



HJ COLLECTION

# A PROFESSIONALLY MANAGED PROPERTY BOND PORTFOLIO





Property Bonds are not suitable for everyone. They are illiquid and capital is at risk, such that you could receive back less than you invest.

The information provided does not constitute advice or a personal recommendation. Investing is a complex subject and this information is intended to give only a broad overview. You should not make, or refrain from making, any decision based solely on this information. If you are unsure as to whether an investment is appropriate for you, you should seek professional advice. We have made every attempt to ensure the information is correct and accurate as at the date of publication, but cannot guarantee it.

# FOREWORD FROM REECE MENNIE

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With the recent changes to the tax treatment of buy-to-let investments and the 'new normal' world we are currently facing, we genuinely believe for a great many people, property-backed loan notes are the smarter alternative. We have an extensive development skill set and can offer investors above-average fixed returns with the security of 'bricks and mortar' without the hassle of looking after tenants or worrying about occupancy.

HJ Collection brings additional innovation with extensive experience in government schemes such as Permitted Development Rights and focusing on sustainable 'green' living. As I'm sure you can appreciate, we are genuinely excited about this new approach to what is already an attractive and convenient route to the healthy returns available from the UK property sector.

A man in a dark suit and red tie is sitting on a tall metal stool in a conference room. He is looking slightly to the left. In the background, there is a whiteboard with text that includes "nter Jones" and "g UK & European".

Here for you today  
TO ELEVATE  
TOMORROW





# BRITS LOVE BRICKS

Property remains one of the most popular forms of investing for consumers because of the potential returns from the UK property market. Property Bonds are one of the most attractive options for gaining access, quickly and easily, to that sector without the many downsides of direct property ownership.

## PROPERTY BONDS ARE THE SMARTER ALTERNATIVE TO BTL

With UK interest rates at historic lows and the recent tax, legislative and regulatory changes, the attractiveness of buy-to-let investments has diminished significantly over the last 3 years. Highly researched and transparent Property bonds can represent an exciting way for Self-certified investors to generate a healthy return on their money, all while still investing in a market they are familiar with. Investors achieve this by lending their capital (which is why they are often referred to as 'loan notes') to a property development company in return for a fixed rate of interest over a fixed period of time.

## THE APPEAL OF DIVERSIFICATION

Property bonds can potentially offer the best of both worlds: attractive fixed returns with the security of 'bricks and mortar'. Generally Property Bonds are issued by individual developers and investors' returns are linked to the sole capabilities, and the projects undertaken by, that specific developer.

Unlike these conventional property-backed loan notes, HJ Collection has a managed Property Bond portfolio comprising of multiple developers, and therefore providing maximum diversification over multiple developments.



DIVERSIFICATION



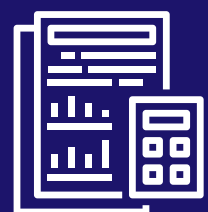
ASSET-BACKED



SECURITY TRUSTEE



HIGH YIELD



NO FEES

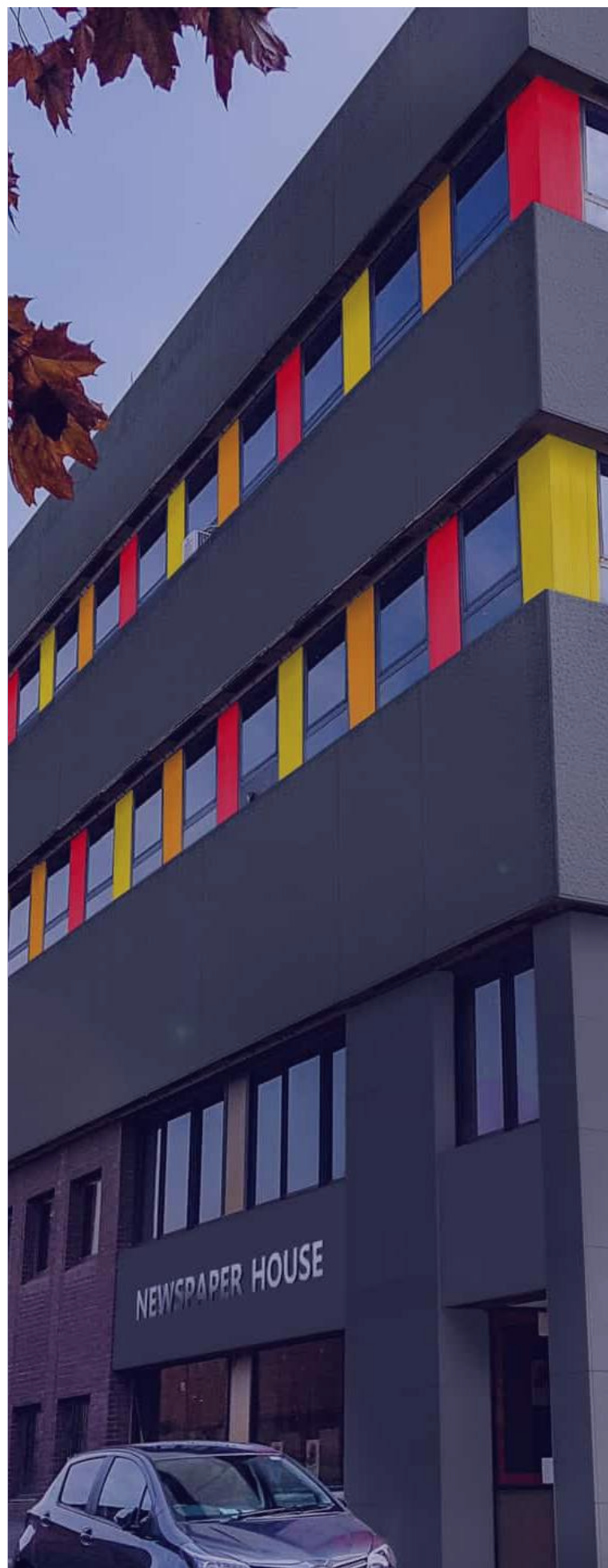


# OUR STRATEGY

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One of the key legacies of the financial crisis is that the generational divide in the UK housing market will continue to widen, as the demand for private rental accommodation grows and home ownership – particularly amongst those aged under 35 – falls further. HJ Collection Limited was incorporated as a Special Purpose Vehicle in order specifically to address this present and growing need.

The company will use the funds raised by the loan notes to acquire suitable commercial properties in the UK's major towns and cities, where the demand for housing is known to be at its most acute. The properties will be strategically redeveloped into residential accommodation and the assets efficiently managed – through our extensive network of private and public lettings agents – to achieve a





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significant rental yield, thereby delivering the stated capital and interest returns.

Where possible, the properties will be converted using 'Permitted Development Rights', given the significant planning advantages that are available by adopting this approach. Each proposed development will be subject to a comprehensive business plan, with the details being fed into a robust and well-tested spreadsheet in order to assess its viability. Formal tenders will be established, and specific developers appointed, in relation to each project in order to ensure that there is a full and appropriate alignment of skills and experience to the unique requirements of each undertaking.

"HJ Collection is set to revolutionise not only the development sector but also the property bond market, by introducing a managed portfolio comprising of multiple developers."





# TRACK RECORD

Here is a selection of development projects that have been funded over recent years. They give a good indication of type, size, location, value and, most importantly, the investment return. The five developments described formed a single asset-backed loan note which was recently redeemed, delivering a 27.2% return to investors over a two-year term, equivalent to 13% pa gross.



Conversion to 81 self-contained apartments under full planning permission; ground floor retained as a commercial unit.

Purchase price	£850,000
Total Costs	£3,442,000
Residential income	£589,680 pa (81 x £140 x 52)
Commercial income	£30,000
Valuation (8% yield)	£7,746,000
Uplift	125%



Conversion to 62 self-contained apartments under Permitted Development rights.

Purchase price	£600,000
Total Costs	£2,708,000
Residential income	£483,600 pa (62 x £150 x 52)
Valuation (8% yield)	£6,045,000
Uplift	123%



Conversion to 29 self-contained apartments under Permitted Development rights.

Purchase price	£370,000
Total Costs	£1,298,000
Residential income	£188,500 pa (29 x £125 x 52)
Valuation (8% yield)	£2,356,250
Uplift	82%





Conversion to 66 self-contained apartments with car parking under full planning permission.

Purchase price	£850,000
Total Costs	£3,490,000
Residential income	£429,000 pa (66 x £125 x 52)
Valuation (8% yield)	£5,362,500
Uplift	54%



Conversion to 16 self-contained apartments under full planning permission.

Purchase price	£900,000
Total Costs	£1,380,000
Residential income	£112,320 pa (16 x £135 x 52)
Commercial income	£50,000
Valuation (8% yield)	£2,029,000
Uplift	47%

**GET IN TOUCH TO  
LEARN MORE ABOUT  
OUR TRACK RECORD**



## WHY HJ COLLECTION?

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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.

Our strong business model sets us aside from other developers but it's our financial management and experience that is hugely uncomparable in the market place. CEO Reece Mennie has worked with several quality UK property developers providing an efficient and successful bond facility for developers to connect with investors and produce quality portfolios.



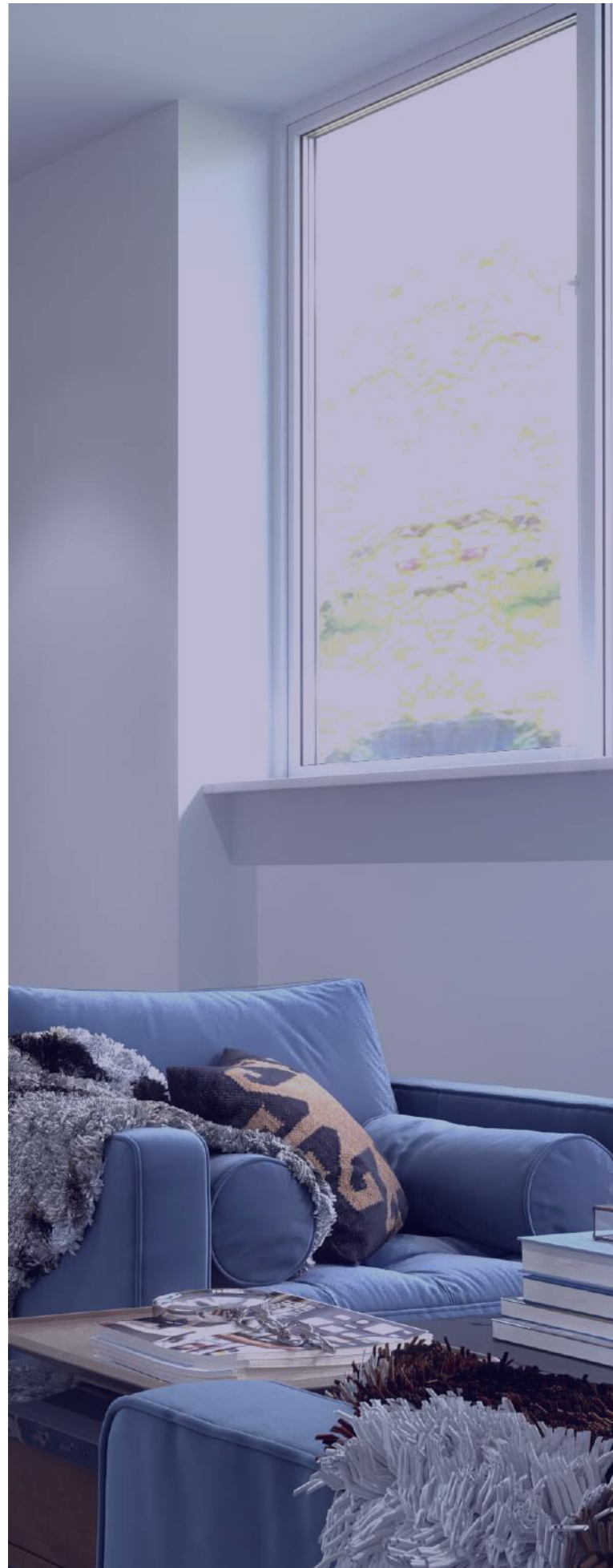
Establishing these close working relationships with a select group of property developers it has not only provided a unique insight into sourcing top locations for new sites but also, understanding what will provide investors with maximum security and optimum returns.

## HOW WE DO IT

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.

## OUR VISION

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.



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# — HJ — COLLECTION

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0207 117 2583

INFO@HJCOLLECTION.CO.UK

WWW.HJCOLLECTION.CO.UK