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## **Low deposit commercial opportunity for all Investors**

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## Released Today Our Latest Commercial Development

I am pleased to inform you we have just secured twenty units in a new commercial sites in Manchester, only a two minute walk from the city centre and the closest major rail link Victoria Station.

Situated alongside an already established business community this will add a much needed facility to the area. The area has a substantial business base but lacks good quality office space for both large and small tenants. Consisting of commercial units on the upper floors (£100,000.00 Off Plan and £ 120.000.00 market value)

This offers our clients a unique opportunity to invest into the commercial market and enjoy the returns and rewards it has to offer. We understand that our clients require the very best in all the key areas of property investment. The correct location is a major factor in any property investing decision, and with the excellent build and finish standards we believe you will be on the right track to a successful property portfolio.

One major point that I did not highlight with the commercial deal is that you can get a **cashback on completion of £6000!** This can double your return on investment.

How the figures work:

Valuation: £120,000

Purchase Price: £100,000

Deposit paid now: £10,000

Mortgage available (80% of 120,000): £96,000

Therefore on completion, cashback of £6000 is available!

The key points on this deal are:

A new commercial site in Manchester, only a two minute walk from the city centre and the closest major rail link Victoria Station.

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**This offers a unique opportunity to invest into the commercial market and enjoy the returns and rewards it has to offer. The correct location is a major factor in any property investing decision, and with the excellent build and finish standards we believe you will be on the right track to a successful property portfolio.**

It is our aim to take as much pressure away from you as possible, and the developer will fully manage the development making sure it is let as quickly as possible with a guaranteed rental in place.

The workspace offers tenants:

- Premier office space accessed through a striking reception area.
- A fully staffed reception area.
- Office suites available in 500 sq ft units or multiples there of.
- Excellent natural light to all offices and equipped with LG3 lighting.
- Energy efficient heating system with air conditioning option.
- Lift access to all floors
- 24-hour access with full security system.
- Network connection capability to all suites.
- High quality communal WC, shower and kitchen facilities.
- Bespoke furniture/hardware packages available.
- Straightforward 4-page lease with agreed breakpoint

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Offering luxury managed and fully serviced offices, this superb development provides an absolutely unique opportunity for our clients to invest in off-plan commercial property, in a regeneration area that is set to quite literally explode in terms of growth, investment, employment and business opportunities.

**Traditionally, to buy into commercial property, you need a cash deposit of between 25% and 50% for any purchase. Not so in this case. The deal is quite superb and provides a unique turnkey solution to commercial property investment.**

Here are the main features:

## **WHAT ARE YOU BUYING?**

- 500 square foot leasehold office units in a Luxury Business Centre, pre-valued for mortgage purposes at £120,000 with a £20,000 discount.

- £100,000 net price, so an immediate £20,000 Instant Equity is therefore built in.
- Over two years until completion, so plenty of growth potential during the build period.
- You don't need to choose a specific unit but may do so. This is almost a commodity purchase. All units are identical and they will all be let on minimum three years leases to a tenant who has been found for you.

## **WHY MANCHESTER?**

Manchester has come a long way since the decline of the textile mills, the ship canal port and the heavy industry from 1950 to 1990. Manchester's commercial centre has boomed - many banking and services have relocated from London to Manchester to take advantage of lower priced professional labour. The internet has helped to accelerate this trend in the last seven years. The Commonwealth games helped cement Manchester as a great sporting town and the population has been rising as more jobs have been created and with the Supercasino planned this will continue. The city is less exposed to any public sector job declines than most northern cities and with the airport and motorway infrastructure plus a 10 million population within a 50-mile radius, it's generally considered England's second city after London.

## **WHERE IS THE LOCATION?**

- This luxury business centre will be located in M8 just north of Manchester city centre.

## **HOW MUCH CASH IS REQUIRED?**

- Sourcing fee of £2000 + VAT
- 10% Deposit required on the net price = £10,000.00.
- £ 2000.00 upon reservation remaining balance in 30 days.
- Legal Fees = £500 (approx).
- No stamp duty.
- Mortgage fee is inclusive if using recommended broker.

## **WHEN DO I NEED TO PAY?**

- £4,000 is required immediately.
- £8,000 is required in around 30 days time.
- Legal fees will be due a few months before completion.

- A commercial mortgage can cover the balance.

## **WHEN IS COMPLETION?**

- Building work will commence in December, with anticipated completion 18 months later, around July 2009.

## **HOW DO I FINANCE?**

- Commercial Brokers are offering mortgages at 80% LTV, so there should be no more cash to pay and the balance can be fully mortgaged.

- Currently, one 'interest only' commercial mortgage example would cost £487 per month.

- Alternatively, in 15 years, a typical repayment mortgage would be paid off, creating a projected £1,400 monthly income.

- Mortgage costs will vary depending upon the solution you choose. Our recommended broker will assist you with this.

## **WHO MANAGES MY PROPERTY AND PAYS THE BILLS?**

- The developer fully manages the business centres to maintain the high standard of finish on an ongoing basis, with guaranteed long-term tenants on full repairing leases.

- Tenants pay for business rates, utilities, service charges, furniture and repairs themselves.

## **WHERE DO I FIND TENANTS?**

- We find tenants for you with anticipated rentals of £650 per month.

- Apart from paperwork, this is a hands-off situation. You are the landlord but the whole thing is managed for you.

## **WHAT IS THE RENTAL YIELD?**

- Guaranteed yield of 8% from time of completion for one year i.e. £8,000.

**Our enquiries have found that the market rent is actually around £9000 currently which bodes very well for the market rent in 2 years time.**

Thereafter, lease dependant with upward only rent reviews, typically every three years.

## **CAN I BUILD THIS PROPERTY INTO MY PENSION?**

- This product is SIPP friendly and it can therefore be used within a self invested pension, but you must check with your financial advisor first on the logistics of this.

## **CAN I RE-SELL IN THE FUTURE?**

- Commercial property can be sold at any time as a going concern. It does not need to be vacated by the tenant.

## **WHAT ABOUT CAPITAL GAINS?**

- Qualifying for full business asset taper tax relief means that 75% of any capital gain is tax-free. To qualify, you must own the property for at least two years and rent it out to a 'qualifying' business throughout your ownership.

### Summary

- Luxury Office Suite (500 Sq Ft)
- Excellent Location
- Shared Reception and Board Room Facilities
- Ample Spacious Car Parking
- Price £100,000 - £120,000 Less 20% Off Plan Discount (Instant Equity)
- Low Deposit 10%
- 80% Mortgages Available (See IFA for further info)
- 12 Months Rental Guarantee at 8%
- Long Term Lets (3 to 5 years)
- Quality Tenants
- Ongoing Rent at 8%
- SIPP Friendly (See SIPP advisors for full information)
- Tax Benefits (Taper Relief from 40% - 10 % after year 2)
- Fully Managed and Maintained by the developer

With only 10 commercial units left and with the excellent cashback on completion and guaranteed rentals, we do not expect these commercial units to last long!

If you have further questions on these excellent opportunities please call us on 0115 947 4155 or email us at [info@property-investment-deals.com](mailto:info@property-investment-deals.com)

All the best

Alan Forsyth