A purple text on a black background

Description automatically generated

**RENT TO HMO**

**DUE DILIGENCE PACK**

PROPERTY DETAILS (STEP 1)

**NO NEED TO COMPLETE IF ALREADY COMPLETED ON THE ELECTRONIC FORM**

**(must be completed if compiling a brochure for Deal Connect)**

|  |  |
| --- | --- |
| **Property Address**  **URL Link for property**  **Number of bedrooms**  **Rental cost pcm**  **Estimated Rental per room**  **Estimated TOTAL Rental**  **Estimated TOTAL Rental Profit**  **Length of Lease**  **Break Clause**  **Size of property m2**  **Local Amenities**  **Comparable 1**  **Comparable 2**  **Comparable 3** | [insert address here]  [insert link here]  [insert number here]  [insert agreed rental cost pcm]  [insert estimated rental price per room]  [insert estimated TOTAL rental price]  [insert estimated rental profit pcm]  [insert length of lease agreement]  [insert length of break clause & whether reciprocal]  [insert square metres]  [insert distance, where applicable, from schools, hospitals, universities, public transport, city centre, cinema, pubs and restaurants, etc.]  [insert url]  [insert url]  [insert url] |

PURPOSE OF THE DEAL (STEP 2)

|  |  |
| --- | --- |
| **DELETE AS APPROPRIATE:** | * I am selling the deal via deal connect * I am selling the deal myself * I am not selling the deal |

DEAL VIABILITY (STEP 3)

|  |  |
| --- | --- |
| **INCOME/OUTGOINGS** | **AMOUNT (£)** |
| **MONEY UPFRONT**  Deposit:  Rent upfront:  Refurb costs:  Other**:** | £  £  £  £ |
| **MONTHLY COSTS**  Rent:  Council tax:  Utility bills:  Broadband:  TV:  Maintenance costs:  Voids:  Cleaning:  Other: | £  £  £  £  £  £  £  £  £ |
| **INCOME PER MONTH:** | **£** |
| **PROFIT PER MONTH:** | **£** |
| **PROFIT PER YEAR:** | **£** |
| **ESTIMATED ROI** | **%** |

DUE DILIGENCE (STEP 4)

Question 1 – Property Viewing

|  |  |
| --- | --- |
| **Answer 1 b** | **Evidence that a professional has viewed the property on your behalf**  (e.g. screenshot of email or message)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 1 c** | **Evidence that you viewed the property yourself**  (e.g. photo, video or proof of appointment)  **[INSERT EVIDENCE HERE]** |

Question 2 – Property Classification

|  |  |
| --- | --- |
| **Answer 2 a, b or c** | **Evidence of the property classification (C,3, C4 or Sui Generis)**  (e.g. screenshot from local authority or estate agent)  **[INSERT EVIDENCE HERE]** |

Question 3 – Room Sizes

|  |  |
| --- | --- |
| **Answer 3a** | **Evidence that you measured the room sizes yourself**  (e.g. please list your measurements room by room)  **[INSERT EVIDENCE HERE]** |

Question 4 – Article 4

|  |  |
| --- | --- |
| **Answer 4 a** | **Evidence that the property is not in an Article 4 area**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 4 b** | **Evidence that the property is not in an Article 4 area but it may be coming soon**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 4 c** | **Evidence that the property has grandfather rights and certificate of lawfulness**  (e.g. screenshot from local authority map or other source)  **[INSERT EVIDENCE HERE]** |

Question 5 – HMO Status

|  |  |
| --- | --- |
| **Answer 5 a** | **Evidence that the property is currently run as an HMO**  (e.g. estate agent confirmation, landlord confirmation)  **[INSERT EVIDENCE HERE]** |

Question 6 – HMO Licence

|  |  |
| --- | --- |
| **Answer 6a** | **Evidence that an HMO licence exists for this property**  (e.g.screenshot from local authority website)  **INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 6b** | **Evidence of time and cost of making an HMO licence application**  (e.g. please list costs and time estimate to obtain the licence or permission)  **INSERT EVIDENCE HERE]** |

Question 7 – Agent Registration

|  |  |
| --- | --- |
| **Answer 7 a** | **Evidence of Estate Agent’s registration with PRS or TPO**  (e.g. screenshot of their registration)  **[INSERT EVIDENCE HERE]** |

Question 8 – Landlord Identity (if dealing direct)

|  |  |
| --- | --- |
| **Answer 8 a** | **If dealing direct with a landlord, please provide evidence of the landlord’s identity to ensure the person you are dealing with is not a conman posing as the owner/landlord**  (e.g. Title Deeds)  **[INSERT EVIDENCE HERE]** |

Question 9 – Landlord Consent

|  |  |
| --- | --- |
| **Answer 9 a** | **Evidence that the landlord is happy for this property to be rented through a company and to be used for the intended purposes**  (e.g. email or message from landlord and/or letting agent)  **[INSERT EVIDENCE HERE]** |

Question 10 – Length of Lease Agreement

|  |  |
| --- | --- |
| **Answer 10 a** | **Evidence of the agreed terms for the length of lease you’ve negotiated**  (e.g. email or message from landlord/letting agent and a copy of the contract)  **[INSERT EVIDENCE HERE]** |

Question 11 – Break Clause

|  |  |
| --- | --- |
| **Answer 11** | **Length of break clause and evidence of it**  (e.g. email or message from landlord/letting agent and a copy of the contract)  **LENGTH OF BREAK CLAUSE: ………………………….**  **[INSERT EVIDENCE HERE]** |

Question 12 – Lease Agreement

|  |  |
| --- | --- |
| **Answer 12 a** | **Evidence that a PIMS contract was used**  (e.g. a copy of the contract)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 12 b** | **Evidence that a contract similar to the PIMS contract was used (you have compared it to the PIMS contract)**  (e.g. a copy of the contract)  **[INSERT EVIDENCE HERE]** |

Question 13 – Landlord’s Mortgage & Insurance

|  |  |
| --- | --- |
| **Answers 13 a and b** | **Evidence that the Landlord will not be in breach of his own mortgage or insurance agreements**  (e.g. contract or email)  **[INSERT EVIDENCE HERE]** |

Question 14 – Demand

|  |  |
| --- | --- |
| **Answers 14 a, b, c & d** | **Evidence of Demand**  (e.g. screenshots from HMO managers in writing, spareroom.co.uk, propertymarketintel.co.uk, etc)  **[INSERT EVIDENCE HERE]** |

Question 15 – Estimations of Rental

|  |  |
| --- | --- |
| **Answer 15a** | **HMO Manager’s estimate at that address** (e.g. HMO Managers estimate)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 15b** | **Evidence of rentals of a VERY similar property**  (e.g.URLs of 3 comparable properties renting at that price)  **[INSERT EVIDENCE HERE]** |

|  |  |
| --- | --- |
| **Answer 15c** | **Evidence of an ALMOST similar property, but not quite like for like (i.e. further away), recently rented at that price** (e.g. URLs of 3 almost similar properties)  **[INSERT EVIDENCE HERE]** |

Question 16 – WiFi

|  |  |
| --- | --- |
| **Answers 16 a** | **Evidence of that the property has fast Wifi**  (e.g. screenshot of wifi testing from fast.com or other at 100 Mbps or more)  **[INSERT EVIDENCE HERE]** |

Question 17 – Fire Safety

|  |  |
| --- | --- |
| **Answers 17 a** | **Evidence that the property is compliant with fire safety rules** (e.g. a current HMO licence, a fire safety officer inspection report, a fire risk assessment)  **[INSERT EVIDENCE HERE]** |

Large Documents

Documents too large to include here (over two A4 pages) must be listed in the box below next to their relevant question number and must be uploaded as separate attachments using the link provided.

|  |  |
| --- | --- |
| **Question Number** | **Document** |