

Appendix 4 - Investment Decision Matrix for Priory & Cannon House Surrender and Renewal

Criteria	Criteria description	Weighted score	Exceptional	Good	Acceptable	Marginal	Poor
			5	4	3	2	1
Portfolio Strategy Context	The extent to which the property meets the strategy and contributes to the achievement of a diversified portfolio.	12		✓			
Location: Macro	Quality of the area with regard to the property use.	12		✓			
Location: Micro	Quality of the locality within the wider area with regard to property use.	12		✓			
Tenant Covenant	Ability of the tenants to pay the rent for the duration of the lease - credit rating.	15	✓				
Building Quality	Quality of the building compared to Grade A.	12		✓			
Lease Term	Length for which income is secured.	15	✓				
Lease Structure	Rent reviews, tenant repairing obligations.	12		✓			
Rental Growth Prospects	Rent review timing and likelihood of an increase/decrease.	12		✓			
Occupational Demand	Anticipated demand from alternative occupiers if tenants leave.	12		✓			
Management Intensity	Complexity / costs of managing the property.	10	✓				
Liquidity	Ability to quickly sell the property in return for cash.	6			✓		
Alternative Use / Underlying Value	The opportunity to explore added value by changing use.	6			✓		
Tenure	Freehold / leasehold, ground rent considerations.	10	✓				
Asset Management Opportunities	Opportunities to add value.	2				✓	
Financial Return		16		✓			

Weighted score

164

out of maximum 200