

Please find below the latest update on the TM home investor fund. This is an extract of a document produced by the Property Investment Manager, Hearthstone Asset Management Limited. A link to the full document is provided below:

<https://homeinvestor.fund/april-2020-market-and-fund-update/>

### **April 2020**

#### **TM home investor fund**

Since the suspension of dealing in the fund on March 18<sup>th</sup>, the property investment team have had weekly calls both with the property valuers and the asset/tenant manager Touchstone.

CBRE continue to value the 203 properties in the fund in line with proper market practices, adopting a comparable method of valuation. However, given the low transaction volumes there is a dearth of evidence on which to rely, and there seems to be more reliance on agent sentiment and asking prices than one would expect within a 'normal' market. As such, their valuation continues to be caveated with the Material Valuation Uncertainty clause.

With our partners at Touchstone, we are working hard to support our tenants who rely on their homes more than ever. Where appropriate, we support those where Covid-19 has caused financial difficulties. We are looking to balance tenants' and investors' needs, wherever possible setting up payment plans to ease temporary difficulties. Our primary focus is on those who lost their jobs – once we have confirmation of a Universal Credit application, we work with the tenants to find a mutually agreeable solution. For tenants in furlough, we typically discuss temporary rent reductions couple with a repayment plan. Finally, we tend to delay rent reviews (typically rents grow with inflation) by a quarter.