

Urban Village Group

Everything an advisor needs to know before accepting to distribute this offer

How much time does it take to learn the essentials of this offer?

30 minutes

What are the documents you should know and review first?

- The video presentation
- The fact sheet
- The legal information (Investment Memorandum)

Key points

- The issuance is 10,000,000 GBP.
- The company was founded in 2016.
- Investors can invest from 10,000 EUR, GBP or USD.
- The bonds pay a fixed interest of 8% (quarterly) or 10% (compound) per annum.
- A 5% bonus is applicable at full term.
- The bond maturity is 5 years.
- Bondholders may redeem their Bond at the yearly anniversary of their original investment, by giving 30-day notice before their yearly anniversary.

How should you present?

Short pitch

- Real estate has long been considered one of the most viable investment options to secure investment portfolios and establish consistency and stability.
- However, buildings are a significant source of carbon emissions, and not all real estate developers are aware of the growing importance of sustainability. Forbes reports that nearly 40% of global carbon dioxide emissions come from the real estate sector.
- Urban Village Group is a well-established and internationally acclaimed UK developer, investor and asset manager with a strong focus on minimising environmental footprint. Having a solid track record and expanding with some big projects on the horizon, Urban Village focuses on the three sectors that are shaping the growth of the real estate market: private rental sector (PRS), purpose-built student accommodation (PBSA) and healthcare sector.
- Investors may invest from as low as 10,000 in any of the three major currencies - EUR, GBP or USD; income investors will achieve a fixed return of 8% per annum, and deferred income investors will achieve a fixed return of 10% per annum. Investors may redeem their investment each year on the anniversary of their original investment, but if they keep their investments until their five-year maturity date, they will get a 5% bonus.
- Would you allow me to show you this solution in more detail during a quick meeting/call?

Long pitch

- In a post-Covid-19 world, which is intrinsically characterised by global uncertainties and inflationary pressures, investors' priorities have shifted significantly. Now, stable cash flows, market resilience, and an absence of correlation to the stock markets are becoming key investment parameters.
- Real estate has long been considered one of the most viable investment options to secure investment portfolios and establish consistency and stability. However, buildings are a significant source of carbon emissions, and not all real estate developers are aware of the growing importance of sustainability.
- Urban Village Group is a well-established and internationally acclaimed UK developer, investor and asset manager with a strong focus on minimising environmental footprint. Having a solid track record and expanding with some big projects on the horizon, Urban Village Group focuses on the three sectors that are shaping the growth of the real estate market: private rental sector (PRS), purpose-built student accommodation (PBSA) and healthcare sector.
- The public rental sector encompasses those housing projects for which all the properties are built to rent, not to sell. With rising inflation, fewer people can afford to buy property, which in turn creates stronger demand for rentals.
- The growing number of international students in the United Kingdom has become a key driver of tenant demand. Since Brexit, the UK has embraced a strategy of becoming more global and fostering new agreements with nations all over the world. As a result, the number of foreign students in the UK has been accelerating since 2020, even despite the pandemic.

- The ageing population and demographic trends indicate that the care homes sector will grow at an increasing pace in the coming years. Urban Village have successfully met its debt obligations on the previous series to numerous investors, in particular from the Far & Middle East. With the success of their previous raises, Urban Village will now launch series 4, a £10 million loan note to finance huge exciting development projects outside of their locality. Urban Village Group establishes SPVs for each development and typically look to hold the assets on completion. Developments typically require a 12 to 18 month build phase before completion, at which point the units are available for rent and the development can be refinanced or may be sold.
- Urban Village have a choice of exit strategies in place for each development. Their usual model is to refinance the asset once completed and hold it long term, which releases capital and earns a yield on the rental income. They also have the option to sell outright, to either a private or institutional investor.
- The company has already earned an impressive reputation with their outstanding projects. For example, it has recently carried out a comprehensive redevelopment of a landmark building within the affluent Four Oaks area with valuation of £15m, while spending on construction only £5.1m.
- Investors may invest from as low as 10,000 in any of the three major currencies - EUR, GBP or USD; income investors will achieve a fixed return of 8% per annum, and deferred income investors will achieve a fixed return of 10% per annum. Investors may redeem their investment each year on the anniversary of their original investment, but if they keep their investments until the maturity date, which is 5 years, they'll get a 5% bonus.
- What would you like to know next?

In summary

- An opportunity to benefit from a reliable eco-friendly business model and one of the most resilient real estate markets in the world.
- Focus on the three sectors that are shaping the growth of the real estate market.
- Investors can invest from 10,000 EUR, GBP or USD.

What are the criteria to evaluate the quality of the offer?

1 - Business model

Over the last six years, Urban Village have delivered a portfolio of £622m, while repaying in excess of £241m to investors. They have an attractive pipeline with a gross development value of £865 million, which ranges from projects in the early stages of planning through to construction and practical completion, and typically aim to deliver around 15 new developments each year.

2 - Attractive market

Urban Village focus on residential-led developments and specifically the purpose-built student accommodation, healthcare and private rented sectors, where there is strong demand, significant undersupply and the prospect of growing rents and capital value.

3 - Ethical investment

Urban Village re-purpose the buildings and bring them back to life for the community, while reducing the environmental impact compared with a new build. The developments are designed to support the well-being of their residents, in particular in the healthcare and supported living sector.

What makes this offer a serious one?

- The underlying asset class is real estate. It is one of the most secure asset classes.
- The business directors review and set governance practices annually, which are regularly audited by third-party specialists for external validation. Urban Village Group have over 42 years of director experience in-house, with a track record for successfully delivering over £622 million worth of real estate since 2013 and £25.3 million currently under ownership and management.
- The Bonds are backed by the loans made by the Company to development SPVs which themselves own property assets. Consequently, should the borrower (UV Real Estate Holdings) be unable or unwilling to

repay the Bonds, the Security Trustee could step in and those loans could be called, and ultimately properties sold, in order to provide funds to try to repay the Bonds.

Why is the management qualified to deliver?

With an extensive experience and a successful track record, Urban Village Group's management team consistently excels in real estate development and management, evidenced by the rapidly expanding portfolio.

- Nick Sellman (CEO) has over 15 years' experience in the industry. He is highly skilled in deal structuring and acquisitions and has been at the forefront of a number of complex projects in the private rented sector, student and healthcare markets.
- Adam Faulkner (Executive Director) is a highly experienced finance professional with a background in investment banking. For over 10 years, he has assisted in the execution of many successful fundraising and capital transactions, including IPOs and M&A.
- Martin Cooper (CFO) is a fellow chartered accountant with over 20 years' experience of Board level appointments in the healthcare, construction and financial services space.
- Peter Steer (CRO) is a chartered accountant and former management consultant. His vast experience and knowledge has been gained through senior roles in finance, organisational development, strategic planning, business planning, and general management responsibility for all finance, contract, legal, debt funding for a range of property development projects totalling over £60 million.

What kind of clients are investing in this opportunity?

High-net-worth individuals, Asset Managers, Portfolio Managers, Family Offices, Sophisticated investors and other institutional investors looking for:

- diversification instruments
- a regular stream of income
- reduced market volatility for their portfolio with non-correlated investment opportunities
- hedging against inflation
- an attractive yield
- private debt instruments with strong guarantees

What are the top 3 arguments?

Arguments related to the company

- Urban Village is a well-established and internationally acclaimed UK developer with a solid track record, currently expanding with some big projects on the horizon.
- Strong board - they don't have to hold stock on their book, and they minimise rise by forward selling or creating stabilised income.
- The UK is one of the most heavily invested countries in the world when it comes to real estate.

Arguments related to the investors' portfolios

- Investors may invest as low as 10,000 EUR, GBP or USD.
- The coupon is paid directly to the investors' bank account, which can create a stream of revenue.
- 8-10% yield act as an attractive alternative in the global environment of low returns as cash deposits and governments bonds do not deliver more than 1-2% a year.

What questions might prospects ask and how can you answer them?

What happens if I change my mind?

You may cancel your application, in writing, at any time within 14 business days from the date on which your application is received.

Can I sell or give my investment to someone else?

No, the Bonds are non-transferable. Potential investors should consider carefully whether an investment in the Bonds is right for them in light of their personal financial circumstances as they will not be able to sell the Bonds and receive their capital back until the end of the relevant term.