Connect Programme

Grainger portfolio overview
+ Key questions

18 February 2021

grainger plc
Investing in homes since 1912

Grainger – at a glance

Our Portfolio	Our Strategy & Business model	Our Growth
We own and manage over **8,941 rental homes** across the UK in most major cities from Newcastle to London. We provide thousands of modern **private rental homes**, and we also have a portfolio of homes on **regulated tenancies**, as well as a growing number of affordable homes. We want to continue to lead the UK Private Rental Sector by changing the face of renting in the UK through professionalisation and greater focus on the customer experience.	Our strategy focuses on three areas: (1) to **grow rents**, (2) to **simplify the business** (3) to build on our experience as a **leading, responsible residential landlord**. Our integrated business model sets us apart from our competitors. With three core components – **originate, invest and operate** – we can ensure that we invest in and design the best possible assets, and operate them to the highest standards.	We have built a **£2bn investment pipeline** which will deliver **8,950 new private rental homes** over the coming years. This pipeline is expected to more than double our net rental income when the schemes are completed, fully leased and stabilised. As our regulated tenancy portfolio unwinds, we are reinvesting this capital into higher yielding private rental homes.

grainger plc
Investing in homes since 1912

Grainger Portfolio: tenures x billing frequencies*

Tenure / Billing Freq	Short tenancies (BTR, AST, Comp-Let)	Garages / Sheds	Regulated, Assured, Affordable	Shared Ownership	Commercial, Leasehold, Ground Rents	Total
Monthly	3,568	587	1,555	199	73	**5,979**
Quarterly, Half Yearly, Yearly	64	351	157	197	7,776	**8,574**
Weekly	73	5	1,348	2	11	**1,441**
Fortnightly, legal Quarters, Others	0	2	3	0	151	**157**
Total	**3,705**	**936**	**3,063**	**398**	**8,011**	**16,151**
	23%	*6%*	*19%*	*2%*	*50%*	*100%*

Mixed-use development: examples

Grainger blocks – both existing and new – carry a diverse mix of tenures with different requirements around billing and other aspects. In many cases we have to manage service charges within and across buildings, and apportion common costs also across multiple units & buildings. There will be cases of 'joint venture' ownership where we split revenues / costs with a JV partner.

Development	Physical setup	Unit tenures & Types
Dibdin House	Block A Block B Sheds Office Commercial units	Residential units across multiple tenures: AST, Assured, Regulated, Leaseholds Commercial units in separate buildings Sheds and parking licenses Service Charges across the estate Common / shared expenditure across the estate
Tait & Benson	2 Buildings Tait Benson + Estate entity / common areas	Each building has a mix of Residential units across multiple tenures: AST, Assured, Regulated, Leaseholds A few commercial units Sheds in Tait Service Charge schedules within buildings but also across the estate Common / shared expenditure across the estate
Vauxhall Est	8 Buildings + Estate entity / common areas	Each of the 8 buildings has a mix of Residential units across multiple tenures: AST, Assured, Regulated, Leaseholds Service Charge schedules within buildings but also across the estate Common / shared expenditure across the estate
Pontoon Dock	3 blocks: Block A Block B Block C	All buildings have commercial and residential units. In terms of residential, One building holds only affordable and shared ownership units, the others hold only ASTs Parking units across the development Amenity space shared by Blocks A, B and C = whose costs are shared by all tenants

Some key features required of MRI

- Use of **RM/CM modules** - ability to hold residential units of multiple tenures with different requirements in terms of billing, service etc

- Ability to manage **Service Charge** for blocks with units of multiple tenures including mixed ownership

- Ability to do **Unit level accounting** / apportion revenues and expenses across units

- Full compliance with **GDPR, PCI, SOX** regulations

- **Audit Module** / ability to provide reliable and flexible audit & access controls

- Ability to register **intercompany transactions** (including 'capital' transactions e.g. sale of a property from one entity to another)

- Seamless **bank reconciliation** capability, with payments received through different means including DD / card payments through a front-end interface