

Media release

For immediate publication
10 May 2021



New Australian marketplace investment fund for property project loans emerges for wholesale, SMSF, and sophisticated investors

A new marketplace investment option for property project loans, CrowdProperty, has emerged for wholesale investors, self-managed super funds (SMSF), and sophisticated investors.

A fintech / proptech hybrid, CrowdProperty matches investors — wholesale investors, SMSFs, institutional lending groups — with developers of high quality, small-to-medium-sized residential property projects via its bespoke platform and in-house property development expertise.

As a marketplace or peer-to-peer lending platform, it offers investors a simple way to earn up to seven percent target interest returns* on short term investments secured by first mortgage, typically paying back in 12 to 18 months, and property developers access to fast, transparent funds.

CrowdProperty UK co-founder and CEO Mike Bristow said the model they've proven with great success in the UK was a perfect fit for the Australian market.

"We're a company founded by people who have long experience developing property and working in the finance sector," Mr. Bristow said.

"We've built the business entirely around the customer. We intimately know the pain developers experience when trying to fund projects and have built a lending business to deliver speed, ease and certainty of funding for these developers, who can spend up to a third of their time working to source project finance.

"At the heart of the business is a technology platform for efficiency, and property finance and development expertise for effectiveness. We deliver a better deal for all, delivering strong, reliable and secured returns directly to investors.

"Since launching in the UK, we've lent over £112 million (\$200m) to property developers, funded the construction of over 1,150 homes worth over £220 million (\$400m), and delivered a 100 percent capital and interest payback to investors through over six years of lending. CrowdProperty UK is the UK's leading specialist property project online lending platform and we see even greater potential here in Australia. Property development and investment is a national obsession in Australia, and rightly so. Our job is simply to serve this passion by making it easier to develop and invest in property."

CrowdProperty Australia co-founder and CEO David Ingram said the opportunity for Australian savers to invest in a fund providing development project loans was significant.

"Australia's projected population growth means we have to build over 32 thousand houses per year for the next 20 years," Mr. Ingram said.

"Our solution matches investor capital more directly to the developer using it to add value, enabling greater returns, meeting the major needs of both sides of the marketplace.

"We reduce the risk for our investors by reviewing and selecting only the best project loans, funding quality, small-to-medium sized residential developments between \$250k and \$6m with first mortgage security. The CrowdProperty community will target better earnings of up to seven percent pa target interest returns* and help drive the Australian economic recovery one townhouse, boarding house, or duplex at a time."

Clearwater Capital director Kris Vogelsong said that Australians are typically keen to invest in property but don't always want the long-term, high capital investment, and sunk costs typically associated with this area.

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About CrowdProperty Australia: CrowdProperty is a leading provider of specialist finance for property projects and provides an opportunity for wholesale investors to invest in a trust offering loans to property developers in an online marketplace. We invite investors — wholesale and professional investors, SMSFs — to invest in the CrowdProperty platform so we can provide project loans to SME property developers to do what they do best — build and renovate homes for Australians. www.crowdproperty.com.au

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“Having an option to invest in a fund that makes loans to property developers over a relatively short time frame of 12 to 18 months is a welcome option for wholesale investors,” Mr Vogelsong said.

“These projects also support small Australian businesses and have the knock-on economic benefit of employing trades, contractors, and construction materials supply.”

CrowdProperty Australia launches with its first development project already fully funded — a development of two premium co-living boarding houses in Melbourne’s Glenroy.

Founded in the UK in 2013, CrowdProperty has launched in Australia through a locally funded joint venture. CrowdProperty Australia’s launch is funded by a select group of domain-experienced investors ranging from property development, property professionals, financial services, lending, fintech, technology, and marketing. The Australian company will raise a further seed round of funds in the third quarter of 2021.

*Target returns, not forecast returns. For wholesale investors only. Terms, conditions and risks apply.

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Disclaimer:

The CrowdProperty Investment Trust (the Trust) is an unregistered managed investment scheme. The Trust is only available to investors that are wholesale clients as defined in s761G of the Corporations Act 2001 (Cth).

Investors pledge their funds in the Trust which makes first mortgage secured loans to SME property developers.

Withdrawals can only be made when the Investor funds are in Cash Interests in the Trust. Refer to the Information Memorandum (IM) for more information.

CrowdProperty Pty Ltd (ACN 633 516 195) is the investment manager of the Trust (Investment Manager). The Investment Manager is a corporate authorised representative (No. 001285637) of Quay Wholesale Fund Services Pty Ltd AFSL No. 528 526, ACN 647 044 602. The Investment Manager’s authority under its Corporate Authorised Representative Agreement with Quay Wholesale Fund Services Pty Ltd is limited to general product advice regarding the Trust only. Quay Wholesale Fund Services Pty Ltd is the trustee of the Trust and the issuer of its IM (Trustee).

The contents of this document are not intended as financial product advice and have been prepared without taking into account your personal circumstances, investment objectives or particular needs. You should read the Information Memorandum for the Trust in full to consider whether an investment is appropriate for you.

Neither the Investment Manager, Quay Wholesale Fund Services Pty Ltd, nor the Trustee guarantee the repayment of capital, the performance of any investment or the rate of return for the Trust. Past performance is not necessarily indicative of future performance. An investment in the Trust is not a bank deposit and is subject to greater risk than cash investment products including loans of income and part or all of the capital itself.

We strongly suggest that you seek your own professional financial or legal advice prior to any investment decisions.

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