



FROM RICHES TO RAGS!

lisa oliver

smartmove |
INVESTMENTS

A BIT ABOUT ME...

- Investing in HMOs for 11 years.
- Buy run-down properties and “add-value” (through refurb and/or extension
- Mixed portfolio of HMOs, a single let and a holiday home in Spain.



MY HISTORY WITH HMOS

- The HMO market was very different in 2009!
- Supply and demand shift.
- Need to be more specialist, differentiate and future proof.
- Having started out with a 'vanilla' HMO, I have a bit of a mix of 'boutique', standard and basic HMOs in order to diversify.



RICHES



smartmove |
INVESTMENTS



smartmove |
INVESTMENTS



smartmove |
INVESTMENTS



smartmove |
INVESTMENTS



smartmove |
INVESTMENTS





RAGS


MY EXPERIENCE OF BENEFIT TENANTS

- Set up a partnership with a charity to manage a small 3 bed HMO in 2014.
- Added on another 5 bed property a year later. Not without issues, but generally worked well.
- Charity lost funding. Moved the programme to a large national charity. Management declined and the problems escalated.
- Other issues included the switch over from Housing Benefit to Universal Credit. Build up of arrears.
- I would look to purchase more smaller HMOs and sign over full control to Charity/Housing Association. The 5 bed is being converted into a professional HMO next March. Existing tenants now on six month notice.

POINTS TO NOTE

- All tenants will have a back story
- Typically poor upbringing & little education
 - Find it hard to manage money
 - Typically don't look after your asset
 - Anti-social behaviour
- Get UC set up straight away and have paid direct to you.
- Can be hugely rewarding - helping people to get a new start in life.
- Can also be soul destroying – tenants will hate you.
- Can be very stable income – if UC has been set up correctly from the start.
- Having a good relationship with the Council is very helpful!

In summary...not for the faint hearted. Can work well, but important to know what you're getting into.



Discussion: How will Covid change the HMO market opportunity in the 12-18 months?