

AFFINITY LIVING RIVERSIDE MANCHESTER

Affinityliving

A Select Property Group Brand

Affinityliving

**AFFINITY LIVING RIVERSIDE.
A PRIME WATERFRONT
DEVELOPMENT, OFFERING HUGE
GROWTH AND ASSURED YIELDS.**

This fully managed development features a range of exclusive facilities and is designed for the rapidly growing rental market. It's located in the heart of Manchester, widely identified by industry experts as the UK's top-performing investment location.



The UK property market is changing forever

Homeownership was once a common objective. Levels peaked in 2003 when 73% of the population owned property, but a generational shift means renting will soon become the chosen way of living.

The aspirational renter and the £50 billion opportunity

Only 63% of people in the UK now own their home, the lowest rate in 30 years. During the same period, the private rented sector has exploded from 2.3 million to 5.4 million households. It's an expansion gaining momentum – an additional 1.8 million households will rent by 2025.

Now, 25% of renters already state they don't want to, or don't know if they will ever own their own home.

The social and economic factors that have emerged with this latest generation are causing this change. Affordability of homeownership in the UK is an issue, however it's not the only factor. Young people now live differently to previous generations and homeownership no longer fits into a modern opportunistic lifestyle driven by flexibility, technology and geographic mobility. This generation wants to rent, and they want to rent property that is designed for a long-term aspirational renter.

It is the start of the build-to-rent era.

The scale of the growth tells you everything. At the end of 2015, just 21,388 units of this new type of property existed in the UK, either in operation, planned or in construction. In just four years' time the asset is set to be worth £50 billion.

One in two people aged between 25 and 34 now rent – more than double the rate just 10 years ago. What is happening now will define the next 20 years of UK property investment.



The growing Generation Y rental market



Do not want to be tied down with long-term mortgages. Career-focused; they stay in roles for shorter lengths of time as they progress. No expectation to own a property, success is defined in other ways. Value flexibility. Get married much later in life. Prefer to live in dense, diverse urban villages. Demand ceaseless access to technology and fast-paced information. Professional and educated, with a good work-life balance. Value practical amenities that make living easier. 23-38 years old.

An aspirational tenant in a new rental market

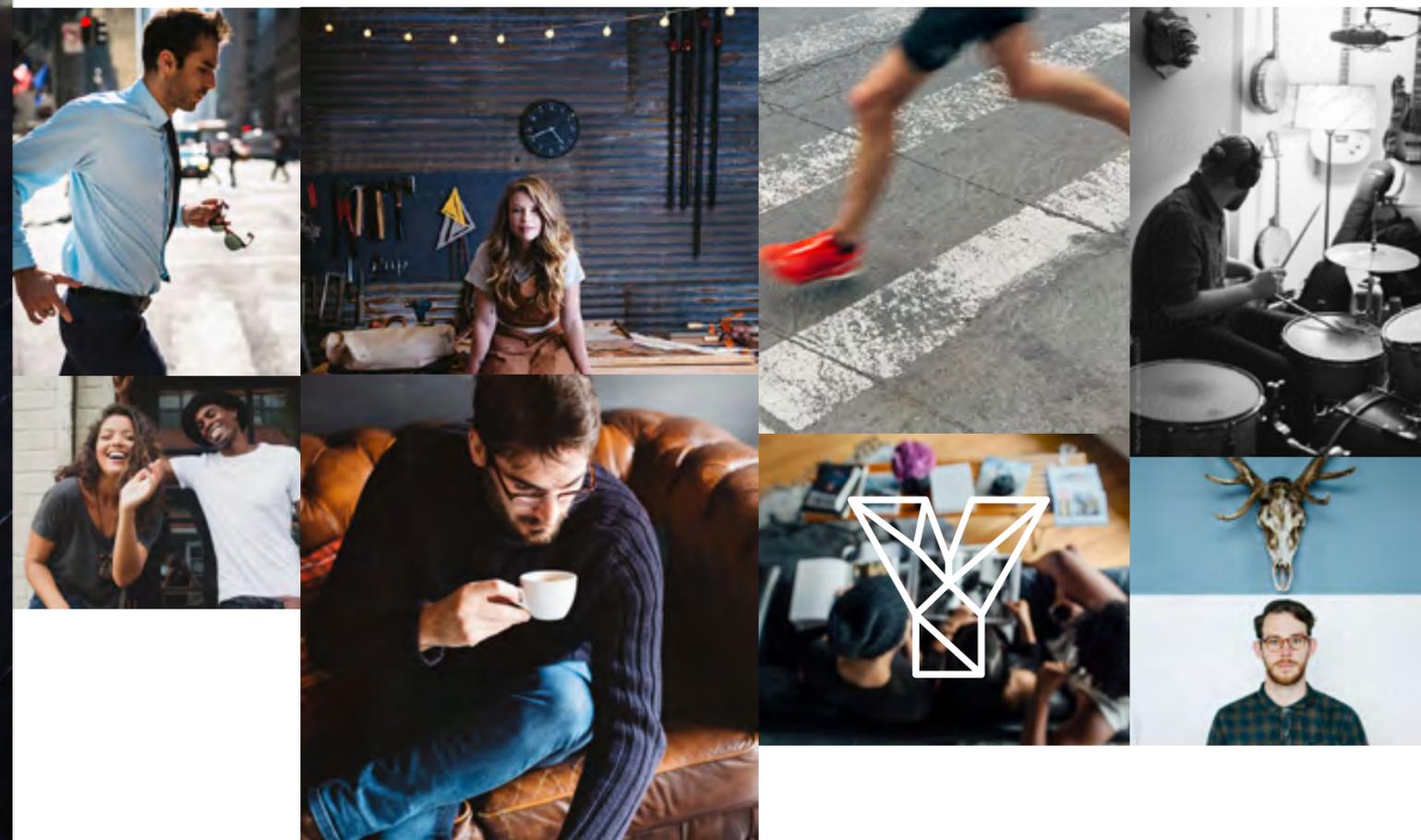
This is Generation Y. To them renting is the normal way of life. But 'normal' rental accommodation doesn't fit with their way of life.

Tenants want the best facilities. They want vibrant urban environments. They want neighbours with the same values and interests. They want professional and efficient management to deal with problems. They need purpose-built stock.

Owner-occupied origins: Outdated and overwhelmed

The UK has a new tenant, but housing stock remains old. It's out-of-date owner-occupied stock. Suburban family houses repurposed as rental stock with only a buy-to-let mortgage. From doorstep to rooftop, nothing else changed. Now everything needs to change.

The next era of rented accommodation belongs to purpose-built, build-to-rent properties. This fundamental shift begins in Manchester.



Manchester: The most defined Generation Y marketplace



Generation Y accounts for 89% of Manchester's population growth

60%

more 25 to 29-year-olds live in Manchester than the UK average.

85%

of people living in Manchester city centre now privately rent and 70% of the population is classed as BINKY - *Big Income, No Kids Yet*.

58%

of graduates from the Greater Manchester universities enter employment in the local area. That's almost 20,000 new workers a year. Every year.

Demand from the UK's fastest growing Generation Y market

Manchester's population is rising quicker than any city outside of London and 2.85 million people will live there by 2025.

This growth is three times the national average – and it's mainly driven by the huge influx of Generation Y driven by the city's five universities and thriving economy.

Look north - it's where people want to live and work

The excitement of Manchester attracts both people and business.

Employment growth is set to be higher than Paris and Berlin as aspirational and career-focused young people are naturally drawn to Manchester's media, financial and professional sectors. These industries alone will create 70,000 new jobs over the next decade.

A massive undersupply of 2,600 units every year

City targets state Manchester needs 4,000 new units a year to house its Generation Y market.

Only 1,417 annual units are set for delivery over the next eight years, with two-thirds of this supply still subject to planning approval.



Manchester: A city of investment

It's not only the Generation Y opportunity driving investment in Manchester. Few developed cities exhibit such strong, economic, social and political foundations for sustained growth.

The UK city set to experience the highest rates of capital growth over the next decade - HouseSimple

£8.2bn commercial investment - more than any other regional city - CBRE

Highest yields in the UK - HSBC

80 of the FTSE 100 companies have representation including some of the world's biggest multinationals

Manchester is a city that excels under any examination

It has the highest concentration of Generation Y and an undersupplied market in which the housing shortfall grows by almost 2,600 units every year.

Manchester is also the home of the country's highest yields and will experience the most capital growth over the next decade supported by economic and political power.

Outperforming London investment

For 20 years, London property appreciated much quicker than alternatives in regional cities. Now, recent tax laws and economic difficulties overseas have left new purchasers struggling underneath a very gloomy affordability ceiling.

With values so high, all levels of the London market fail to stack up from an investment perspective and yields and growth prospects cannot compete with Manchester.

£8.2
billion

More commercial investment than any other UK regional city

Higher yields

Yields in Manchester are the UK's highest. Average gross yields are:

1.5 times higher than the top-performing London borough of Newham

3 times higher than the worst-performing London borough of Kensington and Chelsea

The central cog in the £56 billion Northern Powerhouse

Given its pre-established global significance Manchester is central to the UK's Northern Powerhouse plans. The government will provide an initial £13 billion infrastructural investment and expects the next 15 years will produce an increase in GVA of £56 billion. Manchester is also the second city in England to get devolved powers and a directly-elected mayor. This level of regional independence has been vital in the economic growth of London.

A collection of northern cities sufficiently close to each other that combined they can take on the world. GEORGE OSBORNE



In October 2015 during President Xi Jinping's visit to Manchester, Prime Minister David Cameron announced that the Northern Powerhouse proposal has "Chinese backing", while overseas investments from the likes of Malaysia, Singapore and the UAE have already been secured.

The solution: **Affinity Living** It's about living not renting

A brand designed for **Generation Y**

Like all Select Property Group brands, Affinity Living's success begins with the end customer

1

Identify the market
In this case,
Generation Y.

2

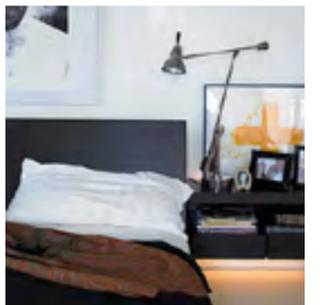
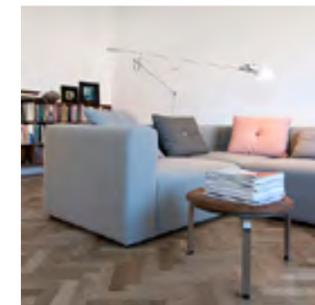
Build a brand to deliver
the location, design
and services that
Generation Y want.

3

The brand is recognised
as a market leader
experiencing high
sustained demand.

4

Affinity Living commands
higher premiums and
occupancy, driving
strong yields and growth
for investors.

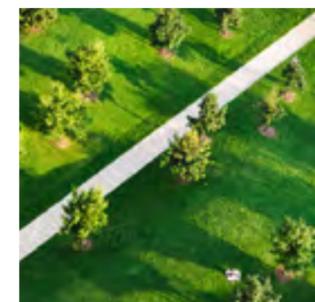
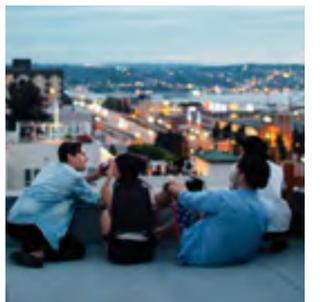


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While location and amenities are part of the proposition, the best communities and those that are sustainable, bring people of similar characteristics together. They are built on friendships, shared experiences and community spirit. This is Affinity Living.

"A neighbourhood has to have a heart and a soul and you can only create that through the quality of design and the intent that goes behind that design. Our approach to residential development is very much about creating a community within the buildings themselves, but we know that it's just as important to make a connection to the greater community."

CATHY MOCKE
SELECT PROPERTY GROUP, DESIGN DIRECTOR





Affinity Living offers a sense of ownership to residents

Generation Y may not equate success to homeownership or have any expectation to own a property, but they do want a home. Their home. While they have many common characteristics, they are from different backgrounds and have varied interests. Accommodation has to be as unique as they are and give them an environment to express their diversity.

Giving the social generation 5 times more communal space

Affinity Living creates a platform for Generation Y residents to follow their interests and structure their own social life within the building.

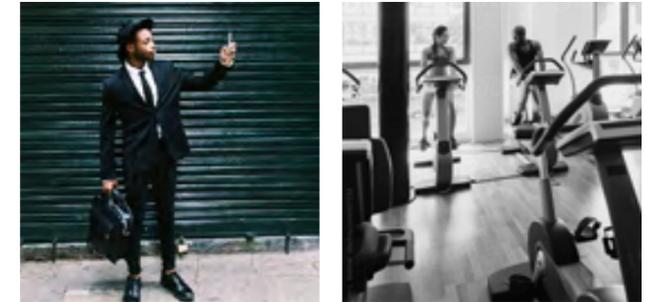
Affinity Living provides five times more space for communal facilities than other standard city centre properties. Residents don't have to be content with a run on the treadmill, they can organise their own Pilates sessions with friends. Working from home doesn't need to be a private exercise when the whole team can use the facilities in the fully equipped live-work lounge. Don't just stream the latest track, have the band come and play in Affinity Living Riverside's living room.

Affinity Living will provide services and technology that makes professional and home life easier and enhances living.

Often time is of the essence. Affinity Living streamlines the working day and maximises leisure time.

It's a given that the social generation want to surround themselves with technology. So Affinity Living does.

Food delivery notifications, utility usage updates, a group chat function, the ability to reserve facilities and services, maintenance notifications, push promotions and bill payment facilities.



- Manned cold storage makes online shopping simple
- Mobile phone entry system
- Dry cleaning & laundry drop-off service
- Secure storage for possessions they don't want in their apartments
- USB ports and charging tables
- Fully equipped gym and scheduled fitness classes
- Excellent mobile phone reception
- Reliable, fast internet throughout
- City centre transport is easy with bike store and parking
- Click and go utilities provider. Select a tariff and flick the switch
- Monitored 24/7 CCTV security
- Interactive message boards and Affinity Living online community



The Affinity Living development Riverside Manchester

A defining era for UK property investment. The definitive development.

Rising beyond the banks of the neighbouring river, Affinity Living Riverside offers an exclusive waterfront, city centre lifestyle. The residence's fresh public realm terrace is connected via a riverside footpath to Manchester's current premier social and commercial hub – Spinningfields.

Building specification

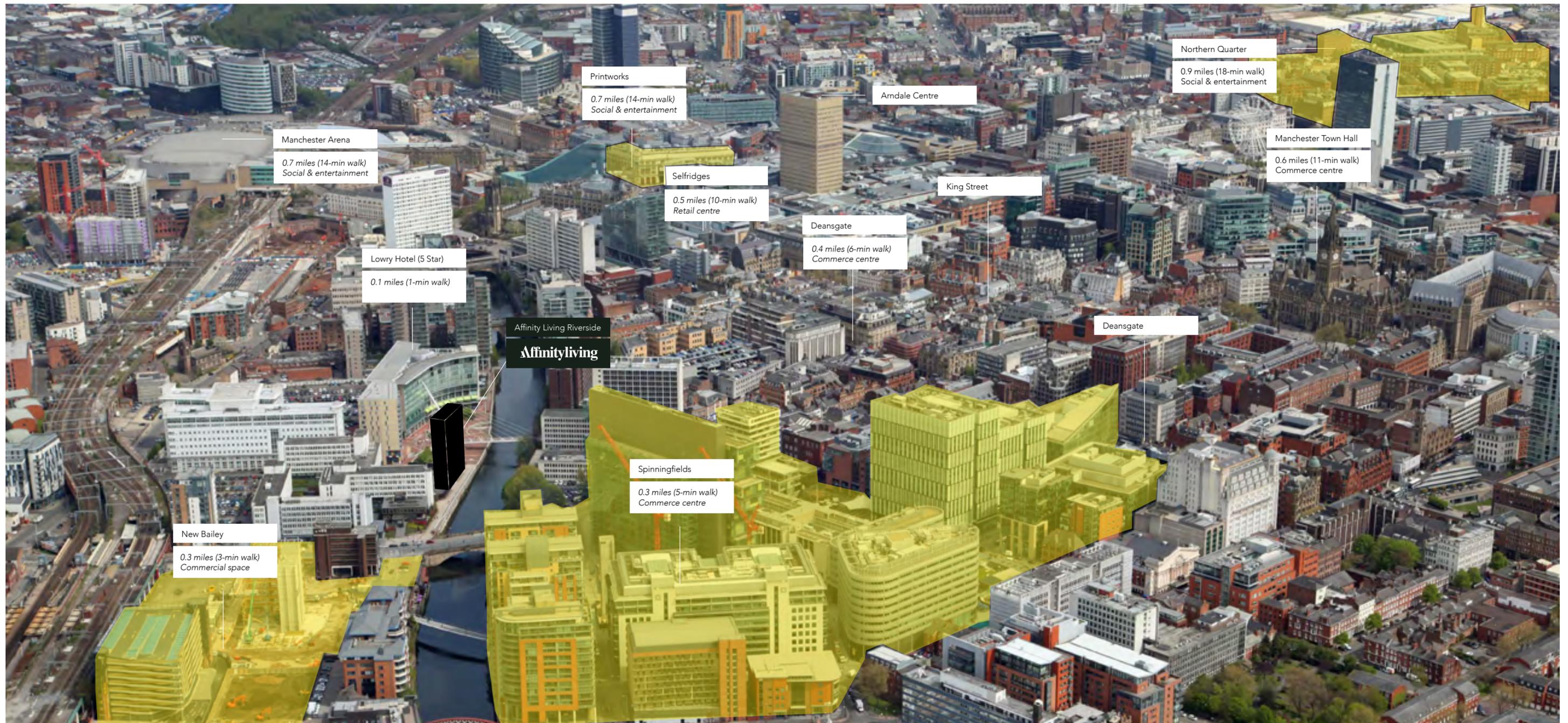
Number of units: 188

Total amenity space: 6,000 sq ft including gym, private dining, live-work areas, lounge, movie rooms, reception

Completion: Q1 2018

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Riverside living at the heart of the city centre

Affinity Living Riverside is in the prime location for city centre workers and Generation Y residents.

New Bailey is a new business development that offers 2.2 million sq ft of commercial space within Manchester's established central business district. Developed by the government-backed English Cities Fund, it is part of a £650 million regeneration project that will be home to some of the most prestigious companies in the region.

Manchester Arena is larger than Madison Square Garden and welcomes over 1.1 million people to 250 annual events, live tours and sports shows.

The Lowry Hotel was the first five-star hotel in Manchester. It's one of only 20 hotels in the UK to be part of the prestigious Leading Hotels of The World group.

The Printworks features over 20 bars and restaurants, a collection of night clubs and a cinema. Opened by Sir Alex Ferguson and Lionel Richie, it has become one of Manchester's most popular venues.

Selfridges is one of Manchester's premier retailers, helping the city be named the world's 12th best shopping location and generate sales over £10 billion.

Spinningfields is a £1.5 billion project. Manchester's equivalent to Canary Wharf, it's home to many leading financial and professional service companies, including Barclays, BNY Mellon, HSBC and Deloitte. Over 20,000 people work there and many more enjoy its cosmopolitan collection of over 30 eateries.

Northern Quarter famous bar scene attracts people from all over the north of England.

Manchester's Townhall was completed in 1877. The Neo-Gothic architecture makes it one of the most important Grade 1 listed buildings in England.

Deansgate is the longest road in Manchester and one of the city's oldest thoroughfares. Usain Bolt set a world record for a 150m race here at the Great City Games in 2009.

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Riverside designed for modern rental living

Exclusive facilities created for the rapidly growing rental market

Exclusive city centre lifestyle and waterway views are important, but the Generation Y market is ever demanding as well as ever expanding. Unlike other urban developments, Affinity Living Riverside is tailored to the specific needs and requirements of this market. It provides intelligent design and the finest build quality with luxury services and amenities to invoke a sense of ownership.

Exclusive amenities

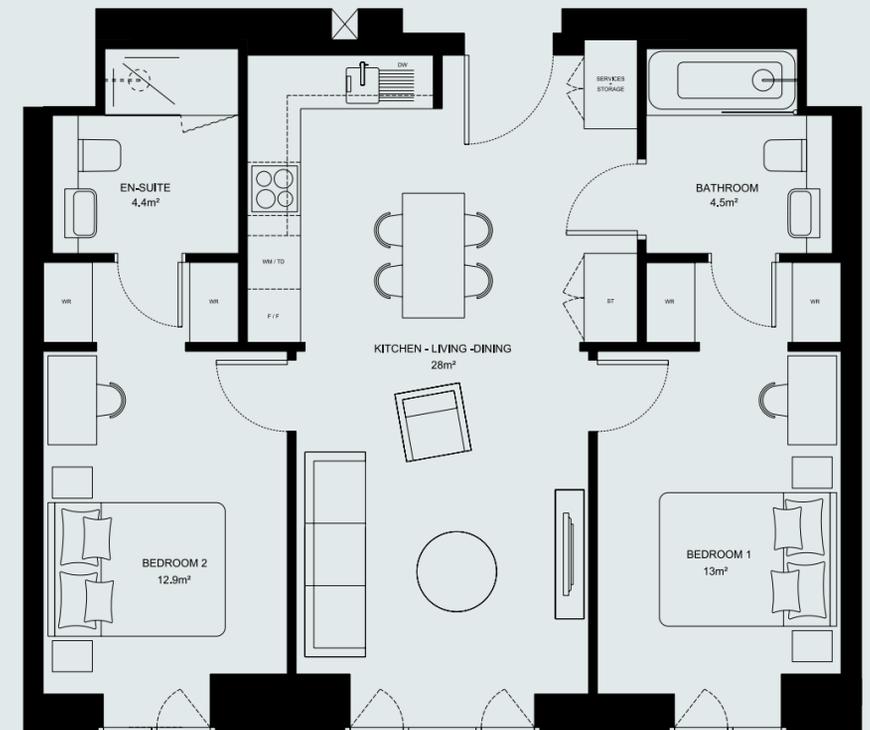
Unlike other build-to-rent apartments, all Affinity Living Riverside's exclusive features – gyms, private dining rooms, and cinemas – are designed to maximise customer satisfaction, encourage residents to put down roots and renew their tenancies.

Private dining room - Affinity Living Riverside allows all customers to invite, entertain and cook for up to 20 people – a party far larger than any other city centre apartment can offer.

Cinema - The latest releases and classic movie marathons will be showing here. Residents can choose to spend a lazy Sunday afternoon watching their favourite films or meet new friends at the scheduled cinematic events hosted by the management team.

Gymnasium - No fast-paced, city centre day can begin without a workout. Affinity Living Riverside residents, unlike many residents in the UK, don't need to leave the building. Unlike any other residence in the UK, Affinity Living's gym space also features regular professional exercise classes.

Live-work lounge - A public space that allows people to take their work home with them. Anything from the office fits in here, even colleagues.



Example two-bedroom apartment

Affinity Living Riverside's two-bed apartments fulfil the needs of Generation Y. Offering ample space for friends and couples, two-bedroom apartments are the most popular within the social demographic, allowing guests to stay comfortably and feel at home. Market demand is increasing for multi-bedroom apartments and Manchester City Council have underlined the importance of building larger properties to meet the needs of a new generation of long-term renters.

Rooms larger than market standard

Affinity Living properties provide more liveable square footage than market competitors. Architects have designed a fluid living space that omits obtrusive walkways and ensures no area of the apartment is wasted. Affinity Living Riverside two-bedroom properties have also been designed to maximise market appeal by offering equal bedroom and bathroom sizes so individual residents can share space evenly. Something unique to the market.

No corridors to maximise livable square footage

Equally large bedrooms with their own en-suites

Open plan kitchen / living and dining to create a greater sense of space

Affinity Living Riverside: Maximising the return on investment of UK residential property

How your minimum yield is calculated

Affinity Living Riverside is a fully managed property investment. Investor yields are net of all management costs. These include the day-to-day maintenance and upkeep of the building to a market-leading standard, access and usage of amenities, all costs associated with marketing and letting properties, and the management of tenants and their payments.

Estimate based on an example property price of £300,000

Monthly rent: £1,766

Standard tenancy length: 12 months

Gross annual income: £21,192

Annual management costs: £3,195*

Net Annual income: £18,000

Min Net Yield: 6%**

Affinity Living - Riverside - Projected Rental Model

* Total estimated annual costs includes ground rent and estimated service charges, as well as the estimated apportionment of variable costs payable by the property owner for all Affinity Living managed amenities and services, including associated management fees. Note: While estimates of income and costs are researched and prepared with great care they are provided as a general guide only and subject to change.

**Minimum 6% net yield is assured for the first 2 years following completion

2-year rental assurance

Affinity Living investments are offered with an assured rental return. For two years while the development establishes itself in the market, you will receive assured rental yields of 6% NET. This is around 50% higher than the standard UK residential yield of 4%. The assured 6% is the absolute minimum you will receive during the first two years.

Combined with Manchester's capital growth potential investors can expect five-year ROI of up to 91%.

Conservative	Price (£)	Capital appreciation (%)	Rental yield (%)	Rental income (£)
Pre-completion	300,000	10		
Year 1	330,000	3	6	18,000
Year 2	339,900	3	6	18,000
Year 3	350,097	3	6	18,000
Year 4	360,600	3	6	18,000
Year 5	371,418	3	6	18,000
Total appreciation:	71,418			Total rent: 90,000
Total return:	161,418			
Return On Investment:	54%			

Predicted	Price (£)	Capital appreciation (%)	Rental yield (%)	Rental income (£)
Pre-completion	300,000	12		
Year 1	336,000	5	6	18,000
Year 2	352,800	5	6	18,000
Year 3	370,440	5	7	21,000
Year 4	388,962	5	7	21,000
Year 5	408,410	5	7	21,000
Total appreciation:	108,410			Total rent: 99,000
Total return:	207,410			
Return On Investment:	69%			

Buoyant	Price (£)	Capital appreciation (%)	Rental yield (%)	Rental income (£)
Pre-completion	300,000	15		
Year 1	345,000	7	6	18,000
Year 2	369,150	7	6	18,000
Year 3	394,991	7	8	24,000
Year 4	422,640	7	8	24,000
Year 5	452,225	7	8	24,000
Total appreciation:	152,225			Total rent: 108,000
Total return:	260,225			
Return On Investment:	87%			

Simple, structured exit plans

UK property is one of the most stable and sought-after assets in the world. Demand is constant and supply is famously low. Given the universal appeal of the UK's massive residential market exit is simple.

There are three options:

1: Selling at any time via your preferred estate agent like any other property.

2: Re-sell via Select Property to our database of engaged investors. Many investors have used this option and received high capital returns in a short timeframe.

3: As Affinity Living is an institutional-grade investment, we have created a high-returning third option: A number of institutions are currently interested in purchasing Affinity Living Riverside. Rather than sell the entire scheme to such an institution today, Select Property Group will aim to sell the development to these prospective institutional buyers after two years of fully let operation - a period known as rental stabilisation - when institutional buyers believe the building has reached its optimum value.

This exit plan enables our investors to share in the premium achieved from the institutional market after 2 years of assured rental returns:

After the second year of operation, you can sell your asset at a 30% uplift on your initial investment.

A £300,000 unit will therefore earn you £45,000 a year, for two years, purely from capital appreciation.

Institutional exit	Price (£)	Rental yield (%)	Rental income (£)
Pre-completion	300,000		
Year 1		6	18,000
Year 2		6	18,000
30% appreciation:	90,000		Total rent: 36,000
Total return:	126,000		
Return On Investment:	42%		

However, you are able to sell your asset at any point on the open market and should the structured exit not take place the investment continues as usual, with Affinity Living generating you high returns from your city centre apartment.

*This is not a guaranteed exit. It is subject to securing an institutional sale.

Staged payment plan: Pay just £5,000 to reserve

As with all Select Property Group investments, investors retain 50% of their capital until completion:

£5,000 reservation fee now

25% on exchange - Typically 30 days later

25% June 2017

Balance on completion - expected March 2018

Example purchase of £300,000 apartment

£5,000 when you reserve

£75,000 on exchange

£75,000 in 2017

£145,000 in 2018

A fully managed investment from Select Property Group's proven model

Select Property Group is unique. It both develops and manages a residence designed for a specific market to an award-winning standard.

To create a great property investment, the tenant needs to be at the centre of the offering. From location, through to facilities, property layout to customer service.

Affinity Living syncs with the lifestyles of the end user market in a way that no other build-to-rent development can. It's a unique holistic approach that has propelled Select Property Group's Vita Student brand to become an industry leader.



Proven commercial success

10 existing developments with in excess of 2,000 properties

100% tenancy from year 1 across all schemes

Achieving 25% rental premium above market average

A rebooking rate 59% higher than the industry average

Multiple national awards for service excellence

Total control

From the initial identification of the opportunity, all facets of the Group – acquisition, design, development and management – work to provide the customer with the property they desire. By controlling all aspects of the process Select Property Group is not only able to go to market with industry-leading brands but, crucially, it has the ability to evolve these brands with relative ease to encompass changing requirements and market dynamics. All of which enables the Group to maintain a competitive advantage in each of its vertical markets.

This approach is valued by investors from 117 countries and last year alone the Group:

Sold over 1,000 properties, worth over £125 million

Paid out investor returns of £7.5 million

Built a development portfolio totalling £1 billion



**UK CXA 15
WINNER**

Officially the UK's best customer service

Vita Student's most recent accolade came at the national Customer Experience Awards 2015. The brand overcame competition from the Dorchester Collection, LV, RBS and Barclays Direct Premier Relationship Management to win the New Product – Loving The Customer award. Judges were extremely impressed by the brand's total dedication to treat students as valued customers.

Select Property Group Board



Mark Stott

Chief Executive Officer

Mark started Select Property Group in 2004. As CEO and founder of the Group his clear vision to create the world's first customer-aligned property investment platform has successfully positioned the Group as a leader in the market. Mark's pioneering approach has seen the business continually pursue new opportunities and revolutionise existing investment markets.

His commitment to the customer is mirrored by that of his passion and loyalty to his team, and under his strong leadership Select Property Group is considered a pre-eminent property investment company and recognised by the Sunday Times as one of the best companies to work for.



Trevor Moore

Chief Operating Officer

As COO, Trevor ensures each Group brand delivers market-leading quality and service. He has guided many consumer-facing brands through periods of significant expansion, including Whitbread, Coffee Republic and Phones4U. Trevor was appointed as CEO of Jessops PLC and restructured the finances and operations to restore the business to profit over a three-year period. In 2013 he became CEO of HMV, working with a syndicate of eight banks and performing a strategic review that determined the future of the business.

He is an experienced board director having spent 20 years in a combination of privately-owned, private equity-owned and PLC businesses.



Mark Oakes

Chief Commercial Officer

Mark's role as CCO sees him drive operational efficiencies across the Group. He is responsible for all budgetary sign-offs, as well as managing the development teams across every project, ensuring the Group delivers developments on schedule and to cost.

Prior to joining Select Property Group Mark spent three years in a board position as Head of IT for William Hill Group PLC, the UK's leading gambling and gaming company. He has also been instrumental in both operational and IT leadership positions at companies including BSKyB, Barclays and Phones4U.



Michael Slater

Chief Finance Officer

Michael has overall responsibility for the finance and accounting matters of Select Property Group, providing the company with the dynamic framework it needs to swiftly complete strategic acquisitions and expand into new markets.

As a chartered accountant his previous positions included a role as Group Finance Director at AIM-listed Tepnel Life Sciences, which culminated in a successful trade sale exit following a period of high organic and acquisitive growth. Prior to this Michael was a Senior Manager with KPMG, responsible for assurance, advisory and transaction services projects for a wide range of listed and private companies.



Mark Dawson

Director & Company Secretary

Mark is responsible for negotiating and structuring the Group's financial transactions, joint ventures and leading the Group's institutional relationships.

A qualified lawyer, Mark also oversees the Group's legal and regulatory activity.

Before taking up his role with Select Property Group Mark was a partner at two national law firms where he specialised in complex and high value mergers and acquisitions, private equity matters and property joint ventures, for a range of entrepreneurial and institutional clients and banks both in the UK and overseas.

Given his legal training Mark also fulfils the role of Group company secretary.



Ken Knott

Chief Development Officer

Ken is responsible for securing all land holdings for the Group in Europe and North America. His expertise of the planning landscape has enabled sites to be secured in the most desirable city centre locations, often overcoming challenging planning issues.

Ken joined Select Property Group from Ask Property Developments, where he was CEO and founder shareholder. In the 13 years under his leadership Ask delivered in excess of 2 million sqft of predominantly commercial floor space, including the £90 million First Street North project and the Central Park business complex. Prior to Ask, Ken was a Director of AMEC Developments where he led a team responsible for securing major strategic projects throughout the North, Midlands and Scotland.



Angus Monro

Chairman

With a career spanning over 40 years in corporate, commercial and retail positions, Angus Monro, the former Chief Executive of Instore and Matalan, has a wealth of strategic experience to support Select Property Group's plans for significant growth.

Angus is a well-known figure in the retail sector, having worked with some of the UK's major retail corporations including Marks & Spencer, Dorothy Perkins, B&Q and Woolworths. He is widely regarded as one of the UK's most experienced retailers and has been involved with Select Property Group since 2010. As well as his role as Chairman of Select Property Group, he is a Non-Executive Director of online retailer The Hut Group.

Select Property Group is a global developer, retailer and operator of market-leading property investment brands.





Select Property Group

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