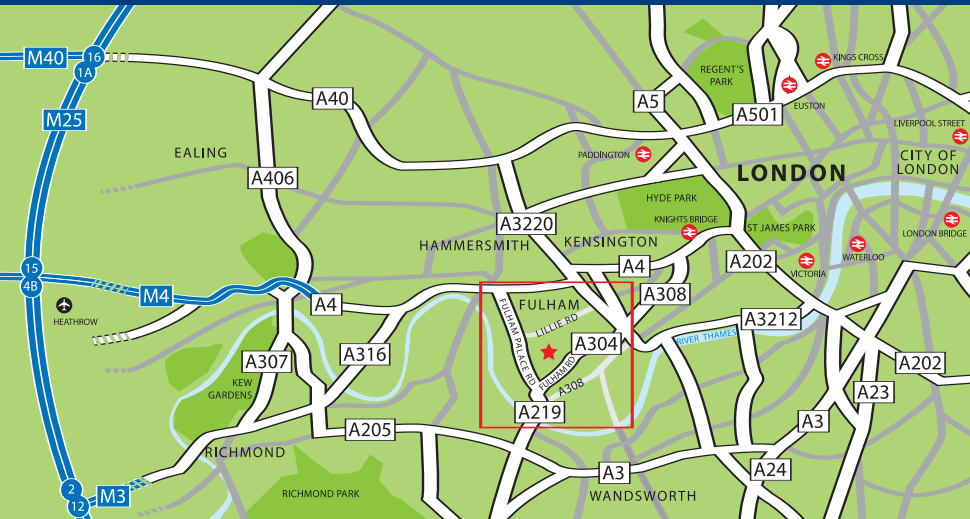


> investment summary

- Purchase Price in excess of £3,515,000 subject to contract.
- Attractive yield profile; net initial yield of 5.50%, reversionary yield of 6.98%, true equivalent yield of 7.18%.
- Freehold.
- Situated in an affluent, commercial and residential location in south west London.
- A unique secluded courtyard mews providing attractive self contained office, studio, design and showroom accommodation.
- Total net internal area of 763.56 sq m (8,219 sq ft) providing 8 self contained units and 2 self contained suites.
- Multi-let to 10 tenants on full repairing and insuring terms.
- Total passing rent of £204,496 per annum equating to only £267.82 per sq m (£24.88 per sq ft) overall.
- Highly reversionary investment with significant asset management potential to enhance income and capital value.
- Capital value of £4,603 per sq m (£427.67 per sq ft) overall.
- Site area of approximately 0.09 hectares (0.23 acres).



> location & description

Location

An affluent and fashionable area of south west London, Fulham is an established commercial and residential location approximately 5 kilometres (3 miles) south west of the West End. Situated in the London Borough of Hammersmith and Fulham, the area houses desirable high value commercial and residential property.

The property is located close to the junction of Munster Road and Fulham Road within short walking distance from the extensive and varied retail, restaurant and leisure facilities on New Kings Road and Fulham Broadway.

Nearby attractions include The Queens Club, Earls Court Exhibition Centre and both Chelsea and Fulham Football Grounds.

Communications

Fulham benefits from excellent communications by road, rail and air;

Fulham is situated 5 kilometres (3 miles) east of the M4 (junction 1) with direct access to the M25 (junction 15) and Heathrow Airport, approximately 23 kilometres (14 miles) to the west. Access to the M3 (junction 1) is provided by the A316, via Fulham Palace Road, located 16 kilometres (10 miles) to the south west. In addition the area benefits from numerous bus routes with services to Knightsbridge, Fulham Broadway and the West End.

Fulham benefits from excellent underground communications with regular District Line services from Parsons Green, Fulham Broadway and Putney Bridge stations. The mainline railway stations of Victoria, Paddington and Wimbledon are located on the District line.

Heathrow Airport is located 23 kilometres (14 miles) to the west providing flights to domestic and international destinations. Heathrow's 260 hectares (642 acres) Terminal 5 is due to complete in 2011 increasing the airports capacity to 90 million passengers.



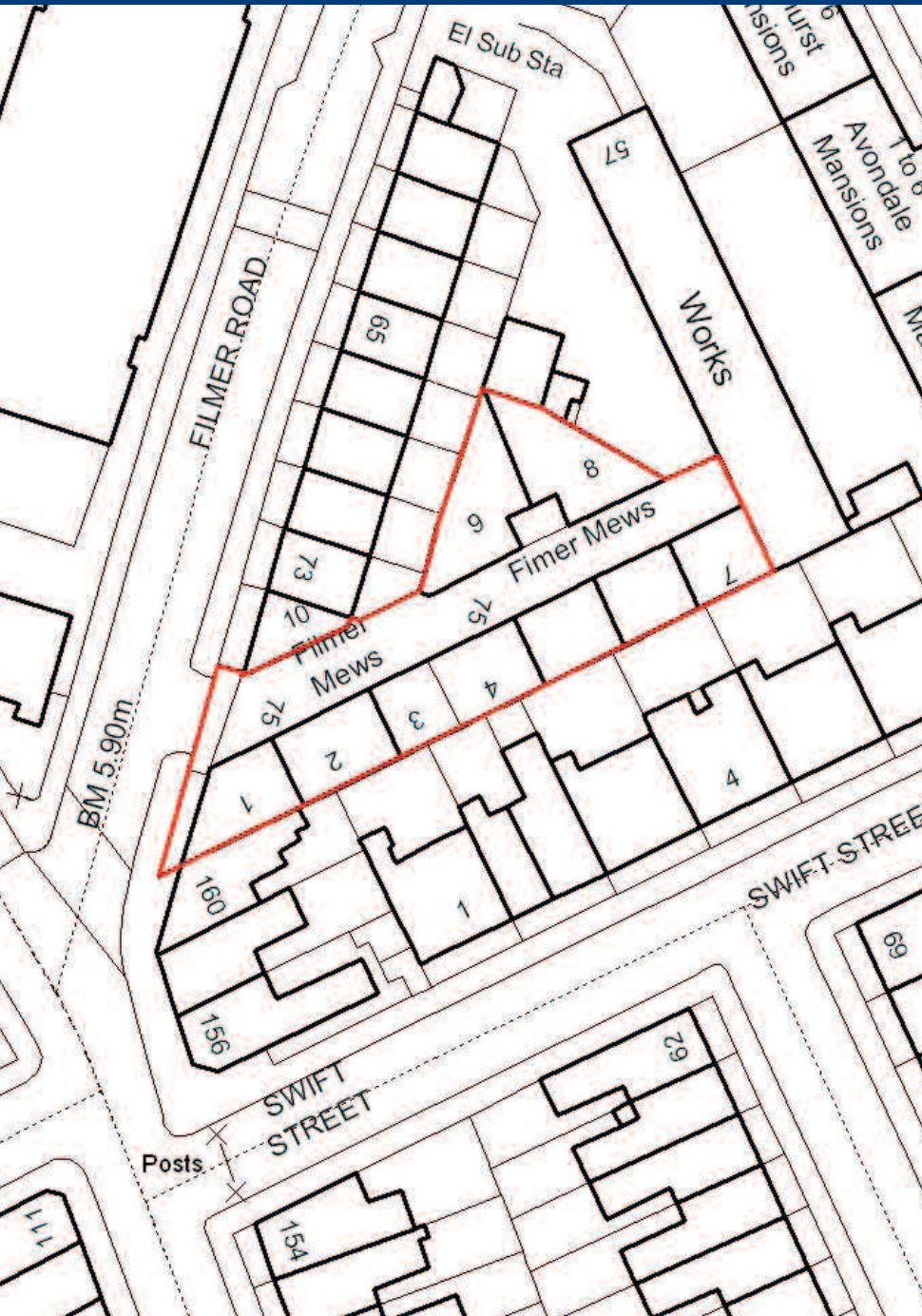
> location & description

Demographics

Fulham has a district population of approximately 165,242 and an estimated catchment population within 20 kilometres (12 miles) of 5,766,565.

The London Borough of Fulham and Hammersmith has an affluent local economic profile benefiting from 92.10% of the population in full time and active employment, approximately 32.71% greater than the figure for Great Britain. The area is home to a highly skilled and educated workforce demonstrating a combined total of 67.00% of the population within class groupings AB (Higher and Intermediate Managerial / Administrative / Professional) and C1 (Supervisory Clerical Junior Managerial / Administrative / Professional) compared to 51.10 % on a national scale. The main employment sector in the district is Banking, Finance and Business Services with 39.10% employed, 123.43% greater than the average for Great Britain.

The Mosaic Consumer Classification Index groups show Urban Intelligence and Symbols of Success providing a combined total of 77.93% whilst the national average is in stark contrast at 17.48%.



> location & description

Situation

Filmer Mews is prominently situated to the east of Filmer Road close to its junction with Fulham Road and Munster Road.

The property is positioned in a vibrant mixed use location comprising high value residential surrounded by the numerous bars, restaurants, specialist boutique retailing and extensive leisure facilities of Fulham and Chelsea.



> location & description

Description

Filmer Mews, predominantly built in the early 1900's, is a unique secluded attractively cobbled courtyard development edged with iron railings and a secure gated entrance. Previously the design studios for Monsoon, the mews provides office, studio, design and showroom accommodation attracting an eclectic blend of specialist and boutique occupiers.

The mews are of brick construction with single glazed windows under a flat roof. Units 8 and 9 were built as an extension in the mid 1980s.

Accommodation

The investment provides 8 self contained units and 2 self contained suites. The units are arranged on ground and first floors with the exception of units 8 and 9, arranged on ground floor only, and suites 7 and 7a on ground and first floors respectively.

We have been advised that the accommodation provides a total net internal area of 763.56 sq m (8,219 sq ft). The site area is approximately 0.09 hectares (0.23 acres).

Please see the tenancy and accommodation schedule.

Car parking

The property benefits from 9 car parking spaces that are currently unallocated and non-income producing, thereby providing an opportunity to further enhance the rental income.

Hammersmith and Fulham operate a business permit system to enable additional on street parking.



> tenure / tenancy & proposal

Tenure

Freehold.

Unit 10 has been sold to an owner occupier who has a right of access over Filmer Mews.

Tenancies

The property is multi-let on full repairing and insuring terms producing a total income of £204,496 per annum equating to £267.82 per sq m (£24.88 per sq ft) overall. All tenancies, with the exception of Unit 6, are outside the Landlord & Tenant Act 1954.

Please see the tenancy and accommodation schedule.

Market commentary

Filmer Mews attracts a premium to competing schemes through the combination of a unique secluded mews environment and the flexible office, studio, design and showroom uses.

Set out below are the salient details of recent transactions within Filmer Mews:

In December 2006, Stretch Therapy UK Limited completed a new 3 year lease on Unit 1 at a rent of £32,500 per annum equating to £349.83 per sq m (£32.15 per sq ft).

In July 2006, Inji Ralph completed a new 3 year lease on Unit 7 at a rent of £13,500 per annum equating to £316.57 per sq m (£29.41 per sq ft). There is a fixed rental increase in January 2008 to £14,000 per annum, equating to £328.30 per sq m (£30.50 per sq ft).

In addition, in October 2006 at 2 New Kings Road, FPP Ltd acquired the second floor on a new 5 year lease with a tenant's break in Oct 2009 at a rent of £16,000 per annum equating to £326.79 per sq m (£30.36 per sq ft).

Estimated rental value

We are of the opinion that the current estimated rental value is approximately **£259,540** per annum equating to £325.72 per sq m (£30.26 per sq ft) overall on the office accommodation and £1,200 per annum per car parking space.



> tenure / tenancy & proposal

Development potential

The London Borough of Hammersmith and Fulham have granted planning permission for an additional floor at Unit 10. The planning application and plans can be viewed on the London Borough of Hammersmith and Fulham website: www.maps.lbhf.gov.uk/PAS/02c-info.asp?search=2006/02950/FUL

We are of the opinion that this creates a precedent for additional floors to units 8 and 9.

Taking into account the building levels of the surrounding properties, there is potential for sympathetic development of additional floors throughout Filmer Mews, subject to the necessary planning consents.

The adjoining owner of 57 Filmer Mews is prohibited, by way of a Deed, to object to any development on the grounds of rights of light and air.

Planning

Filmer Mews is situated within the Central Fulham Conservation Area. We have been advised the property is not listed.

Proposal

We have been instructed to seek offers in excess of **£3,515,000** (Three Million, Five Hundred and Fifteen Thousand Pounds), subject to contract.

Yield profile

A purchase at this level provides the following yield profile net of purchase costs at 5.7625%:

Net initial yield	5.50%	Reversionary yield	6.98%
Equivalent yield	6.88%	True equivalent yield	7.18%

Value added tax

The property has not been elected for VAT and as such VAT is not payable on the purchase price.

Unit no.	Tenant	Accommodation		Rent per annum (per sq ft)	ERV per annum (per sq ft)	Start Date	Review	Expiry (Break)	Unexpired Term (years)	Comments
		sq ft	sq m							
1	Stretch Therapy UK Ltd	1,011	93.92	£32,500 (£32.15)	£32,500 (£32.15)	14/12/06	–	13/12/09 (14/06/08)	2.75	Rent Deposit held of £8,125. The break option requires 6 months prior notice subject to a break penalty of £2,708 if exercised. Tenant currently fitting out.
2	Hadley St James Residential Ltd www.hadleystjames.com	1,115	103.59	£25,100 (£22.51)	£33,450 (£30.00)	02/05/05	02/05/08	01/05/10 (01/05/08)	2.17	Rent Deposit held of £6,275. The break option requires 3 months prior notice subject to a break penalty of £1,500 if exercised.
3	Studio Eight Productions Ltd www.studioeight.co.uk	671	62.34	£17,500 (£26.08)	£20,130 (£30.00)	24/12/05	–	23/12/08 (24/06/07)	1.75	Rent Deposit held of £4,375. The break option requires 3 months prior notice subject to a break penalty of £1,000 if exercised.
4	Piers Collinson London Ltd www.fusionautomation.com/flash.htm	1,115	103.59	£23,136 (£20.75)	£33,450 (£30.00)	05/10/04	–	04/10/09 (05/10/07)	2.58	Rent Deposit held of £5,784.06. The break option requires 3 months prior notice.
5	Wiggin Public Relations Ltd www.wigginpr.co.uk/content/home.htm	900	83.61	£24,300 (£27.00)	£27,000 (£30.00)	01/10/06	–	30/09/09 (01/04/08)	2.50	The current rent is £22,500 p.a. with fixed rental increases on 01/10/2007 (£23,400 p.a.) and 01/10/2008 (£24,300 p.a.). The vendor will guarantee the increase until the 2008 fixed increase. Rent Deposit held of £5,625. The break option requires 6 months prior notice subject to a break penalty of £3,900. The tenant benefits from 1 months rent free if the break is not exercised.
6	GD Barnard t/a Matrix Ltd www.matrixkitchens.co.uk	781	72.56	£19,500 (£24.97)	£23,430 (£30.00)	18/03/03	–	17/03/08	1.00	Lease protected by the Landlord and Tenant Act 1954.
7	Inji Ralph	459	42.64	£14,000 (£30.50)	£13,770 (£30.00)	21/07/06	–	20/07/09	2.33	The current rent is £13,500 p.a. with a fixed rental increase on 21/01/2008 to £14,000 p.a. The vendor will guarantee the increase until the 2008 fixed increase. Rent Deposit held of £2,250.
7a	McQueen TV Ltd www.mcqueentv.co.uk	485	45.06	£13,350 (£27.53)	£14,550 (£30.00)	25/12/05	–	24/03/07	0.08	
8	Letterstone Plc www.letterstone.com	948	88.07	£18,960 (£20.00)	£28,440 (£30.00)	01/11/04	–	31/10/07	0.58	Rent Deposit held of £3,160.
9	Deborah Henley (t/a The Pilates Room) www.thepilatesroom.org.uk/Home.htm	734	68.19	£16,150 (£22.00)	£22,020 (£30.00)	01/03/05	–	29/02/08	0.91	Rent Deposit held of £4,037.50.
Offices Sub Total				£204,496 (£24.88)	£248,740 (£30.26)					
9 Car Parking Spaces				–	£10,800					
Total		8,219	763.56	£204,496	£259,540					



> investment considerations

- Established commercial and affluent residential location in close proximity to the City and West End.
- An attractive private mews investment surrounded by the vibrant retail, restaurant and leisure facilities of Fulham and Chelsea.
- Filmer Mews attracts a premium to competing schemes through the combination of a unique secluded mews environment and the flexible office, studio, design and showroom uses.
- The individual units may be sold as freehold investments or to owner occupiers providing break up potential. Unit 10 was sold individually in October 2004 for approximately £4,305 per sq m (£400 per sq ft). The property market has seen significant growth over the last 3 years.
- Highly reversionary investment: Excellent potential for growth with a low passing rent reflecting £267.82 per sq m (£24.88 per sq ft). Unit 1 was leased in December 2006 at a rent reflecting £346.06 per sq m (£32.15 per sq ft).
- An opportunity to enhance rental income from the 9 unallocated car parking spaces. We have been advised a car parking space at Filmer Mews has an approximate rental value of £1,200 per annum.
- Consistently high occupancy levels with the investment currently 100% income producing.
- Attractive yield profile: net initial yield 5.50%, reversionary yield of 6.98% and true equivalent yield of 7.18%.
- Development potential for additional floors following the Councils decision to grant planning permission to vertically extend Unit 10.
- Potential to convert or add residential use in the medium term, subject to achieving the necessary planning consents. We have been advised residential values within the vicinity are approximately £6,674 per sq m (£620 per sq ft) with a mews property commanding a premium.

SUBJECT TO CONTRACT AND EXCLUDING VAT

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March 2007



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> downloads

- For further information including lease information and floor plans on Filmer Mews click [here](#) to view this property on our website.