6-bed HMO opportunity in Farnworth offers a projected

14.8% gross yield and **£40,000** annual income.

INITIAL INVESTMENT	ANNUAL RENT	NET A MONTH	CASH-ON-CASH
£95,545	**£40,000**	**£632**	**7.9%**
All in, sourcing fee included	6 rooms, as stated	After all costs	£7,583 a year

Built on assumptions. The rent is the agent's figure and the price is our target, not agreed (page 2).

THE STRATEGY

A detached **6**-bed HMO, every room en-suite, refurbished in **2019** and let. Offers over **£300,000**; modelled at **£270,000**. No works. Buy with tenants in place on a **75%** limited company HMO mortgage and hold for income. No refinance assumed.

THE INCOME

The rent works out at **£128** a room a week, below the **£147** local average for a double en-suite room. After interest and running costs, including bills, **£632** a month is left. Tenancy schedule to be requested.

THE CAPITAL

Large houses nearby point to a value of about **£330,000**, within **£288,000** to **£372,000**. Bought at **£270,000**, that is about **£32,000** of equity on day one; at the bottom of the range, none.

THE LOCATION

About **2** miles south-east of Bolton town centre, near Farnworth station, with trains to Bolton and Manchester, and close to the M61. Our view: steady demand from working sharers.

Every month

Rent, 6 rooms	£3,333
Interest, 75% at 5.5%	−£928
Running costs, 28% + bills	−£1,773
Net	**£632**

What goes in

25% deposit on £270,000	£67,500
Stamp duty	£17,000
Sourcing fee, 2%	£5,400
Survey, legal, insurance, lender	£5,645
Total cash in	**£95,545**

Park Street, Farnworth BL4. 6-bed detached · C4 HMO · 2,165 sq ft · council tax band C · tenure to confirm.

The assumptions, stated plainly.

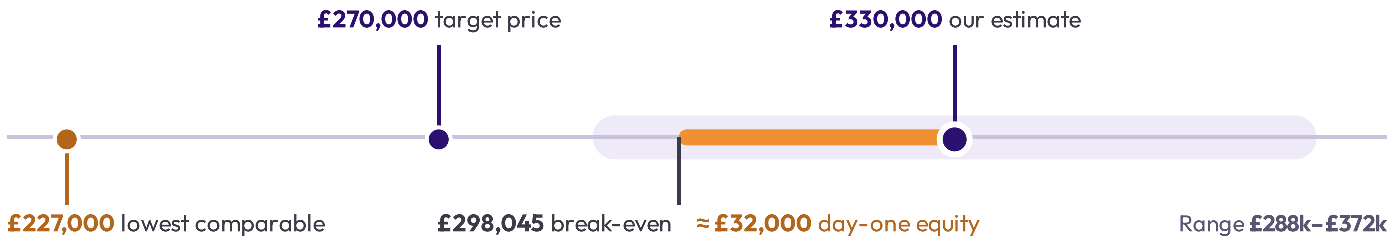
The listing gives the rent, the use and the size. Everything else is assumed until the agent's documents arrive.

THE MODEL ASSUMPTIONS

INPUT	USED	BASIS	STATUS
Purchase price	£270,000	Offers over **£300,000** (Bradley Hall, listed **5 Jun 2026**). Modelled **10%** below; no offer made.	ASSUMED
Rent	£40,000 a year	Stated in the listing, "currently let": **£128** a room a week against a **£147** local en-suite average.	UNVERIFIED
Occupancy	6 of 6 let	Occupancy and arrears not yet confirmed. **8%** voids allowed.	ASSUMED
Running costs	28% + £840 pcm	**12%** management, **8%** maintenance, **8%** voids, plus **£840** bills. Council tax band C.	ASSUMED
Mortgage	75%, 5.5% interest only	Limited company HMO product, valued at the purchase price. Not yet broker-quoted.	ASSUMED
Purchase costs	£28,045	Stamp duty **£17,000**, sourcing fee **£5,400**, survey, legal, insurance and lender **£5,645**.	ASSUMED
House value	£330,000	**2** nearby **5**-bed sales, adjusted for size: **£288,000** to **£372,000**. Not a valuation.	COMPARABLE
Use and licence	C4 HMO	Stated in the listing, in an Article 4 area. Licence not yet seen.	UNVERIFIED
Tenure and VAT	None assumed	Tenure not stated. Price quoted exclusive of any VAT that may be payable.	UNVERIFIED

WHERE THE VALUE SITS

The lender lends **75%** of the price or its valuer's figure, whichever is lower.



If valued at £227,000	
Lender lends	£170,250
Your cash in	£127,795
Net a month	£780

Valued at £270,000 or more	
Lender lends	£202,500
Your cash in	£95,545
Net a month	£632

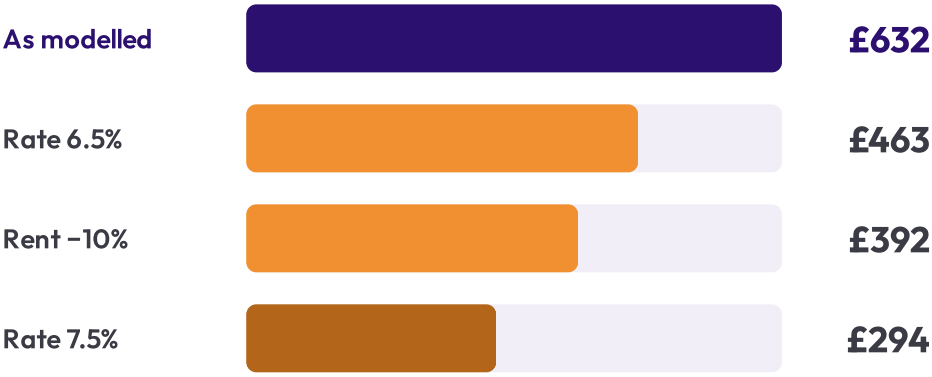
Refinanced later at £330,000	
Lender lends	£247,500
Cash back	£45,000
Left in · net a month	£50,545 · £426

Prepared by Disa Property Investments, Sourced franchise partner. Built on stated assumptions: the rent is the selling agent's figure and the **£270,000** price is a target, not agreed. The **£227,000**, **£330,000** and range figures are estimates from sold prices, not valuations. Not a recommendation; not investment, tax or legal advice. Capital is at risk.

What breaks, and what it costs.

The income copes with a rate rise or weaker rent. The real risks are the value, the licence and the unseen tenancies.

MONTHLY INCOME, UNDER STRESS



Rent −10% is **£3,000** a month. Every case stays positive.

ROOM EMPTY 6 MONTHS

−£2,933

beyond the **8%** voids allowed. The year still makes **£4,649**.

WORKING RISKS

01 The value — the biggest risk

The **£330,000** rests on two sales. At **£297,000**, 10% lower, the day-one equity is gone. Valued at **£227,000**, cash in rises from **£95,545** to **£127,795**. A broker must confirm the lender's approach before any offer.

02 Licence and planning

C4 use is stated in the listing but not yet evidenced, in an Article 4 area. A licence doesn't transfer: the buyer reapplies. Kitchenette rooms may count as bedsits, with stricter fire rules.

03 The rents

The **£40,000** is the agent's figure; the tenancy schedule is not yet seen. Each **£10** a room a week less cuts about **£187** a month.

04 Voids and management

Voids hit one room at a time, but rooms turn over more often. Management assumed at **12%**, voids at **8%**.

05 Tenure, VAT and tax

Tenure isn't stated and the price excludes any VAT: both to confirm. In a limited company, interest is a business cost, so Section 24 doesn't apply.

Turning assumptions into facts.

Questions for Bradley Hall, the selling agent, before any offer. This pack will be reissued on the answers.

WHAT WE WILL ASK THE AGENT

Rents and tenancies

- [ ] Rent for each room, and what bills it includes
- [ ] Tenancy schedule: dates, type, arrears, empty rooms
- [ ] Rent statements for the last **12** months
- [ ] Deposit protection certificates

Settles the **£40,000** rent and what it covers.

Licence and planning

- [ ] Bolton HMO licence: holder, expiry, occupants
- [ ] Evidence of C4 use before the Article 4 direction
- [ ] Fire risk assessment for the kitchenette rooms

Settles lawful HMO use, and whether a lender will lend.

Compliance and the building

- [ ] Gas safety, electrical (EICR), EPC, fire alarm
- [ ] Floor plan with room sizes; furnished or not
- [ ] Actual utility, broadband and cleaning costs
- [ ] Known issues with the roof, damp or boiler

Settles the **£840** bills and any compliance spend.

The sale

- [ ] Tenure, and whether any VAT is payable
- [ ] Who is selling, and why
- [ ] Offers so far since June
- [ ] Who manages it now, and whether they would stay

Settles room to negotiate on **£300,000**.

THEN, IN ORDER

1. Rerun on the actual rents and bills; reissue this pack.
2. Check the licence on Bolton Council's HMO register.
3. Broker: limited company HMO rate, and how the lender values it.
4. Agree an offer with you. We would not go above **£285,000**.
5. On acceptance: **£2,000** holding deposit, then survey, searches and valuation.

YOUR CONTACT

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Book a call · Current opportunities

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