
londonist
INVESTMENTS




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- INTRODUCTION
- DETAILS ABOUT
- HMO
- NEIGHBOURHOOD
- DRAWINGS
  FACTS & FIGURES

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# INTRODUCTION

The property is a freehold unbroken block of flats of circa 4000 sq ft located at 323 Green Lanes, London N4 2ES. The mix of units is: 5 x studios; 5 x 2bd / 2ba; 1 x 3bd / 3ba. The entire building is leased to Londonist Student Accommodation Agency.

The private rented sector is an important part of our housing market, with 4.7 million households in England. The sector has undergone rapid growth over the last ten years. Itis the second largest tenure in England, representing 20 per cent of all households in England Houses in multiple occupation (HMOs) form a vital part of this sector, often providing cheaper accommodation for people whose housing options are limited. HMOs are known to be commonly occupied by students but there are also a growing number of young professionals and migrant workers sharing houses and flats.



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## What is a HMO?

A house of multiple occupation (HMO), also known as a multi-let, is exactly as you would guess, a single property in which there is more than one tenant.

More specifically though, the property will have at least three tenants inhabiting the property, with the toilet, kitchen and bathroom facilities being shared. The minimum of three persons living in the property must be from different *households* – those that are not married or otherwise related.

## Why invest in HMO?

There are many benefits to investing in HMO property, with the obvious one being the increase in rental yields over single-let properties.

According to findings by GVA Redilco, HMO properties produced the highest yields in the first half of 2018 for the property investment sector at 7.1%. When comparing this against the average yield across all property types of 5.8%, the financial benefits are clear.

In addition to the increase in yield, a HMO reduces risk through a spread of income. When compared to a single let property with one source of income, the significance of this becomes clear. If your sole tenant doesn´t make a payment or simply moves out, the entirety of your income from the property is on hold.

With a HMO, there are more sources of income for the property, albeit these amounts being proportionately lower, but making up the same total. With this being a minimum of three separate sources of income, if a single tenant moves out or is not keeping up with payments, it only affects part of your income. This allows you a buffer to remedy the situation.

This is particularly advantageous if you are relying on the income of the property, so a HMO property could make for a great first investment opportunity.

Another advantage of investing in HMOs is the continual increase in demand by prospective tenants. Data from UCAS highlights that young students, those with the lowest average income, are applying to and finishing university at an all-time high in the UK.

# ADVANTAGES OF HMO

There can be many advantages to owning a HMO investment property:



**Rental income**

The yield from an HMO can be almost **three times higher** than a single let property, making it a favourable property investment for experienced landlords.

**In demand**

Housing with direct transport links to London are always more expensive than the UK average. HMOs in these areas are usually highly desired by commuters, as they often cannot afford to purchase these properties.

Conduct your own research on an area before purchasing or converting your property.
It provides you with an understanding of how much renters are willing to pay for their accommodation , and to what level of specification. you can also see how your property will fair when compared against other HMOs in the area.
You can always start by looking into:

- How many HMO / BTL properties currently in the area
- Avarage overall renting cost
- Rent on properties a similar standard and size to your own



**Lower risks**

With multiple tenants generating income, not only do you receive a higher yield, you also spread the risk should a tenant become suddenly be unable to pay rent.

This provides time for you to find another tenant, something a BTL properties cannot provide as revenue only comes from one source.



**Tax matters**

A high proportion of spending on an HMO property is revenue cost, which is income tax-deductible. You will need a clear and concise record of all works, to provide evidence when supporting the tax deduction claim. This will need to include details of expenditures, type of work and receipts.

## Reasons to invest in an HMO property:

**1**) Rental yields for a HMO can be up to three times higher than a single-let investment property. HMOs produced average yields of 8.9% in 2017, which is higher than any other type of buy-to-let property.

**2**) There is an increased demand for student accommodation. A record number of students were accepted for university places for the 2021/22 academic year.

**3**) You maximise the value of your investment. If you do not wish to own multiple properties, a higher rental yield from a HMO means you don't need to. Fewer properties also means lower outlay and maintenance costs.

**4**) It's a financially safer option than a single-let property. In a single-let property, if the tenant falls into rental arrears or decides to move, there's the risk of losing your rental income from the one source and having a completely vacant property. With a HMO, the risk is spread across multiple tenants.





# Londonist value to Finsbury House

- Londonist has a global network of partners from Asia, South America, Europe, and Russia. The property gains interest via multiple global channels which allows Londonist to generate rental income for the property. With the property being perfectly situated close to the top universities and language schools in
- London, the property is always in high demand via our agencies and platforms.
  Although the world is still recovering from the global pandemic, the opening of all universities and language schools in London has meant an increased demand for student accomodation. A record number of studnets were accepted for university places for the 2021/22 Academic Year which subsequently means a higher rental yield can be generated from a HMO due the supply/demand in London.
  An HMO is a financially safer option than a single-let property and the risk is spread across multiple tenants. Londonist
  has a business model based on short-term and long-term rents for both students and professionals. Therefore, a prime location like Finsbury produces subsequent returns on short-term rents. Our short-term and long-term revenue model can be seen here: https://www.londonist.co.uk/residences/finsbury-house_16

**Examples of these listings with our global partners:**

1. *https://www.universityliving.com/united-kingdom/london/property/finsbury-residence*
2. https://amberstudent.com/places/londonist-finsbury-house-2003139228332
3. https://www.student.com/en-gb/uk/london/p/finsbury-residence
4. https://www.casita.com/student-accommodation/1167-finsbury-house-london-uk
5. https://www.digsconnect.com/digs/view/48029c01-596e-43f7-96da-7c3d3e6f6be2

# LOCATION

The property is located at 323 Green Lanes, N4 2ES in the London Borough of Hackney.



# NEIGHBOURHOOD

## TRANSPORTATION

The property benefits from excellent transport links and is located within a 1-minute walk of Manor House tube station served by the Piccadilly Line.
The great transport connections get residents from their doorstep to Oxford Circus in the heart of London within 13 minutes; or within 17 minutes to Old Street in Shoreditch.
For regular international travellers, the Piccadilly Line will take them straight to Heathrow Airport.
Source:TfL




Piccadilly Line



Harringay, London N4 1BX bus 29 - 141- 341 - N29
Woodberry Down, London N4 2TW bus 253 - 254 - 259 - A - B - N253 - N279 - 279
London N4
2PZ ( just in front of the building ) bus 141 341



Direct to Heathrow Airport via Piccadilly Line

# NEIGHBOURHOOD

The property is situated a stone’s throw away from Finsbury Park, one of London's most attractive green spaces, offering a variety of leisure and sports facilities.

## GREEN SPACES







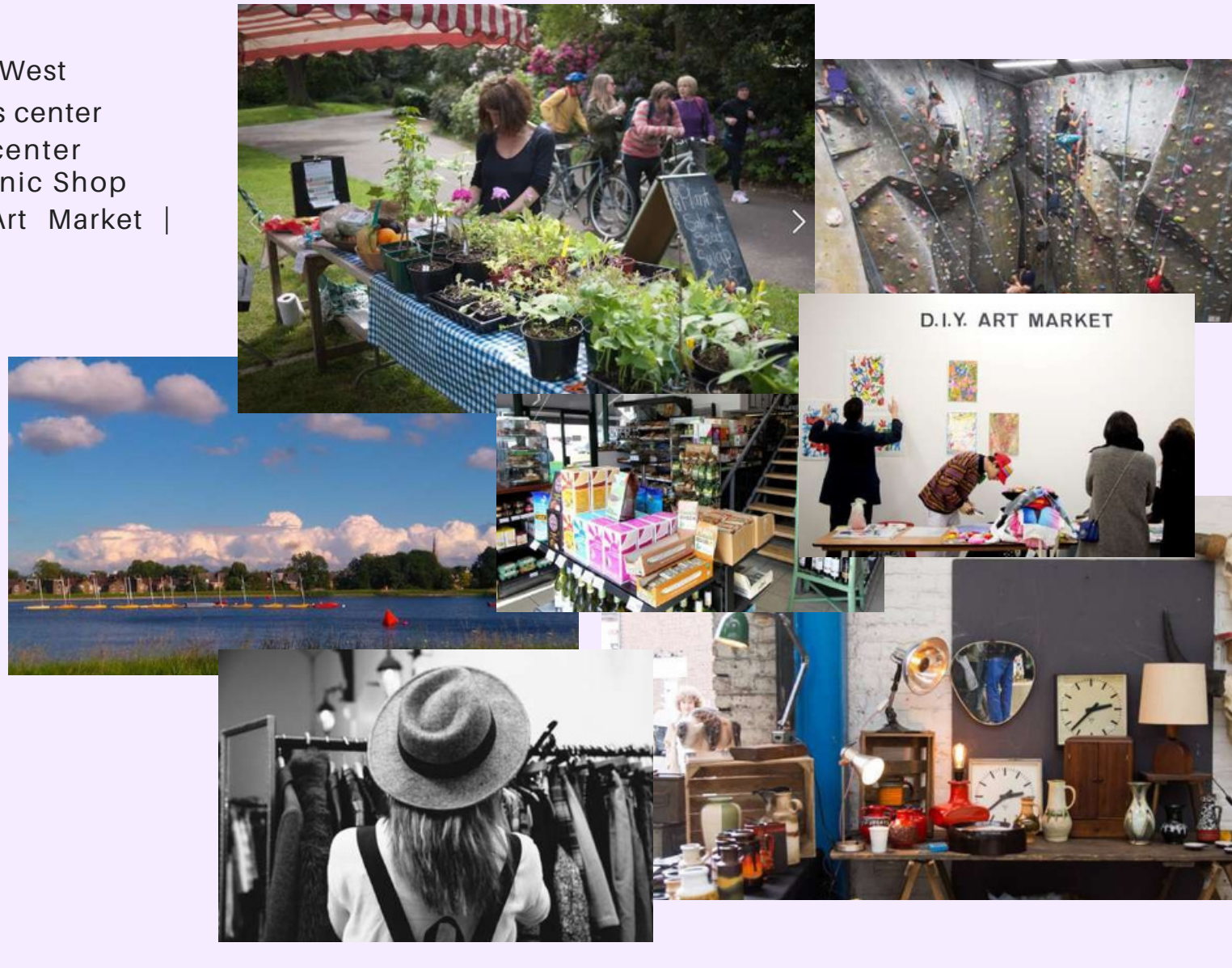




# NEIGHBOURHOUD

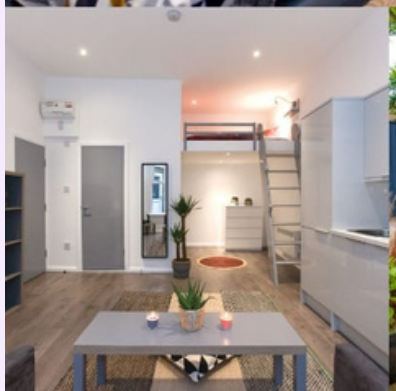
## ACTIVITIES

- The Stoke Newington West Reservoir: water sports center
- The castle climbing center
- Simply organic: Organic Shop
- The Flea Market | Art Market | Farmers Market







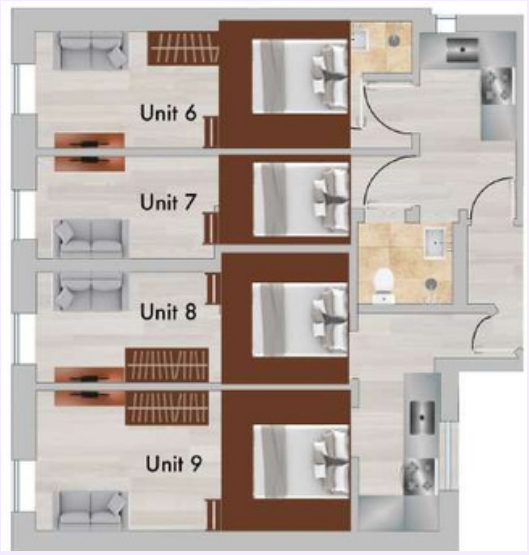





# DRAWINGS

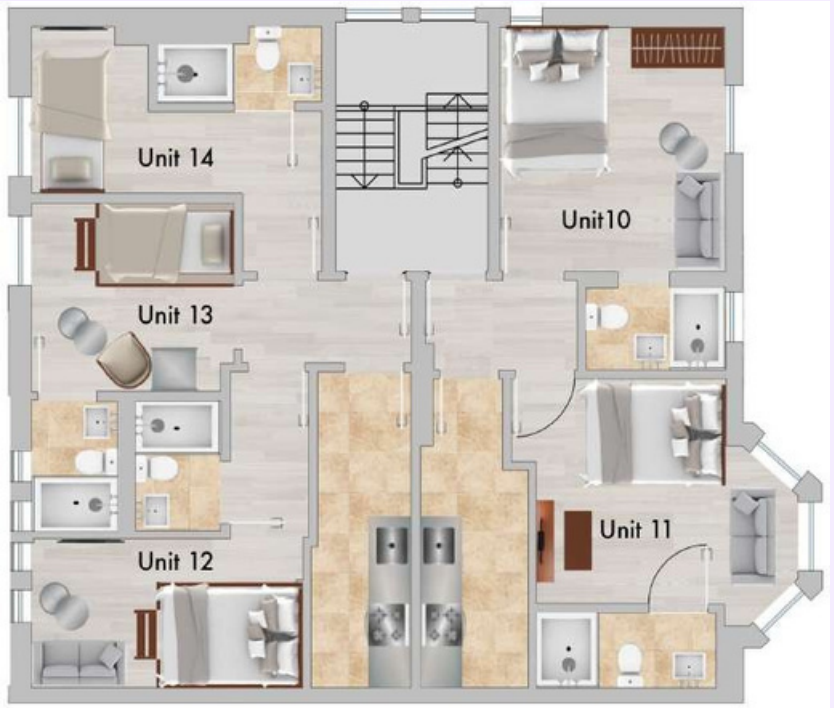
## GROUND FLOOR



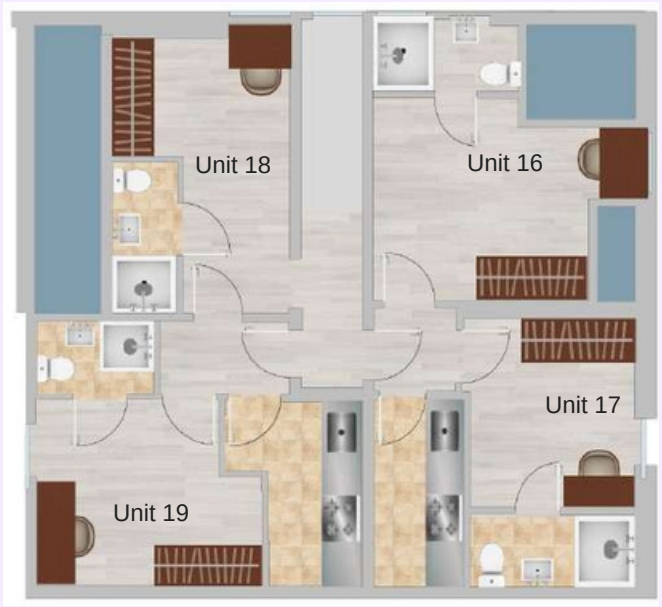
# DRAWINGS

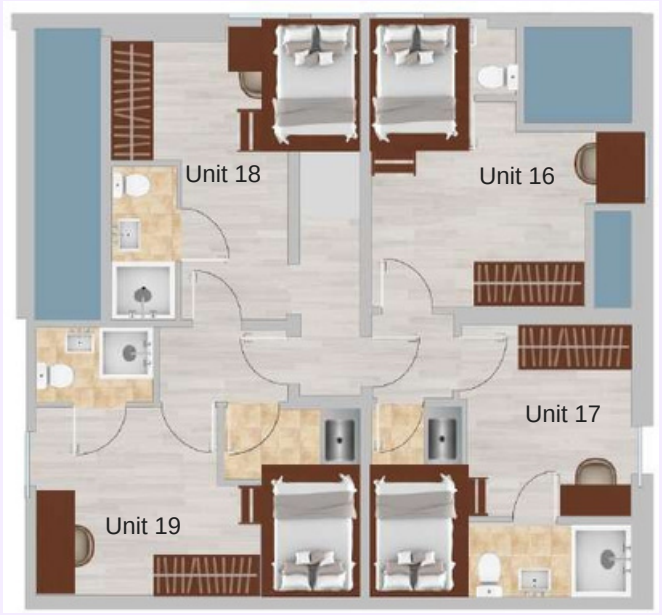
## FIRST FLOOR



# DRAWINGS

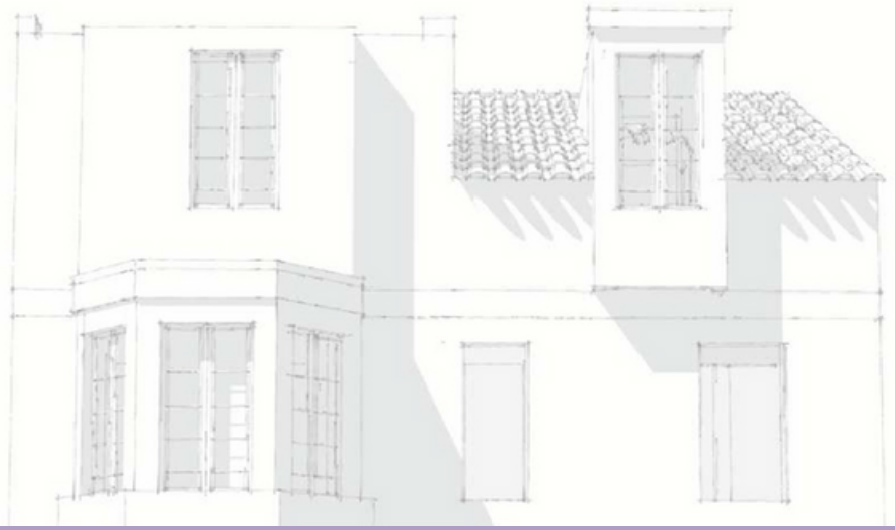
## SECOND FLOOR




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# FACTS& FIGURES



| GENERAL |
| --- |
| Completed building |
| Redeveloped in 2017 |
| Tenure: Freehold |

| AREA | | |
| --- | --- | --- |
| Parking | | |
| Estimated Service Charge | | |
| | sqft | sqm |

| INCOME |
| --- |
| Estimated Rental |
| Long term cir ca £260k |
| Short term cir ca £345k |