



# High-Yield Property Investment

25 NELSON STREET, ILKESTON, DE7 8PA | 4-BED HMO

## The Opportunity

- 5 year lease
- "Blue-chip" tenant contracting with UK Government
- No voids
- No management costs.
- To be converted to 4-bed HMO
- **Potential Return on Capital Employed of 20.64%**

## Key Financials

<b>Purchase Price</b>	<b>£150,000</b>	} ESTIMATES
Legal Fees	£2,000	
Refurbishment	£36,750	
SDLT	£8,000	
Sourcing Fee	£6,000	
Estimated Annual Buildings Insurance	£300	
<b>Total Cost to Purchase</b>	<b>£202,750</b>	
Annual Rent	£24,555	
<b>Return on Investment</b>	<b>12.10%</b>	

## Examples

### Property Purchased with Mortgage

<b>Purchase Price</b>	<b>£150,000</b>
Example mortgage interest rate	5.00%
Example loan-to-value (LTV)	75%
Mortgage Balance (excl. any arrangement fee)	£112,500
Cash left in the investment*	£90,250
Annual Guaranteed Rental	£24,555
Mortgage Payments (Interest Only)	£5,625
Buildings Insurance (Estimate)	£300
Net Income	£18,630
<b>Return on Capital Employed</b>	<b>20.64%</b>

\*Cash left in the investment: 25% of advertised price, refurb costs, legal fees, SDLT, Sourcing fees.

## The Strategy

1. Convert to 4-bed HMO
2. Refurbish to meet tenant and local authority specifications and all statutory compliance requirements

## How the scheme works

1. Purchase the property
2. Complete any refurbishments required
3. Obtain the necessary statutory compliance documents (e.g. Fire Risk Assessment, Gas Safety Certificate, Electrical Installation Condition Certificate (EICR), and EPC)
4. Your property will be inspected to confirm compliance with the tenant and local authority property requirements, including statutory compliance
5. Your property will be signed onto the scheme and lease executed
6. Rent is paid to you from the date that your property is signed onto the scheme, one month in arrears

**Reliable, double-digit returns**

