

RISK FACTORS

The following risk factors for BuyProperly Limited Partnership 1 (the “**Partnership**”) do not purport to be a complete explanation of the risks involved in this opportunity. An investment in the Partnership is speculative and involves a substantial degree of risk and should be made only after consulting with independent, qualified legal, tax and financial advisors.

Investors Can Lose All of their Investment

No assurance can be given that investors in the Partnership will realize a profit on their investment. Moreover, investors may lose some or all of their investment. A return on the investment, including a return of an investor’s original investment, is not guaranteed and is based upon many performance assumptions, including business expenses and real estate market conditions. Only potential investors who are experienced in investments that involve significant risk and who can afford to lose their entire investment should consider an investment in the Partnership.

Availability of Investment Opportunities

The Partnership will undertake prudent due diligence with respect to each potential real estate property and will only pursue those real estate properties they believe can assist the Partnership in achieving its objectives. Although the Partnership expects that the investment commitments will be used to invest in suitable properties, the specific real estate properties to be acquired have not yet been determined. There is no assurance that adequate real estate properties will be found or that the investments raised by the Partnership will be sufficient to invest in such real estate properties. Depending on the return on investment achieved on the real estate properties that may be developed by the Partnership, the return on investments will vary.

Real Estate Risk

Real estate values are affected by a number of factors, including: (i) general economic conditions; (ii) local real estate market conditions; (iii) changing demographics; (iv) supply and demand for premises; (v) location and attractiveness of the premises; (vi) competition from similar or competing premises; (vii) quality of project management and property management services; and (viii) failure or refusal of purchasers of the converted real estate properties to complete their transactions and other legal impediments to the completion of the sale of the real estate properties. Any inability of the Partnership to sell any or all of the real estate properties will negatively affect the profitability of investments.

Rental Income Risk

Whilst BuyProperly provides gross rental income estimates based on information from third parties, these are not guaranteed. It may be that lower rents are secured. Furthermore, rental income could cease completely for certain periods. For example, if a fire were to occur which was not covered by insurance, BuyProperly reserves the right to obtain a loan secured against the underlying property to rectify the damage. This loan will need to be paid down by future rental income.

Reliance on BuyProperly

An affiliate of BuyProperly Limited will act as General Partner of the Partnership. The General Partner has responsibility for managing the Partnership’s activities. Investors must rely on the judgment, experience, ability and good faith of the General Partner, and its directors, officers, employees and affiliates and their consultants and advisors and, in part, on their continuing ability to hire and retain knowledgeable personnel in exercising this responsibility. Directors and officers of the General Partner are not required to devote all of their business time and attention to the Partnership’s business. The Partnership is exposed to adverse developments in the business and affairs of the General Partner, since the day to day activities of the Partnership are run by the General Partner.

Use of Leverage

The Partnership may use third-party debt to finance their investments in the real estate properties. Leveraging increases the potential for capital gains and increased income, but at the same time increases the possibility of sustaining losses. There can be no assurance that the leveraging strategies employed by the Partnership will enhance returns. The use of leverage may reduce returns and further, the use of leverage exposes the Partnership to greater losses than would non-leveraged investments.

As interest rates fluctuate in the lending market, generally so too do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Regulatory Risk

No securities regulatory authority has approved or expressed an opinion about any of the securities offered by BuyProperly.

Liquidity Risk

BuyProperly investments come in with a lock-in period of 5 years hence there is restricted liquidity during this period. However, BuyProperly will keep the properties under periodic review for an attractive opportunity to sell. Even at the end of the lock-in period, there may not be anyone willing to buy your investment at a price that you deem reasonable (or buy it at all). This transaction could take several months.

Termination Risk

BuyProperly reserves the right to dispose of any properties held by the Partnership and return net proceeds to investors in its sole discretion. Any such sale may result in an investor receiving back substantially less than was invested and the timing of any such disposal may result in the crystallisation of taxable income sooner than expected.

Tax Consequences

Neither BuyProperly nor any of its affiliates provide tax advice and do not represent in any manner that the outcomes described herein will result in any particular tax consequence. Prospective investors should confer with their personal tax advisors regarding the tax consequences based on their particular circumstances.

Reliance on Third Party Data

While BuyProperly believes that data from third parties is reliable, the accuracy and completeness of such data has not been verified.

Past Performance

Past performance is no guarantee of future results. Any historical returns expected returns or probability projections may not reflect actual future performance.