280,000 Parents To Put Their Children On The Property Ladder At University

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- **17 per cent of parents hope to put their child on the property ladder to provide a safe and stable environment to live in**
- **One in six (17 per cent) parents see property as a way of reducing the cost burden on children at university**
- **A quarter of university students (26 per cent) are currently living in accommodation owned by themselves, family or friends**

New research1 from small business insurer, Direct Line for Business, suggests that around 280,000 parents of teenagers are hoping to purchase a property for their child to live in whilst at university.

The most popular reason (40 per cent) for putting a child on the property ladder is to provide a safe and stable environment to live in. However, financial motivation is also a driver of this trend, a quarter (25 per cent) of parents are hoping for regular income from the property and one in six (17 per cent) are hoping for capital returns.

With high tuition fees and increasing living costs, it is no surprise that parents are looking towards alternative forms of income to support their children at university. The research highlights that one in six (17 per cent) parents also see property as a way of reducing the cost burden for their children living away from home at university through saving money on rent.

Research2 from Direct Line for Business reveals that over a quarter of university students (26 per cent) are currently living in accommodation owned by themselves, family or friends.

Jazz Gakhal, Director of Direct Line for Business commented: "It's great to see that parents are seeing opportunities to help their children get a first step on to the property ladder and create additional income through buying a property for their university bound children.

"However the ownership arrangement of the property needs to be made clear from the outset. Parents should remember that if their child is letting out rooms to friends, it is the parent that will become the landlord. Parents who believe they may be in this situation should first check with their mortgage provider to see if this is allowed. They should then educate themselves on the regulations and liabilities surrounding student lettings.

"Parents should also consider landlord insurance, particularly because they will have a duty of care not only to their child but also to their child's friends. Home insurance is not tailored to your needs in the same way as landlord insurance when renting out a property. Home insurance therefore may not provide you with the appropriate cover for injury to tenants, damage to other properties or cover for loss of rent resulting from fires, storms and floods."

To help landlords keep track of charges paid, ongoing expenses and to assist in calculating the yield on their portfolio Direct Line for Business has launched a new landlord app, Mobile Landlord. This app enables landlords to manage up to five properties on the go through a single online, mobile portal. Mobile Landlord is free to download and available immediately on both iOS and Android.

If you are considering buying a rental property and would like more information on the responsibilities and obligations associated with being a landlord, please visit the Landlord Knowledge Centre.

Or visit the Landlord Knowledge Centre for useful tips and guidance:

http://www.directlineforbusiness.co.uk/knowledge-centre/landlord-knowledge-centre

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Notes to editors

1 Research conducted by Consumer Intelligence among a representative sample of 2,253 UK parents between 12th and 22nd September 2014

2 Research conducted by Consumer Intelligence among a representative sample of 367 UK students between 12th September and 16th October 2014

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