

SQUEEZING THE POTENTIAL OUT OF A PROPERTY

CASE STUDY: 3 TEIGNMOUTH GARDENS

Triple fronted retail unit with 6 x 1 bed flats on the upper floors.
Purchase price: £1.2M

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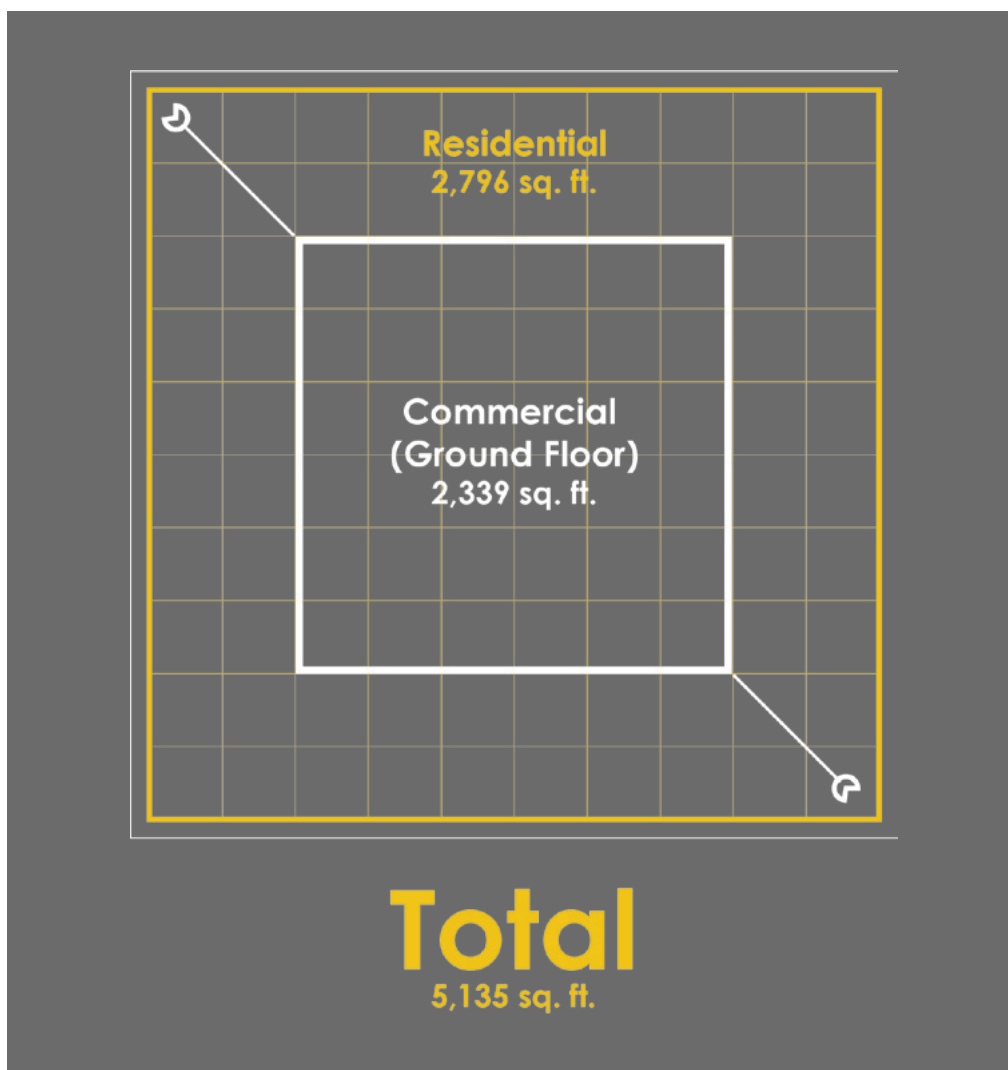
Award winning property company

Summary of the Property

- Large freehold building adjacent to the Hoover building.
- Triple fronted retail unit with 6 x 1 bed flats on the upper floors.
- Rental income for all 6 flats expected to be approx. £70K per annum.
- Due to the proximity to the station, and the location, the vacant flats are expected to be let shortly.

Current expected residential yield

5.8%



Squeezing the potential

We secured an undervalued asset

Each flat is worth

£250K

Valuing the residential at

£1.5M
(£536/sq. ft.)



Listed at £2.3M • Dropped to £2M • Bought post auction £1.2M

The value per sq. ft. for residential space is typically double that of commercial

£268
£536 X2

Added value by turning 1,500 sq. ft. of commercial to residential

£750K



1st

Expected future residential yield once Permitted Development is obtained is 7.5% (£200k assumed works cost)

5.8%  **7.5%**

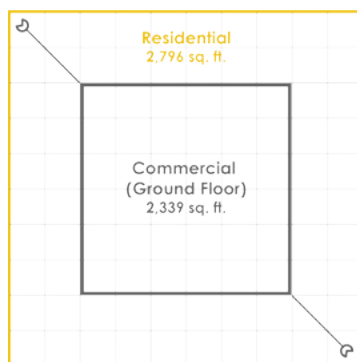
Catching every last drop



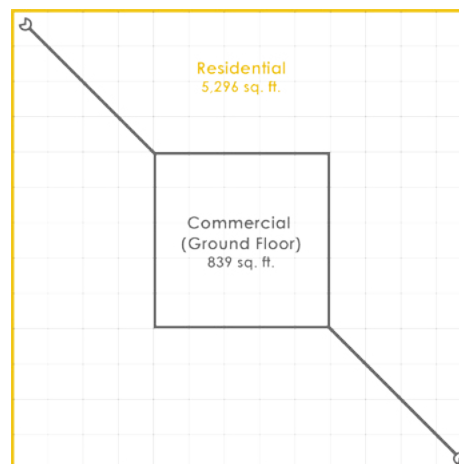
2nd

£1.2M ➔ **£2.25M** ➔ **£2.75M**

To further maximise the value here there is potential to add 1,000 sq. ft. and create two additional flats by converting the roof space into a mansard. This in total adds over 2,500 sq. ft. to the residential square footage, adding an expected £500K in value; and increasing the expected yield even further.



Total
5,135 sq. ft.



Total
6,135 sq. ft.

Summary

Potential

Our research has indicated that there is potential:

1st

To convert up to 1,500 sq. ft. of the commercial to residential under Permitted Development rights

2nd

To further develop via a mansard roof, under planning

3rd

To develop to the rear of the building

GDV after conversion is expected to be in excess of **£2.75M**