



**WALTON
ROBINSON**

STUDENT HMO INVESTMENT

53 OSBORNE ROAD, JESMOND



Investment Summary:

- 5.95% Gross Yield
- 100% let for the 2021/22 academic year
- £166,610pa rent for 2021-22
- Prime Central Jesmond location
- 34 Bedrooms over 7 Units
- Licensed HMOs
- Comprehensive fully let Rent History
- £2,800,000



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 Jesmond life has intensified, forcing rents upwards. Despite strict licensing and increasing regulation, investing in HMOs continues to show very strong and predictable returns.

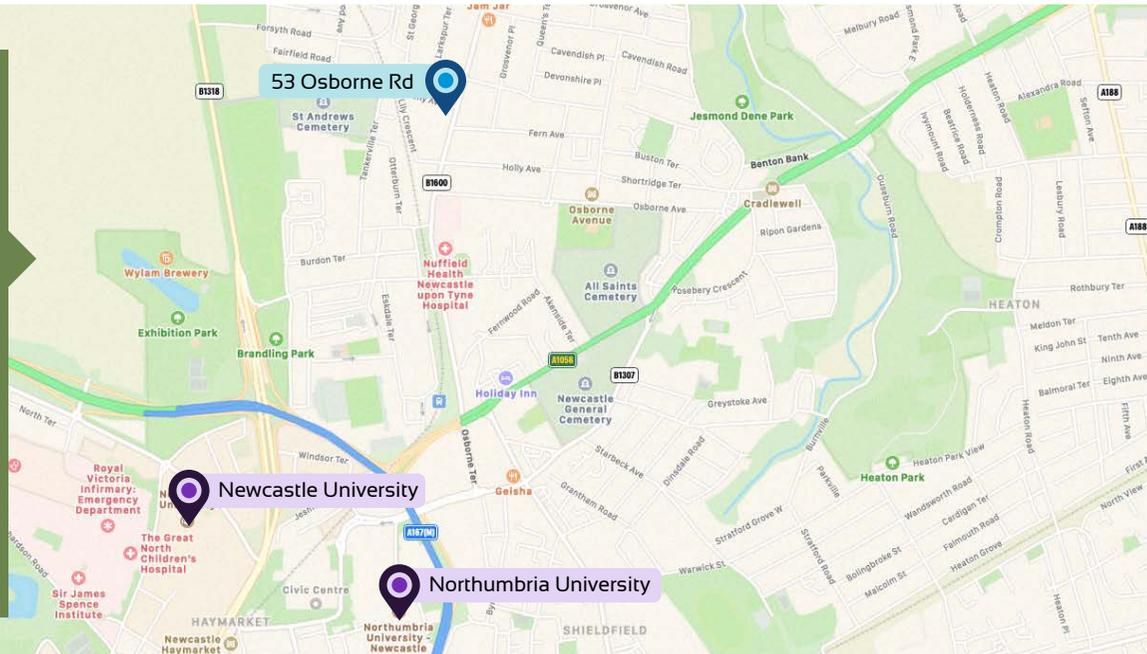
Secure Rental income: Many HMOs are let to groups of friends on a single Assured Shorthold Tenancy agreement, and as such each tenant is joint and severally liable for the total value of the agreement. Each tenant's liability is usually also backed up by a Guarantor – typically parents who are homeowners,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

Pre-booking: Many HMOs in Jesmond are 'pre-booked' before Christmas for tenancies starting in the next academic year. This can be between 6-10 months before the current agreement is due to expire. This certainty of income ensures there are no voids and as such full rental income is expected for 52 weeks of the year which has been the case for Stewart House over recent years and for 2021/22.



Situation

The property is in central Jesmond, set back from the edge of Osborne Road, the main access road through Jesmond and home to several popular restaurants, coffee shops, bars and hotels. Jesmond's central retail parade on Acorn Road is just 300m away, as is Little Waitrose Store, with Tesco's approximately 400m away.



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:

Below shows units incomes rising despite the Covid pandemic affecting the marketing period for 2021-22 tenancies:

Unit	Beds	2020-21 income	2021-22 income
1	4	£19,365	£20,176
2	6	£28,744	£29,952
3	5	£25,740	£26,000
4	5	£24,904	£24,754
5	6	£28,704	£29,016
6	5	£22,880	£23,140
7	3	£13,416	£13,572
Totals		£163,753	£166,610

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

Ratings C - D



Contact

Chris Wilkin: 0191 211 3963 / chriswilkin@waltonrobinson.com

James Devenish: 0191 211 3970 / jamesdevenish@waltonrobinson.com

