Offer of shares in **Howard Street Limited**

20th July 2022

Offer of Ordinary Voting Shares in Howard Street Limited
at NZD $100 per share to raise a minimum of NZD $727,200

Issuer: Howard Street Limited
Company Number: 8374372
NZBN: 9429050577040

Intermediary: PledgeMe Limited
Company Number: 3361892
NZBN: 9429031129879

OPOLY

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Warning Statement

This document has been prepared by Howard Street Limited (HSL). The purpose of this document is in relation to the HSL share offer on PledgeMe. PledgeMe is licenced and regulated by the Financial Markets Authority, and this public share offer made by HSL will only be available through the PledgeMe website.

Warning statement about crowdfunding

Equity crowdfunding is risky. Issuers (companies issuing shares) using PledgeMe's facility include new or rapidly growing ventures. Investment in these types of businesses is very speculative and carries high risks.

You may lose your entire investment and must be in a position to bear this risk without undue hardship. New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision.

The usual rules do not apply to offers by issuers using PledgeMe to raise funds. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment. Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

Forward-Looking Statements

This Information Memorandum contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. The forward-looking statements are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These statements appear in a number of places in this Information Memorandum and include statements regarding BRL's intent, belief or current expectations with respect to BRL's financial position, business strategies, plans and prospects and future prospects of the industry.

In many cases, but not all, forward-looking statements can be identified by forward-looking terms such as "aim", "believe", "could", "estimate", "expect", "forecast", "intend", "may", "might", "outlook", "plan", "possibility", "potential", "probably", "project", "risk", "seek", "should", "target", "will" and other such similar terms. These forward-looking statements are based on current estimates, assumptions and the like that HSL makes to the best of its present knowledge and are subject to risks, uncertainties and such assumptions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, BRL's actual results may vary materially from those forward-looking statements. Potential risks and uncertainties include, but are not limited to, those outlined under Key Risks.

Information in this Information Memorandum

The information contained in this Information Memorandum is general in nature and does not contain all of the information that a prospective investor may require to evaluate a decision to invest in the proposed investment and the risks associated with such investment.

This Information Memorandum has been prepared without any actual or prior knowledge or consideration of the investment objectives, financial situation, taxation position or other particular needs or requirements of any prospective investor.

This Information Memorandum has been prepared in good faith but the information contained within it has not been independently verified.

No Warranties

No representation or warranty is given by any person as to the accuracy, completeness or reliability of any statements, estimates, opinions, assumptions or other information contained in this Information Memorandum. In particular no such representation or warranty is given by any of HSL, Opoly Limited, any entity associated with either of them or any of their respective shareholders, directors, employees or advisers.

Information Memorandum does not constitute financial advice

Nothing in this information constitutes legal, tax or financial advice. Prospective investors should seek their own professional advice on the consequences of investing under the offer.

Letter from the Director

The team at Opoly are property professionals. We love property and we are on a mission to make investing in property easy and accessible to everyone from $100! By crowdfunding properties Opoly gives you a chance to get on the property ownership ladder,

HSL's investment offering to acquire **Unit 3/42 Howard Street, Spreydon, Christchurch** intends to provide Shareholders with regular, passive income from rental returns and possible capital appreciation over time. If HSL is able to achieve a gain on sale of the property, then each investor will also receive a share of that gain.

To facilitate the proposed acquisition, HSL seeks to raise $727,200 of equity.

The Information Memorandum contains important information about the Offer, and I encourage you to read it carefully and seek advice from a financial advisor before making an investment decision. As always, we are here to answer any questions you might have about the Offer.

Steve Brooks
Director

Introduction

This is an Offer for Shares in Howard Street Limited (HSL). The purpose of this Offer is to raise capital ($727,200) to enable HSL to purchase Unit 3/42 Howard Street, Spreydon, Christchurch (the Property). Shares in HSL give you a stake in the ownership of the Property.

The Property is to be purchased from Wolfbrook Residential Limited (a company associated with Opoly Limited).

HSL will be managed by Opoly Limited (the Manager) and the property will be managed by Wolfbrook Property Management (a company associated with Opoly Limited). Further details about the Manager are set out in the Management Agreement available on the campaign page under the details section. By investing in HSL, you are reliant on the operational decisions of the Manager and returns from the property that HSL has invested in.

Shareholders may receive dividends of rental income net of expenses gained from any rental income the Property derives.

The Manager intends to arrange a shareholder vote at five years following the Offer Close Date. The shareholder vote will decide if the property is to be sold immediately via a traditional on market sales campaign OR retained for a further year and the vote held again. A majority of 75% of returned shareholder votes is required to sell the Property.

Prior to the shareholder vote the Manager will provide to shareholders a registered valuation, and any other reports (as reasonably required) alongside the Manager's non-binding recommendation whether to sell or retain the property.

Following the sale of the Property, shareholders will receive their share of the net proceeds of sale (after tax), either by dividend or on liquidation of HSL. Any gain on the sale will be subject to income tax. However, there is no guarantee as to when such a sale can take place or whether a gain on any such sale can be achieved. There is a risk that you may lose some or all of your investment.

As at the date of close of the offer there will be no secondary market for shares in HSL. This means that you will likely be unable to exit your investment for at least 5 years (i.e. until such time as the Property is sold and HSL is wound up). The Manager is proposing to arrange a platform to facilitate the sale of shares to new or existing shareholders at a price agreed between the parties (seller and purchaser). If such a platform is put in place, the Manager proposes to charge transaction fees in respect of any such sale (1% plus GST of the sale price, charged to both the seller and the purchaser). However, the ability to sell will depend on the existence of willing purchasers. Accordingly, regardless of whether any such platform is put in place, you may be unable to exit your investment without incurring a loss or at all.

OPOLY

Invest in real estate from just $100!

The offer at a glance

$100
Share Price

X

7272
Shares

=

Minimum Raise
$727,200
Maximum Raise

You may earn:

Dividends representing share of net rental income (if any) (paid quarterly)

+

Your share of any increase in value (if any) when the Property is sold (after tax)

Offer Opens: July 15th 2022

Offer Closes: September 15th 2022*

Note: Available returns will depend on the performance of HSL. Investors may not receive any return on investment, and may lose all or part of their investment.

*or earlier if the minimum/maximum sum is raised.

Key Terms of Offer

Opoly Limited (Opoly) as Manager of HSL reserves the absolute right in its sole discretion to accept or reject any application in whole or part without issuing any reason.

What is the offer	This is an offer for Shares in HSL, an Opoly Holding Company which intends to acquire an individual residential property. Each Share represents an equal interest in HSL and ranks equally in all respects with any other Shares on issue in HSL. No person guarantees the Shares offered under this Offer, nor warrants or guarantees the future performance of HSL, the Shares or any return on investment pursuant to this Offer.
Product on Offer	Ordinary Voting Shares in HSL
Offer Opens	20 July 2022
Offer Close Date	15 September 2022 or earlier if the Minimum amount is raised
Total Shares on Offer	7272 Ordinary Voting Shares
Price per Share	$100 NZD
Minimum and Maximum Investment	The minimum investment is $100 NZD with only multiples of $100 NZD thereafter. No investor entity may hold over 20.00% of the proposed post-issue total number of shares. For the purposes of this Offer, the maximum investment is $145,440 NZD.
Minimum Investment Target	$727,200 (for 100% of the company)
Proposed Shareholder vote to sell or hold	HSL will call a shareholder vote 5 years after the Offer Close Date to decide whether to sell the Property. A majority of 75% of returned shareholder votes is required to decide to sell the Property. If the Property is not sold BRL's constitution provides for there to be further shareholder votes each subsequent 12 months to reconsider the ongoing holding or disposal of the Property.
Maximum Investment Target	$727,200 (for 100% of the company)
Forecasted Returns	Forecasted 7.4%* average pre-tax return p.a. over 5 years (subject to sale at year 5). These forecasted returns are not guaranteed.
Investment Process	See page 14, "Investment Process"
Overseas Investors	The offer is not open to overseas persons

This information is a summary only of the key terms of this offer, including as set out in the Subscription Agreement and HSL Constitution. The Offer is made under the Subscription Agreement and is subject to the attached Shareholder Resolutions, HSL Company Constitution, Management Agreement and Wolfbrook Property Management Agreement. We recommend you read these documents in full before subscribing for any shares under this Offer. All of these documents are provided on the campaign page.

Key Risks

Timing of exit

The timing of selling the Property is dependent on 75% of returned shareholders voting to sell the Property after the initial 5-year term has been reached. If the Property is retained post shareholder vote HSL's company constitution provides for further shareholder votes each subsequent 12 months to reconsider the sale of the property.

Uncertainty of exit

Selling a property is uncertain and there is no guarantee that there wil be willing purchasers or that a gain on sale will be achieved, when the Property is sold. The gain on sale Opoly intends to facilitate to HSL investors, is entirely dependent on the property market and the presence of willing purchasers at the proposed time of sale and the price they are willing to pay.

Defects and deterioration

During the holding period, key risks are defects, deterioration, and damage caused by general wear and tear, as well as possible damages caused by tenants. This means that the Property value may be adversely affected. However, mitigating these risks the Property will be insured at all times and a bond will be held by the New Zealand Tenancy Services.

Decrease in rental income

During the holding period the Manager will endeavour to rent the Property at the highest possible amount while ensuring the Property achieves maximum occupancy. This is dependant on the ability of the Property Manager and the demand of the rental market. If the Manager does not perform to required standards, there is a risk of potentially lower returns or even an operating deficit (rental received not covering expenses).

Break-down of funds raised

Property Purchase - Unit 3/42 Howard Street	**$720,000**
Opoly Acquisition Fee	**$3,600**
Opoly Legal Fee	**$3,600**
Gross amount raised in the Crowdfunding Campaign	**$727,200**

* All amounts are expressed in New Zealand Dollars and are inclusive of GST

Opoly Acquisition Fee: This is the amount paid to Opoly Limited for sourcing the Property

Opoly Legal Fee: This is the amount paid to Opoly Limited to cover all legal expenses incurred in the acquisition of the Property

Management Fees: Note that there will be two annual management fees (as set out in the table on page 12). These are each proposed to be funded from the annual rental income of the Property. The Opoly Management Fee is to be paid to Opoly Limited for managing HSL. The Property Management Fee is to be payable to Wolfbrook Property Management Limited for managing the Property.

Pledge Me Fee: Pledge Me Limited will be paid a fee of $15,000 +gst by Opoly Limited for the cost of facilitating the crowd funding campaign. Opoly Limited will recover the fee from the vendor of the Property, Wolfbrook Residential Limited.

The Property

3/42 Howard Street, Spreydon, Christchurch

Recently completed by Wolfbrook Residential in April 2022, 3/42 Howard Street, Spreydon is an architecturally designed townhouse within 4km of Christchurch central city.

Located in a quiet street, this two-bedroom townhouse includes a garage, a much sought-after feature often missing from city fringe developments. Open plan kitchen and living areas lead out to secure and private courtyard. The two bedrooms are upstairs as is the bathroom with an additional guest toilet located downstairs.

With modern appliances, blinds throughout, and keyless entry front door this new home is ready for tenants to move in.

Location

A quiet location less than 4km from the centre of Christchurch, 42 Howard Street offers the best of suburban and city living.

Positioned well for access to many amenities including supermarkets, medical centres and Barrington Shopping Centre. Hagley Park and the Christchurch Adventure Park are handily located within 5km. Zoned for Christchurch South Intermediate, there are also pre-schools and primary schools nearby.

Rental Appraisal

The Property has received a rental appraisal from Bayleys based on the rental market at the date of the capital raise. The weekly rental has been appraised at $490-$520 per week. The Property is currenting untenanted awaiting the outcome of this raise. If the raise is successful and the Property is purchased the property manager will immediately seek to find a suitable tenant **and put** a tenancy agreement in place.

Based on the rental appraisal the following budget has been prepared for the first year of ownership:

Income	Weeks	Rental	Total
Rental per week	52	$500	$26,000
Less expenses:			
Wolfbrook Property Management Fee	8% +gst		$2,392
Opoly Management Fee			$3000
Letting fee			$500
Repairs & Maintenance			$1,300
Christchurch City Council Rates			$2,250
Insurance			$2,500
Sub Total			**$11,942**
Potential surplus available for distribution			**$14,058**

* All amounts are expressed in New Zealand Dollars and are inclusive of GST

12 July 2022

Steve Brooks
steve@wolfbrook.co.nz

Re: Rental Assessment: 3/42 Howard Street, Spreydon

Dear Steve,

Thank you for the opportunity to appraise the above property and provide you with a current market assessment.

We base our assessment on a range of criteria, including similar properties currently available, rental statistics for the area, and our experience.

Based on the current market, we believe fair market rent would be between **$490- $520 per week** unfurnished.

If you have any questions regarding the management or rental of this or other properties, please feel free to contact me on 03 375 4805 or 021 526 424.

Regards

Becky Wilson-Scott
NZRPM Level 4 Certified Property Manager
Senior Property Manager
B 375 4700 | DDI 03 375 4805| M 021 526 424| bayleyspm.co.nz

Appraisal valid for 30 days

Whalan and Partners Ltd, Bayleys, Licensed under the REA Act 2008
3 Deans Avenue, Riccarton, PO Box 36533, Merivale, Christchurch 8146, New Zealand.

Forecast Returns

Rental Returns

The Manager is forecasting a potential surplus derived from rental revenue after expenses. Any surplus will be distributed to shareholders on a quarterly basis via the payment of dividends.

Capital Returns

The median house price of properties in Spreydon, grew 7.9% per year over the last 5 years. Source: REINZ However, we do not expect the same rate of growth over the hold period and have adopted a more cautious view based on information currently available in the market and our experience within the Christchurch market.

	Year 1	Year 2	Year 3	Year 4	Year 5
Percentage Growth	3.5%	4.0%	4.5%	6.5%	7.0%
Forecast Property Value	$745,200	$775,008	$809,883	$862,526	$922,903

Forecast Total Returns over 5 year initial period

Rental Distribution $9.67 + **Capital Gains $28.00** = **Total $37.67**

Example forecast returns over 5 year initial period:

Per Share		5 Years
$100	→	$137.67

Note: available returns depend on the performance of HSL.
Investors may not receive any return on, and may lose all or part of their investment.

Capital growth is an increase in the value of an asset or investment over time. It does not consider adjustments for Consumer-Price Index (CPI). Capital growth is measured by the difference between the current value, or market value, of an asset or investment and its purchase price, or the value of the asset or investment at the time it was acquired. We note that market conditions may change during the term of the Investment. *Historical performance is not indicative of future performance.

Blending

The Manager

HSL has engaged Opoly Limited (the Manager) to assist with the crowdfunding campaign, and to provide operational management and company secretarial services. Opoly Limited is made up of property experts whose passion is property.

Steve Brooks Director and Shareholder

Steve has been involved in property from a young age, at the age of 14, Steve became the youngest real estate agent in New Zealand.

After buying his first investment property at age 16, by the age of 18, Steve had built up a portfolio of investment properties and moved into property development. He then spent the next two years building and selling properties throughout the country. In the wake of the 2008 Global Financial Crisis, Steve took a hiatus from property to pursue other business opportunities, including creating one of the first tax refund companies in New Zealand.

Following the Christchurch earthquake in 2011, Steve took the opportunity to start purchasing 'as is where is' properties and, over the next few years, built up an impressive commercial portfolio, along with continuing to build his residential property portfolio.

Steve is a Director of Wolfbrook Property Group of one of New Zealand's largest residential property developers. Additionally, Wolfbrook has business divisions in Property Management, Acquisition & Trading, and operates Wolfbrook Capital.

James Cooney Director and Shareholder

In 2009, after graduating from Lincoln University with a BCom VPM (Valuation and Property Management) degree, James began his professional career working at Simes (now Bayleys/KnightFrank) as a commercial property agent.

Following the Christchurch earthquake in 2011, James sold three sites to developers, of which he then presold over thirty million dollars in new industrial units. Over the following 18-months, James also began trading and selling in what would become known as the 'as is where is market'.

James is a Director of Wolfbrook Property Group, one of New Zealand's largest residential property developers. Additionally, Wolfbrook has business divisions in Property Management, Acquisition & Trading, and operates Wolfbrook Capital.

Guy Randall Chief Executive Officer

Guy grew up in a family with a background in finance and commerce but quickly found success in another industry; hospitality. Having owned some of the most awarded hospitality venues from the young age of 23, Guy made his way back towards finance in 2009 co-founding a pioneering finance business the same year.

More recently Guy has held Executive roles in finance and property development firms and is currently Chief Executive Officer of Wolfbrook Property Group, one of New Zealand's largest residential property developers. Additionally, Wolfbrook has business divisions in Property Management, Acquisition & Trading, and operates Wolfbrook Capital.

The Company

HSL has been established with the purpose of purchasing 3/42 Howard Street, Spreydon, Christchurch. The goal of HSL is to deliver Shareholders regular, passive income, and capital appreciation over time. The strategic investment objectives will be:

- Ensure rental revenue is maximised through high occupancy and rental rate.
- Achieve capital gains at the point of disposing of the underlying asset.

HSL currently does not have any assets, liabilities or shareholder equity. The pre offer and post offer balance sheet below.

BALANCE SHEET	PRE OFFER	POST OFFER
Assets		
Current Assets	$0	$0
Cash/Bank Balance	$0	$0
Non Current Assets	$0	$0
Property & Equipment	$0	$720,000
Liabilities		
Current Liabilities	$0	$0
Non Current Liabilities	$0	$0
Balance	**$**	**$720,000**
Equity		
Ordinary Shares	$	$720,000
Accumulated Deficit	$	$7,200
Total Owners Equity	$	$727,200
Balance	**$**	$720,000

Shares and shareholders

Share structure

HSL will have only one class of Shares: Ordinary Voting Shares.

Type	Rights
Ordinary Shares	* The right to one (1) vote at a meeting of the Company on any Resolutions * The right to an equal share in dividends authorised by the board: and * The right to an equal share in the distribution of the surplus assets of the Company * All other rights conferred to shareholders under the Companies Act & Company constitution

Share holding; pre and post investment

Currently, Opoly Limited holds all shares in HSL. Following a successful Crowdfunding Campaign (where the Minimum Investment Target is reached) existing shares on issue held by Opoly Limited will be cancelled for $0. Within 14 business days of a successful Crowdfunding Campaign and, subject to compliance with relevant laws and requirements of the business PledgeMe platform, Ordinary Voting Shares will be issued to investors under this Offer, as seen in the table below.

	PRE		POST (max investment)	
	Shares	Proportion		Proportion
Opoly Limited	1	100%	0	0%
Crowdfunding Investors	0	0%	7,272	100%

Share Register

HSL will engage the Manager to manage the share register and related matters.

Investment Process

Investors' subscription monies will be held in a trust account established by PledgeMe from subscription to the date on which Shares are issued to Subscribers.

In the event of a successful Crowdfunding Campaign, it is intended legal ownership of the property will be transferred to HSL, within 21 days from the Offer Close Date, and subject to the Ordinary Voting Shares having been issued to the relevant investors.

Future capital raising plans

HSL has no further capital raising plans. As noted above, HSL is to be wound up following the sale of the Property. It is intended following this, all funds and surplus assets (if any) after tax will be returned to HSL shareholders.

Taxation

HSL will register with Inland Revenue as a limited liability company and pay tax at the prevailing corporate tax rate - presently 28%. All tax payments will be recognised as credits to HSL's imputation account and will be attached as imputation credits (ICs) in the event of distributions of profits made to investors. The company will pay tax on both income and capital gains (if any) and investors will pay income tax on dividends (to the extent imputation credits not sufficient to offset). In some circumstances, investors who borrow funds to make their investment in HSL will be entitled to claim a tax deduction for any interest paid on those borrowed funds during the year which will further reduce their tax payable on any dividend received.

In most circumstances the purchase and on-sale of domestic property is exempt from Goods & Services Tax. As a result HSL:

- will not register for GST with Inland Revenue and will not claim a GST input tax credit upon the purchase of the property;
- will not have to pay GST on the future sale of the property

Likewise, GST is not payable by the investor:

- on the purchase of shares in Howard Street Limited
- on any dividends received from Howard Street Limited during the term of the investment, or
- on the distribution of any gains on the wind up of the investment

This exempt GST treatment ensures that the investment is not subject to the Goods & Services Tax regime.

Related Parties

Opoly Limited	Opoly Limited will manage HSL. The services Opoly Limited will provide to HSL will include operational management and company secretarial services. Opoly is owned by Steve Brooks and James Cooney.
Wolfbrook Residential Limited	Wolfbrook Residential Limited is the pre-raise owner of 3/42 Howard Street and will sell the property to HSL if a successful capital raise is completed. Wolfbrook Residential Limited is 96.7% owned by Wolfbrook Property Group Limited (which is owned by trusts associated with Steve Brooks and James Cooney).
Wolfbrook Property Management Limited	Wolfbrook Property Management Limited will provide day to day property management services to HSL including tenant selection and vetting, rental distribution, procurement of repair and maintenance. Wolfbrook Property Management Limited is owned by Steve Brooks and James Cooney.
Steve Brooks	Director of HSL, Opoly Limited, Wolfbrook Residential Limited and Wolfbrook Property Management Limited. Owns 50% of the shares in Opoly Limited and Wolfbrook Property Management Limited. A trust associated with Steve has a 48.4% interest in Wolfbrook Residential Limited.
James Cooney	Director of Opoly Limited, Wolfbrook Residential Limited and Wolfbrook Property Management Limited. Owns 50% of the shares in Opoly Limited and Wolfbrook Property Management Limited. A trust associated with James has a 48.4% interest in Wolfbrook Residential Limited.
Guy Randall	Chief Executive Officer of Wolfbrook Property Group Limited. Wolfbrook Residential Limited is a subsidiary of Wolfbrook Property Group Limited.

More Information

Applications for this Offer may only be made via PledgeMe's website. More information about the offer and HSL will be disclosed and updated via the PledgeMe website (https://pledgeme.co.nz) and the Opoly website (https://opoly.co.nz). The Offer does not constitute, and is not intended to be, an offer in any places or to any persons outside of New Zealand where such an offer is not authorised or is illegal. Without limiting the previous statements, HSL reserves the right to decline any application or notice of intention to make any application from a person outside of New Zealand, an overseas person or any other person at its absolute discretion and without issuing any reason.

Contact

If you need any assistance with the application process, or if you have any questions please get in touch via email at: contact@opoly.co.nz