

HOMES INVESTMENT FUND

 LONGVIEW



Investment Summary



Key points for investors

- Property in Melbourne and Sydney has roughly doubled every 10 years for many years – those who have bought family homes have likely made strong returns: [read more](#)
- Fund invests in well-located **family homes** in Sydney, Melbourne and Brisbane
- Target fund investment is 10% of property value for **33% of future capital growth**
- This mechanism aims to deliver **1.7-2.1x market CAGR** (for 12-16% IRR based on 7.2% CAGR in assets invested)
- Deployment is via two in-market products:
 - **Buying Boost** which enables homebuyers without access to 'Bank of Mum and Dad' to increase their buying power
 - **HomeFlex** which provides equity release to homeowners with approved properties
- Funds deployment is **selective**: only 12% of properties screened are approved for investment
- 42 properties approved for investment to date at **total value \$80m** (\$7.7m invested) at 36% average share of capital growth. Currently deploying ~\$2m / capital per month with capacity to increase run rate



Example Properties



Investment Q&A



Your investment

What am I investing in?

[Read More](#)

The LongView Shared Equity Fund (the Fund) invests in well-located family homes across Sydney, Melbourne and Brisbane. Your investment will be deployed across ~200 homes over the life of the fund.

What is the investment thesis?

[Read More](#)

House prices have doubled roughly every 10 years for many decades in Sydney and Melbourne, so if you've purchased a good family home you've likely built wealth. This growth in asset values is driven by two key demographic factors – population growth (2nd highest in developed World) and population concentration (52% in 3 centers). We anticipate these factors persisting. Our fund aims to deliver results by doing what most Australian's have done for themselves, but at a much larger scale, and without any of the costs, taxes, and hassles of being a landlord.

How does the fund generate returns?

[Read More](#)

By securing a share of the capital growth of the property (targeting 33%) for an investment of 10% of the property's value, the Fund is able to amplify returns. Our projection is that if home values increase by 7.2% per year, the fund can deliver 12-16% per annum returns to investors (net of costs and fees) using this mechanism.

What kind of properties does the fund invest in?

[Read More](#)

The Fund targets properties with proximity to business centers, that have older dwellings in good condition and a high proportion of land value as a share of the property's overall value.

What returns can I expect?

When will I start getting a return?

[Read More](#)

Funds are distributed to investors as property are sold by their owners or as owners buyout the contract and the fund's share of capital growth is realised. Distributions are expected to begin from Year 3.

How are returns taxed?

Earnings of the fund are taxed for investors (rather than within the fund) and are treated as income.

How do we know that anyone will sell their properties to deliver the return?

Homeowners sell for a range of reasons, including changes to family size, work relocation, changing housing needs, etc. Across a diversified portfolio we expect properties to be sold across the fund holding period. Beyond the 10 year period homeowners are incentivised to sell with an increasing share of capital growth allocated to the Fund for each additional year held.

What is the track record and performance of the fund?

[Read More](#)

To date the Fund has investment approval for 42 properties, securing an average 36% share of capital growth in these properties for ~9.6% of the property value at investment. The Fund is actively deploying funding into new properties each week.

Who is behind the fund and can I trust them?

[Read More](#)

LongView is an integrated property business with >100 property professionals working across our investment funds and property advisory and management businesses, and ~4000 properties under management. Our Investment Committee oversees all Fund investment decisions and comprises directors of LongView as well as external property investment experts. Majority of our Investment Committee are personally invested into the Fund. Auditing is performed by Ernst and Young and Pollar 993 is Corporate Trustee (overseeing \$3bn in assets).

Other FAQs

How do I get my money out?

[Read More](#)

When you have a traditional direct investment in property, you can only access capital growth when you sell. Through the Fund, your money is invested for 10 years with quarterly returns to investors forecast after the first 2 years. Our modeling suggests that cash paid by the Fund from year 3 onwards will be about 15% of the original investment then rising every year to year 10.

What is the demand for this product? Who is interested in it?

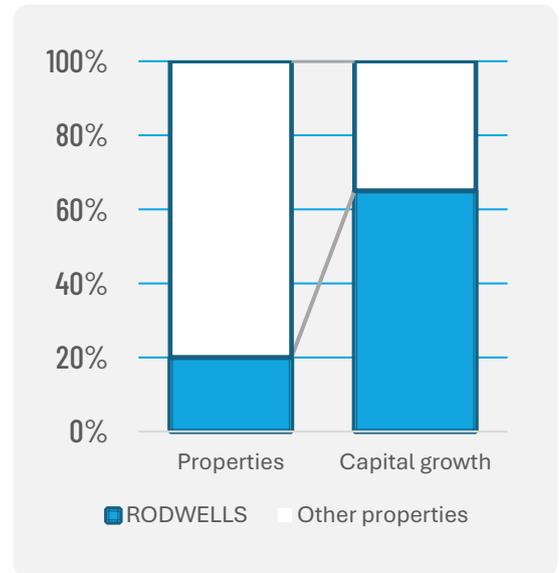
[Read More](#)

LongView's Buying Boost product appeals to home buyers who do not have access to the 'Bank of Mum and Dad' but need help purchasing a home that meets their needs. HomeFlex is seeing demand from home owners who have built equity in their home but need liquidity to support unexpected expenses, to invest in businesses, or to support family in their own property purchases.

RODWELLS

RODWELLS in Sydney, Melbourne and Brisbane have created the majority of capital gains across Australia

RODWELL: Robust Older Dwelling on Well Located Land

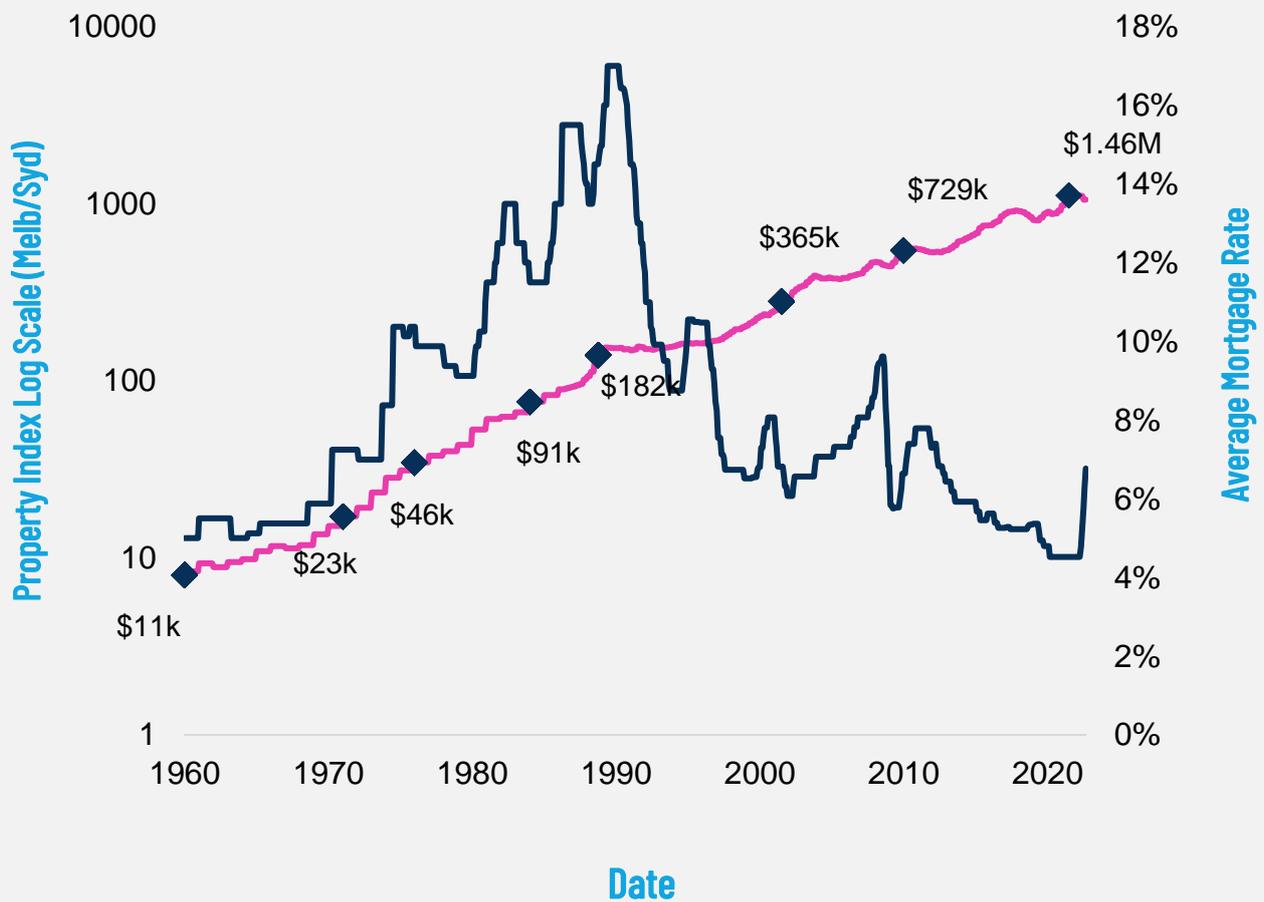


House Prices



Australian house prices have doubled in value every 10 years (7% CAGR) whether interest rates have risen, fallen or stayed flat.

Composite Sydney and Melbourne house price index vs mortgage interest rates



- Composite Sydney and Melbourne Property Price Index
- ◆ Estimated Median Property Price - Doubling Period
- Standard Variable Owner Occupied Mortgage Rate

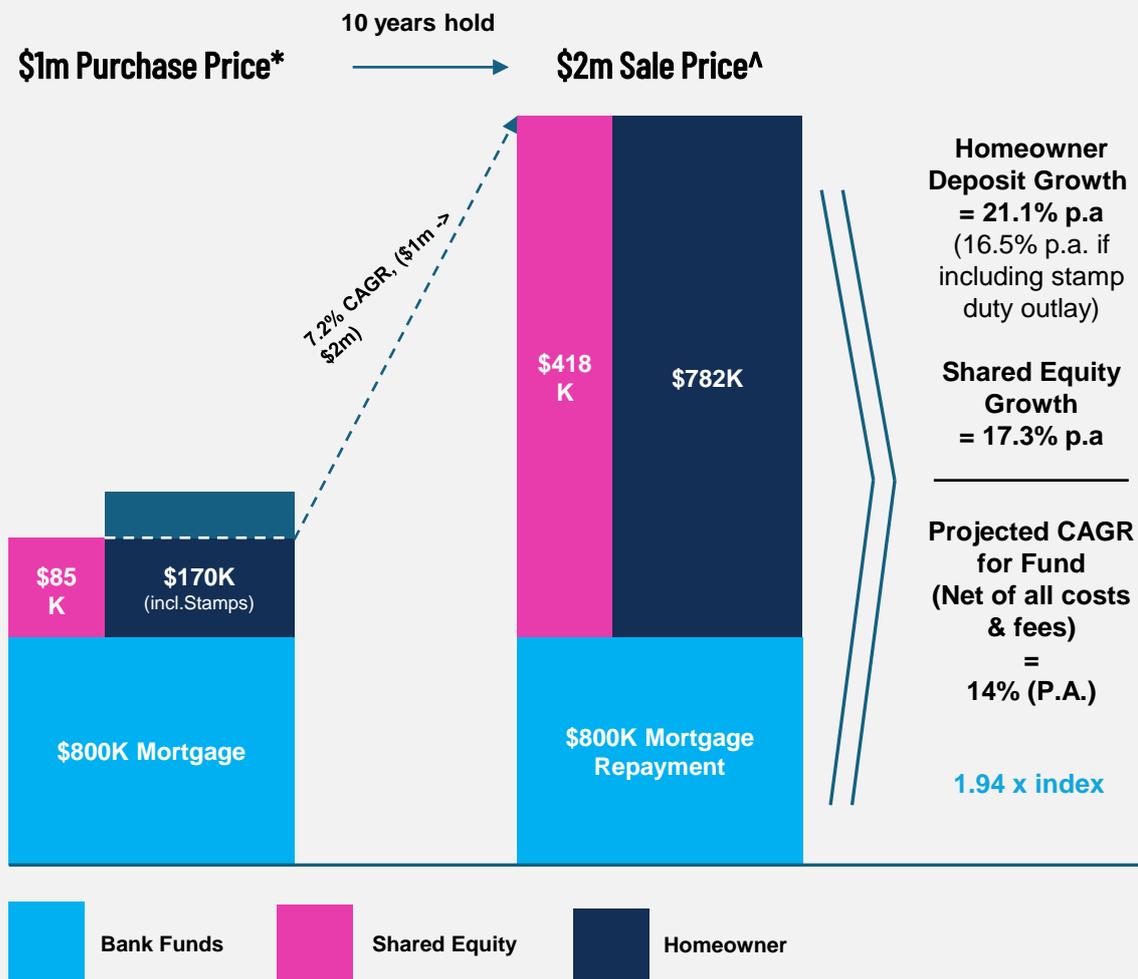
Source: ABS, Stapledon, RBA

Co-investing



By co-investing in the equity with the homeowner, the Fund shares in the levered equity returns and land tax exemption of home buyers.

Shared Equity Contract Example – Individual Property



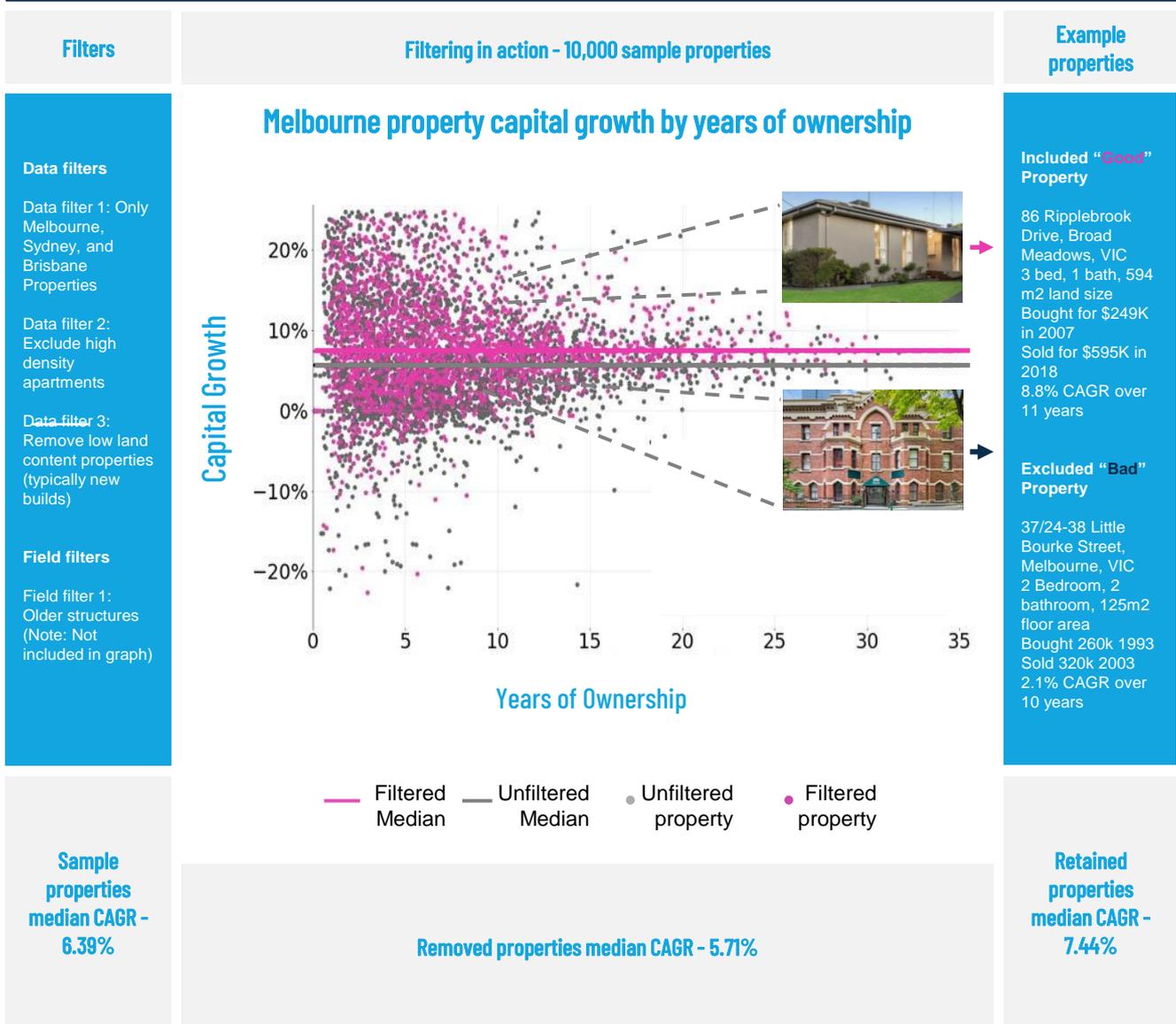
* Exclusive of customer acquisition and purchase costs.
 ^ Net of sale costs etc.

Source: ABS, Stapledon, RBA



Individual properties have widely dispersed returns. Asset selection is therefore critical. Data science and field expertise are essential to meeting or exceeding asset class averages.

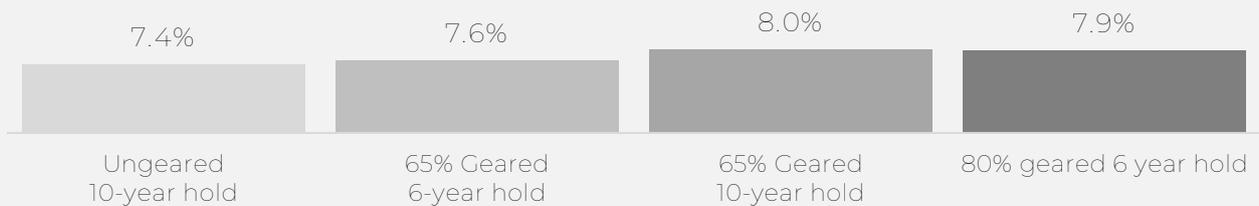
Data Sample – Capital Growth V. Tenure And Impact Of Filters



Shared Equity



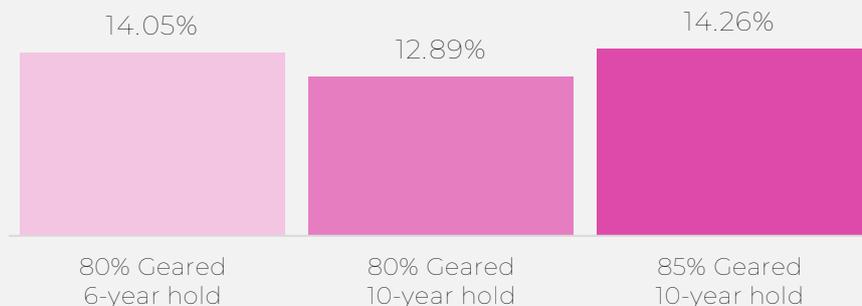
Investment through Shared Equity will outperform direct investment in the exact same property because of higher gearing and lack of Land Tax.



Direct Investor Return (P.A.)



Shared Equity Return (P.A.)

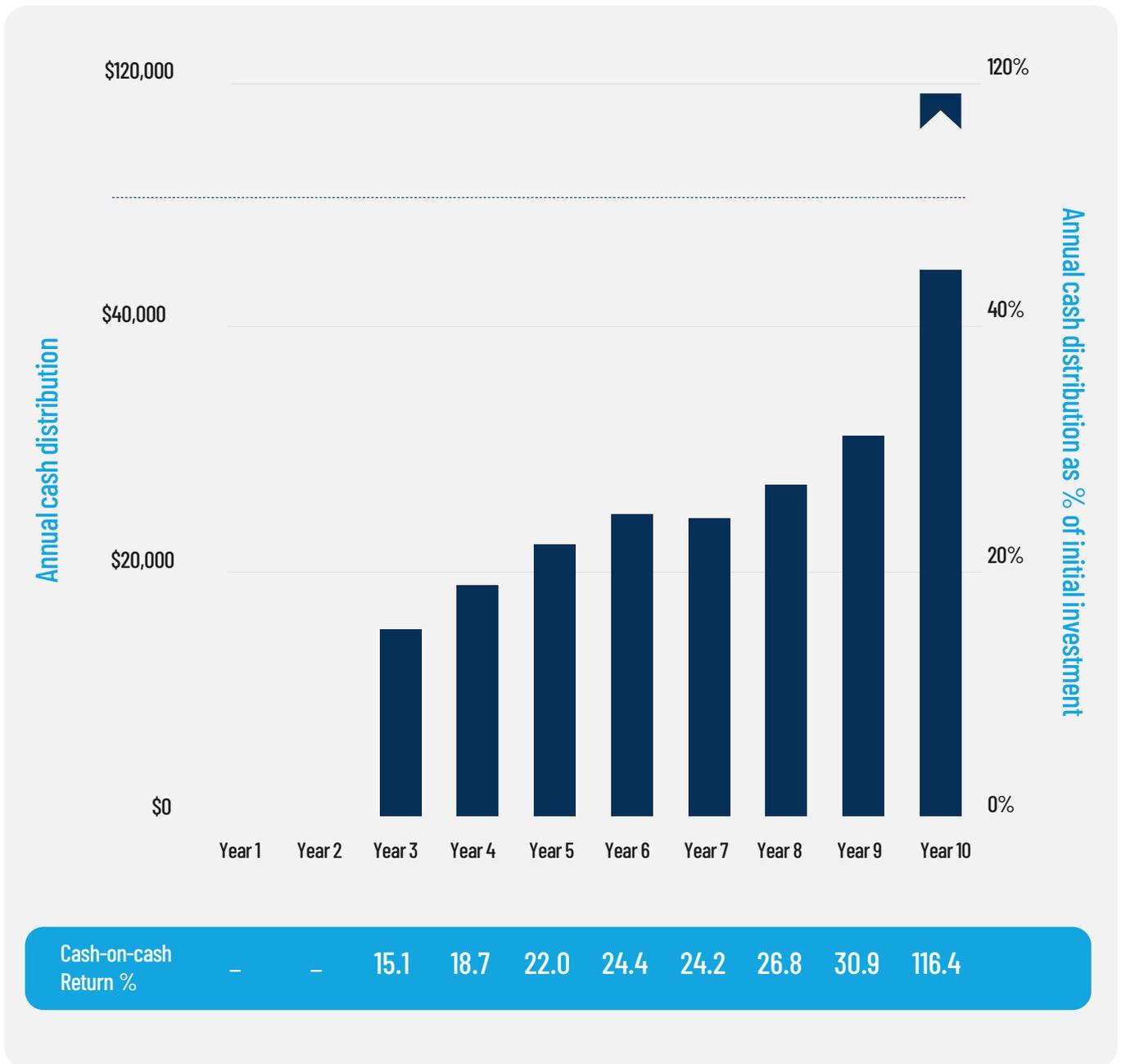


Source: LongView's analysis of a \$1 million property, including \$55k stamp duty and assuming 7% property capital growth and a 5% mortgage rate. Investment returns are calculated as an IRR. For the regular investor return calculations we have assumed an annual income of 1% of the property value which comprises yield income and costs from maintenance, insurance, council rates, vacancy, costs of finding a tenant, and property management fees. Negative gearing and capital gains tax have not been applied to the investor returns. The initial cost associated with finding and settling the property has been set to 1% of the property's value.

Cash Flows



Harvesting cash flows from year 3.
Expected cash distributions for an initial \$100K investment - Total 14.8% IRR





Australia's leading home equity investment platform.



Founded by tech and social entrepreneurs.

Responsible for the first tech NASDAQ listing and largest social venture in Australia



Over 100 residential property experts in Melbourne, Sydney & Brisbane.



Over 5000 homes bought and sold, ~4000 under management



Leading data science team focused on capital growth



3 asset-class defining white papers published with PEXA



Mission to deliver dignified, secure housing for all





Solutions to home ownership housing crisis.

~10% of property value contributed

BUYING BOOST LONGVIEW

Buying Boost provides customer with funds to overcome their deposit gap, and helps navigate the buying process so they can buy a better home, sooner

Eligibility criteria: location (Melbourne, Sydney, Greater Brisbane) and property type: RODWELLS

Common use cases:

- First homebuyers without access to 'Bank of Mum and Dad'
- Upgraders
- Divorcees

HOMEFLEX LONGVIEW

HomeFlex is a no debt, home equity release solution that helps customers unlock home equity in exchange for a share of the future growth in the property. Customer pays back any time they are ready, or at sale of property. No other associated costs: no monthly payments, no interest, no fees.

Eligibility criteria: location (Sydney, Melbourne and Greater Brisbane) and property type: RODWELLS

Common use cases:

- Paying down a mortgage
- Invest in their own small business
- Private school fees
- Help their kids buy their first home

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