

# Why is it safe to invest in Urban Village?

## 1. BUSINESS MODEL

- The Urban Village Group (UV) establishes wholly owned special purpose vehicles (SPVs) for each development and typically looks to hold the assets on completion.
- UV undertake due diligence and project appraisals in all cases.
- UV select the best opportunities, ensuring their longevity.
- UV mitigate construction risk through a layered approach.
- UV deliver successful developments, underpinned by strong relationships with a wide range of specialist partners.
- Developments typically require a 12 to 18 month build phase.
- There is a choice of exit strategies in place for each development.
  - Refinancing the asset once completed and holding it long term, which releases capital and earns a yield on the rental income.
  - Outright sale to either a private or institutional investor.

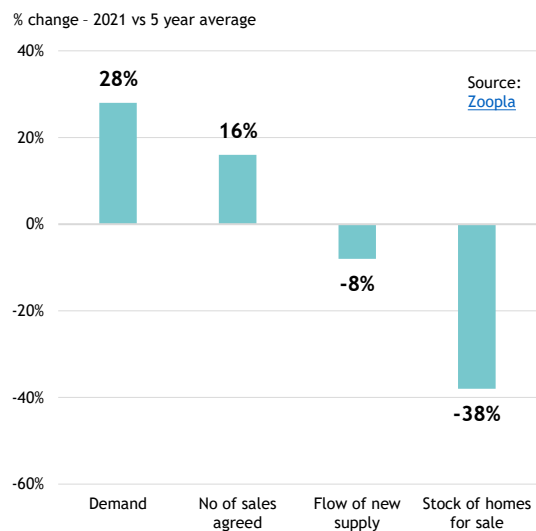
## 2. SECURITY

An important element of the UV Property Bond is security. The Bonds are described as “asset-backed” as they are backed by (i.e., secured against) the loans made by the Company to development SPVs which themselves own property assets. Consequently, should the borrower 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.

A legal fixed and floating charge over the assets of Urban Village Group, including loans to and interests in subsidiary development SPVs, is held by the Security Trustee and registered at Companies House.

In addition, the holding companies of Urban Village Group have provided a corporate guarantee for the purpose of providing credit support to the Company for the Company’s obligations under the Bond Instrument.

This mismatch between supply and demand in the UK will continue to put upward pressure on prices



## 3. RISING SECTORS

**PRS:** In the UK’s regional cities, there is now a scarcity of high-quality rental housing. PRS investors will benefit from high rents and stable asset value appreciation over time if the correct product is well-positioned in the market, while home prices continue to climb.

**Healthcare:** The characteristics of the healthcare real estate industry, such as the demographic transition and the social benefits it provides, are luring investors in. Despite the interruption caused by the epidemic, investment activity in 2020 reached a new high of £2.7 billion.

**PBSA:** Demand for student housing remains strong, as seen by high rent collections, with students opting to stay in student housing even when classes are delivered online.

## 4. EXPERIENCE

Urban Village Group is a well-established and internationally acclaimed UK real estate developer with a management team having over 42 years of experience in the property sector and a proven track record of delivering high-quality developments. Collectively their expertise encompasses high-quality design, planning, construction, finance, health care operations and asset management.