

Bath Building Society - Rent A Room mortgage case study

The Rent A Room mortgage allows applicants to let out a room in the house and use the expected income towards affordability calculations.

Ben Rich has wanted to get on the property ladder in his hometown of Bristol for several years. Despite having saved a reasonable deposit, rising property prices in the area meant he was having to consider looking further afield. It's a familiar scenario today, with young people being priced out of the market, or forced to move away from the area they grew up in, to find more affordable housing.

35-year-old Ben was living with his parents in the family home – a three-bed property in the Henbury area of the city - purchased by his parents in 1995. When the couple decided to retire to the coast earlier this year, Ben approached Bristol-based mortgage brokers Integra to find out if there was any way they could help him and they introduced him to the Bath Building Society Rent A Room mortgage.

The Rent a Room mortgage allows a customer to rent a spare room and use the expected rental income to count towards their mortgage affordability calculations. This was a great opportunity for Ben to stay in Bristol, in the family home and on the property ladder.

As a self-employed carpenter, Ben needed to provide three years of self-employment history. One year was slightly lower as he had purchased a van for the business. Bath Building Society look at each application on a case-by-case basis so were able to be flexible with the affordability calculations. With Ben providing a good deposit and proof of future rental income from renting out a spare room to his friend, the Rent A Room mortgage provided an effective solution at a rate he could afford, to secure the home he wanted.

"It's a great option that allows you to use rental income from renting a spare room towards mortgage calculation," said Will Tayton, director at Integra. "We'd recommend the Rent A Room mortgage for anyone in a similar situation who is able to rent out a room to help towards the mortgage payments."

Notes:

- You can earn up to a threshold of £7,500 a year, tax free, from letting out a furnished room in your home.
- The Rent A Room mortgage currently loans up to £500,000

<https://www.bathbuildingsociety.co.uk/mortgages/browse-mortgages-by-product-type/rent-a-room/>

For more information: [contact Tiffany Hardie Albutt](#)