



Newcastle Residential

DRAFT FOR APPROVAL

EXCLUSIVE INVESTOR PROSPECTUS

INVESTMENT OPPORTUNITY

# Student HMO Investment Opportunity

PROPERTY ADDRESS

40 Ashleigh Grove  
Jesmond, Newcastle upon  
Tyne, NE2 3DJ

PREPARED FOR

**Existing  
landlords,  
student HMO  
investors and  
buy-to-let  
investors**

A five bedroom upper maisonette student HMO in one of Newcastle's most established student letting locations, prepared in a memorandum-style format for experienced investors reviewing Jesmond and wider NE2 opportunities.

Newcastle Residential

Investor & landlord audience

[www.newcastleresidential.co.uk](http://www.newcastleresidential.co.uk)

The current draft now includes the supplied internal photography and floor plan. Images should still be checked against the property's current condition before public marketing goes live.

## INVESTOR OVERVIEW

## Executive Summary

40 Ashleigh Grove is presented as a five bedroom upper maisonette student HMO in Jesmond, one of Newcastle upon Tyne's most established and recognisable student letting locations. For investors focused on student housing, the address sits within a submarket that continues to attract demand from shared student households seeking a balance of university access, neighbourhood identity and everyday amenity.

The property is currently understood to produce £3,000 pcm and is offered in the region of £475,000, implying an approximate gross yield of 7.6% before costs. The five bedroom format, two bathroom arrangement, good sized bedrooms and modern fitted kitchen strengthen its suitability for shared student occupation, while the established rental history over the last 20 years supports the case for proven local lettings demand.

Jesmond's position within the wider NE2 market remains central to the investment case. The area continues to appeal to second and third-year students who want proximity to Newcastle University and Northumbria University alongside the established social and transport offer around Osborne Road, Acorn Road and Jesmond Metro. Newcastle Residential's local lettings and management capability can support ongoing marketing, tenant sourcing, HMO management and asset oversight.

01

### Location Strength

Jesmond remains one of Newcastle's best-known student rental neighbourhoods.

02

### Format Suitability

Five bedrooms, two bathrooms and an upper maisonette layout align well with established student group demand.

03

### Operational Support

Newcastle Residential can provide marketing, lettings and HMO management support for an already income-producing asset.

## Investor Snapshot

### PROPERTY ADDRESS

**40 Ashleigh Grove**

Jesmond, Newcastle upon Tyne, NE2 3DJ

### ASSET TYPE

**5 Bed Upper Maisonette Student HMO**

Target market: students

### LOCATION

**Jesmond / NE2**

Established student and rental district

### BEDROOMS / BATHROOMS

**5 / 2**

Floor area to be confirmed by vendor

### CURRENT RENT

**£3,000 pcm**

Annualised rent: £36,000 pa

### POTENTIAL RENT

**To be confirmed by Newcastle Residential rental appraisal**

Indicative gross yield at £475,000 guide: approx. 7.6%

### HMO LICENCE

**HMO in place until February 2027**

Current compliance certificates otherwise to be confirmed by vendor

### TENURE & EPC

**Long lease - 900 years**

EPC, service charge, ground rent and council tax band to be confirmed by vendor

## INVESTMENT RATIONALE

# Why This Investment

The case for this asset is driven by location, format and operational suitability rather than brochure-style lifestyle claims.

## Prime Jesmond student location

Jesmond remains one of Newcastle's most recognisable student letting districts and continues to form part of many students' preferred search area.

## Established rental market

The area has a long-standing student lettings profile, which supports confidence in annual re-letting demand when stock is well presented and correctly managed.

## University demand base

Demand is supported by student households connected to Newcastle University and Northumbria University, particularly where group accommodation is available in a desirable neighbourhood.

## Five-bedroom HMO format

A five bedroom configuration with two bathrooms can appeal to established student groups seeking practical shared accommodation with a known annual budgeting structure.

## Potential occupancy resilience

The property's established rental history over the last 20 years supports the case for sustained annual letting demand within the student letting cycle.

## Managed investment angle

Professional management through Newcastle Residential can support marketing, compliance oversight, rent reviews and day-to-day asset operation for an HMO already in place until February 2027.

Suitable for investors seeking income-producing student property in Jesmond, provided pricing, rent, tenancy position, licensing and condition are verified during due diligence.

## MARKET COMMENTARY

## Why Jesmond Continues to Matter

Jesmond remains one of Newcastle's strongest-known student rental areas because it offers more than simple proximity to campus. For many student households, especially second and third-year groups, the area combines recognisable student identity with a level of amenity and neighbourhood appeal that is harder to replicate elsewhere.

The wider attraction is tied to access to Newcastle University and Northumbria University, the social and retail offer around Osborne Road and Acorn Road, and the benefit of Metro links and city access. This combination helps Jesmond maintain relevance within the student lettings market even as specific streets, property conditions and price points influence competition at an individual asset level.

For private landlords and student investors, NE2 remains attractive because location quality can support stronger tenant enquiry, more decisive group bookings and clearer marketing positioning. Limited supply of well-located, well-managed student HMOs can further reinforce the appeal of compliant stock when brought to market in good time for the academic year.

## Investor Reading

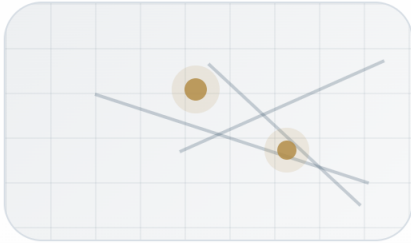
- **Student preference:** Jesmond is widely associated with shared student living, particularly among groups moving beyond first-year accommodation.
- **Neighbourhood appeal:** Osborne Road, Acorn Road, cafes, bars, restaurants and day-to-day retail strengthen the local living proposition.
- **Transport and access:** Metro connectivity and relative ease of reaching the city help broaden the area's practical appeal.
- **Stock selectivity:** In a mature market, property condition, compliance and presentation become increasingly important differentiators.
- **Lettings discipline:** Well-timed marketing remains important because student demand is strongest when listings align with the annual booking cycle.

### BALANCED CONCLUSION

**Jesmond's appeal does not remove normal investment risk, but it does mean location quality can remain a meaningful defensive factor when pricing, compliance and management are handled well.**

## LOCATION ANALYSIS

## Jesmond / NE2 Positioning



Jesmond can be read as both a premium student and professional rental suburb, with student demand typically concentrated around the area's recognisable streets, social offer and connections into the universities and city centre.

## Location Drivers

### Jesmond

Metro access supports wider city and campus movement.

### Osborne Road

Strong food, drink and social identity within the student market.

### Acorn Road

Useful day-to-day retail and local amenity for shared households.

### City Centre

Newcastle city centre access supports convenience and wider appeal.

### Universities Travel Times

Well placed for Newcastle University and Northumbria University catchment demand.

Approximate travel times to be verified.

Why the location supports rental demand: recognisable student positioning, established shared-housing demand, good amenity access, and a neighbourhood profile that continues to appeal to returning student groups.

## RENTAL ANALYSIS

# Student Rental Market Analysis

## Lettings Dynamics For A 5 Bedroom HMO

For a five bedroom HMO in Jesmond, demand is typically driven by student groups looking to secure accommodation together for the next academic cycle. In this part of the market, success is influenced not only by headline location but also by room quality, furnishings, broadband readiness, compliant operation and the timing of marketing. The presence of good sized bedrooms, two bathrooms and a modern fitted kitchen should support practical appeal within the shared-student market.

The student letting cycle places importance on early visibility. Well-located stock that is professionally photographed, clearly described and marketed early can usually compete more effectively than similar stock introduced late or presented poorly. This is particularly important in established districts where tenants are choosing between multiple shared-house options within a narrow geographic area.

The current rent is stated as £3,000 pcm. Rental appraisal for re-letting or optimisation potential remains to be confirmed by Newcastle Residential.

## Operational Levers

- **Early marketing:** visibility ahead of the main booking window can improve the chance of securing a full group rather than piecemeal interest.
- **Room quality:** good sized bedrooms, a modern fitted kitchen, usable communal space and clear presentation matter in shared student decisions.
- **Digital presentation:** professional photography, a clear floor plan and accurate listing copy can directly affect enquiry quality.
- **Compliance and confidence:** licensing, safety certification and orderly documentation can reduce friction at application stage.
- **Management standard:** responsive communication and organised tenancy handling can support renewal reputation and referral demand.

## MARKETING MATERIALS

## Supplied Photography



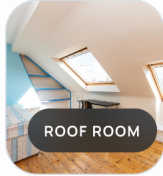
LOUNGE



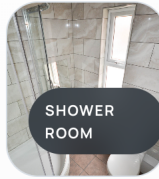
KITCHEN

FRONT  
BEDROOM

BEDROOM



ROOF ROOM

SHOWER  
ROOM

BATHROOM

Photography supplied by the current asset pack and inserted without substitute imagery. Exterior photography may still be added later if approved shots become available.

## Photography Notes

- **Room mix shown:** communal lounge, fitted kitchen, multiple bedrooms and both bathroom arrangements are now evidenced visually.
- **Presentation:** the supplied images support the existing description of good sized bedrooms and a modern fitted kitchen.
- **Accommodation profile:** upper-level rooms and sloped-ceiling space shown in the photography align with the upper maisonette / rooms-in-roof format.
- **Marketing use:** this set is suitable for brochure and portal draft presentation, subject to confirmation that the current condition remains materially unchanged.

8 INTERNAL PHOTOS SUPPLIED

KITCHEN CONFIRMED

2 BATHROOMS SHOWN

COMMUNAL SPACE EVIDENCED

### FINANCIAL

Guide price: offers in region of £475,000. Current rent: £3,000 pcm. Net yield remains to be confirmed once full running costs are verified.

### PROPERTY

Two bathrooms are shown and the supplied floor plan states approx. 118.5 sq. metres (1275.7 sq. feet). Wider condition detail and current occupancy remain to be confirmed by vendor.

### OWNERSHIP

Long lease of 900 years confirmed. Service charge and ground rent remain to be confirmed by vendor.

### COMPLIANCE

HMO in place until February 2027. EPC rating and current compliance certificates remain to be confirmed by vendor.

DUE DILIGENCE



FLOOR PLAN SUMMARY

The supplied plan shows five bedrooms across the first floor and rooms in roof, together with a lounge, fitted kitchen, shower room, bathroom and study area.

APPROXIMATE AREA

Approx. 118.5 sq. metres (1275.7 sq. feet) as shown on the supplied floor plan.



KEY ROOMS SHOWN

Lounge shown at 4.65m x 4.20m and kitchen at 3.20m x 2.50m on the supplied plan. Bathroom count is shown as two in total.

CURRENT OCCUPANCY

To be confirmed by vendor.

TENANCY STATUS

To be confirmed by vendor.

CONDITION

Good sized bedrooms and a modern fitted kitchen confirmed. Wider condition detail to be confirmed by vendor.

COUNCIL TAX BAND

To be confirmed by vendor.

COMPLIANCE CERTIFICATES

To be confirmed by vendor.

HMO VERIFICATION

HMO in place until February 2027, as supplied. Supporting documentary verification should still be obtained during due diligence.

# Regulatory Update - New Rules

## What Matters For Student HMO Investors

The current official guidance says the Renters' Rights Act moves the sector away from assured shorthold tenancies into a system where assured tenancies are periodic, and section 21 has been abolished. Existing tenancies convert into the new system and future rent increases follow the statutory section 13 route rather than informal or contractual alternatives.

For student HMOs, the student possession route remains an important consideration, but it is no longer something investors should discuss casually or assume will always be available. Official possession guidance says Ground 4A can apply to a qualifying HMO let to full-time students where the property is needed for a new group of students in line with the academic year between 1 June and 30 September, provided the statutory conditions are met, the tenancy was not agreed more than 6 months before the tenancy start date, and advance notice of intended use of the ground was given.

The same guidance says Ground 4A requires 4 months' notice. More generally, official guidance also says landlords must give tenants the government-produced information sheet explaining how the reforms affect the tenancy, and that all future tenancy documentation must contain the required prescribed information.

## Investor Commentary

- **Tenancy structure:** assured shorthold tenancies have moved to assured periodic tenancies.
- **Section 21:** no-fault section 21 possession has been removed.
- **Student HMO route:** Ground 4A may still be relevant for qualifying student HMOs, but only where the statutory conditions and notice requirements are properly satisfied.
- **Rent increases:** official guidance says landlords can increase rent once per year to market level using the section 13 process and at least 2 months' notice.
- **Information obligations:** existing tenants must receive the government-produced information sheet explaining the reform impact on the tenancy.
- **Management impact:** the case for organised record keeping, correct notices, HMO licensing and strong compliance oversight has materially increased.

This section is for general investment commentary only and should not be relied upon as legal advice.

## OPPORTUNITY FROM COMPLIANCE

# Why Better Organised Landlords May Benefit

## Regulation As A Filter

The new rules do not remove the appeal of student HMO investment in strong locations, but they do increase the premium on organisation. Higher compliance standards, stricter documentary discipline and greater importance of correct process can create stronger barriers to entry for inexperienced or lightly managed landlords.

In practice, that may favour investors who understand the student cycle, maintain good records, keep certification current and work with competent local managers. Better-managed HMOs are more likely to stand out to student groups, reduce operational friction and preserve optionality when regulatory processes become more formal.

## Balanced Opportunity Points

- **Higher standards:** stronger compliance expectations may reward landlords with robust systems rather than informal practices.
- **Management value:** local specialists can help reduce avoidable errors around notices, marketing timing and tenancy administration.
- **Tenant confidence:** organised, well-presented HMOs can compare favourably where students and guarantors scrutinise professionalism more closely.
- **Barrier to entry:** inexperienced landlords may find the student HMO model harder to run effectively under a more regulated regime.
- **No guarantee:** none of this removes pricing risk, void risk or asset-specific due diligence.

## RISK ANALYSIS

# Investment Risks & Considerations

## REGULATORY CHANGE

### 01

Mitigation: keep notices, tenancy documents and ongoing advice aligned with current official guidance and specialist legal input where needed.

## HMO LICENSING

### 02

Mitigation: verify licence position early and confirm any local authority requirements before exchange or reletting.

## STUDENT DEMAND SHIFTS

### 03

Mitigation: protect demand through location quality, room standard, pricing discipline and early annual marketing.

## MAINTENANCE COSTS

### 04

Mitigation: build realistic reserves and assess condition carefully before relying on headline yield assumptions.

## Operational Risks

- **Voids:** if marketing timing slips or the product is poorly presented, group bookings can become harder to secure.
- **Interest rates:** debt costs may pressure net returns even where gross demand remains healthy.
- **Compliance certificates:** missing or delayed certification can obstruct lettings progress and create enforcement risk.
- **Property condition:** hidden capital expenditure can weaken performance if purchase underwriting is too optimistic.

## Management Quality

- **Risk:** weak communication, slow maintenance handling or poor record keeping can damage occupancy and tenant confidence.
- **Mitigation:** use a manager with student letting knowledge, local market awareness and strong compliance processes.
- **Risk:** reliance on unverified vendor assumptions can distort the investment case.
- **Mitigation:** treat rent, yield, condition, occupancy and licensing as due diligence items until independently confirmed.

## LOCAL INVESTMENT PARTNER

# Why Newcastle Residential

Positioned as a trusted local partner for investors in student and HMO-led opportunities across Jesmond and the wider Newcastle market.



## Student letting expertise

Experience in the local student rental cycle, marketing timing and shared-household expectations.



## Jesmond / NE2 knowledge

Market familiarity across neighbourhood positioning, tenant preferences and street-by-street demand differences.



## HMO management

Operational support across tenant sourcing, communication, contractor coordination and day-to-day management.



## Compliance support

Process-led support around tenancy paperwork, certification oversight and management administration.



## Professional marketing

Photography direction, floor plan presentation, listing optimisation and rent review support.

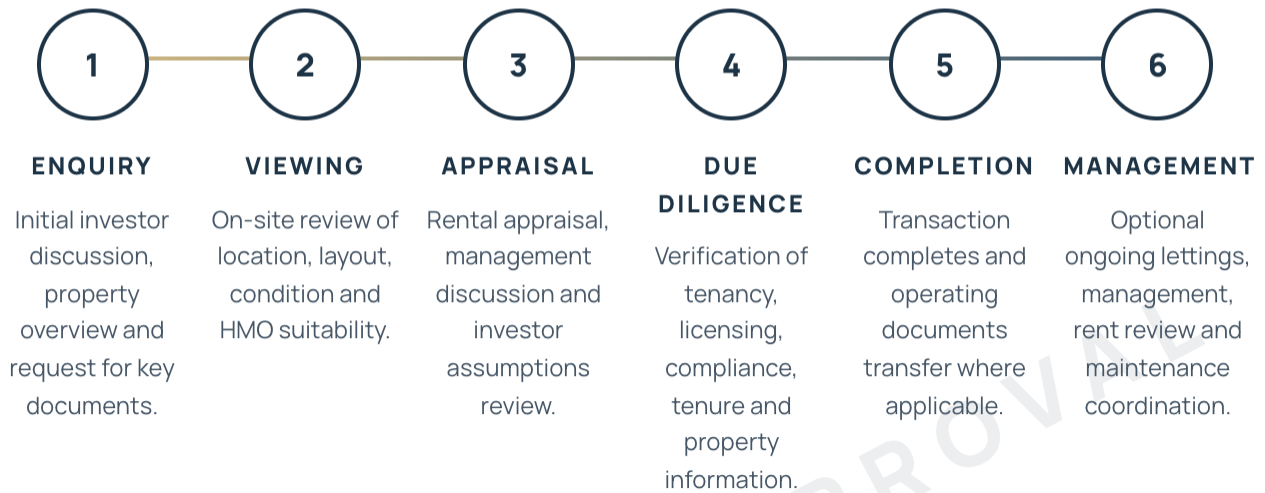


## Investor advice

Local viewpoint on rental potential, management options, portfolio support and future off-market opportunities.

## PROCESS

# From Enquiry To Managed Operation



## NEXT STEPS

# What An Investor Should Request Next

## Tenancy Schedule

Current occupancy, tenancy dates, rent roll and any renewal assumptions.

## HMO Licence Evidence

Licence position, expiry date and any local authority correspondence.

## Compliance Pack

EPC, gas, EICR, fire safety and any other current certification.

## Ownership Detail

Tenure, lease length, service charge and ground rent if leasehold.

## Rental Appraisal

Updated market opinion from Newcastle Residential once property inspection and data review are complete.

## Condition Review

Confirmation of repair standard, furnishing quality and any capital expenditure requirements.

## Practical Investor Actions

Request financial breakdown

Arrange viewing

Review management options

Register for future opportunities

## Important Note

This prospectus is intentionally conservative where data is missing. All financial underwriting should follow receipt of the full vendor and compliance pack.

## INVESTOR ENQUIRIES

# Arrange A Viewing Or Request The Full Financial Breakdown

## INVESTOR ENQUIRY

Discuss  
rental  
potential,  
management  
options and  
future off-  
market  
opportunities

This final page stays intentionally direct: a clear route to the team, a clear route to diligence, and no inflated closing language.



## Newcastle Residential

Interested investors can contact Newcastle Residential to request the full financial breakdown, arrange a viewing, discuss rental potential, review management options or register for future off-market investment opportunities.

**Request the full financial  
breakdown**

**Arrange a viewing**

**Discuss rental potential  
and management options**

**Newcastle Residential**

**Investor and landlord enquiries**

**[www.newcastleresidential.co.uk](http://www.newcastleresidential.co.uk)**

**Request future off-market  
opportunities**

## IMPORTANT NOTES

# Source Notes, Assumptions & Disclaimer

## Confirmed Inputs

- Property address: 40 Ashleigh Grove, Jesmond, Newcastle upon Tyne, NE2 3DJ.
- Asset type: five bedroom student HMO flat.
- Target market: students.
- Location framing: Jesmond / NE2.
- Guide price: offers in region of £475,000. Current rent: £3,000 pcm. HMO in place until February 2027. Long lease: 900 years.
- Two bathrooms and approx. 118.5 sq. metres (1275.7 sq. feet) shown on the supplied floor plan.

## Unconfirmed Items

- Current occupancy, tenancy status, EPC rating, council tax band and current compliance certificates remain to be confirmed.
- Service charge, ground rent and wider supporting tenure documentation remain to be confirmed by vendor.
- Approximate travel times remain to be verified.

## Regulatory Sources

- Official guidance reviewed on 26 June 2026.
- Guide to the Renters' Rights Act, GOV.UK, published 6 November 2025.
- Grounds for possession guidance for landlords and letting agents, GOV.UK.
- Assured periodic tenancies: a guide for landlords - rent increases, GOV.UK.

This document is for marketing and general investment commentary only. It is not valuation advice, tax advice or legal advice. Investors should rely on their own survey, legal review, finance advice and independent due diligence before proceeding.