault if the

connection is not there - that's life - you can't force it!

6. Do other clients recommend the accountant?

Are genuine testimonials from similar satisfied clients available, as reassurance that the accountant can deliver on their promises? This might be a combination of website testimonials (ideally with full names and photographs), as well as being able to contact other clients directly. Perhaps an online search will yield results - is there evidence that the accountant contributes to forums, events, and is someone within the industry with a credible presence and profile?

7. Can the accountant also act as your 'part-time Finance Director'?

Does the accountant have a commercial head for figures - in other words, can they help to advise you on the financial sense of a property project, investment or development? Can they look beyond the tax-planning and help you to make money by providing a credible viewpoint that you as a client value? Does she/he have contacts that can be referred to you if you have a business problem? In other words, is the accountant a useful part of your team - or someone who can only produce accounts?

8. Do they provide tools, templates and guidance to help with record-keeping?

Can the accountant provide useful tools, templates and guidance to help you manage your property business?

For newer investors, this might be a budget tool to enable projects and portfolios to be planned in a professional way. For other investors, receiving a formatted professional-standard models and templates can make record-keeping much easier and help investors to ►

understand how their business is performing. What is crucial is that adequate training and support is provided so that investors can get to grips with the tools and therefore get the most out of them.

9. Can they help you to see the wider picture (the Portfolio Review)?

Successful property investing involves more than just saving tax. Understanding how your portfolio is performing is vital to ensure that there are at least some profits left over to be taxed.

A Portfolio Review enables you to receive a detailed financial analysis of your property affairs and should provide you with a 'fresh pair of eyes' to look over your

portfolio from your 'part-time Finance Director'. Many businesses that go bust do so because of a dominant owner that has tunnel vision and refuses to accept other views - a second opinion, delivered diplomatically, can help to avoid mistakes.

10. Can the accountant provide valuable contacts to investors?

Property people need help from a wide variety of 'suppliers', to grow and manage their property business. If the accountant is genuinely a property specialist they should have access to other credible and valuable contacts so that investors can tap into a recommended network of providers that have a similar level of expertise and are also

property specialists: solicitors, mortgage brokers, bridging and other finance providers, insurers, surveyors etc. You should also ask for access to your accountant's client base to connect with other investors and potential JV partners.

Summary

Professional investors choose their advisers carefully- ensuring that they have genuine expertise in their field, and the business acumen and service ethos to really make a difference. The accountant should do more than just crunch the numbers - they should be proactive in suggesting tax-savings and business improvement ideas and provide value for money.

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