THS Homes Development Track Record

THS Homes Ltd, formerly 'TH Smith Construction Ltd' was incorporated in 2004 following on from JH Smith Landscaping Ltd, and was initially set up as a general building company, with the goal to focus purely on developments in the future.

2005
NUTFIELD, SURREY
Our first development was the complete conversion and refurbishment of a Victorian terraced house on the High Street.

2007
KENLEY, SURREY
The company's first new build, a 2730 sq ft partially subterranean 'Neo-Gothic' house.
The build took 14 months to complete.

August 2008
BLETCHINGLEY, SURREY
The conversion of a derelict Grade II listed barn.
The land cost was £430,000 and the conversion took 13 months to complete at a cost of £950,000.
We sold the property for £1,600,000 in December 2009, generating a gross profit of £220,000.

April 2010
WOLDINGHAM, SURREY
Construction of a 3400 sq ft new build for a private client.
Build costs were £700,000 and the build took 12 months to complete.

February 2011
REDHILL, SURREY
The company purchased a pair of semi's for £450,000 and obtained planning to extend and convert into ten 1/2 bedroom entry level apartments. Building works started in June 2011 and were completed in July 2012.
The last unit was sold by the end of 2012, generating a GDV of £1,754,000 and a gross profit of £315,000 with a net profit of £202,000 from a total cash contribution of £590,000 so a 34% R.O.I.

June 2012
COULSDON, SURREY
The company purchased three commercial units for £450,000 with planning to demolish and build a five storey building with eight 1 bedroom apartments and three 2 bedroom apartments with 2000 sq ft of commercial space on the ground floor.
Building works started in August 2012 and were completed in October 2013 with the final unit sold in February 2014, generating a GDV of £2,257,000 and a gross profit of £430,000 with a net profit of £275,000 from a total cash contribution of £665,000 so a 41% R.O.I.
2014
HOVE & HASTINGS, EAST SUSSEX

In March 2014 the company purchased a house in Hove, East Sussex for £1,050,000 with planning to demolish and build a contemporary block of nine luxury apartments. Build started in April 2014 and was completed in June 2015 generating a GDV of £3,550,000, a gross profit of £600,000 and a net profit of £384,000 from a total cash contribution of £1,325,000 so a 29% R.O.I.

In March 2014 the company purchased a distressed site in Hastings for £406,000 with planning to build a block of 13 luxury apartments. Build started in April 2014 and will be completed in January 2016 generating a projected GDV of £3,545,000, (based on seven units sold off plan to date), with a gross profit of £723,000 and a net profit of £463,000 from a total cash contribution of £1,087,000 so a 42.6% R.O.I.

- All three completed, Private Investor funded projects (Redhill, Coulsdon, Hove) were acquired, constructed and disposed of within two years, returning 15-20% per annum on Investors’ money.
- Currently, the company has a development in Rottingdean going through planning which is expected to return a GP of circa. £1m, and is in the process of acquiring additional sites.

THE DEVELOPMENTS DESCRIBED ABOVE WERE TYPICALLY SET UP AS FOLLOWS:
- With an SPV to ring fence Investors’ money to that specific project with the land purchased in the name of that SPV.
- The SPV then contracted ‘THS Homes Ltd’ on a ‘cost plus contract’ to build out the development.
- The development was sold and the SPV wound up.
- ‘THS Homes Ltd’ then received 20% Gross Profit and the Net Profit distributed to the Investors at their share capital, after an allowance for Corporation Tax of circa. 20%.
- Adam Smith and Tom Ellison always retain a minimum 20% Investor stake in each development between them.
- The Bank expects Investors to become Directors of the SPV’s and enter into joint and severally liable Directors Guarantees for circa. 1% of the sum being borrowed.

AN EXAMPLE OF A TYPICAL STRUCTURE:
- If total cash required for a development is £500,000 and an Investor puts in £100,000 they will own 20% of the SPV set up to purchase the land for that particular development, as a result they will then receive 20% of the Net Profit on disposal plus their original stake back.

So if Gross Profit is £500,000, 20% goes to THS Homes (£100,000), circa. 20% goes on Corporation Tax (£80,000) and the Net Profit is therefore £320,000. The 20% Investor in this example would receive their stake of £100,000 plus 20% share of Net Profit £64,000 totalling £164,000.

Please contact us for any further information and for the opportunity to discuss upcoming THS Homes projects.

This document, and any information or materials subsequently provided by THS Homes Ltd is not directed at any person who is not lawfully entitled to receive it under applicable law and regulation. Such content is for information only, and does not constitute investment advice, an offer to arrange or bring about any investment, nor an inducement, offer or solicitation to make an investment.

No representation or warranty, express or implied, is given by or on behalf of any person as to the accuracy, fairness or sufficiency of the information or opinions contained in this document. The performance of past investments is not necessarily indicative of future performance, and no conclusion of any type or kind should be drawn regarding the future performance of any developments based upon any information or materials provided by THS Homes Ltd. Similarly, any forward-looking statements or objectives are estimates only and may not be relied upon. Any investment in a development is speculative and involves a high degree of risk, and you should seek independent professional advice before considering any investment.

All information and materials available on or through the TSH Homes website (including information and materials subsequently provided by THS Homes Ltd), and any proceeding concerning the same, are governed by English law and subject to the exclusive jurisdiction of the English courts.

Registered Address: Coldharbour Farm | Coldharbour Lane | Bletchingley | Surrey RH1 4NA