



The Bullring, Birmingham

## Lyttleton House, Birmingham

Boutique En-Suite Student Accommodation  
only £42,000

- **10% Guaranteed NET Rental Yield** for 1 Year
- **Free Furniture Pack & Ready to Rent** (Included in the Price)
- Fully Managed Investment
- A Thriving New Asset Class
- The Perfect Armchair Investment
- Close to Various University Campuses

**10% NET  
Guaranteed  
Rental for  
1 Year**

# Introduction

## Student Accommodation

Between 1996 and last year student numbers have risen from 1.8 million to 2.4 million - an annual growth rate of 2.5 per cent. According to Knight Frank, the leading agent in this market, this trend is set to keep rising. Most key university towns reported nearly 100 percent occupancy in halls last year.

Figures from the Universities and Colleges Admissions Service showed a 12 per cent rise in applications in October



2010 as the rise in unemployment has led to an increase in people turning to higher education. Tim Goddard, partner at Knight Frank, said: "The underlying market fundamentals for the student property sector are positive, with supply restricted and strong demand underpinning rental growth."

Rents are the main attraction. Funds that invested in student accommodation in towns such as Bristol, Leeds or Liverpool since last year have enjoyed a rental returns increase of 13 per cent. Over that period student rents in Birmingham rose by 10 per cent.

Whilst rent rises cannot be guaranteed, there is growing evidence that any increase in the supply of quality student accommodation would be more than matched by the expected rise in demand. There is an increasing trend for post graduate students to seek improved facilities for peaceful study and added comfort.

# What is a Boutique Student Residence?

## An Explanation

Boutique Student Residence was developed as a unique concept of student accommodation that is more targeted at the end user category of international, post-grad and mature students.

Historically student accommodation has been provided by three or four bedroom terraced/semi detached houses (normal family dwellings) or by the big commercial operations in large 200 to 300 bed purpose built student blocks.

We have identified a small niche in the market of refurbishing existing period/historic buildings both residential or commercial offices into 50 to 70 bedroom schemes of student residences with a higher level of t out and amenities. We are creating a unique student experience. Our High standard en-suite study bedrooms will provide facilities to match the expectations of today's post graduate student.



# The Opportunity

## Lyttleton House

### Planning

Lyttleton House is an existing purpose-built student residence which does not require planning approval for change of use.

### Refurbishment

A fourteen week scheme of refurbishment has been put in place which will bring the building up to the modern standards demanded by today's students. Refurbishment work is scheduled to commence end of June 2011 in readiness for January 2012 and the start of the 2nd semester for 2011-2012 academic year.

### Location

Lyttleton House is located conveniently close to Adderley Park mainline rail station which serves Birmingham city centre, only one stop from New Street station. Local bus services run to most Birmingham colleges. The campuses of Birmingham City University and Aston University are located within a radius of 1-3 miles from Lyttleton House.

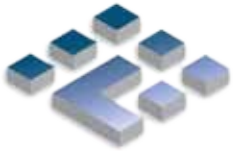
### Previous Development

Previous developments include the highly acclaimed seventy six room studio scheme, The Priory of St Wilfrid, close to Leeds University. The completed development was acquired by Cordea Savills Student Halls Investment Fund.



Lyttleton House

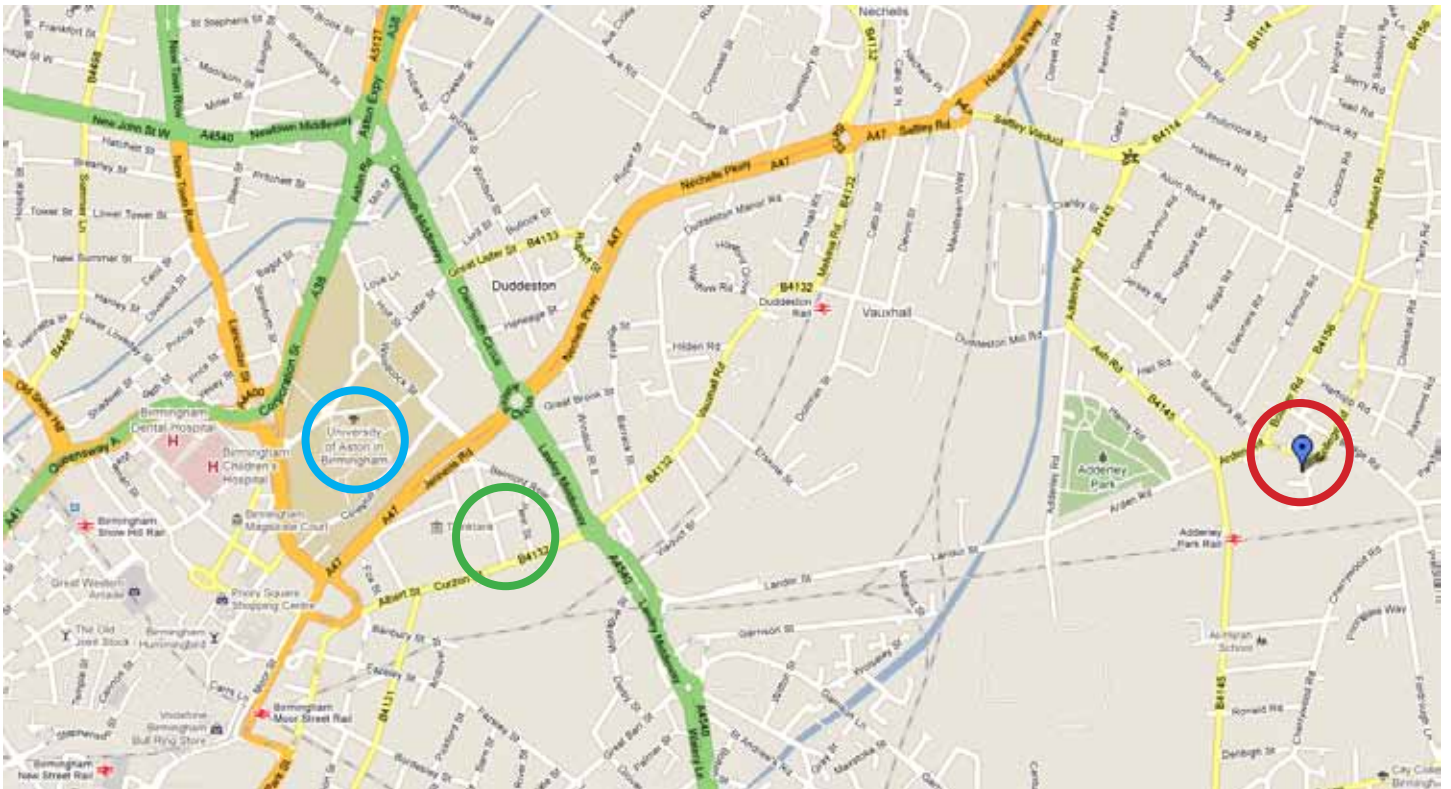
**“Opportunities are never lost;  
someone will take the one you miss”**



LANDMARK  
Developments

# Location

## Lyttleton House



-  Lyttleton House
-  University of Aston
-  Millennium Point (Birmingham City University Campus)

## Birmingham

### The UK's Second City

In 2010 Birmingham was ranked third in the UK and in the top 50 in the world of the best "quality of living" cities according to the Mercer index of worldwide standards. Birmingham is the most populous British city outside London giving it the prestigious label of the UK's second city.

The City Council is the largest local authority in the UK with an average turnover of £2.43 billion. Birmingham's city centre is the UK's third largest retail centre with several shopping malls including the Mailbox and the Bullring. The historic Bullring - site of a market for more than 800 years currently attracts around 20 million customers per annum. Birmingham is famous for Cadburys Chocolate which was founded in the late 1800's by John Cadbury and his brother Benjamin.

Another famous Birmingham brand manufactured in the city for many years from its launch in 1959 is the Mini motor car, designed by Alec Issigonis.

Birmingham is currently home to 3 Universities and 37 Colleges along with some 45 leisure centres, 15 hospitals and 5 parks. Birmingham is home to the UK's second largest student population comprising of over 64,000 students.

## Why Birmingham?

### Everything You Need to Know

- Birmingham has the UK's 2nd largest student population
- More than 64,000 students
- 51% of full time students in Birmingham have NO purpose-built student accommodation meeting the current high level of expectations
- 2nd largest "city economy" in the UK
- 3 Universities and 37 Colleges
- Birmingham City University 24,000 students, new campus 1.4 miles from the development
- National Student Survey ranked Aston University 11th in the UK
- 82 % of all graduates from Birmingham Aston University find "Graduate Level" jobs, ranked 9th out of 120 UK universities
- Ranked 3rd best UK city for "quality of living" by Mercer

## Rising Demand

### High Growth Rate Forecast To Keep Rising

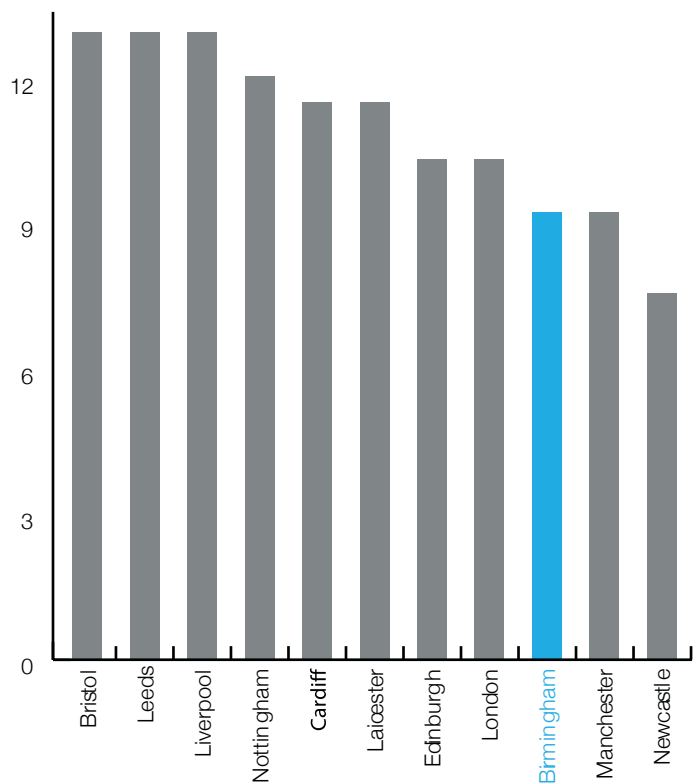
Mark Quigley, Director of structured property finance at Barclays, UPP's main funder for more than a decade, said:

"Our appetite for funding schemes of this nature and generally across the student accommodation sector remain undiminished. It is specifically very attractive as there is lots of demand. "It looks safer than offices as the occupancy is better".

The recent excitement about the student market is in response to a predicted rise in demand from those in higher education. Research published recently by Knight Frank forecast a 5 per cent increase in student rents in 2010 and 2011 for better-quality accommodation. Knight Frank said the return on student accommodation had been 5 per cent each year for the past six years, compared with 0.6 per cent for other commercial property, including shops, offices and industry.

**"The recent excitement about the student market is response to a predicted rise in demand from those in higher education".**

Student accomodation rental growth analysis



(Average % increase from 2008/9 to 2009/10)  
Source knight Frank



# Increased Number of University Applicants

## Making the Headlines

“How you can win in a sluggish property market with house prices stagnating, we look at the best ways to make a profit”

Student Accommodation Investors have been lured by predictions that student numbers will rise 28% by 2014. Knight Frank, the estate agency, said rents from student property in London grew by an average 10% in the 2008-9 academic year, compared with a fall of 3% in the normal residential market in 2009. Student rents have consistently exceeded retail price inflation and the trend is expected to continue, according to CB Richard Ellis, The property consultancy.

Unite Group, Britain’s largest student accommodation provider, announced recently that the Unite UK Student Accommodation fund had raised £167m from investors, used partly to purchase five properties in London, Edinburgh, Exeter and Glasgow, previously owned by the company itself. The value of the properties has risen 18% over the past six months.

The Guernsey-listed Braemar Student Accommodation fund, launched in December 2008 and up 26% over the year, has a £27.5m portfolio comprising four halls of residence in Manchester, Bristol and Newcastle.

The properties are not affiliated with any one university, instead universities allocate students to specific accommodation.

The fund hopes to buy and convert more properties to take the portfolio to £100m. Marc Duschenes, chief executive of Braemar, said: “The recession is accelerating the growth in student numbers, with mature and foreign students in there too. Student rent is a predictable and stable yield —you don’t have the tenant risk that you have with a commercial property portfolio.”

### Press Articles

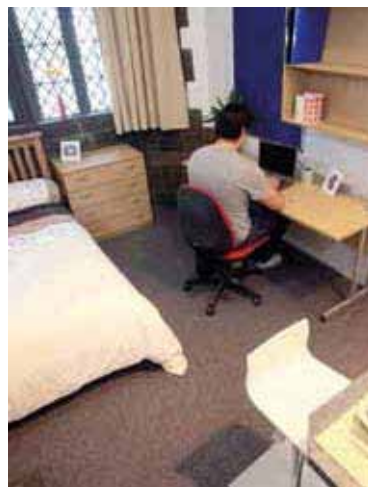
<http://www.guardian.co.uk/money/2010/aug/21/best-worst-student-accommodation>

[http://news.bbc.co.uk/2/hi/uk\\_news/8584415.stm](http://news.bbc.co.uk/2/hi/uk_news/8584415.stm)

<http://www.knightfrank.com/news/total-annual-returns-from-student-accommodation-hit-13.5-in-september-2010-0466.aspx>

## What's Included in the Purchase?

- Student Room with en-suite shower and study apartment
- 4ft bed (three quarter double size)
- Storage
- Wardrobe
- Work Station
- State of the art shared Kitchen Diner in each cluster
- Lounge areas with LCD Satellite TV in each cluster
- Large laundry facilities with commercial washing machines & tumble dryers
- High speed internet connections in all rooms
- CCTV and security phone entry system





# Investment Summary

## Lyttleton House

- Individual unit price £42,000
- Individual 99 year leases
- Year One - 10% guaranteed NET return
- Projected NET rental income year 2 onwards 8% to 10% (conservative)
- Building fully managed by independent management company with fixed management fees
- £5,000 Reservation Fee
- £16,000 on exchange (two weeks after reservation)
- £21,000 on completion (on or before January 2012)
- Tenants will sign 12 month rental agreement with management company
- Quarterly income paid in arrears
- Turn-key hassle free investment opportunity

1 Bedroom En-suite Cluster Apartment	
Purchase Price	<b>£42,000.00</b>
Gross Annual Income	<b>£5,200.00</b>
Maintenance and Expenses	<b>*£897.00</b>
Management Fee	<b>£273.00</b>
NET Income	<b>£4,030.00</b>
NET Yield	<b>9.6%</b>

# Return on Investment

## 5 Year Forecast

	*3% Conservative		**5% Expected		7% Buoyant	
Purchase Price	£42,000		£42,000		£42,000	
Gross Rental per annum	£5,200		£5,200		£5,200	
Expenses	£1,170		£1,170		£1,170	
NET Rental per annum	£4,030		£4,030		£4,030	
Capital Growth	£48,689		£53,603		£58,907	
Return on Investment (Capital Growth plus Income)	£68,839	64%	£73,753	75%	£79,057	88%

Conservative Scenario is calculated with a compounded 3% Capital Growth and a commercial sector rental growth of 1%\*

Expected Scenario is calculated with a compounded 5% Capital Growth and a Student accommodation rental growth of 5%\*\*

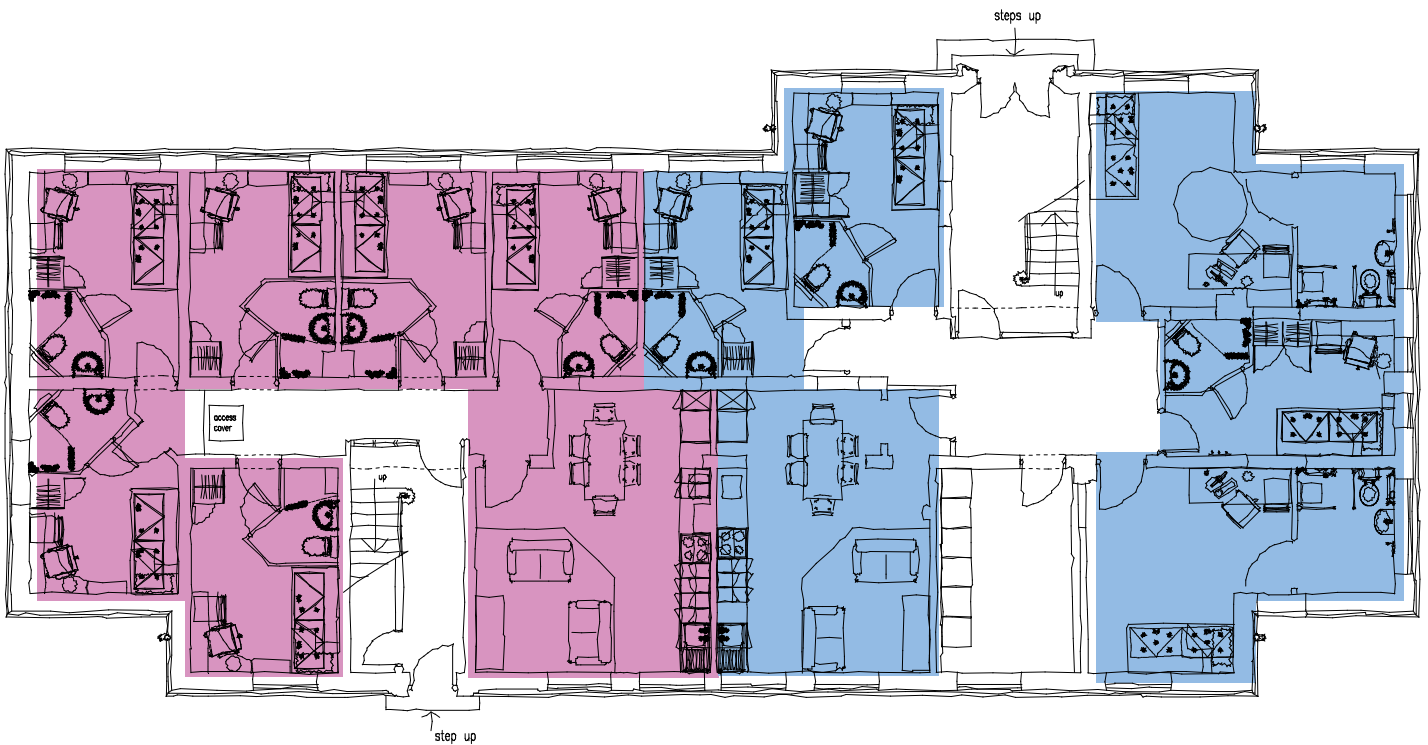
Buoyant Scenario is calculated with a compounded 7%

\*Knight Frank Student Property Report 2010

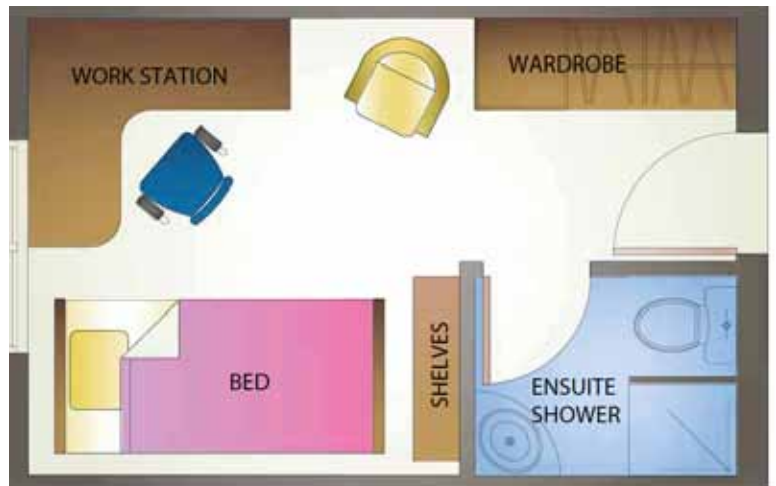
\*\*Knight Frank Student Property Report 2010



# Floor Plans



Typical Apartment Layout

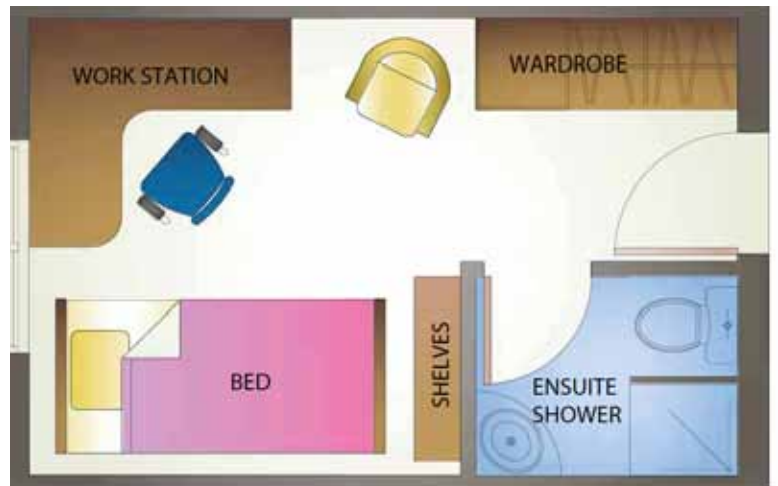


## Ground Floor

# Floor Plans



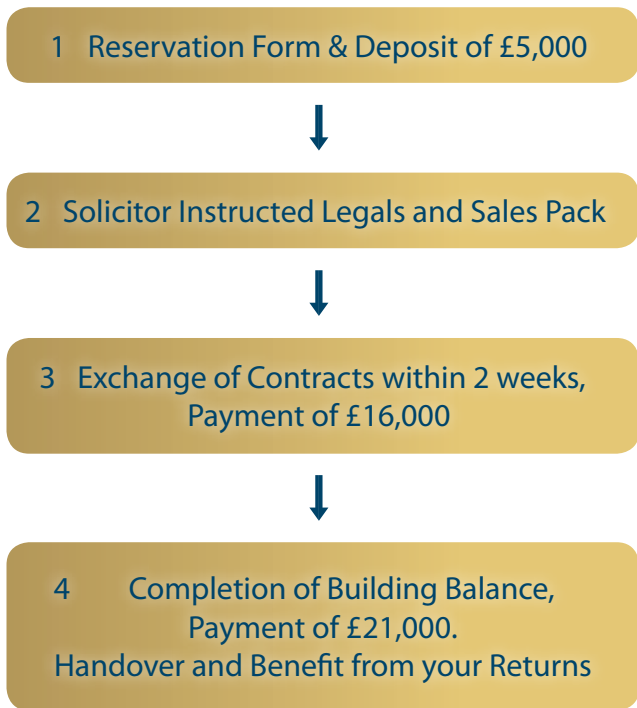
Typical Apartment Layout



First, Second and Third Floor

# Purchase Process

## 4 Simple Steps



## In Detail

Once your unit has been selected, you will need to complete a reservation form, attach a copy of your passport and send these to the appropriate sales representative. Once you have done this you will need to arrange payment of the £5,000 (12%) deposit.

Once you have paid your deposit the developers lawyers will send your chosen lawyer a contract pack, to enable them to raise enquiries about the development on your behalf.

The first instalment of £16,000 (38%) will be made on exchange of contracts which will take place 2 weeks following the issue of the contract pack to your conveyancer. At this stage you will be required to sign and return your contracts. If you are overseas, alternative arrangements can be made by appointing your solicitor to act as your Power of Attorney.

After you have exchanged contracts you will receive a welcome letter from the Developer which will explain the future services they will provide and include all contract details.

Your final instalment of £21,000 (50%) is due on the completion of the building works and again your conveyancer will be given notice of this.



# Student Residence Management

## CRM Students



### **Expert Management for Expert Investors**

CRM is a former division of Savills focused on managing the residential assets of corporate and institutional investors and has a 15 year track record in successfully delivering client objectives. CRM became independent five years ago following a management buy-out and its student accommodation management division has become the UK's leading independent manager of purpose-built student accommodation.

### **Delivering asset value by caring for students and universities**

CRM students has advised in over one hundred and fifty different student schemes, often using very different designs and technologies, and have an unparalleled breadth of experience and focus on this sector. The clients benefit from the reassurance that decisions taken at each stage of a project are grounded on real experience - investments of this scale are too important to approach in any other way.

Their dedicated team supports clients from the concept stage of a student development, ensuring design, layout, facilities, amenities, plant, marketing and product are tailored to achieve a successful live operation through which the needs of the tenants, university partners and key stakeholders are met. The outcome delivers optimum value for the clients.

### **Enhancing the student experience**

CRM's philosophy is founded on caring for students; they are the primary customer and understanding their complex needs is why their operations are so successful. They work very hard to make sure that the sites are not seen as institutions; they are seen as homes. This is achieved by nurturing mutual respect between their on-site management teams and the tenants. CRM have a unique reputation in ensuring success through their focus on responsibly caring for students.

### **Maximising return on investment**

This philosophy and approach help CRM successfully deliver an optimum return on investment. On existing schemes, the CRM team ensure a continuous focus on increasing value throughout the operations; growing income on a sustainable basis and ensuring best value and innovation in procurement, systems and processes. On new schemes, by working in partnership in the development phase, CRM are able to increase the value built into a student accommodation site. From refining layouts and technical equipment, to suggestions on the most suitable internal fittings and furnishings based on experience of other buildings and customers.

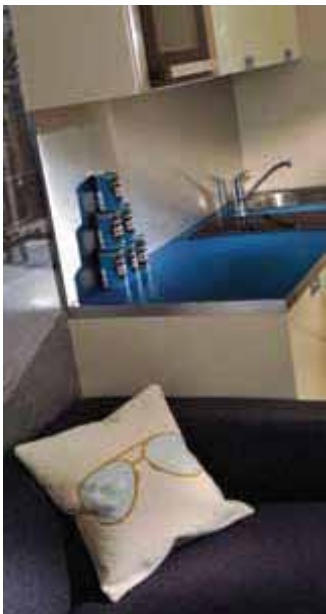
## External Images

### Lyttleton House



## Internal Images

High Specification





## FAQ

### What am I Buying?

**Is the building built?**

Yes, the building is currently built but is going through a substantial refurbishment

**Am I buying as Freehold or Leasehold?**

99 year Leasehold

**Is there any restriction if I want to sell?**

No, you are free to sell at any time

**Is the building fully managed?**

Yes, CRM will operate the building OR Birmingham Student Homes who are part of Birmingham City University

**Will I get full title deeds?**

Yes, registered in the UK with the UK lands registry the same as if you bought a house

**Are there any other facilities?**

Yes, each floor in the building has a communal kitchen-lounge-diner and there is a laundry and bike storage. Car parking is also available

**When will the refurbishment be finished?**

Fourth Quarter 2011

**Is the sale handled by UK lawyers?**

Yes, there are two UK law firms. Fraser Brown Law Firm from Nottingham will act for the Developer and Scott Fowler Law Firm from Northampton will act for the buyer(s)

**Is the price inclusive of furniture?**

Yes, each room includes high quality 4ft bespoke bed with storage, wardrobe with cupboards & drawers and desk & work chair

**Can I do anything I want with my en suite study bedroom?**

No, each room will be leased back to the management company on a rolling agreement so that the whole building - in its entirety - can be let as student accommodation

**Approximately how big is my en suite study room?**

125 sq ft

**Is there a rent guarantee?**

Yes, 10% NET for the first year from the start date

**What is the projected return per annum after year 1?**

Currently between 8% to 10% NET (conservative, after running costs, management fee, service charge and utilities)

**When is my rental income paid?**

This is paid quarterly in arrears direct into your bank account

**Am I taxed on this income?**

If you are a UK resident then yes. If you are "non-resident" in the UK then you are classed as an "overseas landlord" and you can apply to HMRC in the UK for exemption.



# Contact

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