

## RESIDENTIAL LAND PARTNERSHIP II ("RLP II")

### STRATEGY

To facilitate the delivery of much needed homes in the UK's single family, multifamily, retirement and assisted living sectors by obtaining planning consent for residential uses on obsolete brownfield and allocated residential land before selling to housebuilders, developers and investors.

Fiera Real Estate Europe ("FRE") believe this vehicle is well positioned to exploit this strategy given it is:

- Addressing significant supply issues – a lack of suitable land with residential consent and a challenging planning system.
- Responding to demographic growth – a long term societal trend which is creating a desperate need for new homes.
- Utilising the unique access to deal flow and local expertise of FRE's nine regional operating partners to unlock value by navigating the planning process.
- Able to benefit from future residential growth by acquiring land which has been repriced due to economic and market conditions.

### OBJECTIVE

To be a key stakeholder in the delivery of much needed residential land, enhancing the social and environmental conditions of local communities throughout the UK and generating a 20% net Internal Rate of Return<sup>1</sup> ("IRR") for investors.

### TRACK RECORD

FRE is an experienced, regulated manager with a demonstrable track record. Since 2014, FRE and its Operating Partners have:

- Obtained planning consents for over 8,200 residential units, of which 1,000 are affordable, at a planning success rate of 96%+.
- Achieved a weighted average project level gross IRR of 34% and a 1.97x Equity Multiple ("EM") for residential projects.



### KEY CHARACTERISTICS

Structure	UK Limited Partnership with separate feeder vehicles for tax exempt and tax paying investors
Target size	£150m
Target returns <sup>1</sup>	20% net IRR
Target leverage	0%
First close	H1 2025
Investment period	2 years from first close
Minimum investment	£5m per investor group
New subscriptions	Every 3 months during the investment period
Redemptions	Closed-ended
Strategy life	5 years (with 2 x 1-year extensions)
Sector	Residential only
Location	All UK regions
Equity per deal	£2.5m-£25m

1. Target returns are not guaranteed

### ESG

FRE's Sustainable Design Brief ("SDB") supports the integration of key ESG considerations within the residential industry as follows:

- **Supporting the transition to a low-carbon economy** – all projects to target net zero construction and to be net zero-ready by 2025.
- **Protecting valuable spaces** - no projects on Greenbelt land that has not been previously developed or allocated.
- **Alleviating climate risk** – site selection in Flood risk zones 1 and 2 only, alongside an MSCI Physical Climate Value-at-Risk assessment.
- **Delivering consents where they are needed most** – targeting sites in boroughs without a five-year housing supply.
- **Enhancing local communities** - complying or exceeding Section 106 and affordable housing policy requirements.



BETTER BUILDINGS PARTNERSHIP



UK Net Zero Carbon Buildings Standard



BBP CLIMATE COMMITMENT Signature

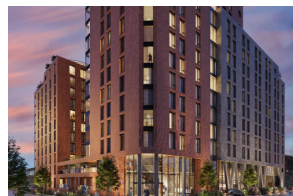


### CASE STUDIES



#### Cain Road, Bracknell

- Size: 4.8-acre site
- Scheme: 50 new homes and 68-bed care home
- Performance: 22.9% IRR / 1.5x



#### Trade Street, Cardiff

- Size: 0.9-acre site
- Scheme: 244 BtR homes
- Performance: 23.6% IRR / 1.9x equity multiple<sup>2</sup>



#### Piccadilly East, Manchester

- Size: 0.7-acre site
- Scheme: 352 BtR homes
- Performance: 27.1% IRR / 1.8x equity multiple<sup>2</sup>



#### Spofforth, Harrogate

- Size: 5.7-acre site
- Scheme: 72 new homes
- Performance: 12.9% IRR / 1.7x equity multiple<sup>2</sup>

2. Returns are calculated at a project level, post fees and pre-tax. Past performance is not a guarantee of future results. Inherent in any investment is the potential for loss.

NOTE: These assets are not held by the strategy and are purely exemplary of the type of projects the strategy will undertake.

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## INVESTMENT RATIONALE

### Historic Under Supply of Housing

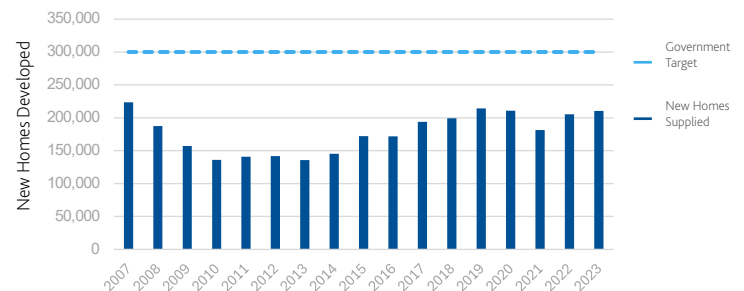
Population growth is driving demand across the UK, but housebuilding has consistently missed government targets. Since 1970, new housing completions averaged only 160,000 per annum<sup>1</sup>. It is estimated that 340,000 new homes pa are required to keep up with household formation<sup>2</sup>.

c.30% of English local planning authorities have received housing delivery test sanctions for 2022 (vs 20% in 2021) for missing housing delivery targets, creating more pressure to increase delivery and site allocations<sup>3</sup>.

<sup>1</sup> ONS, Live Table - Permanent dwellings started and completed, by tenure, England

<sup>2</sup> National Housing Federation, 2018 <sup>3</sup> UK Government Housing Delivery Test, 2021

### New Homes Supplied vs Government Target



Source: ONS, House Building, UK: permanent dwellings started and completed, April 2024

### Demographic Growth – a Long Term Trend Driving Demand and House Price Growth

The UK population is forecast to grow 9.26% between 2024 and 2050 – a higher growth rate than Germany, France, Italy and Spain<sup>4</sup> and one not relying upon immigration. This will exacerbate the supply dynamic described above.

Recent economic conditions may result in a 4.5% decline from 202, an all time high for UK house prices.<sup>5</sup>, but growth is returning with Savills forecasting UK house prices to rise by 2.5% through 2024 and 21.6% between 2024 and 2028.<sup>6</sup> A market timing opportunity exists to buy repriced land during 2025 before benefitting from value appreciation during a market recovery.

<sup>4</sup> United Nations, World Population Prospects, 2022 <sup>5</sup> Nationwide, UK house price index Dec 2023, <sup>6</sup> Savills Revised Mainstream House Price Forecasts 2024-2028, May 2024

### Forecast Population Growth

Forecast Population Growth				
	2024	2030	2050	% Growth
Germany	84.5m	82.8m	78.3m	-7.34%
UK	69.1m	71.3m	75.5m	9.26%
France	66.5m	67.1m	68.2m	1.91%
Italy	59.3m	57.9m	51.9m	-9.17%
Europe	744.7m	739.5m	705.1m	-6.04%

Source: UN World Population Review (Live), August 2024

### Increased Demand for Retirement Living and Care Homes

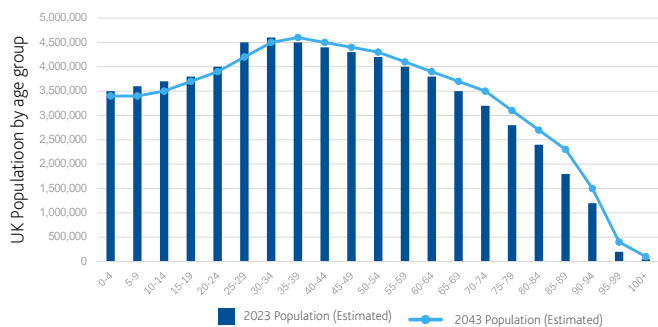
The UK's population is rapidly aging. In 2023, around 11 million people in England were aged over 65. This equates to approximately one in five of us. According to the Office for National Statistics (ONS), this number is projected to increase by 30.5% between 2023 and 2043, resulting in an additional 4 million people<sup>7</sup>. This compares to a significant senior living undersupply, with units per 1,000 people aged 75+ forecast to decrease 17% between 2001-2024<sup>8</sup>. In addition, there are currently only 465,000 care home beds, down 55,500 compared to 2000, with only c.50% in purpose-built accommodation<sup>9</sup>.

Average unit prices are significantly higher for retirement living schemes, helping drive higher residual values compared to residential uses and with the additional societal benefit of increased job creation.

<sup>7</sup> Knight Frank, Unlocking the potential for seniors housing, March 2024

<sup>8</sup> Knight Frank, 2021 <sup>9</sup> JLL, 2020

### UK Population Projections



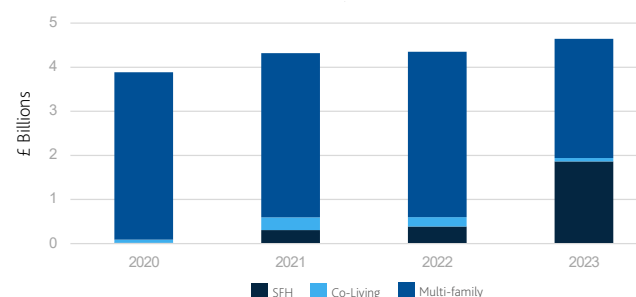
Source: Knight Frank Research, Unlocking the potential for senior housing, March 2024  
ONS, National population projections table, January 2024

### UK Build to Rent ("BtR") Market is Growing

The proportion of households privately renting increased from 18.1% in 2011 to 20.4% in 2021. (1.1m increase)<sup>10</sup>. The UK's professionally managed BtR stock, however, stands at 73,000 dwellings, representing c.1% of the private rent market<sup>11</sup>, compared to 12% in the US<sup>12</sup>. This has driven rental growth, with JLL forecasting average BtR rental growth of 4.2% between 2023-2027. It has also resulted in burgeoning demand for the sector from institutional investors with Knight Frank expecting the market value for professionally managed rental accommodation to grow to over £100bn by 2028<sup>13</sup>.

<sup>10</sup> ONS, 2023 – 2021 Census data <sup>11</sup> Savills, 2022 <sup>12</sup> JLL, 2021 <sup>13</sup> Knight Frank, 2022

### Investment by Sub-sector



Source: Knight Frank, April 2024

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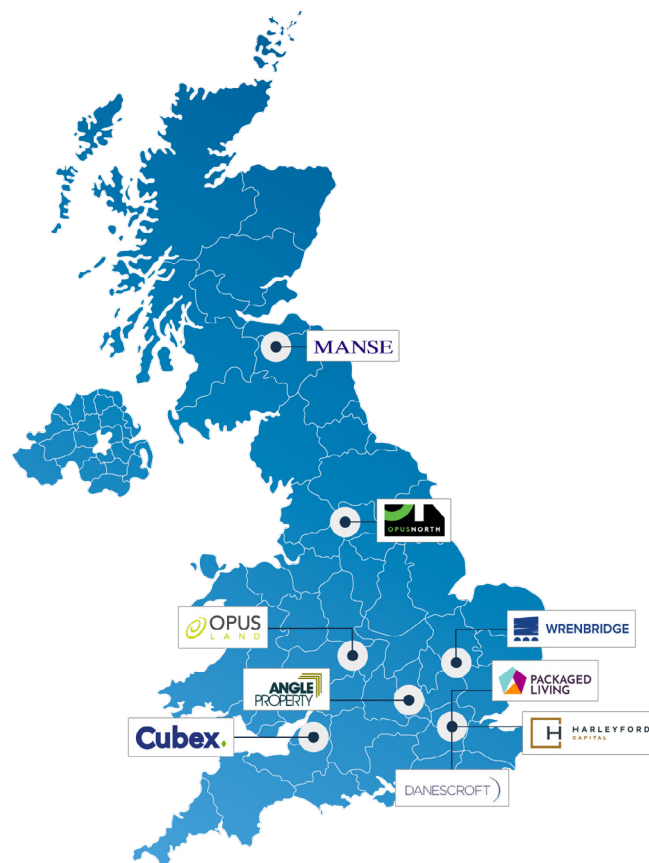
### ABOUT FIERA REAL ESTATE EUROPE

### Regional Operating Partners

Fiera Real Estate is a global real estate investment management firm with over USD7.8bn AUM. The European division provides direct real estate investment opportunities to institutional investors and high net worth investors and has a track record of over 30 years delivering returns.

The business combines an investment management platform and an operating platform through a minority shareholding in nine regional property companies in the UK. Its vertically integrated business model has created a platform of partnerships that allows investors to access some of the best deal flow and entrepreneurial managers within the centralised framework provided by Fiera Real Estate.

Fiera Real Estate is wholly owned by Fiera Capital Corporation, a leading independent global asset management firm with more than USD122.5bn AUM. Fiera Capital provides Fiera Real Estate with access to global investment market intelligence, which enhances its ability to innovate within a framework that emphasises risk assessment and mitigation.



### SUMMARY

- **Addressing a supply shortage** - an acute lack of suitable land with residential planning consent and a challenging planning system.
- **Meeting societal demand** - driven by sustained population growth.
- **Generating attractive, ESG focused, investment returns** - forecast 20% IRR+.
- **Unique access to deal flow** - and the development management expertise of FRE's regional network of nine operating partners.
- **Experienced, regulated manager with demonstrable track record** - the second in a series following a similar vehicle that is forecast to deliver a c.16% net IRR and 1.7x EqM\*.

\*Target returns are not guaranteed. Inherent in any investment is the potential for loss.

### CONTACT



**Chris Button**

Head of Investment Management /  
Co-Fund Manager

T: 075 0098 9479

E: [chris.button@fierarealestate.com](mailto:chris.button@fierarealestate.com)



**Charles Allen**

Head of European Real Estate

T: 078 0960 7378

E: [charles.allen@fierarealestate.com](mailto:charles.allen@fierarealestate.com)



**Sam Fleming**

Director / Co-Fund Manager, Value Add

T: 077 4984 8361

E: [sam.fleming@fierarealestate.com](mailto:sam.fleming@fierarealestate.com)



**Emma Murray**

Director, Business Development

T: 074 6915 8805

E: [emma.murray@fierarealestate.com](mailto:emma.murray@fierarealestate.com)

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