

Tuesday 26th August 2014

PRESS RELEASE

£20M YEAR ONE TARGET FOR NEW SPECIALIST PEER TO PEER PROPERTY LENDING PLATFORM - CROWDPROPERTY

CrowdProperty (www.crowdproperty.com) today announced its launch with a target of £20million funds to be raised from private individuals in its first financial year.

CrowdProperty is a peer-to-peer lending platform designed to facilitate loans between private individuals and property professionals. Unlike other competitive propositions the business is run by highly experienced property industry experts. The team¹ of five co-founders who together own and run the business have over 70 years' property market experience and include high-profile property author and speaker, Simon Zutshi, founder of the Property Investors Network with over 23,000 private property investor members.

CrowdProperty is aimed at two different groups of people. First and foremost, the 'lender'; private individuals with £500 or more seeking to achieve higher returns (5-11% gross) on their money than most traditional savings accounts; secondly 'borrowers' or property professionals, that wish to borrow money from the crowd of lenders to finance a new property project or re-finance an existing one. This includes development projects, project refinancing and buy-to-let investment refinancing.

The revenue model for the business is straight-forward: CrowdProperty take a one-off 3-5% arrangement fee from property professionals (borrowers) and pass the full amount of the gross interest (5-11%p.a.) payable on the loan to the crowd of private individuals (lenders). Borrowers can apply for up to 100% finance on new developments at 9-11% p.a. or up to 80% loan to value for refinancing projects at 5-6% p.a, depending on a set of proprietary criteria. Unlike most P2P lenders, CrowdProperty secures all loans with a first legal charge against the property asset lent against – in much the same way as a bank or building society would.

All loans are secured by a registered legal charge against property in the UK and CrowdProperty has FCA Interim Permission to operate. CrowdProperty is a company registered in England, with its registered office at 78 York Street, London, W1H 1DP (Company No. 08764786). CrowdProperty is registered with the Office of the Information Commissioner (Reg no. PZA047468) and has received a Consumer Credit License from the Office of Fair Trading (Licence No. 664202).

Simon Zutshi, founder director of CrowdProperty, explains:

“Our inspiration for CrowdProperty came from a very simple understanding of the current problems facing many people in a climate of exceptionally low interest rates and increasingly tight lending restrictions from traditional high street lenders.

“Many property professionals in the UK were not getting the money they needed to make profitable property developments happen and most everyday people were not getting as much interest as they would like from their savings. The answer was simple: give people a better return on their money by allowing them to directly lend it to property professionals looking for funding”.

All new projects on CrowdProperty are put through extensive due-diligence and screening by a team of property experts to ensure they represent a robust and secured opportunity. Once it has been CrowdProperty approved, the project is added to the website’s projects section where private individuals (lenders) have the opportunity to pledge money. Contributions are paid directly to the Company’s solicitors and are only taken once the funding target is fully subscribed. Once the project is financed, it is carefully monitored by the CrowdProperty experts as it progresses to ensure money is being used correctly and the project is on target to reach or surpass its success criteria.

Zutshi continues:

“The big difference of course with CrowdProperty compared to other players in the market is that we are true property market specialists and experts with unrivalled networks of contacts and the ability to find the most exciting and potentially profitable developments which others might easily miss. We want to ensure projects deliver, to maintain trust and certainty with our lenders and ensure our results and reputation will ultimately lead to us becoming the number one property peer to peer lending platform in the UK.”

ENDS

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Notes To Editors

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Further information with details of products, costs and the CrowdProperty team are all included in the attached press pack. Alternative versions of photographs, testimonials and case studies available on request.

Sub-Editors – please note that CrowdProperty should always be written as one word with a capital C and P

¹ Simon Zutshi, Mike Bristow, Niraj Shah, Paul Crain and Andrew Hall (co founders biogs in press pack)
