



# Newsletter Summer 2011

August 2011

## Sycamore V Property Development Fund

### First close & two signed projects announced

We are delighted to announce that our Business Development Team, headed up by Director Leila Jundi, are on target with the fundraising efforts for the Sycamore V Property Development Fund. To date they have raised the minimum £1m to enable the fund to achieve its first close.

This exciting milestone was reached in May and we are have now pressed the green light on several projects for the fund. On reaching the milestone, Leila Jundi said "We are delighted to have reached the £1m milestone point which creates the opportunity to purchase the first few projects for the Sycamore V Property Development Fund.

It has been a tough few months for UCIS, with many IFA's having to review their client portfolios and ensure categorisation required by the FSA is appropriate, it has resulted in a slower raise than anticipated. Leila added "Looking forward, we have had some strong commitments forecast over the coming few months which will contribute significantly towards our mid-term targets. A big thank you to you all for your continuing support."

A Continuing Professional Development (CPD) test has been created exclusively for your files and continuing CPD. This test is to be viewed in conjunction with the Sycamore V Property Development Fund LP Information Memorandum and both can be found on the 'Funds' tab of our website [www.pmassetmanagement.co.uk](http://www.pmassetmanagement.co.uk). Please contact any member of our business development team for the answer sheet.

Please see below details for the first two projects signed for the Sycamore V Property Development Fund.

#### May 2011: JV Option, East of England

- This project is to enter into a Joint Venture with a Development Partner to facilitate the commencement of the build of a large project, to be delivered over a number of phases.
- Option purchased with significant planning history.
- The overall development includes construction of a primary and secondary school, community and medical welfare facilities alongside retail and residential developments.
- The Joint Venture requires an input of £85,000 which is secured by way of a personal guarantee from all the Directors of the Development Partner. This in turn locks the return of 100% per quarter for 6 to 12 months with an anticipated Return on Capital Employed (RoCE) 360%.

#### July 2011: Promotion Agreement, Bristol

- With Bristol being home of two very well established universities, demand for university places in the city remains robust. This is a promotion agreement to facilitate the change of use from commercial to residential which has been agreed in principle on a pre-application meeting with the planning department. The project of 147 beds comprises of a broad mix of student accommodation to appeal to both undergraduate and postgraduate markets.
- A number of operators are interested in the purchase of this project upon planning.
- With an overall outlay of approximately £237,000 we anticipate a RoCE of 100%. The project is expected to take 12 months to achieve planning.

## New Independent Report on PMAM by AKG

A new report has been compiled in January 2011 for the Sycamore V Property Development Fund. This was created by AKG Actuaries & Consultants Ltd, an independent actuarial company based in Surrey who specialise in the provision of ratings, information and market assistance to the financial services industry. For more information visit their website –[www.akg.co.uk](http://www.akg.co.uk) -and -[www.pmassetmanagement.co.uk](http://www.pmassetmanagement.co.uk).

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



Message  
from the  
Managing  
Director



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

2011 has, so far, proved to be a very busy and exciting time for us as a company and all the funds.

Our Sycamore IV Mezzanine Finance fund has now closed for investment and I am particularly pleased with how this fund is progressing. With the continued lack of bank funding still apparent, we will monitor the market closely over the coming months with to view to launching future Finance Funds within the property development industry.

Our latest Fund, Sycamore V Property Development Fund is also on track with its raise, which is a fantastic achievement in these ever changing times and testament to the hard work of our Business Development Team.

We have also received a new report from AKG and this important document can be accessed on our website.

Finally, I would also like to reciprocate the words of Leila in thanking everyone who has supported, and continues, to support our funds.

With best wishes for the rest of 2011.

Mark Yadegar  
Managing Director

## Sycamore I Strategic Land Fund

With concerns in the marketplace regarding a potential double dip, we are constantly re-evaluating the projects in Sycamore I which are being kept 'under-wraps' until we believe it is the right time to start development or, in the case of Greenacres, sell the units. As with all projects in all our funds, careful consideration is exercised to ensure that each decision is made that will maximise the returns for our investors.

### News in Brief:

#### January:

New 2011 AKG report received for Sycamore V Property Development Fund.

PM Asset Management Website launched allowing IFAs access to Fund documentation

#### February:

Successfully obtained planning permission to convert 4 B1 Office units to Residential in Shoreham. (Syc II Property Development Fund).

Local exhibition held with favorable results in Dunton Green (Syc I Property Development Fund)

#### March:

Planning granted on ¼ acre site for 9 units in Maresfield (Syc II Property Development Fund).

#### April:

Business Development Team hit the road presenting Sycamore V Property Development Fund at 12 nationwide Investment Workshops with Honister Capital.

Phase 1 refurbishment of 2 units at Sandhurst School complete with both units being placed on open market for £650k

#### May:

Sycamore IV Mezzanine Finance Fund closes having raised £3M.

Leila Jundi and Sarah Hendy attend PIMS 2011.

Third project signed for Sycamore IV Mezzanine Finance Fund.

Sycamore V raises first £1m and the first projects are ready to sign.

#### June:

Second project secured for Sycamore V Property Development Fund.

### Dunton Green, Kent

Land Director, James Turner successfully presented at the first public exhibition back in February 2011. The feedback in the main was very positive with the local community seeing the benefits that could be gleaned from a small housing scheme.

As mentioned in our last newsletter, we have included a 'localism' element in this project - the refurbishment of the sports pavilion and with this in mind, a second public exhibition is planned towards the end of the summer to target parents and people who run the local games teams and clubs in the village.



### Greenacres, Cambridgeshire

Although all 4 units in this project have successfully been rented out over the last couple of years providing a constant income stream, it has been decided that the time is now right to sell them. As such, 1 x 2 bed and 1 x 3 bed bungalow have now been put on the market for £135k and £145k respectively. Once sales have been accomplished, a decision will be made on the remaining units, however, it is anticipated that these will also be sold.

### Sycamore II Property Development Fund

The Sycamore II Property Development Fund continues on target with project developments having secured several projects over the last year. The highlights include:

#### Woolavington, Somerset

This 3 phase project will be made up of 150 units.

Phase 1 will comprise of 60 units, a 50 bed care home, local shops and business start-up units.

Discussions are on-going with a local GP practice who has a grant to build a new GP surgery.

Phase 2 is 50 units & phase 3 40 units. Following positive meetings with the Parish Council, a public exhibition was held in May.

Sedgemoor Planning Authority have already stated that if the Parish are supportive of the scheme they will support an application as Woolavington is one of the 17 key rural settlements listed in their Core Strategy.

PM Asset Management Invite you to a public exhibition on the proposed development of

#### Land to the South & West of Sedgemoor Way, Woolavington

The Village Hall, Higher Road, Woolavington. TA7 8DY. Wednesday 25 May 2011. 3pm-8pm



PM Asset Management and consultants will be available for discussion and to answer your questions.

**Sandhurst School, Worthing, West Sussex**

With work now completed on Phase 1 of this project (please see photographs below), we are delighted to announce that 4 Madeira Avenue is sold subject to contract and we are in negotiations with a buyer for number 2. Meanwhile, the Phase 2 refurbishment works on the former Victorian school building are well underway. Every care is being taken to restore this fantastic building to its original glory and we are extremely pleased with how the project is progressing. Once finished, the building will boast 5-bedrooms over 3 storeys with an incredible 30 windows to make the most of its fabulous location on the South Coast.



**Cants Lane, Burgess Hill, West Sussex**

As reported in our last newsletter, this very worthwhile project to provide special needs housing for West Sussex service users, has now progressed to the next stage. With all quotes received now for the building works and funding agreed in principle, we are anticipating a start date of early June. This project requires £650,000 and will give an estimated return of £1,250,000 which is an **annualised RoCE of 59%**.

**Swanage IV Mezzanine Finance Fund**

**Fund closed for investment**

We please to announce that the Swanage IV Mezzanine Finance Fund has closed for investment having raised £3m. In December 2010 we were delighted to announce that a third project has now been signed:

**Signed May 2011: Swanage, Dorset**

- 10 apartments
- Project length 15 months with a GDV of £4.24m
- Mezzanine required £450k secured at a rate of 35% pa
- Bank: Close Brothers Limited
- Input from developer of £450k
- Personal guarantee from the developer of £200k

**Our Sycamore Funds are available via:**

**Ascentric**

- Alliance Trust Pensions Ltd
- AJ Bell Trustees Ltd
- Brooklands Trustees SIPP
- Essential SIPP (The)
- Fundsdirect Nominees Ltd
- Greyfriars SIPP
- HD SIPP
- Harper Key Ltd Pension Scheme
- Harsant SIPP (The)

**Honister Capital**

- Hornbuckle Mitchell Trustees
- Intelligent Money SIPP
- IPM Personal Pension Trustees
- James Hay Personal Pension Plan
- Lifetime SIPP (The)
- Marlborough Pension Trustees

**Nucleus**

- Pershing Nominees Ltd
- Rich-Hill Ltd Pension Scheme
- Rowanmoor Pensions
- Scottish Equitable
- Scottish Friendly Trustee Co Ltd
- SIPPDeal Trustees Ltd

**Skandia SIPP**

- SLM Direct Ltd SIPP
- Stadia Trustees Ltd
- Standard Life
- Sunlight Account SIPP (The)

**Tenet Connect \***

**Three Sixty Services \*\***

**Transact Nominees Ltd**

- Westerby Trustee Services Ltd
- Westwood Trustees Pension Trust
- 5G Futures Pension

\* on a case by case basis

\*\* reports available

**This list is constantly updating. Please contact Leila Jundi directly if you have a questions as to the availability of the Sycamore Funds on via SIPPS, Networks, Platforms, Wraps etc.**

## Is Localism the answer to the lack of rural housing? By Sarah Hendy, April 2011

With all the doom and gloom surrounding the lack of funding for property development, you would be forgiven for thinking that the banks are on the forefront of every developers mind and, more to the point, what is the government going to do about it?!

OK, in all seriousness, this is a huge concern especially in light of the demand for housing across the country and the lack of funding available for development.

Development in rural areas has always been tricky; green belts and greenfield sites, lack of infrastructure etc. However, times are changing and the daily news of another rural village losing its pub, shop, or school are becoming worryingly familiar.

So how will the announcement of the Localism Bill help? Well, its emphasis will be on devolving greater powers to councils and local communities & coupled with the news that on all new sites granted planning the local council will receive the first 6 years of council tax payments, rural developments could finally be on the increase.

Traditionally, a lot of developments have halted before they have begun with objections to planning from people within the community. Local concerns have included 'any development will ruin the area' 'the impact on the environment will be a disaster' and 'social housing will decrease the value of my house'.

And, to be honest, I do have some sympathy with these views. I live in a rural village myself and the prospect of any large scale development sends a shiver down my spine. On the other hand, I have also been instrumental in the creation of our Parish Plan and the demand for certain types of housing was very apparent—we have ageing residents with nowhere to down-size too and young families who can't afford to buy.

So how do you allay peoples' fears? Well, by demonstrating that a project could actually enhance the area by regenerating what is often a run-down site, as well as gifting the community something they need, is a good starting point. So many villages are dying due to the lack of development. If you out-price young couples, the primary school will suffer and, ultimately close. This in turn could lead to the end of the village shop and pub. How many local villages have already lost these valuable assets?

We all know that something has got to happen to stop the decline of rural life and that new, affordable housing is crucial. Whether it is the Localism Bill or the new 5% rate for purchases of residential property announced in the Budget that will help, let's bring it on; the clock is ticking. We all know that, in the end, change is inevitable, except of course, from a vending machine...

To read Sarah's full blog see:

<http://advisercompass.co.uk/a/blogs/show/241>

## Sycamore IV Mezzanine Finance Fund Cont'd

With the lack of bank lending still affecting property developers, Mezzanine Finance is continuing to be in high demand.

Once a project has been agreed and is underway, our partners Barstow Associates work very closely with the primary lender (the bank) on monitoring each stage of the project build. With the build costs being held by the bank, they employ a Quantity Surveyor to conduct a monthly inspection to ensure the project is on track and to agree the next financial draw down.

In addition to this we conduct our own monthly inspection via Mark Davies, Operations Director, as well as Barstow Associates conducting a quarterly inspection, to ensure that we are confident that work is proceeding accordingly.

This triple monitoring ensures that we remain firmly in control of the projects signed to the fund.



### A week in the life of... Mark Davis, Operations Director

Mark, a Member of the Royal Institution of Chartered Surveyors, has been a Chartered Surveyor since 1997. He has a wealth of experience ranging from contract administration and project procurement to the management of new build and refurbishment projects. His prime area of responsibility within PM Asset Management entails the supervision of all on-site project managers, dealing with the tender process with sub-contractors, liaison with architects and Local Authorities. He is also our Health and Safety expert. Here, Mark

describes a typical week as PMAM Operations Director:

**Monday** The week starts with an internal operations meeting at the office in Alton. Good opportunity to catch up on all the new potential projects that James (our Land Director) is looking at. Terry Palmer, my Project Manager, and I then shoot off to Cants Lane in Burgess Hill for a meeting with the contractors.

**Tuesday** Early start as I'm off to Cambridge to visit our 2 sites. Need to re-secure one of the boundaries—a job for Terry!

**Wednesday** In the office to catch up with my Assistant, Jo, on all the emails and admin. Rest of the day is back-to-back with meetings which will probably result in lots more emails and reports.

**Thursday** Site meeting first thing in Worthing at Sandhurst School. Works are going well & happy with progress. On to a meeting with the Estate Agent re the 2 refurbished houses - they are now finished and on the market and really pleased with how they have turned out. Back in the car to Surrey for the monthly check on the mezzanine finance project in Chilworth, Dorking before heading back to the office to check in with Jo.

**Friday** In Dorset first thing to see a potential project and then back to Southampton to meet Terry at Waterloo Road. Back to the office to make calls and get some emails off before getting off home on time for a change. Looking forward to a beer tonight!



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