

Car Park Space Investment

Frequently Asked Questions

1. What is the investment?

The investment is a car park in a commercial city centre building. The car park is managed on your behalf and includes collecting and distributing the income.

2. Who am I buying this investment from?

Horizon Properties are the administrative centre surrounding the car park investment product. Horizon own the Freehold on all of the car parks and also offer the income guarantee to investors.

3. Do I actually own the car park space?

A 99 year renewable lease is what is purchased by the investor – so yes you do own the car park space.

4. Why should I invest in a car park instead of a “normal” property?

There is quite a lot of research that says that car park spaces are a better investment. Ask yourself I question “did you ever see the price of parking go down?” This is because the supply and demand on car parks is not as fluid as larger priced property items. The key with any property is the location and all of our car parks are in commercial buildings where people will drive to work. As such the companies are in prime locations.

5. Where are the car parks?

The car parks are all part of large office buildings in UAE city centres. The reason for this is that there is a captive market for the car park spaces and demand is created by the tenants of the building. These are not stand alone multi storey car parks which have short term visitors for shopping in town centres.

6. Can you be more specific as I need to know it is a good area?

All of the commercial towers are in Business Bay which is a new business zone very close to the DIFC (Dubai International Finance Centre). The area will house many new businesses that are finance based. Any area needs to be regarded as a CBD (central business district) and is not a commercial tower in any suburb etc. It has regularly been described as the “Canary Wharf” of London.

7. How is the car park space managed?

Horizon has two preferred operators “ACI Facilities Management” and “The Property Store”. Both currently operate other car parks in similar buildings on Business Bay and as such we have experience and safety such that there is always a second operator to keep competition and pricing correct.

8. So do I get paid by the operating company or the end user?

The lease has been purchased from Horizon and Horizon also pay the guaranteed incomes to investors, as such you never have to get involved with the end user. It is your choice after 5 years if you renew with Horizon or simply deal with ACIFM, however both ways the car park is fully managed on your behalf.

9. And the returns are guaranteed for 5 years?

Yes – for the first five years the income is guaranteed.

Year	1	2	3	4	5
Return %p.a	6.44	7.36	8.28	9.20	10.12

10. Who is giving the guarantee?

Horizon are giving the guarantee that these returns are paid.

11. How will the guarantee work?

Horizon intends to pay all of the investor yields out of cash flows – Horizon will be renting out the car parks as fast as possible as it is in Horizon’s own interest to generate these incomes. A guarantee is only as strong as the company offering it and so to ensure that Horizon investors are covered and safe, Horizon has also arranged a Trust company on behalf of the investors. Horizon Asset Trust is managed by Heritage Corporate Services of the Heritage Group (www.heritage.co.gg) and holds assets on behalf of the investors. In the event of default by Horizon Properties then Heritage will dissolve any assets and distribute the proceeds to investors to the limit of their shortfall.

12. What happens if Horizon fails as a business – can I lose my investment?

NO – in the very unlikely event that Horizon was to collapse then the lease is still held by the investor and the operating agreement with ACIFM will be direct to the investor as well.

13. What if the car park is not yet constructed?

The income will be payable regardless and starts on the day the contract is agreed.

14. What if the car park is never constructed? Does it mean I own something that is worthless?

This is not possible – the contractors are all covered by the RERA (real estate regulatory authority) bond so that in the event the contractor does not complete the building another contractor is brought in to complete the building works.

15. What happens after the 5 years guaranteed income?

The car park is yours to do with as you wish but broadly there are three options:

- Sell the lease back to the freeholder for the original price paid
- Sell the lease on to any other purchaser
- Renew the lease and continue to take income

16. How much is a car park space?

For current prices you will need to speak to your Haven IC representative.

17. Is it a regulated product?

No – you are buying a property lease which is not a regulated product.

18. Can I buy this with a SIPP?

Yes – at least 8 SIPP providers have already accepted the car parks and we are expecting others to accept it shortly.

19. Is this a collective investment scheme?

No – The income received is directly related to your specific car park rather than a pooled resource.

20. How do I buy a car park space?

A reservation form can be supplied by your Property4gain representative. Fill this in and hand it back to the representative. You will be sent 2 documents:

- 1) lease document
- 2) operating agreement

and also a sheet that describes what needs to be signed and where as well as the requirements for proof of who the investor is (passport, utility bill etc).

21. How do I send my money?

We are able to accept cheque or transfer. The details of the methods of payment are sent with the forms described above – best thing is to speak to your Property4gain representative.

22. Can a company purchase a car park space?

Certainly as long as it provides suitable proof of who is purchasing – your Property4gain representative will be able to assist with this.

23. How is ownership evidenced?

You will be sent a copy of the lease for your records.

24. Can I have access to an independent property valuation?

Yes – from time to time (annually) we will be able to forward a valuation on car park spaces. An indicative valuation has already been prepared by Allsopp and Allsopp who are RICS approved property valuers.

25. Do I need to use Conveyance Solicitor?

This is up to you. Investors wishing to use a legal representative in making an acquisition may do so.