INVESTMENT RISK WARNING

Deal Packaging 4 Investors ("DP4I", "we", "our" or "us") believes that successful property investment begins with informed decision-making.

Property has historically been an effective means of creating long-term wealth for many investors. However, all investments involve risk and no investment should be regarded as risk free.

This Risk Warning explains the principal risks associated with investing in property and the importance of carrying out appropriate independent due diligence before making any investment decision.

It should be read alongside our Property Information Disclaimer and Investor Due Diligence Standards.

Our Philosophy

We believe informed investors make better investment decisions.

For that reason, we will always encourage investors to undertake appropriate due diligence and obtain independent professional advice where required.

Our role is to introduce property opportunities that we believe may be commercially attractive.

The decision to invest remains entirely yours.

Property Investment Involves Risk

Every property investment carries risk.

The level of risk varies depending upon factors including:

- location;
- property type;
- tenant profile;

- financing arrangements;
- market conditions;
- legislation;
- economic conditions;
- the investor's own objectives.

No investment can guarantee profit or eliminate the possibility of financial loss.

Capital Values

Property values may rise or fall.

Future market conditions cannot be predicted.

There is no guarantee that a property's future value will exceed its purchase price.

Past performance is not a reliable indicator of future performance.

Rental Income

Rental income is never guaranteed.

Factors that may affect rental income include:

- changes in local demand;
- tenant affordability;
- employment conditions;
- competition from other landlords;
- local housing supply;
- economic conditions.

Periods of vacancy may occur.

Rental levels may increase or decrease over time.

Legislative Risk

Property investors operate within a continually changing legal and regulatory environment.

Future changes may include:

- taxation;
- landlord legislation;
- licensing requirements;
- planning legislation;
- environmental requirements;
- building regulations;
- energy efficiency standards;
- tenancy law.

Such changes may affect profitability and investment strategy.

Taxation Risk

Tax legislation changes regularly.

Tax treatment depends upon an individual's own circumstances.

Changes to taxation may affect:

- rental income;
- capital gains;
- inheritance planning;
- company structures;
- financing decisions.

Nothing published by Deal Packaging 4 Investors should be regarded as tax advice.

Independent advice should always be obtained from an appropriately qualified adviser.

Financing Risk

Mortgage products and lending criteria change regularly.

Factors affecting finance may include:

- interest rates;
- lending policy;
- loan-to-value ratios;
- affordability assessments;

- economic conditions.

Future finance may not be available on the same terms as existing borrowing.

Interest Rate Risk

Changes in interest rates may significantly affect:

- monthly mortgage payments;
- cash flow;
- investment returns;
- refinancing options.

Investors should consider how their investment would perform under different interest rate scenarios.

Property Condition

Unexpected defects may arise before or after purchase.

Examples include:

- structural issues;
- damp;
- roofing defects;
- electrical systems;
- plumbing;
- drainage;
- environmental issues.

Professional surveys may identify issues not immediately apparent during initial inspections.

Refurbishment Risk

Refurbishment projects may involve:

- higher-than-expected costs;
- delays;

- contractor availability;
- planning issues;
- unforeseen structural defects;
- changes in material costs.

Investors should maintain appropriate contingency funds.

Tenant Risk

Tenants may:

- vacate unexpectedly;
- fall into rent arrears;
- breach tenancy agreements;
- damage property;
- require legal action to recover possession.

Professional tenant referencing and good property management may reduce, but cannot eliminate, these risks.

Liquidity Risk

Property is generally considered a medium to long-term investment.

Unlike publicly traded investments, property cannot usually be sold immediately.

The time required to sell a property will depend upon market conditions and buyer demand.

Economic Risk

The wider economy may affect property investment.

Examples include:

- inflation;
- recession;
- unemployment;
- consumer confidence;

- exchange rates;
- availability of finance.

Economic conditions can influence both property values and rental demand.

Overseas Investors

Investors based outside the United Kingdom should also consider:

- currency fluctuations;
- international taxation;
- legal jurisdiction;
- cross-border banking arrangements;
- local representation;
- UK regulatory requirements.

Professional advice should always be obtained within the relevant jurisdictions.

High-Net-Worth and Ultra-High-Net-Worth Investors

High-value transactions often involve more complex ownership structures and funding arrangements.

Examples may include:

- family investment companies;
- trusts;
- pension schemes;
- private banks;
- family offices;
- corporate structures;
- international investment vehicles.

We encourage investors using these structures to involve their professional advisers throughout the transaction.

Independent Due Diligence

Every investor should satisfy themselves regarding matters including:

- market value;
- legal title;
- planning matters;
- building condition;
- financing;
- taxation;
- rental demand;
- refurbishment costs;
- investment strategy;
- exit strategy.

Independent advice should be obtained where appropriate.

No Guarantee of Investment Performance

Deal Packaging 4 Investors does not guarantee:

- future capital growth;
- rental income;
- investment returns;
- mortgage availability;
- refinancing opportunities;
- resale values;
- investment performance.

Every investment decision remains the responsibility of the investor.

Our Commitment

Although we cannot remove investment risk, we can control how we conduct our business.

Accordingly, we are committed to:

- presenting information honestly;
- identifying material issues known to us;
- avoiding exaggerated claims;
- encouraging independent verification;
- acting transparently;
- maintaining professional integrity.

Our objective is to build long-term relationships based upon trust rather than short-term transactions.

Changes to this Risk Warning

We may amend this Investment Risk Warning from time to time to reflect changes in legislation, market conditions or our business practices.

The latest version will always be published on this website.

Contact Us

If you have any questions regarding this Investment Risk Warning, please contact:

Deal Packaging 4 Investors

Email: **support@dealpackaging4investors.com**

Related Policies & Professional Standards

You may also find the following documents helpful:

- Property Information Disclaimer
- Investor Due Diligence Standards
- Property Assessment Standards
- Website Terms of Use
- Fee Transparency Policy
- The DP4I Promise

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