ZannaB

Building Wealth Through Property

Investment Proposal:
The Hop Pole

Introducing zannab

We are a property services company specialising in building wealth through property. We endeavour to make property investment accessible to all and provide a service that allows both those with extensive experience or none at all to take advantage of the exciting opportunities the property market has to offer.

Our team have a combined experience of well over 100 years in the industry so you can be confident that we can help you to make decisions that will bring stability, peace of mind and opportunity to you and your family now and in the future.

By building a strong relationship with our clients, we begin to understand what makes sense for you. There are no one-size-fits-all property investments so taking the time to tailor investment options to your circumstances and creating something that's just right is where we excel.

To this effect we have created the following investment proposal specifically for you and your property, The Rickyard.

It is my intention that this Investment Pack contains everything you need to make a decision. If you have any questions, or if you need more information on any aspect of the information contained herein, please get in touch. It is my pleasure to guide and advise you, and there is no question too small.

Yours sincerely,

Bruce

Bruce Kidson
Managing Director

Investment Overview

Having carefully considered the existing structure and the potential for the property we have created the following proposal for your perusal.

Set out in the following pages is the development options for The Hop Pole,

A development of this site will provide 16 properties in all comprising 6 x 3 bedroom, 8 x 2 bedroom, and 1 x 1 bedroom. The Gross Development Value is projected at £2,105,000. This represents a cash-on-cash return of 215%

By undertaking this development opportunity with ZannaB you benefit from our extensive combined experience of over 100 years in the industry and can rest assured that you can continue your day to day works on the farm leaving us in control of all of the development responsibilities from liaising with architects and planning right through to sourcing finance and the ongoing project management.

In addition to the details of this development project, you will also find within this pack a suggested timeline, detailing the steps involved in the investment process and how we can move forward from here. Once the project commences, my team and I will take care of every detail for you. You can expect regular status updates, and I can provide you with as much (or as little) detail on the project as you prefer.

Please continue overleaf to find the detailed financial breakdowns for each option summarised above.

FINANCIALS

		Cash Element
Acquisition		
1) Site cost	£375,000	£112,500
2) Sourcing fee at 3.5%	£13,125	£13,125
3) Planning	£16,000	£16,000
4) Legal fees upon purchase	£1,500	£1,500
5) Stamp Duty	£8,250	£8,250
	£413,875	**£151,375**
Construction		
1) Construction cost (£710 per sqm)	£511,200	
2) Conversion of Hop Pole	£240,000	
3) Connect services	£75,000	
4) Highways	£25,000	
5) Landscaping	£20,000	
6) Site clearance	£15,000	
7) Site preparation	£15,000	
	£901,200	
Professional fees		
1) Architects fees at 3.5%	£31,542	
2) Quantity Surveyor's fees at 2%	£18,024	
3) Civil Engineering fees at 2.5%	£22,530	
4) Project Management fees at 10%	£90,120	
	£162,216	
Disposal		
1) Selling costs at 2%	£42,100	
2) Legal fees upon sale at 0.5%	£10,525	
	£52,625	
Finance		
1) 70% of purchase price	£262,500	
2) 100% of construction and fees	£1,116,041	
	£1,378,541	
Finance fees		
1) Administration fee for finance at 3%	£41,356	
2) Interest on development finance*	£82,712	
3) Finance fee	£13,785	
	£137,854	
Contingencies		
1) Contingency at 10%	£111,604	
	£111,604	

* Calculated for 6 months at 1%

** This proposal is subject to survey and is dependent upon planning permission being granted.

** Our market research indicates you can anticipate a Gross Development Value of £2,105,000. This is comprised of:

- 6 x 3-bed properties at £840,000
- 4 x 2-bed properties at £500,000
- 3 x 2-bed properties at £375,000
- 1 x 2-bed properties at £120,000
- 2 x 1-bed properties at £270,000

Summary

Total cost	£1,779,374
Total cash investment	£151,375
Total cash returned	£325,626
Total profit*	£174,250
Cash on Cash ROI	215%

Financial Information

I would like to draw your attention to a few points in relation to the financials:

1) I would like to make you aware that all figures provided in your Investment Pack are given net of VAT.

This is because I advise the vast majority of my clients to set up a company as a vehicle for their investments, so they are generally in a position to reclaim any VAT costs incurred. Where we are selling houses, this will usually be a Special Purpose Vehicle (SPV).

2) You will see that in every development, I set an automatic contingency of 10% for development costs.

As I am sure you are aware, it would be fiscally prudent on your part to ensure you have sufficient cash reserves in addition to this figure.

Although it is unlikely that these will be called upon in reality, I believe that peace of mind is an important consideration in making such an investment.

3) The following fees will fall due upon the development project being set into motion by your agreement to proceed:

- Architects fees
- Quantity Surveyors fees
- Civil Engineering fees
- Project Management fees

4) The interest rate for development finance is given here as 1% per month. Please be advised that the precise rate agreed will vary depending upon your personal circumstances.

5) Development finance is based on 70% of the purchase price of the site. You will provide 30% of the purchase price in cash.

6) Development finance is available for up to 100% of the costs of construction and professional fees.

Finish

As our client, you will have access to the planning and interiors division, who will produce bespoke designs to your precise specifications.

The luxurious and contemporary effect will help you to achieve the best possible return on investment, as the properties within your development will be highly desirable to the end user.

Timeline

Every client is an individual, and not everyone's project will proceed in the same way.

Nonetheless, we hope it is helpful to you to see a suggested timeline incorporating the main aspects of the investment process up until the commencement of the project (at which time, we will prepare a detailed Schedule of Works).

1) Initial meeting to understand the client's requirements

2) Preparation of an Investment Pack for the client's perusal

3) Client reviews Investment Pack

4) Client selects the investment they would like to make

5) Meeting to finalise any questions the client may have, and to discuss and sign the Terms of Engagement

6) Application for development finance where required

7) Initial payment of fees

8) Commencement of project (detailed Schedule of Works is then to follow)

Are you ready to start building wealth through property?

Then contact ZannaB today

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ZannaB.com