

# Newsletter Winter 2010

December 2010

Message  
from the  
Managing  
Director



Welcome to the latest newsletter from PM Asset Management in which we report on progress made to date.

Much has happened since our last update including a restructure of the company. I am pleased to announce that Peter Boys has now assumed the role of Chairman with myself taking over as Managing Director. Peter will continue to be involved in the business at a strategic level whilst I concentrate on the day to day operations.

We are also pleased to announce that Leila Jundi has been promoted to Business Development Director as a result of her outstanding performance raising investment for Sycamore II Property Development Fund.

With the Sycamore II Property Development Fund reaching £8.1m, we are pleased to announce that this Fund has closed and our attention is now focused on our new fund, Sycamore V Property Development Fund and the topical Sycamore IV Mezzanine Finance Fund.

That just leaves me to wish you all a great remainder of 2010 a Merry Christmas and all best wishes for the coming year.

Mark Yadegar  
Managing Director

## Sycamore V Property Development Fund Launches

We are delighted to announce the launch of our new fund, Sycamore V Property Development Fund.

Based on a similar model to Sycamore II, we will be formally launching at this Fund at the beginning of December at the 2010 Honister Annual Conference.

Fund highlights include:

- 7 year fund with a target raise of £10m
- Significant distributions at the end of year three, five and seven.
- Minimum investment £10,000
- Targeted return of 22.5% pa
- A hurdle rate equivalent to 10% IRR
- Covering a broad range of projects from traditional residential through to joint ventures, options and promotion agreements, located in the UK.

This opportunity is available for private investors, companies and trusts with SIPPs, SSASs and charities participating through a

feeder fund that will be constituted as an exempt property unit trust.

The Sycamore V Property Development Fund provides an opportunity for Investors to participate in the purchase of a range of projects in the UK comprising of residential developments with planning permission already in place and land sites with an identified development potential.

In keeping with the launch of all our funds, we will be introducing an uplift to encourage and reward early applications for investment as follows:

- 10% uplift for the first £2m
- 5% uplift for the second £2m
- 2.5% uplift for the third £2m

Final Closing date will be when subscriptions reach £10m, or December 2011, whichever is sooner. This fund will be ready to receive applications for investment from the beginning of December 2010.

## Sycamore IV Mezzanine Finance Fund

### First two projects signed

With the Coalition Governments' Spending Review now digested, and thoughts again focussing on the lack of finance available from the high street banks, we believe our highly topical mezzanine finance fund will be of increasing interest. We are pleased to confirm the signing of two new projects in excellent locations for the Sycamore IV Mezzanine Finance Fund.

#### **Dorking Rd, Chilworth, Surrey: 8 Houses and 6 apartments - Pre-sold to RSL**

- Project length 18 mths with a GDV £3.8m
- Mezzanine required £370k secured at a rate of 40% pa
- Bank: Close Brothers input of £1.8m
- Input from developer of £750k
- Personal guarantee from the developer of £150k

#### **Wyche Wood Estates, Horsham, West Sussex: 10 Apartments**

- Project length 12 month with a GDV £3.1m
- Mezzanine required £425k secured at a rate of 40% pa
- Bank: United Trust Bank input of £1.68m
- Input from developer of £500k
- Personal guarantee from the developer of £250k

The Sycamore IV Mezzanine Finance Fund is due to close at the end of December 2010. To see what uplift is still available or if you would like any further information please do not hesitate to contact Leila Jundi or Sarah Hendy on 01794 335505.



## The Sycamore I Strategic Land Fund

### Localism Bill

“A Bill will be introduced to devolve greater powers to councils and neighbourhoods and give local communities control over housing and planning decisions.”

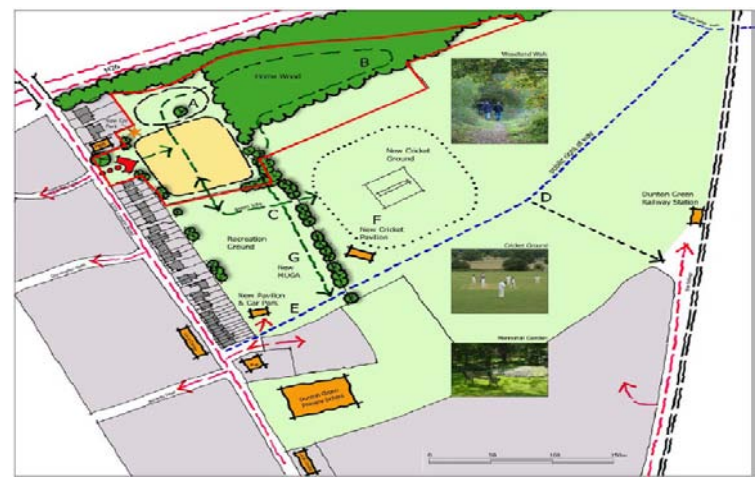
Following the announcement of the new Localism Bill, PM Asset Management is already looking at how the new legislation may impact on current and future projects.

With many of our projects having a large community element (see update on Chobham Rugby Club and Dunton Green, Kent) we believe our approach to residential development and, in particular, our philosophy of working with the local community, could benefit from this return of decision-making powers as it will now be recognised as part of the planning process.

### Dunton Green, Sevenoaks, Kent

Following a positive meeting with Dunton Green Parish Council, we have received a letter from them in which they state they thoroughly endorse our intentions to consult and engage with the community over the potential development.

Plans are now underway to meet key members of the community with a view to holding a public exhibition in early 2011. Once the results of these meetings/exhibition have been finalised, we will meet again with the Parish Council to discuss the way forward.



Concept drawing: Dunton Green

### Waterloo Road, Southampton,

As reported in the last newsletter, we decided to enhance the development by increasing the bedrooms of the units. We now have planning in place for 8 x 2 bedroom units and 4 x 1 bedroom units.

The original building has now been demolished and the site cleared and we are looking to start phase I of the rebuild in December.

We are looking for a target completion by November 2011.

## The Sycamore II Property Development Fund

We are delighted to announce that the Sycamore II Property Development Fund officially closed in October 2010 after achieving a fantastic £8.1m raise. With several projects already well underway and new projects to announce, it is going to be a very busy winter ahead! Seven months on from our last newsletter we are delighted to be able to show illustrations and artists impressions in relation to some of our projects.

### Cants Lane, Burgess Hill, West Sussex

This is a very worthwhile project to provide new build, single storey, special needs housing for West Sussex service users.

The finished development will comprise 4 x bungalows, each to be separately managed as a shared home. This will include single bedroom accommodation with full en-suite bathing and toilet facilities tailored to individuals needs.

To date we have received three quotes for the construction of the bungalows. However, none of these were deemed acceptable due to the specification that we require not being adhered

to on the quote and we have now gone back out to tender.

This project requires £650,000 and will give an estimated return of £1,250,000 which is an **annualised RoCE of 59%**.



### Chobham Rugby Club, Surrey

This very popular local rugby club is keen to move to a bigger location to enable them to expand their facilities and activities in the area. The



Floor plans Cants Lane

current ground is approximately 8 acres in size and we are seeking to gain planning for approximately 35 units with a view to gifting the balance of the land (approx. 4 acres) back to the local community with a parachute payment for maintenance over the next 10 years.

The Parish Council, whose offices adjoin the village hall, have also approached the Rugby Club to lease an area of ground in order to extend their car park. As part of working with the local community we are looking to gift this piece of ground to them.

By using our local knowledge and the expertise of our planning consultants, Barton Wilmore, we have submitted our application to have the site included in the SHLAA (Strategic Housing Land Availability Assessment). We now have confirmation that the site has been accepted as a suitable site for approximately 35 dwellings.

We have also made representations to the Core Strategy. The Core Strategy is expected to be open for public consultation in April/May 2011.

### Codsall, Wolverhampton

As reported in our last newsletter, this is a joint venture with Hallam Land, the highly respected land promotion company. It is a 10 acre site which is expected to achieve planning in three to six years.

Due to the nature of the way the returns have been calculated, we receive an annualised RoCE of around 50% with an outlay of around £400,000, no matter how long the planning takes.

### Cuckfield House, West Sussex

This is a Grade II listed building in another highly sought after Sussex village with close by commuter train links to London.

We have signed an option to purchase the property, which has been used as an office for the last 60 years, for £800,000, and with change of use, Savills have put the potential value at between £1.2m-£1.5m giving an estimated **annualised RoCE of 47%**

We are now finalising the planning application with a view to submitting this early December.

**In addition to those mentioned, we have a number of other projects at various stages of the process**

### Shoreham-by-Sea, Sussex

As reported in our May newsletter, all eight of the apartments at Shoreham have sold. By the end of October we had received £1.4M from sales. Total outlay was £1.1M so we have recouped our initial capital outlay and have the change of use for the remaining units underway.

Planning application for the change of use of the four B1 office units has now been submitted and we are continuing the tender process for the works.

### Horsmonden, Kent

By working closely with Housing 21, a respected care home provider who has expressed considerable interest in the end product, we are now progressing on this 40 bed care home project and 6 cottages.

Meetings with Planning, Highways and Local Councillors have now taken place with all parties happy with the scheme so far. We are now working on the planning application with a view to submitting this by the end of December.

### Maresfield, East Sussex

This opportunity is in a highly sought after village within a short distance of the very popular Ashdown Forest. Set in the heart of the village overlooking the cricket pitch, this ¾ acre site is in a prime location. An exhibition at the village hall was held in October and the scheme received a positive response from residents and the parish council. We are looking to submit planning by mid December.

### Taylor's Yard, Sutton Scotney, Hants

As reported in the last newsletter, our planning consultants and architects have achieved considerable support for this project from both the Parish and County Council and planning for 21 houses made up of 2/3/4 and 5 bedrooms has now been submitted.

Whilst we wait the outcome of planning, the team have now presented to a Panel of Architects and Winchester County Council. We have not yet had official feedback, however, the comments received in the meeting were favourable. Estimated **annualised RoCE of 49%**

### Sandhurst School, Hove, Sussex

With work on 2 and 4 Madeira Road due for completion by the end of January 2011, this exciting development is now entering the marketing stage. Both of these 4-bedroom houses will be put on the market at £675K compared to our original forecast of £550K. As such we hope to achieve a significant profit bringing an **annualised RoCE of 93%**.

Planning has now also been achieved on the rest of the



development and with purchase underway, we are looking to demolish the site by the end of 2010 with rebuild commencing in January.

This second phase of the project will be for a new build 4-bedroom 2-bathroom house and renovation of the existing Victorian building to make an impressive 5-bedroom, 3-bathroom house with sea views and a smaller 3-bedroom house.



## FSA Regulation Update

Following the decision to go for FSA Regulation, We have now completed all the paperwork with Bovill and will be submitting our application early in the new year. We expect to gain FSA Regulation sometime in the following six months.

We will, of course, let everyone know when this has taken place!

## New Website

Having proudly just launched our fourth fund and in a continued effort to keep our clients up to date, from January 2011 Independent Financial Advisors will be able to access further information from our new look website.

You will also be able to read more about our consultants, partners, and the PMAM team.

Alongside our regular emails we will endeavour to announce project/fund news, keep you up to date on which platforms and networks we have approval, and also allow you to download the most current documents. Access to this part of our site will be strictly for IFAs.

## PM Asset Management Update

### New Personnel Joining PM Asset Management

Sarah Hendy, Business Development Manager



Sarah brings over 20 years' experience in both the corporate and charity sector, media and FMCG.

As Business Development Manager, she will be working closely alongside Leila Jundi liaising with IFAs to promote the Sycamore Funds. Sarah's contact number is 01794 335505, extension B.

## And Finally...

With the launch of Sycamore V Property Development underway Leila Jundi and Sarah Hendy will be travelling across the UK to meet you in person to discuss our funds further. With several scheduled road trips in place do feel free to contact either of them to see if they are in your area sometime soon.

**Honister Annual Conference 2010:** Having recently received approval from Honister Capital we are delighted to announce that we will be exhibiting at their annual conference at the beginning of December. If you are attending this event feel free to stop by our stand which is conveniently placed next to one of the coffee and tea stands!

**PIMS 2011:** Following the success of last years PIMS forum we have also confirmed our attendance for May 2011. We will use this opportunity to promote our current funds alongside giving updates on fund that have closed.

**New Offices:** We are very excited to finally be moving into our new offices in Alton mid-December. Do feel free to come and visit us for coffee and biscuits!

**"Overall AKG's assessment considers PM Asset Management Ltd as a well managed niche operation with a well constructed set of relationships designed to deliver its 'alternative investment solutions', as part of a portfolio held by suitably aware, sophisticated and informed investors."**

Independent report compiled by AKG Actuaries & Consultants Ltd, January 2010



**Tel:** 01794 335505  
**Fax:** 0207 1174426  
**Web:** [www.pmassetmanagement.co.uk](http://www.pmassetmanagement.co.uk)  
**Email:** [info@pmassetmanagemet.co.uk](mailto:info@pmassetmanagemet.co.uk)

**Office:** 16 Riverside  
Omega Park  
Alton  
Hampshire GU34 2UF

