

Real Assets Investment Management Business Model

<p>Key Partners</p> <p>Investors: (retail or sophisticated, lenders): Manage investment stream, communicate, report to</p> <p>Bankers: Handle funds, interest, costs, transactions</p> <p>Local Government: Apply for certifications; Building regulations</p> <p>Specialist resource</p> <ul style="list-style-type: none"> • Quantity surveyors, architects • Lawyers (conveyancing solicitors) • Construction work/labour <p>Technology partners</p> <ul style="list-style-type: none"> • Construction management system • Lending, risk management, sales platforms • CRM <p>Land owners: Supply of land, need to provide regular updates</p>	<p>Key Activities</p> <p>Raise funding</p> <p>Manage construction process</p> <p>Handle flow of money in/out efficiently</p> <p>Arrange sales</p>	<p>Value Propositions</p> <p>Allow for larger/complex projects to be achieved through working with multiple stakeholders</p> <p>Ensure development stays on target (money and time)</p> <p>Reduce risk from development failing overall – underpinned by certifications such as ISO9001 (Quality) or ISO27001 (ISMS)</p> <p>Enable visibility, communication, and good return on investment (for investors/lenders)</p> <p>Stimulate economy through supply of newbuilds (see: economical, societal, environmental benefits)</p> <p>Benefit the environment through eco-friendly development and use of modern construction technology</p>	<p>Customer Relationships</p> <p>Primarily Longer-term (e.g. with Investors, estate agents - but can also be Transactional)</p> <p>Transactional for end-buyers and land-owners (but can also be personal assistance)</p>	<p>Customer Segments</p> <p>Business model is Multi-sided platform</p> <p>Land Owner (from whom land is purchased for development)</p> <p>Investors (from whom money is raised for development)</p> <p>End-buyers (who purchase e.g. individual units on a developed property)</p> <p>Estate agents (where developed units might be bought for resale)</p>
<p>Cost Structure</p> <p>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</p> <p>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)</p> <p>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)</p>		<p>Revenue Streams</p> <p>Investors (retail, banks/lenders) willing to pay for higher returns and value generated</p> <p>End-buyers willing to pay for either value add (i.e. well-priced properties) or premium offering (high-end properties), or ideally both</p> <p>Types are: Asset sales (list price based on size/finish), Lending, Brokerage fees</p>		