

housemates



11-13 Fifth Avenue HMO
Offers over £400,000 | 10.28% Net Yield

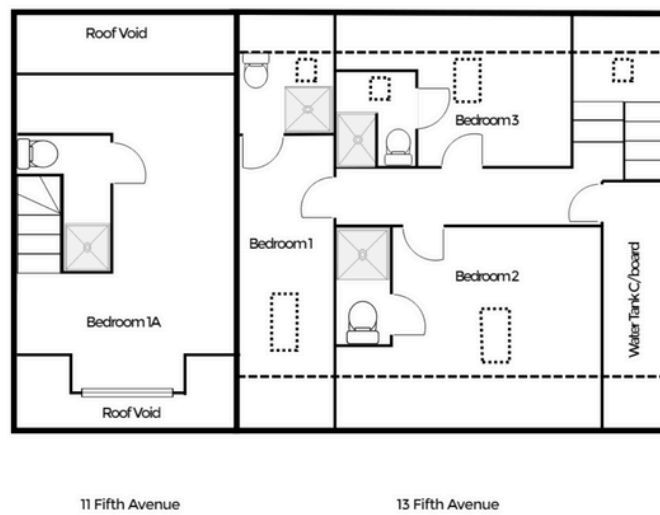
Ground Floor



First Floor



Second Floor



	Monthly	Yearly
Lease income to lessor		£52,000
Property management fees collected by Housemates at 6% of rents	(£274)	(£3,285)
Predicted Utility Expenses	(£730)	(£8,760)
Predicted Council Tax		(£2,134)
Gross Yield Lease income / Purchase price 52,000 / 400,000	13.00%	
Net Yield $\frac{Income - fees - expenses}{Price} = \frac{52,000 - 14,179}{400,000}$	9.46%	
Calculations when Remortgaged at 75% LTV		
Deposit (25%)	£100,000	
Repayment of interest only mortgage (5%)	(£1,250)	(£15,000)
Remortgaged Yield $\frac{Income - fees - expenses - repayment}{Price \times 25\%}$ $\frac{52,000 - 14,179 - 15,000}{400,000 \times 0.25}$	22.82%	
5 Year Appreciation projected at 7% annually		
5 Year ROI	87.53%	
5 Year ROI remortgaged	275.12%	

ROI calculations

5 Year ROI

$$\frac{(Income - fees - expenses) \times years + Price \times (appreciation^{years} - 1)}{Price}$$

$$\frac{(52,000 - 14,179) \times 5 + 400,000 \times (1.07^5 - 1)}{400,000}$$

5 Year ROI remortgaged

$$\frac{(Income - fees - expenses - repayment) \times years + Price \times (appreciation^{years} - 1)}{Price \times 25\%}$$

$$\frac{(52,000 - 14,179 - 15,000) \times 5 + 400,000 \times (1.07^5 - 1)}{400,000 \times 0.25}$$



Installation of solar panels is a worthwhile consideration and could yield greater Return-on-Investment by reducing or eliminating electrical and gas expenses. We recommend consulting a **professional** before making such additional investments.

- Fifteen-bed HMO with a potential sixteenth room if a dormer window is added.
- Each room is an en-suite.
- Five-year lease in place with a guaranteed £52,000 gross income per annum regardless of vacancies.
- New five-year licence will be in place, issued by ERYC.
- HMO is leased to Hughes mushrooms - a well-established business.