

Introduction to JLL Residential

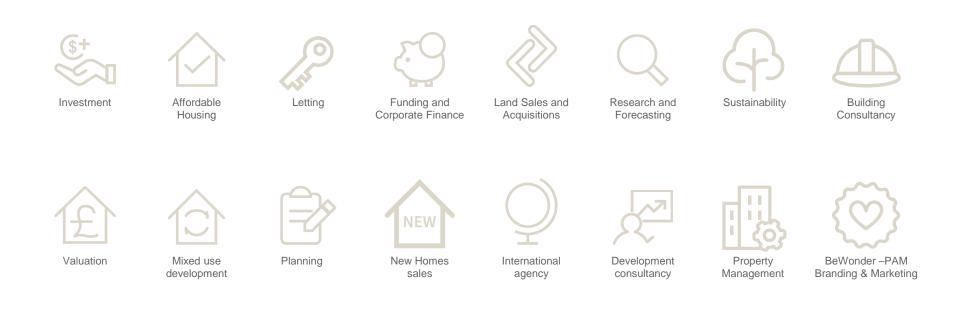
A national presence





Our multi disciplinary residential services





A full life cycle approach for all residential tenures



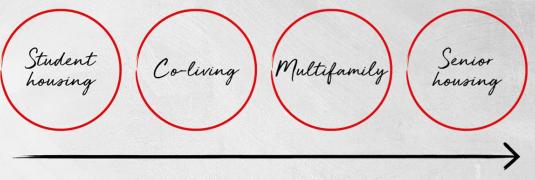
Shifts in demographics and macro trends are making all forms of residential assets important to our clients who are looking to secure diversity at scale.

At JLL, we've brought together our European knowledge and expertise across student, healthcare and residential into a unified team and client proposition, making it easy for clients to access local experts, connect market research with human insights and use technologies that make finding, scaling and managing large complex projects more transparent and socially impactful. *We've called this new proposition Living*.

The 40-strong, dedicated Living Capital Markets team provides consultancy, investment and funding services across all Living sub sectors. Our connectivity and access to market leading data, means that we can provide our clients with detailed advice to help them navigate this dynamic marketplace.

JLL has recognised and responded to client interest in bedded strategies, and particularly the growing overlap with purpose-built student accommodation (PBSA), through the creation of Living Capital Markets.

Living reflects the generational journey from student living into other housing solutions including, coliving, micro-living, Multifamily, affordable housing, private housing, retirement living, specialised supported living and healthcare solutions.



A full life cycle approach

Key facts & figures





Benefitting from our leading capital markets business

()) JLL

JLL is a leading provider of real estate capital markets services, transacting globally on over \$1.2bn every day. Our integrated platform combines capital markets knowledge with local real estate expertise to successfully deliver equity and debt solutions to our clients.



Track record – Capital markets



Client: Accurist (Private client) Size/No Units: 374 beds GDV: c.£70m

Student Housing | Project Decca West Hampstead, London

JLL worked with the client through the whole process from the deployment of the project team, design, assistance with planning, architects' advice, contractors' advice and property management advice.

As the scheme went through the appeal process we were involved in providing expert witness advice and preparing demand reports to be used at the hearing.

JLL gave advice on expected rental levels and operational costs and whether the property should be direct-let subject. to a university agreement.

During the advice process we also approached a number of London universities, with the view of securing a nomination or lease agreement to underwrite the income.

Once the building was completed and operational for a year, JLL were instructed to sell the asset which achieved record yields for London at the time. A significant number of bids were achieved from both UK and overseas capital.



Residential | Wembley Hill Road, Wembley

The client acquired the site with consent for a PD conversion of the existing office building and redevelopment of the site into 198 units across two towers. The client has a long track record on residential developments and was highly capable of continuing the PD conversion. However, they were interested in engaging with a institutional investor to fund the larger scale redevelopment.

We were appointed to secure bids to fund the redevelopment which were required to be at an attractive level to dissuade the client from developing out the PD permission.

A number of competitive bids were received from a range of institutional asset managers, pension funds and other institutions. A preferred party was selected within 2 months, with documentation completing within 5 months of instruction.

The successful party was chosen on the financial strength of their bid and due to their covenant strength and the low level of perceived execution risk. An innovative funding structure was agreed which hit both our client's deals requirements as well as the incoming funder's.

Track record – Capital markets



Co-living | The Collective, Old Oak

To date, this is the largest European coliving scheme which provides over 500 coliving studios/beds, alongside significant onsite amenity, facility and service provision.

JLL structured a fully integrated project team, which spanned the Living spectrum, incorporating residential, student and hospitality specialists. This approach ensured that the opportunity was successfully marketed within the relevant sectors and succeeded in garnering substantial interest from a wide range of institutional investors. Red Door Ventures, LB Newham's PRS company, was selected as the preferred purchaser; however, for reasons outside the transaction, and related to political changes within the council's leadership team, the deal did not go through. The disposal process demonstrated the level of demand for, and value of, UK co-living assets from tier 1 institutional investors and was subsequently utilised by The Collective to facilitate a management buyout.



Retirement Living | Project Harvey

This was landmark transaction for the retirement sector which saw institutional capital enter the market for the first time, with our team providing a full transaction and advisory service.

The complexity of the business and income streams (which covered development, care and asset management) required a highly innovative and bespoke process in order to generate interest, drive negotiation, and ultimately secure closure of the deal. The transaction saw AXA IM take ownership of the real estate holdings, and HC One of the operational care activities.

JLL provided a full M&A advisory service to RV and through best-in-class positioning of the platform and growth story achieved an optimal outcome for the stakeholders, at a time of uncertainty for the UK. JLL had "big wins" for the vendors on the closing accounts and the pricing of the developments.

Track record – Capital markets



Client: Southern Grove Size/No Units: 10,000 beds GDV: £700m

Co-investment/Joint Ventures | Future Generation

Background: We were instructed to carry out a global campaign to secure a joint venture partner to launch a new student accommodation platform called Future Generation. The 50:50 JV with Bahraini based equity investor Tadhamon Capital, will target a 10,000-bed portfolio within the next five years across the UK. The equity raised will help fund land purchases with the JV planning to raise debt alongside it.

JLL Role: We provided a comprehensive suite of advisory services including the preparation of all marketing documentation and financing information for prospective lenders and the structuring and negotiations of the deal terms

Southern Grove was supported by our sophisticated, bespoke built financial model.

We successfully introduced a new capital partner to the sponsor with large scale and long term aspirations aligned to the business plan. We have been retained as the JV's advisor and will provide acquisition advice on all development opportunities and continued financing arrangements for each site. To date, JLL has arranged finance for three developments within the portfolio.



Co-investment/Joint Ventures | Portal West, North Acton

Background: City and Docklands Group achieved planning consent for a 605,000 sq ft mixed use residential led development in 2017, which will provide 164 affordable market rental homes, 275 private sale apartments, 139 PRS apartments and 30,000 sq ft of mixed use commercial accommodation. We were appointed to undertake an options analysis, then structure and raise external investment to fund construction for delivery. It was imperative for the client to find a partner with sufficient investment firepower to create a wider investment vehicle for future acquisitions. JLL Role: A complex transaction with multiple potential asset strategies, ranging from 100% sales to 100% rental models, and various increments in between. Each required modelling and outputs presented, alongside recommendations on deliverability, profitability and risk mitigation perspective.

Our funding team approached existing relationships in the funding market in UK and across from Asia Pacific, US, European, and MENA teams to ensure the most competitive and newest capital sources were approached.

Track record – Strategic land

Project: Merdian Water Regeneration

Services: Viability, Options Analysis, Development Consultancy, Land Acquisition and Partner Procurement

Description:

- · 210 acre site in the London Borough of Enfield
- JLL are acting as the lead advisor to the Local Authority since 2014 to bring forward a transformative £6 billion regeneration comprising 10,000 new homes, over 2 million sq ft of commercial accommodation and creation of 6,700 new employment opportunities.
- During the design and viability stages, along with the technical assessment element of the procurement, JLL worked collaboratively with the deign architects, collaborated with financial and legal advisors throughout the procurement process in order to ensure the partner selection.
- Barratt/SEGRO were selected as the development partner of choice following a 12 month OJEU procurement process.



Track record – Land, development consultancy & sales

Project: Battersea Power Station Development, Nine Elms, SW8 Mixed Use with 3,444 Residential Units

Services: Site acquisition advice, Development Consultant and UK/International agent

Description:

- · Space planning and optimisation of phase 1 to maximise values.
- Establishing an attractive specification and working with heritage teams on the conversion and design of apartments within the listed Brewery Building.
- Floor plate, space planning and unit mix advice for future phases. to include a tower.
- Estate management advice.
- Detailed pricing of phase 1 with a view to target and achieve a high sales rate..
- Launch the development to the UK and international markets.

Outcome:

- Phase 1 is 75% sold since launch in October 2014 and on target to be fully sold by completion in 2017.
- On-going consultancy work in relation to the heritage block and phase 2.
- Constant price and sales analysis to maximise value whilst maintaining momentum.



Track record – Land, development consultancy & sales

Project: The Ram Quarter, Wandsworth, SW18. Mixed Use scheme with 661 residential units

Services: Site disposal advice, Development Consultant and joint UK/International Agent

Description:

- Strategic analysis of the development to enable a successful acquisition.
- Detailed pricing and strategy to maximise value by optimising the residential units
- · Space planning, unit mix and specification input
- Formation of a strategy to release individual phases of the development.
- Providing sales teams to work with client at the launch events and managing international launches through overseas network.

Outcome:

- Launch of phase 1 widely considered one of the most successful launches in recent history- all 850 units sold within a few weeks.
- Phase 2 90% sold within 1 month achieving the highest prices within the Nine Elms area.
- We have since been advising on the sales and marketing of the remainder of phase 3

