ESHER DEVELOPMENT
142 ESHER HIGH STREET

Proposal by:

PROPERTY PILLARS CLUB

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This document sets out the details and the requirements for investment with regards to the site that is referred to as 142 Esher High Street.

PROJECT **DESCRIPTION**

This is a 6 unit, 4 parking space Permitted Development scheme located within the affluent town of Esher, it was originally a “Working Mans Club” has got full planning permission to be converted.

The units will be finished to a high specification, coming in at£158/sqft. Due to the minimal amount of building modification that needs to be done the majority of that build cost is being spent on the finish.

Housing stock within this area is low which is driving demand particularly due to its location with sellable GDV’s circa£614/sqft.

We believe that due to the demand we will be able to pre-sale the majority of the units but we have still allowed a 3 month sale period within the 12 month project timeline.

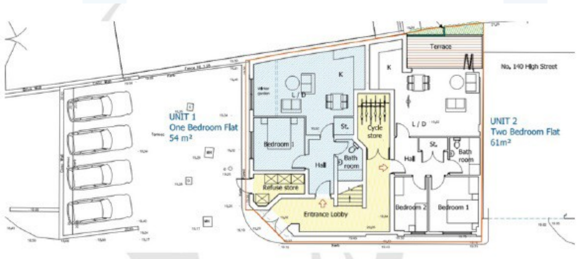


Figure 1 - Ground Floor Plan with Allocated Parking for Four Spaces

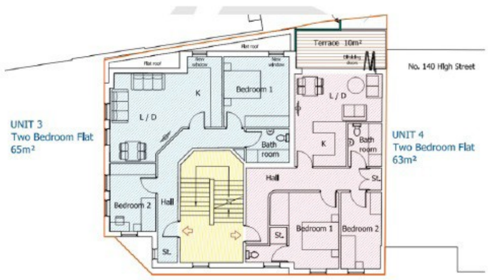


Figure 2 – 1st Floor Plan Detailing Unit 3 and 4

The information below details the headline figures A detailed project break-down is available if required.
Note: These numbers are based on 80% of the total development costs being covered by Senior debt and the remaining 20% being filled with Equity.

EQUITY **REQUIREMENT**

- Total Equity Requirement **£490,000**
- Investor Return **£98,000 (20%)**
- Project length **12 months**
- .Land Purchase Price **£1,350,000** (additional **£80,000** in purchase costs)
- Build/ Infrastructure **£800,000** (includes design fees and **5%** contingency)
- Section 106 **£10,230**
- GDV **£3,133,256**

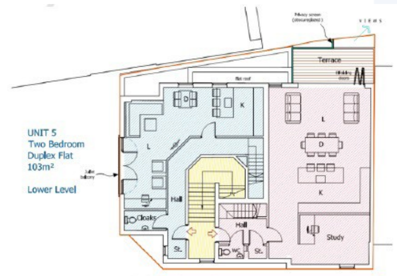


Figure 3 – 2nd Floor Detailing the First Floor of Unit 5 and Unit 6 the Duplex Apartments

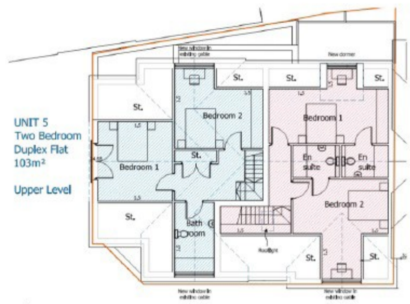
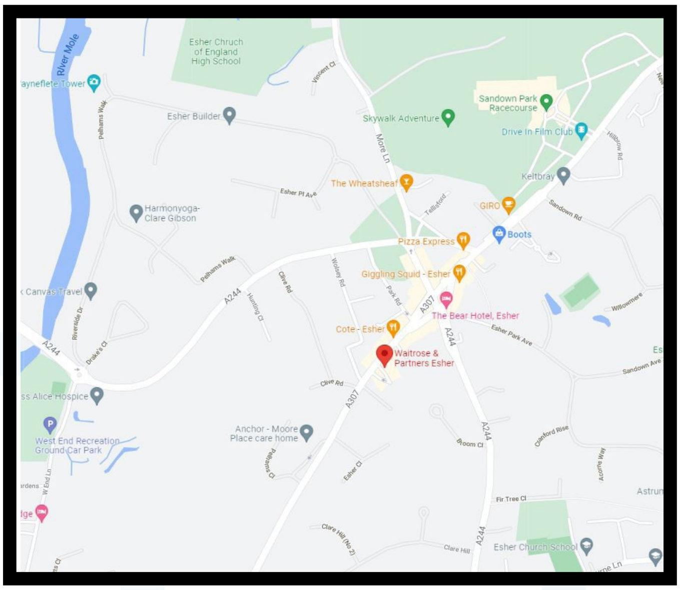


Figure 4 – 3rd Floor Detailing the Top Floor of the Duplex Apartments

LOCAL AREA

The site is ideally located in Esher, with 4 parking spaces outside and a Waitrose on the other side of the road, the saleability of each flat is very high.



PROPERTY TYPES

Plot Number	Bedrooms	Floor	SqM	Sqft
1	1	Ground	51	549
2	2	Ground	61	657
3	2	First	65	700
4	2	First	63	678
5	2 bed/ duplex	Second	103	1109
6	2 bed/ duplex	Second	107	1367
		Total	470	5060

INTERNAL RISK ANALYSIS

We believe that this project is a low-risk Property Development Investment Opportunity. The timeline is very short at 12 months, the Profit on Cost is 26% after finance meaning there is a large margin to protect the investor’s equity.

The structure is already built with no major internal or external changes being made so there is very limited build risk and there is a high demand in the area meaning that these units should be sold at or above our expected GDV.

OUR EXIT

As mentioned above, we will look to sell the majority of these units throughout the build. There is a high local demand for these types of units but we will also look to market them abroad to buy-to-let investors.

BUILD & DESIGN TEAM

The consultants utilised in the design and the contractors utilised for the delivery phase are all known to the business .
All works will be competitevly tendered with JCT contract being utilised to commercially administered based on a robust scope of works, programme and cost.

INVESTOR **PROTECTIONS**

GDV FLUCTUATION **RISK MITIGATION**

The investor has Preferred Equity, this means that after the senior debt has been paid out the investors equity and profit is paid out before Laterem's equity and profit is paid out. This means that Laterem's equity and profit protects the Investor's equity and profit from any potential Gross Development Value fluctuation.

BUILD PRICE SLIPPAGE **RISK MITIGATION**

We always look to get a fixed build JCT contract with the contractor. This means that if there is any slippage in the build price then the contractor is legally bound to cover the additional cost and it does not come from the Investor / Laterem.

SALES **RISK MITIGATION**

We always look to have a clear sales strategy in place. This can include pre-sales/leases for a portion of the project and a healthy profit in the scheme. These strategies give us the opportunity to refinance the completed units on a buy to let facility which would also repay the investor's equity and profit.

This protects the investor's equity and profit as it allows for the possibility for the investor to be paid back as soon as the last house/ unit has been built instead of having a 3-6 month sales period.

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