



**WALTON
ROBINSON**

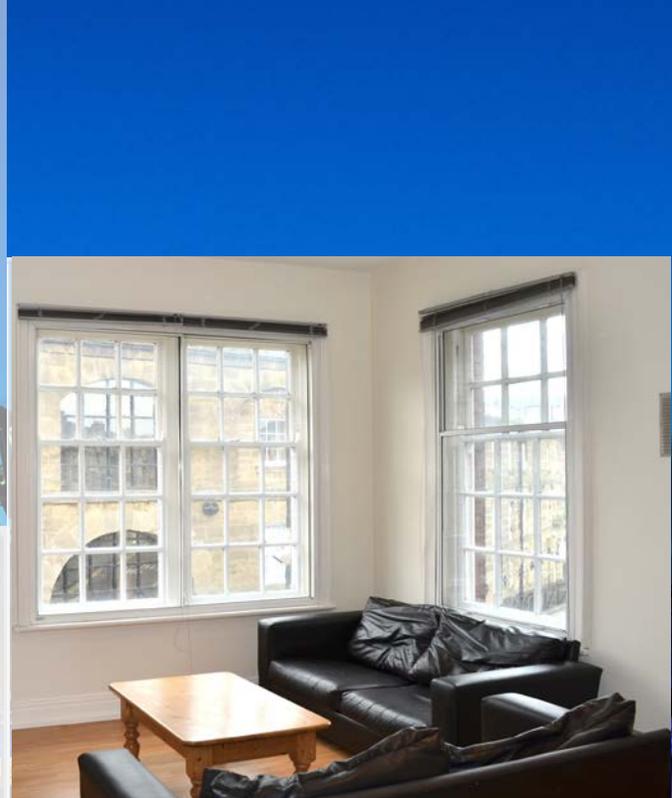
STUDENT HMO INVESTMENT

LILLICO HOUSE



Investment Summary:

- 7.61% Gross Yield
- £285,272pa rental income due 2021-22
- Jesmond location
- 10 properties (houses and apartments)
- 64 letting bedrooms
- Off-street parking
- Licensed HMOs
- Comprehensive Rental History
- Price: £3,750,000



Newcastle Student Market

With in excess of 42,000 full time students across the two world-renowned universities, the student rental market in Newcastle remains as buoyant as ever and continues to attract new investors, drawn in by the strong and reliable income it generates. After much new development in the city centre, catering mainly for International Students, Newcastle's most convenient suburbs continue to enjoy outstanding occupancy rates from domestic students, along with sustained increases in rents year on year.

The Student Accommodation market continues to thrive as more and more investors appreciate the counter-cyclical nature of the asset class. In times of recession and fewer employment prospects, many turn to higher education to improve their employability, which has the direct effect of increasing the demand for accommodation around universities.



Houses in Multiple Occupation

Whilst much focus on recent years has been on the rise of Purpose-Built Student Accommodation as an asset class, demand for HMO format has continued to surge. The introduction of the Article 4 Direction by the City's Council has in effect ring-fenced the supply of HMOs meaning that the competition between tenants wanting to experience this highly sociable way of living has intensified, therefore maintaining an upward trend in rents. Despite strict licensing and increasing regulation, investing in HMOs continues to show very strong and predictable returns.

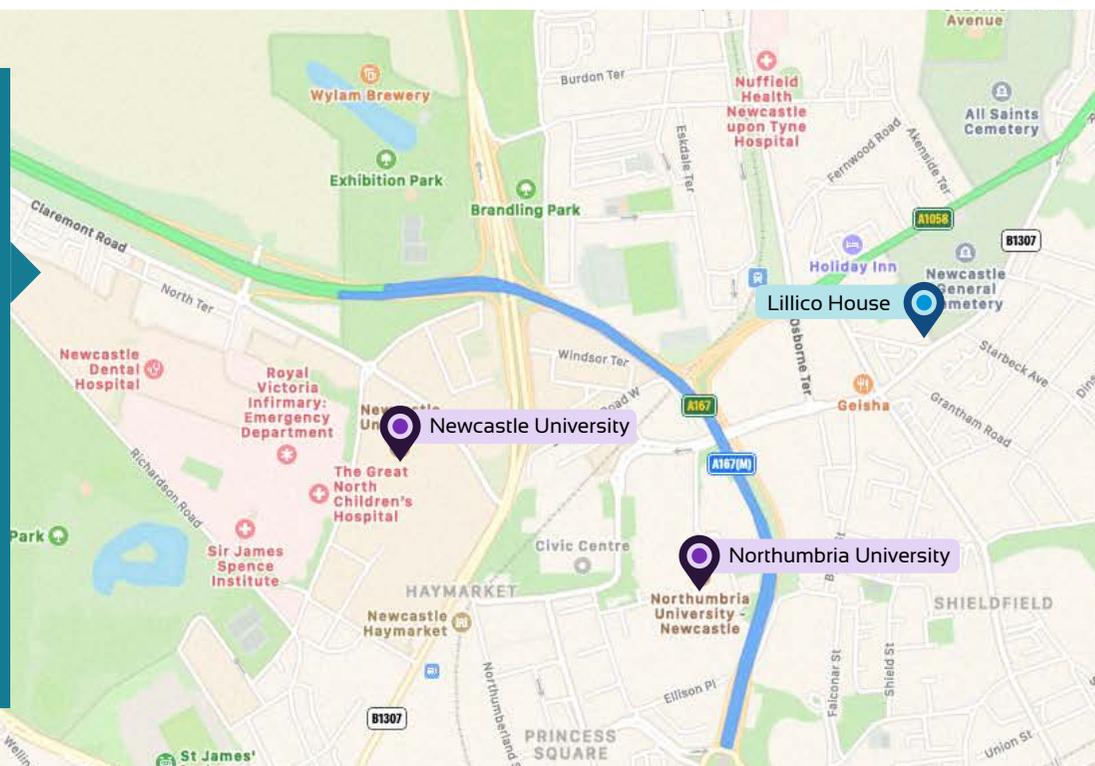
Secure Rental income: Many HMOs are let to groups of friends on a single Assured Shorthold Tenancy agreement, and as such each tenant is joint and severally liable for the total value of the agreement. Each tenant's liability is usually also backed up by a Guarantor – typically parents who are homeowners, who are legally obliged to cover the rent if any of the tenants default.

Pre-booking: Many HMOs are 'pre-booked' for the following academic year well before existing tenancies expire. This can be as far in advance as 10 months before the current agreement is due to expire. This certainty of income ensures voids are kept to an absolute minimum, and as such full rental income is generally expected for 364 days of the year.



Situation

The property is located to the south side of Jesmond at the bottom of Hutton Terrace. The immediate area is served by a local Nisa store as well as further shops on Starbeck Avenue. The location allows for easy pedestrian access into the City Centre, and the bars, restaurants and shops of central Jesmond. Jesmond Metro Station is approximately 300m away, offering access to the region-wide Metro system.



Jesmond continues to be the top location for many students studying in Newcastle thanks to its enviable reputation for offering the perfect mix of lifestyle, convenience and access to the city centre and its Universities. The HMO market in Jesmond is dominated by well-heeled domestic students looking to make the most of their time living away whilst attending university.



Accommodation Schedule:

Unit	Beds	2020-21 Rent	2021-22 Rent	EPC rating
1	5	£23,078.57	£23,660.00	E
2	8	£36,192.00	£36,608.00	D
3	7	£31,304.00	£31,668.00	D
4	7	£30,576.00	£30,940.00	D
5	7	£31,304.00	£31,668.00	C
6	6	£24,994.29	£25,584.00	C
7	6	£24,994.29	£25,584.00*	C
8	6	£25,398.00	£26,208.00	C
9	6	£26,208.00	£26,520.00*	C
10	6	£26,520.00	£26,832.00	C
	64	£280,569.15	£285,272.00*	

**Currently 3 rooms across two properties are being advertised 'To Let' for coming academic year.*



Additional Information

Floor plans and Video Tours are available on request.

Compliance and Regulation

All certificates relating to Gas, Fire and Electrical Safety, as well as Licensing documents and Tenancy documents are held within our Data Room and will be made available to the purchaser at the appropriate time.

EPC Ratings

See Accommodation Schedule above



Contact

Chris Wilkin chriswilkin@waltonrobinson.com 0191 211 3963

James Devenish jamesdevenish@waltonrobinson.com 0191 211 3970

