

22nd September 2015
London Investment

Meadow Road, SW8	Rental today	Sq ft	Rental + 5 years	Sq ft
	3 bed convert to 5 bed	960	(see footnote)	960
	(Assumed furnished)		(Assumed furnished)	
Leasehold 125 years approx				
Asking price	595,000		595,000	
Purchase price	580,000		580,000	
Saving	15,000		15,000	
Purchase price (rate psf)	£604	580,000	£604	580,000
Gross Yield		6.8%		8.8%
CAPITAL				
Purchase costs:				
Stamp Duty Tax (no VAT)	19,000		19,000	
Refurbishment / Furniture	45,000		45,000	
Solicitors fees/disbursements	2,500		2,500	
Buyers Agents fee @ 2.25%	13,050		13,050	
VAT on costs	3,110		3,110	
Total costs	82,660		82,660	
Borrowing				
Deposit Required @ 0% LTV	0%	580,000	0%	580,000
Total Cash Required		£662,660		£662,660
INCOME				
Gross Investment Return:				
Rental (per month)	3,272		4,237	
Rental (per week)	755	39,260	978	50,842
Less expenses				
Initial tenancy fee	130		130	
Inventory/Check-in fee	400		400	
Service chge/Repairs	200 estimate		200 estimate	
Gas/Electric Safety Test	100		100	
Letting / Management fee at 14% p.a.	5,496		7,118	
VAT on fees	1,225		1,550	
Total expenses	7,552		9,497	
Net Income	31,708		41,344	
Net Yield (on purchase price)		5.47%		7.13%
MORTGAGE				
Interest on 75% debt at 3.5%	Assumed no mortgage	-	-	
Net Income after mortgage Interest		31,708		41,344
Net Return on cash invested		4.8%		6.2%