

# Mobile Home Investment Plan

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INVESTMENTS



## The Investment Profile

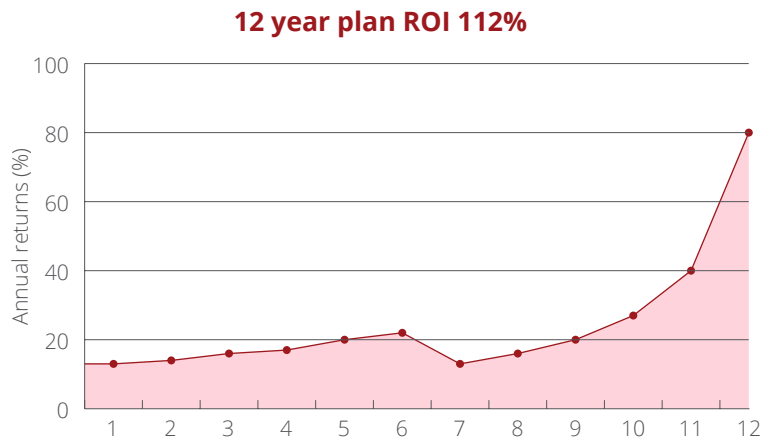
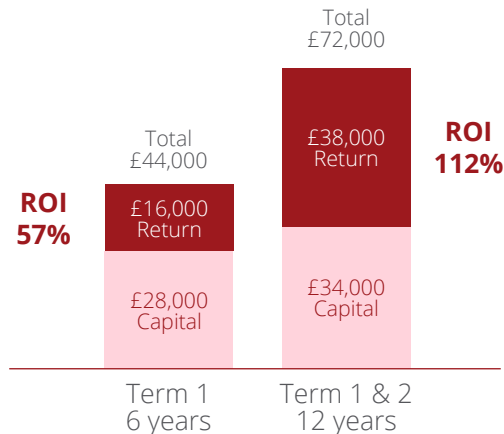


MHI UK's Mobile Home Investment Plan was developed as a way for our clients to achieve high returns securely against small investments.

- The solution? Investment in mobile home ownership! These are purchased at a discounted price directly from our trusted manufacturing partners and rented to local authorities across the UK.
- These manufacturers work with MHI UK to provide units on operating sites to rental tenants throughout the UK, in greater numbers every year, and MHI UK provides the investment solutions as well as the management specialists and other personnel our clients need to gain consistent returns.

### In Short

- Investment per unit of £28,000 against a guaranteed rent of £500/month
- Investment Term Options: 6 years or 12 years
- Average Annual Returns of 12% over 6 years and 25% over 12 years
- 6 Year Plan ROI 57%
- 12 Year Plan ROI 112%



## So How Does It Work?

- Step 1:** MHI UK brings forth a contract with a local authority through one of its affiliated partners to provide a mobile home on a site owned and managed by the authority.
- Step 2:** MHI UK then arranges for the mobile home to be produced, transported and set up at the site, on a plot prepared by the local authority.
- Step 3:** Monthly rent paid by the local authority (not the tenants) gets transferred to the investor – guaranteed.

## Name It, We've Taken Care Of It!

All you need to do is purchase the unit and we'll do the rest. MHI UK works as your investment agent. That means we...

- Manage and enter into agreements with the local authority
- Purchase the mobile homes at a discount
- Manage the receipt of rent from the local authority
- Manage administration of any tenant issues with the local authority
- Manage repairs and maintenance – at no additional cost
- Manage the bespoke insurance cover for the mobile homes
- And, most importantly, make the monthly guaranteed payments to you, the investor.



## Just For Your Comfort



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### Full Transparency

MHI UK believes that maintaining full transparency in our supply chain is key to serving our investors properly, and we recognise that our investors are interested in the structure and workings of MHI UK.

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### First Of Its Kind

MHI UK is currently the only static/mobile home company providing an investment opportunity to individuals and organisations for the housing industry.



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### Competitive Advantage

Through our affiliates we are uniquely positioned, as access to our own supply chain allows us to expand upon our already massive 39% market share of local authorities who have static mobile home sites in England (as of September 2016).

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*Low-investment and high-return*

## In More Detail...

MHI UK enjoys great association with some of the most renowned names in the business as well as individuals with vast industry knowledge and experience.

- **Investment cost per unit:** The plan provides a six-year investment opportunity starting with an investment of £28,000.00 to purchase a unit (subject to tier of investment).
- **Residual value:** The mobile home has a Residual Value of £8,000.00 after the 1st six-year period.
- **Term 2 extension:** There is no commitment for the 12 year plan but if you'd like to lengthen the original investment return by a further six years you would be required to reinvest £6,000.00 per unit for renovation and fees.
- **Term 1 balloon payment:** Should you decide not to continue with the 2nd investment period of another 6 years, we are prepared to purchase each unit at the residual value of £8,000 after the initial six years.
- **Guaranteed rent:** Investors will receive a rent of £500.00 per month for a continuous period of six-years, which can be extended to 12 years.
- **Tax allowance:** A static residential mobile home unit is considered a depreciating asset which allows a tax allowance of 10% per annum in addition to any personal tax allowances.
- **6 year returns:** At the basic six-year tier for investment, this approaches a £44,000.00 return on an investment of £28,000.00.
- **12 year returns:** The initial investment would be £28,000.00 per unit and the option to reinvest £6,000.00 per unit after six-years (total £34,000) for a return of £72,000.00 over a twelve year unit lifespan.



## Operations Insight

MHI UK takes care of the management and operation of your unit entirely.

### **Sourcing tenants for your unit**

- The investment agency makes a provisional application to the local council on behalf of each prospective tenant requesting the allotment of a required mobile home.
- A pre-determination letter is subsequently issued by the local council, confirming the tenancy contract as well as the rental income in principal for the respective tenants.

### **Production and transportation**

- The manufacturing process occurs once the order to produce the mobile home is placed with the production company. The entire production takes approximately 6-8 weeks.
- The mobile home is subsequently released and transported to the allocated site as agreed by the council.

### **Management and payments**

- Once on site, a final contract is formed between the council and the management agency and the respective tenants are housed in the allotted mobile home.
- The council remits the agreed monthly rental payment to the management agency.
- The management agency deducts the maintenance and management fees.
- MHI UK remits a net monthly amount of £500.00 per unit to each investor - less any transfer fees if applicable.



# The Numbers

## 12 Year Investment Plan

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
Cost Price Reducing Balance <sup>1</sup>	£28,000	£25,667	£23,333	£21,000	£18,667	£16,333		
Yearly Rental Return <sup>2</sup>	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000		
Yearly Capital Return <sup>3</sup>	£2,333	£2,333	£2,333	£2,333	£2,333	£2,333		
Yearly Profit <sup>4</sup>	£3,667	£3,667	£3,667	£3,667	£3,667	£3,667		
Returns Per Year <sup>5</sup>	13%	14%	16%	17%	20%	22%		
	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Totals	Summary
Cost Price Reducing Balance <sup>1</sup>	£20,000 <sup>1</sup>	£16,667	£13,333	£10,000	£6,667	£3,333		Total Investment £34,000
Yearly Rental Return <sup>2</sup>	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£72,000	12 yr Return £72,000
Yearly Capital Return <sup>3</sup>	£3,333	£3,333	£3,333	£3,333	£3,333	£3,333	£34,000	ROI £38,000
Yearly Profit <sup>4</sup>	£2,667	£2,667	£2,667	£2,667	£2,667	£2,667	£38,000	ROI % 112%
Returns Per Year <sup>5</sup>	13%	16%	20%	27%	40%	80%	Ave. 25%	

1. Calculated by subtracting the yearly capital return in note 3. i.e. £28,000 – £2,333 = year 2 £25,667, and so on. Year 7 incl. £6,000 refurb fee, refer note 3.
2. Calculated as follows: £500 rent per month x 12 months = £6,000 per annum
3. For years 1-6 unit cost of £28,000 is divided by 12 years to make £2,333, and then for years 7 - 12 the refurbishment fee of £6000 is divided over the remaining 6 years and added to the remaining yearly capital return figure = (£6000 / 6 years) + £2,333 = £3,333 yearly capital return.
4. Calculated by subtracting the annual capital return from the annual rental income. i.e. £6,000 – £2,333 = £3,667
5. Calculated by dividing the profit by the cost price reducing balance, year on year. i.e. £3,667/£28,000 \* 100 = 13% in year 1.

## 6 Year Investment Plan

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Totals	Summary
Cost Price Reducing Balance <sup>1</sup>	£28,000	£23,333	£18,667	£14,000	£9,333	£4,667		Investment £28,000
Yearly Rental Return <sup>2</sup>	£6,000	£6,000	£6,000	£6,000	£6,000	£6,000	£36,000	6 yr Return £36,000
Yearly Capital Return <sup>3</sup>	£4,667	£4,667	£4,667	£4,667	£4,667	£4,667	£28,000	Balloon Pmt £8,000
Yearly Profit <sup>4</sup>	£1,333	£1,333	£1,333	£1,333	£1,333	£1,333	£8,000	Total Return £44,000
Returns Per Year <sup>5</sup>	5%	6%	7%	10%	14%	29%	Ave. 12%	ROI £16,000
								ROI % 57%

1. Calculated by subtracting the yearly capital return in note 3. i.e. £28,000 – £4,667 = year 2 £23,333.
2. Calculated as follows: £500 rent per month x 12 months = £6,000 per annum
3. For years 1 – 6 unit cost of £28,000 is divided by 6 years to make £4,667 per year.
4. Calculated by subtracting the annual capital return from the annual rental income. i.e. £6,000 – £4,667 = £1,333
5. Calculated by dividing the profit by the cost price reducing balance, year on year. i.e. £1,333/£28,000 \* 100 = 5% in year 1.
6. Balloon payment of £8,000 (residual value of the unit) in the scenario that the investor decides not to extend the plan for another 6 years.



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