




Limited edition  
remortgage rates

# Buy-to-Let lending criteria

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# Buy-to-Let



Available for properties located in England and Wales. *Available via intermediaries only.*

## Key features

- ICR assessed at 5% (or at the pay rate for 5 year fixed rate product) utilising the Market Rental valuation
- Free Title Insurance applied to standard property and HMO remortgage cases. (subject to qualification)
- Flexible underwriting for portfolio landlords, no limits to portfolio sizes.
- Up to 20 properties with an aggregated borrowing of £5m may be mortgaged with LendInvest
- Support for providing Property Portfolio information. This can be in any form, provided it details the minimum required information.
- Easy to use online broker portal.

## Property types

- ✓ Houses
- ✓ New builds
- ✓ Flats
- ✓ Maisonettes
- ✓ Apartments including new builds
- ✓ HMO and MUFB
- ✓ Flats in blocks up to 5 storeys
- ✓ High rise flats up to 10 storeys<sup>1</sup>
- ✓ Ex-local authority flats considered<sup>2</sup>

<sup>1</sup>In Greater London accepted subject to market conditions. Must have a lift if over 4 storeys. <sup>2</sup>If in a privately owned block (Greater London only).

## Borrower types

UK individuals, limited companies and limited liability partnerships only. Company SIC code must relate to property management, investment or development. New SPVs are accepted.

## Interest coverage ratios and assessment rates

Applicant	Single properties	HMO and MUFB
Basic rate taxpayer (20%)	125%	130%
Limited company or LLP	125%	130%
Higher rate taxpayer (40%)	140%	145%
Additional rate taxpayer (45%)	140%	145%

## Criteria

LendInvest offers two pricing tiers, both available to individual and corporate borrowers. Tier 1 rates are available where all applicants meet the tier 1 criteria. Tier 2 rates apply where one or more of the applicants does not meet the tier 1 criteria.

	Defaults	CCJs	Missed mortgage/ secured payments	Unsecured arrears	Bankruptcy/ IVA
Tier 1	None in last 60 months	None in last 60 months	None in last 36 months	No more than 2 in last 36 months	None
Tier 2	None in last 12 months, 2 in last 24 months	None in last 12 months, 1 in last 24 months	None in last 12 months, 1 in last 36 months	Not counted	None

## Tier 1 rates



### Limited edition : remortgages only offer

Maximum loan amount of £250K. Available for standard properties only (not HMO or MUFB). Available for standard conveyance cases only (not complex conveyance cases involving eg. title split etc)

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	5 years	3.49%	0.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/3%/2%/2%/1%

Maximum loan amount of £250K. Available for standard properties only (not HMO or MUFB). Available for standard conveyance cases only (not complex conveyance cases involving eg. title split etc). Not available for first time landlords. ICR assessed at 125% Corporate borrowers 140% Individuals.

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	5 years	3.60%	0.00%	3.60%	LIBOR <sup>1</sup> +3.80%	3%/3%/2%/2%/1%

Available for standard properties only (not HMO or MUFB). Maximum loan amount of £500k. Not available for first time landlords. ICR is assessed at 125% for corporate borrowers and 140% for individuals.

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	5 years	3.60%	1.00%	3.60%	LIBOR <sup>1</sup> +3.80%	3%/3%/2%/2%/1%

Available for standard properties only (not HMO or MUFB). Maximum loan amount of £300k.

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	2 years	2.99%	1.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/2%

Available for standard properties and HMOs (not MUFB). HMOs limited to maximum 75% LTV.

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	2 years	3.39%	1.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/2%
75%	2 years	3.90%	0.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/2%
75%	5 years	3.49%	1.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/3%/2%/2%/1%
75%	5 years	3.70%	0.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/3%/2%/2%/1%
80%	2 years	3.59% <b>Reduced!</b>	1.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/2%
80%	2 years	4.10% <b>Reduced!</b>	0.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/2%
80%	5 years	3.69% <b>Reduced!</b>	1.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/3%/2%/2%/1%
80%	5 years	3.90% <b>Reduced!</b>	0.00%	5.00%	LIBOR <sup>1</sup> +4.59%	3%/3%/2%/2%/1%

## Tier 2 rates

Available for standard properties only (not HMO or MUFB).

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
75%	2 years	3.99%	1.00%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/2%
75%	5 years	4.19%	1.00%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/3%/2%/2%/1%
80%	2 years	4.69%	1.00%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/2%
80%	5 years	4.89%	1.00%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/3%/2%/2%/1%

## Rates for MUFBs of up to 6 units

LTV	Fixed period	Initial rate	Product fee	ICR rate	Reversion rate	ERC <sup>2</sup> Year 1/2/3/4/5
65%	2 years	3.69%	1.49%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/2%
65%	5 years	3.89%	1.49%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/3%/2%/2%/1%
70%	2 years	3.79%	1.49%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/2%
70%	5 years	3.99%	1.49%	5.00%	LIBOR <sup>1</sup> +4.69%	3%/3%/2%/2%/1%

<sup>1</sup> LIBOR: 3 month LIBOR variable rate. Currently 0.86% and resets quarterly.

<sup>2</sup> You can repay up to 10% of the outstanding loan balance in any 12-month period (calculated by taking the balance at completion and each anniversary thereafter) without incurring an early repayment charge.

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## Application submission requirements

Applications and the submission of all related documentation must be made through our on-line portal.

At the time of submission a signed application must be accompanied by the following:

1. Payment of the valuation fee, which is non-refundable.
2. A full portfolio schedule.
3. The latest tax years SA302 tax assessment and tax overview for each applicant.
4. Evidence of deposit, if the case is a purchase transaction.
5. Bank statement from the account the direct debit will be drawn from.

Detailed submission guidance is [available from our website](#).

## General requirements

<b>Geography</b>	England and Wales
<b>Property type</b>	Residential only
<b>Property security</b>	First charge only
<b>Repayment</b>	Interest only
<b>Payment method</b>	Direct debit only
<b>Minimum term</b>	7 years
<b>Maximum term</b>	30 years

## Maximum loan size for individual loans

LTV	Standard property	HMO	MUFB
Up to 80%	£500,000	-	-
Up to 75%	£750,000	£500,000	-
Up to 70%	£750,000	£750,000	£750,000

## Maximum loan/LTV

Based upon the lower of the purchase price or market value.

If the security property was purchased within the last 6 months, we will lend on the original purchase price.

## Aggregate loan limits

Up to 20 properties may be mortgaged with LendInvest.

Up to £3m of aggregated loan exposure to LendInvest, our individual loan limits will apply.

Above £3m of borrowing, the aggregated LTV on the portfolio will be restricted with a maximum exposure on any Buy-to-Let portfolio of loans with LendInvest of £5m at a maximum LTV of 60%.

## Loan purpose

Purchase or Remortgage. If remortgaging, a valid explanation is required if the property has been owned for less than 6 months, unless this is a transition from an existing LendInvest product. Remortgaging from existing Bridging finance will be considered. Any additional capital raising must be fully declared and explained.

Consumer Buy-to-Let loans are not permitted.

## Deposit

On all purchase cases the source of deposit must be disclosed and must have originated from within the EEA. LendInvest will request that evidence of the deposit is produced.

If a limited company is purchasing the property from individual director(s) and the full share capital of the limited company is in exactly the same name as the property then the existing equity is acceptable as the deposit in the form of a directors loan account.

## Gifted deposit

The following will apply when there is any element of the deposit being gifted:

- Gifted deposits can only be accepted from a close relative, full details of whom must be disclosed.

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- The identification of the person(s) gifting the deposit must be satisfactorily established.
- Appropriate deed of gift indemnity insurance will be required.
- A minimum deposit of 10% may be required to come from the applicant(s) personal contribution.

## Offers

Buy-to-Let offers remain valid for 90 days from the date of the formal offer.

If an Offer needs to be reissued after expiry, then a new product will need to be selected which may alter the amount of the loan and be subject to additional underwriting.

## Property criteria

### Tenure

- Freehold houses only.
- Leasehold flats and maisonettes must have at least 65 years remaining on the lease at the end of the term.
- Commonhold is not accepted.

### Tenancy

Single, assured shorthold tenancy (AST) up to 1 year or a corporate let for a longer period at the underwriter's discretion.

All tenancies must be to occupiers who will be in residence for the full period of the AST or corporate let.

### Tenant types

LendInvest will not lend where a property is being used for owner occupation as this would be a regulated transaction. The property must be tenanted by a third party (family members are not permitted).

Where the borrower is a corporate entity, the property must not be tenanted by any Director, Shareholder, Guarantor, nor any related person to any of these.

### Energy efficiency requirements

Prior to completion, the borrower must provide our solicitor with a valid Energy Performance Certificate (EPC) and recommendation report evidencing an energy efficiency rating of E or higher.

### Minimum valuation

£150,000 London (excl. rest of UK).

£75,000 UK (excl. London).

### Concentration limit

Subject to underwrite we have a total limit of:

- no more than 4 units or 25% of the total units in one block of flats (whichever is lower); and
- no more than 5 properties in one postcode sector (for example, BH15 1).

However, subject to approval from the underwriter, we may allow a borrower to exceed these limits (these limits are our exposure and do not relate to an individual borrower).

### Acceptable property types

- ✓ Houses
- ✓ New builds (with full certificates in place)
- ✓ Flats
- ✓ Maisonettes
- ✓ Apartments including new builds
- ✓ HMOs
- ✓ Flats in blocks up to 5 storeys (must have a lift if 4 storeys or higher)
- ✓ Flats up to 10 storeys In Greater London accepted subject to valuer's commentary (must have a lift if over 4 storeys).
- ✓ Ex-local authority flats considered If in a privately owned block (Greater London only)
- ✓ Studio flats (in London only; max 70% LTV) with a minimum gross internal floor area of 30 sq. metres. Accepted subject to underwriting & valuers commentary.

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## Unacceptable property types

- ✗ Shared ownership
- ✗ Freehold flats and freehold maisonettes
- ✗ High rise flats (over 5 storeys) outside Greater London
- ✗ Ex Local authority flats outside Greater London
- ✗ Ex MOD flats outside Greater London
- ✗ Properties in over 1 acre of land
- ✗ Properties in a designated flacking area
- ✗ Properties with agricultural usage or other planning restrictions
- ✗ Properties above fast food outlets
- ✗ Grade 1 listed properties
- ✗ Mobile homes and houseboats
- ✗ Commercial property
- ✗ Property with inherent structural defects e.g. Properties built using high alumina, cement, mundic block or other defective materials
- ✗ Properties where the borrower is effectively both the freeholder and leaseholder unless we have a charge over both
- ✗ Properties built in the last 10 years without a nationally recognised warranty
- ✗ Properties that contain a flying freehold greater than 15% of the total property area
- ✗ Single dwelling with 100% flat roof
- ✗ Flats with balcony or deck access.
- ✗ HMO or MUFb flats.
- ✗ MUFb combined with HMO
- ✗ Any form of non standard construction

## Individual borrower requirements

<b>Max number of applicants</b>	2
<b>Minimum age</b>	21
<b>Maximum age</b>	85 (at end of term)

## Residential status

Tier 1: Must be a UK resident and have been resident in the UK for the past 3 years.

Tier 2: Must have 3 year UK residential history and a permanent right to reside in the UK.

## Employment

PAYE: Minimum 6 months current and 12 months continuous (outside of any probationary period).

Self Employed: Trading for at least one full year and must provide satisfactory proof of income.

## Sector experience

Applications from first-time buyer purchasing a standard BTL property will be accepted provided that at least one applicant has owned an existing residential property for at least six months. First-time landlords will be subject to a 70% LTV limit.

Existing landlords must have held an existing BTL property for the past 12 months. (For sector experience with regard to HMOs and MUFb, please see page 10.)

## Marginal tax rate

All borrowers must disclose details of their marginal tax rate to enable the correct ICR to be applied.

## Identity verification

We will ask the borrower to verify their identity via the Onfido platform, for which they will be required to take and upload a selfie and a photo of their identification. If this check fails, you will need to follow the instructions from our [Identity Documents](#) list.

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## Address verification

We will carry out an electronic verification check through Equifax. If this check fails, you will need to supply a certified utility bill, bank statement or tax demand dated within the last three months.

## Applicant income

Collectively, the applicants must have a combined total income of £30,000 or more. This can include income from employment, self-employment, pensions, investments, and rental or other property income.

## Income verification

We will require verification of personal income in most cases. Your underwriter will advise you if this is necessary. Acceptable income evidence should be one (or a combination) of the following: latest SA302, 3 months' payslips, P60, or minimum 3 months' bank statements.

## Individual credit profile

### Defaults (unsecured facilities)

Tier 1: None in 5 years.

Tier 2: None in past year. 2 in past 2 years.

### Bankruptcy/IVA

None.

### County Court judgments (CCJs)

Tier 1: None in 5 years.

Tier 2: None in past year. 1 in the past 2 years up to a maximum value of £5,000 which must be satisfied prior to completion.

### Missed mortgage/secured payments

Tier 1: None in 3 years.

Tier 2: None in past year. 1 in past 3 years.

### Unsecured arrears

Tier 1: Not greater than 2 in past 3 years.

Tier 2: Permitted

### Criminal convictions

Not permitted unless relating to motoring offences. Other minor offences may be considered at the underwriter's discretion.

## Corporate borrower requirements

### Company origin

UK Limited Companies and UK Limited Liability Partnerships only. SIC code must relate to property management, investment or development. New SPVs are accepted. Purchase of company share capital to acquire property is not accepted.

### Max number of directors

Maximum of 4 directors/shareholders/members. LLP members must be designated.

### Personal guarantees

Full personal guarantees required from all directors and shareholders who own at least 25% of the equity in the company or, where a lower shareholding is held, are deemed as having a significant controlling role in the business.

### Multiple applications

Where multiple applications are made by the same corporate borrower each loan must be in the exact same company name.

We reserve the right to require a debenture and floating charge at the underwriters discretion based upon our total aggregated exposure.

Where individual director(s) have interests and make applications across different Limited Company/SPV names, a debenture and floating charge will be required.

### Residential status

Tier 1: Must be a UK resident and have been resident in the UK for the past 3 years.

Tier 2: Must have 3 year residential history and a permanent right to reside in the UK.

### Guarantor/director income

Collectively, the directors must have a combined total income of £30,000 or more. This can include income from employment, self-employment, pensions, investments, and rental or other property income.



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<b>Director minimum age</b>	21
<b>Director maximum age</b>	85 (at end of term)

## Legal advice

Any applicants via a UK limited company or UK limited liability partnership will be assessed on the basis of the strength of the director(s) as if they were applying for lending facilities on a personal basis. It will be a condition of any offer to these entities that the personal guarantors or third-party security providers seek independent legal advice. In certain cases, we may accept a waiver letter in respect of the independent legal advice from a borrower who is also providing a personal guarantee.

## Transfers of ownership

Any transfer of ownership or equity will be treated as a purchase (NOT remortgage) of the new freehold/leasehold title. This includes cases involving a split of title.

In all cases we will append an Offer Condition to seek confirmation that all borrowing parties have obtained their own taxation advice from a qualified Accountant.

## Individual to Corporate

The existing equity is acceptable as the deposit in the form of a Directors Loan Account.

A transfer at undervalue (including nil value) may be considered, subject to underwriting, only where the current ownership of the property is in exactly the same name as the legal ownership of the company purchasing the asset.

The issue of company shares to purchase a property in personal names is not accepted.

## Corporate to corporate (including LLP/SPV)

The existing equity is acceptable as the deposit in the form of a Directors Loan Account.

Any transfer of ownership from company to company (including LLP or SPV) must be a purchase at full market value.

The issue of new company shares to purchase a property is not accepted.

Separate legal representation will be required. Applicants will be liable to pay their own costs of this.

## Titles split

1. Separate legal representation
2. Underwriter agreement necessary
3. Normally treated as a purchase
4. Property must be suitable legally and physically
5. Charges on part security are not acceptable
6. Transfers are at full market value

## Corporate credit profile

### Bankruptcy

No bankruptcy or winding up petition in the last six years.

### County Court judgments (CCJs)

Tier 1: None in 5 years.

Tier 2: None in past year. 1 in the past 2 years up to a maximum value of £5,000 which must be satisfied prior to completion.

## Portfolio landlord requirements

Portfolio landlords are defined by LendInvest as borrowers who own 4 or more Buy-to-Let properties (including the new security and any unencumbered properties).

There is no limit on the number of properties held or mortgaged by a portfolio landlord with other lenders. Properties owned abroad will not be included within the portfolio calculations.

For all portfolio landlords we must see at the time of the application:

# Buy-to-Let lending criteria



- Disclosure of full details of the existing portfolio including; address, purchase date, mortgage lender, balance outstanding, monthly mortgage payment, rental income, current value, and the current ASTs in place including term and start date.
- An outline of the borrowers experience in the buy-to-let or HMO market.

We will reconcile and review payment history for the portfolio against credit data where available.

## Portfolio assessment

We will assess the overall portfolio at a notional rate of 5.5% and will apply the following approach:

### Portfolio ICR Approach at 5.5%

Above 125%	Case can proceed
Above 120%	If the total Portfolio LTV is below 75% the case can proceed.  If the total Portfolio LTV is above 75% we'll assess the liquidity of the portfolio. We may request additional information where relevant to support our decision.
Above 110%	We'll assess the liquidity of the portfolio.  We'll review other assets declared by the client to ascertain if they can support servicing outside of the portfolio.  We may request additional information where relevant to support our decision.
Below 110%	At underwriter's discretion

## Helping with portfolio cases and multiple applications

If you are submitting a portfolio landlord case, just upload their property portfolio spreadsheet to our online portal and we will do the rest.

If you are making multiple applications for the same client, applications may be duplicated within the Broker Portal.

From an existing application select 'More Actions' the top of the application dashboard. Select 'Duplicate Application' from the drop-down menu and follow the steps as prompted. Detailed guidance is available from our website.

And if you have another case for the same client within 6 months, we will simplify the underwriting process, with no need for a new portfolio assessment.

## HMO and MUFB criteria

### Definition (HMO)

In England & Wales a HMO is defined as a property rented out by at least 3 people who are not from 1 'household' (e.g. a family) but share facilities such as the bathroom and kitchen.

### Sector experience

Must demonstrate experience with managing a buy to let property portfolio over a period of at least 2 years.

### Credit profile

HMO and MUFB lending is available for Tier 1 borrowers only. Criteria below:

Defaults: 0 in last 60 months

CCJs: 0 in last 60 months

Missed mortgage/secured payments: 0 in last 36 months.

Unsecured arrears: No more than 2 in last 36 months.

Bankruptcy: No history of bankruptcy or IVA.

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## Valuation

For HMOs of up to 6 rooms and all MUFB properties, the valuation is based upon the vacant possession value only and not the investment yield. For HMOs of 7 rooms or more, the valuation is based upon the investment value. Retypes are not accepted.

## Minimum valuation

£300,000 in London (excl. rest of the UK).

£150,000 for rest of UK (excl. London).

## Licensing (existing HMOs)

Properties being refinanced that are operating as a HMO must have all appropriate licences in place at the time of application, if applicable.

## Licensing (new HMOs)

The property must meet all local authority licensing requirements prior to funds release. The borrower must obtain a HMO license, when required, to operate within 90 days of completion.

## Property

In an area where a clear demand exists.

Maximum number of letting rooms in any one HMO property cannot exceed 15.

Maximum number of units in any one MUFB property cannot exceed 6.

## Fees and charges

### Product fees

Product fees can be added to the loan and are included in our affordability calculations.

### Legal fees

In all cases the borrower will be liable to pay all legal costs in respect of the completion of the mortgage.

On instruction, LendInvest's solicitors will request that payment is made by the borrower in advance and held on account.

## Dual representation

Evidence demonstrates that dual representation reduces the time to Completion by an average of 15 days when compared with separate representation.

LendInvest's solicitor may be selected to act for both the borrower and LendInvest in most situations. Dual representation is not available where applications have been made that include:

- Cases where security titles are being split or a change in the security title is required.
- Incorporation cases involving a transfer by the borrower from individual to corporate ownership.

## Separate representation

If the borrower wishes to use their own solicitor they may do so provided that the firm of solicitors acting for them is registered with the Law Society and has a minimum of 3 SRA approved managers (none of whom must be struck off). A solicitor with 2 SRA approved managers accredited with the Law Society's Conveyancing Quality Scheme (CQS) is also acceptable.

LendInvest will select its own solicitor to act for LendInvest.

## Title insurance

We seek to apply title insurance, at no cost to the borrower, to standard and HMO remortgage cases up to £750k, excluding:

- MUFBs
- Transfer of equity
- Where security titles are being split or a change in the security title is required.
- Properties with more than one kitchen
- Cases where at the underwriter discretion title insurance cannot be applied.

This insurance is obtained against unknown but existing title defects and avoids the need for standard conveyancing and other property related searches.

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## Legal fee scales

Our standard legal fee scales are provided for guidance only. They exclude VAT and disbursements. Additional legal fees may be chargeable and will be advised by LendInvest's solicitors upon instruction.

### Non title insurance cases

#### Remortgages and purchases

Net loan size	Fee for separate legal representation	Fee for dual legal representation
Up to £250,000	£550	£700
£250,001 to £500,000	£700	£850
£500,001 to £750,000	£850	£1,000

Please note: above fees exclude VAT and disbursements

### Title insurance cases

#### Remortgages only

Net loan size	Fee for separate legal representation	Fee for dual legal representation
Up to £250,000	£450	£600
£250,001 to £500,000	£600	£750
£500,001 to £750,000	£700	£800

Please note: above fees exclude VAT and disbursements

## Valuation fees

LendInvest will instruct a valuer from its valuation panel to value the security being offered. The borrower will be required to pay the valuation fee prior to underwriting.

Please note that the £150 valuation fee for standard properties is not refundable.

Purchase price (up to)	Mortgage valuation (£)	HMO scale (£)*
100,000	150	450
150,000	150	450
200,000	150	465
250,000	150	535
300,000	150	535
350,000	150	595
400,000	150	595
450,000	150	655
500,000	150	655
600,000	150	720
700,000	150	780
800,000	150	890
900,000	150	965
1,000,000	150	1035
1,200,000	150	1195
1,250,000	150	1355
1,500,000	150	1515
1,750,000	150	1675
2,000,000	150	1835

\*Only applies to HMOs of 6 bedrooms or fewer. For HMOs with more than 6 bedrooms, we will provide you with a quote.