

The UK Serviced Apartment Market

An Untapped Opportunity

- High yielding property investment opportunity
- Partnering with an award-winning Serviced Apartment operator
- Early stage, emerging market opportunity



The UK Serviced Apartment Market



The UK Serviced Apartment Market is in its infancy and widely expected to grow substantially over the next 5 years.

Supply constraints coupled with rapidly growing demand from both the corporate and independent traveller markets are creating exciting opportunities for property investors.

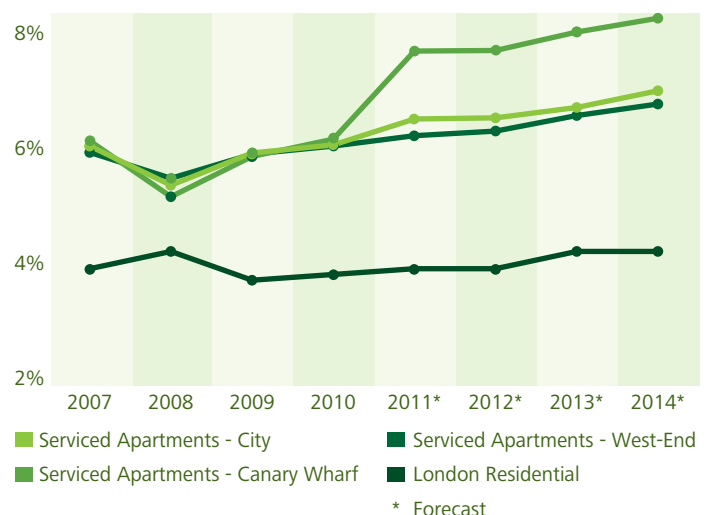
The UK Serviced Apartment market, like the Student Housing market, forms a growing segment of the wider private rented sector. Just 14% of residential stock in the UK is accounted for by the private rented sector; this is forecast by many commentators to increase to 20% over the next 5-10 years. The Serviced Apartment sector is experiencing significant growth:

- **Rising demand is being fuelled by growing number of corporates mandating use of Serviced Apartments and the increasing profile of the market;**
- **Serviced Apartment rates up 12% since Q1 2010 delivering net yields to investors comparable to the student & hotel sectors;**
- **Serviced Apartments offer substantial savings against equivalent hotel accommodation - supply is struggling to keep pace with growing demand;**
- **Tourist demand for Serviced Apartments rapidly increasing as more inventory becomes available through online sales channels;**
- **The recession brought new property development to a near standstill increasing supply pressures;**
- **Overall Serviced Apartment stock in London now exceeds 6,600 units, representing just 6% of hotel supply.**

Comparison of Average Nightly Rates in London



Net Income Yield Comparison



Major business locations across the UK are chronically under-supplied; the London Serviced Apartment market has experienced strong occupancy throughout 2010 with most major suppliers operating at 94% occupancy or higher in Q3 2010. A marked reduction in development since 2008 has put further pressure on supply with a limited number of units due for completion over the next 12-18 months.

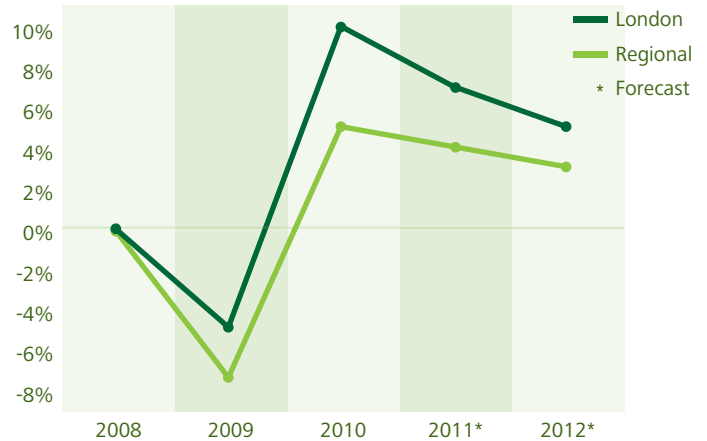
Strong growth in demand for rental property in 2010 is set to continue for the next 2-3 years as a generation of people unable to purchase property remain in rented accommodation; the backdrop of limited supply, rising prices and rental growth in the residential market is reflected in the Serviced Apartment market where high occupancy and limited supply will combine to drive consistent rental growth over the next few years.

Forecasted growth in financial and business services employment, a key source of corporate demand, will lead to increased demand for Serviced Apartments as these sectors continue their recovery following the recession. Overseas business travel to the UK is recovering with numbers forecast to increase by c.6% during 2010 and 2011; this combined with improving business confidence will feed corporate demand for Serviced Apartments.

Recent downward pressure on corporate costs has seen an increase in demand from corporate clients for more cost-effective solutions and a move towards the use of serviced studio apartments in place of hotel stays for short-medium term requirements.

Residential capital values are forecast to grow modestly over the next five years. Strong income yields provided by Serviced Apartments will underpin overall performance for investors.

London & UK Regional Serviced Apartment Rates Growth Forecast



London Serviced Apartment Occupancy 2009 vs. 2010 to date

2009	2010
Q1 - 80%	Q1 - 85%
Q2 - 86%	Q2 - 90%
Q3 - 89%	Q3 - 94%*

*Q3 forecast figure

Introducing Go Native

Leading provider of corporate accommodation in UK

A founder member of the Association of Serviced Apartment Providers, Go Native are the leading UK provider of corporate accommodation solutions with over 12 years of experience in providing accommodation for the business market.

£.5bn assets under management

Having weathered the economic recession of 2008-2009, since October 2009 Go Native have successfully built their Serviced Apartment portfolio by a further c.300 units in the last 10 months. Working with institutional, FTSE250 and high net worth investors, the company consistently delivers occupancy above industry average, with occupancy in the London portfolio in Q2 2010 of 92%.

Blue chip corporate client base

Key to Go Native's success is an exceptional blue chip corporate client base and broad online appeal to the rapidly growing independent business traveller market. Go Native are the leading provider of Serviced Apartments to the Consulting, BPO, Auditing, Engineering and IT industries in the UK.



Driving Value for Investors

Identifying Opportunities

Go Native will actively seek and appraise opportunities in the market for potential investors.

Finance

Valuations will be carried out by Savills plc, a leading authority on the UK Serviced Apartment market. Bank lending will be sought through a primary lender with whom Go Native have agreed valuation methodologies.

Investment and Development Consultancy

Investment and Development consultancy is provided by Mathew McAdden, former Managing Director at UNITE Group

plc, the leading developer and manager of student accommodation in the UK and Richard Cotton, Non-Executive Director at Go Native and former Head of Residential Agency at Cluttons LLP.

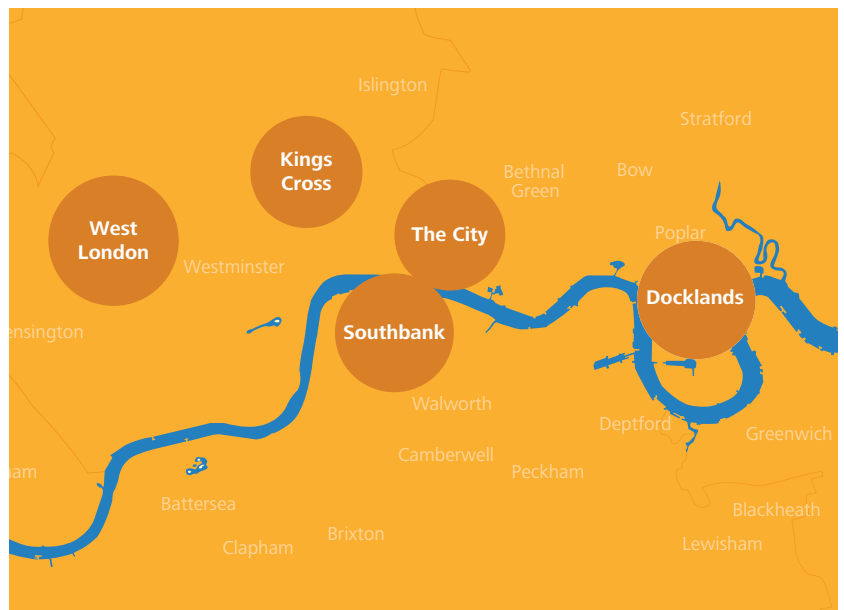
Asset Management

Go Native will act as Asset Manager and manage the sales, marketing and operation of any building joining the portfolio. Sales and Operations are led by Shaun Prime, COO of Go Native and former Sales & Operations Director of Livocity, a UNITE Group company.

Target Buildings

- Capable of delivering a stabilised net yield to investors of 6-8%;
- Refurbishment and development schemes and completed sites;
- Buildings of 20 – 50+ units configured to provide either all studios/1 beds or a mix of studios, 1 beds and 2 bed/bath flats;
- Target locations include The City, Canary Wharf, Southbank, West London and Kings Cross;
- Within 10 minute walk of tube station/20 minute walk of key business locations;
- Contemporary 3* standard fit out.

Key Areas for Aquisition



Contact

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