

### Regional Private Rented Market

- In 2016/2017 the Private Rented Sector (PRS) market was the fastest growing UK residential tenure
- Structural drivers for income durability and growth in the sector
  - Political support for professionalisation
  - Growing private rental sector
  - Under-provision of appropriate accommodation
- Addressable market is over £5bn per annum\*
- New regional build to rent units completed to date comprise 0.24% of the regional PRS market
- Residential rents historically less volatile than wider commercial real estate market
- Income durability: favourable demographic shift and a rising cost of living

\*Knight Frank Specialist Sector Report 2017

### Why Multifamily Housing REIT plc?

- Unique proposition to access £900bn existing PRS market
- First mover advantage within private rented built stock market: a professional proposition for the fastest growing and most under-addressed part of the market
- Established and proven management platform: implementing a professional brand of customer care combined with real opportunities for efficiencies
- £70.26m purchase price (aggregate market value of £69.87m\* and £390k premium for Norwich property to reflect market value discount to aggregated break up value)
- Identified pipeline of c.£422m targeted around regional management hubs

\*As at 30 June 2018

### Target returns

- Target dividend yield of 4% annualised from admission to 31 March 2019, rising to 5% in the first full year then growing
- A deliverable target total shareholder return of at least 10% per annum driven by sustainable rental growth, asset management opportunities and clear scale economies\*

\*The dividend and return targets are not profit forecasts

### Investment Adviser

- Harwood Real Estate Asset Management Limited will be the Investment Adviser\* of the Company
- Transacted approximately £490m of residential assets and managed 2,450 PRS homes over the last 3½ years
- Specialists in executing large off market deals, sourced through an extensive network
- Benefit from the experience and support of Harwood Real Estate Group

\*G10 Capital Limited (part of the Lawson Conner Group) will act as AIFM until Harwood Real Estate Asset Management Limited are directly authorised by the FCA (subject to FCA approval)

### Investment Objective

- An attractive and stabilised level of income return together with the prospect of income and capital growth
- Investment in and growing a portfolio of existing built residential units (PRS homes) to let to private tenants at mid-market rents
- The PRS homes will be focused in major conurbations and employment centres largely in England, outside of Greater London

### The Board

#### Nick Jopling



- Non-Exec Chairman
- c.25 years' experience in residential property sector
- Executive Director at Grainger Plc 2010 – September 2017
- Previously Head of Residential at CBRE and Managing Director of Allsop's residential investment business
- Former Chairman of the Urban Land Institute's UK Residential Council

#### David Lis



- Non-Exec Director
- Non-Executive Director at Electra Private Equity, BCA Automotive & Melrose Industries
- Previously Head of Equities at Aviva Investors with responsibility for £33bn of funds

#### Clive Standish



- Non-Exec Director
- Group Chief Financial Officer and Group Executive Board Member at UBS AG until 2007
- Previously CEO of SBC Warburg Dillon Read Australia and Chairman and CEO for Asia Pacific UBS AG

### Investment Adviser

#### Jonathan Whittingham



- CEO
- Director at Harwood Capital and founding member of Harwood Real Estate
- Member of the Urban Land Institute Midland Executive Committee
- Sourced and transacted on over £1.5bn of real estate opportunities with a specific focus historically on active value
- Will also serve on the Board as a non-executive director

#### Peter McCluskey



- CIO
- A Chartered Surveyor since 1998 with 25 years experience in commercial and residential real estate
- Previously a Director at Savills PLC and joint manager of a £500m private property fund
- Specialised in due diligence and asset management
- Joined Harwood in 2010

#### Kitty Patmore



- COO
- 14 years experience: previously a Principal at DRC Capital LLP and Vice President at Barclays Bank PLC
- Responsible for more than £1.1bn complex real estate debt transactions
- Director of the Investment Property Forum
- Working with Harwood team since 2013 prior to joining in April 2016

### Facts and Figures

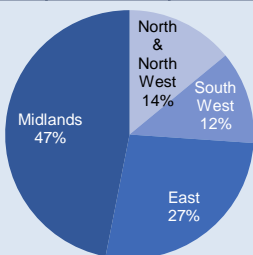
Fundraising target	£175m (minimum proceeds £125m, ability to upscale)
Issue price	100p per share
NAV after Issue Costs	98p per share (assuming £175m fundraise) NAV fee: 0.5% up to £500m reducing to 0.35% Net Rent fee: 6% up to £500m reducing to 4% Total equivalent: c.1% of NAV up to £500m No performance fee
Investment Adviser fee	25% of fee to be paid in shares (24 month lock up)
Fees paid in shares	25% of fee to be paid in shares (24 month lock up)
Gearing	Target LTV 30-40%, maximum 45% LTV

### Indicative Timetable

Intention to float	12 <sup>th</sup> September 2018
Prospectus published and issue opens	12 <sup>th</sup> September 2018
Offer for subscription closes	24 <sup>th</sup> September 2018
Intermediaries offer closes	25 <sup>th</sup> September 2018
Placing closes	25 <sup>th</sup> September 2018
Publication of the results of the issue	26 <sup>th</sup> September 2018
Admission and commencement of dealing	28 <sup>th</sup> September 2018

### Seed Portfolio

<b>Aggregate market value of 22 properties</b> £69.87m <sup>(1)</sup>	<b>Aggregate market value of individual units</b> £78.25m <sup>(1)</sup>	<b>658 PRS homes with average rent £603 pcm<sup>(2)</sup></b>	<b>95% occupancy and average tenant stay of 4.8 years<sup>(2)</sup></b>	<b>Gross Yield 7%<sup>(3)</sup></b>
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- Eastern Hub
- Midlands Hub
- North & North West Hub
- South West Hub

(1) Savills – as at 30 June 2018

(2) As at April 2018

(3) Gross Yield = aggregate market rental value of individual PRS homes and five commercial units per annum / aggregate market value of the 22 properties (as at 30 June 2018)

### Regional Hubs

**Midlands Hub**  
7 properties (311 PRS homes, 98% occupancy<sup>(2)</sup>) located in Birmingham, Walsall, Derby, Cannock & Leek with an aggregate market value of £29,470,000 and 7.5% Gross Yield<sup>(3)</sup>

**South West Hub**  
4 properties (77 PRS homes and 3 commercial units, 97% occupancy<sup>(2)</sup>) located in Bristol with an aggregate market value of £13,100,000 and 5.8% Gross Yield<sup>(3)</sup>

**Eastern Hub**  
8 Properties (177 PRS homes and 2 commercial units, 94% occupancy<sup>(2)</sup>) located in Norwich, Lowestoft & Great Yarmouth with an aggregate market value of £16,850,000 and a 7.0% Gross Yield<sup>(3)</sup>

**North & North West Hub**  
3 Properties (93 PRS homes, 90% occupancy<sup>(2)</sup>) located in Manchester, Leeds & Preston with an aggregate market value of £10,450,000 and a 6.9% Gross Yield<sup>(3)</sup>



### Target asset requirements

Existing built blocks and houses in close proximity
Income producing day-one
Established regional locations in England
Proximity to management hubs
Demographic profile and proximity to transport links
Economic offering giving broad tenant profile
Low capex requirements
Value add opportunities
<b>No Greater London property</b>
<b>No social housing</b>
<b>No student and HMO</b>

### Why buy built stock?

Large addressable market
Durable day-one income
Restricted competitive sites
No planning or development risk
No bulk letting
No concentration risk
No concept risk
Due diligence process to ensure suitable age, construction & configuration

### Sourcing Pipeline

£5bn per annum investment volumes ( <i>Knight Frank Specialist Sector Report 2017</i> )
Proprietary transactional network with off market focus
Investment adviser has analysed transactions of £1.295bn+ in last 18 months
Of the current £422m pipeline, 65% is in exclusive off-market discussions, 23% has agreed Heads of Terms
Property types: freehold blocks of apartments and collections of houses, majority purpose built or converted blocks
57% of the pipeline consists of newly converted, developed or extensively refurbished properties
Properties focused around management hubs building on existing efficiencies with average rents ranging from £500 pcm to £700 pcm

### Risk factors

The Company intends to operate as a REIT for the purposes of Part 12 of the CTA 2010. The Company cannot guarantee that it will qualify or remain qualified as a REIT or that tax legislation in respect of the same will not change.
The Company cannot be sure that it will be successful in obtaining suitable investments in its portfolio of assets (other than the Seed Portfolio) on financially attractive terms or at all.
The Company's ability to pay dividends will be dependant principally upon rental income from the portfolio of assets as well as the market value of its portfolio of assets.
The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns.
Any borrowings taken out by the Company (or a member of its Group) in respect of the portfolio of assets may diminish the Net Asset Value of its Ordinary Shares which will have an adverse effect on the Company's ability to pay dividends.
The market value of an Ordinary Share at any given time may vary considerably from its underlying Net Asset Value and investors may not get back the full value of their investment.
There is no guarantee that any dividend in respect of any period will be paid. There is no guarantee that the Company will achieve the stated target net total Shareholder return referred to in this document and therefore achieve its return objective.
No assurance can be given that, at any time, a liquid market for the Ordinary Shares will develop or, if developed, that any such market will be sustained.

### Important Information

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