



**Better returns with tenants who love and care for their homes**

Better returns than traditional private rental sector

**Better returns with social impact**

# Locked out of Home Ownership

Large population of aspiring Homeowners that can afford a mortgage but **can't buy** because they can't raise a deposit.

Home ownership amongst 25-34 year olds has fallen from 59% to 41%

86% of renters would prefer to buy than rent;

- Unpredictable rental costs with annual increases
- Limited security and stability

**28m households**

In the UK

**£7.6 trillion**

UK dwellings total value

**690,000 renters**

In the UK earning over £55k HomeNow minimum

**73%**

Of renters want to become homeowners

**£350,000**

3-bedroom semi-detached family homes targeted across the UK range £170k-£400k.

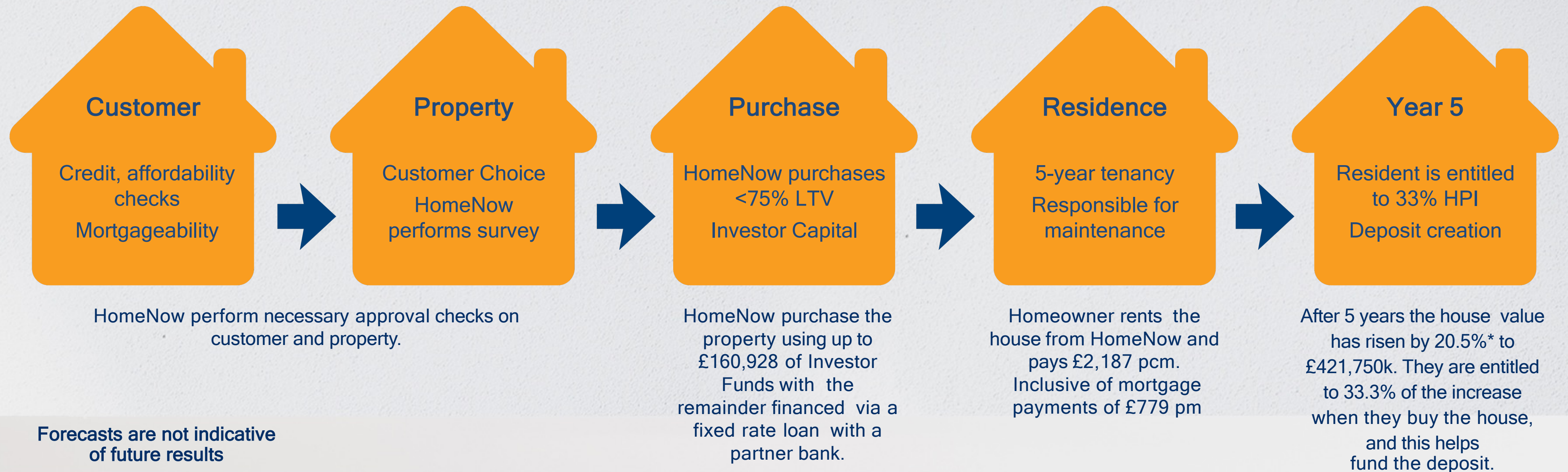
**£200billion+**

Potential market



# How it Works

A potential buyer has found a **£350k property** and approaches HomeNow as they can't afford a deposit.



# Why Residents choose HomeNow

## A sense of ownership

From day one residents feel a sense of ownership as they benefit from the anticipated value uplift in the home.

## Choice of home

Residents get to select their own home and are not limited to tired, rental stock.

## 5-year path to ownership

Residents receive one-third of any house price increase to use as a deposit for a mortgage.

## Security and stability

From a 5-year fixed cost rental - compare the average UK tenancy of 19 months.

## Control

Tenants have the freedom to manage their own maintenance and upgrades - adding to the value of the home.

## Insurance

24-hour emergency home cover, 365 days per year.



# Why Investors choose HomeNow?

## High and predictable income

Investors have 5-year cash income certainty and receive two thirds share of any house price increase.

5-year fixed-price tenancy agreement and insurance to protect against residents' change in circumstance.

## Reduced defaults

Compared to traditional BTL as we have a strict credit assessment for residents and the resident feels a sense of ownership as they accumulate equity.

## Positive social impact

Every £1m gives up to 17 families the chance to own their own home. This has proven benefits on mental health and academic achievement as well as improving the local economy, environment and community.

## Reduced costs

Zero tax at Fund level, compatible with many investment structures

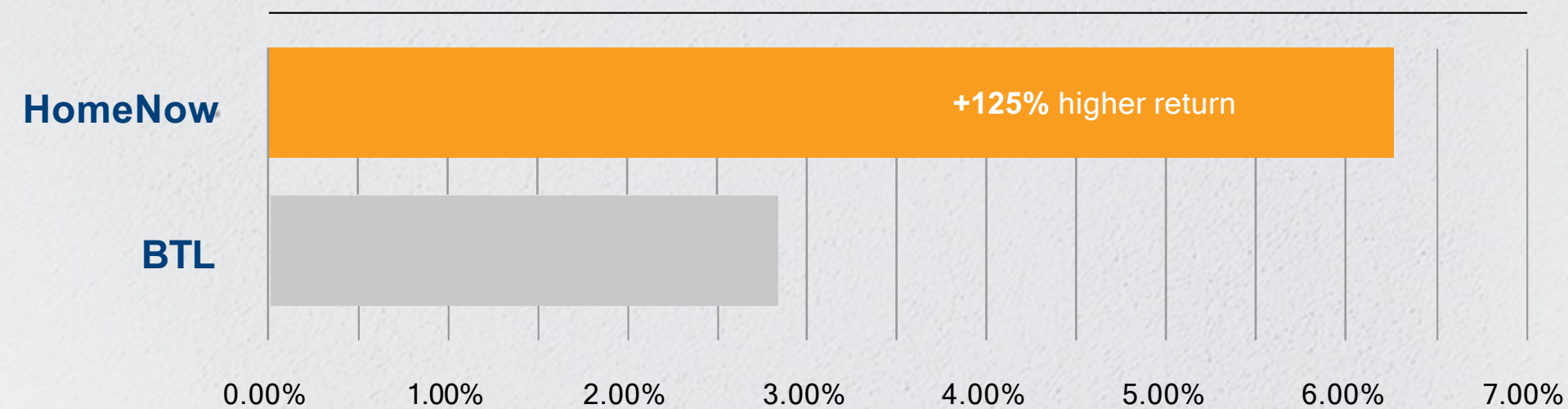
Negligible maintenance vs high cost to Landlord in traditional BTL.

## Portfolio diversification

Access to UK residential property market with diverse portfolio of real assets as collateral that typically are reserved as primary homes.

Traditional BTL or BTR bulk purchases face concentration risk and the difficulty of valuing new build developments.

### Comparing Dividends: HomeNow vs BTL



Forecasts are not a reliable indicator of future performance

## Further developments

We are already approved as a Small AIFM, we are now applying for a variation of permissions (VOP) as a Home Purchase Plan provider. As the FCA have already reviewed our business model and on receiving legal, compliance and tax advice we are confident in achieving this status in 2024.

## 0% Stamp Duty

# Investor Returns

| Property Purchase                    |                |
|--------------------------------------|----------------|
| Property Price                       | £350,000.00    |
| Acquisitions Costs*                  | £33,528.00     |
| LTV                                  | 60%            |
| Debt                                 | £222,600       |
| Equity                               | £160,928.00    |
| Rental Income                        |                |
| Annual Rent                          | £26,250        |
| Annual Mortgage Interest             | £9,349         |
| Maintenance & Mngt Fees              | £1,943         |
| Total Running Costs                  | £11,292        |
| Net Income                           | £14,958        |
| Investment Yield (on Equity)         | 9.29%          |
| Capital Returns                      |                |
| Compounded Growth (5Y)               | 21.00%         |
| Property Value (5Y)                  | £423,500.00    |
| Gross Profit                         | £73,500.00     |
| Tenant Share (1/3 Gross Profit)      | £24,500        |
| Gross Investor Share                 | £49,000        |
| Net Investor Share (minus Acq costs) | £15,472        |
| Mortgage Referral Fee                | £4,023         |
| <b>Total Investor Returns</b>        | <b>£94,285</b> |
| <b>Total Investor Returns%</b>       | <b>59%</b>     |
| <b>IRR</b>                           | <b>10.84%</b>  |

\* Acquisition costs incl of stamp duty, legal, conveyancing and mortgage arrangement costs

## Further developments

We are applying for an HPP licence which if approved would allow us to implement a new business model. Our current forecasts indicate that this would increase the return and decrease the costs associated with the HomeNow model, with stamp duty reducing to £0 in some cases.

We have forecast that this new model would increase investor returns by +3.6% IRR which increases the total return by +£22,372 (+20%) over five years.

**Past performance & forecasts are not indicative of future results.**



# Current Portfolio

The model has been proven out with 24 properties and £7.4m AUM

**£7.4m AUM**

**24 Properties**

**6.6% Net Yield to investors**

**4.67% Average fixed borrowing cost**

**£0 Maintenance Costs**

**Past performance is not indicative of future results**





# Case Study



***In 2020 Richard and Lisa were informed by their landlady she would be selling the property and they would need to move out.***

***Unable to raise the mortgage deposit required to purchase their home for the past 10 years, they wanted a clearer opportunity to access the property ladder***

“

We thought a home like this was always out of our reach, HomeNow made it possible. We now have the security of a 5-year tenancy, fixed rent for the whole period and we get to share in any increase in value. We will always be grateful to HomeNow and we love our beautiful new home”

”

Emma and David, Birmingham



# Case Study

**HomeNow:** We'd like to get to know you better. Please tell us about your family/home situation that caused you to look for an alternative to traditional home buying/rental.

**Richard and Lisa:** There really wasn't any urgency to move, we were quite realistic that we could be renting forever, we always harboured the dream of eventually owning our own property, never in our dreams did we think that this one could be it. In March/April 2020 this during the first national lockdown the owners dropped the bombshell of selling, this really kicked started our investigations of what was/wasn't possible eventually we settled on the idea of using HomeNow for various reasons, but the 2 standout ones were 5 years security and the second was the possibility of owning this property. The bonus of the HomeNow process is the feeling of working in partnership together, we get to build a lovely family home that reflects our characters, we have the added security of 5 years with the option to buy at the end, all things that we wouldn't be able to do through the standard home rental schemes. Today for the first time in over a decade we are excited about where we live and have the ambition to reflect this in the home we live in, thanks to you.

**HomeNow:** Given your experience of HomeNow to date, how can we improve the experience of helping you (or others) to rent then buy your own home?

**Richard and Lisa:** So far, the experience has been really positive. I think it is important to keep all stakeholders informed at every available opportunity and allow for the potential tenants to support if they can in whatever way. Our previous landlord (who we were buying from) was very slow to respond to queries and so I was more than happy to support where I could and really push the previous Landlord to get themselves sorted; this was where the real sense of frustration was. That said my expectations were managed well by HomeNow throughout, and I was regularly kept up to date with progress.

**HomeNow:** What were your own biggest challenges to being able to save enough for a house deposit?

**Richard and Lisa:** Saving while paying expensive was very difficult. Made more difficult by the regular rent increases.

**HomeNow:** What first attracted you to the HomeNow proposition?

**Richard and Lisa:** In order of importance:

- 1) Security of a 5-year tenancy
- 2) Financial security of 5-year fixed rent
- 3) Rent no longer dead money
- 4) Sharing in the house price increase
- 5) The opportunity to own the property you are living in after 5 years
- 6) Choosing my own home

HomeNow partnered with global leading research organisation C|T Group, ([www.ctgroup.com](http://www.ctgroup.com)) to carry out a comprehensive qualitative (three pairs of focus groups) and quantitative (n=2,000 sample) research project. The results strongly endorsed the high demand for our offer seen from the growing pipeline and waiting list.

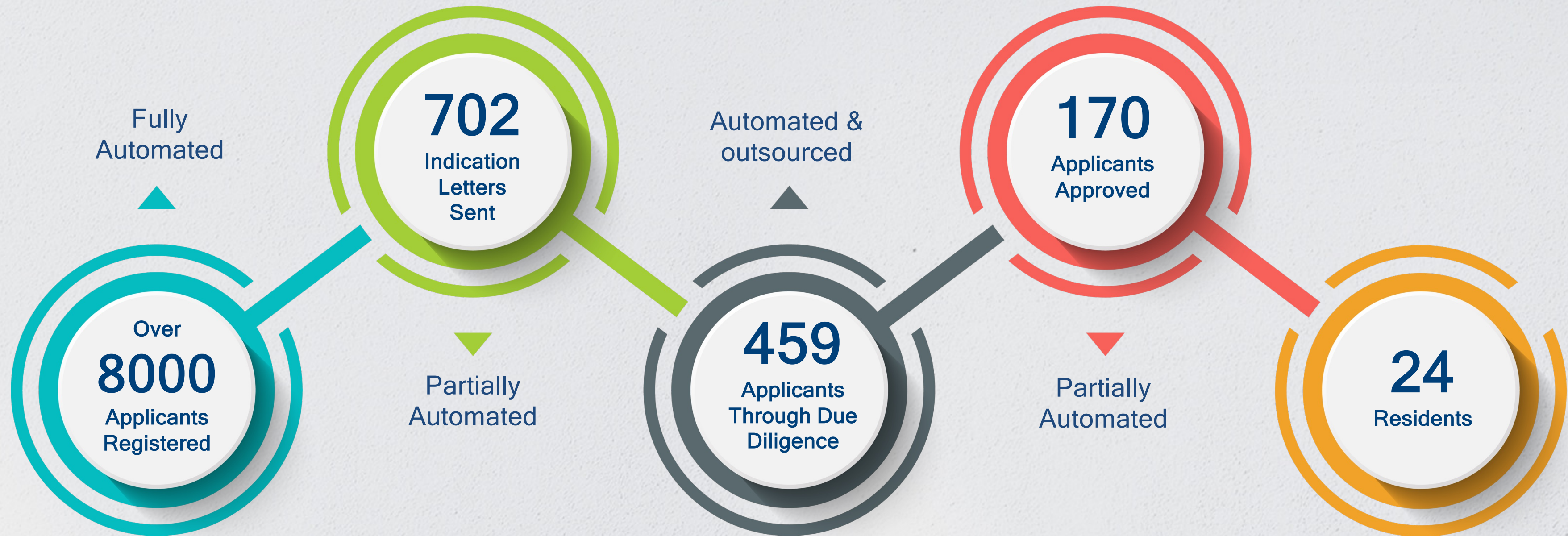
# Pipeline

## Operating at Scale

Improved conversion rate from 0.4% to 1% from registration to approval over 2023

a well established mortgage underwriter have agreed to underwrite and originate applications and scale with us, reducing underwriting resource friction. We believe we can increase this to 5% working with their broking business whilst reducing CPA.

Funding has limited our retargeting and re-marketing to registrants.



After delivering the proof of concept the process can be fully automated and outsourced allowing us to focus on scaling.

# Our Board and Senior Leadership



**George Burnett - Chairman of the Board**

- Co-Founder of Ashtead Group PLC
- MD May 1984 to Feb 2000
- Chief Executive Officer 2000-2006
- Former Chairman of the Board of Henderson Opportunities Trust plc (formerly Henderson Strata Investments PLC)



**Will Peppitt - Non Exec**

Director of Savills (UK) Ltd heading up their residential business across the South-East



**Gavin Stollar - Non Exec**

Founding Director CT Local (part of CT Group)



**Gabrielle Berring - Non Exec**

Former head of loans team at Homes England



**Jonathan Potter - CEO**

Prior to founding HomeNow Jonathan was part of the founding team at CurrencyFair, a P2P currency exchange and money transfer platform. CurrencyFair was the first platform to break the \$1bn barrier in money matching transfers and by 2018 \$7bn had been matched by 100k customers.

Prior to CurrencyFair, Jonathan was Founder and CEO of Law Debenture Asset Backed Solutions Limited, established to administer complex securitisation transactions.

Jonathan has also held positions at Bank of New York Mellon, ABN Amro, Deutsche Bank and JP Morgan.



**Gareth Ship - COO**

Prior to HomeNow Gareth was part of the founding team at Brickowner a property investment platform for HNWI & SI looking to invest in property. Responsible for delivery and growth of a business from concept to revenue generating business from over 5000 members.

Previously working at Deloitte Gareth worked for a number of clients including UBS AM and UBS Global Bank to deliver large scale global investor reporting projects and he was a UK regulatory specialist.

As a retired Captain in the British Army. Gareth has been responsible for delivering strategic objectives in the most high-risk environments.

# Advisory board at the centre of UK affairs



## Tim Farron MP

- MP for Westmorland and Lonsdale
- Former Liberal Democrats Party Leader
- Shaped Liberal Democrat housing policy during his time as leader
- Currently serving as Liberal Democrat spokesperson for Housing and Planning and the Northern Powerhouse.

*“My first 'political' act was to join Shelter as a 14-year-old. Today I serve a community which suffers from extremely high house prices and relatively low incomes and so I remain passionate about ensuring that decent, secure housing is available to everyone - not just to those who can afford a market price. I'm delighted to be an unpaid member of the advisory board because Home Now is an innovative scheme that aims to give the chance of home ownership to people who would otherwise have little hope.”*



## George Kieffer

- Chairman Estuary Housing Association
- Chairman Haven Gateway Partnership
- Significant experience in development and housing association activity
- Founding and Acting Chair of the Supervisory Board of Freeport East
- Previous positions in banking and aerospace

*“Everyone deserves a roof over their heads. For the individual choice is important, to find a home they and their family love and cherish in a convenient and safe neighbourhood, even though they may not be able to buy that home in the traditional way. HomeNow offers precisely this in a more flexible way than other tenures with the individual seen as the driver of the choice rather than the developer, the local authority or the housing association. It is this desire to see home-ownership widened through innovative tenures that has motivated me to join HomeNow.”*



## Gagan Mohindra MP

- MP for South West Hertfordshire
- Private Parliamentary Secretary to the Home Office
- Former Parish, District and County Councillor. Previous responsibilities including Finance and Property lead member, Economic Development and Chairman of Planning Committee.

*“As someone that is a recent first time buyer, I now know first-hand the struggles for people to get on the housing ladder. HomeNow offers a vehicle to do so at an earlier stage in people's lives and, from my experience, ownership rather than rental can bring positive benefits to the property and the wider community. We must allow everyone the opportunity, if they wish, to become homeowners.”*



## Anya Martin

- Director, PricedOut and Research and Insight Manager, NCVO
- Former policy and quantitative research specialist in housing association sector
- Extensive experience on private rented sector issues including work on successful legislative reform campaigns

*“Homeownership has plummeted among younger generations as prices have continued to outpace earnings for most of the last half century. Young people, trapped in expensive private rented homes, are increasingly unable to raise the large deposits required, even where they could comfortably afford the mortgage. Many risk being permanently frozen out of the security and financial benefit of homeownership. HomeNow provides one route out of this. I've joined to support HomeNow to offer the best product to renters, informed by knowledge of the challenges those in the private rented sector face.”*

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