

# HMO Heaven?

3 bed semi-detached property. Needs full refurbishment. Close to industrial estates. Suitable for conversion to 6 bed HMO (2 en-suite). Parking on driveway. No article 4 restricting HMO.

Asking price £140,000 on RightMove.

Potential HMO valuation £270,000+

Costings are based on worst-case scenario. Minimum rent, no saving on asking price, maximum refurb figures.

## Cash Purchase

Purchase Price	140,000
Tax & Legals	7,000
Refurb and build + 10%	100,000
Tenant finding fees	3,000
Furniture	7,000
<b>Total In</b>	<b>£257,000</b>

## Remortgage at £275,000

Mortgage amount @75%	206,250
Money left in	50,750
Monthly mortgage @6%	1031.25

Monthly Rental Income	3,000
Maintainence 10%	300
Management 15%	450
Bills	700
Mortgage	1031.50
Net monthly profit	518.50
Return on investment	12.2%

In summary, this potential HMO conversion requires £260,000 in cash for the duration of renovation and £50,750 to remain in the deal. It offers 12% return on investment, subject to planning consent