



## **TEN STEPS TO SENDING YOUR KIDS TO UNIVERSITY RENT FREE (AND MAKE A PROFIT!)**

1. Find a house near their university for sale.
2. Look for 2/3/4 letting rooms – depending upon the layout of the property this could include lofts, basements or reception/living rooms.
3. Do not go any larger than this for your first property as the maintenance costs and hassle will rise.
4. Your kids take one room.
5. Rent out the other rooms to their students mates.
6. Many universities offer student placement schemes or guaranteed rentals so speak to them too.
7. Get a rent guarantee from the parents or guardians of the other students.
8. Use a solicitor to draw up a proper rental agreement.
9. The combined rent should easily cover the mortgage and other associated costs.
10. Your kids live rent free.

### **What to do at the end?**

- You could simply sell it.
- You could keep the property and rent it to more students. You could do this yourself or through a letting agent or the university itself. If your kids are still in the area perhaps they would like to manage it?
- Your kids may need a home – a lot of students end up living and working near to where they went to university so they could buy it from you, you could gift it to them or let them rent it from you.
- You could teach other parents to do the same and sell them your property!

### **Top Ten Tips**

1. Suggest your kids don't take the best room in the house – you can charge different rents for different rooms such as more for larger rooms, proper bedrooms or those with other facilities such as en-suite bathroom.
2. Let them decorate their own rooms how they like – this makes them feel more at home and they will likely stay longer. This also means less maintenance and costs for you.
3. Depending upon the age and attitude of your kids let them take responsibility for managing the tenants and the property. I suggest not letting them manage the rent though! This is not because of a trust issue but because it will be easier for their mates to think they can get away with not paying than if you or a letting agent demands rent payments.
4. Install a payphone so that people pay for calls they make – splitting of bills often leads to rows.

5. Opt for water rates rather than a water meter – teens typically use a lot of water and bills can get very high and again you will have problems with splitting of bills.
6. To overcome the bill issue completely you could raise the rent and include bills – you will need to monitor this carefully though and perhaps put a ceiling on the bill (anything extra they pay.)
7. Install a washing machine and a tumble dryer – you don't want wet clothes on radiators causing mould and damp.
8. Pay a local cleaner to come and vacuum and tidy up once a week and report back to you. This will keep on top of any problems and stop the place becoming a complete wreck in just a few months, same with a gardener too.
9. Put a 24 hour emergency call out system in place and leave the telephone numbers all over the property. This will solve any immediate problems such as leaks or power cuts, avoiding major damage or DIY disasters!
10. Don't skimp on furnishings such as furniture and carpets – its far better to pay for hardwearing items than have to replace them yearly. Laminate floors may seem ideal but they will take a battering – hardwearing carpet can prove more cost effective. DO NOT carpet kitchens and bathrooms –use vinyl flooring – it's cheap and hardwearing.

## **IMPORTANT**

Multi-let properties are called **Houses of Multiple Occupation** (HMO's) and are now heavily regulated by the Government and local councils.

This includes some of the following (this is not exhaustive):-

- Minimum room sizes
- Minimum number of bathroom and kitchen facilities
- Fire escapes, exit routes and alarms
- Fire doors, extinguishers and blankets

ALL HMO's MUST conform to certain standards and certain house types and room numbers MUST also be licensed.

Typically a three storey property being occupied by 5 or more persons forming two or more households comes into the Mandatory Licensing regime.

A two storey property occupied by 5 or more persons forming two or more households is an HMO, but would come under Additional Licensing rather than Mandatory.

**It is advisable to speak to the local council concerned to seek advice from the HMO Compliance Officer BEFORE embarking upon this venture.**

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## **Acknowledgement**

The above information was supplied by Keys (UK) Limited. You can get more information from [www.keys-property.com](http://www.keys-property.com) and [www.keys-mortgages.com](http://www.keys-mortgages.com)

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