

THE PRIVATE INVESTOR'S GUIDE

Manufactured returns from *UK* *real estate.*

A practical brief on how we source, structure, and deliver high-margin property deals – and how serious investors partner with us to participate.

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Bath · Bristol · South West UK

FOREWORD

A different kind of property investor.

For most people, "property investing" still means the same thing it meant thirty years ago — buy a house, find a tenant, hope it appreciates. It works. Slowly. With a lot of capital tied up. And almost entirely at the mercy of a market you don't control.

That's not what we do.

At **Strategic Insights Management** we operate as developers, not landlords. We acquire underutilised commercial buildings — tired offices, former banks, redundant mixed-use stock — and convert them into high-demand residential units. We don't wait for the market to move; we engineer the uplift ourselves through acquisition discipline, planning strategy and controlled delivery.

This brief is written for investors who'd rather earn returns from a structured, professionally-managed development programme than chase yield in a saturated buy-to-let market. It explains *exactly* how we find deals, what the economics look like, how your capital is structured, and how risk is managed.

Read it end-to-end. If the model fits how you want to deploy capital, the last page tells you how to take the next step.

— Rhyse Cronin

FOUNDER, STRATEGIC INSIGHTS MANAGEMENT

INSIDE THIS BRIEF

What you'll learn.

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01

CHAPTER ONE

The opportunity — and *why now.*

A confluence of policy, demographics and distressed commercial stock has created one of the most asymmetric property opportunities in a generation. Here is what's actually changing — and why investors with a developer partner are positioned to benefit.

MARKET CONTEXT

Three structural shifts converging at once.

The UK property market in 2026 is not the market most investors are still positioned for. Three structural forces have changed the playing field — and each one favours developers who can convert commercial assets into residential supply.

300k	~230k	Class MA
GOVERNMENT TARGET NEW HOMES / YEAR	ACTUALLY DELIVERED EACH YEAR	PERMITTED DEVELOPMENT COMMERCIAL → RESI

1 · A persistent housing shortfall

The UK has been under-supplying housing for two decades. Government targets sit at roughly 300,000 new homes annually; recent delivery has hovered between 220,000 and 240,000. That gap compounds into sustained pricing pressure, particularly in supply-constrained corridors like the South West.

2 · Distressed commercial stock

Post-pandemic shifts in office work and the structural decline of high-street retail and banking have left vast amounts of commercial floorspace either vacant or massively underutilised. Vendors are increasingly motivated; pricing rarely reflects the asset's residential potential.

3 · Permitted Development rights (Class MA)

Since March 2021, Class MA has allowed conversion from Class E commercial (offices, retail, light-industrial mix) into Class C3 residential without a full planning application — subject to prior approval. This single legislative change collapses the planning risk that historically blocked these projects, and it is the single biggest reason this strategy is repeatable today.

"The cheapest way to add a new home in the UK in 2026 is not to build one — it's to convert one that already exists."

— STRATEGIC INSIGHTS MANAGEMENT THESIS

WHY THE SOUTH WEST

Geography matters. We focus where the maths works.

We concentrate our acquisitions in **Bath, Bristol and the surrounding South West corridor**. The reason is straightforward: this region combines genuine residential demand, strong tenant covenant, and a meaningful stock of underutilised commercial buildings – the three ingredients required for the strategy to function repeatably.

- ◆ **Tight rental market.** Bristol consistently ranks among the UK's fastest-growing rental markets outside London, with two-bed apartment rents rising materially year on year.
- ◆ **Strong occupier covenant.** Bath's heritage, university and tourism economy underpin both rental and sale demand at the mid-to-upper end.
- ◆ **Available commercial stock.** The region has a deep inventory of mid-sized offices and former retail bank buildings – exactly the asset profile Class MA was designed for.
- ◆ **Realistic delivery costs.** Build costs in the South West are notably below London and the South East, protecting margin without compromising specification.

What this means for an investor

You're not betting on a market call. You're not assuming house prices keep rising. You're not exposed to long, speculative ground-up build programmes. You're capital-partnering with a developer who is buying mispriced commercial assets in a region with verified residential demand, and converting them under a planning regime that has already removed the largest historical risk.

This is a fundamentally different return profile to buy-to-let. The next chapter explains exactly why traditional rental property is no longer the efficient capital deployment most people still assume it to be.

CHAPTER TWO

Why traditional buy-to-let is no longer enough.

Buy-to-let still works for some investors. But the maths is meaningfully worse than it was a decade ago, and most operators are now running into structural ceilings that no amount of effort can lift.

THE FRICTION	WHAT'S ACTUALLY HAPPENING
Yield compression	Gross BTL yields in many UK markets now sit at 5–6%. Net of mortgage, voids, maintenance, insurance and management, the real return frequently falls below 3%.
Section 24 tax drag	Mortgage interest is no longer fully deductible against rental income for individual landlords. Higher-rate taxpayers have seen effective tax rates on rental profit climb sharply since the rules fully phased in.
Capital lock-up	Each property requires its own deposit, its own mortgage, and its own management overhead. Scaling beyond a handful of units becomes a full-time job, not a passive investment.
Regulatory burden	Tightening EPC requirements, the Renters' Rights framework, licensing schemes and stricter HMO rules continue to push operating costs up and flexibility down.
Market dependency	Buy-to-let returns rely on two things you don't control: house price inflation and rental growth. Both can stall — and both have.

THE TAKEAWAY

Buy-to-let is a passive bet on a slow market. Value-add development is an active programme where the return is engineered through specific, repeatable actions — and where the investor's capital does the work without the operating burden.

CHAPTER THREE

We manufacture value. We don't wait for it.

The defining feature of our model is that the uplift is created by us — through specific, controllable interventions — rather than handed to us by a rising market.

Every project follows the same logic. Acquire an asset that is underpriced relative to its true potential, restructure it through planning and design, deliver the conversion under tight cost control, then exit cleanly via refinance or sale. The return profile is built around four discrete value drivers, each of which can be measured and underwritten in advance.

This is why we describe ourselves as developers, not investors. Investing in property is what most people mean when they buy a buy-to-let; *developing* property is an entirely different exercise — and the returns reflect that distinction.

OUR DISCIPLINE

Every deal must clear our internal appraisal model before a single pound of capital is committed.

If the post-conversion GDV doesn't comfortably exceed total project cost — including finance, contingency, professional fees and a margin of safety — the deal does not proceed. Discipline at the underwriting stage is what makes the rest of the process predictable.

"Property development isn't a market call. It's an execution problem dressed up as a financial one."

CHAPTER FOUR

The four levers of manufactured value.

Every development we undertake is engineered to create uplift across four independent levers. Each can contribute meaningfully to the final return on its own; the projects we approve typically deliver value through all four simultaneously.

01 Acquisition discipline — buying below market value

We source through off-market channels, distressed disposals and direct-to-vendor approaches. The properties we target are mispriced because their highest-and-best-use is not residential *today* — but will be after intervention. The discount on entry is the first lever and the hardest to fake.

02 Spatial optimisation — maximising usable area

Commercial buildings are routinely laid out for purposes that have nothing to do with their current best use. We re-plan the layout to maximise Gross Internal Area, increase unit count where viable, and convert dead circulation, storage and underused floors into sellable or lettable space.

03 Planning uplift — Class MA and full applications

This is often the single largest contributor to value. Using Permitted Development (Class MA) or full planning applications, we change the legal use of the building, unlocking residential value out of commercial pricing. This is where market-rate maths becomes manufactured-value maths.

04 Controlled build delivery

We manage build costs, contractor relationships and programme directly. Margin in this business is preserved or destroyed at the build stage, so we treat cost control, sequencing and trade management with the same rigour as the original underwriting.

ASSET PROFILE

What a Strategic Insights deal actually looks like.

Not every commercial building is a candidate. We're looking for a very specific profile of asset – one where each of the four value levers can credibly contribute, and where the local resi market will absorb the finished product cleanly.

Buildings we target

- ◆ Mid-sized offices (typically 200–1,000 sqm) in or adjacent to residential corridors
- ◆ Former bank branches and high-street commercial units with residential potential above
- ◆ Mixed-use properties where the upper floors are under-let, vacant or poorly configured
- ◆ Redundant or partially-let commercial buildings with motivated vendors
- ◆ Class E (commercial / business) assets eligible for Class MA conversion

Buildings we walk away from

- ◆ Listed structures where planning constraints would suppress the uplift
- ◆ Sites with environmental, contamination or structural risks that erode contingency
- ◆ Areas with weak resi demand or oversupplied local lettings markets
- ◆ Anything where the GDV doesn't comfortably clear our minimum margin threshold

DISCIPLINE OVER VOLUME

We see hundreds of properties for every one we pursue. The filter is non-negotiable – and it is the reason the deal economics in the next chapter look the way they do.

05

CHAPTER FIVE

An *illustrative* deal, walked through.

The numbers on the following page are not from a specific past project — they reflect the typical economics we underwrite when assessing a commercial-to-residential conversion of this scale. Real deals vary; the framework does not.

WORKED EXAMPLE

How a £600k commercial asset becomes a £1.4m residential outcome.

This is a representative project: a mid-sized commercial building acquired below market, converted under Class MA to a small block of residential units, and exited via refinance or onward sale. All figures are illustrative and rounded for clarity.

Acquisition price (commercial)	£600,000
Stamp duty, legal, due diligence	£28,000
Refurbishment & conversion build cost	£300,000
Professional fees (architect, planning, QS)	£22,000
Finance costs over project life	£40,000
Contingency (~5%)	£18,000
Total all-in project cost	£1,008,000
Gross Development Value (post-conversion)	£1,400,000
Gross development profit	£392,000

How the profit is built

The uplift is the product of all four levers working together: the commercial-to-residential reclassification (largest single driver), spatial reconfiguration to add a unit, build-cost discipline, and a disciplined acquisition price relative to the assessed end value. Strip any one of those out and the deal becomes ordinary.

All figures shown are illustrative and reflect representative underwriting assumptions for a deal of this size in our target geography. They are not a forecast, a guarantee, or a record of a specific completed transaction. Every deal we present to investors comes with its own appraisal, sensitivity analysis and risk disclosure.

CHAPTER SIX

How your capital fits into a deal.

Investor capital does one job in our model: it secures the asset. The build, the conversion and the working capital are funded separately through professionally-arranged development finance. That structure is what allows your exposure to stay focused and your returns to stay structured.

The investor's role

You provide **purchase equity** – the capital required to acquire the property and cover acquisition costs. Your capital is deployed at acquisition, secured against the asset, and returned at exit with the agreed return on top.

The developer's role

We handle everything else:

- ◆ Off-market and direct deal sourcing
- ◆ Underwriting, appraisal and feasibility
- ◆ Legal due diligence and acquisition
- ◆ Planning strategy (Class MA or full application)
- ◆ Development finance arrangement via our specialist broker
- ◆ Build cost control, contractor management and programme delivery
- ◆ Exit execution – refinance, onward sale, or both

How development finance fits in

The construction phase is funded through senior development finance – a specialist, asset-backed lending facility arranged in parallel with the acquisition. This means the build is paid for by the lender against agreed drawdowns and milestones, not by you. Your capital sits at the acquisition layer; the build is leveraged professionally on top of it.

WHY THIS MATTERS

It means your capital is not exposed to the day-to-day build cashflow. It is secured against a tangible asset, with a clearly-defined exit, and structured so that the developer carries the execution risk while you participate in the financial outcome.

CHAPTER SEVEN

Two ways to participate. You choose the risk profile.

Every investor partnership we structure falls into one of two clean shapes: a **fixed return**, agreed upfront, or a **profit share**, aligned to the final project outcome. Both are documented through formal legal agreements; both are secured against the underlying asset.

	FIXED RETURN	PROFIT SHARE
Return profile	Typically 10–12% annually , agreed at the outset	Agreed share of the final project profit , paid on exit
When paid	On exit (refinance or sale)	On exit (refinance or sale)
Upside	Capped at the agreed rate	Uncapped — directly linked to project performance
Predictability	High. You know your number from day one.	Variable. Depends on actual delivered margin.
Best suited to	Investors who prioritise certainty and capital preservation	Investors who want maximum exposure to the developer's performance
Capital secured against	The underlying property asset	The underlying property asset
Legal documentation	Loan or investment agreement with charge over the asset	Joint Venture agreement with defined waterfall

WHICH IS RIGHT FOR YOU?

Most investors begin with a fixed return on their first deal and move to a profit share once the relationship and the model are proven. We'll walk you through both before any commitment.

CHAPTER EIGHT

How your capital is protected.

Property development carries real risks — construction overruns, planning friction, market timing on exit. Our job is to identify, price and structurally mitigate those risks before they touch investor capital. We do that through the same five-layer framework on every project.

01 Security over the asset

Investor capital is secured against the property itself. The legal mechanism is determined deal-by-deal but is always documented and registered before funds are drawn.

02 Independent legal counsel

Every investor partnership is documented through formal agreements drafted and reviewed by qualified property and corporate solicitors. You are welcome — and encouraged — to use your own legal representation alongside ours.

03 Pre-committed exit strategy

No deal proceeds without a defined exit pathway on day one — typically a refinance onto long-term residential lending or an onward sale of the finished units. We do not enter projects where the exit is speculative.

04 Internal appraisal & sensitivity testing

Every deal is stress-tested against build cost overrun, planning delay and exit value softening. If the project doesn't survive sensible downside cases, it does not proceed to acquisition.

05 Transparent reporting throughout

You receive structured project updates at each phase — acquisition, planning, build commencement, milestones, completion and exit. No surprises, no opacity, no chasing for information.

No property development is risk-free. Our model is designed to make risk visible, priced and mitigated — not to pretend it doesn't exist.

CHAPTER NINE

Project lifecycle, phase by phase.

A typical commercial-to-residential conversion runs over 12 to 18 months from acquisition to exit. Timelines vary by project scale and planning route; the phases themselves do not.

PHASE 01

Weeks 0–4

Sourcing & appraisal

Deal identification, viability modelling, planning feasibility, internal appraisal sign-off. Roughly 1 in 30 candidate properties clears this stage.

PHASE 02

Weeks 4–12

Acquisition & legal

Offer, heads of terms, legal due diligence, finance arrangement, completion. Investor capital is deployed at completion; security is registered.

PHASE 03

Weeks 12–26

Planning

Class MA prior approval submission, or full planning application where required. Design team engaged, drawings finalised, conditions discharged.

PHASE 04

Weeks 26–60

Build & conversion

Contractor mobilised, drawdowns against development finance milestones, progress reporting to investors at each stage gate.

PHASE 05

Weeks 60–72

Exit

Practical completion, marketing, refinance onto residential lending or onward sale of completed units. Investor capital and return paid out on exit.

CHAPTER TEN

Meet the developer.



Rhyse Cronin

FOUNDER · STRATEGIC INSIGHTS MANAGEMENT

Rhyse founded Strategic Insights Management to do one thing properly: take undervalued commercial property in the UK and turn it into high-quality residential stock, on behalf of investors who'd rather earn returns from a structured development programme than chase yield in the buy-to-let market.

His background sits across interior reform, residential and commercial conversions, HMO operations, and joint-venture partnerships. He operates the business hands-on — every project goes through his desk before it reaches an investor, and he is directly involved in design, build and delivery.

OPERATING FOCUS

- ◆ Joint Venture partnerships with private investors
- ◆ Commercial-to-residential conversions (Class MA & full planning)
- ◆ HMO design and operation
- ◆ Interior reform and high-spec residential delivery

"Property is a discipline business. The deals that work are the ones where the same standard is applied to acquisition, to planning, to build, and to exit. Cut a corner on any one of them and the whole thing falls apart."

— RHYSE CRONIN, FOUNDER

CHAPTER ELEVEN

The questions investors actually ask.

Q. What's the minimum investment?

Minimums vary by project, but most of our deals are structured for investor commitments in the range of **£100,000 to £500,000** of purchase equity. We'll walk you through specifics once we understand your position.

Q. How long is my capital tied up?

A typical project runs **12–18 months** from acquisition to exit. Your capital is returned, with the agreed return, when the project completes – either via refinance onto long-term lending or via onward sale of the completed units.

Q. Is my capital secured?

Yes. Every investor deployment is secured against the underlying property through a formal legal mechanism – typically a registered charge – and documented in agreements drafted by qualified property solicitors.

Q. What if the planning application is refused?

We only proceed on deals where the planning route is viable on day one – usually via Class MA Permitted Development, which significantly reduces planning risk. Where full planning is required, we engage planning consultants pre-acquisition and structure the deal so that no irreversible capital is exposed before the route is confirmed.

Q. What if build costs overrun?

Every appraisal carries a contingency line. We manage build costs directly, with fixed-price contractor arrangements where possible. Where overruns occur within the contingency, they're absorbed without impact to investor returns; we stress-test every deal against meaningful overruns before approving it.

Q. What happens if the property doesn't sell at exit?

We don't rely on a sale as the only exit. Our base case for most projects is to refinance the completed asset onto long-term residential lending – which pays out the development finance and returns investor capital – and then sell or hold the residential units depending on the market at the time.

CONTINUED

More on the structure & the process.

Q. Do I need to be a sophisticated or high-net-worth investor?

Investments of this nature are typically structured for individuals who qualify as sophisticated investors, high-net-worth individuals, or who are taking professional advice. We'll confirm suitability with you (and your adviser, where you have one) before any specific opportunity is presented in detail.

Q. How is this taxed?

The tax treatment depends on the structure of your participation (fixed return loan, joint venture share, corporate investment, etc.) and your personal tax position. We are happy to share the structure documentation with your accountant or financial adviser so they can model the position before you commit.

Q. Can I see deals before committing?

Yes. Once we've had an initial conversation and understood your position, we'll share active and upcoming opportunities – with full appraisals, planning analysis, sensitivity modelling and timeline – so you can evaluate each on its own merits.

Q. Do you take co-investors on a single project?

Most projects are structured with a single investor partner, but on larger schemes we will syndicate across two or three. Either way, the documentation, security and reporting are structured the same way.

Q. What information will I receive during the project?

Structured updates at each phase gate – acquisition, planning, build commencement, key milestones, completion and exit. Plus direct access to Rhyse for any questions in between.

Q. How do I get started?

Use the contact details on the next page or apply via **strategicinsights.management**. We'll arrange an initial conversation – typically a 20–30 minute call – to understand what you're looking for, walk through the model in detail, and (if there's a fit) share live opportunities for you to evaluate.

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CHAPTER TWELVE

The next step is a *conversation.*

If the model in this brief aligns with how you want to deploy capital, the next move is straightforward. A short call – 20 to 30 minutes – to understand your position, walk through the structure in detail, and (where there's fit) share live opportunities for you to evaluate.

Get in touch

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