



HJ COLLECTION

# PROFILE & STRATEGY

DYNAMIC SOLUTIONS FOR VARIOUS MARKET CONDITIONS

## HJ COLLECTION INTRODUCTION

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"HJ Collection is set to revolutionise the development sector, by introducing a managed portfolio comprising of multiple developers, with vast worldwide investor support."

HJ Collection is a nationwide developer with its own professionally managed property bond. After years of working with quality developers and forging strong working relationships, we can now utilise our expertise, experience and contacts to provide a dependable property company and investment firm that you can trust. Working with different construction partners up and down the country puts us in an excellent position of ensuring we always maximise the full potential of the UK property market and enables us to realise our assets utmost profits.

## HOW WE DO IT

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We continue to work and forge relationships with several quality contractors who share our business model. Using this combined experience we develop desirable, affordable living spaces through an intelligent and innovative approach to urban regeneration. We professionally manage the whole process on behalf of investors and include investors in updates, site tours and virtual viewings.

## COMPANY DETAILS

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Company Name: HJ Collection Ltd  
Registered Address: Oaks Court, 1  
Warwick Road, Borehamwood,  
United Kingdom, WD6 7GS  
Company Number: 11834490

## OUR VISION

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To produce sustainable, efficient and affordable living accommodation for all. While establishing HJ Collection as a household name for providing dependable investment opportunities in both the development sector and alternative property investment industry.

# EXAMPLE OF DEVELOPMENT

Braintree, Essex

## ST MICHAEL'S HOUSE

St Michael's House is situated in the idyllic location of Braintree, Essex. The town and its surrounding areas offer great links to London and a wide variety of entertainment.

These exquisite contemporary apartments have been designed with a real eye for detail, the central setting allows great access for professionals needing to utilise the train links or anyone wanting to benefit from this superb high street position.

Once completed the property will contain two commercial properties as well as seven flats. Six flats will be one-bedroom and one flat will have two bedrooms.



## EXAMPLE OF DEVELOPMENT

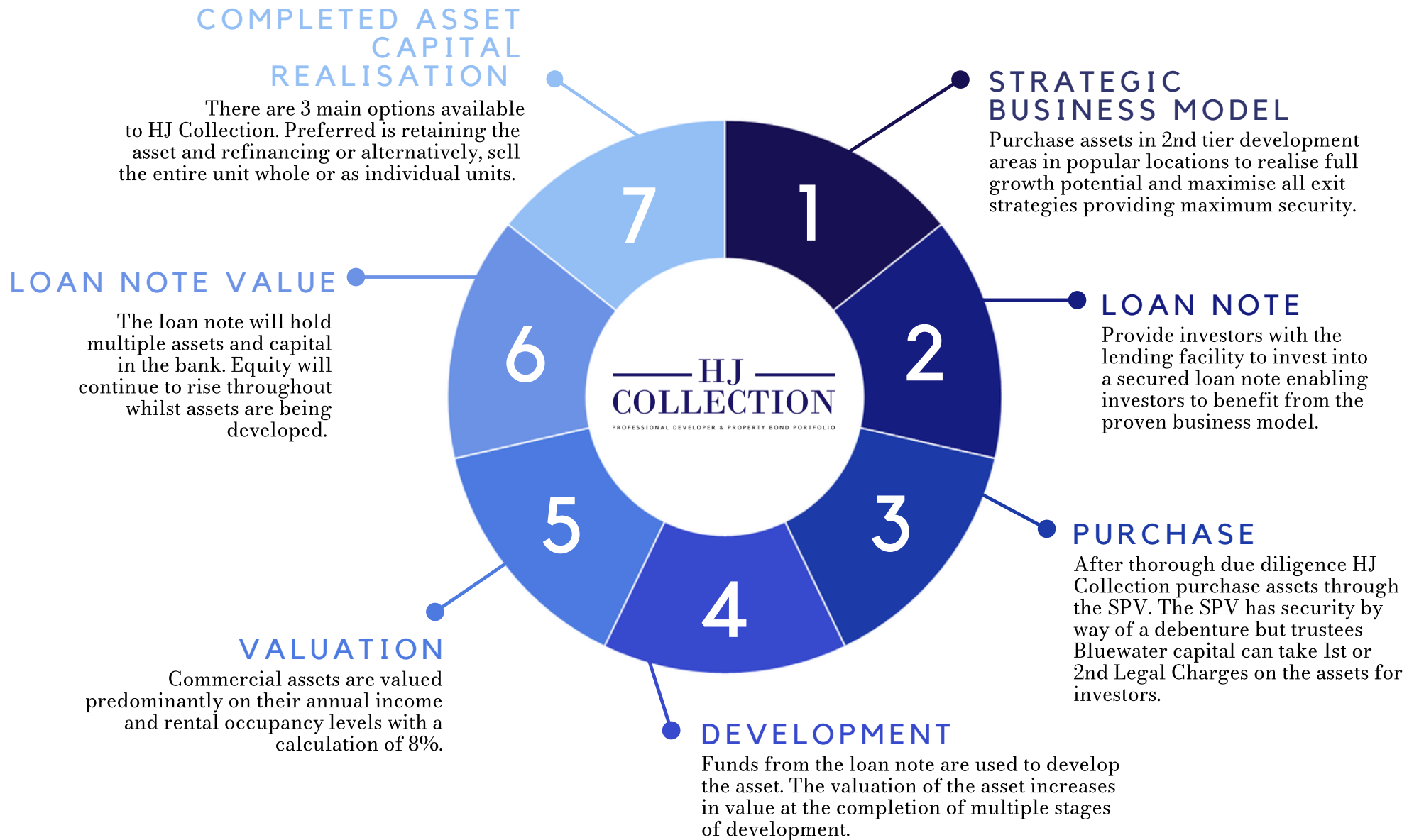


Braintree is one of the top 10 Essex town's for rental hotspots in the UK and is on the doorstep of the newly named Braintree Village Shopping Centre, previously know as Freeport Designer Outlet, which is due for further expansion, further increasing Braintree's popularity.

Braintree also is set to become carbon neutral by 2030 and has over £100 million set aside from the Braintree Council for an investment plan for residents and businesses.

The development itself is perfectly positioned within a quarter of a mile of Braintree railway station, which offers direct links to Stratford Underground, Westfield Shopping Centre and London Liverpool Street, it really has everything to offer.

# HOW DO WE BUILD SECURITY & PROFIT



## HOW DO WE BUILD SECURITY & PROFIT

### BREAKDOWN

#### STRATEGIC BUSINESS MODEL

LOAN NOTE

PURCHASE

DEVELOPMENT

VALUATION

LOAN NOTE ASSET VALUE

REFINANCE

*Stage One*

## STRATEGIC BUSINESS MODEL

HJ Collection's business model targets specific areas of the property market but allows the flexibility to be agile when realising capital from its developments. Being more dynamic provides greater security for itself as a business and investors.

The main goal as a developer is to increase GDV, retain the completed asset and refinance with commercial lending. This strategy realises capital back into the loan note, retains equity in the asset and produces a passive income. For this ideal strategy to work, we resource developments with permitted development in tier two regeneration areas. Being in popular locations and close to good amenities and transport is key to ensuring high occupancy rates and thus generating a higher GDV.



## HOW DO WE BUILD SECURITY & PROFIT BREAKDOWN

STRATEGIC BUSINESS MODEL

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*Stage Two*

## LOAN NOTE

The loan note is one of the preferred funding avenues available to HJ collection. Loan note funding can add many benefits to a developer versus standard development finance.

One of the biggest obstacles in development is obtaining finance. There is vast competition in the development sector. Being a developer with capital available places that developer in an excellent position to win the acquisition and achieve the best price possible from the seller. Using a loan note means you are not tied to just one property and can recycle the capital many times during the loan note ensuring greater profits are made than with traditional financing routes.



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**PURCHASE**

DEVELOPMENT

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*Stage Three*

## PURCHASE

HJ Collection purchase assets used for a specific loan note through its designated SPV (special purpose vehicle). Whilst HJ Collection remain in most cases the proprietor, Bluewater Capital (regulated security trustees) take the security of the asset as 1st or 2nd legal charge on behalf of the investors.

Whilst the assets remain in the SPV, they will be held as security. The more assets purchased and development is undertaken, the greater the fund security will grow. Purchasing several properties per year through the loan note, whether using capital from refinancing or selling units on the open market, is ideal for maximising the opportunity.





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REFINANCE

*Stage Four*

## DEVELOPMENT

HJ collection only uses proven and reliable contractors to complete development work on its assets. Time and cost-efficient building methods are essential to maximising the GDV.

The majority of assets purchased by HJ collection hold the Permitted Development Rights to convert the asset from a commercial to residential development. This model eliminates risks associated with planning and building from the ground up. At multiple stages throughout the construction work, the valuation of the asset will increase. The increase in valuation adds security to the loan as capital is used for the development.



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**VALUATION**

LOAN NOTE ASSET VALUE

REFINANCE

*Stage Five*

## VALUATION

Commercial developments are valued differently to individual residential properties. The majority of developments completed by HJ collection will be valued as a commercial unit.

Economic climate and government support predominantly affect national residential house price valuations. With commercial valuations, these are affected by supply and demand for rental accommodation. Banks value commercial assets predominantly by their annual income and rental occupancy levels. By factoring a calculation of 8% of annual revenue, a bank can directly identify the GDV of the asset. This is a huge benefit as a developer to avoid speculation and improve forecasting.



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**LOAN NOTE ASSET VALUE**

REFINANCE

Stage Six

## LOAN NOTE ASSET VALUE

The loan notes' value and security is positioned to grow with acquiring more assets and completing each part of the build schedule. The loan note includes a debenture for security, so any cash in the bank, as well as assets, are part of the value and security.

During the build, as stages are complete, the value of the asset increases and in most cases, this is considerably more than what has been spent. Whilst investors funds are being used they are adding more value and increasing security. Although an exit strategy would have been designed at the start of a development, (usually to refinance with a bank), market conditions can change and HJ Collection has the flexibility to change to other options including to sell assets that could be more favourable at the time.



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*Stage Seven*

## COMPLETED ASSET CAPITAL RELISATION

HJ Collection has 3 main strategies for releasing realised capital appreciation from developments. The flexibility of multiple options depending on market conditions is integral to the underlying security HJ Collection can offer investors.

Refinancing is an optimal route for HJ Collection. The asset remains in ownership and continues to provide additional security to investors along with passive income into the business. Banks value completed assets by approximately 8% of the income generated and predicted occupation. Total annual income £180,000 = GDV £2,250,000 (8%). Due to the potential, selling the whole asset to institutional or corporate investors even during the build can be very lucrative. The 3rd route is capitalising on favourable market conditions and selling individual units on the open market to homeowners and landlords.





# — HJ — COLLECTION

PROFESSIONAL DEVELOPER & PROPERTY BOND PORTFOLIO