

HOUSE IN MULTIPLE OCCUPATION **HIGH RENTAL YIELDS**

Replace your current income with 1 property



Total rental income PCM: **£1580**

Return On Investment – 23.61%

£130,000

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Local area: Chester Le Street



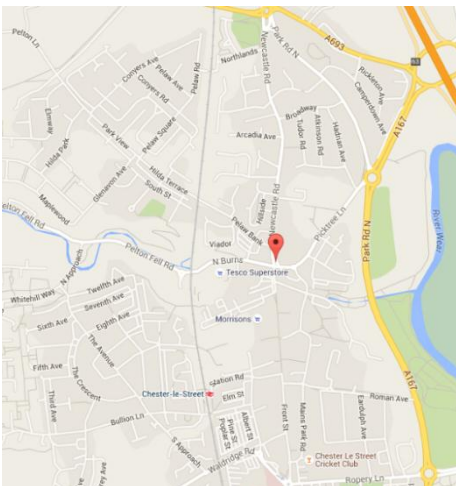
Background

Chester-Le-Street is a town in County Durham, England. Its history goes back to the building of a Roman fort called Concangis. This Roman fort is the 'Chester' (from the Latin castra) of the town's name; the 'Street' refers to the paved Roman road that ran north–south through the town, and which is now called Front Street (shown at right). Chester-Le-Street is located 7 miles (11 km) south of Newcastle upon Tyne and 8 miles (13 km) west of Sunderland on the River Wear.

The parish church of St Mary and St Cuthbert is where the body of St Cuthbert remained for 112 years before being transferred to Durham Cathedral, and the site of the first translation of the Gospels into English, Aldred writing the Old English gloss between the lines of the Lindisfarne Gospels there.

Map of the area



Chester Le Street and surrounding area












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You have the opportunity to own a HMO in the North East

Nearby transport

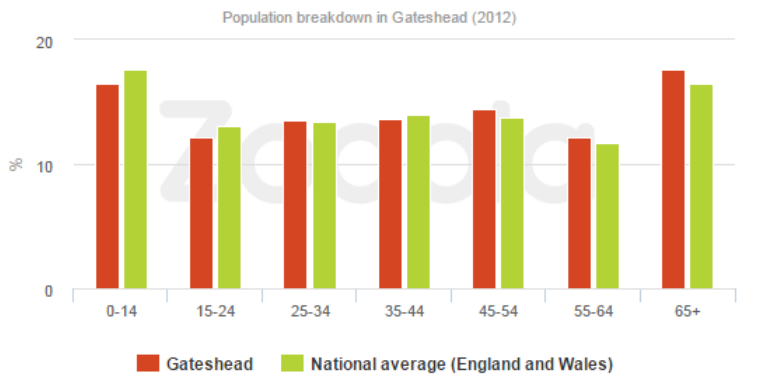
-  Chester-le-Street (2.6 miles)
-  Heworth (4.2 miles)
-  Dunston (5.0 miles)
-  Newcastle Airport (11.3 miles)
-  Durham Tees Valley Airport (27.0 miles)
-  Leeds Bradford International Airport (71.0 miles)
-  Newcastle International Ferry Terminal (8.4 miles)
-  South Shields Ferry Terminal (8.9 miles)
-  North Shields Ferry Terminal (9.2 miles)

Nearby schools

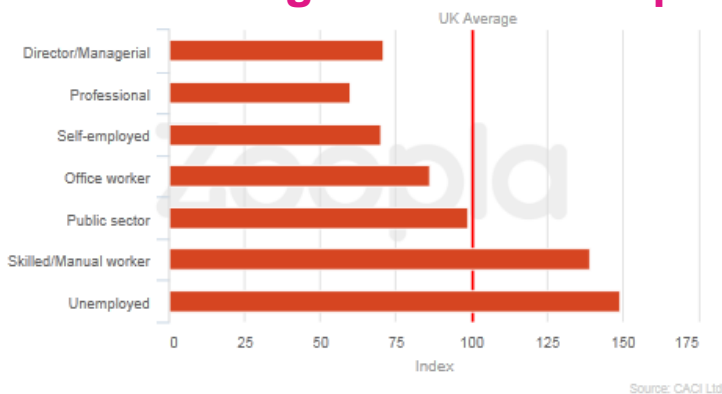
-  Portobello Primary School (0.3 miles)
-  Ravensworth Terrace Primary School (0.4 miles)
-  St Joseph's Catholic Junior School, Birtley (0.4 miles)
-  Lord Lawson of Beamish Community School (0.3 miles)
-  Oxclose Community School (0.9 miles)
-  St Robert of Newminster Roman Catholic School (1.8 miles)
-  Academy 360 (4.9 miles)
-  Grindon Hall Christian School (5.2 miles)
-  Keelman's Way School (6.0 miles)

Note: Distances are straight line measurements

Population breakdown in Chester- Le - Sreet vsThe National Average

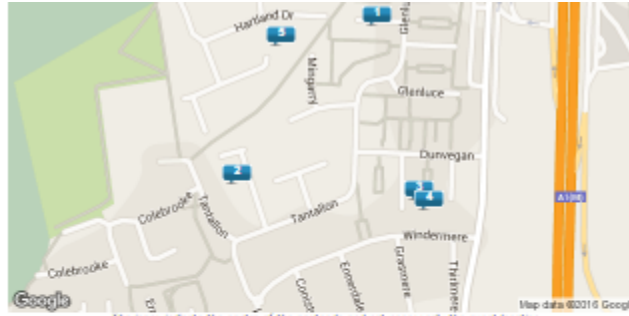







About the neighbourhood-employment



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Market value analysis- RIGHTMOVE Comparable

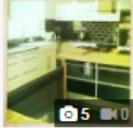


	<p>Guide Price £184,950</p> <p>4 bedrooms Semi-Detached Gleruce, Gateshead, Birtley Chester Le Street, DH3</p> <p>Sold STC David Joseph Estates are pleased to offer to the market this stunning semi detached property. Having undergone an extensive refurbishment programme and situated in a quiet cul-de-sac this property is certain to appeal to a family looking for a house ready to move into. Briefly the house comprises...</p> <p>Full brochure, extra pictures and map available</p> <p>Sold Price History: 4 Mar 2016: £177,500 10 Jul 2015: £140,000</p>	<p>Invisible ¹</p> <p>Marketed from: 14-11-2015 to 04-05-2016 (174 days)</p>
	<p>Offers Over £159,950</p> <p>4 bedrooms Semi-Detached Birtley</p> <p>Superb opportunity to acquire this lovely semi-detached house situated on Tansillon on the popular Vigo Estate in Birtley. The house does require a little cosmetic enhancement hence the very realistic asking price. The property is warmed via gas central heating and has the benefit of Upvc double...</p> <p>Full brochure, extra pictures and map available</p> <p>Sold Price History: 15 Jun 2001: £34,950</p>	<p>For sale ²</p> <p>Marketed from: 16-12-2015</p>
	<p>£159,950</p> <p>3 bedrooms Semi-Detached Dunvegan, Birtley, Chester-Le-Street</p> <p>Sold STC DUNVEGAN, BIRTLEY An immaculate well presented semi detached property in a cul de sac location on the popular Vigo development and offered with double glazing and gas central heating. The internal floor plan comprises entrance porch leading to hallway, lounge with living f...</p> <p>Full brochure, extra pictures and map available</p> <p>Sold Price History: 20 Mar 2015: £157,000 30 Jun 2006: £154,000</p>	<p>Archived ³</p> <p>Marketed from: 24-11-2014 to 24-03-2015 (120 days)</p>
	<p>£149,950</p> <p>3 bedrooms Semi-Detached Dunvegan, Birtley, Chester le Street, DH3</p> <p>Under Offer A modern three Bedroom semi detached house with garage and westerly facing back garden. The property occupies a very appealing cul de sac position towards the edge of this extremely popular estate, which has excellent road links including the nearby A1(M). It includes gas central heating via radi...</p> <p>Full brochure, extra pictures, Floorplan, Virtual Tour and map available</p> <p>Sold Price History: 24 Feb 2016: £137,000</p>	<p>Archived ⁴</p> <p>Marketed from: 14-10-2015 to 24-02-2016 (134 days)</p>
	<p>£144,950</p> <p>3 bedrooms Semi-Detached Hartland Drive, Birtley</p> <p>THREE BEDROOM SEMI DETACHED FAMILY HOME WELL WORTH A LOOK !!! This family home is situated in the popular Springs Estate with excellent transport links to surrounding towns, cities and villages not to mention easy access to the A1 for co...</p> <p>Full brochure, extra pictures and map available</p>	<p>For sale ⁵</p> <p>Marketed from: 20-04-2016</p>

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Rental analysis per room for a professional HMO

- Single + double, Birtley (DH3)** **£80 - 100 pw**
Available Now



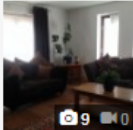
Detached House
rooms to let in a beautiful 3 bed detached home very modern and clean in a quiet area just minutes from the A 1 motorway ideal...

Free to Contact [☆ Save](#) [More info](#)
- Double room, Chester-le-Street (DH3)** **£85 pw**
Available Now Bills inc.



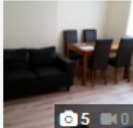
Double Room in Elegant and Friendly House
A double room has just become available from approximately November 30 in a bright house in Clarence Terrace, close to Front Street in...

Free to Contact [☆ Save](#) [More info](#)
- Double room, Great Lumley (DH3)** **£95 pw**
Available Now Bills inc.



Large double room to rent in beautiful house
Situating on the edge of a quiet village, overlooking fields, this contemporary, spacious and peaceful four bedroomed house is also...

NEW [🐦 Early Bird \(?\)](#) [☆ Save](#) [More info](#)
- 2 doubles, Chester Le Street (DH3)** **£100 pw**
Available Now Bills inc.



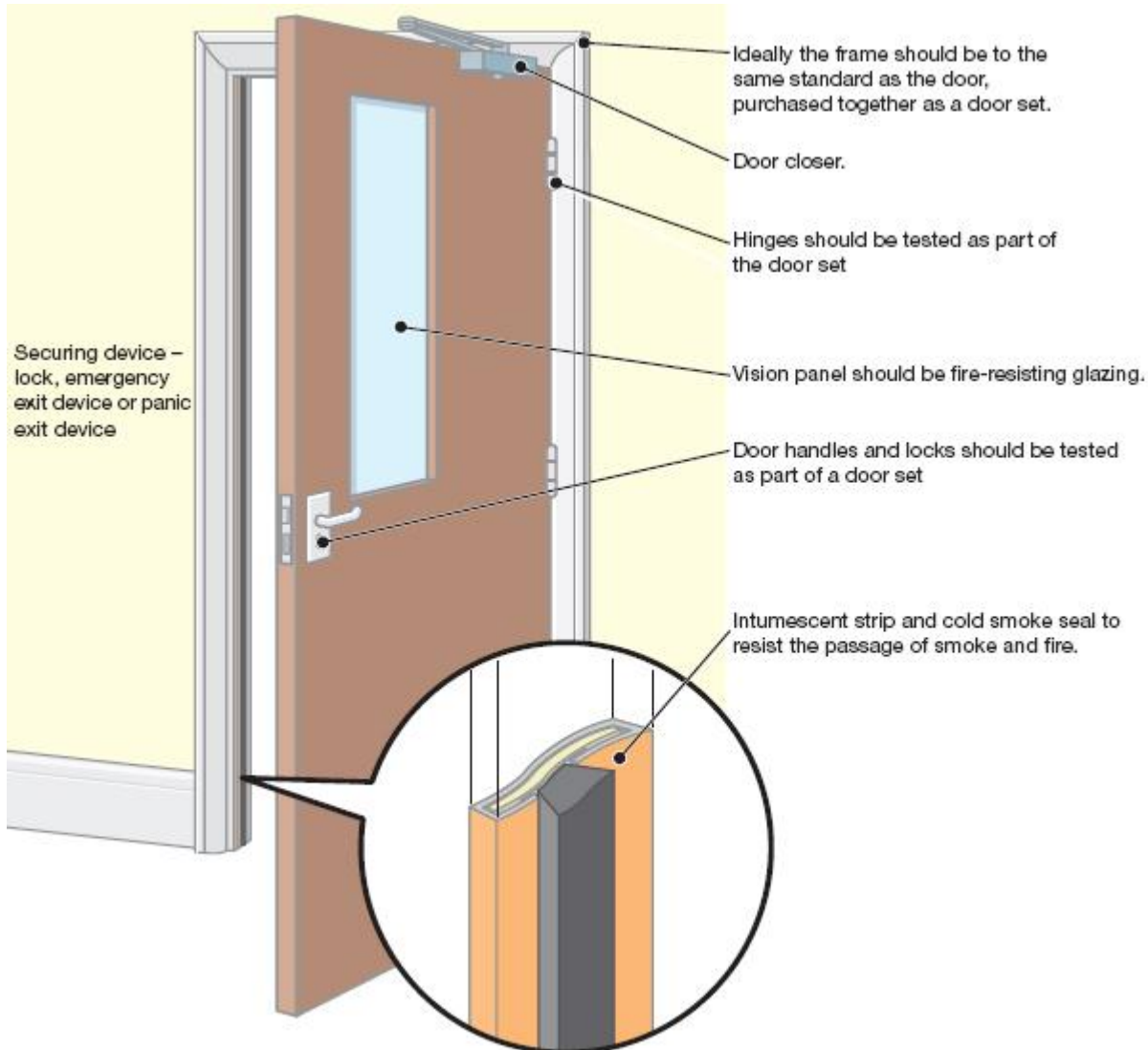
Rooms to let
I am the landlord and there are 2 rooms to let. The property is located close to town centre Chester le street with good local amenities and...

Free to Contact [☆ Save](#) [More info](#)

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Examples of what modifications are needed in a HMO

The right fixture and fittings-fire doors throughout



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The right protection-hard wired smoke alarms and emergency signage in communal areas



Electric lock door systems so there is no need to change locks when a tenant leaves.



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NGU Homelettings- getting you a tenant

Background

- NGU Homelettings is approved by ARLA (Association of Residential Lettings Agents)
- NGU Homelettings manages 700+ properties throughout the North East
- We are landlords ourselves and own over 150+ properties
- In 2014, only £53.00 of rear arrears was written off across the company owned properties

Tenant Find

- Professional tenants credit checked and employment checked and they must earn a minimum of 30x the monthly rental income
- Tenant find fee - £100.00 plus VAT per tenant

Fully Management

- Day to day maintenance care
- In-house rent collection
- Rents paid monthly
- 12% plus VAT full management

Queries

If you have any queries regarding this property, contact us on:

Tel. 0191 491 0344

Note:

In accordance with the Property Mis-descriptions ACT (1991) we have prepared these sales particulars as a general guide to give a broad description of the property. They are not intended to constitute part of an offer or contract. We have not carried out a structural survey and the services, appliances and specific fittings have not been tested. All photographs, measurements, floor plans and distances referred to are given as a guide only and should not be relied upon for the purchase of carpets or any other fixtures or fittings. Tenure and boundary information are given as a guide only and should be checked and confirmed by your Solicitor prior to exchange of contracts

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TENANT FIND AND FULL MANAGEMENT

We will advertise your new HMO on all of the relevant websites to get it rented quickly with quality tenants.

All rooms will be “staged” to provide professional photographs to attract the best working tenants on the market. We will credit check all new tenants and verify their employment details and sign them up to a 6 month short hold tenancy agreement.

An inventory will be provided of the communal areas which will be updated annually. A furniture inventory will be made of the communal areas which will be updated annually. A separate inventory will be performed on individual rooms when a new tenancy agreement begins.

NGU Homelettings details will be provided to your new tenants so we can collect the rent and organise any relevant maintenance when it occurs.

Your property will then be inspected once a month by a member of the NGU Homelettings team. This inspection will be an informal visit and feedback will be provided verbally. An NGU representative will also collect any money that is received from the washer and dryer use (£1 per washer use and £2 per dryer use).

Your HMO property will have the communal areas cleaned every 2 weeks and the tenants will have the option of having their own room cleaned for an additional £5 extra per week on their rent. Every 6 months a formal property inspection can be organised to confirm its condition (we highly recommend this) and then we will organise an annual inspection thereafter.

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Finance Options

1) Cash

Example Illustrated –

Purchase for £130,000

Development costs £3,000

Total Cost - £138,000

Annual Rent Estimate –£18,960

Annual Estimated Running Cost - £2,784

Annual Return on Investment – 11.98%

2) Bridging/ HMO Commercial Finance – Stages Explained

You can finance the property with bridging finance. The usual deposit required for bridging is between 20-30% of the purchase price.

- The buying and development process is complete.
- Different lenders have their own formulas for calculating the end value, on average we find that they will calculate the end value using bricks and mortar valuation from recent sold comparisons.
- Using this comparisons provided, the targeted end value would be approx. £140,000
- Once the development is complete you can refinance on HMO commercial finance, allowing you to potentially refinance up to 75% of the end value (£140,000)
- This allows you to repay the bridging loan and recoup the development costs.

NO MONEY LEFT IN OR LITTLE MONEY LEFT IN

Example Illustrated –

- **Potential Value - £140,000**
- **Potential Refinance Limit £105,000**
- **Total Buying Cost - £40,800**
- **Amount Left In The Deal - £34,900**
- **Annual Rent Estimate –£18,960**
- **Annual Estimated Running Cost - £10,719**
- **Return On Money Left In – 23.61%**

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Deal Structure

HMO Buying Machine - Stage 1		TOTAL OUTLINED BUYING COSTS	
Purchase Price £	130000	Deposit	32500
Finance LTV	75.00%	Development costs	3000
Outstanding Finance £	97500	Brokerage Fee	1000
Deposit £	32500	Stamp Duty	3900
Stamp Duty £	3900	Survey	1000
Sourcing Fee £2000+VAT	2400	Legals	1000
LDC Application Professional Fees	0	Other Costs	2880
Brokerage Fee £	500	Total Buying Cost	42400
Survey inc VAT £	500	Outstanding Finance	105000
Legal's £	1000	End Value	140000
Other Costs	0	Amount Refinanced	7500
Total Buying Costs £	40800	Money left in	-34900
HMO Deal Machine - End Value - Stage 2			
Number of Bedrooms	4	Initial Tenant Find Fee £	480
Purchase		Cashflow	
Target End Value £	140000	Price Per Room	35000.00
HMO Finance LTV	75.00%	Monthly Average Rent Per Room £	395.00
Outstanding Finance £	105000	Total Monthly Rent £	1580.00
Deposit Left In £	41000	Monthly Management +VAT	12%
Balance For Development £	3000	Monthly Management Fee £	227.52
Brokerage Fee £	500	Monthly Bills £	232
Survey inc VAT £	500	Monthly Insurance £	40
Legal's £	0	Service Charge and Ground Rent £	0
Total Buying Costs £	45000	Finance Interest Rate	4.50%
Cashflow Summary		Monthly Finance Payment I/O £	393.75
		Total Monthly Cost £	893.27
Gross Yield	13.54%	Monthly Net Profit £	686.73
Net Yield	5.89%	Occupancy to Break Even	57%
Annual Return On Investment	23.61%	Annual Net Profit £	8240.76

The deal structure above is an example and the figures are based on our estimates. To ensure the conversion is possible, and the figures stack up, we recommend a property project development department surveys the property.

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