

Uown

# village St.

Investment Opportunity.



# Summary.

11 Village street is an HMO refurb opportunity in Leeds. UOWN are raising £65,188 from the crowd for the refurbishment and fit out of the property, which will enable the property to be converted from 4 bedrooms to 6 bedrooms. By increasing the number of bedrooms we intend to achieve capital uplift from the increased rental capacity of the property. We will then aim to tenant the property for the 2019/20 academic year and the property is planned to be sold on the open marketplace in 2019 ensuring the exit for the UOWN crowd and the developer.

## Key Facts.

**Project Term: 6 Months**

**Project Return: 14.99%**

**UOWNers Contribution: £65,188**



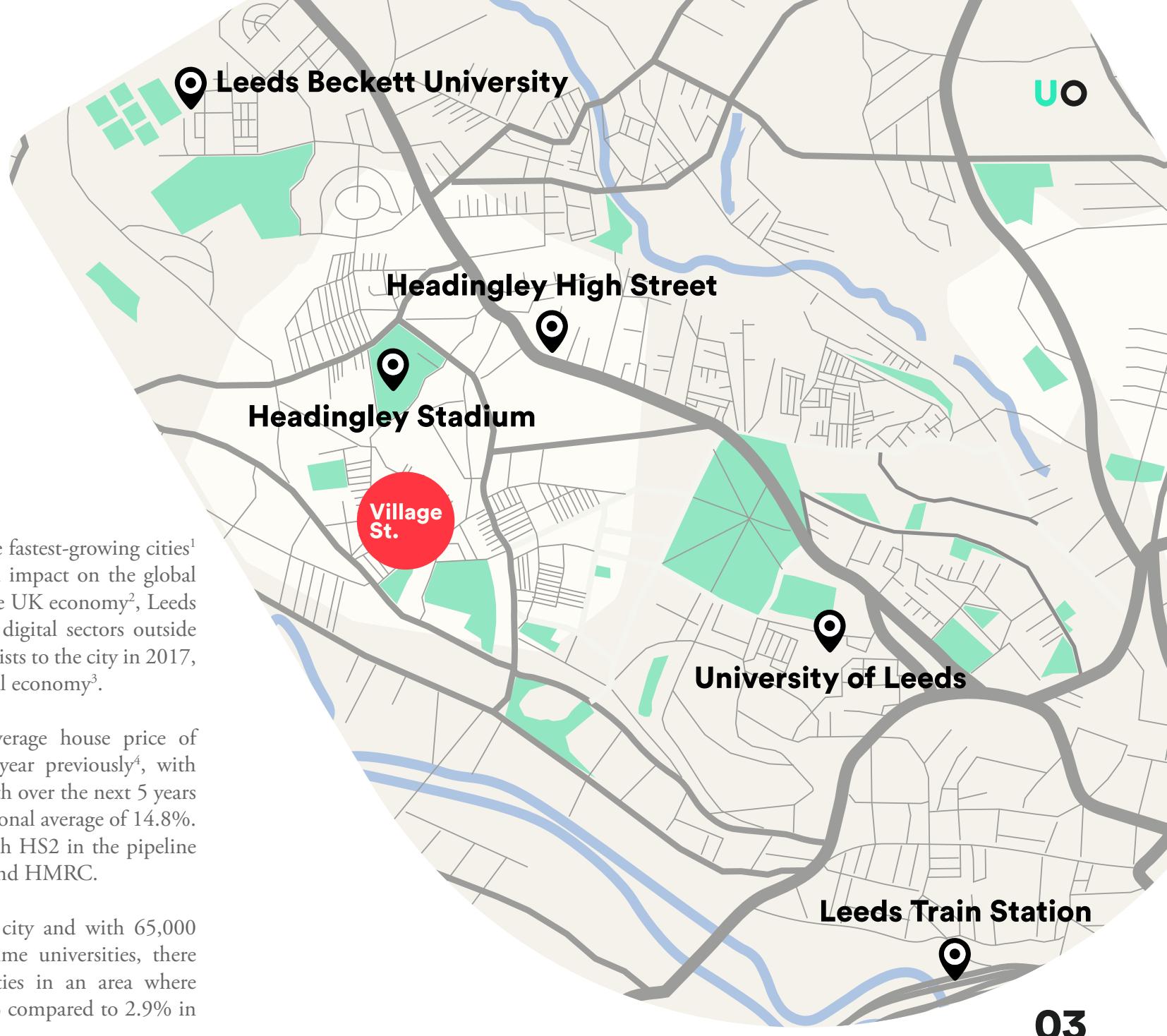
# About Leeds.



Leeds is today recognised as one of the fastest-growing cities<sup>1</sup> in the UK and is looking to make an impact on the global stage. Contributing £66.5 billion to the UK economy<sup>2</sup>, Leeds boasts the largest financial, legal and digital sectors outside London and welcomed 29 million tourists to the city in 2017, who pumped £1.7 billion into the local economy<sup>3</sup>.

A rising population is seeing an average house price of £192,530 in Leeds, up 5% on the year previously<sup>4</sup>, with experts predicting a 20.5% price growth over the next 5 years for the Yorkshire region<sup>5</sup>, against a national average of 14.8%. Leeds is attracting a lot of interest with HS2 in the pipeline and will soon be home to Channel 4 and HMRC.

Leeds is a well-established university city and with 65,000 students spread between seven full-time universities, there is huge demand for student properties in an area where rental yield in LS6 averages at 10.79% compared to 2.9% in London<sup>6</sup>.



# Financial Summary 01.



## Investment Overview.

Site Value	£	210,000
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## Costs.

Renovation Cost	£	46,080
Furniture & Fittings	£	12,000
Contingency Allowance	£	4,608
Legal and Professional Fees	£	2,500
<b>Total Project Costs.</b>	£	<b>65,188</b>

## Financing.

Developers Contribution	£	210,000
UOWNers Contribution	£	65,188

## Income Statement.

Sales Price (GDV)	£	310,000
<b>Sales Costs.</b>		
Sale and Marketing	£	4,650 (1.5%)
<b>Gross Profit.</b>	£	<b>30,162</b>
Corporation Tax	£	5,370 (19%)
<b>Net Profit.</b>	£	<b>24,431</b>

Forecasts are not a reliable indicator of future results.

# Financial Summary 02.



## Profit Breakdown.

	UOWNers	Developer
Profit Share	40%	60%
Profit	£ 9,772	£ 14,658
Return on Investment	14.99%	6.98%

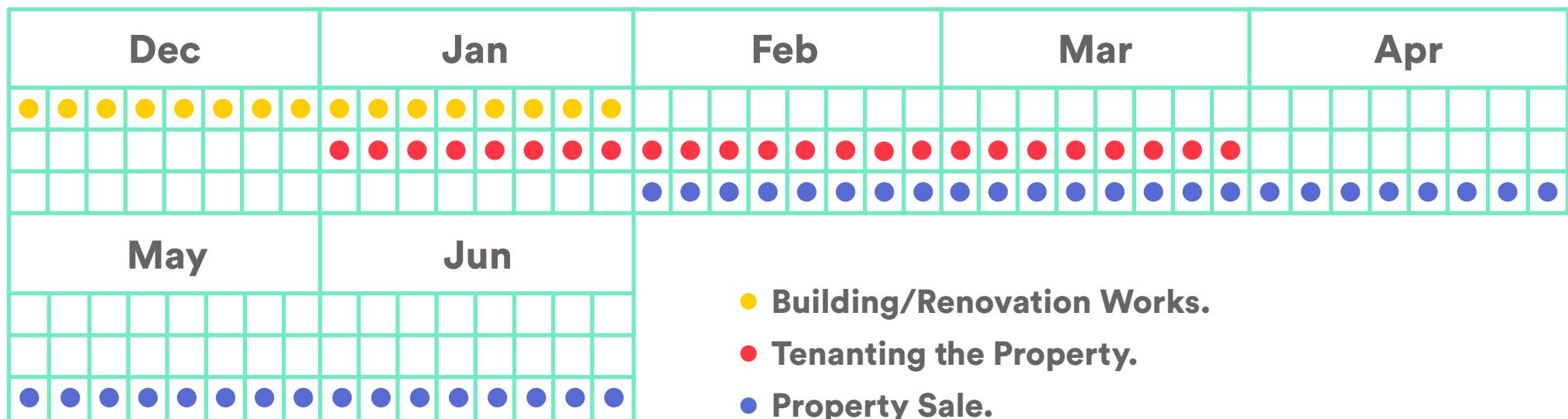
## Stress Test.

Sales Price	£ 300,000	£ 310,000	£ 320,000
UOWNers Returns	10.10%	14.99%	19.89%

Forecasts are not a reliable indicator of future results.

# Timeline.

The developer has started renovation works on the site and is scheduled to have all works completed by the end of January. Parklane Properties will market Village Street to the student rental market at the beginning of January, with the target of securing tenants for the 2019/2020 academic year by the end of March. We will instruct Castle Hill to sell the property to the investment market with income-secured for the 19/20 academic year, with a projected sale by the end of June.



Forecasts are not a reliable indicator of future results.

# Market Analysis.

Property prices for student rental properties are derived from the rental return an investor can expect to receive from the property. After consulting local estate agents we know that buyers expect between 8-10% returns on properties in this area. Using a conservative rental price of £90 per person per week (pppw) we obtained a lower valuation for the property of £300,000. The upper value in our stress test comes from taking a rental figure of £96 pppw which translated to a sales price of £320,000.

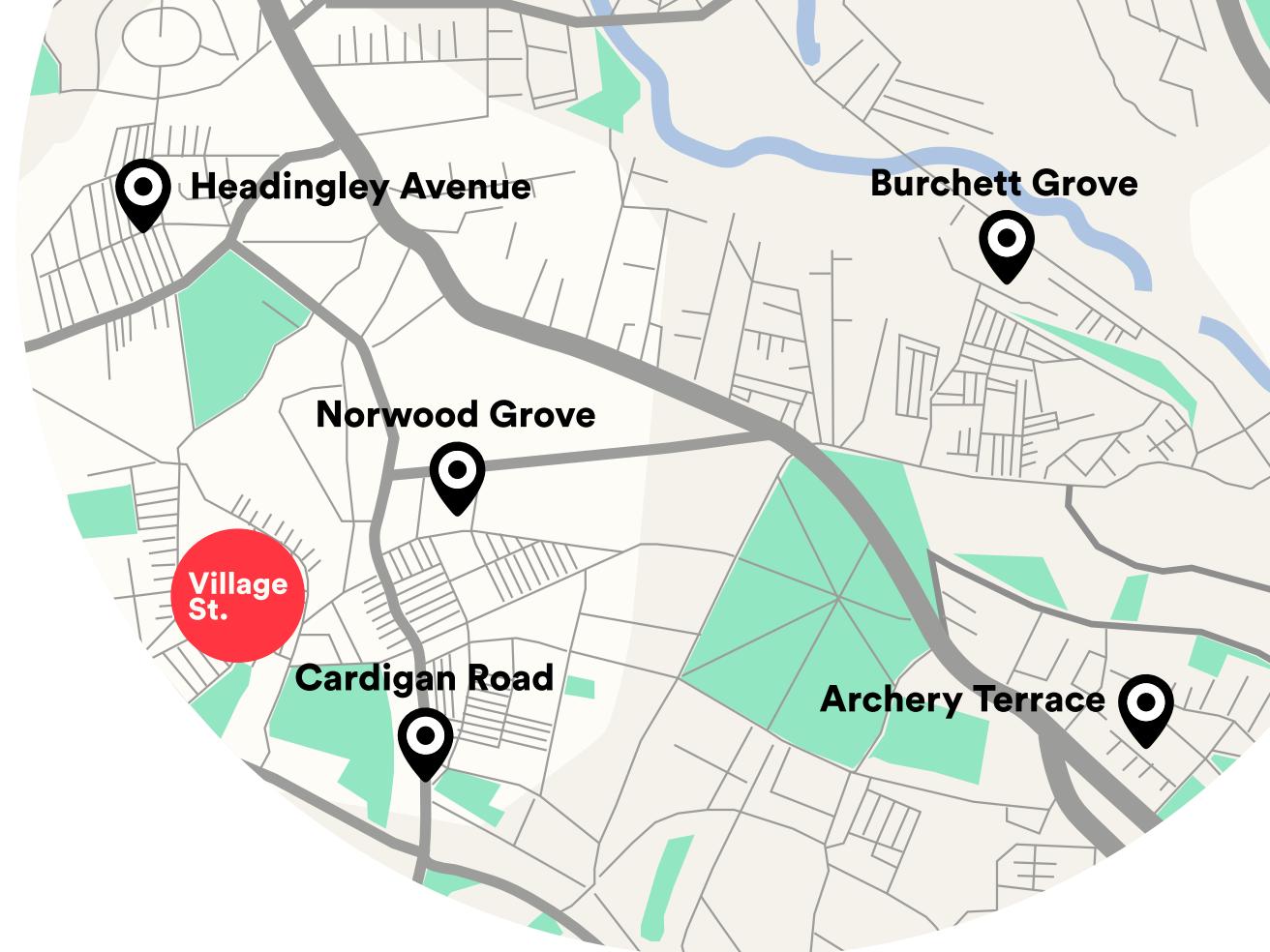
Both sales prices have been backed up by independent valuations from local estate agency Castle Hill based on the rental figures used.

We have based our calculations in the middle of the two estimates. We will be targeting £97 pppw and we will endeavour to get the going market rate for rent. Below we have listed and linked similar properties on the market to demonstrate our assumptions are achievable. To ensure the project is viable even under poor market conditions we have shown a range of outcomes including a lower than expected sales price.

## Current Rental Properties Available:

No. of Bedrooms	Address	Standard	PPPW	Letting Agent
6	Burchett Grove	Good	£95	Springwell
6	Norwood Grove	Good	£101	Springwell
6	Archery Terrace	Very Good	£110	Springwell
6	Headingley Avenue	Very Good	£111	Springwell
6	Cardigan Road	Very Good	£110	Redbrick Properties

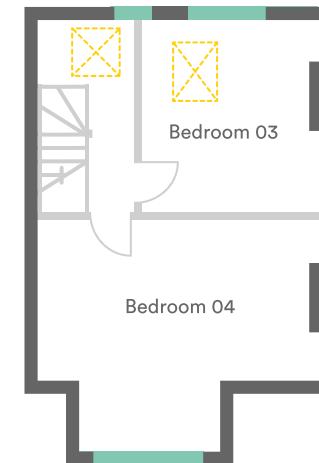
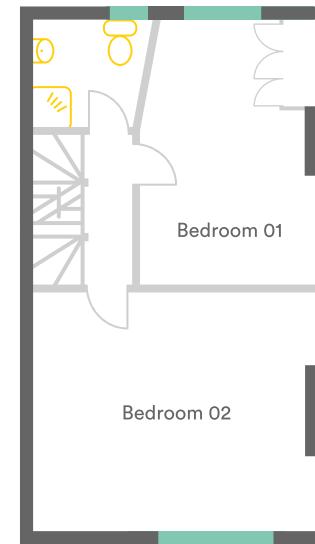
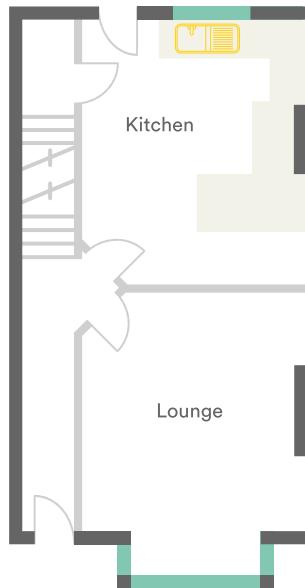
\*Based upon Market Analysis at the time of publication 01.12.18



# Floor Plans.

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Existing Layout.

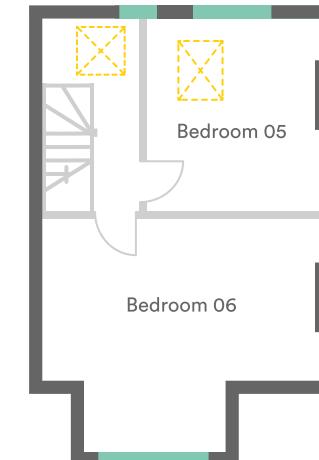
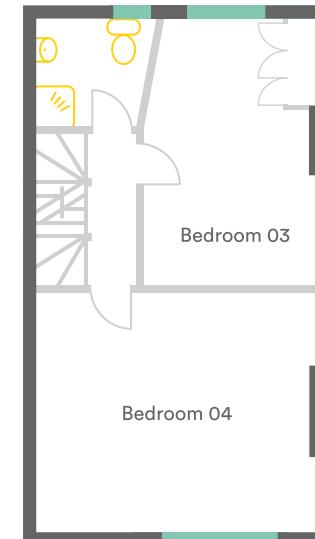
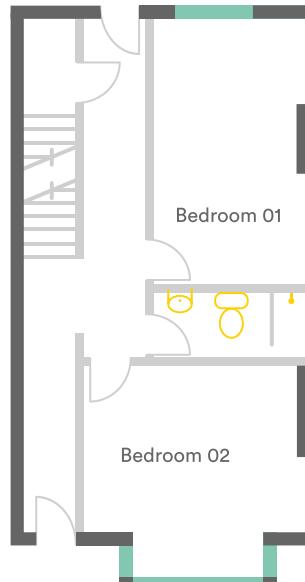
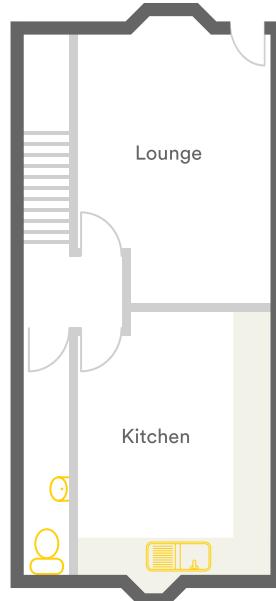


Ground Floor

First Floor

Second Floor

Proposed New Layout.



Basement

Ground Floor

First Floor

Second Floor

# Interior Mood.

The property is being completely refurbished with new plumbing and electrics. The interiors will be completed to a high standard with a feature living room, stylish kitchen, and modern bathrooms. All bedrooms will have double beds, a desk and a chair.



# Parklane Group.

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Founded in 1979, The Parklane Group has earned a reputation for being a market leader in property and leisure over the last four decades.

The Parklane group has a substantial property holding in the UK, with family values and the drive to break boundaries with constant innovation to create outstanding functional spaces at the heart of everything they do.

## 40 years experience in the property market.

Parklane Properties is now the largest independent agent for student property in Leeds with over 1000 properties, each is fitted to the highest standard.

The Parklane Group have a wide variety of exciting developments in their pipeline under a number of brands including Roomzzz aparthotels, ICONINC luxury student accommodation, and the very ambitious INC scheme. Their carefully curated portfolio offers a range of highly desirable investment opportunities. Parklane Group's wealth of experience and their commitment to viable and sustainable investments means that UOWN are very excited to bring some of their opportunities to our investors.

Parklane Group owns a fifty percent stake in UOWN. This means that they can give our investors access to opportunities that would not normally go to the market. This also represents a risk of a conflict of interest. To mitigate this risk extensive due diligence is carried out on every investment opportunity, including those introduced by the Parklane Group.



# Investment Precaution.

## **Loss of Capital.**

Investing in this project puts your capital at risk. The project costs or sale price may differ from the amount forecast, so returns may be different from those projected and you may lose some or all of your capital.

We have built in a contingency allowance into the costs to account for any unexpected increases. The projected sales price of £310,000 has been backed up by valuation reports from Castle Hill estate agents.

## **Delay of the project.**

One of the risks of property developments is that the construction or sale may take longer than anticipated. This means you may have to wait to receive your funds.

“This is a relatively small project and in the interest of getting things moving, works have already begun and contractors have already completed the enabling works and strip out. The rest of the rest of the works will be completed in January. We have then allowed 5 months tenant the property for the next academic year and to complete the sale.

## **Illiquidity.**

When investing in this opportunity your funds will be tied up until completion of sale of the property. This projected completion date is the 30th of June. Actual completion may be earlier or later than this date.

## **No financial advice.**

UOWN do not provide financial advice or recommendations and nothing in this document is intended as investment advice. If you are not sure whether or not investing in this opportunity is right for you, you should seek the advice of an independent financial advisor who is authorised under the Financial Services and Markets Act 2000.

## **Sources.**

1. <https://www.theguardian.com/business/2018/mar/21/north-midlands-england-jobs-growth>
2. [http://investleedscityregion.com/system/files/uploaded\\_files/20895\\_LP\\_ONLINE%20GENERIC%20PROSPEC\\_TUs\\_V2%203%20281%29.pdf](http://investleedscityregion.com/system/files/uploaded_files/20895_LP_ONLINE%20GENERIC%20PROSPEC_TUs_V2%203%20281%29.pdf)
3. <https://www.yorkshireeveningpost.co.uk/news/visitor-numbers-soar-in-record-year-for-tourism-in-leeds-1-9244788>
4. <https://www.rightmove.co.uk/house-prices/Leeds.html>
5. <https://www.savills.co.uk/insight-and-opinion/research-consultancy/residential-market-forecasts.aspx#main-stream-capital>
6. <https://www.totallymoney.com/press-centre/media-release-uks-top-10-high-yield-buy-let-hotspots-revealed/>

# About.

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UOWN is a platform offering anyone the ability to invest and potentially earn money from property at the click of a button. Giving the ownership of UK property back to the people.

House prices can fall as well as rise and you may not get back all of the money you invest. Rates of return quoted on our website are estimates only and are not guaranteed. Investments are not protected under the Financial Services Compensation Scheme.

A large, solid teal shape is positioned in the lower right quadrant of the slide. It has a rounded rectangular base and a triangular top, creating a stylized mountain or hill-like form.

**UOWN**

UOWN is an appointed representative of Resolution Compliance Limited, which is authorised and regulated by the Financial Conduct Authority (FRN: 574048). UOWN Exchange Ltd, 25-27 Otley Road, Leeds, LS6 3AA

[www.uown.co](http://www.uown.co)

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