



Hexis Properties – Examples

Redefining investment in London's
rental market

Why invest in London property now?

Timing

London residential property prices have fallen by 5% over the last year and they are expected to fall by another 5%, but it is likely that they will end the year back where they began.

And research suggests that over the next five years property prices in London will be between 15-20% higher, so now is the time to get in as an investor.

Interest rates

Rightmove forecast that the interest base rate, from which mortgage lending rates are calculated, currently standing at 5.25%, will be down to 4.75% by the end of 2024 and it will fall even further to 1.75% by 2027.

That's too aggressive in our opinion, as we can't see the base rate falling below 3.5%, which would leave mortgage rates around 4.5-5%, but it does mean the property market will be well placed come 2026-2027.

Location

London is such a solid economy within the world community that even when the UK may be struggling, which you would expect to result in a massive crash in property prices, it hasn't happened in London.

The fact that London is an international city and a desirable place to live underpins the property market.

We would almost go as far as saying London property is bullet proof.

Three bed leasehold Hexis property in SW18 developed into a four bed to achieve high rental yield.

This three bed Hexis property was acquired with the goal of achieving a high rental yield.

The purchase price was £420k. The landlord invested £67k in developing the property into a four bed with an annual rent of £42k and net income of £34.6k after costs.

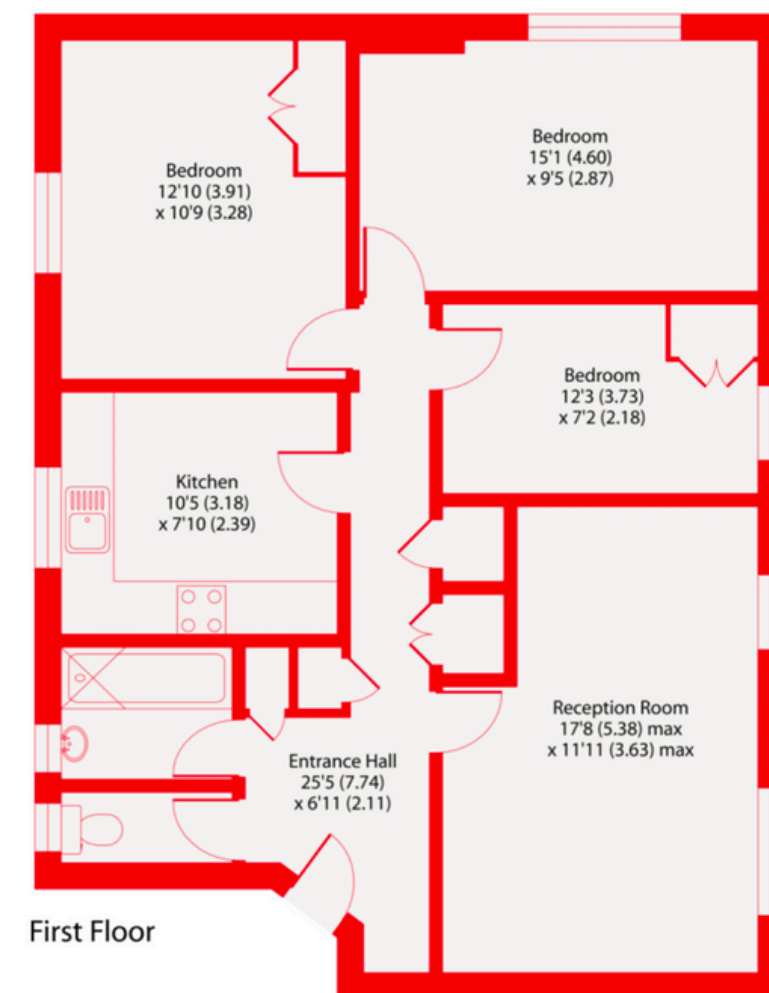
- **Acquired for £420k**
- **Development and all other costs: £67k**
- **Investment required of £171k (assuming mortgage of 75% at 5.24%)**
- **£18k per year – 10.5% rental yield after interest and costs**

*See appendix for full breakdown of numbers.



Floor plan: Before

Floor plan: After



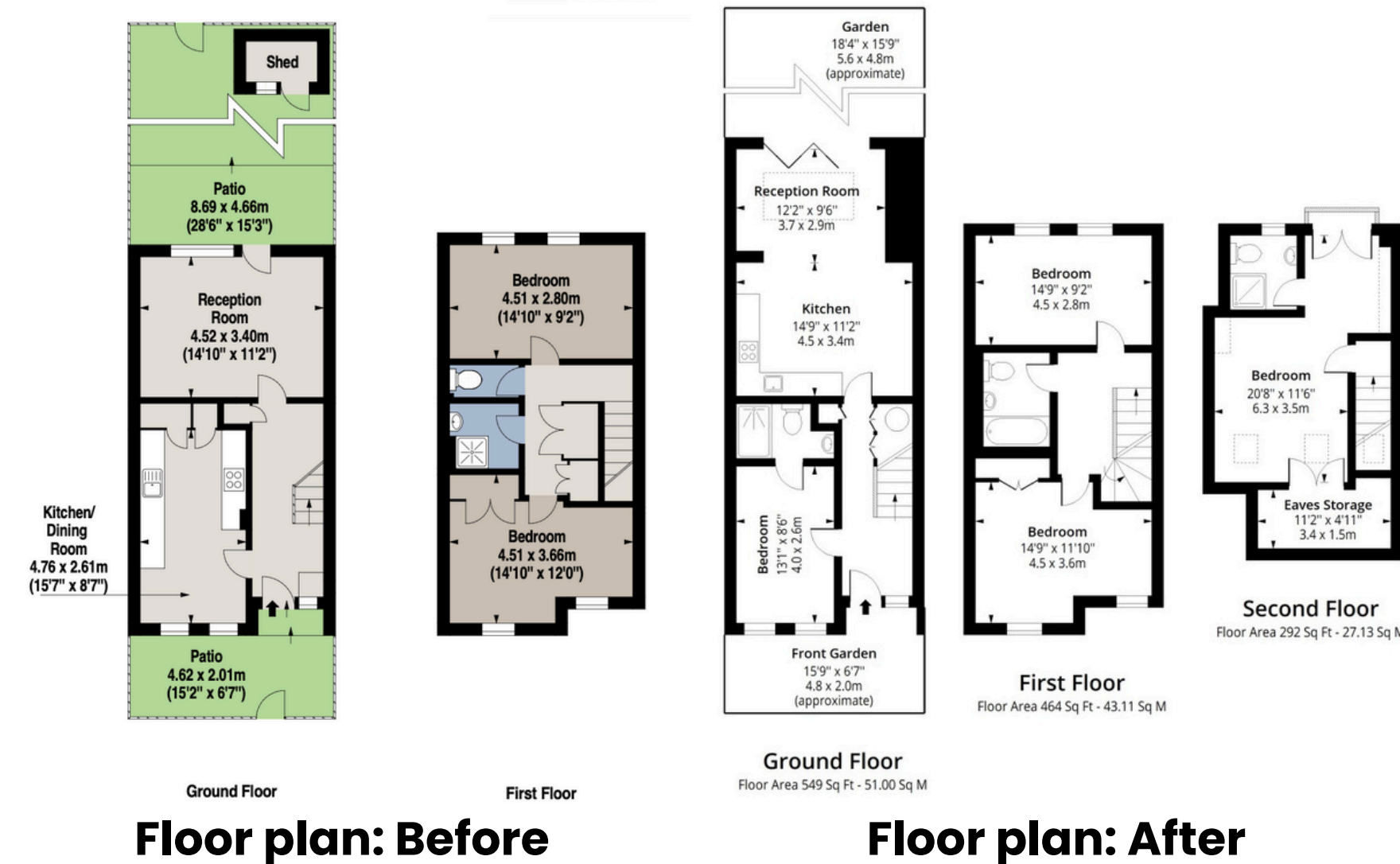
Two bed freehold Hexis property in SW11 developed into a four bed to achieve a combination of capital appreciation and rental yield.

This two bed Hexis property was on the market at an asking price of £700k. A £32k reduction was negotiated securing the property at £668k.

The landlord invested £222k in developing the property into a four bed. The value on completion was £1.1M with annual rent of £50.1k.

- **Acquired at a £32k discount for £668k**
- **Development and all other costs of £222k**
- **Investment required of £449k (assuming mortgage of 75% at 5.24%)**
- **Value on completion £1.1M**
- **£149k/22% return on capital with a £23k per year/5.3% yield after interest and costs**

*See appendix for full breakdown of numbers.





Ben Temple

Co-founder



Angus McIntosh

Co-founder

Our experience

Ben is a qualified Chartered Surveyor and has worked in the property industry for his entire working life. Ben's experience spans 30 years of managing portfolios, and advising clients on property investments, refurbishments, lettings and block management. He's even gone out to unblock his clients' drains himself if he absolutely has to. He's happy to advise whether you are wanting to build a portfolio, or are just starting out with your first investment.

Angus has been a property investor since 2003 whilst enjoying a career in the financial news and data sector, where he held several senior management positions in London, New York, and Sydney. Most recently he was Chief Commercial Officer of private equity-backed business, Acuris. After a successful exit in July 2019, Angus left in September 2020 to focus on his own property investments.

We are regulated by Safeagent, the UK's leading, not for profit accreditation scheme for lettings and management agents operating in the Private Rented Sector and we comply with all their strict criteria



Hexis Properties was established as a subsidiary of Rocket Property Management, consolidating our successful property acquisition and refurbishment strategy under a single brand, while Rocket takes care of the lettings and property management.

Hexis Properties was designed to improve living standards in London while ensuring our clients properties get the maximum return on investment. Hexis Properties represents a standard that embodies our commitment to quality and affordability, ensuring every stakeholder experiences the best of both worlds.

For our investors, we offer a lower risk alternative to the Build to Rent model, at a more cost effective entry point. We will enhance your portfolio with properties specifically crafted to maximise both tenant satisfaction and your investment returns.

Contact Us

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Appendix

SW18	Rental today	Sq ft
	3 Bed convert to 4 bed H	892
	(Assumed furnished)	
Leasehold		
Asking price		425,000
Purchase price		420,000
Saving		5,000
Purchase price (rate psf)	£471	420,000
Gross Yield		10.0%
Gross Yield allowing for refurb		9.3%
CAPITAL		
Purchase costs:		
Stamp Duty Tax (no VAT) Assumes UK beneficial owner	21,100	
Refurbishment / Furniture	31,420	
Mortgage arrangement fee	2,995	
Solicitors fees/disbursements	2,000	
Buyers Agents fee @ 1.75%	7,350	
VAT on costs	1,870	
Total costs		66,735
Borrowing		
Deposit Required @ 75% LTV	75%	105,000
Total Cash Required		£171,735
INCOME		
Gross Investment Return:		
Rental (per month)	3,501	
Rental (per week)	808	42,016
Less expenses		
Initial tenancy fee	480	
Inventory/Check-in fee	400	
Service chge/Repairs	1,200	EST
Gas/Electric Safety Test	100	
Letting / Management fee at 10% p.a.	4,202	
VAT on fees	1,036	
Total expenses		7,418
Net Income		34,598
Net Yield (on purchase price)		8.24%
MORTGAGE		
Interest on 75% debt at 5.24% 5 yr fix		16,506
Net Income after mortgage Interest		18,092
Net Return on cash Invested		10.5%

Case study #1 - Breakdown of numbers

SW11	Rental today	Sq ft
	2 Bed house convert to 4 bed HMO	860
	(Assumed furnished)	
Freehold		
Asking price		700,000
Purchase price		668,000
Saving		32,000
Purchase price (rate psf)	£777	668,000
Gross Yield		8.8%
Gross Yield allowing for refurb		6.6%
CAPITAL		
Purchase costs:		
Stamp Duty Tax (no VAT) Assumes UK beneficial owner	40,940	
Refurbishment / Furniture	222,321	
Mortgage arrangement fee	2,995	
Solicitors fees/disbursements	2,000	
Buyers Agents fee @ 1.75%	11,690	
VAT on costs	2,738	
Total costs		282,684
Borrowing		
Deposit Required @ 75% LTV	75%	167,000
Total Cash Required		£449,684
INCOME		
Gross Investment Return:		
Rental (per month)	4,901	
Rental (per week)	1,131	58,812
Less expenses		
Initial tenancy fee	480	
Inventory/Check-in fee	400	
Service chge/Repairs	500	EST
Gas/Electric Safety Test	100	
Letting / Management fee at 10% p.a.	5,881	
VAT on fees	1,372	
Total expenses		8,733
Net Income		50,079
Net Yield (on purchase price)		7.50%
MORTGAGE		
Interest on 75% debt at 5.24% 5 yr fix		26,252
Net Income after mortgage Interest		23,826
Net Return on cash Invested		5.3%
Add value from refurb with a revalue at	1,100,000	£149,316

Case study #2 - Breakdown of numbers