

The process of considering CIS opportunities is as follows:

**Step 1**

Property investment opportunities are both introduced by agents and actively sourced by the Commercial Estates Team. An initial review is undertaken against the outline criteria of the CIS such as yield, length of lease, tenant strength etc. and if they are judged to be reasonable investments, further preliminary initial due diligence is undertaken to determine the quality of the leases and an initial financial appraisal is undertaken.

**Step 2**

If Step 1 is passed, more detailed due diligence is undertaken (including detailed tenant strength review, ownership title, property energy efficiency, market analysis of rents and yield etc), this may lead to a site visit and more robust financial appraisal/modelling and further market scrutiny.

**Step 3**

If Step 2 is passed, then approval is sought from the members of the Treasury & Capital Management Group, the Managing Director, Corporate Director (Services) and the Head of Resources to submit a formal initial bid, subject to contract and relevant building and condition surveys.

**Step 4**

If the bid submitted at Step 3 is successful, then this progresses to consideration by Overview and Scrutiny and approval for Cabinet.

**Step 5**

Once approval is given, formal legal and building condition due diligence commences by instruction of lawyers and building/specialist surveys are undertaken. This may take several weeks during which all concerns raised on legal and lease title and building condition are satisfied. If any significant concerns are unsatisfied, these can either be negotiated on price or withdraw from the purchase.

**Reviews Undertaken July – September 2019 (Q2)**

Over the above period, 38 properties in total were considered, 36 propositions were reviewed up to stage 1, two were considered to Stage 2 these were discounted as either poor properties, short leases income or overpriced. By property type, the investments considered in Q2 are as follows:

Offices	2	Development Sites	12
Retail	3	Industrial/warehouse	10
Car showrooms	6	Other (residential/leisure etc)	5