

# Helping get your application back on track

If you've travelled into Birmingham's New Street station, you must have noticed the HS2 development work taking place. It's fascinating to watch and I'm amazed by the number of workers on site.

On my last trip, I started wondering where they live. Some will be local, but many will be from outside the area, which begs the question – where do they stay?

Consider the scenario, a nearby business owner, let's say Rosie's Coffee Shop, is approached by workers asking if she knows of accommodation. They need somewhere during the week without being tied into long-term contracts with a fixed price that includes utilities.

It gets Rosie thinking. She's been a landlord with a single dwelling property for a few years but thinks investing in an HMO could be a great way to use her business' retained profit, whilst growing her portfolio. She's seen a local property for sale which could be ideal to rent to four tenants, but as she has no experience with HMOs, she seeks the advice of a broker.

The broker says before she does anything, Rosie should contact her local authority to check if Article 4 directions are in place. They explain Article 4 directions remove permitted development rights, meaning certain changes to a property, including converting a house into an HMO, require planning permission.

They also advise she checks whether the property needs licensing. Although an HMO licence isn't generally needed for properties with four tenants, some councils do have additional licensing schemes and landlords in breach of requirements could face substantial financial penalties.

The planning department informs Rosie Article 4 directions are in place, though the property was previously granted planning approval for change of use from a C3 to C4 property so it can be converted without planning. She also learns additional licensing schemes apply, and she must licence it correctly.

Rosie owns a coffee shop near to where HS2 is in development.



Those working on HS2 need temporary accommodation.



CHL Mortgages for Intermediaries help Rosie secure a property.



## How CHL Mortgages for Intermediaries could help

Rosie returns to the broker to arrange a mortgage. She's told few lenders will lend to trading businesses and even fewer will consider serviced accommodation, but they know CHL Mortgages for Intermediaries will consider her case.

Our CHL 2 range offers broader criteria for landlords with complex borrowing needs, such as trading companies, and is available to individuals and limited companies with 2 and 5 year fixed rates up to 75% LTV. We can help with a range of property types including houses, flats, serviced accommodation, new builds, HMOs and MUFBS, and short-term lets.



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