

## **Appendix B – Business Case for Property Investment**

The following information must be completed for each potential purchase that comes before the 'Invest to Earn' group for recommendation to proceed with acquisition.

### **INVESTMENT NAME AND ADDRESS:**

#### **COMPLIANCE WITH STRATEGY – NON-FINANCIAL:**

- Sector
- Location
- Building specification
- Lease arrangements
- Quality of tenants

#### **COMPLIANCE WITH STRATEGY OBJECTIVE – FINANCIAL**

- Purchase price
- Rental income / initial yield
- Outgoings
- Acquisition costs
- Management and maintenance obligations
- IRR Calculation (Internal rate of return)
- Fit within portfolio

#### **LEGAL ISSUES (to include):**

- Review of title and ownership
- Liabilities and restrictions
- Tax requirements

#### **RISK ASSESSMENT:**

- Economic and Property Market
- Asset-specific –e.g. location, building quality, lease length, tenant mix/strength, rent payable
- Environmental and regulatory
- Reputational
- Building Condition

#### **REVIEW BY:**

- S151 Finance officer
- Head of Assets CoP
- Business Development, Group Manager
- Monitoring officer
- Invest to Earn Group

**RECOMMENDATION TO DELEGATED AUTHORITY (Head of Paid Service, Leader, S.151 Officer & Chair of 'Invest to Earn') TO PURCHASE?** *YES / NO*

**Rationale:**