

E+O

ERSKINE & OWEN

Unique Syndication
Opportunity
with a projected yield of 7%

Hill Street Lodge, Hamilton



IF YOU'D LIKE
TO INCREASE
YOUR PROPERTY
PORTFOLIO

BUT BELIEVE
CURRENT MARKET
CONDITIONS ARE
TOO TOUGH -
ERSKINE + OWEN'S
NEW HYBRID
RESIDENTIAL /
COMMERCIAL
SYNDICATED
INVESTMENT
COULD BE THE
ANSWER.

HILL STREET LODGE

Units 1-4, 4 Hill Street, Hamilton Lake, Hamilton.
Under contract in May 2017 for \$2.25 million.



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The benefits of this hybrid syndication property

This opportunity is for a 31-room lodge in the heart of Hamilton's CBD. The Hill Street Lodge, a solid 1995 concrete block lodge achieving 80% of current building code, is an established accommodation facility that has been in operation for many years.

- It has a low vacancy risk with an average occupancy of 90%.
- It offers an attractive projected yield of 7%.

Key syndication details:

Hill Street Lodge, Units 1 – 4, 4 Hill Street, Hamilton Lake, Hamilton

- Syndicate structure is a Limited Partnership
- Under contract in May for NZ\$2,250,000
- Minimum investment of NZ\$100,000 with Incremental investments of NZ\$50,000
- Loan to value ratio - up to 50% of the purchase price

To be professionally managed by Point Property Management, Erskine + Owen's sister company. Point are experts in all aspects of managing both residential and commercial investments - including securing quality tenants, site inspections, and regular rent reviews.

Highlights:

- Hamilton is currently the third fastest growing urban area in New Zealand. It continues to expand through its long relationship with the agricultural, education and construction sectors. Hamilton also enjoys property value increases from the Auckland halo effect.
- This syndication hybrid between residential and commercial means you get the benefit of a commercial property with residential tenants, giving a greater opportunity to provide rental rate increases, on a more frequent basis.
- With commercial leases there is often a risk of long vacancy periods. The ability to acquire a new residential tenant is quicker than a commercial tenant due to the nature of residential accommodation.

< PROJECTED
YIELD OF 7%

OFFER
CLOSURE
DATE -
FRIDAY 14
JUNE 2017
OR UNTIL
SUBSCRIBER
NUMBERS
ARE FILLED

Syndicated Property Investment - what you need to know.

What?

Syndicated property investment simply means pooling together with other investors to access property you couldn't buy alone or may not want to.

Why?

Today's market has multiple challenges. Prices have escalated primarily in the main cities, but now in regional centres such as Queenstown, Tauranga and Hamilton. The Reserve Bank's 40% deposit requirement has impacted investors – and the Bank may introduce a borrowing cap to slow the market further. On top of that, retail banks have taken steps to tighten lending criteria.

So - it's far harder to get finance for an investment property, compared to when Erskine + Owen started ten years ago. And given property values, once you do get finance it's harder to ensure you're covered for any cash shortfalls.

However, most would agree that over the longterm, property still delivers healthy returns. Erskine + Owen believe investors need more options to reach their wealth goals. If you can't buy a property on your own, why not reap the benefits with a share of great property?

Advantages?

- Opportunity to gain access to the property market, when you may currently be unable to invest.
- Exposure to the property market with sensible leverage.
- Access to potentially higher-value and higher-growth freehold property.
- Potential risk mitigation: with maximum funding of 50%, the bank will not require personal guarantees and has recourse only to the property.¹
- Leverage Erskine + Owen's considerable buying experience.

¹Based on current bank policy as at March 2017.

Who can take part?

This opportunity is only for 'wholesale investors' as defined by the Financial Markets Conducts (FMC) Act 2013.

You also need to have the investment funds available immediately.

What are the risks?

No investment is risk free. Get good advice before making a decision to help you weigh up the risks and the benefits.

If you're a 'wholesale investor' under the FMC Act you'll be well qualified to assess the risk / reward balance.

TAKE UP THIS
INVESTMENT
OPPORTUNITY
NOW BEFORE
SUBSCRIBER
POSITIONS
ARE FILLED.

REQUEST A
COPY OF OUR
INFORMATION
MEMORANDUM,
WHICH EXPLAINS
HOW IT ALL
WORKS.

If you have any questions or would like to discuss any
aspects of the syndication arrangement with us, call:
+64 9 377 6463 or email syndication@erskineowen.co.nz