

EAST EIGHT

36C Harrington Gardens, South Kensington, SW7 4LT



LONDONCENTRAL
DEVELOPMENTS

Investment Opportunity

November 2016

36C Harrington Gardens, SW7 4LT



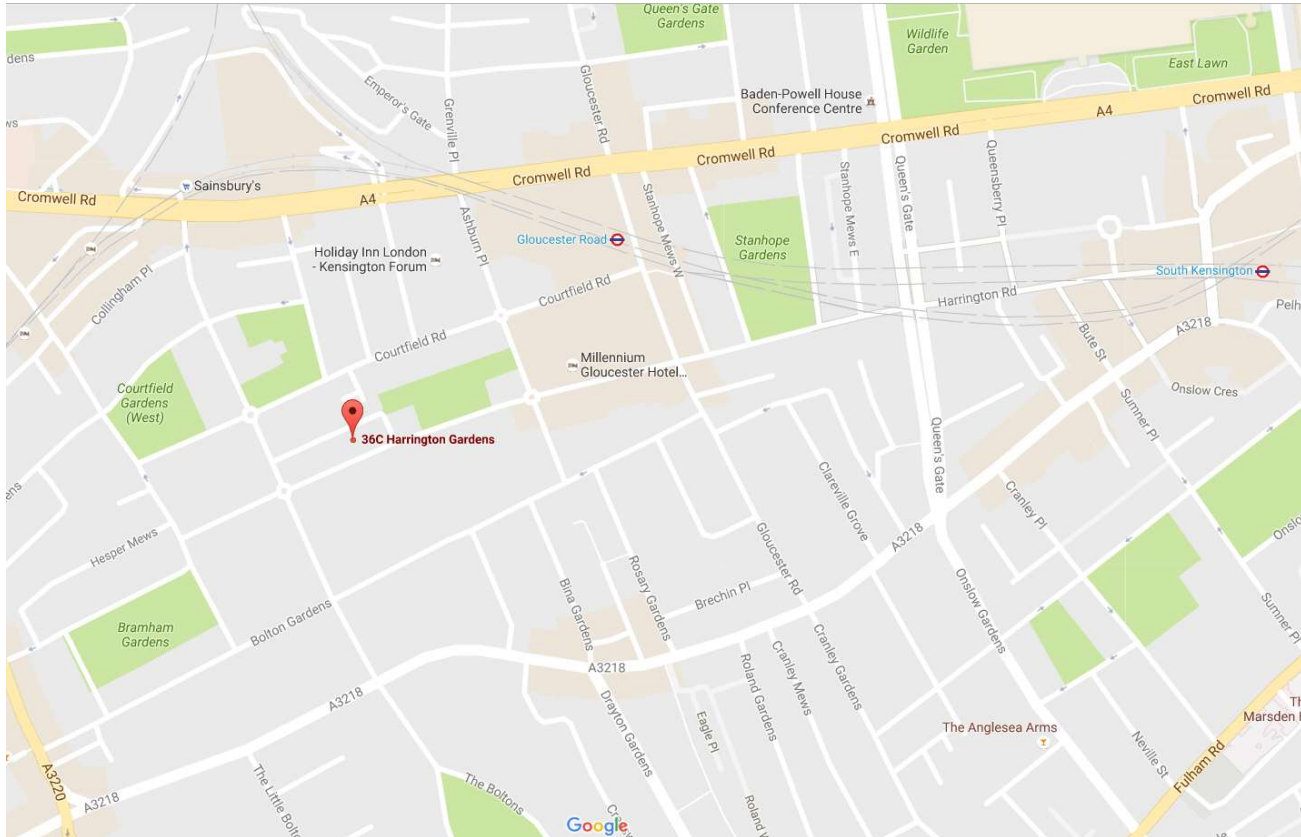
Price	£2,050,000
Spend	£1,200,000
GDV	£4,430,000
Build	London Central Developments
Size	2,770sqft
Use	Leasehold residential flat
Time	November 2016– Spring 2017

We purchased this stunning leasehold apartment building in South Kensington earlier this year. It has taken us a number of months to negotiate the extension of the lease to 199 years and a licence to carry out the works.

Planning permission was granted in September to raise the roof height to give additional living space on the top floor which comprises of an additional bedroom with ensuite.

Works will commence in November and are expected to be complete by April 2017. We have completed the CGIs and it is now listed with Foxtons and Faron Suturia offplan at £4.7m.

Location

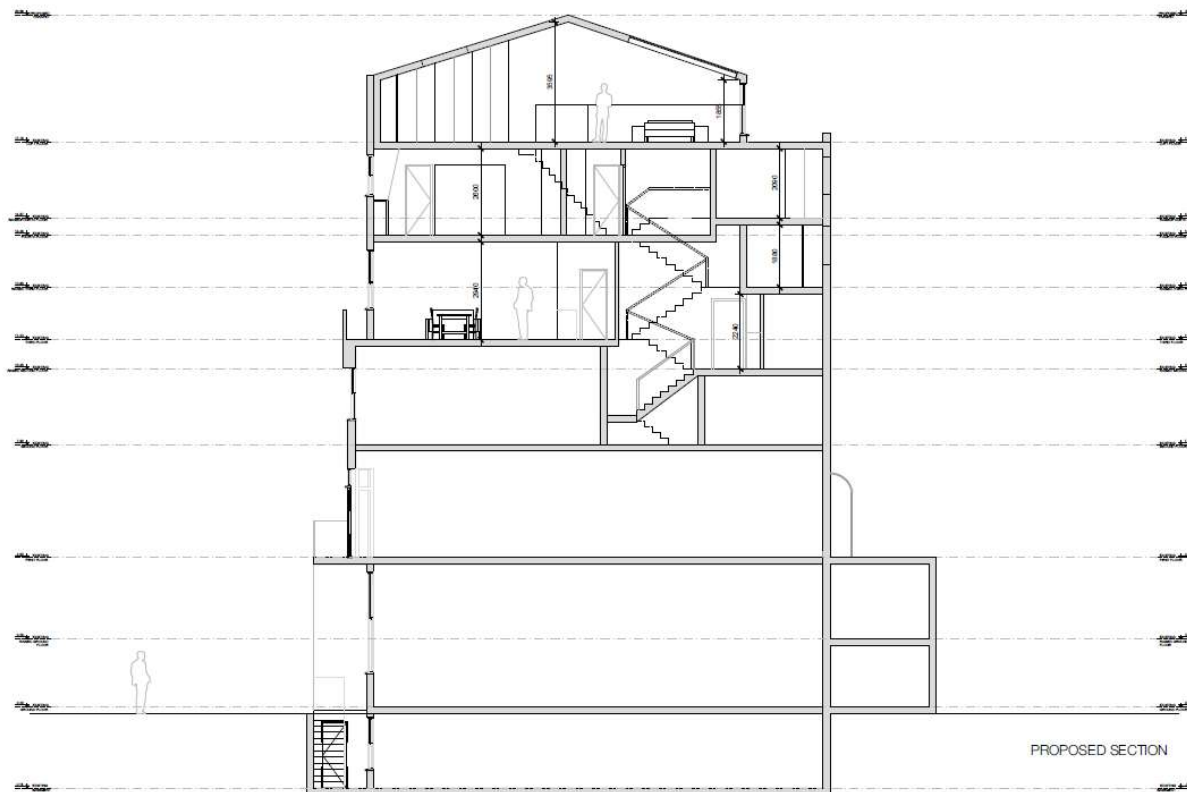


Harrington Gardens is a 3 minute walk from Gloucester Road tube station and 10 minutes walk from South Kensington tube station. It also is situated in close proximity to numerous world renown theatres, museums, bars, restaurants and designer shopping.

Existing Floorplan



Proposed Floorplans



DROO
PROJECTS

Planning was granted to increase the roof height in order to create an additional ensuite bedroom.

The new layout is for a four bedroom flat with an entrance on the 2nd floor and the living areas on split levels over the 3rd, 4th and 5th levels. The new kitchen is open plan with the option to close off if required.

The master suite has an ensuite bathroom as well as a separate dressing room/study.

The communal entryway of the building retains a beautiful preserved stained glass window and original floor tiles.



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Proposed Interiors



Investment Opportunity

- We are offering up to £1,200,000 in equity investment.
- Investors will be allocated shares in the special purpose vehicle, 36C Harrington Gardens Limited, which owns the property.
- Each equity share will receive 50% of after tax profits upon the completion of the sales of the project. A worked example is on the next page.
- We have raised £1,500,000 in debt finance from Aldermore.
- We will project manage the process from development through to disposal. Investors will have access to our project management system to track progress, financials and full documents.
- Projected completion date spring 2017.

Investment Example

For illustrative purposes only:

- An investment of £250,000 would represent a 13% share of the total equity in the property.
- Based on the post tax profit estimate of approximately £920,000, 13% of the profit is approximately £120,000.
- A 50% share of this profit is £60,000, a return of 24% on the original investment of £250,000 and an annualised return of 48%.

Please note that this example is for illustrative purposes only and is not a guaranteed return. Please see the Disclosure at the end of this document.

Investment Summary

	£
Purchase price	2,050,000
Total costs	3,243,036
GDV	4,431,840
Profit after finance	918,395
Profit on costs	28.3%
Profit on GDV	20.7%
Equity investment	1,732,786
Purchase debt	1,200,000
Development debt	300,000
Return on equity	53.0%

Summary of Costs

	£
Purchase price	2,050,000
Purchase costs	221,799
Total purchase costs	2,271,799
<i>Includes conveyancing, SDLT, professional fees & commissions</i>	
Build costs	346,238
CIL and other costs	625,000
Total costs	3,243,036
Profit on costs	28.3%

Comparables

Address	sqft	price £	£/sqft
32b Harrington Gardens	1656	3,000,000	1,812
Queens Gate SW7	2799	6,250,000	2,233
De Vere Gardens SW7	2367	6,500,000	2,746
Queens Gate SW7	2323	5,500,000	2,368
47E Harrington Gardens	1052	1,875,000	1,782
Colbeck Mews SW7	2023	3,300,000	1,631
Harrington Gardens	2153	2,950,000	1,370
		Average	1,992

A sample of comparable, recently renovated apartment sales within ¼ mile of the property.

While the average is closer to £2,000psqft we are taking a very conservative view due to the recent weakness in the prime central London market and that there is no lift in our building.

Funding summary

	£
Total purchase costs	2,220,000
Total build costs	1,012,786
<i>Assumes we will fund the valuation fees</i>	
Funding requirements	
East Eight/London Central Developments	800,000
Investors	932,786
Total equity	1,732,786
Bank lending for purchase	1,200,000
Bank development finance	300,000
Total bank finance	1,500,000
<i>Assumes interest and sales costs paid from sales</i>	
Gross development value	4,431,840
Loan to Value	34%

EAST EIGHT

Set up by Nicole Bremner in 2012, East Eight is a high-end investment management and property development company initially focused on the niche area around E8.

Nicole's first major London development was a dilapidated 4000sqft vicarage in De Beauvoir and she has since developed numerous sites in the area. East Eight now invests and develops sites across London, however E8 still remains Nicole's favoured area.

LONDON CENTRAL DEVELOPMENTS

As the development partner of East Eight, London Central Developments (LCD) is a joint venture between Nicole Bremner and seasoned property developer Avi Dodi. Together they develop stunning properties across London that people aspire to live in.

Design is at the forefront of LCD's developments. Working with carefully selected design partners, LCD creates buildings that are architecturally unique and imposing.

LCD's strength is maximising the development potential of a site. Nicole and Avi enjoy the challenge of a property with planning issues, working together with planners to create residential and commercial developments that maximise usage and enhance the local area.

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Disclosure

This document and the information contained therein are intended for illustrative purposes only. No information contained within this document constitutes legal or financial advice and should not be relied upon. Please seek your own independent legal advice.

You are advised to take professional paid written advice from qualified vetted independent FCA approved and professional property and indemnified experienced personnel such as SRA approved solicitors, ACCA member accountants tax consultants, RIBA qualified architects, planning consultants, cost consultants, estate agents and review terms and conditions as acceptable to yourself being mindful of your own resources and volition to invest or lend and ensure any investment or lending is secure.

Undertake a fully informed decision to invest only when fully satisfied of all the above of the legally binding contractual relationship and only to invest or lend without any significant impact on overall financial position or commitments and that the funds are your own and unencumbered by any third party interests.