

Risk Factors Overview — Governance & Compliance Edition

The purpose of this document is to provide transparency around the principal risks inherent in property development and the mitigation procedures implemented by Oxfordshire Living Developments Ltd (OLD-Homes) and all connected entities.

OLD-Homes operates a governance framework designed to protect investor capital, ensure regulatory alignment, and deliver risk-adjusted returns. All projects are subject to structured oversight, legal due diligence, third-party validation, and disciplined risk controls.

1. Market Risk

Property values, rental demand, and overall market liquidity may be affected by:

- Interest rate changes
- Economic downturns
- Local supply/demand fluctuations

Mitigation:

- Conservative GDV and rental assumptions
- Independent valuation reports
- Planning for multiple disposal routes (retail sale, block sale, refinance, hold)

2. Planning & Regulatory Risk

Planning outcomes can delay or prevent development.

Mitigation:

- Formal planning appraisals by accredited consultants
- Early pre-application engagement
- Acquisition of assets with fallback or alternative-use potential
- Legal verification of planning status and constraints

3. Construction & Cost Risk

- Construction risks include:
- Cost inflation
- Contractor insolvency
- Latent defects
- Timeline overruns

Mitigation:

- Independent cost consultancy and QS oversight

- 10–20% cost contingencies
- Robust contractor selection and due diligence
- Fixed-price or partial fixed-price contracts where viable
- Monthly cost reporting and founder sign-off

4. Legal, Title & Compliance Risk

Risks include adverse covenants, easements, rights-of-way, boundary discrepancies, or incomplete title.

Mitigation:

- Full legal due diligence for every acquisition
- Environmental, structural, and technical surveys
- Compliance with UK GDPR, AML, CDD and investor verification processes
- Use of SPVs for ring-fencing project liabilities

5. Funding, Liquidity & Capital Deployment Risk

Development projects rely on timely access to capital.

Mitigation:

- Pre-agreed funding terms with lenders prior to acquisition
- Strict capital drawdown controls
- Quarterly capital reconciliation
- Cashflow stress-testing
- Multiple funding alternatives (senior debt, mezzanine, equity)

6. Sales & Exit Risk

Realising project value depends on the strength and timing of the exit market.

Mitigation:

- Multiple exit strategies
- Early engagement with agents, valuers, and sales partners
- Alternative rental or refinance strategies
- Conservative price assumptions validated by at least two agents
- Staggered sales or retention options where appropriate

7. Operational, Governance & Management Risk

Mitigation:

- Founder-level involvement and oversight
- Quarterly reporting to investors and capital partners
- Documented risk registers
- Internal controls and delegated authority limits
- External professional oversight (legal, QS, accountants, planning specialists)

Statement of Intent

OLD-Homes acts with full accountability, professional diligence, and a capital-first mindset. Risk cannot be removed, but through effective governance and discipline we aim to deliver stable, defensible, and well-managed risk-adjusted outcomes.