



ADDINGTON  
CAPITAL

PARTNERING IN RESIDENTIAL



## Overview



Invested over  
**£410m**  
into the UK  
housing market  
since 2013



Managed over  
**3,000**  
tenants on assured  
shorthold tenancies.



Obtained planning  
consents for over  
**1,200**  
residential apartments  
nationally.



Acquired, with  
partners, over 2,690  
houses and apartments  
in 14 regional towns and  
cities across England  
and Scotland.



Completed over  
**£421m**  
of residential  
sales (equating to  
2,199 units)



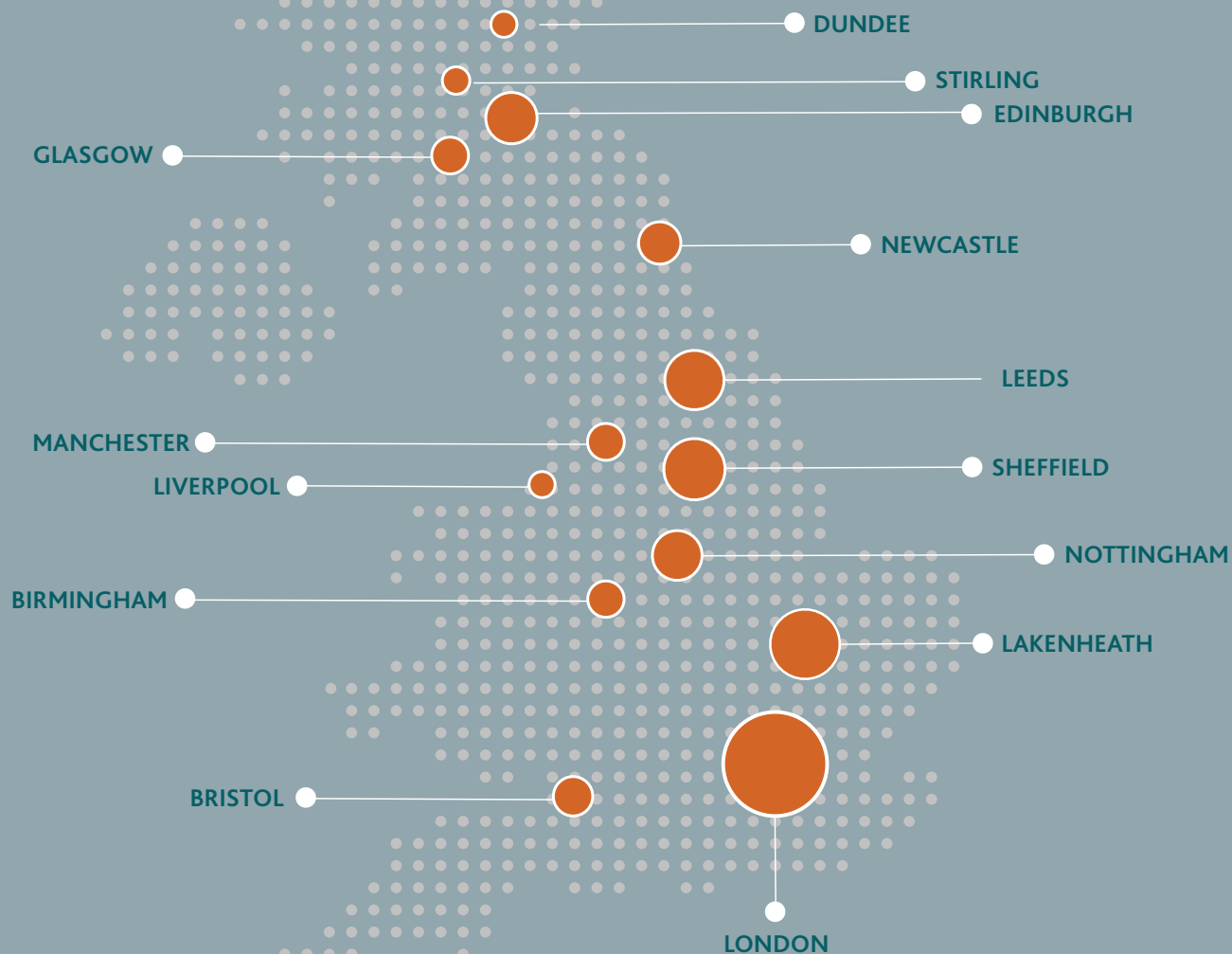
Completed office to  
residential conversions  
on seven buildings  
nationwide, totaling  
410 units

## Partners



## National Coverage

We've acquired and managed, in joint ventures, over 2,700 houses and apartments in 14 regional towns and cities across England and Scotland.



Addington Capital is committed to the UK residential property market.

We have been acquiring and managing existing residential stock, portfolios and large multifamily assets, across the UK for over a decade.

Using our experience and internal resources, we can execute a wide range of investment strategies and have created significant value for our partners and investors.

We have a depth and breadth of experience in the private rented sector, and we aim to deliver each project with a high level of rigour and professionalism.



## The Investment Rationale

### BACKGROUND

The UK housing market has shown its resilience to economic shocks and the threat of technology changing the way we work, shop and play. This has led to a global shift in investor portfolio strategy towards increasing exposure to 'beds' and a weight of demand which is unlikely to diminish in the foreseeable future.

The structural shortage of housing in the UK is across the spectrum, by type and region. Furthermore, most of the existing housing stock is over 60 years old and requires investment to modernise and to meet increasing regulatory requirements.

### VALUE OPPORTUNITIES

Addington focuses on large scale projects. We identify existing properties and portfolios which are under managed, under invested, incomplete and/or in need of repositioning.



## Five office buildings at Headingley Park, Leeds converted to 220 apartments.

Recently voted “the best place to live in Leeds” on Homeviews.



## Case Studies



### PROJECT GORSE

In 2012, in partnership with funds managed by Europa Capital, we acquired 366 houses and apartments in 11 regional university cities across England and Scotland, including Manchester, Bristol, Newcastle and Edinburgh for c.£39m. The properties were occupied as Houses in Multiple Occupation (HMO) by over 1,500 students, let on assured shorthold tenancies.

During the period up to 2016, the properties were re-let annually with an ongoing programme of refurbishment. We sold individual units into the local markets which resulted in total receipts in excess of £60m.



ACQUISITION



ASSET  
MANAGEMENT  
& REPORTING



### WATERSIDE

In 2013, in partnership with Carval Investors European Real Estate Fund II, we acquired Waterside, Leeds for £16.3m. The property comprises two residential apartment blocks of 183 one, two and three bedroomed apartments.

The property was fully occupied on acquisition. We carried out essential repairs and made improvements to the entrance halls and common parts. During our ownership, the rental values increased by more than 30%. In early 2016, the property was sold to an institutional purchaser for £25.5m.



ACQUISITION



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& REPORTING



### LAKENHEATH

In 2014, we acquired, in partnership with funds managed by Europa Capital, 474 houses in an estate in Lakenheath, Suffolk for £53m. The single-family housing was let to United States Air Force (USAF) for a further five years with 20% of the houses to be handed back to the owner each year.

As the houses were handed back by USAF, we implemented a strategy of refurbishment, sales and lettings. We oversaw a break-up of the estate which resulted in total receipts over a 4.5-year period of more than £81.5m.



ACQUISITION



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PROPERTY  
MANAGEMENT



### VELOCITY VILLAGE

In 2016, we acquired, in partnership with funds managed by Europa Capital, Velocity Village in Sheffield city centre for £36.75m.

The Village included 40,000 sq ft of offices and 444 apartments, mostly let to students. We sold a mixed-use block of offices and 83 residential units for £11.7m to leave a reduced cost of holding. We then repositioned the tenant mix in the remaining core blocks of the Village and managed for rental growth.

We then repositioned the asset to attract a new tenant profile and implemented strategies to improve rental growth.



ACQUISITION



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PROPERTY  
MANAGEMENT

## Case Studies



### PROJECT MERLIN

In 2018, in partnership with Europa Capital, we acquired 202 units for c.£45m. The granular portfolio was comprised of Victorian rental properties primarily located across South West London, in the boroughs of Lewisham, Wandsworth, and Lambeth.

The properties were actively managed to improve rental and capital values over a period of 5 years. The value of the portfolio at exit was realised predominantly by the sale of individual units to owner occupiers and investors with a total exit value of c.£62m.



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### LONDON ESTATES PORTFOLIO

Between 2019 and 2022, and in partnership with BauMont Real Estate Capital, we acquired 3 residential portfolios in Greater London, totalling over 500 houses and apartments and costing c.£137m.

The properties, mostly Victorian and Edwardian let on ASTs, are in zones 3-6 with clusters in Croydon, Crystal Palace, Walthamstow, Barking and Leyton. We are implementing a programme of capital investment to modernise the units and upgrade their energy performance prior to re-renting or selling, either to the owner occupier or investor markets.



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### MILES BUILDINGS

During 2022, in partnership with Heitman, we acquired two unbroken Victorian blocks in Marylebone, central London for c.£25m. The blocks comprise 70 one and two bedroomed apartments in a courtyard setting.

On acquisition, the buildings were in a poor state of repair. We are undertaking a comprehensive refurbishment at a cost of c.£10m to modernise the accommodation and are aiming to achieve an Environmental Impact Rating of A. Post refurbishment, the apartments will be re-let and managed by AddLiving.



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## Office to Residential Conversions

We have been successfully converting office buildings to high standard apartments and town houses since 2015. As the demand for offices wanes and the importance of re-using older buildings increases, we foresee a renewed emphasis on conversion to residential.



### ONE LAMPTON, HOUNSLOW

We acquired One Lampton Road in Hounslow in 2018 for £21.5 million in joint venture with funds managed by Europa. The 122,000 sq ft mixed-use property comprised office and retail space, with permitted development rights to create 115 residential units.

We undertook the redevelopment and created new studios, one and two-bedroomed apartments. The apartments are generously sized, benefitting from large windows and lots of light. There is also a spacious reception and co-working area.

AddLiving marketed the scheme, for rent, to young professionals attracted by the buzz and convenience of West London, but also the flexibility of renting in a high-quality scheme with on-site management and maintenance. Despite initially marketing during the pandemic, we let around 5 units per week. The block is now fully let and maintains a high level of occupancy.



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### HEADINGLEY PARK, LEEDS

This 5.5-acre park comprised 5 office buildings built in the 1980s in a mature landscaped setting. Charles and Diana opened one of the buildings in 1981.

Over the past 10 years, we have, under permitted development rights, converted all 5 buildings on a rolling programme. Headingley Park now comprises 220 studio, one and two bedroomed apartments. We have created a residents' lounge and co-working space where AddLiving's on-site lettings and management team run the site. The Park is fully let and achieves strong reviews and offers a unique residential environment close to the City centre.



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### 55 QUEENS STREET, SHEFFIELD

In 2018, we successfully completed the conversion of a 17,800 sq ft Victorian office building in the Cathedral Quarter of central Sheffield, into 24 apartments, with 7 parking spaces. The property was held of a joint venture with Europa.

The property is in a conservation area and internally benefited from high ceilings and a wide central staircase. We were able to retain many of the original architectural features. The apartments were sold individually to local residents and investors.



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**We have extensive experience in large-scale planning and change of use submissions for ground-up development and for office to residential conversions.**



#### ALPERTON, NORTH WEST LONDON

We entered a joint venture to assemble a large site in North West London. The land assembly included c.15 separate ownerships with industrial land use. The land was identified as a strategic site for future residential use in the Mayor's London Plan.

We subsequently obtained planning approval for 684 new homes, including 218 affordable units and c.20,000 sq ft of new commercial and community space.

On completion of the land assembly, the site will be one of the largest 'ready to go' consented schemes in Northwest London.



PLANNING &  
DEVELOPMENT



#### HARLOW, ESSEX

In joint venture with Tristan Capital, we managed the Harvey Centre and Little Walk mall in Harlow town centre. The land holding included tertiary retail on a 4-acre site.

We obtained planning consent for 468 new private one, two and three bedroom homes on the 4 acre Little Walk mall site. The consented site was sold to an independent housebuilder for £15m.



PLANNING &  
DEVELOPMENT



#### NORTHERN QUARTER, LEEDS

We managed a terrace of 1980's offices which were mostly vacant and in a neglected neighbourhood in central Leeds.

After lengthy discussions with Leeds Council to explore increasing the height and bulk on the site, we opted to obtain permitted development rights to convert the terrace into 16 two and three bedroomed houses. We undertook the conversion, and the houses were successfully sold to owner occupiers with capital receipts of c.£4.85m.



PLANNING &  
DEVELOPMENT

PARTNERING IN RESIDENTIAL

## Asset Management by ADDINGTON

Addington has an integrated property and asset management platform which is essential in the execution of different asset plans. Our property management business operates under the AddLiving brand.

We have set up our resources to accommodate detailed monthly and quarterly reporting to equity and banking partners.

As asset managers, we manage capital investment and sales directly with local agents and implement strategies in collaboration with our property management team.

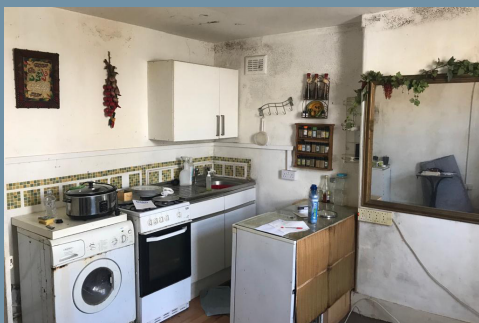
Our in-depth reporting includes, but is not limited to, the following key tasks:

- reviewing monthly rent collection and arrears
- new leasing and sales activity
- capital and operational expenditure
- financial covenants

- statutory compliance
- ESG credentials

Given the importance of collecting monthly rents, implementing landlord repair obligations, and adhering to statutory compliance requirements, our role of monitoring and controlling cash collection, credit control, and capital expenditure is an essential requisite to institutional investment.

We have in-house financial controllers who are qualified accountants, that prepare audited annual accounts; general ledgers and trial balances; VAT reporting and quarterly balance sheets; and profit and loss management reports.



## Property Management by AddLiving

**We firmly believe that effective property management must be done locally.**

AddLiving is the property management arm of Addington Capital.

AddLiving was set up to improve the professionalism, efficiency and accountability of the day-to-day leasing, rent collection, monitoring of repairs as well as maintenance and compliance.

AddLiving is experienced in managing granular portfolios and large multifamily private rented sites across the UK.

We use Qube management information software for diary management and financial reporting.

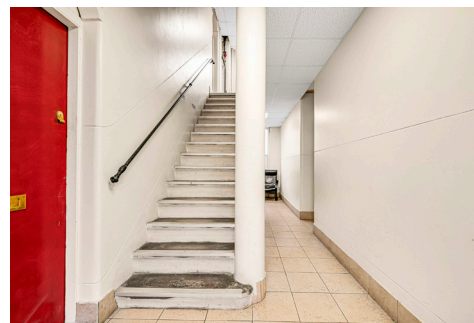
In the larger multifamily sites, we have on-site teams responsible for all aspects

of the leasing journey as well as resident engagement. The on-site teams are managed from the London office.

The online system is supported by on-site staff who can respond to requests for repairs and maintenance and front of house liaison and credit support.

Compliance is of utmost importance to us, with increasing regulation demanding high level input and careful diary management.

AddLiving is constantly reviewing its systems and processes to harness technology in driving efficiencies.



## ESG Case Study

Both investment and management of residential property are affected by increasing levels of regulation. These regulations principally relate to fire safety and energy performance and are at the forefront of investment, asset and property management decisions.

In partnership with Heitman, we are refurbishing two poorly maintained Victorian mansion blocks, built in the early 1900's. The project is prioritising investment to optimise longer term environmental impact i.e. future proofing.

### Some key initiatives:

#### ENVIRONMENTAL

##### Reduce reliance on fossil fuels:

Removal of gas combi boilers; increase power supply to the building and install thermatically controlled electric radiators.

Water heating using air source heat pump cylinders in each apartment.

##### "Fabric first":

Insulation of the internal walls that are external facing.

Insulation of the ground floor units and the ceilings of the top floor units.

Improving air tightness – sealing gaps

Double glazing.

#### SOCIAL

Dedicated on-site porter to ensure the wellbeing of residents.

Redevelopment of a gated courtyard for communal use with lighting, seating and new enhanced landscaping.

##### Improved security:

CCTV; wireless intercom entry system with remote access control.

Secure bike storage and parcel delivery.

#### FIRE SAFETY

Improved fire rated front doors to individual apartments.

New control units in each apartment and re-wiring common parts.

Installing automatic smoke vents to each service core.



# ADDINGTON

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