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CITYGATE

PROPERTY INVESTMENTS SIMPLIFIED

Comprehensive Brochure



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Empowering Lives,
Building Futures:
**INVESTING IN
HOPE FOR EVERY
HOME**

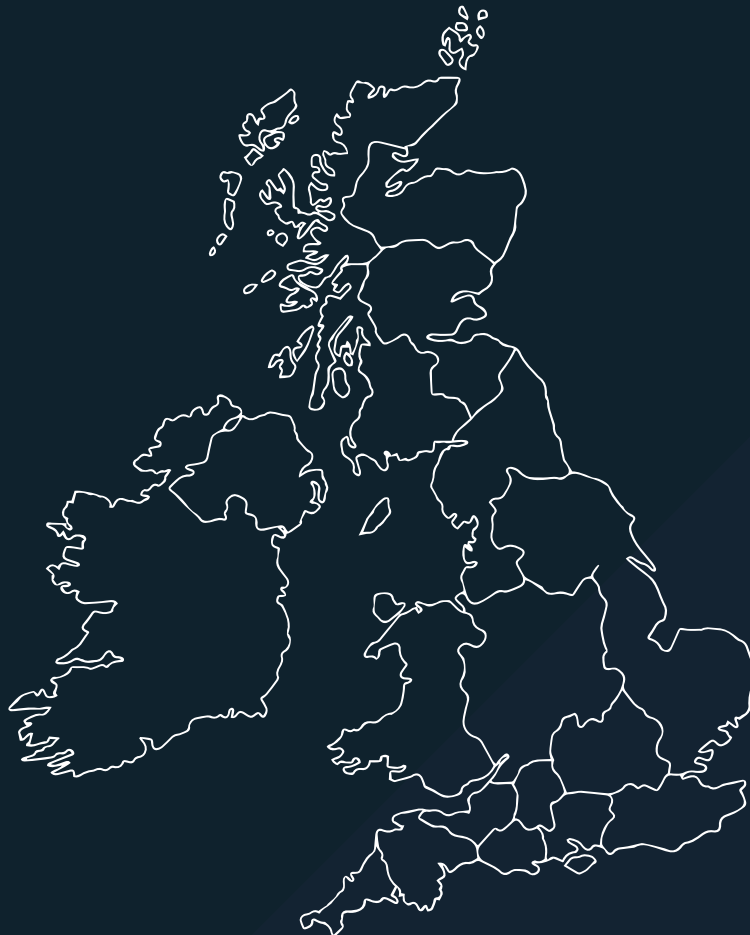


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Facing The Housing Crisis

The United Kingdom is facing a profound housing crisis, characterised by a significant shortage of affordable and social housing. This crisis is multifaceted, impacting a wide range of individuals and families, particularly the most vulnerable in society. The root causes are complex and interlinked, involving economic, policy, and demographic factors

Causes of Crisis

1. **Supply and Demand Imbalance:** The most fundamental issue is the imbalance between housing supply and demand. The UK has not been building enough homes to keep up with population growth and changing demographics. This shortfall has been accumulating over decades, leading to a significant gap.
2. **Affordability:** Even when housing is available, affordability remains a critical barrier. House prices and rents have been rising at a pace that far outstrips average income growth, making it increasingly difficult for many to afford suitable housing.
3. **Reduction in Social Housing Stock:** The stock of social housing has been in decline for years, exacerbated by policies such as the Right to Buy scheme, which has seen a significant number of social housing units sold off without adequate replacement.

4. **Funding and Investment Constraints:** Public investment in new social housing has been constrained by fiscal policies and budgetary priorities, limiting the ability of local authorities and housing associations to develop new affordable housing projects.

5. **Regulatory and Planning Challenges:** The planning and regulatory environment can also be a barrier to the development of new housing, with complex and time-consuming processes that can deter investment and development.

Size of the Problem

1. **Housing Shortage:** It is estimated that the UK needs to build 300,000 new homes each year to meet current demand and address the backlog. However, current building rates are falling short of this target.
2. **Homelessness and Temporary Accommodation:** The number of people experiencing homelessness or living in temporary accommodation is a stark indicator of the crisis. Tens of thousands of households, including families with children, are living in temporary or unsuitable housing.

3. **Waiting Lists:** Over 1.2 million households are on waiting lists for social housing in England alone, highlighting the gap between the need for affordable housing and its availability.

4. **Affordability Gap:** The gap between average incomes and the cost of housing continues to widen, with many areas of the country experiencing house price-to-income ratios that make homeownership an unattainable dream for the average worker.

Conclusion

The UK's housing crisis is a pressing issue that requires immediate and sustained action. The shortage of affordable and social housing and supported living is not just a matter of housing policy but a significant social challenge that affects the health, well-being, and economic prospects of millions of people across the country. Addressing this crisis is essential for building a more equitable, stable, and prosperous society.



"Statistics show, 1 in 208 people are without a home and 250,000 people are living in temporary accommodation, 125,000 whom are children"

Shelter UK, 2023



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The Model

Step 1: Property Acquisition and Conversion

Investment Utilisation

Our Partners at Citygate strategically channels investor funds to identify and acquire large commercial & residential properties. This initial step involves a meticulous selection process, focusing on properties in locations conducive to living environments and with structures amenable to conversion.

Maximising Potential

Post-acquisition, these commercial spaces undergo a transformation process, where they are redesigned and refurbished into smaller, modern residential units. This conversion prioritises not only the optimisation of space and utility but also the creation of aesthetically pleasing and comfortable living environments. The design process considers factors such as natural light, privacy, communal areas, and energy efficiency, ensuring that the new residential units meet the high standards of contemporary urban living.



Step 2: Government Collaboration

Partnerships

A cornerstone of the model is the establishment of strong partnerships with government-backed agencies that specialise in social housing. These collaborations are built on mutual goals of addressing housing shortages and providing support for vulnerable populations. By working closely with these agencies, our partners at Citygate ensure a consistent and stable demand for the newly converted residential units, facilitating a seamless transition from commercial vacancy to vibrant living spaces.

Social Impact

The residential units created through the conversions are specifically allocated to house vulnerable populations, including individuals and families experiencing homelessness or those in need of social housing and supported living. This direct approach not only alleviates the immediate housing crisis but also contributes to the long-term well-being and stability of these populations, fostering a sense of community and belonging.



The Model

Step 3: Sustainable Financial Returns

Revenue Generation

The partnerships with government agencies are structured to include budget allocations for housing, ensuring that Citygate receives a steady and reliable income stream from the occupancy of the converted units. This revenue model is designed to be sustainable over the long term, reflecting a commitment to both social impact and financial viability.

Investor Returns

The financial structure of the Citygate model is meticulously crafted to ensure that all expenses, including payments to property landlords, operational costs of the company, and maintenance of the residential units, are covered, while also providing attractive returns to investors. The model promises a 12.5-22.05% annual return on investment, for 3-5 years for partners. Offering a compelling proposition that combines financial growth with social contribution. This balanced approach to financial returns ensures that investors not only benefit economically but also have the satisfaction of contributing to a meaningful and impactful cause. We are also dealing with a vast proportion of retail clients and encouraging the community to build streams of income through property investment by educating them and guiding them through the process from start to finish.

The Citygate model represents a holistic and sustainable approach to addressing the housing crisis, combining innovative property conversion, strategic government collaboration, and a financially viable model for investors. This three-step solution not only provides immediate housing solutions but also contributes to the long-term goal of creating inclusive, supportive communities for vulnerable populations.



CityGate Housing have partnered with UCEA Family Office



Citygate, a UK-based social housing investment firm, and UCEA, a third-generation Single Family Office, say they're going to help solve the UK's housing crisis.

Citygate and UCEA say they will embark on a global capital and awareness-raising campaign. The initiative will span six key financial hubs: Zurich, Singapore, London, New York, Hong Kong, and Dubai.

This outreach is designed to draw international attention and investment into innovative housing solutions that can serve as a model for social impact and sustainability in real estate investment in the UK.



Social Housing Investment Opportunity

We are excited to present a fantastic Rent To Social Housing opportunity in 13 unit block in Coventry, CV3.

This block of 13 units will be for vulnerable tenants in need of temporary accommodation.

By investing, not only are you able to support vulnerable individuals in need but also able to receive amazing returns.

Retail

Minimum Investment (Per Unit*):	£13,500
Total Return:	£21,600
Payment (Per A Calendar Month):	£600
Per Annum ROI:	20%
Total Net ROI:	60%
Total Term (Months):	36
Grace Period (Days):	90

*depending on the availability

Multiple Units

Minimum Investment (Per Batch of 5*):	£65,000
Total Return:	£108,000
Payment (Quarterly - Every 3 months):	£9,000
Per Annum ROI:	22.05%
Total Net ROI:	66.15%
Total Term (Months):	36
Grace Period (Days):	90

*depending on the availability



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Contract Protection



Legal Partners

Our partners at CityGate have trusted legal partners who oversee and safeguard all aspects of operations.

Their expertise guarantees that all legal aspects of our ventures are solid and conform to regulations, providing investors with the peace of mind they rightfully deserve.

In the event of unforeseen circumstances befalling CityGate Housing or its directors, responsibility for the head lease will be assumed by Lightbulb Legal Ltd.

The firm will ensure continuity in payments until the obligations stipulated in the contract are fully discharged.

Adnan Rafique

Director - Lightbulb Legal Ltd



Compliance & Finance



Ash Rahman

Head Of Allocation



Ash Rahman is the dedicated Head of Allocations, where he expertly manages resource distribution and housing contracts with a keen focus on compliance and transparency.

With a background in urban planning and public administration, Ash ensures all operations are not only client-focused but also adhere strictly to regulatory standards.

His commitment to clear communication and client satisfaction helps maintain trust and equity in housing allocations.

Sam Rajitola

Financial Director



Sam is a distinguished finance professional with over 30 years of experience in accounting and taxation.

A Fellow of both the Association of Chartered Certified Accountants (ACCA) in the UK and the Institute of Chartered Accountants of Nigeria (ICAN), he also holds an MBA and is an associate member of the Chartered Institute of Taxation of Nigeria (CITN).

Sam's deep financial expertise and strategic acumen are crucial in enhancing decision-making and governance, ensuring the company's financial robustness and compliance.



A low-angle, upward-looking shot of a modern building's glass facade. The windows are arranged in a grid pattern and reflect the sky and surrounding environment. Some windows show interior office spaces with desks and lights. A dark, semi-transparent geometric shape, resembling a large triangle or a stylized 'P', is overlaid on the bottom right corner of the image.

FAQs

Frequently Asked Questions

1. How secure is my investment?

The security of your investment in this model is supported by its strategic approach, which includes careful property selection in desirable locations, conversion into modern residential units, and strong partnerships with government agencies for social housing. This ensures a stable demand and consistent revenue stream, mitigating market fluctuation risks. The financial model is designed for sustainability, covering all costs while promising attractive returns, highlighted by a 13.6% annual return over 5 years for institutional partners and 20% - 22.05% annual return over 3 years with a slight decrease in contractual security of the investment.

The focus on housing vulnerable populations aligns with social objectives, potentially attracting government support and public goodwill, and enhancing the project's stability. While the comprehensive approach aims to secure investments by leveraging real assets, government collaboration, and social impact, it's important to recognise that all investments carry inherent risks. However, Citygate's method is crafted to reduce common property investment risks through its holistic and strategic model.

2. How does it work? What is the process?

The process is mapped out to be straightforward:

1. Our partners Citygate Housing secure the property by placing a holding deposit to the property developer/ landlord approximately 1-3 months before the property becomes available to the market.

2. Clients purchase investment packages and the funds are used to pay for the required costs for the property (rent upfront, deposit, sourcing fees) funds are also utilised on some occasions to furnish and decorate the properties to uniform standards that meet criteria of the lease providers. This process normally takes up to 4 weeks.

3. While the property is being furnished and staged CityGate will start interacting with several local and national providers to secure the best rate for the units. Also utilising similar websites like Social Housing Gateway, where the providers can submit their offers, but it's preferred to work with a list of trusted providers that CityGate have worked with over several months/ years. This process normally takes up to 2 weeks.

4. The offer is finalised, the pre-let agreement/lease from the provider is reviewed and signed. After that, preparation for key & property handover begins. This process normally takes up to 2 weeks.

5. After the handover process has been completed, CityGate patiently await for the first payment to arrive from the housing provider/local authority. This process normally takes up to 4 weeks.

6. When we get the payment in, CityGate pay the landlord/developer, the client (yourself) is paid, managing partners are paid and CityGate keep their margin.

7. Afterwards payment will be made monthly via standing order. > Payment from the provider to Citygate Housing > Payments from Citygate Housing to the Landlords/developers; Clients; and Managing partners; the Accounts Payable department send out constant reminders so the payments reach all the parties on time.

3. Do I own the property I am investing in?

Not with the current structure. Citygate Housing signs the lease with the Developer/Landlord and then signs a Sublease with the client as a JV partner, which is also being attested by their Lawyer/Non-Executive Trustee. So the correct answer would be - you will own the right to the sublease of the property you are financially committed to.

4. How does Citygate Housing make its margin?

CityGate often achieve high rates after going through a bidding process with the housing providers. The starting point of negotiations is 25% on top of the LHA rates, CityGate usually agree on a rate of 45% - 75% above LHA rates from the providers depending on the needs in those specific areas.

This way it creates enough margin for all parties:

- The Developers/Landlords
- The Clients/JV Partners
- Managing Partners
- CityGate

Also some of the providers are pay incentives that vary from £1,000 - £3,000 per unit.

5. What happens after my 3/5-year investment term has finished?

The agreed term is fixed and won't be able to be changed. However clients are more than welcome to reinvest in further units.

6. How many providers are you currently working with?

CityGate are actively working with 28 different Local Authorities, and over 25 Supported Living & Housing providers and through partners have access to a vast network of over 1000 registered housing providers and social housing landlords. CityGate are also partnered up with 3 organisations that hold major mandates with the Home Office and Ministry of Justice.

7. What happens if the housing provider you are working with becomes insolvent/bankrupt?

In the event of a housing provider stopping paying CityGate will most likely be due to mismanagement of their accounts or lack of funding for that particular provider. If it happens to a Registered Social Housing provider they will get bought out by another bigger provider or another Housing Association which will inherit the lease that provider had in place with CityGate and payments won't be affected.

CityGate have an in-house legal and accounting team to prevent them as a company and clients from being affected by situations like this.

Also, bear in mind in case they as a company become insolvent or bankrupt they have their appointed non-executive trustee, who will step in and with the help of qualified team of auditors will attach what their clients and JV partners are entitled to and bridge that gap so every party can continue receiving their payments until the end of their legal agreement.

8. What makes this different to others & what is the investment philosophy?

CityGate is dedicated to redefining social housing by empathising with those in need, creating more than just shelters but homes that empower and reintegrate vulnerable individuals back into society. The aim is to innovate and adapt, working collaboratively with investors and partners to scale the impact across the UK and Europe. By aligning investor incentives with the mission, CityGate strive for sustainability and scalability, maintaining transparency and accountability in all endeavours. The goal is to transform social housing into a force for positive change, providing dignity, support, and opportunities to those served.



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