

# FAQ



## ARM Investment Managers Ltd (ARMIM) UK Real Estate (RE) Investment Service

### What is the ARMIM UK Real Estate Investment Service?

It is a real estate acquisition and sales service offered by ARMIM, which provides individuals and institutions an opportunity to buy or sell properties located in the United Kingdom.

### Who can benefit from this Service?

This Service is available exclusively to ARMIM Clients. Potential investors would be required to first become clients of ARMIM by completing the on-boarding and KYC process before being eligible for the Service. This ensures the relevant due diligence and KYC requirements are completed, which is part of the criteria for ARMIM to formally accept the mandate for the UK RE Service.

### What are the benefits of this Service?

As an investment option, real estate assets are a preferred asset class proven to hedge one's investment against the effects of inflation over the long-term. The additional benefit of investing in a stable currency, the Pounds Sterling (GBP), will aid in the preservation of the investment value. ARMIM, in partnership with experienced agents operating in the U.K, has developed an end-to-end process thereby providing Clients a hand-holding and stress-free experience in exploring such opportunities.

### What are the Services offered under the ARM UK Real Estate Services?

- UK Real Estate Acquisition Service
- UK Real Estate Sales Service
- Mortgage Brokerage Services
- Lettings & Management U.K.\*
- Immigration Services, U.K and Europe\*
- Investments in Hotels & Commercial Properties\*
- Ancillary Real Estate Services e.g., renovations, interior design etc\*

*\* We will be happy to provide further details on these services as required.*

### Does ARMIM collaborate with counter parties in the UK?

ARM has formal business collaborations with a few highly experienced U.K. Real Estate Agent Firms and Mortgage Brokerage Companies, versed in dealing with international buyers. These Companies provide a specially designed service, including ancillary services to ARMIM Clients desirous of acquiring or selling UK Real Estate. The Real Estate Agent Firms represent ARMIM Clients as Buyer Agent Companies or general Real Estate Agents. The Buyer Agents work directly with ARMIM Clients who either wish to purchase properties or who own properties and are looking to sell or require lettings & management services. ARMIM and our Buyer Agents also work with Clients who require referrals and introductions to Tax Advisers, Accountants, Solicitors, Financiers and more in respect to real estate assets.

### What is ARMIM's role?

ARMIM created an operational Desk with local staff and UK based staff for the purpose of developing and smoothly delivering this Service exclusively to ARMIM Clients. The UK Buyer Agents collaborating with ARMIM do this premised on the trust and expectation that ARMIM Clients have been through a standard KYC and due diligence process and therefore fit the calibre and profile of their ideal Clients. ARMIM's integral position with the closeness to Clients and the understanding of their investment and financial affairs aids and facilitates processes requiring provision of financial, investments and KYC information. The ARMIM UK Representative works closely with the UK RE Companies on behalf of Clients, minimising Client follow-up and facilitating the process, resulting in material cost savings for Clients as the need for the series of UK travel to view property options is minimised. ARMIM handholds Clients and facilitates the process working closely with the UK RE Companies and other counterparties.

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### What documents will be provided by interested Clients?

Depending on whether the transaction is a sale or purchase mandate and if the Client is desirous of a mortgage facility, these are standard documents that our clients usually need to provide:

- Standard KYC documents
- Acceptable form of Identification
- Proof of Address within the last three months, (must be signed by a Notary Public)
- Payslips (to provide earning credibility)
- Employment confirmation letters or monthly and annual income confirmed by Account Officer
- Statement of Net Worth endorsed by a chartered accountant (a document that fulfils a broad range of requirements such as Investment and bank statements, tax returns, evidence of rental income from investments property owned and more may be required)
- Evidence of source of funds to support all financial and investment statements provided.

### ARM UK Real Estate Service – Professional Fees & Charges Information

#### Clients Buying Property:

<b>Commitment fee</b>	£2,000 payable to ARM Investment Managers upon completion and submission of this Buyer/Seller Requirements Form. This is a non-refundable fee and would cover expenses for a period of up to one year from the date payment is received.
<b>Success fee</b>	2% of Consideration (Sterling value of the property purchase price) + UK VAT, payable at Exchange of Contracts or when agreed by all Parties, at Completion to the UK Real Estate Agent Company appointed to handle the mandate.

#### Clients Selling Property:

<b>Success fee</b>	2% of Consideration (Sterling value of the property sale price) + UK VAT, payable at Exchange of Contracts or when agreed by all Parties, at Completion, to the UK Real Estate Agent Company appointed to handle the mandate.
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### Is ARMIM or the UK Real Estate Company charging any additional fee for this Service?

No; the fees stated above are the only fees due directly for the Service, ARMIM and the UK RE Company will not charge any additional fees. There are however other charges and costs involved in the process which will be paid to the professionals/companies engaged to provide these additional services.

### Does the Service include arranging Mortgages?

Yes; while ARMIM does not provide mortgages or financing directly; we work with UK Mortgage Brokers experienced with working with International and Nigerian clients. These Mortgage Brokers provide guidance and a service to Clients to ascertain their borrowing potential and secure finance against assets in the U.K, in Nigeria and other countries abroad. These Brokers typically work with hundreds of UK Lenders, from high street banks to Private Banks, Bridging Lenders, Development Finance providers and other specialised Financial institutions, therefore have access to a broad spectrum of financing options to suit a Client's needs and profile.

### What are the standard borrowing costs?

Borrowing/Mortgage costs will vary depending on the Mortgage Broker, the Lender, the profile of the Borrower, the terms of the loan and the LTV (loan to value) ratio being used. Typically, Mortgage Brokers would charge about 1% of the loan amount borrowed as their Advisory fee, which is separate from any costs or charges that the actual Lender will apply. Lender may charge a 1% arrangement fee in addition to other charges. Full details and comparative options will always be provided for Client's consideration.

### What LTV (loan to value) ratios are usually applied for International Buyers?

Though each Client's case will vary, usually 60-75% of the asset value would be considered for an international buyer but Clients with a UK Residency status may be

able to get financing up to 95% LTV ratio. This means for international buyers, self-funds in the region of 25-40% of the asset value should be available when considering a Mortgage; Clients need to keep in mind that this is in addition to all other established and potential costs and charges.

### What are the other primary and associated fees & costs with UK RE transactions?

There are statutory charges and other potential expenses involved in the UK Real Estate purchase or sale process, which include:

#### When Buying:

- Mortgage and financing costs
- SDLT - Stamp Duty Land Tax (Predetermined based on SDLT)
- Conveyancing (Solicitor's fees)
- Valuation fees (Valuation of property)
- Surveyor's fees (Survey report of internal and external aspects of property)
- Financing costs (Mortgage broker charges, mortgage/loan fees)
- Service charges (If applicable to property)
- Tax Advice (if required or advisable to get)
- Insurance (If required)
- Maintenance and repairs (If required)
- Council Tax
- Renovation, decoration and furnishing.

#### When Selling:

- Conveyancing (Solicitor's fees)
- Valuation fees (Valuation of property)
- Surveyor's fees (Survey report of internal and external aspects of property)
- Renovation costs (if needed or advised to undertake)
- Removal costs

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## ARM Investment Managers Ltd (ARMIM) UK Real Estate (RE) Investment Service

### What property purchase options are available?

Clients may buy properties in their personal names, joint names, using SPVs, Trust Vehicle or Offshore companies held in BVIs. We advise clients to always consider and seek tax advice to establish the best suited purchase options when buying U.K. property.

### What is the processing time for completion of purchase/sale?

Each sale or purchase is unique based on each Client's requirements, the conditions in the real estate market at the time, Client's readiness with provision of documents required, availability of funding and a whole lot more; but generally, a mandate can be fulfilled between 3-12 months. Notwithstanding the stated timeline, kindly note that mandates may be fulfilled outside this range.

### Do Client's UK RE asset reflect in their ARMIM portfolio?

UK Real Estate assets are not reflected on the ARM portfolio management system and will not show in Clients' periodic reports. The exception is in cases where a Trust or Special Purpose Vehicle (SPV) managed by ARM Trustees Limited acquires the real estate asset and therefore have the asset included in the Trust portfolio reports.

### What reports do Clients receive for property that is purchased as an investment/rental property?

The UK Buyer Agents will provide periodic reports on Clients' properties, and these will be sent directly to the Client or Company/Trust Vehicle Trustees, as appropriate.

### Can a Client purchase or let property independently of this UK Real Estate Service?

Clients who enter a separate lettings & management contract with either ARMIM's UK Buyer Agent Companies or other independent Real Estate Agent Companies need to keep in mind that this is a separate mandate and arrangement, which is independent of the ARMIM UK

RE Service. This will require a separate scope of service, separate fees and contracts.

### How do Clients get timely updates on U.K. Real Estate opportunities?

Clients are usually initially introduced to this Service via their Relationship Managers (RMs) and those who express interest are included on ARMIM's UK Real Estate mailing list, where opportunities are shared periodically and as they arise. Clients receive updates on new and future real estate developments in different areas of the U.K and have priority access to consider properties being sold by other clients and related parties.

Consequently, Clients who subscribe to our real estate service mailing list are positioned to take advantage of opportunities, even when not actively looking to buy property.

### What are the steps for an interested Client to take?

Below is a summary of the steps our Clients typically take:

1. Client contacts their RMs to express interest & have initial discussions.
2. ARMIM sends Client a batch of introduction documents (Introduction letter, Buyer/Seller Requirements form, FAQ document); Client will need to complete and return the Buyer/Seller Requirements form.
3. ARMIM will arrange an initial meeting with the Client and the assigned UK RE Agent Company to discuss the Client's requirements and provide more information on the Service.
4. With the receipt of all necessary paperwork and KYC documents from Client as confirmation of consent to proceed with the service, Client pays the initial commitment fee + UK VAT and completes the engagement documents for the UK RE Agent company handling their mandate.