

Competitors

Purpose of the business



Our purpose is to invest in properties which generate income and also provide long term capital growth. The intention is to build streams of property income for the future and leave a legacy for those who follow.



The university provides accommodation for a proportion of the students but still heavily relies on private landlords to house many of them. The quality of the accommodation provided by the private sector is often below what is ideal for today's students and young professionals.

Problem- opportunity



There is still a shortage of good accommodation and there are still many run-down old buildings which need to be brought up to a top notch standard. To solve this problem we need a network to find, buy, finance, refurb, and let out the properties

The Team



The success of such projects relies on several teams being harnessed to deliver the project. The specialist required include estate agents, solicitors, architects, planning consultants, finance brokers, surveyors, builders and letting agents. We also require investment finance.

Solution - Product



One effective solution is to buy old houses and convert them into shared living spaces (Homes of Multiple Occupation). There are many approaches to this, our current model is to buy 2 bedroom properties and convert them into 5 beds for young professionals

The Investment



The Investment required is approximately £260k to purchase and develop the property over about a 9 month period. Approx £160 would be required at purchase and the rest in tranches to complete the development. When the development is complete it would be financed by a bank and 75% of the end GDV estimated at £275k would be returned to the investor. Normally 25% would be left in the deal.

Business Model



The 2 bed house to 5 bed HMO model assumes a purchase price of about £160k and about £100k spent on refurbishment. This produces annual income of about £25k which after costs should leave a profit of over £12k. That's a return on investment in the range 15% -20% depending on the financing arrangements.

JV arrangement



The intention is that we split the future income on a 50% - 50% basis. Any money left in the deal would first be returned upon sale, with any subsequent assets being split equally. There are many points to discuss here but our intention is to have an equitable arrangement with an even split of the benefits and a share of the risks. We would create a separate Limited Liability company and have a JV agreement which would protect all parties.

Location



The city of Coventry has nearly twice the number of young adults compared to the national average. Coventry is location of choice for many of the world's leading companies such as Jaguar LandRover, BMW, E.ON, and IBM. Coventry is the City of Culture in 2021.

Next Step

Contact us for an informal chat. Visit our website www.Basiabc.com and complete our Investors Form, or Contact us via email at Garj@Basiabc.com.