

Frequently Asked Questions

HMOs

Q. Will Keystone lend on HMO properties?

Yes, we will lend on HMOs up to 20 occupants to a maximum of 75% loan to value subject to loan size. We accept HMO applications from individuals, LLPs, SPVs & trading limited companies.

Q. What products do you offer on HMOs?

HMO products can be found on our Specialist Product Guide. For Expats, please refer to the Expat Product Guide. We will lend up to 75% loan to value subject to loan size and fees can be added to the loan.

Q. Does the applicant need to be an experienced landlord?

The applicant must have owned and let a minimum of one buy to let property for at least 6 months, otherwise they are considered a First Time Landlord and only a maximum of 6 occupants are acceptable. We do not accept Expats who are First Time Landlords.

Q. Do you need a HMO licence to be in place?

A HMO licence is required if the local authority deems it necessary through mandatory, additional or selective licensing. If a licence is required on a purchase transaction, we must receive evidence that the landlord has applied, and had confirmation that the part one of the HMO licence (a fit and proper person check) has been approved.

Q. What type of valuation is carried out?

The valuer will carry out an investment valuation where this is appropriate. Valuers will look at the property and take into consideration the following factors:

- Demand for HMOs in the area
- Article 4 and local licensing requirements as this may warrant an increased premium and investment valuation
- Local market knowledge
- The costs to convert the property back to a standard property
- The ease with which a neighboring property could be converted to a HMO

Q. Will Keystone lend on multi-let properties?

Yes, multi-let properties (let to two or more individuals from more than one household, but not subject to Mandatory HMO licensing) can be considered. Where the property is let with shared tenant facilities, they will be considered as standard properties on standard products.

Where the property requires a selective or additional licence it is not treated as an HMO property, subject to confirmation of the Local Authority planning requirements. Only where the property requires a mandatory HMO license is a HMO product required.