

# Real Assets Investment Management Business Model

<h2>Key Partners</h2> <p><b>Investors (retail or sophisticated, lenders)</b></p> <ul style="list-style-type: none"> <li>• Manage investment stream, communicate, report to</li> </ul> <p><b>Bankers</b></p> <ul style="list-style-type: none"> <li>• Handle funds, interest, costs, transactions</li> </ul> <p><b>Local Government</b></p> <ul style="list-style-type: none"> <li>• Apply for certifications</li> <li>• Building regulations</li> </ul> <p><b>Specialist resource</b></p> <ul style="list-style-type: none"> <li>• Quantity surveyors, architects</li> <li>• Lawyers (conveyancing solicitors)</li> <li>• Construction work/labour</li> </ul> <p><b>Technology partners</b></p> <ul style="list-style-type: none"> <li>• Construction management system</li> <li>• Lending, risk management, sales platforms</li> <li>• CRM</li> </ul> <p><b>Land owners</b></p> <ul style="list-style-type: none"> <li>• Supply of land, need to provide regular updates</li> </ul>	<h2>Key Activities</h2> <ul style="list-style-type: none"> <li>Raise funding</li> <li>Manage construction process</li> <li>Handle flow of money in/out efficiently</li> <li>Arrange sales</li> </ul>	<h2>Value Propositions</h2> <ul style="list-style-type: none"> <li>Allow for larger/complex projects to be achieved through working with multiple stakeholders</li> <li>Ensure development stays on target (money and time)</li> <li>Reduce risk from development failing overall – underpinned by certifications such as ISO9001 (Quality) or ISO27001 (ISMS)</li> <li>Enable visibility, communication, and good return on investment (for investors/lenders)</li> <li>Stimulate economy through supply of newbuilds (see: economical, societal, environmental benefits)</li> <li>Benefit the environment through eco-friendly development and use of modern construction technology</li> </ul>	<h2>Customer Relationships</h2> <ul style="list-style-type: none"> <li>Primarily Longer-term (e.g. with Investors, estate agents - but can also be Transactional)</li> <li>Transactional for end-buyers and land owners (but can also be personal assistance)</li> </ul>	<h2>Customer Segments</h2> <ul style="list-style-type: none"> <li>Business model is Multi-sided platform</li> <li>Land Owner (from whom land is purchased for development)</li> <li>Investors (from whom money is raised for development)</li> <li>End-buyers (who purchase e.g. individual units on a developed property)</li> <li>Estate agents (where developed units might be bought for resale)</li> </ul>
	<h2>Key Resources</h2> <ul style="list-style-type: none"> <li>Financial (funds in segregated accounts and management thereof)</li> <li>Human (skilled individuals, analysts, data experts, accountants, quantity surveyors, as well as construction managers etc. – whether internal or external)</li> <li>Intellectual (analyst expertise, know-how in lending process, regulatory requirements, financial modelling)</li> <li>Digital (CRM, property management, collaboration platforms, financial modelling tools)</li> </ul>		<h2>Channels</h2> <ul style="list-style-type: none"> <li>Communication channels (e.g. with investors) primarily digital (updates through platform, exchange of funds through online banking, property investment crowdfunding)</li> <li>Distribution/Sales channels primarily online marketplaces (e.g. for unit sales)</li> <li>Other Sales channels (e.g. land acquisition) through marketing, in-person sales (large property owners)</li> <li>Service channels usually digital, in person</li> </ul>	

## Cost Structure

**Fixed costs:** Includes salaries (analysts – both sourcing projects and development monitoring, data scientists, administrative staff – senior role is a Financial Controller, some specialist resource e.g. Quantity Surveyors, IT and IT Support), benefits, insurance, utilities (e.g. mobile), bespoke and off-shelf software, marketing/advertising. End-buyers willing to pay for either value add (i.e. well-priced properties) or premium offering (high-end properties), or ideally both.

**Variable costs:** Sales Commissions (on land acquisition and on sale of developments/units), outsourcing costs (property developers), property permits, interest payments, consultancy fees (architects etc.) – most of which are COGS (Cost of Goods Sold), distribution (e.g. estate agents and property portals)

**Business is both Cost Driven** (variable costs, lean/profitable projects, heavy outsourcing of developments) as well as Value Driven (good returns, value generated, premium offering)

## Revenue Streams

Investors (retail, banks/lenders) willing to pay for higher returns and value generated

End-buyers willing to pay for either value add (i.e. well-priced properties) or premium offering (high-end properties), or ideally both

Types are: Asset sales (list price based on size/finish), Lending, Brokerage fees