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## URGENT: NatWest Stroud Purchase

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Fri, Aug 11, 2023 at 4:48 PM

To: Georgina Martin &lt;georginam@retirement.capital&gt;, David Nicklin &lt;davidn@retirement.capital&gt;

Thanks Gina,

Dave, I just wanted to lay out the plans we have with the NatWest Purchase and the leasing to OpCo model. I hope Tony/Gavin are fully aware of this and what we are trying to achieve, and from discussions to date all of this should be possible as laid out below.

- Purchase of £555k jointly in 2x SSAS's
- As confirmed by RICS Survey, in current condition whole building would let for ~£31,000/pa and if refurbished to a higher standard (because building in parts is quite run down), then it could let for ~£45,000k/pa
- NatWest still tenants until Feb 2024 but as have already moved out they are wanting to surrender the lease – these negotiations will start as soon completion of the sale.
- Recognising the SSAS will be due back around £150-200,000 after purchase (lease surrender, rent review and delays), the SSAS would pay for the refurb of the building to bring it up to a modern/rentable standard. Additionally, we would also look to use SSAS funds to make some minor structural alterations to the building which would make it more attractive to rent for future tenants (eg. Create a larger courtyard by removing part of an old extension, add an extra velux window in the roof space to create more light and make it more rentable).
- **Downside of doing the above work in the SSAS is we can no make use of Capital Allowances (unless you are aware of a way we could utilise SSAS funds to do the work outside of the SSAS?)**
- SSAS would then lease to OpCo at the higher rent of ~£45,000/pa on a long lease (long lease might attract a slight reduction in rent and/or an initial rent free period – common in commercial property rental world to allow the new business to furnish a property for the specific use and/or an incentive to agree a long term lease)

Hope this sets things out clearly and in line with what we've previously discussed.

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