

Safe as Houses

Safe as Houses is an opportunity provided by Winner, the Preston Road Women's Centre which enables you to invest ethically for an attractive return by supporting the work of a local charity and providing high quality social housing for families in need.

If you have some money sitting in the bank earning a very low return or simply want to know your money is working as hard for you as it can, then this could be a suitable opportunity for you.

Financial returns range between 6-14% on your capital investment after year one, depending on what type of mortgage you opt for.

Winner, the Preston Road Women's Centre owns, leases and manages 85 two bedroomed and three bedroomed properties in Hull and is very experienced in supporting the women and children who occupy those properties.

Most of the women who occupy our properties have experienced domestic violence and abuse. They are looking to live safely away from the perpetrator and rebuild their lives.

How does it work?



We help you to source an appropriate property in a popular letting area - we don't charge for this service – and then you purchase the property in the normal way as a buy to let property.

We can help you source a conveyancing solicitor and we keep in touch with you throughout the process so that we can be developing referrals to fill your property as soon as it is ready.

Once you have purchased the property, you lease it to us and we then take over the management of it, making it ready to let, which entails doing things such as the landlord's gas safe checks and ensuring any minor repairs are carried out prior to occupation.

We source a tenant for you, carrying out a risk assessment and producing a care and support plan for her and her children

We help her to move in and provide ongoing support to help her live independently and move forward with her life.

Most of our tenants claim housing benefit, so we help her to complete the application form and liaise with the housing benefit office to ensure payment arrives as quickly as possible. Once the claim is established, payment is made four weekly in arrears. Payment comes directly to us as the primary landlord and we then pass it on to you on the same day.

As with any property management agent we provide the following:

- Rent collection and forwarding to the landlord
- Handling all queries
- Arranging for repairs, maintenance and statutory checks
- Regular inspections of the property

You pay a standard monthly fee (£50 per calendar month) for this service. There are no other charges.

There is a high demand for our properties and they are seldom empty. Our void rates are consistent at less than half of one percent each year (0.5% per annum) and we can often fill your property on the same day it is vacated.

Here are the benefits to all involved



www.purplehouse.co.uk

You get:

- A buy to let property generating an income for you year on year
- A fully managed service with no stress or additional work
- Long term capital growth on the value of your property

The family gets:

- A safe, affordable home to live in with ongoing support from the women's centre

We get:

- A competitively priced income for managing your property (£50 per calendar month)
- Delivery of our charitable aims

The management service we offer includes:

- Sourcing and interviewing prospective tenants
- Handling all queries
- Rent collection, repairs and support needs.

Lease arrangements

In order for us to be able to deal with the property, the tenant and the housing benefit office on your behalf, we need to have the legal right to do so.

This means that we ask you to lease your property to us formally. The key features of the lease are as follows:

- The term of the lease is five years with a three month notice period for either party at any point in time
- We claim the rent in conjunction with the tenant and pass it over to you every four weeks in arrears as it arrives
- We are responsible for liaising with the tenant
- We are responsible for insuring the property, however the cost is passed on to you
- We are responsible for identifying and carrying out repairs and maintenance, however you are responsible for paying for these
- We are responsible for compliance with statutory requirements for example landlord's gas safe checks
- The tenant is responsible for all utilities and council tax

Frequently asked questions



What are the costs and benefits to me?

Full details of costs and returns are included in our financial illustration, however generally speaking the costs in the first year include the following:

- Mortgage
- Insurance
- Repairs
- Property management fees
- Legal fees associated with property purchase

In the second year, the costs will not include legal fees and your surplus will start to increase.

The financial benefit you receive will depend largely on whether you decide to go for an interest-only mortgage, a repayment mortgage or to buy the property outright. It is up to you which approach suits you and your circumstances.

The other benefit to you is the satisfaction of knowing that your investment is not only ethical, but generates immediate benefit to local women and children in need of affordable housing.

How much do you charge for what you do?

We charge a flat fee of £50 per calendar month, payable by standing order on the 1st of each month. We make no other charges to you or to the tenant, unlike lots of commercial agents who have all kinds of hidden fees.

For this we provide a full property management service, including out of hours in case of any urgent repairs.

Who are the tenants?

Most of the women we house are women with children escaping domestic violence and abuse. Some of our tenants are women who have fallen on hard times and need a bit of support to live independently

Do their former partners ever try to find them?

We ask our tenants not to reveal the location of their new home to anyone who doesn't have a right or a reason to know. This greatly limits the risk of their former partners finding out where they are and trying to cause trouble.

Will I have to provide extra security to the property?

No. We work with local agencies to ensure the properties are safe and secure as we can access these types of grants for what is termed "target hardening". This generally means robust fencing, window locks, security lighting and five lever locks to doors. Where this is recommended, we will talk to you about it.

Frequently asked questions



Do you charge a deposit to the tenants?

We don't ask women for a deposit as most of them have absolutely no money when they come to us and it would prevent them from accessing housing. We ask them to contribute to an amenities fund at a rate of £5 per week. This covers the cost of any minor repairs or cleaning when they leave the property

Do you do a credit check on the tenants?

No. Most of our tenants claim benefits and do not have a credit history. From talking to other agents offering this kind of service we also think that a positive credit check is not an indicator of how good a tenant an individual will be and is therefore of little value.

What happens about repairs?

All properties will at some time need repairs and maintenance. We make regular visits to all of our properties which enables us to pick up where proactive repairs would be advised (e.g. deteriorating gutters or windowsills). We also have systems for tenants to report repairs needed. Where this is the case, we will liaise with you on what is required, obtain quotes and agree a piece of work with you before it is carried out.

Where a repair is urgent (e.g. burst pipe) and cannot wait, we will arrange for the immediate works to be done and contact you as soon as possible to discuss it and the recommended next steps.

How long do the tenants stay in the houses?

This can vary. Some women stay only a few months, however we have some tenants who have been with us for more than six years.

How long are the properties empty between tenants?

Our properties are empty for a minimal amount of time. At any one time we have 30-40 women and their children waiting to access housing. This means that if your property is in a popular letting area, we can often relet it on the same day it is vacated.

What if there are any damages to the property?

The tenants are responsible for paying for any damage they cause to the property – this happens very rarely, but is a risk with any property management

What about non-payment of rent?

Most of our tenants claim housing benefit and we work closely with the housing benefit office on each woman's case to make sure she gets all she is entitled to. Rent is paid directly to us in all cases and paid over to you every four weeks in arrears. Sometimes benefits are suspended due to changes in tenants' circumstances and in these cases we work with the tenant and the housing benefit office to reinstate the claim once the tenant's new information has been supplied. Where tenants are due to pay a "top-up" or where they are working, we collect payments through standing orders and engage with tenants to ensure payment plans are adhered to.

What about the bedroom tax?

We work with prospective tenants to gather information about their circumstances and we assess their entitlement to housing. This means we never put anyone in a position of having more bedrooms that they are entitled to and being subject to the bedroom tax. Where women's circumstances change (e.g. older children leaving home) we will look to help them downsize so that they do not experience financial difficulties and landlords do not lose rent.

How would I find a suitable property?

We can help you source a suitable property in areas that are popular with our tenants. This service is free. We ask you how much money you want to spend on a house and find some options for you to look at and decide which one you want to buy. Location of our properties is very important to us as we want our women to live in safe areas, close to public transport routes, local amenities and schools. This also means your property will be easy to sell on, should you decide to do so in the future.

What happens if I change my mind and want to stop letting the property?

The lease agreement we ask you to enter into has a three month notice period. If you decide you want to sell/do something else with the property, you just need to give us three months' notice so we can rehouse the tenant.

How many other people let their property through you?

Of our 85 properties, 22 are owned by 15 private landlords. All of these landlords have come to us and stayed, i.e. no one has ever decided to leave and take their business elsewhere.

About the women's centre



Winner, the Preston Road Women's Centre provides information, support and advice to women in Hull. It is a multi-purpose organization run by women for women offering a wide range of services under one roof.

Women can drop into Winner anytime between 10am to 4pm Monday to Friday to access any of our services or to meet other women in a safe environment.

We are situated in the big Purple House on Preston Road at the corner of College Grove.

We offer the following services and activities:

- Drop in for relaxation and informal support
- Specialist domestic violence support and advocacy
- Safe, affordable housing across the city
- Accredited training in a variety of subjects
- Registered Nursery provision for 0-5 year olds
- Comprehensive volunteering programme aimed at improving quality of life and job opportunities
- Sexual health information and advice, including free confidential pregnancy testing and free confidential chlamydia testing
- Young women's participation project
- Rainbows Charity shop offering affordable, quality second hand goods
- Crafts group
- Complementary therapies

As part of ensuring we can continue to offer all of these services, in 2007 we began to buy and let properties to women fleeing violence and abuse. The income from the properties covers all the associated costs and helps to fund our services in the local community, reducing our reliance on grants.

In 2014, we won a national award for our work with the local Empty Homes consortium, where we have brought 56 derelict properties back into use for social housing.

We are also supported by

- Kingston Upon Hull City Council
- The Big Lottery Fund
- Children in Need
- The Homes and Communities Agency
- The Department for Communities and Local Government

Find out more at www.purplehouse.co.uk

Financial illustration



Interest only mortgage

Assumptions:				
Purchase price of 2 bedroom property = £50 000				
Deposit required £12500				
Buy to let mortgage (25% deposit, 4% interest rate on £37500 borrowing interest only)				
Void rate nil (women's centre has a long waiting list of women wanting to access affordable housing)				
Income	Year 1	Year 2	Year 3	
Rental income (Local Housing Allowance rate £92 per week)	£4,784.00	£4,831.84	£4,880.16	
Total	£4,784.00	£4,831.84	£4,880.16	
Expenditure				
<i>Capital</i>	£12,500.00			
<i>Revenue</i>				
Insurance (based on current costs)	£180.00	£185.00	£190.00	
Property management (provided by Preston Road Women's Centre £50 p.c.m)	£600.00	£600.00	£600.00	
Mortgage (based on current market intelligence)	£1,500.00	£1,500.00	£1,500.00	
Repairs (estimate based on historical costs)	£800.00	£800.00	£800.00	
Solicitor's fees and disbursements (based on local costs)	£750.00			
Net profit	£3,830.00	£3,085.00	£3,090.00	
	£954.00	£1,746.84	£1,790.16	
%age return on capital investment	7.63%	13.97%	14.32%	

Repayment mortgage

Assumptions:				
Purchase price of 2 bedroom property = £50 000				
Deposit required £12500				
Buy to let mortgage (25% deposit, 4% interest rate on £37500 repaid over 25 years)				
Void rate nil (women's centre has a long waiting list of women wanting to access affordable housing)				
Income	Year 1	Year 2	Year 3	
Rental income (Local Housing Allowance rate £92 per week)	£4,784.00	£4,831.84	£4,880.16	
Total	£4,784.00	£4,831.84	£4,880.16	
Expenditure				
<i>Capital</i>	£12,500.00			
<i>Revenue</i>				
Insurance	£180.00	£185.00	£190.00	
Property management (provided by Preston Road Women's Centre)	£600.00	£600.00	£600.00	
Mortgage	£2,376.00	£2,376.00	£2,376.00	
Repairs	£800.00	£800.00	£800.00	
Solicitor's fees and disbursements	£750.00			
Net profit	£4,706.00	£3,961.00	£3,966.00	
	£78.00	£870.84	£914.16	
%age return on capital investment	0.62%	6.97%	7.31%	

Buy outright

Assumptions:				
Purchase price of 2 bedroom property = £50 000				
Void rate nil (women's centre has a long waiting list of women wanting to access affordable housing)				
Income	Year 1	Year 2	Year 3	
Rental income (Local Housing Allowance rate £92 per week)	£4,784.00	£4,831.84	£4,880.16	
Total	£4,784.00	£4,831.84	£4,880.16	
Expenditure				
<i>Capital</i>	£50,000.00			
<i>Revenue</i>				
Insurance	£180.00	£185.00	£190.00	
Property management (provided by Preston Road Women's Centre)	£600.00	£600.00	£600.00	
Mortgage (n/a)				
Repairs	£800.00	£800.00	£800.00	
Solicitor's fees and disbursements	£750.00			
Net profit	£2,330.00	£1,585.00	£1,590.00	
	£2,454.00	£3,246.84	£3,290.16	
%age return on capital investment	4.91%	6.49%	6.58%	