



# Palm City Serviced Apartments

A Real Estate Investment Opportunity of GrowMyHome

Reg No: 2023/805519/07

<b>Address of Property:</b>	<b>Palm City, Uyo, Nigeria</b>				
<b>Category / Type:</b>	<b>Co-Developer</b>				
<b>Duration / Term:</b>	<b>7 Years</b>				
<b>Total Offering</b> (total amount to be raised for the deal)	<b>R2.800.000</b>				
<b>Minimum Investment:</b>	<b>R1.000</b>				
<b>Projected ROI:</b>	<b>12 - 18% p.a.</b>				
<b>Starting Date:</b>	<b>1<sup>st</sup> of February 2024</b>				
<b>Management:</b>	<b>GrowMyHome</b>				
<b>Risk Level:</b>	Low	Low-Med	Med	Med-High	High

## 1. Investment Objective

GrowMyHome (GMH) provides opportunities to the members to invest in the real estate market in the African Continent (initially South Africa and Nigeria) that should provide above-average returns on their investment.

The existing property at Palm City Estate is to be developed into serviced apartments targeted at guests and short-term visitors to the fast growing city of Uyo, Akwa Ibom State, Nigeria. The objective of this investment is to participate in the fast growth of the region, while also positioning the business to increase its real estate foothold in the region.

### About the location - Akwa Ibom State

Akwa Ibom State is an oil rich State in the Niger delta region of Nigeria. Its capital city is Uyo. The State is one of the top tourist destinations in Nigeria. The growth of the region is cemented by the ownership of Ibom Air one of Nigeria's leading airlines and a West Africa regional airline. This contributes to making the region a travel hub.

Akwa Ibom State considered one of the fastest growing States in Nigeria. Apart from Tourism, the growth of Akwa Ibom is also supported by a drive for industrialization with a range of new infrastructure such as international airports, highways, an international stadium that hosts CAF Africa matches, university, a free trade zone, an oil and gas zone, and a new seaport under development. The State also has major catalytic projects including an ongoing mega refinery and a multibillion fertilizer plant, etc.

Akwa Ibom is positioning itself as a hub in Nigeria and West Africa, and has already established representative investment houses in the Key Nigerian cities of Abuja and Lagos and also an ongoing Akwa Ibom house in Atlanta, USA. The vision is to grow Ibom Air into an international carrier that provides bridge between Africa and the world.

## **1.1. Project Details**

### **Palm City Estate**

Palm City is a 16-unit Housing estate. It is strategically located near institutions such as the University of Uyo, the Ibom Icon Golf course, etc.

The estate consists of two sections- the finished section and the ongoing section. The finished section consists of

- 2 x 3 bedroom units completed to 100%,
- 1 x 3 bedroom unit completed to 90% and
- 2 x 2 bedroom units completed to 90%.

The ongoing section consisting of

- 2 x 2 bedroom duplexes (Shells requiring finishes)
- 2 x 2 bedroom apartments (Shells requiring finishes)
- 2 x 1 bedroom apartment (Shells requiring finishes)
- Empty stand available to build a three bedroom duplex.

### **Probable scenario**

The Estate will be finished and furnished with stylish finishes targeted at a mid-market range. Each unit will have its demarcated spaces while the entire complex will have some shared, communal spaces. .

There will be a total of 16 rooms to be let to guests and short term rental tenants as serviced apartments. The buildings operate and generate income. This income will be shared pro-rata to all owners after deductions of all costs and taxes. Operational costs will be at competitive market rates.

### **Worst case scenario**

In the event that the serviced apartments do not generate sufficient return on investment, then the owners may either decide to rent out the units or sell the houses and benefit from price appreciation.

## **1.2. Basis for ROI**

Existing Rental Income – with potential year on year increase.

Guest/rental income from new units

Participation in the upside upon sale of the property and share the profits resulting from the upgrades of existing

## **1.3. Project Owner**

GrowMyHome

## **1.4. Due Diligence Provider**

GIG Wealth Pty Ltd is a registered Financial Service Provider, FSP 49233 and appointed by the management of GrowMyHome to do the cashflow management of the project.

GIG Wealth has extensive experience in the management of assets and projects and an in-depth understanding of the residential property market.

## **2. Registration of Investors**

Before an investor can start to invest, he must first be registered with GMH. To do this, the investor must complete an application form and activate his investors status when he makes his first investment (minimum R1,000). Hereafter the investor can make further investments at any time at a minimum of R1,000. The investor will receive a welcome letter from the GMH with his unique investor's code to be used in future deposits.

## **3. Investment Term**

### **3.1. Payments & Financials**

Investors will be able to make payments via Electronic Funds Transfer or WISE.

### **3.2. Structure and security**

Investors will be aggregated into a deal-specific ringfenced Company

Each investor owns a pro-rata share of the membership interests in the Company and as such, is entitled to certain rights that are described in the Shareholder Agreement, including the right to receive economic benefits from the Company. The Company will use the funds to invest directly into the project with 100% ownership.

Thus, each investors share will reflect prorate the value of the share in the property.

### **3.3. Payout**

During the investment duration, investors will earn income from rentals of the property. This income will be allocated to investors after all costs deducted (see fees and costs ).

At the end of the investment period, the GIG Wealth/ GMH will calculate the growth on the fund and make an allocation to the investor's account. The aim will be to provide the investor with an average ROI over the duration of the project of 12% p.a. In the event of the fund outperforming the 12% p.a., the management of the project will share the portion of the extra growth with investors on a 50-50 ratio as a performance bonus.

### **3.4. Fees & costs**

All fees are charged at the marketplace level as displayed on the marketplace at the time of the investment. GrowMyHome will provide end-to end management of the deal. Its services will include:

- Management of the property during development. This includes the management of tenants and maintenance of the existing property. Grow my home or its agents will handle all property related management at competitive market rates.
- Project management of the new development. This will include all stages from initiation to execution, including but not limited to council approvals, rezoning, architectural works, engineering, construction, conveyancing, and sales.
- Provide reports and statements for all investors.

Management costs on the property during the duration of the deal will be at competitive market rates, including the following.

- Property management agency – 12% of monthly rental income
- Cost of operational expenses including
  - o Utilities
  - o Maintenance and repairs
  - o Security services
- Sales agent fee (payable at the point of selling) – 6%
- Conveyancing fees
- Property registration and transfer fees
- Fund management fees
- Accounting
- Taxes

## **4. Exit Strategy**

### **4.1. Transfer of Shares**

Any Class B (Profit Share) shareholder that want to exit must first offer their shares to the current shareholders. These shares will be valued at the current market value of the company.

If any dispute on the market value of shares, the company auditors will do valuation of the share value. This will be accepted by all shareholders as the value. The exiting shareholder will be responsible to remunerate the auditor for the services.

If none of the current shareholders are willing to purchase the shares the exiting shareholder may offer the shares at a third party. If the offer price is lower than the price offer to current shareholders, then the exiting shareholder must offer the shares at the same price first to current shareholders before selling to third party. The current shareholders will have 10 days to make offer for the shares. If no offer, then the exiting shareholder can sell to third party.

## **4.2. Come along clause**

If offer is made from third party to purchase 100% of the shares of the company, the Management shareholder (Class A) will have veto voting rights to accept the offer and if more that 50% of the Class B shareholders has voted in favour of the transaction.

## **5. Disclaimer**

This proposal is for information purposes only and not advice to make an investment. Should the investor require investment advice he should contact his financial advisor. Any reference to a potential growth on the investment is for illustration purposes only and cannot be guaranteed.

An investment is secured only by the value of the property and while the fund management will take all the steps necessary to mitigate risk and protect capital it indemnifies itself against any losses that may result from investment decisions.

Designs



Current Views

