



PROVIDING ACCESS TO NORTH EAST INVESTMENT OPPORTUNITIES

# North East England A New Era

ROYAL NAVY

ROYAL NAVY



DEVELOP NORTH PLC

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# Agenda

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**1. INTRODUCING DEVELOP NORTH PLC**

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**2. THE NORTH EAST OPPORTUNITY**

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**3. THE DEVELOP NORTH EDGE**

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**4. INVESTMENT STRATEGY**

> REAL ESTATE LENDING

> COMMERCIAL REAL ESTATE

> RESIDENTIAL REAL ESTATE

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**5. SUMMARY AND CONCLUSION**

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**6. APPENDIX**

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# Introducing Develop North PLC



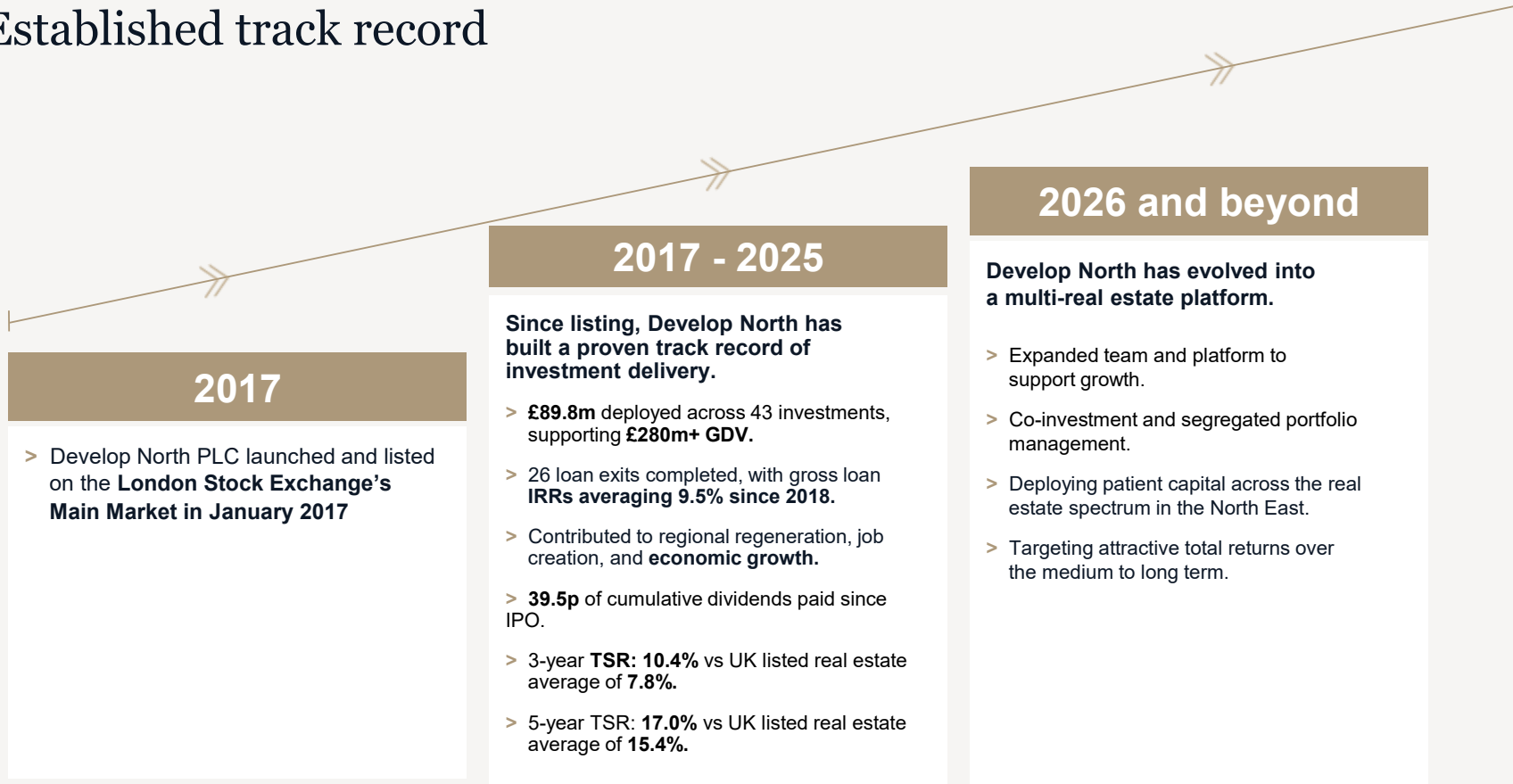
# Develop North PLC

**An LSE Main Market-listed, actively managed, closed-end real estate investment company providing access to one of the UK's most compelling regional investment opportunities.**

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- > Investment strategy across three markets:  
**Real estate lending, Commercial and Residential real estate.**
- > Advised by **Tier One Capital**, a North East-based investment manager with **deep local market access**.
- > Delivered by a team of experienced fund and asset managers with **specialist regional expertise**.
- > Current NAV of **£19.4m** with **5.23% dividend yield**.
- > Targeting an average NAV total return of **10–11% per annum** over the next seven years, including **c.4% annual capital uplift** and dividends equivalent to **6–7% of NAV per annum**.\*
- > Intention to raise up to **£300m** through placings and an offer for subscription
- > Prospectus issued 16 January 2026 is available at [Downloads and Documents - Develop North](#)

# Established track record



## 2017

- > Develop North PLC launched and listed on the **London Stock Exchange's Main Market in January 2017**

## 2017 - 2025

**Since listing, Develop North has built a proven track record of investment delivery.**

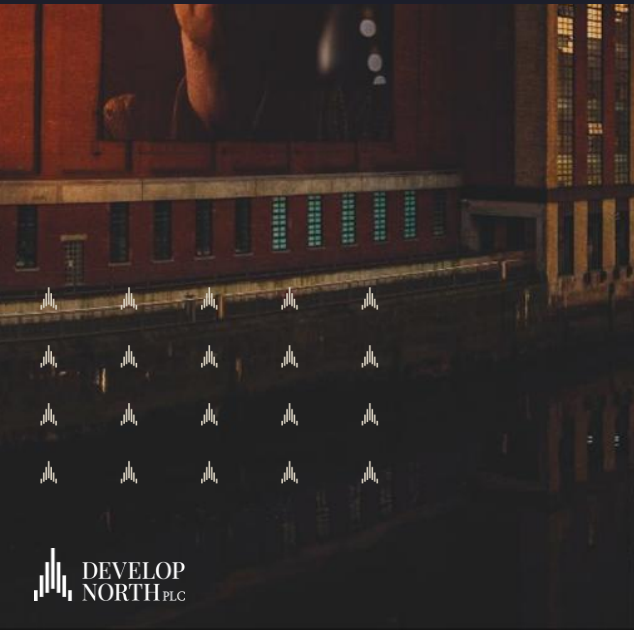
- > **£89.8m** deployed across 43 investments, supporting **£280m+ GDV**.
- > 26 loan exits completed, with gross loan **IRRs averaging 9.5% since 2018**.
- > Contributed to regional regeneration, job creation, and **economic growth**.
- > **39.5p** of cumulative dividends paid since IPO.
- > 3-year **TSR: 10.4%** vs UK listed real estate average of **7.8%**.
- > 5-year **TSR: 17.0%** vs UK listed real estate average of **15.4%**.

## 2026 and beyond

**Develop North has evolved into a multi-real estate platform.**

- > Expanded team and platform to support growth.
- > Co-investment and segregated portfolio management.
- > Deploying patient capital across the real estate spectrum in the North East.
- > Targeting attractive total returns over the medium to long term.

# The North East Opportunity

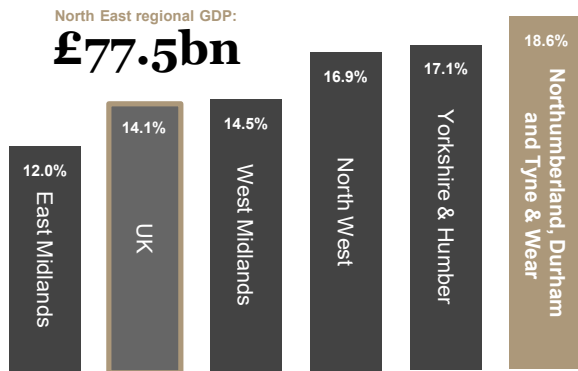


# The North East

## a region at an inflection point

### GDP

- > North East regional GDP: **£77.5bn** (2023), **grown 16.5%** in real terms since 2020, faster than the UK average of **14.1%**.<sup>1</sup>



UK Regional GDP growth since 2020

<sup>1</sup>Office for National Statistics, Regional economic activity by gross domestic product, UK: 1998 to 2023, April 2025 <sup>2</sup>Office for National Statistics, Subnational Population Projections for England: 2022-based, June 2023

### Population

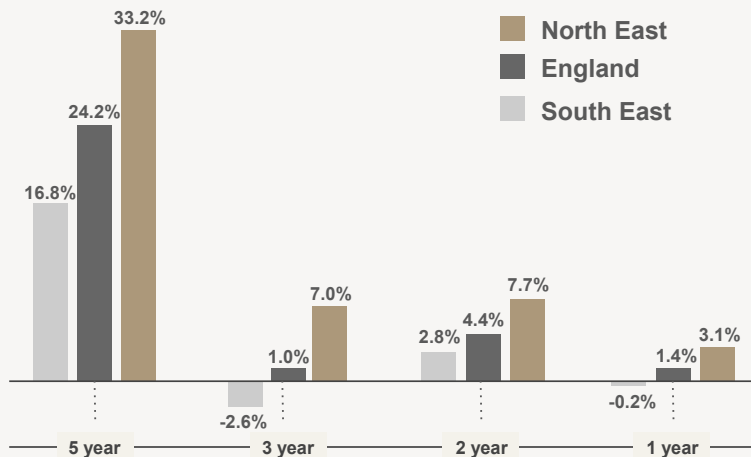
- > Current population of c.2.7m, forecast to **grow by 4.4%** over the next decade.<sup>2</sup>



## House prices

- > North East house prices have outperformed England and the South East, growing **3.1%** over one year, **7.7%** over two years, **7.0%** over three years and **33.2%** over five years.<sup>3</sup>
- > A key indicator of growing wealth and investment across the region.

### Average House Price Growth



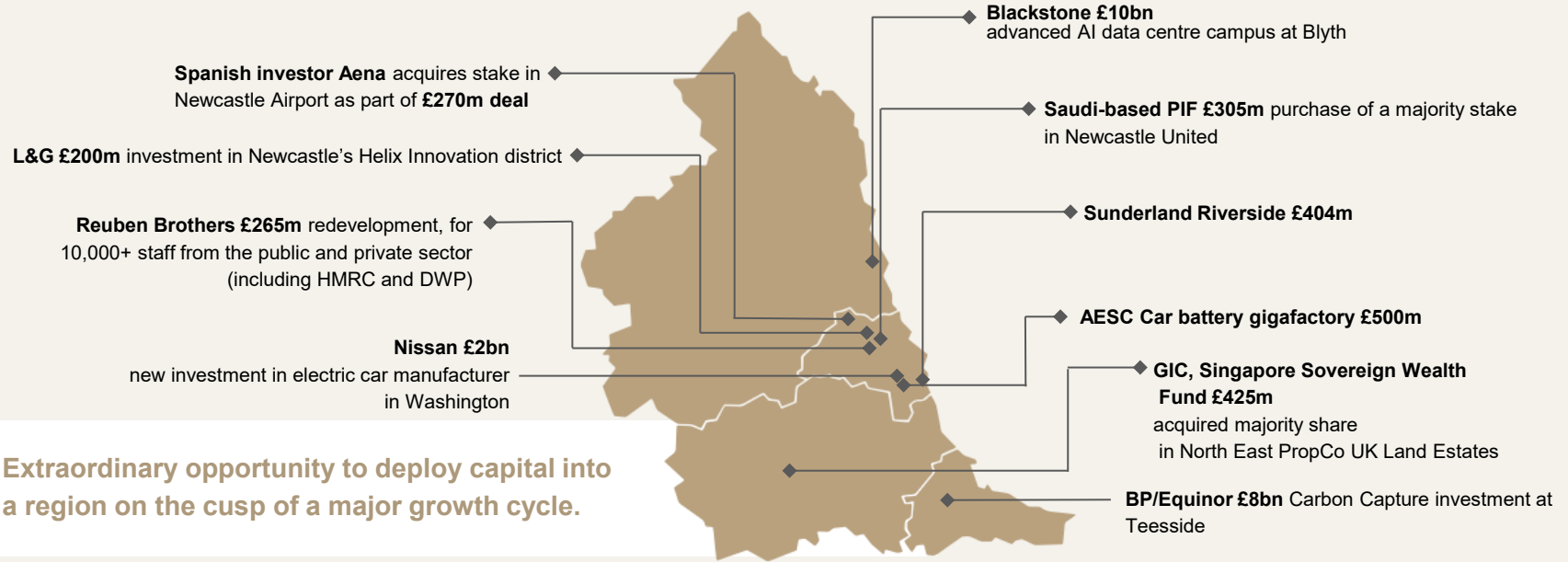
<sup>3</sup> ONS / HM Land Registry, UK House Price Index

## Investment and demand

- > **£5.15bn** of devolution funding supporting long-term investment across the region.
- > Institutional interest in regional markets is rising, driven by affordability, yield and long-term growth dynamics.
- > Strong occupier demand across residential and commercial markets while new supply remains constrained.

# A Region on the Rise

Major investments are already transforming the economic landscape.  
The North East is attracting large-scale, multi-sector capital inflows.



Extraordinary opportunity to deploy capital into a region on the cusp of a major growth cycle.



# Commercial market

## Offices

- > Newcastle upon Tyne prime office rents reached £32 per sq ft as of Q4 2023, a **14.3% year-on-year increase** and almost double the regional average of 7.2%.<sup>4</sup>
- > Since pre-pandemic levels Newcastle has posted **28% rental growth, the highest of the top 10 regional city markets.**<sup>4</sup>
- > Q1 2025: Newcastle office take-up exceeded Q1 2024 levels by over six times, **the strongest performance of the Big Ten regional markets.**<sup>5</sup>
- > Grade A supply is set to decrease with limited speculative development on the horizon, increasing opportunities for landlords to refurbish existing assets.<sup>6</sup>

## Industrial

- > UK occupational demand for industrial and logistics **rose to 37.4m sq ft in 2025**, the highest level since 2022.<sup>7</sup>
- > Industrial and logistics accounted for **33% of combined UK commercial investment volume in 2024**, significantly ahead of the long-run average of 19%.<sup>8</sup>

<sup>4</sup> Place North East, Newcastle Office Market Reports \* BNP Paribas Real Estate, UK Regional Office Market Report, Q1 2025 \* Parker Knights, North East Office Market Update, Q3 2024 <sup>7</sup> Cushman & Wakefield, UK Industrial Marketbeat, 2025 <sup>8</sup> Lambert Smith Hampton, Industrial & Logistics Market Report, 2025



# Residential market

## Private rented sector

- > One of the UK's most compelling investment opportunities, characterised by low entry cost pricing, strong rental growth and emerging capital appreciation.
- > North East residential market transitioning from yield-led to a hybrid yield and growth phase.
- > Lowest average house price in the UK at £162,000.<sup>9</sup>
- > UK rents up 20-27% over five years vs **30-40% in the North East.**<sup>10</sup>
- > Annual transactions estimated at 75-80,000 pa, **market value £10-12bn.**

## Supported housing

- > North East public sector funds over 55,000 people and 9.33 million care hours.<sup>11</sup>
- > Private sector commissioned to provide 80-85% of this care. Overall UK value of £68bn, around £15-20bn of supported housing alone.
- > Granular, uncoordinated market structure creating significant consolidation opportunity.

<sup>9</sup> ONS / HM Land Registry, UK House Price Index, March 2026 <sup>10</sup> ONS, Private Rent and House Prices, January 2026  
<sup>11</sup> Skills for Care, Adult Social Care Workforce Data, 2025

# The Develop North Edge

# Fund / asset managers with an established track record



**Michelle Percy, Chief Executive Officer**

Michelle is a highly experienced professional with over 30 years of senior leadership experience across the public and private sectors, with a strong track record in property regeneration, investment and strategic development.

She spent almost nine years at Newcastle City Council and was previously Director at Clouston Group. She has also spent many years serving on boards and as a trustee.



**John Seager, Commercial Real Estate**

John has 30 years' experience in overseeing development, asset management and investment with UK Land Estates, as CEO of Siglion and as a Director of Broadoak since 2019.



**Fergus Trim, Commercial Real Estate**

Fergus is a seasoned property professional with over 30 years' experience in London and the North East, formerly a Director at BNP Paribas & Quorum Development, and founder of Broadoak Asset Management in 2014.



**Jackie Fitzgerald, Residential Real Estate**

Jackie has over 20 years' experience in residential property, acquisition and management as Founder and CEO of Homes or Houses, a specialist property firm supporting UK and international investors in the North East residential market.



**Paul Crawley, General Counsel**

Paul is General Counsel at Tier One Capital, formerly Head of Corporate and Commercial Services at a regional law firm, with international experience in multi-jurisdiction legal and tax practice across Asia.



**Brendan O'Grady, Real Estate Lending**

Brendan is a fund manager with deep corporate finance and private equity experience, who joined Tier One Capital in 2017 after leading finance at Gentoo Homes and working at Silverfleet Capital.

# An experienced and proven team

Decades of combined experience led by local experts who live and breathe the North East

## Chief Executive Officer



**Michelle Percy**  
Chief Executive Officer

Michelle is a highly experienced professional with over 30 years of senior leadership experience across the public and private sectors, with a strong track record in property regeneration, investment and strategic development.

She spent almost nine years at Newcastle City Council and was previously Director at Clouston Group. She has also spent many years serving on boards and as a trustee.

## Board of Directors



**Dr Sameer Al Ansari,**  
Deputy Chairman

Sameer is the Founder of Dubai International Capital (\$13bn AUM) and ex-CEO of SHUAA Capital, with over 30 years' leadership in investment, private equity, and governance.



**Ian McElroy,**  
Non-Executive Director

Ian is a founding shareholder of Tier One Capital with extensive experience in wealth management, corporate finance, and credit structuring, having held senior roles at Barclays Wealth, Kleinwort Benson, and Coutts.



**Jess Swindells**

Jess is Managing Director and principal shareholder at Tier One Capital, and a practising lawyer with over 20 years' experience of specialist banking and corporate finance.



**Richard McEvoy**

Richard brings over 40 years of experience in corporate banking and serves as a Non-Executive Director and Charity Trustee. He has held senior roles across lending, process, and governance.



**Douglas Noble,**  
Independent Non-Executive Director

Douglas has over 25 years' private banking experience, having led private banking for Barclays, Adam & Company, and HBOS in Scotland.



**Matt Harris,**  
Independent Non-Executive Director

Matt is a private equity operating partner and board member. He has sat on a number of boards of private equity-backed companies and provides deal related and ongoing advice to private equity acquirers, both in the UK and around the world. A chartered accountant and M&A specialist, he was previously a transaction services partner at KPMG.



**John Newlands,**  
Chairman

John is a published financial historian and non-executive director of two investment trusts, with over 20 years' experience in the City, including a decade as Head of Investment Companies Research at Brewin Dolphin.

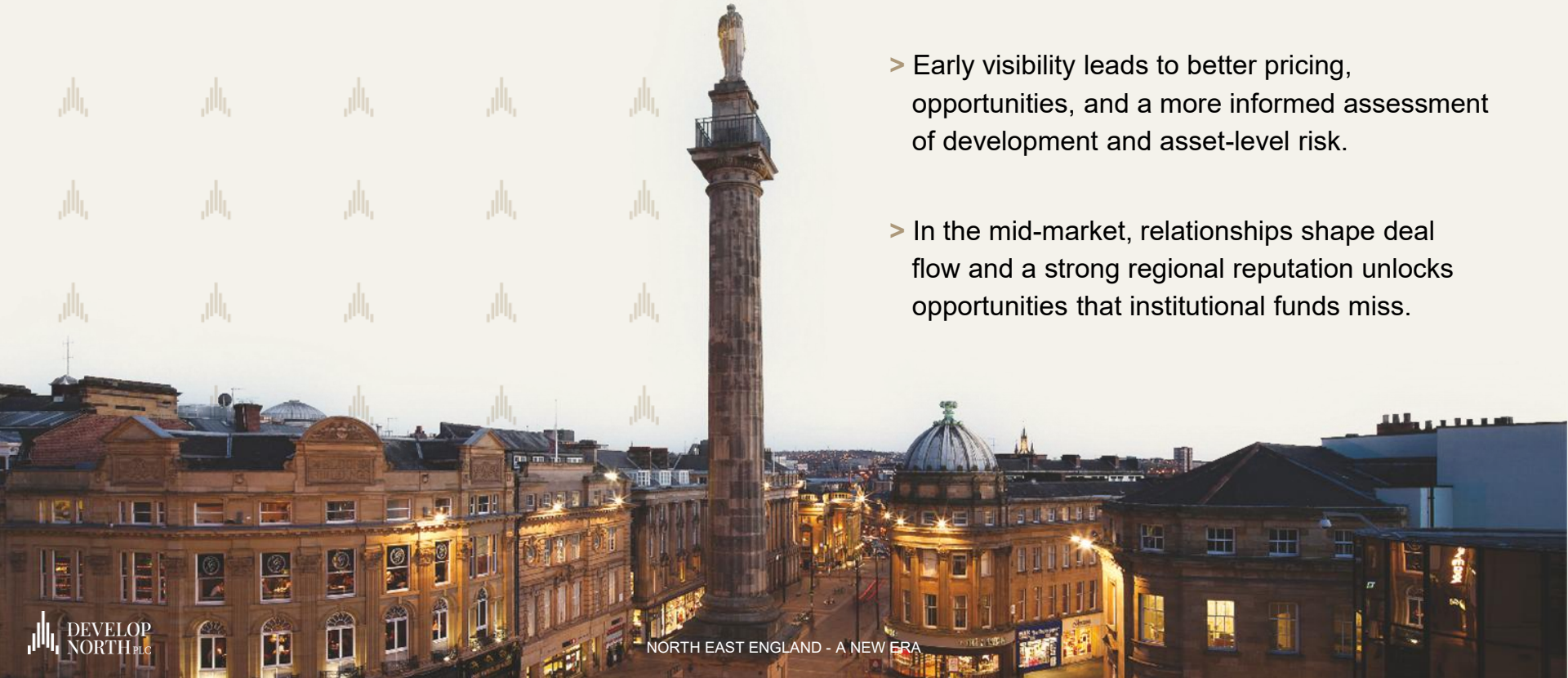


**Phil Moorhouse**

Phil is the former Chairman of Newcastle Building Society, with extensive board and executive experience, and was previously Managing Director UK of Northgate PLC.

# Regional expertise provides unique market access

- > Local roots bring sharper insight into the North East market, with close ties to developers, brokers, and advisers.
- > Early visibility leads to better pricing, opportunities, and a more informed assessment of development and asset-level risk.
- > In the mid-market, relationships shape deal flow and a strong regional reputation unlocks opportunities that institutional funds miss.



# Investment Strategy



# Clearly defined investment strategy

**Our investment strategy is anchored around three deployment strategies:**



## Real Estate Lending

Senior secured lending to create a diversified portfolio of fixed rate loans predominantly secured over land and/or property.

**20-50%**  
of total assets

**c.9.1%**  
Target total shareholder return\*



## Commercial Real Estate

A diversified portfolio of assets by size, location and use classes, including office, logistics, retail and other commercial real estate uses.

**20-50%**  
of total assets

**c.14.0%**  
Target total shareholder return\*



## Residential Real Estate

Predominantly focused on private rented sector assets to lease to Local Authority providers, charities and non-profit organisations and Community Interest Companies.

**20-50%**  
of total assets

**c.12.0%**  
Target total shareholder return\*

**The Company may co-invest alongside other parties in respect of each of the three asset classes.**

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## Real estate lending

- > Senior secured lending to North East property developers, providing predictable income-led returns.
- > Development, bridging and structured finance secured against residential and commercial assets.
- > Diversified exposure across residential housebuilding, commercial development and sale-and-leaseback.
- > Sourced through longstanding relationships with regional brokers and developers. Income generated through interest payments and exit fees.

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Target total  
shareholder return\*

9.1%

Asset manager:  TIER ONE CAPITAL

[www.tieronecapital.co.uk/fund-management](http://www.tieronecapital.co.uk/fund-management)

Developers already supported:

HOMES BY ESH 



BEDE  
HOMES

APARTMENT  
GROUP



## A proven real estate lending platform

- > Track record dating back to 2016.
- > £89.8m deployed across 43 investments, 26 loan exits with average IRR of 9.5% since 2018.
- > Over 40 borrower relationships driving repeat transaction flow.
- > Strong demand for flexible development and bridging finance  
£10.2m deployed into 10 projects in 2025, including four new projects.
- > Strong pipeline built from longstanding relationships with local brokers, professionals and developers.

£89.8m

deployed across 43  
investments



## Commercial real estate

- > Develop North focuses on office, industrial and retail assets across the North East.
- > The strategy targets assets with:
  - Strong tenants and resilient income profiles
  - Clear asset management potential through lease-ups, refurbishment and repositioning
  - Opportunities for environmental upgrades and rental growth
- > The North East commercial market comprises approximately 334m sq ft of floorspace, representing c.5% of England's total commercial stock, providing a broad opportunity set across asset types and locations.<sup>12</sup>
- > Capital is deployed through a pipeline of on- and off-market acquisitions across key regional markets.

<sup>12</sup> Valuation Office Agency, Non-Domestic Rates Database



Asset Manager: **Broadoak**

[www.broadoak-am.uk](http://www.broadoak-am.uk)

Developers already supported:





## Commercial real estate: How returns are generated

**Structured to deliver sustainable income with asset-level upside.**

**Capital deployed across:**

- Development, where risk-adjusted returns are attractive
  - Refurbishment, upgrading under-managed or outdated stock
  - Ownership, holding stabilised assets to generate recurring income
- > Returns generated through rental income, post-refurbishment rental growth and capital uplift.
- > Improved assets benefit from stronger occupier demand, supporting yield compression and total return growth.
- > Income-led strategy with capital growth providing additional upside.
- > Pipeline of over **£175m in commercial real estate opportunities** across the North East.

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**14.0%**  
Target total  
shareholder return\*





## Case Study: Newcastle office repositioning

Lloyds Court and Sixty Grey Street,  
Newcastle upon Tyne

Acquisition in 2019  
£12.5m purchase

Refurbishment  
£1.0m invested

Current value  
£19.5m valuation

ERV growth  
£0.9m to £1.5m

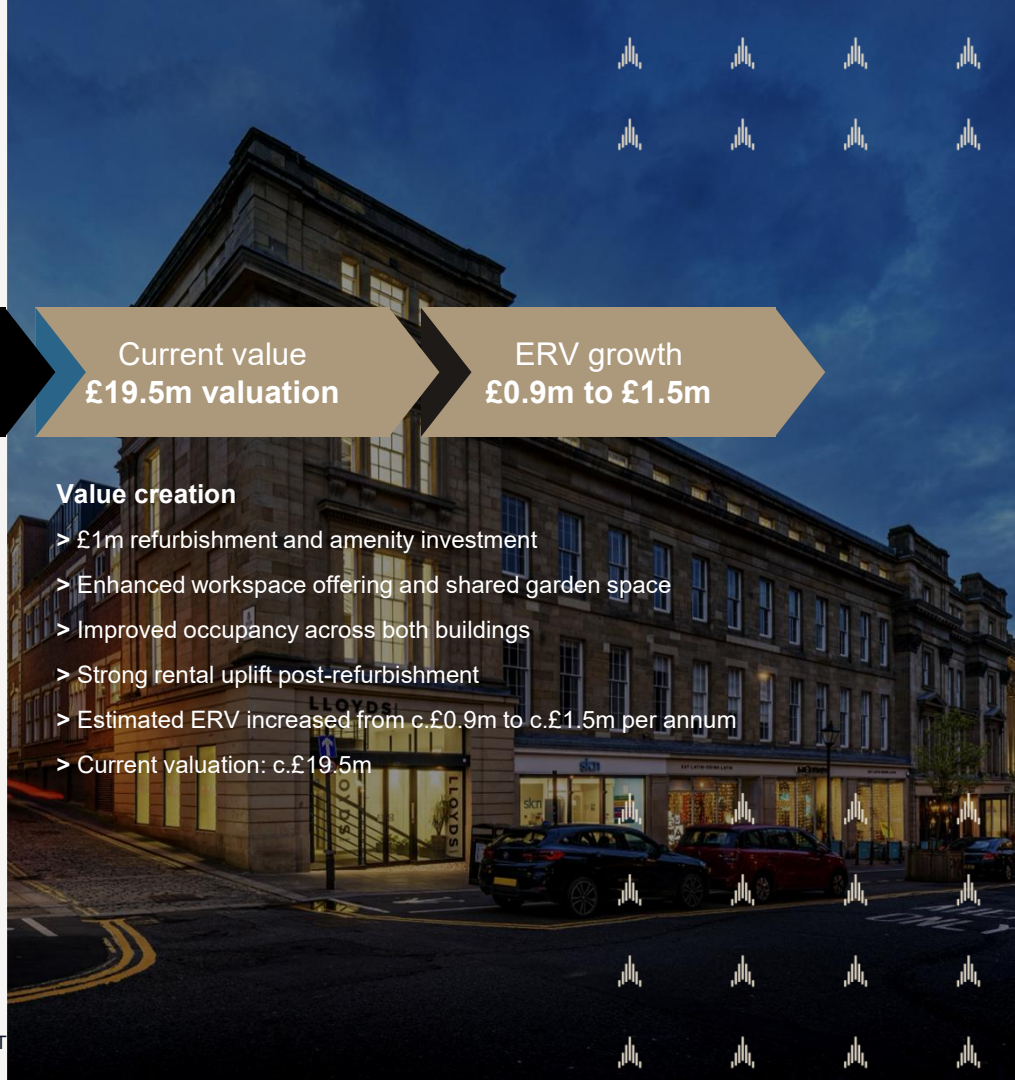
### Investment thesis

- > Prime central Newcastle office assets acquired in 2019
- > Opportunity to reposition and refurbish underutilised space
- > Focus on improving occupier quality, flexibility and amenities
- > Targeted rental growth and stronger occupancy through active asset management

An example of the type of opportunity Develop North will target. Well-located assets where refurbishment and active management can drive income growth and capital value

### Value creation

- > £1m refurbishment and amenity investment
- > Enhanced workspace offering and shared garden space
- > Improved occupancy across both buildings
- > Strong rental uplift post-refurbishment
- > Estimated ERV increased from c.£0.9m to c.£1.5m per annum
- > Current valuation: c.£19.5m





## Residential real estate

- > Focused on residential development, refurbishment and long-term ownership across the North East.
- > Strategy delivers financial returns and positive social impact through a 60/40 allocation between supported/community-led housing and the private rented sector.
- > Supported housing leased to registered providers, charities and community interest companies, providing stable long-term income.
- > Private rented sector exposure targets locations with strong open market demand, rental growth and capital appreciation potential.
- > Target allocation may be adjusted over time to reflect market conditions and investment opportunities.



Asset Manager:  HOMES OR HOUSES  
[www.homesorhouses.co.uk](http://www.homesorhouses.co.uk)

**Examples of charitable housing groups  
already supported:**

**CHANGING  
LIVES**

Moving Up 

**MOVING ON** 

**DASH**  
Development and Support Housing



## Residential real estate: deployment and returns

- > Capital deployed across development, refurbishment and ownership of stabilised assets.
- > Returns generated through a combination of rental income and capital growth.
- > Predominant allocation to supported housing, leased to Registered Providers and Charities, providing secure income with strong covenants and low voids.
- > Balance deployed into the Private Rented Sector where constrained supply and professional tenant demand support income growth and capital appreciation.
- > Income-led strategy with additional upside from asset improvement and longer-term market re-rating.

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# 12.0%

Target total  
shareholder return\*



## Residential investments

### Supported housing – apartment block

- > 17× one-bed apartments
- > £850k acquisition;  
£365k refurbishment
- > 10-year lease to Supported Living
- > £142k per annum income, indexed at CPI +1%
- > **11.68% yield**

### Private rented sector

- > Single residential block - Stockton on Tees
- > 58x one-bed apartments
- > £3.4m (discounted from £3.9m)
- > £390k per annum rental income – prevailing market rate
- > **11.47% yield**



Examples of the types of opportunities Develop North will target.

Demonstrating Develop North's residential strategy in practice, combining secure, income-led assets with selective exposure to capital growth, supported by strong tenant demand and disciplined asset selection.

# Driving long-term value through impact

## Our framework for decision-making

Develop North integrates ESG and regional impact considerations into investment selection, asset management and capital allocation decisions across all three investment strategies.

The framework is designed to support long-term asset resilience, occupier demand, community outcomes and sustainable shareholder returns.

Pillar	What it means for investment decisions	Outcomes targeted
1. Economic Growth & Productivity	Prioritising investments that support regional business activity, productivity and economic growth	Stronger regional economy and investment demand
2. Property Ecosystem and Jobs	Supporting local supply chains, SME participation and regional delivery capability	Job creation, skills growth and stronger regional ecosystems
3. Housing and Social Stability	Investing in high-quality, stable residential and mixed-use environments	Improved housing quality, wellbeing and long-term tenancy stability
4. Inclusive Opportunity	Improving access to employment, skills and economic participation	Broader workforce participation and stronger communities
5. Sustainability and Future-Ready Assets	Enhancing environmental performance, resilience and long-term asset quality	Lower operating risk, improved efficiency and future-proofed assets
6. Place Activation and Clustering	Supporting vibrant places with stronger occupancy, footfall and economic activity	Improved occupier demand, stronger local identity and asset performance

# Summary & conclusion




# Delivering sustainable, long-term returns for investors

Targeting a total shareholder return of  
**10–11% per annum over the next seven years.**

**4% annual capital uplift comprising:**

- > Strong income from Real estate lending, Commercial and Residential Real Estate.
- > Capital uplift of c.4% per annum based on forecast average value increases.

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# 6 - 7%

Dividend of Net Asset  
Value per annum

# Summary of investment proposition

- > Compelling **multi-real estate strategy** aiming to deliver attractive returns alongside growth and prosperity for all.
- > Positioned to capitalise on the North East's **£5.15 billion** devolution deals and significant private sector investments.
- > Backed by a **seasoned, locally embedded leadership team** with deep sector expertise.
- > Combining local roots, specialist fund partners and a **proven track record** to unlock the full potential of the North East.
- > Proven track record: £89.8m deployed, 26 loan exits since inception with **gross loan IRRs averaging 9.5%** on loans written and exited since June 2018.
- > Targeting an average NAV total return of **10–11% per annum** over the next seven years, including **c.4% annual capital uplift** and dividends equivalent to **6–7% of NAV per annum**.\*
- > The company has announced its intention to **raise up to £300m** through a series of placings and offer for subscription. A prospectus has been published and is available on the website.

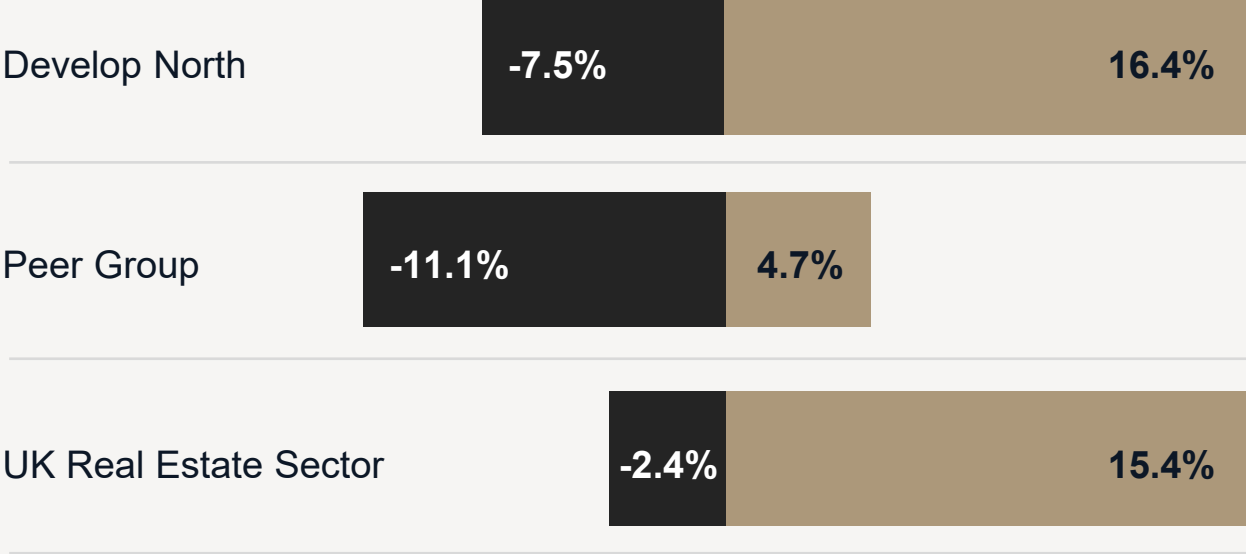
For more information, please visit <https://developnorth.co.uk/>

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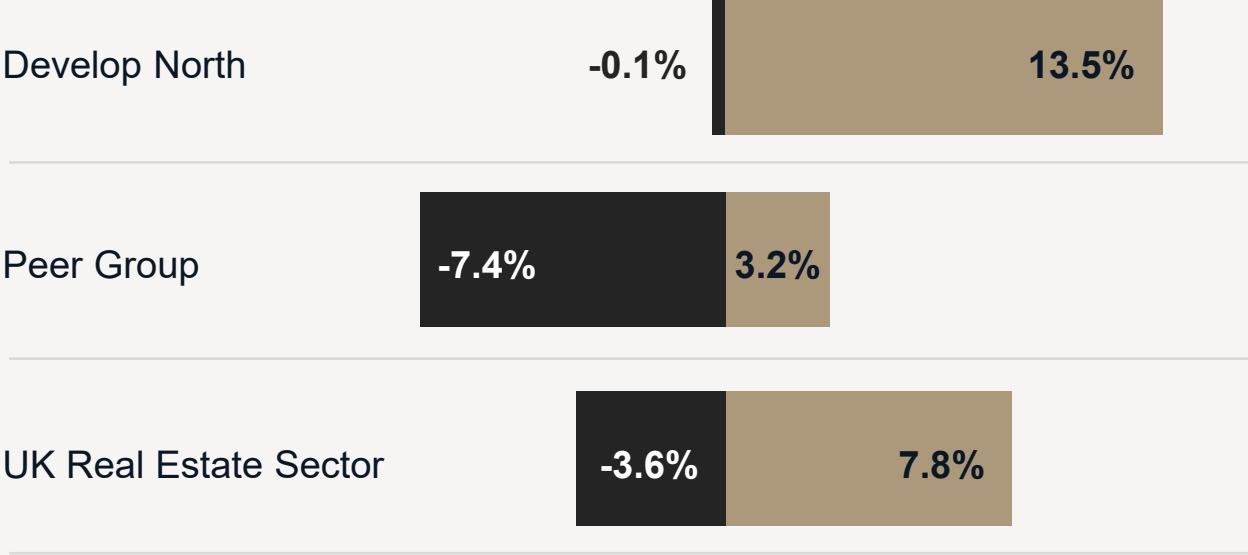
# Appendix



5 Year Returns > NAV (left hand of bar) + Total Return (right hand of bar)



**3 Year Returns > NAV (left hand of bar) + Total Return (right hand of bar)**



# Investment manager fees

## Fees

- > *Base fee*: 0.35% of NAV, charged quarterly in arrears.
- > *Arrangement fee*: Up to 2.5% on loans that are written.
- > *Agency fee*: Up to 20% of borrower margin retained for security trustee and facility agent services.

## Post-£30m Scale Terms

- > Base fee increases to a flat 1.4% per annum on NAV.
- > Arrangement fees shared between investment manager and DVNO.
- > DVNO receives 100% of borrower margins.



PROVIDING ACCESS TO NORTH EAST INVESTMENT OPPORTUNITIES

# North East England A New Era

ROYAL NAVY

ROYAL NAVY



DEVELOP NORTH PLC