

Churches Together in Oakham hopes to open a second Sukkot House in Oakham to support homeless individuals to get back on their feet.

Rutland County Council has confirmed the need, advising that there are already homeless people, and the situation is expected to worsen as a result of the Covid-19 pandemic as measures to protect people from being made homeless end.

We are looking to raise £100,000 from local investors, which with matching funding from Hope Into Action, will allow a second house to be purchased.

- The investment will be for 5 years
- The investor will receive a 2% return on investment per annum.

The Investor Information Pack provides more detail in the following pages.

**If you are interested in making an investment or require further information, contact:**

**Adrian Arnold**

Email: [adrian.arnold2@btinternet.com](mailto:adrian.arnold2@btinternet.com)

Mob: 07898 871127

## INVESTOR INFORMATION PACK

Thank you for your generosity in being willing to buy a house for HIA. It is very much appreciated.

Below we outline the process from here to help you through every stage of the process and our charges at the end.

### What happens now?

#### 1) Searching for a property

You can be as involved as much or as little as you would like. Some investors have never even visited their house in person. Others went out and selected it themselves. The majority let us lead. So unless you advise us otherwise our teams in the city will begin the search for the new property.

We will keep you updated on progress and you can contact us at any time.

For this property we have agreed:

#### 2) Agreeing terms on the property

When we find a property we think is worth putting an offer in on. We will contact you and get your approval. (Sometimes, in a buoyant market, this does need to be quite fast).

Usually we negotiate with the agent with your permission. If you would like to lead on this that is also fine.

The Seller's Estate Agent often require "Proof of funds for purchase". It helps us and can help 'close the deal' if you have these ready.

For this property we have agreed:

#### 3) From agreeing terms to purchase

The process we would expect to follow (things don't always go to our usual plan!) is as follows:

- i. Ian Watkins will instruct the surveyor on your behalf.
- ii. Ian Watkins will inform Irena Spence, the solicitor we recommend, and she will contact you for your instructions and signature on various forms etc. If you wish to use your own solicitor please let Ian know.

- iii. Noel Garner, our Operations Director, will review the survey and, at that point, make a recommendation to purchase or otherwise. He will also give a broad outline of the works that might need to be done.
- iv. After the survey has been reviewed and, assuming you still want to proceed, the solicitor will be instructed to carry out the searches as necessary. It is wise to leave the searches until this point in case the survey flags up anything unexpected so no unnecessary expense is incurred.
- v. Once everything comes back from the searches as OK, then the solicitor will fix 'Exchange of Contracts' and 'Completion dates'.

#### 4) Insurance

You will need to have insurance for the property in place for when Contracts have been Exchanged. We use Access Insurance for all our properties and would recommend them. Please feel free to use another Insurer should you wish, but you do need Landlord insurance that will allow "DSS tenants".

Access Insurance Services, Selsdon House, 212-220 Addington Road, South Croydon, Surrey CR2 8LD. Telephone: 020 8651 7420 Email: [insure@accessinsurance.co.uk](mailto:insure@accessinsurance.co.uk) Web: [www.accessinsurance.co.uk](http://www.accessinsurance.co.uk)  
Tell them you are looking for insurance for a Hope into Action house.

You may be asked about the property being empty. It is best to insure the house as "unoccupied" – although this will increase the premium – and then when the property is tenanted get the insurance changed to "occupied". The reason we do this is so that there is no risk of the property being incorrectly insured should the refurbishment or finding tenants take longer than expected.

#### 5) From Purchase to Occupation

Some investors like to manage the refurbishment. This is fine though we will need to agree the specification with you.

If you would like us to refurbish it then: Once the purchase has completed Noel will look over the property and get a specification together of all the items that need to be done as part of the refurbishment to get the property ready for tenants. He will then invite contractors to tender and once those tenders have been received, agree a contractor and the scope of work with you. (Please note, getting 3 quotes can take time, so if you would like we can speed the process by reducing the number of quotes).

For this property we have agreed:

If we are managing the refurbishment we ask for a float to cover the expected expenditure on the refurbishment. There are likely to be some extras that only become obvious once the contractor has started.

Once refurbishment is complete then the property is furnished and we move tenants in! The church help out with the furnishing and this usually takes a couple of weeks. We have attached our Purchase to Occupation spreadsheet for your information.

We will then prepare a statement of our expenditure on the property and calculate if there is any further monies required from you or whether there is money to be refunded. This is often delayed after the handover of the property whilst we wait for final bills to come in and for them to work their way onto our accounting systems. Once this is done then the value of the payment of Return is calculated and a first payment made for all outstanding amounts from the Lease start date and then after that regularly on the payment date in the Lease. If you need an interim payment as soon as the Lease starts then please let us know.

## **6) Electrical and Gas Certificates:**

These will be organized as part of the refurbishment to ensure your house complies with the law

## **7) Agreement between you and Hope into Action**

Please find attached draft copies of the following documents:

- Business Lease of Whole of Building without Rent Reviews
- Landlord And Tenant Act 1954 Notice
- Rent Calculation and Investor Details

We advise you review these thoroughly and, if needed, use an independent solicitor to advise you.

The first two will be dated at the point where Hope into Action take over the property when it is "Tenant ready". The Lease is our agreement with you, the Landlord and Tenant Act 1954 Notice is something that has to be completed otherwise that Act gives us extra rights at the end of the tenancy.

The Rent Calculation and Investor Details ensures that we have the right details for you, your bank and so on. It also is a detailed breakdown of how the Return paid to you is calculated. The information that we know has been filled in but please check and then complete the other personal information on this form and return it to [ian.watkins@hopeintoaction.org.uk](mailto:ian.watkins@hopeintoaction.org.uk) The financial section will be complete when we calculate your 'Return' at the end of the process.

The Business Lease and the Landlord & Tenant Act Notice will be signed for when the Lease comes into force.

## **8) Utilities and Council Tax**

You are responsible for paying for the utilities and Council Tax between Completion and the Lease Start Date. We will then take over responsibility for paying and administering these./ We will then take over responsibility for administering and paying Council Tax and \*\*\*\*\* will take responsibility for administering utilities and water.

Normally Hope into Action will pay these on your behalf and include as a charge in the amount we ask from you.

### 9) Furnishing, White Goods and Garden

Once the house is refurbished it still needs turning from a house into a home. The church that will be supporting your house are responsible for much of the furniture and soft furnishings etc but there are some items that we ask you to provide.

These are:

- Curtains
- Cleaning equipment (mop, brush, dustpan & brush and so on)
- Door mats
- White goods – cooker, fridge, freezer, washing machine, vacuum cleaner (Henry), microwave, kettle, toaster
- Garden items – such as shed (if applicable), lawn mower, relevant garden tools (usually spade, fork, outside broom, hosepipe), rotary washing line

The large white goods will normally be included in the refurbishment costs (we have accounts with a number of trade outlets). We have decided not to accept second-hand white goods as in our experience they tend to fail sooner rather than later and the inconvenience to tenants and the cost and hassle of replacing them and disposing of the old item outweighs any initial saving.

We sometimes have suitable curtains and other items on your list for a property so please do talk to us about the smaller items. If you would prefer, we can purchase all these smaller items for you and then add them to the cost of the refurbishment.

For this property we have agreed:

### 10) Our charge:

Please find below our charges. We are happy for these to be paid directly or taken off the investor returns as you prefer.

For this property we have agreed:

Service	Cost to us in time	Typical Commercial charge	HIA Charge
Finding and bidding on suitable properties	4-20 hours	£500	
Commissioning a RICS survey, reviewing report, offering advice on refurbishment and recommending improvement works	2-4 hours	£150	
Visiting the property and preparing a detailed works specification	4-8 hours + travel	£300	
Agreeing a specification of works and going out to tender for 3+ quotes and agreeing a contract	5 hours	£300	
Managing the project, including site inspections, organising stage payments, managing unexpected issues, advising on 'overs' and 'unders' and signing off the completed project.	10 hours + travel	6-9% of project costs	
<b>Total for all items</b>	<b>25 – 47 hours work</b>	<b>£1200 - £1800</b>	<b>£250 + 4% of refurbishment cost up to £950.</b>

We trust this will help guide you through the process. Each house is different and while we try and make this experience as stress-free for you as possible we have learnt to expect the unexpected. Please do ask further questions for clarification!

Regards,

Ed Walker and the Operations Team - Noel Garner, Operations Director and Ian Watkins  
Operations Officer.

## Further Information

Who are the investor(s)	
What percentage return is being paid?	
Are there changes to the standard lease? If so, what sections?	
<b>Contact information:</b>	
Correspondence Address:	
Mobile:	
Phone:	
Email address(es):	