GH House, Nottingham
Student Accommodation Investment

- Purchase a 150 year lease in an en-suite room in GH House from only £34,600
- Rented out and managed for you hands-free for 10 years, renewable
- 5 years assured 10% p.a. Net Rental Return
- £3,460 paid to you, £865 quarterly for 5 years
- Buy back option after year 5
- FULL PLANNING PERMISSION IN PLACE

Student Accommodation is becoming a MUST HAVE investment...
- FT, Nov 5, 2012
Executive Summary

Privately managed student accommodation, a core asset class for institutional investment houses and private pension funds has only recently become available to private investors who have been quick to capitalize on its safe, property-based attractive returns. It is proving a major success and the demand is booming.

This investment opportunity in GH House offers private investors the purchase of an en-suite room/s fully managed for 10 years (renewable) by the developer’s established management company with an assured Net rental yield for the first 5-year period; after that at market rates with all-in costs including management fee capped at 20%, the Net Rental is projected to exceed the returns of the first 5 years. It’s that simple.

This is a fully hands-free investment that generates secure high yielding quarterly returns with a potential exit strategy with capital appreciation at the end of year 5.

The Building and your room are in the process of being refurbished. The construction company is Nottingham based and experienced in student projects of this nature. The site will be a simple reconfiguration, renovation, and will take 6-9 months to accomplish and is contracted to be complete by August 2013.

Demand for accommodation is rising as the universities and colleges are handing over responsibility of their housing services to private management companies.

The Investment Opportunity

A HIGH YIELDING AND SECURE 150 YEAR LEASE IN GH HOUSE

- 20 high specification, fully managed en suite student rooms all finished and furnished to exacting standards with prices from £34,600
- You own a Land Registry recorded 150 year lease on your investment from day 1
- All rooms are sold with a 10-year management contract and a solid 5-year, 10% Net rental yield secured by a developers assurance and supported by a rental reserve fund held in escrow
- £3,460 per annum Net paid quarterly directly into investors chosen bank account for the first 5 years
- During renovation a 5% interest is paid on all investor deposit monies
- Once built and on practical completion, your management contract kicks in, and the letting & rental arm of the project developer takes over and will turn-key manage your room on your behalf. They are an established Nottingham based operation with many years of experience within the student lettings and property management sector.
- At the end of year 5 the developers of GH House will have the option to repurchase all of the rooms back from investors at a 10% premium offering a resale opportunity with capital appreciation.
- If the building is not repurchased the 10-year management contract will continue as agreed, investors are free to on sell their room at any time.
The Student Accommodation Market

The face of student housing in the UK is changing.

• Students no longer want to stay in low grade HMO (House of Multiple Occupancy) accommodation, but want and are able to rent a higher caliber of property during their time studying.

• City councils no longer want transient student communities taking over residential areas, and due to the credit crisis there is a huge increase in the need for rented family housing and City Councils are forcing HMO landlords to move away from the student rental market.

The number of student places continues to grow with 7.75% more students accepted into universities in 2011 than in 2007.

Higher education in the UK is exceptionally competitive on an international scale. The country boasts some of the best universities in the world, making it a huge success in the global market, claiming 9.9 per cent of the total market share in 2009.

In 2010/2011 in British higher education the number of:

• Chinese students rose by 43 per cent, to 67,325
• Indians rose by 14.7 per cent to 39,090
• Saudi Arabia almost doubled to 10,270

In 2012/13 UCAS reports applications from non EU students increased by 13.7%, demonstrating the continued appeal of UK Universities overseas.

AS AN ASSET CLASS STUDENT PROPERTY HAS OUTPERFORMED EVERY OTHER COMMERCIAL SECTOR!!

THE MARKET IS GROWING AT 5% PA. AND OCCUPANCY RATES ARE AT 95% AND GREATER!!!

THIS DRAMATIC INCREASE IN BOTH DOMESTIC AND INTERNATIONAL STUDENTS STUDYING IN THE UK AND AS A GLOBAL DEMOGRAPHIC IS FUELLING THE ALREADY UNDERSUPPLIED STUDENT ACCOMMODATION MARKET!!
Location

Nottingham

- Rated by Knight Frank as a top UK city for student property investment
- The most popular University City in the country outside of London
- Student population over 60,000 under graduates
- A thriving retail sector and a tourist industry steeped in history
- Numerous and varied entertainment and nightlife venues fully catered to the student market
- Accessible from all parts of the country due to its excellent rail and road network plus easy access to East Midlands International Airport

Target Rental Market

Midlands Academy of Drama & Dance (MADD).

- A leading drama and dance academy 400 m away from GH House
- MADD has 300 full time domestic and international students
- Currently no access to purpose built student accommodation.
- GH House to be offered by the Academy as its first choice recommendation

Nottingham Trent University (NTU)

- NTU has over 26,000 full time students
- Large overseas student population from over 104 countries
- Recently spent over £120,000,000 upgrading it’s city centre campus
- Located 1.5 miles away from GH House with direct public transport links

University of Nottingham (UoN)

- UoN has over 40,000 full time students
- Over 8,000 international students studying in the city from 150 different countries
- Considered the UK’s first Global University with campus’s in Malaysia and China
- UK’s largest and most active Students Union

EXCELLENT PUBLIC TRANSPORT LINKS MEAN THE DOOR TO DOOR JOURNEY TIME FROM GH HOUSE INTO THE CITY CENTRE IS LESS THAN 10 MINUTES
Facilities

GH House will offer spacious, secure boutique living for all its residents with 4 floors of en-suite rooms, split into 5 cluster apartments.

- 4 floors, 20 modern fully furnished en-suite bedrooms
- Each apartment has a lounge area with wide screen TV
- Fully equipped kitchen with a full range of white goods
- Security office with full exterior CCTV coverage
- Secure door entry system
- Secure gated off street parking
- Private landscaped garden and patio area

GH HOUSE HAS A FULL LETTER OF SUPPORT FROM MADD COLLEGE OFFERING THE ROOMS AS THEIR FIRST CHOICE STUDENT ACCOMMODATION

En-suite Rooms

All en-suite rooms will be delivered with a modern contemporary feel finished to exacting standards, fully furnished and ready to let. Each room comes complete with the following:

- ¾ width or full double bed
- Private en-suite bathroom with a shower, toilet and sink
- Wall mounted flat screen TV with satellite channels (SKY)
- 10mb Wifi
- Study desk and chair
- Sofa (in larger rooms)
- Wardrobe
- Storage
- Mirror
- Heating unit
- Security door
Management Company

The management company is the property management, lettings and rental arm of the project developer. They are an established Nottingham based operation with many years of experience within the student lettings and property management sector.

The rooms will be let on a 46-week term with the potential for extra revenue generation from youth hostel rental during the summer holiday period.

Investor Security

- GH House has been granted full planning approval by Nottingham City Planning Department. Planning Ref No. 12/03094/PFUL3 (PP-02279210)
- Purchase process overseen by an fully independent UK commercial solicitor
- 5 year 10% p.a. Net rental return assured by the developer guarantee supported by a rental reserve fund
- Leasehold titles for each room will be officially registered in the investors name with the UK Land Registry right from inception and payment of the initial 50% deposit *
- At the end of year 5 the development company will look to purchase the rooms back from investors with 10% capital appreciation.
- If not sold back and the management contract is continued, market rental rates and an all-in management fee capped at 20% will virtually assure returns equal or better to the 10% p.a. assured for 5 years
- With over 60,000 students to market to, and MADD College 400 m away already offering to pre-let all the units, full occupancy at top market rental rates is virtually assured.

* In exchange for a first charge in favour of the seller released on receiving full payment upon practical completion

THE STUDENT ACCOMMODATION MARKET REMAINS ATTRACTIVE TO DOMESTIC AND MORE RECENTLY INTERNATIONAL INVESTORS DUE TO THE HIGHER ACHIEVABLE TOTAL RETURNS COMPARED TO TRADITIONAL PROPERTY ASSET CLASSES, AND CONSISTENTLY HIGH OCCUPANCY LEVELS

- CBRE
Simple Purchase Process

- Review brochure and sales literature
- Speak with your sales consultant to answer any questions
- Select a unit and pay the £500 reservation fee (refundable up to 28 days)
- Complete and return your reservation form and other documentation
- The independent UK solicitor will be in contact to offer legal assistance and guide you through your purchase and contract signing
- Pay the first 50% deposit (minus res fee) £16,800
- Take leasehold ownership of your secure high yielding student room
- Pay a second installment of £8,650 once a RIC’s valuer has signed off on the initial work up to first fix stage*
- Pay a final installment of £8,650 on practical completion of the building and automatically commence the management contract

**EVEN SIMPLER AFTER THAT:**

- Collect your 5% p.a. accumulative renovation return immediately
- Receive £3,460 per annum post construction assured for the next 5 years
- Start collecting your quarterly £865 only 3 months after completion
- Sell for a 10% capital gain at the end of 5 years or carry on with the managed rental at market rates
- Sell your asset at any time as you see fit

* First fix is the completion of all structural work ready for applying plaster to the walls, this includes inserting electrical cabling and water supply pipes
GH House
Nottingham