JXH

DEVELOPMENTS

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PROPERTY INVESTMENT & DEVELOPMENT

www.jxhdevelopments.com

Who is behind JXH Developments?

Naturally as an investor you want to know that your money is in good hands and will return good dividends once invested. Set up after years of experience our company director Jeroen Hoppe is now head of acquisitions for JXH Developments. His career spans nearly 15 years in the property industry. A brief summary:

- Working in the property industry since 2003, first as junior in estate agency to owning and running his own lettings and sales estate agency, XanderMatthew
- First investment property purchased in 2004
- Personally owns and manages a portfolio worth over £3 million
- Grown client's portfolios for the last 10 years, helping with acquisitions and portfolio planning, maximising profitability
- Writes a property blog with 10,000 subscribers - **www.claphampropertyblog.com**
- Proven track record of successful refurbishments and subsequent letting and/or resale
- Successful property mentor and a regular speaker at property networking events such as PIN and Host of the Clapham Property Meet

Jeroen Hoppe

How can I invest?

Option 1: Loan Investment

Loan investments are usually a preferred method for our new investors as the risk is considerably reduced through the provision of a director's Personal Guarantee. The regular updates will allow you as the investor to observe the way we work and ultimately decide whether you would like to become an equity partner in future projects and get a share of the profits. This option would be for a minimum term of 12 months.

Option 2: Equity investment partnership (Joint Venture or JV)

This structure is used investments where the total cost of project is funded by one private investor. Using this structure the profit will be shared between JXH Developments and you, the investor. Important to note however that equity investment comes with more risk attached as returns (% and £) are not guaranteed.

I would like to invest

Option 1: Loan to JXH Developments

JXH developments holds a number of properties and is actively involved in the management of this rental stock. The company's goal is to grow the portfolio in order to achieve enough profits to self-fund further development opportunities.

The way this will be achieved is by purchasing properties, adding value and refinancing, thus realising the increase in capital value in order to reinvest. In the short term this means that private investor finance will be required.

After a purchase is made, works are completed and the property let to long-term tenants. These tenants are subject to strict criteria and the rent guaranteed by a large insurer in order to derisk the transaction entirely; there is nil excess in the event of a default.

Security for you the investor: a director's personal guarantee to guarantee your monthly interest payments on the loan you make to the company.

Returns: a steady percentage return on the capital you lend, paid monthly. For example if you were to lend £100,000 at a return of 8%, the annual interest of £8000 is paid monthly at a rate of £666.67. This option would be available for a minimum term of 12 months, meaning that JXH Developments would tie up your investment in properties to hold for the longer term; we do not envisage capitalising the value prior to 12 months.

Loan investment Case Study: Edward Street SE8

JXH Developments develops and holds property for its own portfolio, offering a superior rental product for the private rental sector. Tenants range from aspiring trainees to full-fledged qualified professionals. Being able to add value by better design and often reconfiguring the internal space offers JXH Developments the ability to refinance the properties after the works are complete and repay investors.

Case Study:
Edward Street SE8

This property was dilapidated on purchase, offering scope for improvement by reconfiguration and general refurbishment, of course to our high standards! The property was configured as four bedrooms, kitchen, living room, bathroom and separate WC. The kitchen was moved and a large open-plan living/kitchen space created downstairs. The WC was transformed into a shower room and the main bathroom was turned in to an ensuite bathroom for the master bedroom. Useless hallway space was transformed into another shower room and lastly the garden was transformed to offer the tenants a lovely outside space as well.

In this case study an investor loaned JXH Developments £100,000 for a period of 12 months. You can see that by adding significant value we were able to refinance using a mortgage and repay the investor, plus their interest. We retain the asset for our rental portfolio and the investor has the option of re-investing in another project or having their monies returned.


FASTEST
ECO
CYCLE

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PURCHASE COSTS		REFINANCE COSTS		PROFIT	
Deposit	£91,500	Legal Fees	£2,500	New Value	£450,000
Legal Fees	£2,500	Broker Fees	£195	New Loan @80%	£360,000
Finance Fees	£29,890	Valuation Fee	£705	Refunded interest	£6,405
Stamp Duty	£14,400	Loan to repay	£213,500		
Refurb Costs	£35,440				
Staging Costs	£6,600				
Total Invested	£180,330	Total Exit cost	£216,900	Cashed out:	£149,505

Option 2: Joint Venture with JXH Developments

JXH developments carries out a number of buy to sell transactions each year; property trading offers a quick return on your investment, but comes with the necessary risks. This is only natural with greater rewards though. The investor provides funding for the initial outlay, including but not limited to deposits, finance, build, staging and selling costs. the project is then completely run by JXH Developments until the moment the property is sold and the profit is realised.

The profits are then split 50/50.

Rewards

- A significantly higher profit is possible, in the aforementioned example you will see it's 84% annual return!
- You will have a return in 6-9 months, depending on project size.
- Shorter timescales and allows you to reinvest or walk away.

Risks

- The returns are not guaranteed, nor is the timescale.
- It may not be possible to realise the capital uplift because of a shift in the market (Brexit for example has caused a slow down in the residential sales market, lowering prices achievable as well as making some sales temporarily unviable).
- You will have to be prepared to hold the property for a longer term (up to 18 months) in case a sale is not realised. A sale will then be revisited after a predetermined holding period.

Joint Venture Case Study:

Woodville Road, Thornton Heath CR7

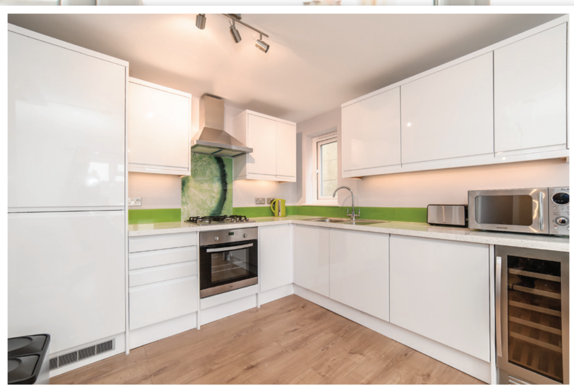
This property was up at auction with a guide of £150,000 and was purchased for £160,000.

The flat was in need of refurbishment as did the communal areas including the gardens, which was found to have Japanese Knotweed

After a programme of external and internal refurbishment the property was sold for a price of £248,000. Below is a summary of the figures and before and after photos.

The project took 6 months to complete, yielding an annualised return of 84%!

PURCHASE COSTS		EXIT COSTS		PROFIT	
Deposit	£48,000	Legal Fees	£1,250	Sale Price	£248,000
Legal Fees	£1,250	Finance Costs	£6,720	Total Costs	£208,324
Finance Fees	£3,840	Agency Fees	£4,464		
Stamp Duty	£800	Loan to repay	£112,000		
Other Fees	£3,000				
Refurb costs	£30,000				
				Profit (%)	42%
Total Invested	£86,890	Total Exit cost	£124,434	Profit (£)	£36,676



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020 3637 4474

jeroen@jxhdevelopments.com

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