

# Evan Maindonald

Founder and CEO



Profitable Property Development  
From Crowdfunding to Completion.

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Just look me up



# Where it all started



- Grew up in Academic Household
- Computers = structure/logic around process
- Taught to think independently – work it out for myself
- Numeracy, Creativity, Individuality
- Link between leverage and return on Capital
- Property as long term investment



# Bringing the threads together



- Travelling Extensively, Big International Telecoms Deals
- Working from home when in the UK
- Team of 50 people, £1bn in revenues
- MBA at IMD in Lausanne
- Tech Startup



# MELT Homes



- 18 years, over 100 properties, £22m
- Develop to Sell/Develop to Rent
- Four existing projects – around £50m
- Crowdfunded £1.25m in equity in last six months
- Book : Foundations of Profitable Development



# Rigorous Risk Management



- Derives from Numeracy and structure/logic around process
- Due diligence and risk management
- Framework for dealing with unknowns
- Delivery of projects on time and within budget
- Enables us to structure projects so as to minimise risk and maximise return for us and for our investors.



# Design Led Development



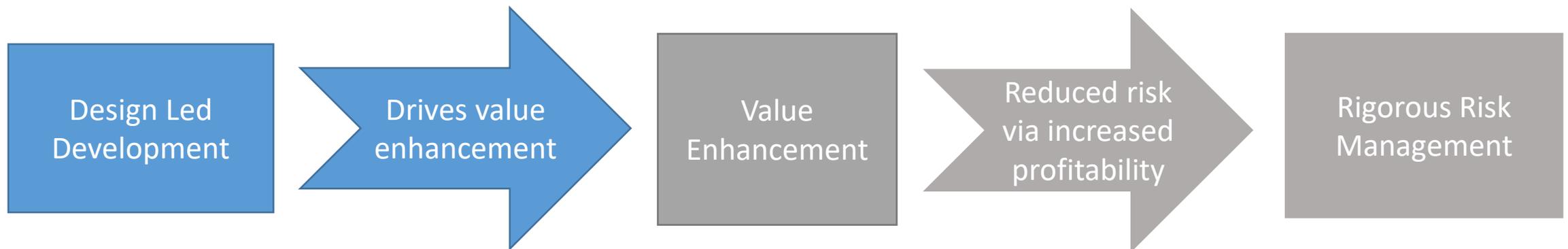
- Derives from Individuality and Creativity
- Differentiation and Value optimisation through inspired contemporary design
- Use of technology to enhance people's lives
- Deliver more for less - Break the price ceiling
- Whatever the price of a home, it should be well designed



# Value Enhancement



- Derives from Creativity and Numeracy - a creative process which is appraisal driven
- Increasing floor space by getting consent for larger or additional units, or another storey
- Optimisation of unit sizes to increase £psf return on approved space
- Reduces risk on development projects by enhancing their value
- Bridge between Design led development and Rigorous Risk Management



# Value Enhancement – Lime Grove



Original Outline Planning  
12 Houses, 12,500 sq ft



Current Reserved Matters  
12 Houses, 18,600 sq ft



Targeted : 12 houses, 7 flats, 24,800 sq ft

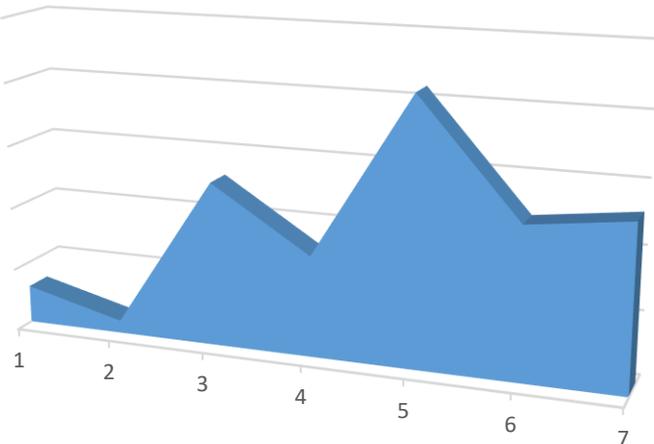
# MELT Homes Model



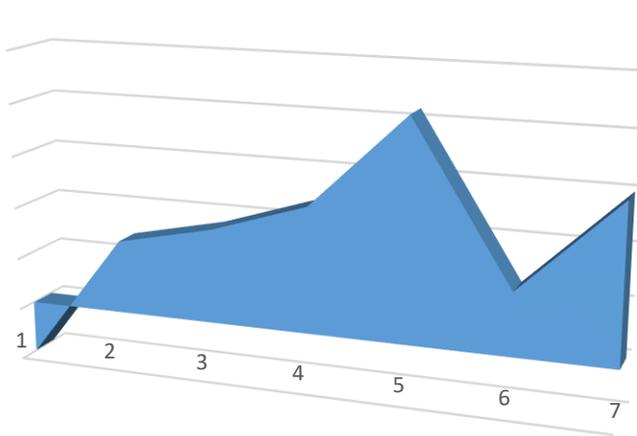
## Foundations of Profitable Development :

- Individuality, Creativity and Numeracy
- Structure/logic around process = Framework for dealing with Unknowns
- Design Led Development, Rigorous Risk Management, Value Enhancement
- Diversification of income streams and funding sources – a hedge against cashflow risks which are inherent in development and the property cycle

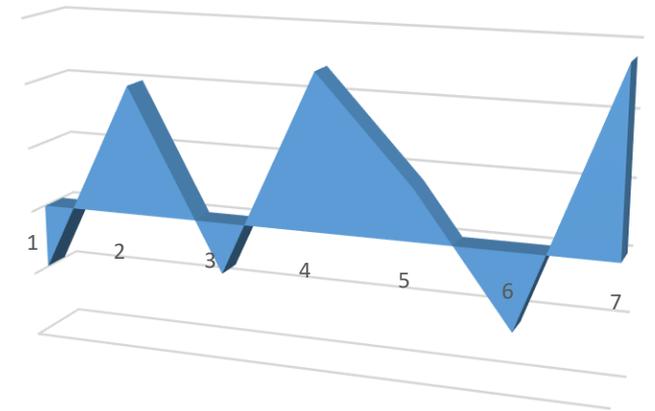
Cashflow - Rental and Development -  
Diverse Geography, Equity Investment



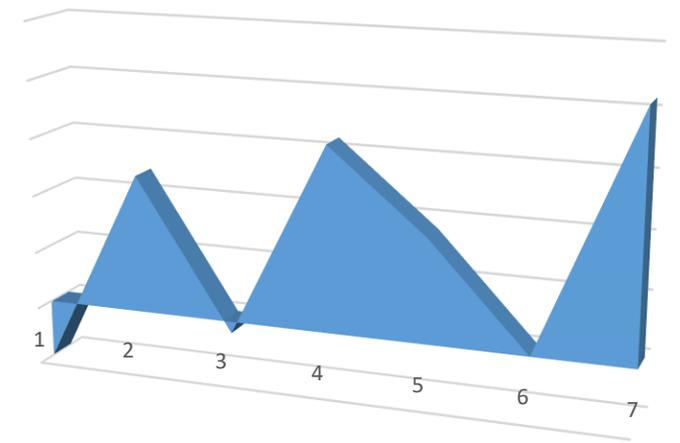
Cashflow - Rental and Development -  
Diverse Geography



Cashflow - Property Development



Cashflow - Development and Rental



# Equity Crowdfunding – Our Experience



Nov 2017 - £200K in 7 weeks



July 2018 - £130K  
£300K in 18 hours

Interest from investors with over £1.5m



Nov 2018 - £1.13m.

£600K in first 24 hours, £840K within a week, full amount in less than three weeks, further £600K came in after deal closed





# Understanding the Investor Mindset

Investors want to know four things

- What return they will get, How long you need their money for, What security is being offered. How they know they will get their money back

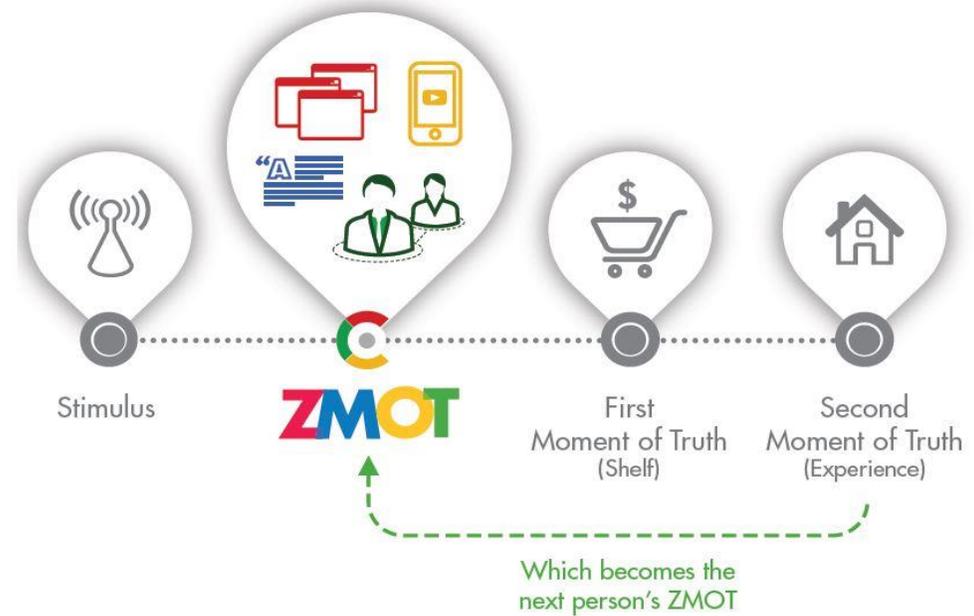
But they also need something else : 7 hours, 11 touchpoints, 4 locations to achieve ZMOT



Pre-Internet – Customer Journey

What do people find when they Google you ?

- Know/Like/Trust
- Trust = Consistency over Time
- What is your Why ?



Customer Journey in the digital age

# Crowdfunding large amounts of equity quickly

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Preparation - plan and interest building before launch – get 60-70% of money committed before launch

- Prepare well in advance and don't launch until you know you have the majority of the money committed
- If you start slowly, you will end up taking a long time – if you finish at all

Market by provoking thought – feed the need to research before purchasing

- Give investors the lightbulb moment that starts their research process
- While the majority research their decision for 2 weeks or longer, almost one-quarter of investors begin researching their investment a day or less before completing their transaction – critical they can KLT fast.



Raising profile – build locations and touchpoints

- Presentations at Property Events, Active Social Media, Blogs, Property TV, Writing a book
- Create Content that delivers value and allows people to get to know you and what you are about

Exceed your investors expectations. Go above and beyond and deliver more than they expect.

# Exceeding Expectations



On site investor events – overview of development and deal structuring

Overnight events for key investors at Danby Lodge – luxury lodge in Gloucestershire

Regular investor updates, images and videos on social media showing project progress (including aerial drone pictures and videos)



Articles and blog posts on crowdfunding and Property development on Social Media and the MELT Homes website  
Fast response to investor questions and information requests

# MELT Bond

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Given the strong demand we're experiencing from investors for our projects, we will shortly be launching a bond investment - the MELT Bond. Bondholders will receive :

- Priority access to future equity investment offers – projects are expected to offer returns of 24-28% per annum
- An enhanced rate of return (circa 2% additional return pa) on future equity investment offers.
- A 10% pa return during the period that funds are held in the bond ready to invest – better than leaving it in the bank.

Funds held in held in the MELT bond ready to invest will be secured by a charge over our investment property portfolio

We're planning to launch at least four projects in the next 12 months and so we envisage that investors should have a new project offered to them to invest in within 3 months of investing in the MELT Bond.

Sign up to our investor list using the Investor Registration form on our website and we'll ensure that you are the first to know when the MELT Bond is about to launch.

And/or follow me or MELT Homes on Social Media – Instagram, Facebook, Twitter and Linked-In

- Articles and posts on crowdfunding and Property development
- Updates on our projects
- New investment opportunities



# Parting Thoughts



We structure our development projects so as to minimise risk and maximise return on capital. However, if you think it's just about delivering profitable development projects, you've missed the point.



What we stand for is building inspiring contemporary buildings that make a difference to the places they are built in and which contain living spaces which enhance and empower people's lives.