

PROPERTY SPECIFICS

WIMBLEDON, SW19 London

House / Flat: First Floor Flat
 Bedrooms: Studio
 Freehold / Leasehold: Leasehold

Property summary: The property is in an excellent location 500 metres walk from Wimbledon overland, underground district line, buses and shops. Good rental demand for this property is certain.

DEVELOPMENT SPECIFICS

Purchase price: £ 146,500 Development cost: £ 26,897 End value £ 210,000
 Original Size (ft²): 301 Extension area (ft²): NIL Extended Size (ft²): 301
 Purchase cost per (ft²): 486.7 End value per (ft²): 697.7

Development comments: A separate bedroom was formed to change the studio into a 1 bedroom flat. The bathroom and kitchen were modernised and the entire flat refurbished to a high spec.

INVESTMENT OUTLAY

	£	
Purchase price	146,500	in November 2009
UKPS sourcing fee	2,175	
Development cost	26,897	
UKPS refurbishment markup	4,483	
Total cost after refurbishment	180,055	

Investment comments: The property was purchased with a 70% mortgage.

ANALYSIS OF THE ONGOING INVESTMENT OPTIONS

HELD FOR RENTAL	Mortgage	147,000
	End capital investment	33,055
	Annual rental	11,400
	Less:	
	Management fees	570
	Annual mortgage repayment	6,615
	Annual return	4,215
	Interest cover	1.64 times

Project comment: The effect of creating a single bedroom and modernising the flat effected an increase in the market value of the property. This in turn allowed for a higher mortgage to be taken out to draw down on the capital investment made in the property. The net result was a low capital investment in a property that is earning rental returns that comfortably covers interest. The 70% mortgage was obtained from the £ 210,000 post refurbishment valuation. Interest fixed at an annual rate of 4.5% applies to the amount borrowed.

PROPERTY SPECIFICS



Before



After



Before



After