

ALL LATEST LENDING PRODUCTS *(February 2022)*

For: Medium Developers looking to expand



Funding Product 2:

For good contractors who can achieve 10%+ profit on build out

Forward Funding of Residential Housing Projects

We are working with a major investment fund that wishes to retain within their portfolio newly built housing stock which is rented out to single family units.

The ideal project profile is:

- Minimum 40 units
- Preferably 100+ units
- 2/3 bed houses
- Low rise 1 or 2 bed apartments
- Near transport hub and employment
- Will look at sites that have stuck around for a while needing a re-think
- Solid location for rental but maybe not ideal for selling.

The procedure is:

The investment fund will buy the land off the developer or landowner

The investment fund enters into a J.C.T contract with the developer to build out the units.

The advantages to the developer:

- Security of income
- Guaranteed profit margin
- No finance costs or marketing costs.



Funding Product 3:

For more experienced Developers looking grow but lack liquidity

New Equity provider partner

Guidelines for Developers:

Location

- UK wide - excluding inner London, not within North and South Circulars
- Product appropriate attractive locations
- Demonstrable demand Property Type
- 5-20 units typically over a single phase
- Ideally 3-5 bed family housing albeit a small number of apartments could be considered
- May consider PD for the right scheme
- Traditional Build
- Price point up to circa £1million in unit values
- £800per sq ft max subject to local values
- Must have planning.

Developer Profile

- Experienced developer: young teams with relevant professional background considered
- Existing and demonstrable track record
- Strong preference for developer procuring via sub-contract management
- Will consider 3rd party contractors on JCT basis
- Will recognise land gain where the developer can show they have added value.
(and willing to consider a release of a proportion of such equity on Day 1)
- 100% equity for those with suitable track records etc
- We seek long term relationships, not one off transactions
- Due diligence process undertaken to approve developer as partner.
(thereafter repeat scheme decisions based on project)
- Willingness to engage in sustainability objectives.

Project Financial Profile

- Senior interest normally rolled up
- Typically requires min 25% ROC
- Senior debt arranged (0.5% fee to project)
- Will accept developers lender subject to suitability
- Term 18 - 30 months
- Typically 12 month build then sales period determined by volume.

Continued

JV Terms

- £0.75million to £3million equity.
- Will consider and will go materially larger for mixed use schemes
- 7% priority profit-share on equity (as look - back IRR), then
- Profit shares typically between 40/60 to 60/40 subject to scheme returns
- May require min' fixed multiple
- Will negotiate alternatives
- Typically 100% equity to approved development partner.

Senior Lending

- Typically 60% GDV on senior; max 65%
- Established reputable lenders
- No mezzanine or split capital stacks.

Structure

- JV structure - Vehicle will be a fund SPV (UK LLP)
- Normally fund and Developer as partners
- Developer contracted through an LLP Agreement and DMA which covers profit sharing arrangements
- Developer responsible for cost-overruns
- Developer provides cost-overrun guarantee to senior debt provider
- Fund normally provides interest cover guarantee to debt provider
- Full step-in rights for breaches
- Materiality clauses for variation to spec'
- Keyman cover required if appropriate
- Professional Indemnity Insurance required
- Straightforward legal documentation



Funding Product 7:

Ideal for well established commercial property Developers who wish to expand without using their own capital

Forward Funding - To Buy the Land and "Build to Suit"

We are pleased to confirm that we are working with a fund that has circa €1billion to deploy on the following basis:

Sectors:

- Supermarkets
- Nursing Homes
- Warehousing/Logistics.

Criteria

- The asset should have a long lease to a single tenant
- Speculative land purchase only where warehousing/logistics is involved
- Minimum ticket size: €20million
- Maximum ticket size: None
- Location - Throughout Europe as far East as Lithuania.

Investment Sample:

- A Sainsburys in Scotland
- A Co-operative in Denmark
- An Amazon warehouse in Poland.

Finally, as an example, if you have a client who is a Nursing home operator who wishes to expand and operate only a further 6 new builds
(i.e. no interest in owning the bricks and mortar)
subject to the strength of the tenant/operator, this fund will forward fund the build out and retain the asset for the long term yield.



Funding Product 9:

Ideal for well-established Developers of large projects who wish to grow quickly

Forward Funding Throughout Western Europe

We are now working with a specialist investment fund that is focused upon the following sectors:

- Student Accommodation (200 beds plus)
- Build to Rent (150 to 250 units)
- Social Housing (especially overseas)
- Co-living
- Housing Estates to build and then rent out. These will be single family units. Minimum number per project is 100 units and the maximum number is 600 to 700 units
- Senior Living.

The geographical locations for the above projects include:

- U.K and Ireland
- Nordic Areas
- Netherlands
- Germany
- Spain
- Portugal.

As the investment fund will finance a project by way of a forward fund structure, the investment fund will enter into a Development Management Agreement with the developer client.

*****Please note that the fund will not engage until a project has detailed planning permission.***



Funding Product 11:
Ideal for more experienced Developers

Singaporean Private Equity Fund

We are now working with a Singaporean Private Equity Fund that is focused upon the following sectors:

- PBSA
- PRS
- Co Living
- Senior Living.

They are already investing in the U.K and currently operate PBSA projects in:

- Edinburgh (274 beds)
- Sheffield (284 beds)
- Nottingham (300 beds).

Their ideal project size is:

- PBSA 300 to 500 beds
- PRS 200 to 300 units.

They like to deploy capital early on in the project life-cycle and they are not averse to taking planning risk.

Therefore their capital is involved at the following stages:

- Land Purchase
- Planning
- Build Out
- Retain for 2 to 3 years to stabilise the asset
- Sell On.

The fund will deploy their capital day 1 to purchase the land etc and then arrange senior debt for the construction funding.

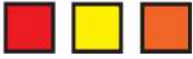
They prefer to work with joint venture partners who are experienced developers or contractor/developers.

They are looking to build relationships with new partners on the basis that several projects can be built out over the next 3 to 5 years. As already stated, the fund prefers to maximise the project yield by retaining the asset for 2 to 3 years during which time the asset will stabilise before selling on into the institutional market. If the fund's joint venture partner wishes to be bought out after 2 years e.g on project completion, then this is also possible.

In turning to the level of investment into a joint venture partnership, please note:

- For the first project with a new joint venture partner, the fund would want the partner to invest 25% of project costs as a minimum contribution.
- Once the relationship is established, the fund is happy to invest up to 90% of all costs and the joint venture partner invests only 10% of project costs.

Finally, with respect to return on capital, I can confirm that the fund is looking for an I.R.R of 18% over a 2 to 3 year period.



Funding Product 16:
Experienced Contractor wishing to be the Developer.

Senior Debt Development Lender

We are working with a new-to-market Fund that specialises in Resi Development Finance

- 65% loan to GDV
 - £250,000 to £25 million
 - All UK
 - PD and Ground Up
 - Interest rate of 0.61% per month
 - Will allow Pre-Sale Deposits as Developer Contribution
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Funding Product 19: Ideal for a Landowner

Logistics Sector Funding – All of the UK

We are looking to work with Landowners where we can use the following facilities to release the true value of the landowners' land.

The logistics sector is very strong at the moment.

Subsequently, we have created various initiatives which are as follows:

Joint Venture:

We have several parties who are willing to enter into a JV partnership to assist with the funding package to Build Out Logistics Projects.

Such parties include:

- Medium size but well capitalised contractors.
- High net worth individuals
- Assets Under Management Funds

The range of funding available is from £2 million to £150 million.

Forward Funding:

On the assumption that the project to be Built Out is Pre-Sold or Pre-Let, -

Institutional Funds will:

- Buy the land
- Enter into a Development Management Agreement with the Developer to Build Out the project
- Pay the Developer to Build Out the project.
- On completion of the project, the Forward Funder will retain the asset as a long term investment.

This facility De-risks the project for the Developer



Funding Product 23:
Equity Funding for inexperienced Developers:

UK Equity Funding across: England, Scotland & Wales

An Equity Funder who is also a Developer is offering the below facility for inexperienced Developers to bring mentoring and credibility to the scheme:

- A Joint Venture & Profit Share structure
- Brings credibility and experience to the project thereby reassuring Senior Debt Providers
- Will invest from £1.5 million to £3 million as Equity
- Can bring to the project Senior Debt by way of existing relationships.
- Ground up and conversion schemes are acceptable
- Apartments or Housing Schemes are acceptable
- All the UK covered
- Charges 15% interest and 50% of the project profit.
- The Equity Provider will be active and supportive in the project.



Funding Product 28:
Ideal for Business Owners, Property Developers & Property Investors in Spain:

Lending in: Spain/Holland/Germany

We are working with a Flexible Lender who will provide the following facilities:

Bridging Finance

- Minimum Loan €1million
- Maximum Loan €20million
- Maximum LTV 65%
- Purpose of the loan- Acquisition, Refinance or Releasing Equity
- Asset Sectors- Residential and Commercial Assets
- Interest Rate- 0.65% per month
- The asset must be held in a Luxembourg or UK company.

Development Finance

- Minimum Loan €1million
- Maximum Loan €20million
- Maximum LTGDV 65%
- Purpose of the loan- Ground up, conversion or refurbish
- Asset sectors- Residential and Commercial
- Interest rate- 0.70% to 0.76%
- The SPV and asset must be within a Luxembourg or UK company

Please note this lender will also fund in Holland and Germany.