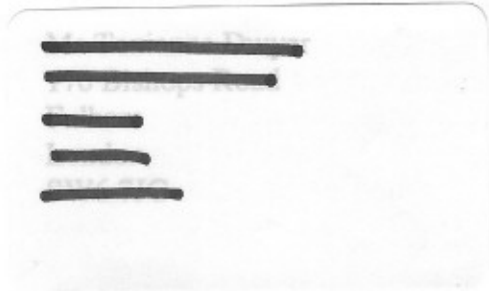




NELL GWYNN HOUSE

Nell Gwynn House Apartments, Sloane Avenue, London SW3 3AX
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24th May 2007

Dear ~~Ms Dwyer~~

Nell Gwynn House Apartment rates for 2007

Since the refurbishment of the corridors, we have had quite a few enquiries from Leaseholders asking if we are going to increase our rates.

Our rates have remained the same since 2002, one reason being that Fairbriar were internally refurbishing over 150 apartments causing noise and disruption and another being the on going corridor refurbishment which was due to start early 2005.

We have conducted a comparison of the surrounding apartment blocks and the amenities they offer and enclose a copy for your reference.

Our main competitor without a doubt is Chelsea Cloisters, although our apartments are larger, they are providing the same amenities and therefore we should be around the same rental figures if not slightly lower to have the advantage and to be taking the majority of the bookings.

We would suggest if we were to increase our rates, that the increase should be between 5% and 10%, however, we would be grateful for feed back from each Leaseholder to determine whether the majority wish to stay at the current rates or wish to increase as soon as possible.



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I would also like to take this opportunity to advise that since Nell Gwynn House Apartment 2 Limited have taken over the running of the Letting Office, they have employed extensive web designers to enhance our website, putting us at the top of the search engine web pages, thereby reducing the need or use of other agents. We have reduced London Serviced Apartments commission payable from 15% to 5%, but some specific corporate agents we will have to keep at 10% if we wish to retain their corporate work.

At present we are in the process of refurbishing our offices and once this has been completed, we will be able to proceed with our "Open Day" where we will invite our companies and agencies to view the "New" Nell Gwynn House and the apartments.

One major problem that we and the whole of the building are experiencing is the infestation of mice. The Maintenance Trustees are working with Eco Lab, however, the infestation is resulting in a lot of people refusing to complete their stay and requesting refunds.

We welcome your feed back.

Yours sincerely

Debbie Laughton

Debbie Laughton
Letting Manager

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