



FIELDCREST

Dallas, Texas

Townhomes/Apartments
\$37,181 Average per Unit



Reasons for Investing with The England Group

The Opportunity

Restrictive rules for U.S. lending institutions were significantly relaxed during the 1980's. This factor, along with significant tax incentives, created one of the most serious over-building problems in the U.S. housing market in recent times. Capital was easy to obtain, and developers built a huge quantity of properties with little concern about whether or not they were economically viable. Eventually the bubble burst, leaving hundreds of mortgage-holding financial institutions bankrupt as a result. The S&L (Savings & Loan) financial disaster is going to cost American taxpayers hundreds of billions of dollars in the end. However, for an investor with available capital resources and the proper investment vehicle, this represents an incredible opportunity to profit from the mistakes of others.

The Dallas Advantage

Dallas was one of the U.S. cities hardest hit by the collapse of the Savings & Loans in the mid 1980's. New construction of multi-family units peaked at approximately 50,000 units in 1983 and declined dramatically thereafter. By 1987, the over-supply in the rental market and the unavailability of capital meant that virtually no new units were being built. Income producing properties suffered from extremely low occupancy rates and were often unable to meet their mortgage payments, resulting in their being foreclosed on by lenders.

Fortunately, the situation is quite different today. Stricter controls are in place at the federal level to prevent lending institutions from repeating the mistakes of the 1980's. Resolution Trust Corp. (or RTC) is the government agency created to restore order to the troubled U.S. real estate market. The agency recently announced that it would be closing its Dallas office on Dec 31, 1995 as it had "completed its mission of managing and disposing of the assets of failed thrift institutions one year earlier than Congress originally mandated."¹ New construction has risen slightly, although it is usually higher-end product and is nowhere near the levels of the mid 1980's. Although the Dallas market has now stabilized, a few select opportunities are still available.

Dallas today is experiencing an economic boom that is predicted to continue for many years to come. The city led the U.S. in terms of new jobs created in 1994 with 92,500, and is currently experiencing a five-year high in its employment level. The average occupancy in the city for multi-family housing projects has risen dramatically and now stands at 94%, with the Class A properties doing even better. The Dallas-Fort Worth Metroplex is forecasted to lead the nation in terms of employment and population increases for the next 10 years.³

The Ease of Investment

The England Group specializes in providing "armchair" investment opportunities that make it easier for people to participate in. Our philosophy is that both positive cash flow and capital appreciation are important to our investors. All of The England Group's U.S. projects pay non-taxable cash distributions to investors on a quarterly or annual basis. Additionally, Canadian tax benefits enable investors to acquire a unit in Fieldcrest with virtually no after tax expense. The England Group has built an excellent track record of acquiring only high quality, well located, Class "A" properties in growth markets. Then we use our management expertise to improve the assets' performance and increase its' value for our investors.

Fieldcrest provides you with one of these select opportunities to participate.

"Economic growth in Texas is creating demands for every kind of real estate at a pace that outperforms the rest of the nation"²

¹ = Dallas Business Journal, Feb. 24/95, Page 7

² = Urban Land Institute, April 1995, Page 30

³ = Woods & Poole Economics Inc., American Demographics magazine (Washington, DC)

Dallas Facts



- ▶ Dallas-Fort Worth experienced a significant growth in new jobs in 1994 with 92,500 - the highest gain of any market in the U.S.
- ▶ Dallas Metroplex forecasted to lead nation in both employment and population gain over the next ten years
- ▶ Rated No.1 in 1994 among U.S. cities for number of new corporate facilities and number of new manufacturing plants
- ▶ Second fastest growing metropolitan area in the U.S. for the last five years, gaining over 470,000 new residents during that period (just slightly behind Atlanta)
- ▶ Its international Airport is currently in the middle of a three billion dollar expansion, and is slated to be the world's largest airport by the year 2000. A new \$320 million runway should be completed by September 1996 to direct the extra volume of air traffic
- ▶ Rated No.1 in 1992 and 1993 and No. 2 in 1994 on real estate prospects, economic growth potential and relocation potential (Baring Advisors of New York)
- ▶ Rated most profitable real estate growth market for the 1990's (Alex Brown Realty Advisors)
- ▶ Ideally located as a hub city for distribution throughout the North America
- ▶ Favourable business climate with no state corporate or personal income tax
- ▶ Has had more corporate relocations in the past eight years than any other city in the U.S.
- ▶ Over 500 foreign companies have established offices in Dallas
- ▶ Texas is now the 2nd most populous state in the U.S.

Projected Annual Employment Growth 1995-2000

- 1.....Dallas/Fort Worth, TX
- 2.....Atlanta, GA
- 3.....Orange County, CA
- 4.....Houston, TX
- 5.....Chicago, IL

Source: Viewpoint 1995; Real Estate Value Trends, Valuation International, Ltd. Valuation Network Limited.

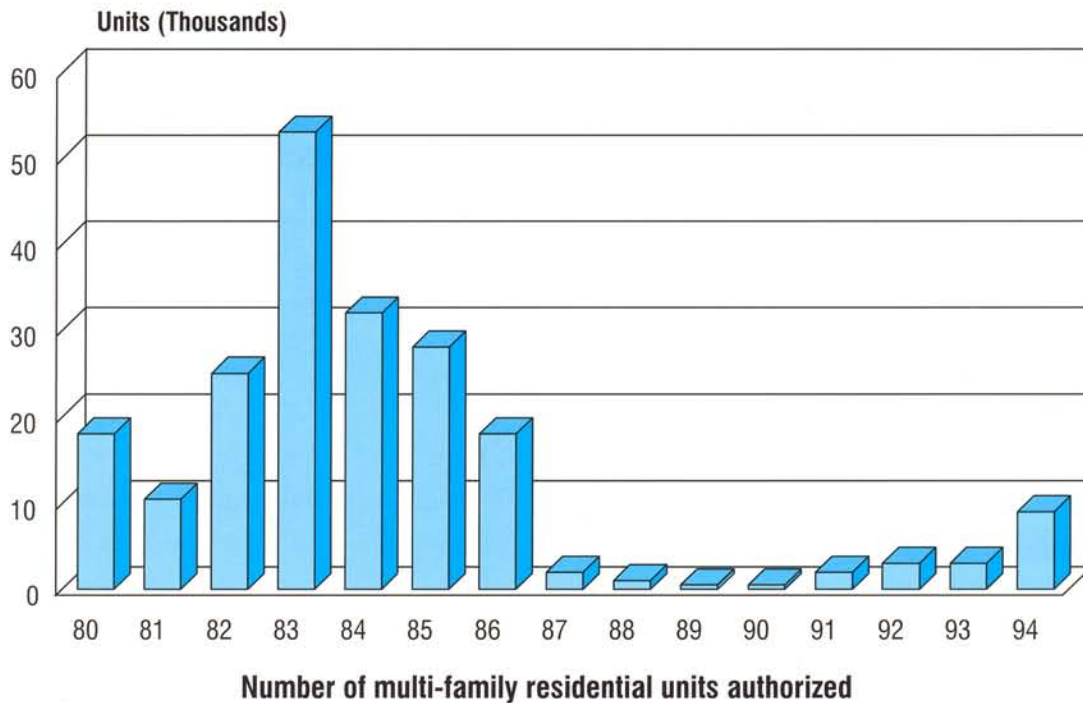


Projected Annual Population Gains 1995-2005

- 1.....Dallas/Fort Worth, TX
- 2.....Houston, TX
- 3.....Washington, DC
- 4.....Atlanta, GA
- 5.....San Diego, CA

Source: Woods & Poole Economics Inc., American Demographics magazine, Washington DC.

Dallas/Fort Worth Residential Historical Data (New Construction)



Source: U.S. Bureau of The Census

The above graph illustrates the over-supply of multi-family units in the mid 80 's which contributed to the current investment opportunities. It also shows why the vacancy rates have steadily tightened due to virtually no new supply and the influx of people in recent years.

Investment Highlights

Fieldcrest Project consists of 180 deluxe units constructed in 1985.
The project is situated on 9 acres in Carrollton, Northwest Dallas.

Excellent Investment Timing

Provides an opportunity to acquire U.S. real estate at below replacement cost from a court-ordered sale. With minimal new townhome/apartment construction and an ever-increasing demand caused by the high influx of people relocating to Dallas, the occupancy rate is steadily rising. The Dallas economy is experiencing strong growth and is projected to lead the nation over the next decade.

Positive Cash Flow

Although the Fieldcrest investment is made primarily for capital appreciation, it produces a net positive cash flow to investors. The project is projected to produce a cash yield equivalent to 10.23% in an interest bearing security on an after tax basis. Furthermore, when the tax savings are added, the cash on cash yield increases significantly.

Cash Disbursements

Investors will receive quarterly cash distributions beginning in October 1995.

5 Year Pro Forma Guarantee

The numbers projected are guaranteed through a right of off-set on the General Partner's carried interest in the project. For additional investment safety, the General Partner has provided a cash reserve totalling \$100,000 (U.S.)

Excellent Location

Fieldcrest is located in an upper-income, white-collar neighbourhood consisting of large single family homes and apartments in Northwest Dallas. This area of the city is experiencing the greatest business activity, residential living and quality of life in the region.

Tax Advantages

The two-tiered partnership structure permits tax deductions to flow to Canadian investors without them having to file a U.S. tax return. The result is that a large portion of the investors' equity is recovered through tax savings.

100% Financing

Various financing packages have been arranged including 100% financing of the equity down payment.

Asset Management Incentive

The General Partner has a vested interest in the management and successful operation of the project through a carried interest participation. Upon sale, investors will receive all of their original funds invested plus a preferred return of 10% per annum. Additional profits are then shared; 80% investors, 20% General Partner. The management company is on a performance incentive to exceed projections.

Asset Improvement

Although the complex is in very good condition, the General Partner is undertaking a moderate improvement program at Fieldcrest which will include exterior paint and wood repair in order to increase the property's curb appeal and maximize the future cash flow.



4747 N. Josey Lane



*F*ieldcrest is an appealing "Class A" project located in the white-collar neighbourhood of Carrollton, a northwest suburb of Dallas. Carrollton is a thriving community of steady corporate and residential growth, civic pride and commercial opportunity.

With almost 2,000 acres of park and numerous lakes, residents enjoy many lighted sports complexes and concession areas, playgrounds, hike and bike trails, picnic tables and outdoor grills. Sandy Lake Amusement Park and the McInnish Park provide lakefront boat ramp and camping facilities to serve its residents.

The Carrollton Amphitheater, a four-acre site located at the Civic Center Complex, provides an attractive outdoor setting for concerts, religious services and community gatherings. Just a short distance by car or transit, the residents can enjoy all the sights and activities that a large cosmopolitan city like Dallas can offer.

The Metroplex hosts various golf and country clubs within minutes of each other including the prestigious Riverchase Private Golf & Country Club. The Indian Creek Public Golf Course in north Carrollton carries the highest public facility rating in the Dallas-Fort Worth Metroplex. Indian Creek features two 18-hole golf courses plushly landscaped among 14 lakes and several creeks across 205 acres of land.

All these features are merged together by an impressive highway infrastructure which services the Metroplex area and provides easy access to the Dallas-Fort Worth City Center (30 minutes away) and the International Airport (15 minutes away).

FIELDCREST

*F*ieldcrest is a luxury townhome/apartment complex set on 9 acres of mature, professionally landscaped grounds. The 16 individual buildings are attractively finished with brick and cedar siding over a wood frame structure and pitched roof design.

Within this carefree community, the residents can relax in the large central pool with sunning deck, jacuzzi, and fitness center with adjoining sauna. The large, private clubhouse is excellent for resident functions and can be booked for private parties. Other attractive amenities available to residents are a multi-level fountain, a gazebo, picnic tables, and a barbecue. Covered parking for vehicles and boats, and wrought iron perimeter fence compliment the array of Fieldcrest features.

The project consists of 180 residential units ranging from one bedroom, one bathroom at 609 square feet to two bedroom, two bathroom at 1,163 square feet. Wood burning fireplaces, washer/dryer connections, smoke alarms, mini blinds, spacious private patios or balconies, and outside storage are included with all units. Each bright well-appointed kitchen is complete with dual stainless sinks, a frost-free refrigerator, dishwasher, garbage disposal and vinyl floor covering. Many units have wet bars and/or a breakfast nook. Wall to wall carpeting and designer color schemes are the finishing touches in these fine units.

An excellent location, contemporary living and abundant amenities make Fieldcrest an extraordinary place to live and play.



The General Partner

The England Group has a successful proven track record of over 2,200 units in North America, including 1,894 units acquired in Texas. We currently manage a portfolio of real estate assets totaling over \$160,000,000 in value and generating gross annual income in excess of \$21,000,000. The England Group is in the business of acquiring high quality properties out of distress situations (foreclosure sales) in emerging growth markets. Investors are encouraged to review The England Group's track record. Kevin England has conducted the disposition of a number of investment properties which has resulted in substantial profits to investors. Professional independent management companies with expertise in the particular markets are hired to perform the on-site management for each of these investment properties. This strategy of aggressive management results in the maximization of profits to investors on sale.



Property Status

Fieldcrest is currently 96% leased. The project has been acquired from a court-ordered sale. According to MPF research, the overall occupancy for the Dallas-Fort Worth Metroplex is approximately 94%. The "Class A" projects are experiencing an even stronger occupancy.

Safety of Investment

To eliminate any concerns associated with investing outside of Canada, the General Partner has retained the services of a select team of professional advisors: BDO Dunwoody Ward Mallette, accountants and project auditors; Russell & DuMoulin, legal advisors; Thorsteinssons, tax law specialists; and Gardere & Wynne, U.S. real estate lawyers.



FIELDCREST

Floor Plans

Typical Type "C"
Averaging 871 Sq. Ft.



Typical Type "D"
Averaging 1119 Sq. Ft.



Typical Type "B"
Averaging 719 Sq. Ft.





Trinity Medical Center which has 520 employees, is only three blocks south of Fieldcrest



Typical homes in the Carrollton sub-market



*Typical homes in the Carrollton sub-market
(Fieldcrest in the background)*

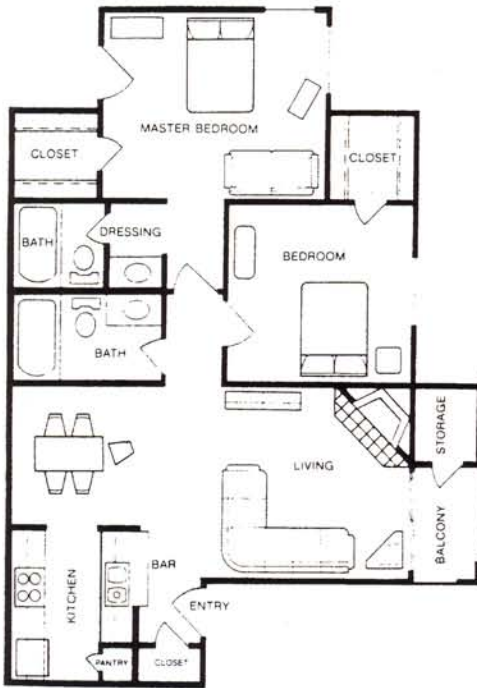


Vista Ridge Shopping Center, a regional mall, hosts three major department stores

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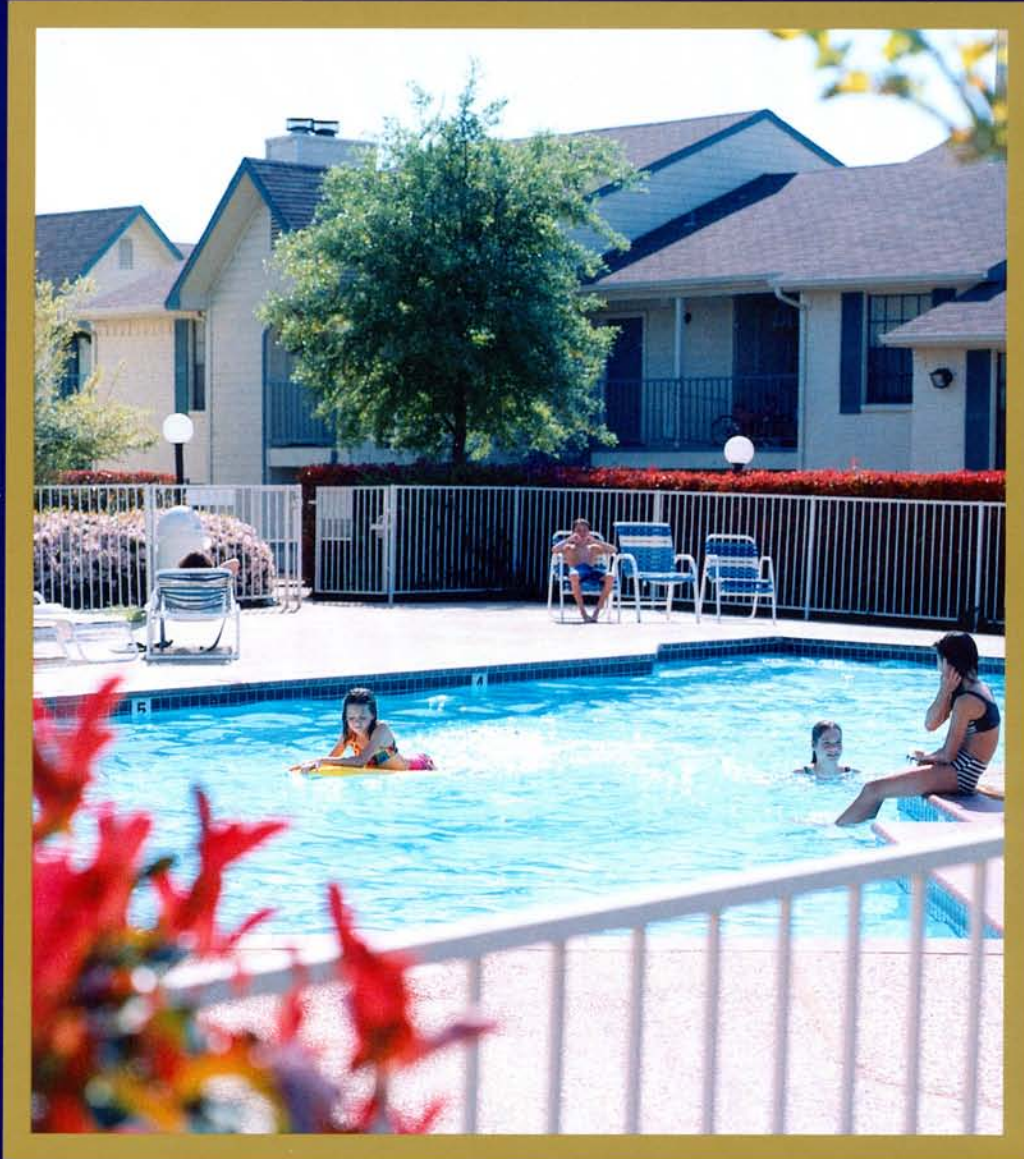


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