



# ASTON EAVES

## REFUGEE AND ASYLUM SEEKER RENTAL INVESTMENTS

### UK government backed scheme

- 5 to 7 year rental guarantees
- 8% - 10% net yielding investments
- Prices from £65,000 to £95,000
- Mostly 2, 3 and 4 bed terraces
- Ready to let: nothing else required
- Mortgage or cash purchases

Proposal Ref: 0612UKREF

Tags: UK, Rental Yields, Social Housing

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ASTON EAVES  
26 YORK STREET,  
LONDON, W1U 6PZ

ASTONEAVES.COM  
T. 020 3603 8903  
T. 0844 272 3362



# Refugee and Asylum Seeker Investments

## BRIEF

Social housing type investment is in demand due to the increasing number of refugees and asylum seekers who seek refuge in the United Kingdom. There is a shortage of housing to accommodate individuals and families who come from unfortunate situations in their respective home countries. The UK government is proposing to offer a long lease for suitable accommodation. The net rental figures quoted below are absolute net figures i.e. management costs and utilities are paid for by the scheme.

## STATISTICS/DEMAND DYNAMICS (2011)

Asylum applications UK: 19,804 (2011)  
Change from 2010: +11%  
Total number in dispersal housing in UK: 18,232  
Largest region in UK for dispersal housing: North West  
Number in dispersal housing in North West: 5,596

*Source: Refugee Council*

## DESCRIPTION

The government backed scheme only pays out in certain postcode areas and in some cases, will rule out entire towns and cities - for example, Blackburn and Darwen entirely. The scheme favours more populated centers such as Liverpool and Manchester. The properties themselves are acquired by the local developer according to a stringent criteria, fully renovated and refurbished to a high standard and then placed with the specialist asylum seekers management company to accommodate refugee tenants and asylum seeker tenants on long leases.

## RENTAL GUIDE 2011/2012

The following are net figures paid directly to the landlord on a monthly basis.

- 1 Bed - £350pcm - £4200pa (house or flat)
- 2 Bed - £400pcm - £4800pa (house or flat)
- 3 Bed - £500pcm - £6000pa
- 4 Bed - £600pcm - £7200pa
- 5 Bed - £650pcm - £7800pa

## LOCATION



## 2, 3 & 4 BED TERRACED PROPERTIES



### For further information, contact:

Wayne Romalho: wayne@astoneaves.com | Tel: +44 (0)20 3603 8903  
Kashim Uddin: kashim@astoneaves.com | Tel: +44 (0)20 3603 8905

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## CURRENT UNITS FOR SALE (22.06.12)

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- ▶ **£90,000**
- ▶ **Terraced House - bedrooms x 5 | Sutton Street, Liverpool, L13 7EJ**
- ▶ **8.6% net yield for 5 years**

A Large double fronted mid terrace which will provide 5 letting rooms, lounge, kitchen, family bathroom. This property has been accepted on a 5+2 year government backed Asylum Housing Scheme guaranteed "no void" lease agreement. Tenant damage is covered within the lease agreement.



- ▶ **£85,000**
- ▶ **Terraced House - bedrooms x 4 | Maxton Road, Liverpool, L6 6BJ**
- ▶ **8.5% net yield for 7 years**

This property is currently let to the UK Government and forms part of their Asylum Housing scheme the property has been granted a "no void" 7 year lease until 2019. Tenant damage is covered within the lease and general maintenance is managed on behalf of the owner.

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- ▶ **£82,500**
- ▶ **Terraced house - bedrooms x 4 | Buckingham Road, Liverpool, L13**
- ▶ **8.7% net yield for 5 years**

This property is currently undergoing a full refurbishment program, once completed it will be let on a "no void" guaranteed 5+2 year government backed lease agreement. Tenant damage is covered within the contract

Information above correct as of June 22nd 2012. Availability is subject to change at any time.



# PROPOSAL SPECIFICS

## **WHERE IS THE LOCATION OF THIS INVESTMENT?**

These terraced houses (and in some cases, semi-detached houses) are located in key areas in the North West. Most of the current properties (as of June 2012) are located in Manchester, Salford and Liverpool as this is where we are seeing the most requests. In the past, schemes have been done in Preston, Bury, Bolton, Wigan, St.Helens and Newtown-le-Willows (Warrington).

## **ARE THESE PROPERTIES OFF-PLAN OR ARE THEY READY?**

All the properties are simple 2, 3 and 4 bed terraced properties that have been in existence for over 50 years. New build houses tend to be avoided as they are usually smaller, carry higher ground rents and are located in postcodes that the government backed scheme does not operate in.

## **SO THEY ARE READY TO RENT OUT?**

Yes, from day one.

## **WHAT IS THE SALES PRICE PER UNIT?**

Prices vary according to the property, it's size and location. Generally speaking, prices start from approximately £65,000 upto £95,000. For the 8%-9% net yields to work, our partner developer will only target areas where it makes sense for them and our cashflow investors.

## **WHY CAN'T I BUY IT FROM THE DIRECTLY FROM THE LOCAL COUNCIL?**

They only operate the rental scheme. They do not actually buy the properties.

## **HOW MANY UNITS DO YOU HAVE FOR SALE?**

This changes and depends on how many we have sold. Our partner developer does not wish to take on too many projects at any one time, so the maximum properties available to investors at any one time ranges from anything between 1 to 10 on average.

## **DO I NEED TO FURNISH THE PROPERTY?**

No. Again, this is key selling point for this scheme - all the properties are furnished by the local government. All the utilities, council tax and property management costs are borne by the scheme.

## **WILL REFUGEE AND ASYLUM TENANTS LOOK AFTER MY PROPERTY?**

The scheme agrees to hand the keys back over to you in the same condition as when you start the lease contract - meaning if any major works are required at the end of the 5 or 7 years, then this will be covered by the scheme.



# PROPOSAL SPECIFICS

## **CAN I GET A BUY-TO-LET MORTGAGE TO BUY THIS?**

Sure, this is fine. However, do bear in mind that this is a very popular investment with our client base and the developer will favour cash purchases over mortgaged purchases due to liquidity. However, if you can move fast and show to us that you can obtain a mortgage fast, then it's not a problem.

## **WHAT KIND OF INVESTOR BUYS THIS KIND OF PROPERTY?**

This will suit investors who understand that there is good scope for investment returns in social housing projects. We have a lot of investors who understand that the government is a far better tenant in some cases than professional or working tenants who, in these difficult times, are susceptible to the fluctuating economic conditions. With a refugee or asylum tenant, you know the government will pay the rent that is due at all times.

## **CAN I SELL THIS AT ANY TIME? TO WHO? WHAT ARE MY EXIT STRATEGIES?**

You have multiple exit strategies and can sell at any time. However, please bear in mind that once a lease has been agreed, then the prospective buyer of a property will have to continue with that lease i.e. once the lease expires, you will then be able to sell it on to homeowners and not just investors.

## **CAN I GO AND VIEW THE PROPERTIES?**

Yes. These are simple houses in the North West, so feel free to get in touch and we'll make sure you get access to them.

## **OK, I AM READY AND WANT TO PROCEED - WHAT DO I DO NEXT?**

To reserve a property that you are wanting to acquire, you need to send a £2500 non-refundable deposit (which is eventually taken off the purchase price) paid to a nominated solicitors client account, and also proof of funds/finance for the remainder of the balance.

## **WHAT IF THE DEAL FALLS THROUGH - DO I GET A REFUND?**

The only time a refund of the deposit will be issued is if the property does not value up to the sales price on final survey i.e. the deposit is binding unless the property survey does not value up to the sales price. Please note, as stated earlier, the deposit is held with a nominated solicitor - this does not get transferred to the developer until completion.



## INTERESTED? ...WHAT TO DO NEXT

If you have any further queries or questions in relation to this investment proposal, then email us at [sales@astoneaves.com](mailto:sales@astoneaves.com). We will forward you available information such as specifications, latest availability and so on. We also ask you to get in touch on +44 (0)20 3603 8903 and ask to speak to one of our consultants in relation to the proposal.

Alternatively, if you are wanting to proceed with this purchase, please review the investment timeline on the next page to give you an idea of how this particular investment acquisition works.

**THANKS FOR YOUR INTEREST!**



# INVESTMENT TIMELINE

**Due to the nature of the fast moving acquisition process, the client must understand that he or she needs to stay on track and chase their respective solicitor, thus ensuring a smooth sales process. Whilst Aston Eaves will do their utmost to chase all parties, after the initial stage the client must regularly contact their solicitor that is handling the sale.**

## PHASE I: RESERVATION / Today

### NOTES

Once you have decided that you'd like to commit to an available property, please forward a reservation form (available online or email sales@astoneaves.com) and the property will be booked in your name. The reservation fee is entirely refundable if, and only if, the property does not survey at the asking price. You will also be asked for proof of funds at this stage.

**£2500 deposit to reserve per unit.  
This is held with the solicitors.  
There are no other agency fees.**

## PHASE II: PURCHASE AGREEMENT / 2-7 days

Once reservation has been approved, the client will be put in touch with all the required parties including the vendors solicitor that are required to complete the sale. During this time, the client will be required to complete a full purchase agreement. The client will be requested to sign the purchase agreement and email/fax it to us. If the client has opted for finance, we will forward your details to the broker/bank to process.

**Full legal name, signature and dated contract to be sent back to the developer.**

## PHASE III: SURVEY OR CONTRACTS SENT TO YOU / 21-28 days

If you have opted to purchase using a mortgage, please instruct them to undertake the survey. Contracts are then sent with agreed dates for exchange and completion. If you are a cash buyer, we will instruct the developers solicitor to liaise directly with your solicitor and agree on dates for exchange and completion.

**Feel free to use a surveyor at a cost to you. This cost will not be borne by the developer.**

## PHASE IV: EXCHANGE AND COMPLETION / 10-14 days

Once you have exchanged and completed, we will ask the management company in question to get in touch with you and obtain your details. Rents are paid one month in arrears.

**We then facilitate the final aspects of the investment.**

Please note: The above timeline is a rough guide only and is subject to change.

# TERMS & CONDITIONS

## 1. TERMS.

1.1 The following terms of business (the “Terms”) form the basis of the agreement between JKU Investments Ltd trading as Aston Eaves, a company incorporated in England under the Companies Acts (Company Number 05864546) and having its trading office at 26 York Street, London, W1U 6PZ and its registered offices 11 & 12 Bispham Village Chambers, 335 Red Bank road Bispham, Blackpool, Lancashire, FY2 0HJ, UK. (“Aston Eaves”) and the Client (the “Agreement”).

1.2 Aston Eaves act as an intermediary and agent for property sellers and may provide the Client with the opportunity to hold, reserve and agree to purchase properties listed on [www.AstonEaves.com](http://www.AstonEaves.com) (the “Website”) from the seller.

1.3 Data and key information has been obtained via the property seller or the agent. Aston Eaves do not accept responsibility for any misleading information provided via the property seller or the agent.

1.3 Aston Eaves may also, but are not obligated to, provide additional advice and assistance to the Client after the Client has agreed with the seller to purchase a property.

## 2. INFORMATION.

2.1 Media belonging to Aston Eaves may contain information about properties available for purchase from a third party, the value of the properties and the level of investment required to purchase the properties (the “Property Information”), and the potential return that could be made by purchasing the properties (the “Financial Information”).

2.2 The Property Information is based on information from third parties. The Financial Information is based on Aston Eaves’ research and analysis of the market place. As the Property Information is reliant on third party information and often time critical, and the Financial Information speculative in nature, and again often time critical, Aston Eaves do not guarantee the accuracy, reliability or completeness or otherwise of the Property Information or Financial Information.

2.3 Media belonging to Aston Eaves may contain recommendations about the services offered by solicitors, mortgage brokers, furniture suppliers, accountants, estate agents or other third parties (“Third Parties”). Aston Eaves do not guarantee the competence and reliability of the Third Parties.

## 3. ERRORS.

3.1 Whilst every care has been taken to ensure the accuracy of the information contained in all of the media presented online and offline, Aston Eaves does not guarantee or take responsibility for the accuracy of information provided by third parties.

## 4. REGULATION.

4.1 Aston Eaves is not a regulated or licensed investment or financial advisor. All Information provided by Aston Eaves is intended as general information regarding property matters and should never be treated as giving advice or making a recommendation. Aston Eaves strongly advise the Client exercise the same care and caution as the Client would normally use when making a substantial financial investment. The usage of a regulated financial advisor is at the sole discretion of the Client.

# TERMS & CONDITIONS

## 5. SERVICES.

5.1 The client may be able to reserve a Property listed on the by Aston Eaves providing a reservation payment and completed reservation form. This means that provided the Client complies fully with terms 5.3, 5.4, 5.5, and 5.6 no other Aston Eaves client will be able to place that Property on reservation or hold.

5.2 Aston Eaves will confirm to you, details of any Property that the Client has reserved and the reservation fee payable. We will then send the reservation form to You by post, email.

5.3 Aston Eaves must receive as a reservation fee in the form of a BACS transfer or credit/debit card payable to the Seller (unless otherwise stated on the Website) within 24 hours of the same day as reservation in order to put a hold on the Property.

5.4 As soon as the Client has forwarded their reservation fee, the Client must email Aston Eaves at info@AstonEaves.com with a copy of the payment proof. If Aston Eaves do not receive the reservation fee or payment is rejected, the hold placed on the Property will be removed and the Property will be re-listed for sale.

5.5 The reservation form must be signed and returned to Aston Eaves as soon as possible; in any event Aston Eaves must receive the reservation form within two business days of the Property being held. If Aston Eaves do not receive the reservation form within the required two business days, the hold placed on the Property will be removed and the Property will be re-listed for sale.

5.6 Once Aston Eaves have received the reservation fee and a signed reservation form, Aston Eaves will instruct their solicitor to start processing the sale of the property in question.

## 6. CHANGES TO SCOPE.

6.1 Aston Eaves may change these Terms on giving no less than 30 days notice. The Client will be notified of any change to these Terms by email and changes posted on the Website. If the Client decides not to accept any change made to these Terms, the Client must inform Aston Eaves, in writing, within 3 working days of receiving the e-mail, otherwise the Client will be deemed to have accepted the change.

## 7. OWNERSHIP & USAGE.

7.1 The client acknowledges that all rights, title and interest in the confidential information remain the sole property of the Aston Eaves and that the client shall not obtain any such rights, title and interest by virtue of the contractual agreement or otherwise.

## 8. NON-DISCLOSURE.

8.1 The client agrees to not disclose any confidential information, whether to employees, officers or directors, agents and representatives or to any third party (including any commercial or professional associate or collaborator), except only in confidence and only to such employees, officers, agents, representatives or directors of the Recipient (if applicable) who need

# TERMS & CONDITIONS

to see and review for the Purpose; and not use any of the confidential information to procure a commercial advantage over the Aston Eaves or to develop, or help or assist others to develop an alternative to Aston Eaves.

8.2 Aston Eaves may use the Clients personal information to notify the Client about important changes or developments to services. Further, Aston Eaves may also use Your information to let the Client know about other products and services which Aston Eaves offer which may be of interest to the Client and Aston Eaves may contact the Client by e-mail, post or telephone. If the Client does not want to be contacted by Aston Eaves, then the Client must let Aston Eaves know in writing.

## **9. VALIDITY.**

9.1 If any Term of this Agreement is held by a competent authority to be invalid or unenforceable in whole or in part, the validity of the other Term of this Agreement and the remainder of the Term in question shall not be affected.

## **10. GOVERNING LAW**

10.1 This Agreement is governed by the laws of the UK.