


## Lanner Car Park Fund

Listed on the Channel Islands Stock Exchange

A photograph of a parking garage. The image shows a white wall with two horizontal pipes. The top pipe is orange and the bottom pipe is silver. Both pipes have a metal band around them with a small red cap. The floor is grey with white parking lines. The background is a white pillar and another set of pipes.

Lanner is a distributing fund investing in car parking in commercial areas where there is a high ratio of employees to parking spaces. It is a niche commercial property fund.

The properties will be operated by experienced facilities managers seeking long term commercial clients that rent the car park space for a period. Tenants are normally businesses located within the commercial buildings in close proximity to the car park. In most cases the car parks will have assured levels of yield from the operators.

Target performance of the fund is to achieve yields of +12% whilst also generating a capital increase in the value of the assets purchased.

Listed on the Channel Islands Stock Exchange and paying dividends every 6 months, the fund provides a secure and tax efficient way to achieve a regular and steady income from this niche asset class.





Lanner will purchase car parks that deliver safe and secure yields from the date of purchase. The assets will have good management teams in position and be able to provide evidence of high utility so that the car park can both produce a yield but also grow in capital value over time.

Lanner's management team has secured the support of commercial property developers with cornerstone investment of over US\$10m already committed. The fund also benefits from the professional advice and support of DevCo, an experienced property advisor.

Lanner is part of the already successful Falcon Investment Company, approved by a number of UK and International investment managers and platforms. It is the stated objective of the Directors of the fund to move Lanner to a listing on a major secondary market such as AIM and at this point the fund will become an on-shore, European Harmonised fund able to attract European as well as UK investment.



## About the Car Park asset class

What does Warren Buffet think an investor should look for in a target investment?

*“Consistent earnings, solid returns, low debt levels and a business concept he understands”.*

Car parks are commercial property assets in a basic form. They benefit from simple operations and easily controlled cash-flows. Ask yourself this, do you remember a time when car parking rates went down?

Stephen Sinclair, founder of Parkingsearch.com commented that *“in the last three years of acquiring data, these parking spaces have been increasing in value regardless of what’s going on in the real estate market”*

The value of these assets is driven entirely by yield based on consistency of demand and so the fund seeks to invest in key business areas where large corporate clients and businesses guarantee heavy traffic, in every sense. Colliers International have carried out data analysis on Core Business Districts (CBDs) comparing the cost of parking space to the cost of general real estate space.

Local knowledge is key, and DevCo, Lanner’s property advisor, works through and with real estate experts based in target locations to identify not just the right urban area or city, but also the locations of specific car parks as they related to demand centres occupied by strong and growing businesses. Owners of cars wish to park in close proximity to their destination and by controlling the parking facilities in a local area, yields can be improved over current levels. A local monopoly is hard to break where new parking facilities are hard to develop in the built up areas where space is a rare commodity.

The directors of Lanner believe that by securing a number of car parks with yields whilst considering the differential in car park space cost to average commercial real estate cost, the fund will be able to deliver both good yields and capital growth.





## Lanner Highlights

- A US\$ fund that invests in assets that generate income from the first day of investment.
- A deal flow of greater than US\$50m comprising assets to be purchased at greater than 20% discount to independent valuation.
- A fund that seeks to distribute dividends every 6 months whilst expecting to generate a capital return on the underlying assets.

During its initial phase the issue of shares listed on the CISX will be capped at US\$35m but the Directors plan to increase the fund size, attract institutional investment and increase liquidity by moving the fund to a listing on a major and internationally recognised secondary market.

The Promoter of the fund has engaged with WestHill Corporate Finance as an advisor for taking the Lanner fund to a secondary market such as AIM or the London Stock Exchange.

## The cost of parking

Colliers International track the cost of parking in nearly 140 Central Business Districts (CBDs) across the world. Analysis of statistics such as these can provide insights into the value of car parking

As an example you can see from the lists below that Dubai ranks relatively lowly on monthly car parking rates in the CBDs. However the daily rate is comparable with New York Downtown and New York Midtown. This analysis can hold the key to picking key asset locations that can add capital value to their dividend yields.

Unreserved parking rates/month		Daily Rates of the same CBDs	
1. London City	1020USD	1. Amsterdam	70.77USD
2. London West End	955USD	2. London - City	56.68USD
3. Amsterdam	805USD	3. Vienna	56.62USD
4. Hong Kong	748USD	4. The Hague	56.62USD
5. Sydney	587USD	5. Oslo	56.59USD
<b>49. Dubai</b>	<b>240USD</b>	<b>12. Dubai</b>	<b>40USD</b>

### Note

Ratios of daily to monthly rates suggest potential to increase monthly rates.

## Worked example

<b>Purchase price of car parking space</b>			22,500
<b>Valuation</b>			35,000
Income Produced:	Year 1	7%	1575
	Year 2	8%	1800
	Year 3	9%	2025
	Year 4	10%	2250
	Year 5	11%	2475
	<b>Total</b>	<b>9%</b>	<b>10125</b>
Sale of car park			35,000
use todays valuation assuming no growth			
Total Cash invested			<b>22,500</b>
Total Return			<b>45,125</b>
Equivalent IRR			<b>19%</b>

IF gearing is included at 50% @ 6.5%

<b>Cash cost of parking space</b>			11,250
<b>Loan</b>			11,250
Income Produced: <i>(net of debt service)</i>	Year 1	7.5%	843.75
	Year 2	9.5%	1068.75
	Year 3	11.5%	1293.75
	Year 4	13.5%	1518.75
	Year 5	15.5%	1743.75
	<b>Total</b>	<b>9%</b>	<b>6469</b>
Sale of car park less debt repayment			23,750
Total Cash invested			<b>11,250</b>
Total Return			<b>30,219</b>
Equivalent IRR			<b>28%</b>

### Notes

Ignores all inflation and interest  
Business Bay – UAE office car parks

## Fund Directors

This fund is managed by the team behind the successful Saker SPC, part of the Falcon Investment Company (see [www.cisx.co.gg](http://www.cisx.co.gg) for up to date information). The directors are:

### Brad Lincoln

Brad Lincoln is the founding CEO for The Best Group. He has a high profile in the UK fractional ownership market, writes a regular column for OPP and is a member of the Overseas Property Professional Executive Panel, a regular contributor to professional journals and a sought after conference speaker on innovative overseas property investments. Brad is a Chartered Member of the Institute of Personnel and Development and an MBA graduate of the Cranfield School of Management.

In addition to leading The Best Group Brad has personally advised clients in Europe, Africa and Central America.

Brad is married with three children and lives in Cheshire, UK.

### Laurence McNairn

Laurence McNairn is a chartered accountant and a Director of Heritage International Fund Managers Limited (Saker's administrators). The Heritage Group has 200 employees and around \$40bn under management.

Laurence was previously head of fund administration for the Baring Financial Services Group (BFSG), where he worked for 16 years. BFSG provided fund administration, private and corporate banking, fiduciary and global custody in Guernsey, Jersey, Dublin, IOM and London. BFSG was acquired by Northern Trust in 2004.

## Richard John Battey

Richard John Battey is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified with Baker Sutton & Co. in London in 1977.

He was formerly Chief Financial Officer of CanArgo Energy Corporation (May 2005 – July 2006), which was engaged in oil and gas exploration and production in Georgia and Kazakhstan and until the end of October 2006 he was an advisor on the preparations for the spin-out of its Kazakhstan assets.

Prior to that role he spent 27 years with the Schroder Group. The first 16 years were in London with J. Henry Schroder Wagg & Co. Limited and with Schroder Investment Management in financial and management accounting roles and then the remainder in Guernsey helping to build Schroders' offshore private banking business.

Richard was a Director of Schroders (C.I.) Limited in Guernsey from April 1994 to December 2004 where he served as Finance Director and Chief Operating Officer. He was a Director of a number of the Schroder Group's Guernsey companies covering banking, investment management, trusts, insurance and private equity administration, retiring from his last Schroder directorship in December 2008.



**Key Facts**

Launch date: 28th May 2010  
Minimum subscription: US\$15,000  
First Open Period: 5 months

**Charges**

Initial charge up to 5% of the original investment.  
AMC – 1.85% of the NAV paid monthly in arrears.

**Who can invest?**

Direct Investors, SIPPs/SSASS, Individual Savings Accounts, Charities, Companies and Trusts

**Advisers**

Promoter – Best Group Limited  
Administrator – Heritage International Fund Managers Limited  
Property Advisor – DevCo Limited (Guernsey)  
Auditors – Grant Thornton LLP  
Tax Advisors – KPMG Channel Islands Limited  
Legal Advisors – Mourant du Feu & Jeune, Ozannes

**Sales Network**

Best Group has responded to the success of the Saker Fund by extending and improving the service it provides to support Professional Introducers (Financial Advisors, Fund Managers, Accountants, Lawyers, Agents, Stockbrokers, etc.). With Falcon funds already appearing on a growing number of platforms, we believe that you and your clients will find all the support you need through our growing team. Contact us directly for a meeting to discuss your requirements.

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