HJC MAGAZINE

ISSUE. 01 OCT 2020

FEATURING:
THE MAN BEHIND HJC REECE MENNIE

Entrepreneur, B2B Expert, CEO and Experienced Investor

WELCOME TO THE BRAND NEW HJ COLLECTION MAGAZINE

A monthly publication with development updates, market news and property information

PROPERTY BONDS ARE TRUMPING BTL

A better way to invest

HJ COLLECTION

PROFESSIONAL DEVELOPER & PROPERTY BOND PORTFOLIO

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WELCOME

INTRODUCTION

We are proud to introduce you to our brand new HJC Magazine, made for you, our investors.

Established in 2019 by Reece Mennie, HJ Collection is a dependable property company and investment firm that you can trust. We are experts at identifying innovative development investment opportunities who produce sustainable, efficient and affordable living accommodation for all.

Our new HJC Magazine is a round-up of all things property investment, from relevant news and project updates to featured articles. We hope you enjoy Issue 01 - let us know what you think: **FB:** thehjcollection **IG:** the_hj_collection

"HJ Collection is set to revolutionise not only the development sector but also the property bond market, by introducing a managed portfolio comprising of multiple developers, with vast worldwide investor support."

REECE MENNIE
CEO

REECE MENNIE

ENTREPRENEUR, B2B EXPERT, EXPERIENCED INVESTOR & CEO

CHECK OUT REECE ONLINE TO STAY UP TO DATE:

WWW.REECE-MENNIE.COM
@REECEMENNIE

Reece Mennie is a serial investor and entrepreneur, renowned for his unrivalled expertise in the alternative property investment sector. He launched HJ Collection in 2019 after successfully growing the award-winning investment introducing firm Hunter Jones.

Over the last eight years, Reece has worked with several quality property developers providing an efficient and successful bond facility for developers to connect with investors and produce quality portfolios.

Establishing these close working relationships with a select group of property developers, Reece now boasts extensive experience in sourcing, developing, introducing and raising capital for lucrative property developments across the UK, while understanding what will provide investors with maximum security and optimum returns.

Previously, Reece began his career in sales for a printing company, starting at the bottom as a sales advisor and within a few years, becoming Head of Sales. In the last ten years, he has worked closely with a number of private developers to assist in the structuring, distribution and financing of alternative property investments. Reece is happily married to his long term partner, Charlene and they welcomed their baby girl, Violet in November 2016. Outside of work, Reece devotes much of his time to spending it with his family but also enjoys hobbies such as football.

FEATURED

PROUDLY

REECE'S CHARITIES

SUPPORTING

"Working with charities to bring hope and happiness is one of the most rewarding goals I could set, a goal I enjoy sharing with my family."

The ROYAL MARSDEN Cancer Charity

LUPUS UK

Richard House
London's first children's hospice

FEATURED

CLEVELAND STREET

Attey's house on Cleveland Street is situated in Doncaster town centre. The development is only a short distance to the new civic and cultural quarter.

Residents of the area will benefit from the substantial regeneration taking place in Doncaster along with the record levels of inward investment that have been driven into the town in the last three years (approximately £460 million) and creating around 4000 new jobs.

PROJECT BREAKDOWN

14
14 one-bedroom apartments

£670k
Purchase price

£420k
Development costs

£1.1m
Total project costs

£1.4m
Valuation (8% yield)

SITE UPDATE

HIGHLIGHTS

- Acoustic seals fireproofing, insulation, plastering & mist coat to walls & ceilings complete
- 2nd fix electrics & plumbing 90% complete
- Kitchen units & tiling progressing
- 2nd fix joinery progressing
- Decorations 70% complete
- Flooring commenced
- Works to smoke shaft complete
- Roofing works commenced sealing existing roof lights
- New roof openings for smoke shafts
- Electrical supply upgrade received
- Build on schedule

CROWN BUILDINGS

Crown Buildings is situated in St Helens, Merseyside near the town centre and only 30 minutes by train to the centre of Liverpool.

A former local tax office that has been left empty for years. This site provides 55 one, and two-bed apartments finished to a high standard within the existing building space. It also includes the potential to add a further 57 new apartments to the scheme subject to planning; the end product could provide 112 new homes when complete.

PROJECT BREAKDOWN

112
*55+57 one and two-bed apartments**

£1.74m
Purchase price

£5.5m
Development costs

£7.24m
Total project costs

£10.95m
Valuation (8% yield)

SITE UPDATE

HIGHLIGHTS

- Full strip out is complete
- First fix has begun
- Metsec partition walls & plasterboard progressing well on all floors
- Commenced forming Metsec ceilings
- Scaffolding erected to one elevation of the inner courtyard area
- Build is on schedule

SITE UPDATE

YORKSHIRE HOUSE

Yorkshire House is prominently located on Shambles Street, a busy shopping area with numerous retail units. It is a key building in Barnsley town centre and approximately a 10-minute walk from the railway station.

The property comprises of three storeys with commercial units on the ground floor and vacant office space on the two upper floors. This property will bring 19 new one-bed apartments to the newly regenerated area of Barnsley.

PROJECT BREAKDOWN

19 + 4
19 1-bed apartments & 4 retail units

£850k
Purchase price

£550k
Development costs

£1.4m
Total project costs

£2.2m
Valuation (8% yield)

SITE UPDATE

SITE UPDATE

HIGHLIGHTS

- 2nd fix electrics started and progressing well
- 2nd fix plumbing & mechanical works started, progressing well
- Steelwork to form smoke shaft now fully completed
- Replacing existing windows almost complete with upgraded specification in connection with acoustics & fire
- Electrical upgrade accepted, wayleave officer notified in connection with the civil works
- Build is on schedule

ST MICHAEL'S HOUSE

SITE UPDATE

St Michael's House is situated in the idyllic location of Braintree, Essex. The town and its surrounding areas offer great links to London and a wide variety of entertainment.

These exquisite contemporary apartments that have been designed with a real eye for detail, the central setting allows great access for professionals needing to utilise the train links or anyone wanting to benefit from this superb high street position.

PROJECT BREAKDOWN

2 + 7
2 Commercial & 7 flats (6 x 1 bed's & 1 x 2 bed)

£475k
Purchase price

£498k
Development costs

£1.1m
Total project costs

£1.53m
Valuation (8% yield)

HIGHLIGHTS

- Site acquired by the original developer in November 2019
- Demolition completed in January 2020
- HJ Collection purchased site in August
- First-fix on four flats completed
- Landscaping have begun
- Utilities connected in September
- All flats second-fix to be completed in October
- Commercial units refurbished ready for let in November
- Build is on schedule

SITE UPDATE

WHAT DOES THE NEW STAMP DUTY CHANGES MEAN FOR BUY-TO-LET?

In the Summer Statement, Chancellor Rishi Sunak announced he would be scrapping stamp duty for properties under £500,000 until 31st March 2021.

While this presents a clear drive to keep the property market moving, in encouraging homeowners to not sit on their hands and benefit from an average 5% tax saving, it presents a new challenge for landlords and property investors alike.

Has COVID-19 created a 'Buyers' Market'?

The mindset of a property investor is one that perceives bricks and mortar as a long-term investment and something that will yield a return over time, particularly if purchased during an economic dip.

Therefore, despite the challenges presented by COVID-19, property investors saw the forecast economic downturn and the current decline in the housing market as an opportunity to continue to grow and develop their own property portfolio, as we have entered what could be called a 'buyers' market'.

However, Sunak's stamp duty policy has thrown an unexpected spanner in the works, by impacting the likelihood of a severe decline in property prices as homeowners take advantage of the new tax exemption over the next 6 months. As a result, stock will be limited, prices are unlikely to fall drastically, and landlords will still have to compete heavily for any quality property deals.

Buy-to-Let will continue to struggle

Up until the 2016/17 tax year, landlords were able to deduct mortgage interest and other allowable costs from their rental income, before calculating their tax liability.

However, since April 2020, tax relief for finance costs is now restricted to the basic rate of income tax, which is currently 20%. As a result, taxable income for landlords would've increased over the last quarter, particularly impacting the level of tax paid for higher or additional rate taxpayers.

In addition, the buy-to-let market has continued to decline by an average of 1% every year for the last 5 years, with this figure likely to rise during 2020, and beyond, as an increasing number of landlords battle against crippling tax changes, limited stock and now an unlikely reduction in housing costs following COVID-19.

The picture for BTL is, therefore, a bleak one and unlikely change in the coming years.

The rise of alternative property investment

While the buy-to-let market has continued to decline, an increasing number of ex-landlords have turned their attention to the alternative property investment market, having realised the benefits of receiving a greater return on investment without the hassle of managing tenants.

This is driven by the fact a growing

number of UK developers have continued to take advantage of large-scale re-development opportunities, with many transforming commercial buildings into new residential sites in attractive regions across the country.

Through property bonds, ex-landlords can benefit from fixed average returns of between 6-10%, while developers create new and quality stock that – if sold at the right price – has the real potential to help diminish the current UK housing crisis, particularly with build-to-rent models.

Therefore, the current changes to stamp duty will have certainly presented a new challenge for UK landlords, but this challenge will just form part of a market that is already in decline as the drawbacks of buy-to-let continues to be realised when compared to the alternative market.


GOING THE
DISTANCE

LETS TALK ABOUT COVID-19

AND WHY IT PRESENTS ONE OF THE MOST SIGNIFICANT OPPORTUNITIES IN BUSINESS

WhatsApp, Instagram and Uber all share something incredible in common aside from having transformed how we as a society operate; they were founded during a recession.

This pattern of innovation through periods of economic hardship found throughout history, and for entrepreneurs battling through the impact of Covid-19, should be perceived as welcome motivation.

It's clear there are two camps of business owners – those who perceived lockdown as a 'shut down', halting external spend, retreating from operations and pausing all activity, in the other camp there are those who continue to push, stand and fight for their survial and success.

WhatsApp, Instagram and Uber wouldn't have been founded by the camp under 'shutdown' and, if anything, demonstrates that despite the hardship and devastation that we continue to face – now is a time to pivot and make positive change.

Evaluate Operations

With social distancing measures forcing businesses to change how they operate, now is an excellent time to evaluate your internal processes.

Be honest with yourself about what does and doesn't work: What can be improved? How can you uphold the same level of product or service delivery while implementing new tech-based systems? And what staff members are making a positive difference to the future of the business?

There is no other time when you will be forced to really evaluate your business. Although it has presented significant challenges for many, it also provides an opportunity to stand back, analyse and streamline so that you emerge stronger when we can return to some form of 'business as normal'.

Increased Activity Vs Competitor Decline

Right now, many of your competitors will be standing under camp one, pulling back on supplier spend and failing to communicate with both existing and potential stakeholders. While some will perceive this temporary 'pause' as harmless, they will have been unable to consider the long-term damage.

Businesses need to be seen to exist, which means if your competitors are effectively sleeping, you have the opportunity to rise, to increase brand awareness and resulting market share. Don't take this opportunity for granted out of fear, you'll regret it in the long-term.

Do Different

WhatsApp, Instagram and Uber are incredibly successful because they disrupted and innovated their industry sector. If you are currently operating in an industry that has been significantly impacted by the coronavirus, pivot your business strategy and do something different.

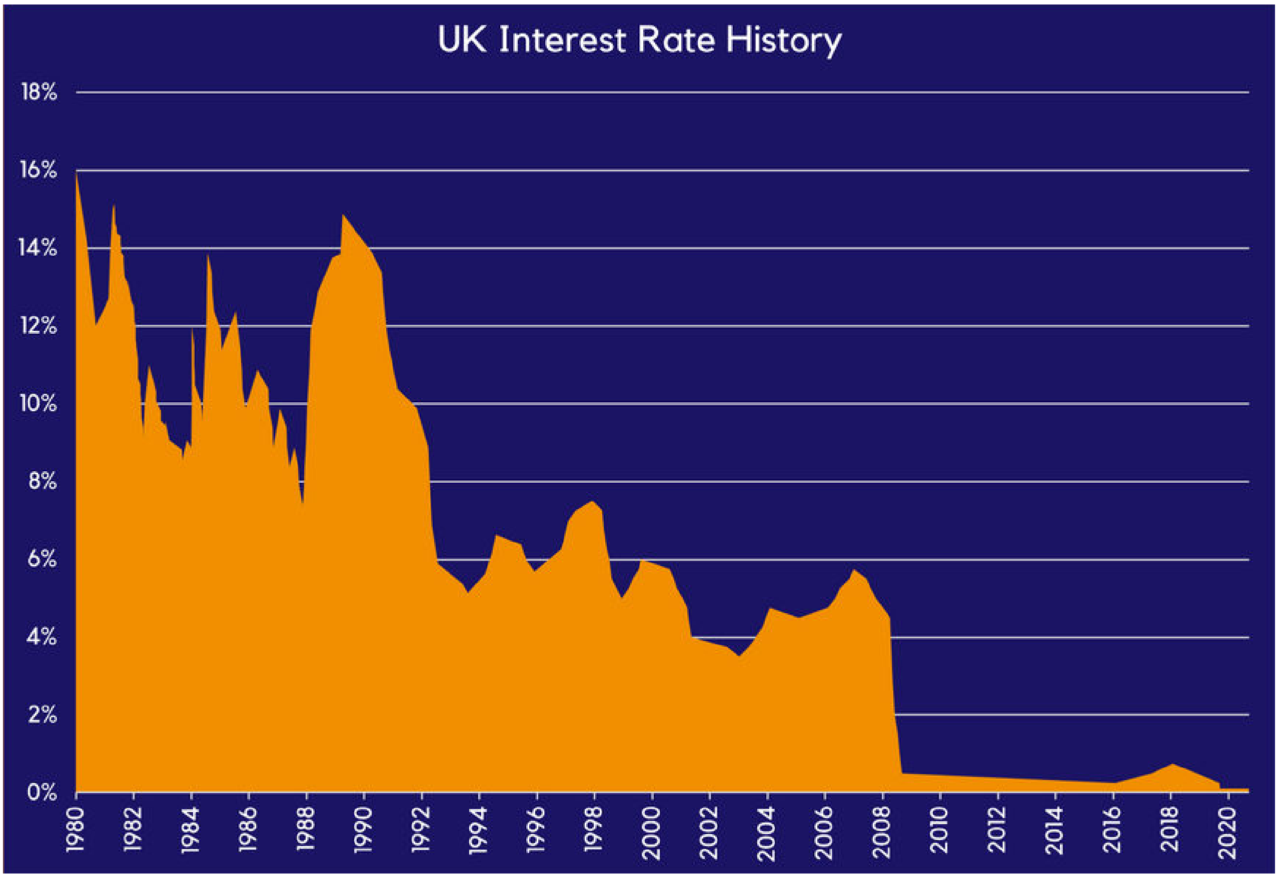
Aside from enabling you to drive new and additional revenue during this challenging period, what you change and implement now could be fundamental to the success and longevity of your business for years to come.

Excellent examples of this are restaurants and hotels creating takeaway menus, estate agents doing virtual viewings and manufacturers of household products like hoovers switching production to make ventilators and much-needed PPE. These wouldn't have been part of any previous business strategy but will change lives and create meaningful change.

The lesson? Don't let fear take over. It may be challenging, but in every challenge is opportunity, as long as you have the right mindset to rise to it.

Going Green

The planet seems to be healing during this time, and a question I get asked is



what am I doing as a developer that is 'Green'.

Being 'Green' is very important for the sustainability of our planet. We incorporate several features to improve energy efficiency, including solar panels, energy-efficient heating and hot water storage—rainwater harvesting and energy-efficient LED lighting, which is controlled by movement sensors. We also install bio-mass boilers and are looking into air source and ground source heating systems.

Covid-19's impact on the UK property market

Ultimately, Covid-19 will have a long-term impact across many industry sectors, including the UK property market.

However, it's important to remember that this period is temporary and there is still a huge demand for housing across the UK. As a result, investors, in particular, should view this current period of economic decline as an opportunity to invest in sites at a lower and more appealing rate.

Recovery is important, I think the UK property market will start to pick up towards the end of 2020, with house prices rising again by the beginning of next year.

In contrast, I predict that the alternative property investment sector will bounce back sooner, as developers take advantage of the economic dip in purchasing assets at a lower cost, providing a greater opportunity investors in the long-term.

Although devastating, the pandemic will create a buyer's market, enabling switched on developers to purchase assets at a lower rate and then profit months or years down the line as the market recovers.

WHY US

A PROFESSIONALLY MANAGED PROPERTY BOND PORTFOLIO

HJ Collection is a nationwide developer with its own professionally managed property bond. After years of working with quality developers and forging strong working relationships, we can now utilise our expertise, experience and contacts to provide a dependable property company and investment firm that you can trust. Working with different construction partners up and down the country puts us in an excellent position of ensuring we always maximise the full potential of the UK property market and enables us to realise our assets utmost profits.

Our strong business model sets us aside from other developers, but it's our financial management and experience that is hugely uncomparable in the market place. CEO Reece Mennie has worked with several quality UK property developers providing an efficient and successful bond facility for developers to connect with investors and produce quality portfolios.

HOW WE DO IT

We continue to work and forge relationships with several quality contractors who share our business model. Using this combined experience we develop desirable, affordable living spaces through an intelligent and innovative approach to urban regeneration. We professionally manage the whole process on behalf of investors and include investors in updates, site tours and virtual viewings.

OUR VISION

To produce sustainable, efficient and affordable living accommodation for all. While establishing HJ Collection as a household name for providing dependable investment opportunities in both the development sector and alternative property investment industry.

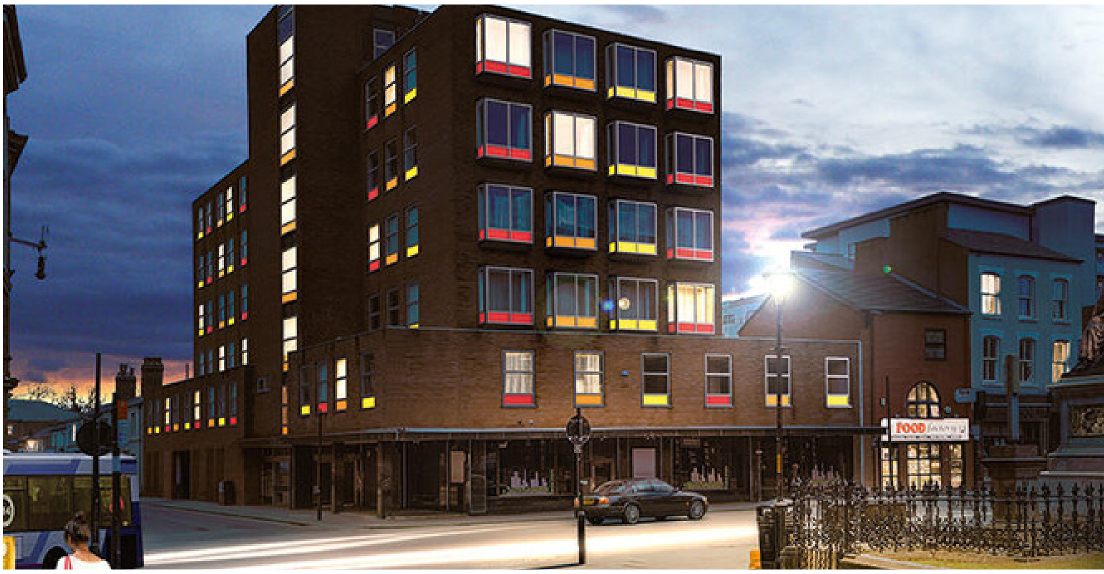
HERE FOR YOU TODAY TO ELEVATE TOMORROW

HJ Collection

TRACK RECORD

PROVEN RESULTS

63 BRADSHAWGATE - BOLTON



Conversion to 81 self-contained apartments under full planning permission; ground floor retained as a commercial unit.

Let agreed 55% off plan
Occupancy 96%

Purchase price	£850,000
Development costs	£2,592,000 (81 x £32,000)
Total	£3,442,000
Residential income	£589,680 pa (81 x £140 x 52)
Commercial income	£30,000
Valuation (8% yield)	£7,746,000
Uplift	125%

KING CHARLES - HOUSE PONTEFRACT

Conversion to 62 self-contained apartments under Permitted Development rights.

Let agreed 40% off plan
Occupancy 94%

Purchase price	£600,000
Development costs	£2,108,000 (62 x £34,000)
Total	£2,708,000
Residential income	£483,600 pa (62 x £150 x 52)
Valuation (8% yield)	£6,045,000
Uplift	123%

NEW COMMERCE HOUSE - WAKEFIELD

Conversion to 29 self-contained apartments under Permitted Development rights.

Let agreed 70% off plan
Occupancy 90%

Purchase price	£370,000
Development costs	£928,000 (29 x £32,000)
Total	£1,298,000
Residential income	£188,500 pa (29 x £125 x 52)
Valuation (8% yield)	£2,356,250
Uplift	82%

PROVEN RESULTS

PROVEN RESULTS

NEWSPAPER HOUSE - BLACKBURN

Conversion to 66 self-contained apartments with car parking under full planning permission.

Let agreed 55% off plan
Occupancy 91%

Purchase price	£850,000
Development costs	£2,640,000 (66 x £40,000)
Total	£3,490,000
Residential income	£429,000 pa (66 x £125 x 52)
Valuation (8% yield)	£5,362,500
Uplift	54%

THORNHILL STREET - WAKEFIELD

Conversion to 16 self-contained apartments under full planning permission.

Let agreed 100% off plan
Occupancy 100%

Purchase price	£900,000
Development costs	£480,000 (16 x £30,000)
Total	£1,380,000
Residential income	£112,320 pa (16 x £135 x 52)
Commercial income	£50,000
Valuation (8% yield)	£2,029,000
Uplift	47%

EMPIRE PROPERTY CONCEPTS

Reece Mennie & Paul Rothwell

Over the past eight years, HJ Collection CEO Reece Mennie has worked with several quality property developers providing a lending facility of more than £100m. Included in this £100m was the relationship he built working with Director of Empire Property Concepts and property expert Paul Rothwell.

Reece worked with Empire property on three property bonds which aquired six developements in the Northern Regions of the UK. Specialists in using permitted developement rights, award-winning Empire paid back to investors up to 27.2% in interest on a two year bond.

Now working with Reece as a construction partner with HJ Collection, Empire are in the process of developing three sites with the aim to produce 144 new affordable homes.

Empire Property Concepts specialise in developing modern and stylish residential apartments from unused or unloved commercial buildings. Since launching in 2008 Empire has gone from strength to strength, winning multiple awards for their work in the industry.

WHY EMPIRE?

Paid investors back up to 27.2% over a 2-year bond

Uses only permitted development rights or full planning

Converts unused buildings as an alternative to buying land

Aim to improve the housing stock crisis in the UK and assist in the regeneration of towns and cities

PROVEN RESULTS

LOOKING AHEAD

THERE IS A LOT IN THE PIPELINE TO LOOK FORWARD TO

As an investor, we understand that it is important to know what is happening every step of the way. As we have already explained, HJ Collection has been determined to push through, and continue, to deliver on its vision and commitments through these difficult times. Using this forward approach has allowed us to position HJ Collection into a place of ultimate buying strength, creating new opportunities and providing greater security.

The great news that we are so close to sharing is the forthcoming of two new acquisitions for the HJ Collection property bond. We will be able to give full details and specifications for these as soon as the deals are completed. In more exciting news, we have provisionally allocated the next £3-4 million that comes through in investments via the HJ Collection property bond. We have agreed on unprecedented purchase prices of a further four properties across the UK, which has considerably reinforced our forecast for 2021.

Depending on how quickly we are able to raise the next £3-4 million in investment, will determine the number of properties we can acquire in this current buyers-market.

Keep up to date with everything HJ Collection on our social media, and if you have any questions, please don't hesitate to get in touch.

GET IN TOUCH

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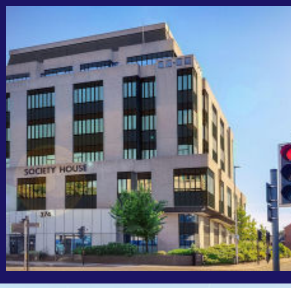
COMING SOON






SOCIETY HOUSE



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