

Example Investment Appraisal,1,Main Street,Mid Town,Northville,UK

Report Date 22 November 2007
Valuation Date 04 May 2007

File/Ref No
 Region North West
 Sector Other

Description/notes

Assumptions

Valuation Tables Annually in Arrears

Valuation

Gross Valuation				<u>£1,425,727</u>
Capital Costs				£0
Net Value Before Fees				<u>£1,425,727</u>
Less	Stamp Duty	@ 4.00 %	-£53,922	
	Agents Acq. Fee	@ 1.00 %	-£15,839	
	Legal Acq. Fee	@ 0.50 %	-£7,919	
	(Fees include non-recoverable VAT @ 17.50 %)			
				-£77,680
Net Valuation				£1,348,047
		Say		<u>£1,348,000</u>
Equivalent Yield				7.0697%
True Equivalent Yield				7.3924%
Initial Yield (Deemed Rent)				6.3126%
Reversion Yield				7.0140%
Total Contracted Rent	£90,000	Total Current Rent	£90,000	
Total Rental Value	£90,000	No. Tenants	1	
Capital value per ft ²	£234.48			

Running Yields based on @£1,425,727

Date	Gross Rent	Net Rent	Annual	Quarterly
04-May-2007	£90,000	£90,000	6.3126 %	6.5697 %
25-Dec-2007	£91,828	£91,828	6.4408 %	6.7087 %
25-Dec-2008	£94,583	£94,583	6.6340 %	6.9185 %
25-Dec-2009	£97,421	£97,421	6.8331 %	7.1351 %
25-Dec-2010	£100,343	£100,343	7.0380 %	7.3589 %
25-Dec-2011	£103,354	£103,354	7.2492 %	7.5899 %
25-Dec-2012	£106,454	£106,454	7.4667 %	7.8286 %
25-Dec-2013	£109,648	£109,648	7.6907 %	8.0750 %
25-Dec-2014	£112,937	£112,937	7.9214 %	8.3296 %
25-Dec-2015	£116,325	£116,325	8.1590 %	8.5927 %
25-Dec-2016	£119,815	£119,815	8.4038 %	8.8644 %
20-Apr-2017	£100,000	£100,000	7.0140 %	7.3326 %

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Freehold Tenure

Tenant - New PLC Tenant

Description Operator
Use Other Property
Status Occupied and Let
Covenant Secondary
Lease 10 years from 20-Apr-2007
Expiring 19-Apr-2017
Rent Reviews every 0 years Upward only
Parent Tenure Freehold
Current Rent £90,000
Rental Value £90,000
Valuation Method Hardcore (7.000 %)

Notes

Areas

Areas	per ft ²	ft ²	% of ERV	+/-% adjust	Rent pa
Ground Floor	£10.45	3,998	100.00 %	0.00	£41,779
First Floor	£10.45	1,751	100.00 %	0.00	£18,298
					<u>£60,077</u>
*Rental Value using Manually input ERV					£90,000

Lease History

Date	Years	Months	Days	Event	Rent Paid
20-Apr-2007	0	8	5	Review	£90,000
25-Dec-2007	1	0	0	Indexed	£91,828
25-Dec-2008	1	0	0	Indexed	£94,583
25-Dec-2009	1	0	0	Indexed	£97,421
25-Dec-2010	1	0	0	Indexed	£100,343
25-Dec-2011	1	0	0	Indexed	£103,354
25-Dec-2012	1	0	0	Indexed	£106,454
25-Dec-2013	1	0	0	Indexed	£109,648
25-Dec-2014	1	0	0	Indexed	£112,937
25-Dec-2015	1	0	0	Indexed	£116,325
25-Dec-2016	0	3	26	Indexed	£119,815
20-Apr-2017	0	0	0	Reversion	£100,000

Component Valuation

04-May-2007					
Gross rent (Current)		£90,000			
Valuation rent			£90,000		
YP perp	@ 7.00%		14.2857 yp		
					<u>£1,285,714</u>
20-Apr-2017					
Gross Rent (Reversion)		£100,000			
Valuation rent			£10,000		
YP perp	@ 7.00%		14.2857 yp		
PV 9 Yrs 11 Mths @ 7.00%			x 0.5097		
			7.2816 yp		
					<u>£72,816</u>
25-Dec-2007					

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Gross Rent (Froth)	£1,828			
Valuation rent			£1,828	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 7 Mths @ 10.00%			x 0.9407	
			0.8552 yp	
				<u>£1,564</u>
25-Dec-2008				
Gross Rent (Froth)	£4,583			
Valuation rent			£4,583	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 1 Year 7 Mths @ 10.00%			x 0.8552	
			0.7775 yp	
				<u>£3,563</u>
25-Dec-2009				
Gross Rent (Froth)	£7,421			
Valuation rent			£7,421	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 2 Yrs 7 Mths @ 10.00%			x 0.7775	
			0.7068 yp	
				<u>£5,245</u>
25-Dec-2010				
Gross Rent (Froth)	£10,343			
Valuation rent			£10,343	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 3 Yrs 7 Mths @ 10.00%			x 0.7068	
			0.6425 yp	
				<u>£6,646</u>
25-Dec-2011				
Gross Rent (Froth)	£13,354			
Valuation rent			£13,354	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 4 Yrs 7 Mths @ 10.00%			x 0.6425	
			0.5841 yp	
				<u>£7,800</u>
25-Dec-2012				
Gross Rent (Froth)	£16,454			
Valuation rent			£16,454	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 5 Yrs 7 Mths @ 10.00%			x 0.5841	
			0.5310 yp	
				<u>£8,738</u>
25-Dec-2013				
Gross Rent (Froth)	£19,648			
Valuation rent			£19,648	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 6 Yrs 7 Mths @ 10.00%			x 0.5310	
			0.4828 yp	
				<u>£9,485</u>
25-Dec-2014				
Gross Rent (Froth)	£22,937			
Valuation rent			£22,937	
YP 1 Year 0 Mths	@ 10.00%		0.9091 yp	
PV 7 Yrs 7 Mths @ 10.00%			x 0.4828	
			0.4389 yp	
				<u>£10,066</u>
25-Dec-2015				
Gross Rent (Froth)	£26,325			
Valuation rent			£26,325	

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YP 1 Year 0 Mths	@ 10.00%	0.9091 yp	
PV 8 Yrs 7 Mths @ 10.00%		x 0.4389	
		0.3990 yp	
			<u>£10,503</u>
25-Dec-2016			
Gross Rent (Froth)	£29,815		
Valuation rent		£29,815	
YP 0 Yrs 3 Mths	@ 10.00%	0.3015 yp	
PV 9 Yrs 7 Mths @ 10.00%		x 0.3990	
		0.1203 yp	
			<u>£3,587</u>
Gross Value			<u>£1,425,727</u>