

Worthing Close, NE28



NORTH
TYNESIDE
**DEVELOPMENT
COMPANY**

Portfolio evaluation

Address: Worthing Close, NE28

Description: 2 Bedroom terraced house

Asking price: offers £100,000-£110,000

Achievable market rent and other Info: £550 PCM, chain, EPC E (under review)

Agent: Next to Buy

Demand: High

Yield: 3.0%

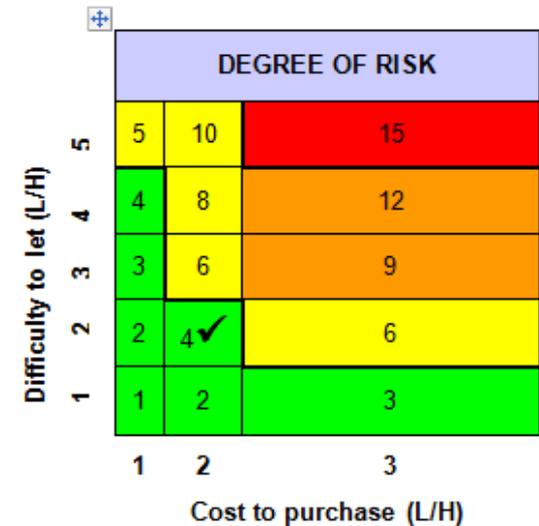
Purchase: Yes



Costs

Purchase	Management	Rent level/yield
Survey: £325	Void and debt: £199	PCM: £440
Legal: £850	Management: £325	PA: £5,280
Stamp Duty: £3,300	Maintenance: £673	Net Rent: £3,870
Refurbishment: £12,049	Life cycle: £213	Yield: 3.0%

Cost/Risk exposure



Degree of Risk	Risk Level
1 to 4	Low
5 to 8	Tolerable
9 to 12	Substantial
13 to 25	Unacceptable

Refurbishment Allowance

Provisional Allowance	Cost based on KNT Schedules
Provision for rewire	Up to £3500
Boiler Service	£35.62
Renew Fascia/Bargeboard x 2	£51.68
Property Clean and welcome pack	£142
Renew kitchen	Up to £6000
Supply and fit smoke alarm x2	£118.30
Supply and fit CO alarm	£48.05
Decorate elements of house	£488.85
Renew Window x2	£518
10% Contingency	£1,095.49
Total	£12,049

Neighbourhood information

Potential growth: Yes

Stable market: Yes

Vulnerable market: No

NTTC Stock: Yes

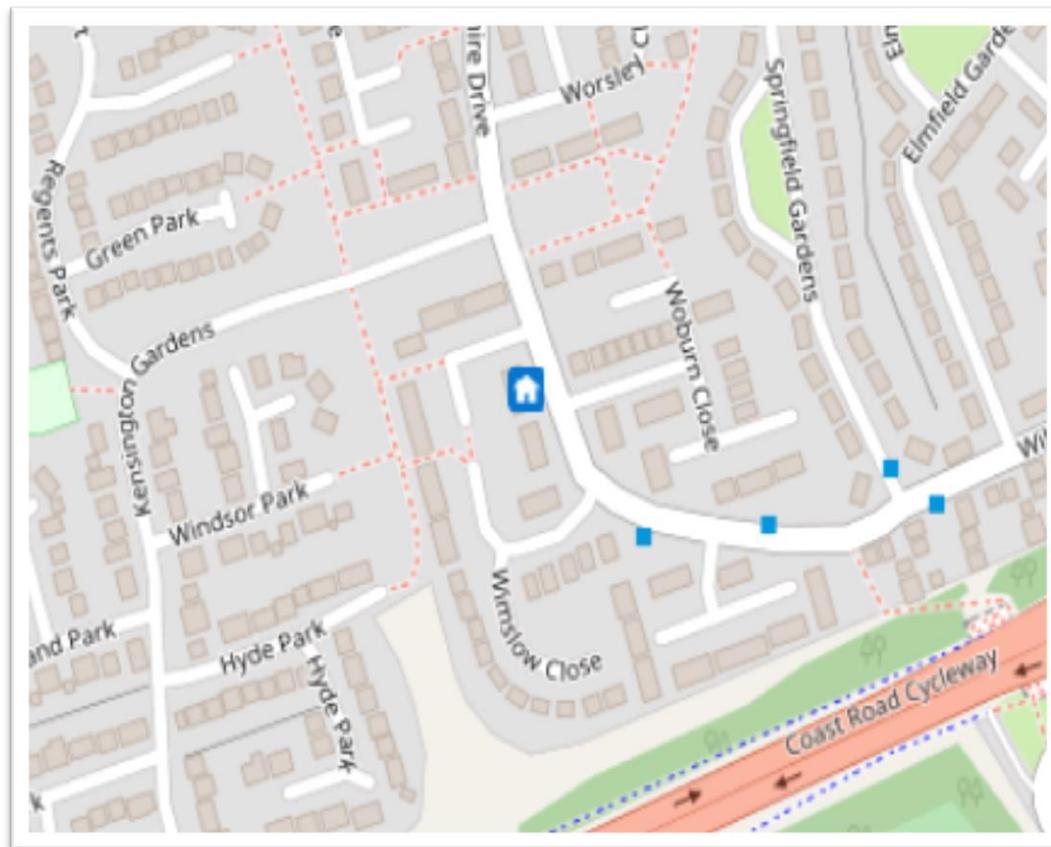
NTC Stock: Nearby

Transport: Bus & Road

Amenities: Battlehill

Healthcare: Battlehill

Schools: Nearby



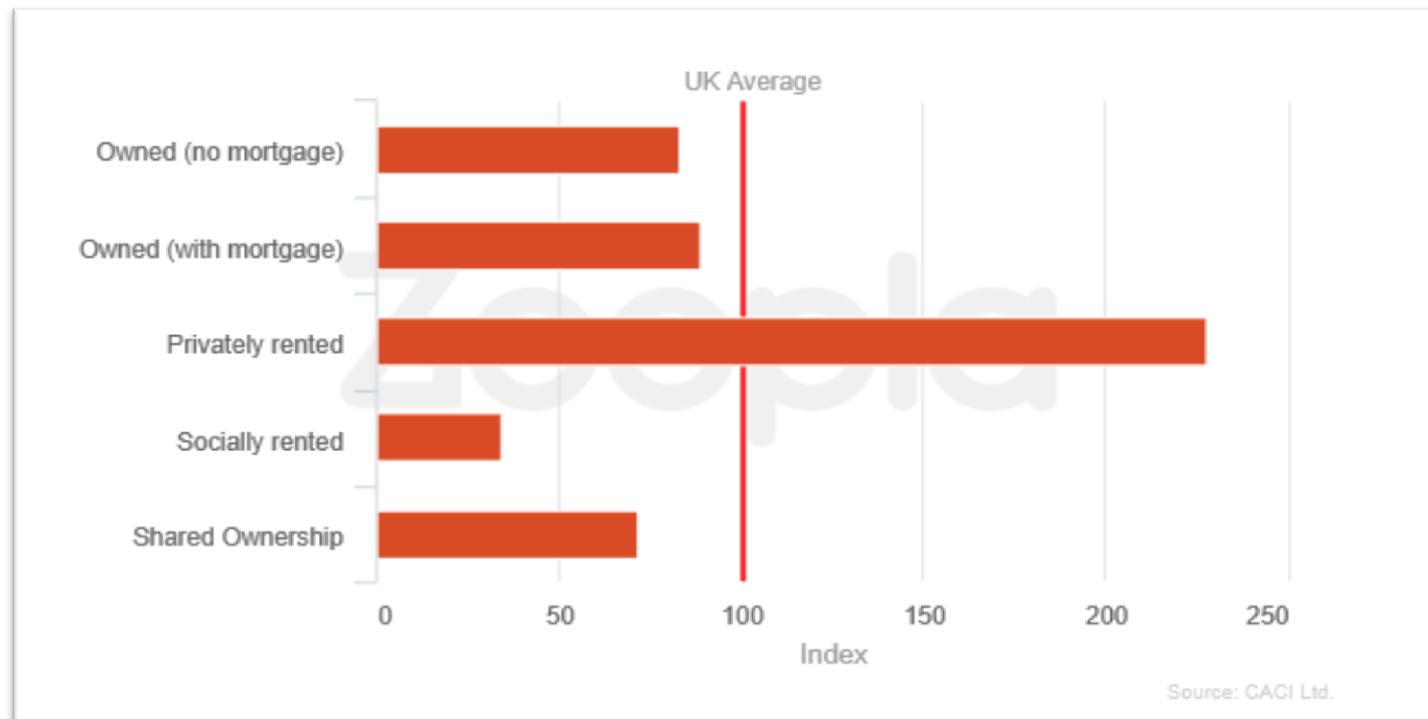
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Purchasing Strategy – Pre-requisites

Property size:	2 and 3 bedroom homes	2 Bed
Property type:	Houses are preferable to flats	House
Property age:	Preferable 1980s - new build	Yes
Tenure:	Freehold or long leasehold (999yrs). If a house is on a shorter lease any offer made will be subject to the freehold being purchased by the seller prior to completion	Freehold
Possession:	All offers subject to vacant possession on completion. Offers will not be made on tenanted properties where a current tenant wishes to stay insitu	No chain
State of repair:	No major works required. All offers made are subject to survey	Some updating required
Key attributes:	Healthy demand for rental homes in the area	High demand area

Further information

The property is in a mixed tenure area and popular area for private renters. Market advice from local agents indicate that this is a strong housing market and popular rental area.



Recommendation and Purchasing Strategy

This property is located in the Redesdale Park area of Wallsend not far from the companies property at Ribblesdale. Redesdale Park is a popular area for first time householders and is an area in which demand for rental property is strong. Local agents report that currently similar sized privately rented accommodation in the area are commanding rents of £550 PCM. The property has an allocated parking space and is an area with good road and public transport links. The kitchen requires replacing and a estimated cost for this has been included in the business case.

The agent has advised the property is freehold and there is no onward chain.

Its is recommended that the Company approves an upper offer limit of £110,000 to achieve a 3% yield.

Board Decision

Proceed: Yes	No	Envelope (£): starting.....	max.....
Signed.....		Date.....	
Signed.....		Date.....	
Signed.....		Date.....	