

## Start with MIMO (Money In Money Out)

### Done Up Value

£ \_\_\_\_\_

Start with the Done Up Value (DUV). This is what the property would be worth when the refurb is completed.

The MIMO calculation starts here!

### 75% Mortgage

£ \_\_\_\_\_

Find out 75% of the DUV. This gives us the amount that the bank will lend to us based on the completed project. We're also assuming this is not a commercial valuation!

### Refurb

-£ \_\_\_\_\_

Take off the cost of the refurb. This can be a ballpark while you're working on becoming an expert on your numbers.

### Fees

-£ \_\_\_\_\_

Take off solicitor fees (2x£750) and broker fees (2x£500). This section costs will differ depending on your source of funds (i.e your own funds, investor or bridging) and the products available to you at the time if you are buying in company or personal name.

### Cost of Money

-£ \_\_\_\_\_

Take off an approximate cost of borrowing for the deal. You can use a rough guide of ~6% of the mortgage, but if you know your borrowing costs then you can reflect this more accurately.

### Additional Fees

-£ \_\_\_\_\_

Include any fees, licensing costs or professional fees required in your HMO costing.

### Stamp Duty

-£ \_\_\_\_\_

To calculate a rough stamp duty number, use ~4% of the mortgage amount. Remember if you are in Scotland or Wales it is higher!

### Your MIMO number:

= £ \_\_\_\_\_

## Working out Cashflow

### Room Rates

Find out what a similar room rates are in the area per month. If there are multiple room rates depending on size etc. add these together to get your total monthly income.

£ \_\_\_\_\_

### Mortgage payments

Take off your mortgage payments. At this stage, you want to make sure you're stress-testing. So add on a few extra % on top of your current expected rates.

-£ \_\_\_\_\_

### Management costs

Take off the management costs for your property. This will be around 15%, but some areas will be more expensive while other may be slightly cheaper.

-£ \_\_\_\_\_

### Monthly Operating expenses

Subtract a monthly cost for holding and maintaining your property. We suggest you run your numbers on 10%.

-£ \_\_\_\_\_

### Utilities

Allowing for approximately £100 per room. This will vary on the property, size and heating source. Add this per room.

-£ \_\_\_\_\_

### Void periods?

Consider adding an average annual void period covering amount. A local agent should be able to give you an idea about local void rates for a similar property.

-£ \_\_\_\_\_

### Cashflow

This is your monthly operating profit before tax. When stress-testing you want to make sure that you are operating within profit.

= £ \_\_\_\_\_

## Return on Investment

**Your MIMO number**

Take this from page 1!

£ \_\_\_\_\_

**Annual cashflow**

Simply take your cashflow number from page 2 and x12 to calculate a year's cashflow.

£ \_\_\_\_\_

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**100% ROI**

MIMO

£ \_\_\_\_\_

+ 1x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**50% ROI**

MIMO

£ \_\_\_\_\_

+ 2x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**33% ROI**

MIMO

£ \_\_\_\_\_

+ 3x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_

**25% ROI**

MIMO

£ \_\_\_\_\_

+ 4x Annual Cashflow

+£ \_\_\_\_\_

= £ \_\_\_\_\_