



# Investing in Homes By Holmes Frequently Asked Questions

## **1. What is your company's history and track record?**

"Our company has a rich history and a solid track record spanning over a decade. We have successfully completed all kinds of development projects across the Midlands and North, always delivering on time and within budget."

## **2. Can I speak with any past or current investors?**

"Absolutely, we are more than happy to connect you with some of our past and current investors. They can provide firsthand insight into their experiences investing with us."

## **3. What kind of properties do you typically develop?**

"We have a diverse portfolio from single-family homes to large apartment complexes and parades of shops. This diversity allows us to weather changes in the market."

## **4. What's the financial health of your company?**

"Our company is in excellent financial health. We have a strong balance sheet, consistent revenue, and healthy margins. People will always need places like ours to live."

## **5. What is your business model?**

"Our business model is focused on sustainable rental growth. We carefully select locations with high growth potential, renovate high-quality commercial properties into apartments, and maintain a balanced portfolio."

## **6. Who is your team?**

"Our team consists of experienced professionals, including skilled architects, project managers, and financial analysts. They all have a proven track record in their respective fields."

## **7. What is your exit strategy?**

We do not have an exit strategy because we build homes to last that people will always be wanting to rent, so why would we want to sell? Finished buildings are refinanced onto long term commercial mortgages with high street banks."

## **8. What guarantees can you provide to ensure my investment is safe?**

"While all investments carry some level of risk, we minimise this by converting existing office buildings rather than constructing from the ground up. We can also provide you with a detailed investment agreement that outlines the terms of your investment."

We can provide the following:

Legal Agreements: All investment terms are clearly outlined in a legally binding contract. This protects your rights as an investor and clearly stipulates our obligations.

Secured Investment: Typically, investor funds are secured against the property assets we're developing. This means in the event of any financial trouble, the property can be sold and the proceeds distributed to investors.

Insurance: We have comprehensive insurance policies in place that cover risks, from construction mishaps through to All Risk Property for the completed properties.

Robust Financial Management: We maintain a strong balance sheet and follow rigorous financial controls. We undertake regular internal audits to ensure budgets are on track and we maintain our financial health and transparency.

Track Record and Reputation: Our history of successful property development projects speaks for itself. We've consistently provided investors with solid returns and maintained a strong reputation in the industry.

**9. How are you dealing with the current property market conditions in the UK?**

"Since we predominantly create homes that people want to live in, our revenues are consistently robust with occupancy and rent collection at around 98%. The rapid rise in interest rates and therefore our costs of borrowing are our biggest challenge. Which is why we are now looking to raise loans privately, bypassing the banks and offering greater returns to individuals than available from banks. We have always avoided city centre retail due to high prices and volatility, preferring secondary retail locations instead. We also do not chase the latest big trends or headline grabbing locations, as we feel this is risk behaviour. So we prefer to stick to what we know and are very good at."

**10. What are the typical risks involved in your projects and how do you mitigate them?**

"While every project carries some risk, we have robust risk management strategies and a broad team of experienced people in place. These include thorough market research, prudent financial planning, our own construction and lettings teams."

**11. How do you handle project delays or cost overruns?**

"We always factor a reasonable buffer into our project timelines and budgets for any unforeseen circumstances. In the event of any delays or cost overruns, we have contingency plans in place to mitigate any impact on the project's completion or profitability. But since we don't sell our projects any reduction in profitability can be absorbed over our future decades of ownership."

**12. Can I have a detailed breakdown of the costs and expected returns of the project I am investing in?**

"Of course, we value transparency and would be happy to provide you with a comprehensive breakdown of all costs, potential revenues, and forecasted returns for your chosen project."

**13. What are the tax implications of my investment?**

"While we're not tax professionals, we can provide general guidance on the structure of your investment. However, we always recommend that you consult with a tax adviser to fully understand any potential tax implications."

**14. How is the investment structured? Is it a debt investment, equity investment, or a hybrid?**

"We typically structure our investments as debt investments. This means as an investor, you exactly what return you will get from the outset."

**15. How do I get paid and when?** "Your interest will be paid by standing order directly into your nominated bank account each month. Your capital will be repaid when the property conversion has been completed, rented out and refinanced with our high street banks. This usually takes around 24 months from start to finish. You will then have the option to invest again with us on our next project if you choose."

**16. How is my investment secured?**

"Your investment is secured by the property itself. In the unlikely event that the project does not proceed as planned, the property can be sold to return funds to investors."

**17. What is your track record with planning permissions and regulations?**

"We have a strong track record of successfully navigating planning permissions and adhering to regulations. Our team is well-versed in the process and we maintain good relationships with local authorities."

**18. What kind of insurance do you have in place to protect the project and my investment?**

"We have comprehensive insurance coverage that protects against a range of potential risks, from construction issues to right through to All Risk Buildings cover. This helps safeguard both the project and your investment."

**19. What happens if the company goes into liquidation?**

"In the unlikely event of liquidation, any remaining assets, including the properties we develop, would be sold and the proceeds would be used to pay creditors. As an investor, your money would be secured by a 1<sup>st</sup> Legal Charge over the building and so rank before any other creditors."

**20. How can I monitor the progress of the project?**

"We provide regular updates and detailed reports on our projects. Additionally, we have an open-door policy, so you're welcome to visit our offices or the project sites to see the progress for yourself."

**21. How and when will I receive updates on the project and my investment?**

"We communicate regularly with our investors, providing updates at key milestones and as needed. You'll receive detailed reports that cover project progress, financials, and other important information."

**Remember, investing always carries some level of risk and it's important to conduct your due diligence before making any investment decisions. While the above measures significantly help to mitigate risk, they can't entirely eliminate it. We encourage you to consult with a financial adviser and a solicitor to fully understand all aspects of the investment.**