



# BILD00

On a mission to help solve the UK housing crisis



# Introduction

Paths to Financial Freedom

**Mike Davis**

**Co-Founder**



**BiLDOO**

## How I got here

Investor, trader, project leader in building trading marketplaces, marketer and coach.

Financial markets, oil, property, advisory, consulting, angel investor.

Large corporate experience and project management.

Trustee of my own SSAS, Group corporate structure, tax efficiency, diversification of asset classes, currencies, risks and income streams.

Property a business and asset class, not a hobby

My goals today - wealth, sharing, lifelong learning & Impact, my mentors and heroes.

The Billionaire's ultimate assets are all intangible; mindset, networks & knowledge.

Ready to challenge presumptions?

# Property in context

**Learning from  
other asset  
classes:**

**Regulation & Risk**

## What will property do for you?

### **Upsides**

Potential for financial freedom, personal growth and scaling up into development, commercial and residential

Professionalism and learning through doing.

### **But.. there are residual and active risks**

My background has helped us in Bildoo with Risk approaches developed in larger, more trading-oriented businesses:

Strategic Risk - Enterprise Risk Managers  
Trading/Price Risk - Market Risk Managers

Things you can do to help you consider these for your business

# Property in context

Learning from other asset classes:

Regulation & Risk



## What will property do for you?

### Risk Types and mitigations: Project (SPV) and Strategic

Risk Type	Mitigations	Notes
MARKET/PRICE Purchase and sale price/timeline	Test for prices, Local agent involvement, alternative exit strategies/What-ifs	Margin play, pre-marketing, marketplace analysis
PLANNING RISK:	Test versus local plan, planning consultant choice- local/general experience	Evolve alt. plans if planning fails/funding plan can withstand delay
REGULATORY	Onboarding of investor process, AML, Sanctions, use specialist/3 <sup>rd</sup> P. onboarder (1% of Raise)	Don't forget AML, sanctions, COI, Int'l issues, ABA etc.
FUNDING Stuck between exchange, completion or dev't funding stages	Evolution of multiple pools of funders at different price points, scenario analysis, multiple linked events	
ALL Strategic and project	Risk Register, ownership and participation by all, regular update	Discussion as valuable as documentation
FUNDING: Strategic	Overwhelm capital capacity with project flow? Cash flow forecasting with variable horizons, Equity/debt funding mix, short and long-term	

# Property in context

## Learning from other asset classes:

## Regulation & Risk



## Risks in property: Investor onboarding

**Upsides** - Lots of potential funders out there, SSAS a recent addition, but needs to be done properly to minimise growing risk from regulatory intervention

### Residual and active risks: Non-SSAS

- Little cross-asset experience here – rules very different across SSAS areas vs. other areas of funding
  - Professional/legal advice is expensive, many don't bother, perceiving little risk or on false assumptions of non-regulatory environment
    - It's boring and awkward – when and how to raise
    - Gets easier if know where the boundaries lie
    - Key question is whether FSMA applies or not
    - If its non-SSAS, very specific rules on how to avoid issues
    - Include PS 13/3, self-certification as HNWI or sophisticated investor (brokers, angels etc. ~)
    - If not fit this, rule is simple.. you can't even pitch in detail (sorry)
    - Penalties are harsh, third party can report to FCA
    - New standards for Crowdfunding coming in too... PS 19/14 (Loans)
- <https://www.fca.org.uk/publication/policy/ps19-14.pdf>

# Disclaimer

**Disclaimer:**

**The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (“FSMA”).**

**Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to significant risk of losing all of the property or other assets invested.**

**If you are in any doubt about the contents of this document, you should consult a person authorised under FSMA who specialises in advising on investments of the kind to which this document relates.**

# Property in context

## Learning from other asset classes:

## Regulation & Risk

## Risks in property: Investor onboarding

**SSAS: Upsides** - Lots of potential funders out there, SSAS a recent growth sector, but needs due diligence to minimize growing risk from regulatory intervention, limited knowledge base in general, far less protection than under FSMA - based on trustee relationship - Loanbacks and third party loans very different on req'ts

**SSAS: 3<sup>rd</sup> Party Loan Rules ('Outbound')** far more permissive

- Limited cross-asset or large corporate experience in community here – rules different across SSAS areas vs. other areas of funding
- Presence of (Professional or non-beneficiary) Trustee or administrator changes regulatory retail presumption - But their ability and experience varies - personal due diligence still matters
- Cannot be too knowledgeable in this space
- Risk/reward equation ultimately

- At Bildoo, our partners benefit from legacy experience and knowledge in structuring, risk practice and diligence
- 'Learn as you earn' valuable approach
- Still open as to security of choice - Debt, Equity, mix or hybrids
- Well structured HOT process and drafted loan agreements help

# Property in context

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## What will property do for you?

### Quick look at a Basic Risk Register

Likelihood vs. Impact, ownership, regular updates, discussion key

Risk Factor	Probability/Impact	Mitigation	Next step	Alternative plan
Test exit price	C/A	Offer discounts for off-plan sale, de-risk and improve cash flow for early sales at cost of ultimate profitability	Reach out to 3 agents-valuation criteria, advice on build elements, layouts, kitchens, car parking etc., incentives for local market	n/a
Lose private investor between exchange and completion	C/B	Find more investors. retain personal funds and reserve	Work up Growth deck relationship, establish emergency facility for cash	Reach out to Eli
Build costs unstable	B/B	Drill ever deeper into cost elements and process stability	Revise project timeline and automate GDV calculator and finance calculator (XLS)	Have larger contingency
Interest rate rise/market weak	C/C	Work with multiple providers in interim to extract best deal, pay for speed to de-risk		Find more private lenders/SSAS where rate is less sensitive
Too many live projects/cash shortage	C/A	Grow investor base, find PG alternatives to cash trapped in projects, only advance best R/R projects	Vet projects tightly, esp. for JV partners	
Exit price market fall	C/A	Test thoroughly first, Offer discounts for off-plan sale, spend on marketing early, involve local agents in build/fit, Seek exits prior to project launch	Activate agent relationship, international selling and marketing via Claire on back of Bildoo branding	Hold and rent- need LT refinance
Exit sale delay	B/B	Widen selling and marketing reach	Use social and website to build consumer brand	





# BILD<sup>^</sup>OO

On a mission to help solve the UK housing crisis





Only **163,000** homes were started in 2016/17.

**Less than half** of what's needed.  
Current demand needs **350,000** new homes built per year.

And the **demand is growing.**

The UK housing market is in crisis.

# The current situation is not sustainable

**60%**   
**OF NEW HOMES  
ARE BUILT BY JUST  
10 COMPANIES**

  
**1/3 OF MILLENNIALS  
WILL NEVER OWN  
THEIR OWN HOME**

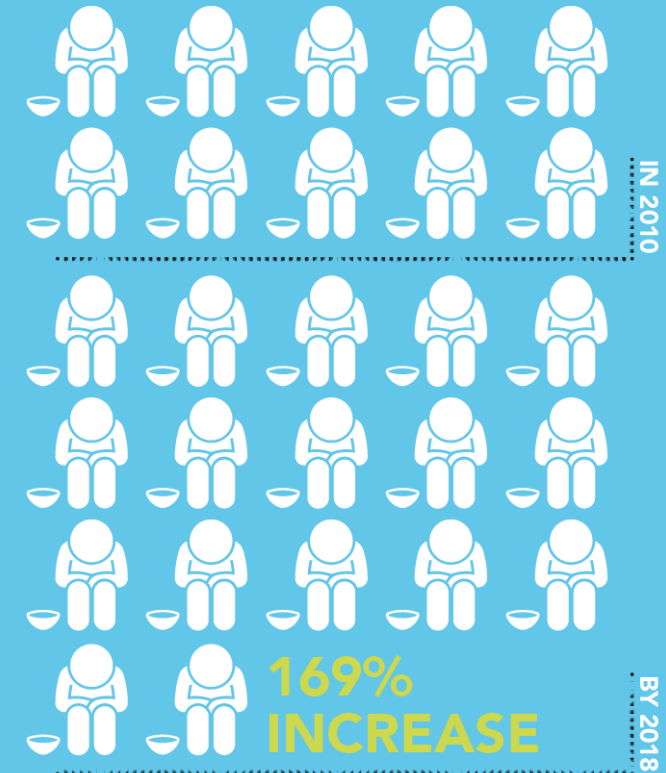


**WE NEED TO DOUBLE THE AMOUNT  
OF AFFORDABLE HOMES**

**OVER 1/3 OF NEW HOMES THAT  
RECEIVED PLANNING PERMISSION  
IN 2010-2016 STILL HAVEN'T BEEN  
BUILT**



**HOMELESSNESS  
IS INCREASING QUICKLY**



**Long build cycles, land banking, trade shortages and surge pricing are holding the provision of much needed homes back.**

**...There is a better way.**



# Driving change in construction

Bildoo's 21st century solution uses offsite construction methods where components are built in a factory environment.

This means we can design and build desirable, high quality, green, sustainable homes and communities, more quickly and efficiently.

# Benefits of our offsite construction method

Enhanced client experience and faster delivery.



Fewer labourers and increased productivity.



Creates more regional jobs away from large conurbations.

Better quality buildings and infrastructure.



Improved health and safety for workers.

Reduced disruption to the local community during construction.



Improved sustainability of buildings and infrastructure.



Easier to ensure buildings meet quality assurance standards.

# Building desirable homes. Better. Faster.

We're working with Local Authorities & Housing Associations, SME Developers, NHS Trusts, Pension Funds and Care Home Providers, delivering quicker build cycles, utilising precision techniques and releasing capital faster.

# Who we work with

## Local Authorities

An achievable, affordable and fast way to meet your housing targets whilst building communities that thrive together.

## Developers

Building beautiful homes, in a fraction of the time. Our approach offers greater control, a faster return on investment and meets the government agenda for planning permission.

## Housing Associations

Much shorter lead times and greater control over adaptable living spaces, coupled with directives from local authorities to increase modular building.

## Private

The flexible and stylish way of building your next home, extension or garden office keeping the options open to extend as your needs grow.











Garden Suite Concept

Flexible interiors







# Creating and enhancing communities

Our impact philosophy means we value social impact alongside profitability.

This philosophy is attracting a certain type of investor and helping to build our network of experts, allowing us to scale fast and really make a difference.



To discuss your next development, or find out if this solution could work for you, call us on 0203 146 6566 or drop us an email to [info@bildoo.co.uk](mailto:info@bildoo.co.uk)





# BILD00

On a mission to help solve the UK housing crisis

## Q & A