



For immediate release
3 February 2010

HMO guidelines to hit student pockets

Extra costs for landlords could see increase in student rents

Implementation of government guidelines meaning extra costs for existing landlords could result in an unforeseen increase in student rents, experts at Cullen Property have warned.

The government's HMO (Houses of Multiple Occupancy) guidelines recently implemented by The City of Edinburgh Council state that all properties above 7.5 metres must have a secondary fire escape and, if not, a suitable alternative means of providing safe escape. This will often mean the installation of a sprinkler or mist system on one or both levels and typically costs will exceed £6,000.

The extra costs involved could see some landlords exit the property market, with remaining landlords upping rents as a result.

Malcolm Warrack, MD of Edinburgh-based Cullen Property, says: "Licensing of double upper flats, a type of four and five bedroom flats popular with students, for Houses in Multiple Occupation (HMO) purposes will have greater costs and, as a result, some landlords will consider the imposition too expensive and come out of the market.

"Remaining landlords will then be able to charge higher rents for compliant flats in light of the reducing numbers of suitably sized flats available. The resulting increased student rents could have a serious long-term impact on attracting students to the city."

"Edinburgh student rents continue to see annual increases against a trend for other properties, where rental levels have either fallen or remained static, a result of the 12% increase in university applications for 2010-2011, so opportunities for existing landlords or potential student property investors are significant. However excessive rents, plus a lack of suitable property for students, could result in a student property shortfall next year and beyond."



Cullen Property specialises in letting, acquiring and managing properties for clients looking to invest in and let residential property to both the student and professional markets in Edinburgh.

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For further media information, high resolution images or to arrange an interview contact Samantha McKay or Fiona Vernon at Niche Works on 0131 669 0333 or samantha@nicheworks.co.uk / fiona@nicheworks.co.uk.

Notes to editors

HMO stands for House in Multiple Occupation and generally refers to one of the following:

- A house split into bedsits
- A house or flat share where each tenant has their own tenancy agreement
- Students living in shared accommodation

On April 6th 2006 mandatory HMO licensing came into force across England with the intention of raising the standard of accommodation in HMOs. Landlords must register their HMO with the council if the property has three (habitable) storeys or more AND is occupied by five or more people in two or more households. The council will then assess whether there is enough space for the occupants and if the property is well managed before granting a license. Councils also have the power to introduce licensing for individual smaller HMOs or all rental properties in certain areas they want to improve, so **always check with your local council to see what the rules are where your property is located.**



Cullen Property

- Cullen Property was founded in 1998 by two directors who believe passionately in the future of Edinburgh's property market
- The company specialises in acquiring and managing properties for clients looking to invest in and let out residential property in Edinburgh
- It currently manages approximately 300 properties and consistently achieves over 98% occupancy levels

For further information visit: www.cullenproperty.com.