This template document is for your Investment Proposal, which is to be submitted along with your online submission form. It should be attached to the form before submission.

Your investment proposal should be more than 15 pages of A4

If you require any assistance or have any queries, please email us at BTR2@hca.gsi.gov.uk

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| **Build To Rent Fund****Round 2**SUBJECT TO CONTRACT**Expression of Interest****Investment Proposal Template**Applicant Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Proposition Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_September 2013 |

**Introduction**

Please provide a brief introduction giving the key reasons why you believe this proposition should be considered further (**not more than 1 side of A4**).

**Executive Summary**

Please provide a bullet point summary of the application (**not more than 1 side A4**).

**1.1 THE APPLICANT(S):**

**1.1.1 Company structure (e.g. plc, private limited company etc.)**

**1.1.2 Main activities (e.g. investment, development)**

**1.2 Partner Details (if appropriate)**

**1.2.1 Company structure (e.g. plc, private limited company etc.)**

**1.2.2 Main activities (e.g. Investment, Development)**

**1.3 Roles and Responsibilities**

Please describe the relationship between the partners and their respective roles.

**1.4 Track Record**

Please provide details of the applicant’s track record providing brief details of completed comparable development propositions.

**1.5 Proposed Development Team**

Please list the key members of your team.

**2.0 DEVELOPMENT PROPOSITION**

* 1. **Project Description**

Brief details of the scheme proposals, including details of all residential accommodation to be provided as well any other uses that form part of the project.

**2.2 Ownership**

If you do not own the site, please provide details of who controls the site, and conditions to be met to secure ownership.

**2.3 Planning**

Planning status, together with details of any outstanding matters and the anticipated timescale for resolution. Please include details of the local planning authority (LPA) including contact details of the officers involved.

**2.4 Timing**

Anticipated start on site (month/year) together with anticipated date of completion (month/year).

**2.5 Market Demand**

Details about how the private rented sector units will cater for the needs of the local market, including those with mobile working patterns as well as those seeking a longer term tenure.

**3.0 FINANCIAL PROPOSITION**

**3.1 Key Financial Indicators**

A full development appraisal is not required at this stage but please provide the following key financial indicators:

**3.1.1 Estimated Total Development Cost (TDC)**

*Note: TDC should include the cost of land (if ascertainable), construction costs, professional fees, planning costs (including Section 106 costs) applicable to the development as described at paragraph 2.1, and finance. TDC excludes developers profit but can include a project management fee.*

**3.1.2 Land cost (if ascertainable).** If not please indicate how land value is to be calculated.

**3.1.3 Anticipated construction cost in total and on per square foot gross including site preparation but excluding professional fees.**

**3.1.4 Professional fees as a percentage of anticipated construction costs.**

**3.1.5 Planning costs including Section 106 costs.**

**3.1.6 The applicant’s development and/or project management fee as a percentage of the anticipated construction cost. Please indicate whether this is charged in addition to a return for risk and profit.**

**3.1.7 The applicant’s target rate of return as a percentage of:**

 **(a) Anticipated construction cost (3.1.3 above).**

 **(b) Gross development value (GDV) on completion (3.2.1 below).**

**3.1.9 Total expenditure incurred to date.**

**3.1.10 Total anticipated expenditure to start on site.**

**3.2 Anticipated Value**

**3.2.1 Gross development value on completion. Please indicate whether your estimate of value is on the basis of investment value or open market sales.**

**3.2.2 Rental value and net rental yield on completion.**

**3.2.3 Comparables – please provide commentary on anticipated rental demand, rental levels and target market sector.**

**3.3 Project Funding**

**3.3.1 Please describe how the project is to be funded including Build to Rent funds and other forms of finance.**

**3.3.2 Details of the security to be offered with details of any existing finance and associated arrangements, including whether the Build to Rent funding is required as a pre-condition to securing other funding.**

**3.3.3 Details of anticipated drawdown.**

**3.3.4 Details of the anticipated cost of borrowing the balance of the funds for this project.**

**4.0 Management Proposition**

**4.1 Details of the proposed management of the property following completion, including proposals for a quality and efficient management regime and how the private rented management proposition relates to the management of the wider site (if applicable).**

**4.2 If the applicant proposes to appoint a third party manager, please provide details if known.**

* 1. **Anticipated annual costs[[1]](#footnote-1) as a percentage of total annual income.**

**4.4 Track record – please provide details of any comparable schemes managed by the applicant.**

**5.0 REPAYMENT AND EXIT STRATEGY**

**5.1 Repayment**

**5.1.1 At what point in the development cycle is the loan to be repaid (i.e. on completion of construction, five years post completion to allow for letting, etc.)?**

**5.2 Strategy**

**5.2.1 Please provide details as to whether the applicant intends to retain ownership of the property beyond the life of the Build to Rent investment and refinance, or whether the property is to be sold to an institutional investor and how this will be achieved**

**5.2.2 If you intend to hold and refinance, please provide details of how you intend to refinance the development loan with specific reference to any potential funders with whom you are in active dialogue and what is proposed if financing cannot be obtained for the total amount borrowed.**

**5.2.3 Please include details of associated risks.**

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1. *e.g.: maintenance, utilities, insurance, letting, management & staffing costs, void and bad debt.* [↑](#footnote-ref-1)