



# INVESTOR PACK

YOUR GUIDE TO INVESTING WITH PROPERTY BRIDGES

PROPERTY  
BRIDGES



“With the right funding models, Ireland has within its grasp, an opportunity to make the next 10 years a golden decade for housebuilding, fulfilling a promise for the next generation.”

**David Jelly**  
CEO of Property Bridges

# THE INVESTMENT PROCESS

We are working in the background to bring high quality investment opportunities to our growing community of lenders, this leaves room for investors to sign up quickly to the platform and invest. We have made the investment process as easy as possible for new investors. Simply sign up, enter your details, choose an offering to invest in and then wait for your repayment.

 propertybridges.com

## 1. SIGN UP & GET ACCREDITED

Upon signing up to the website, users need to verify their email and complete the 5-step verification process. The last step involves uploading a copy of their identification and proof of address which we require for compliance purposes.

Copy and Paste this link in your browser to view the full tutorial.

<https://www.youtube.com/watch?v=Y5hJWv-CiSSg>

## 2. BROWSE OFFERINGS

Accredited users have full access to our platform and the investment offerings available.

## 3. KEY CRITERIA

Lenders should try as much as possible to make themselves familiar with the key criteria of any deal. Interest rates are calculated per annum. An investment of €10,000 would receive interest of €800 after 12 months.

### Tranche 3 Overview

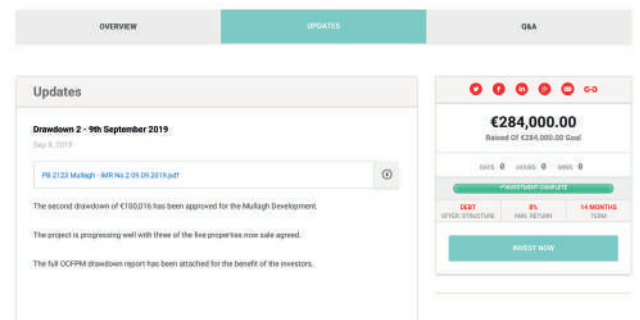
- Interest rate: **8.0% per annum**
- Security: **First Charge**
- LTGDV: **69%**
- Term: **12 months**
- Minimum Term: **4 Months**
- Final Repayment Date: **November 2020**
- Amount: **€305,000**
- Exit: **Sale of properties**

First charge security means that Property Bridges is the primary senior debt holder of the asset. Which means in the worst case scenario, Property Bridges could enforce the sale of a property or development site and retrieve client funds.

The Term, is the defined duration of the loan. Lenders should note that it is possible for loan terms to be extended. The minimum term means that if the developer completes the project early, they have the right to repay the loan back early.

## 4. UPDATES

Property Bridges and our QS partner would regularly visit the development sites to ensure work is progressing to an agreed time schedule. We would then update lenders in the update section of each offering.



## 5. REPAYMENT

Following the successful completion of a project, your capital plus interest will be paid back into your Property Bridges wallet. You can then chose to reinvest your funds into another project or withdraw your money.



# OUR LOANS TO DATE

Property Bridges provides development and bridging loans for residential and commercial property. Our team performs an initial assessment and our internal credit committee ensures a quick decision and turnaround. We partner with real estate consultancy firm OCFPM and legal firm LK Shields to conduct a rigorous and robust due diligence process. Crucially ongoing monitoring is performed by both OCFPM and Property Bridges by way of site visits on a regular basis.

 [invest.propertybridges.com](http://invest.propertybridges.com)



**CAVAN**

Loan Type	Development
Raised	€472K
Loan Rate	8%
Prop. Type	New Build
Offer Type	Debt
Term	12 Months



**SANDYCOVE, DUBLIN**

Loan Type	Development
Raised	€465K
Loan Rate	8%
Prop. Type	New Build
Offer Type	Debt
Term	12 Months



**SHERLOCK WALK,  
WATERFORD**

Loan Type	Bridging
Raised	€700K
Loan Rate	8.5%
Prop. Type	New Build
Offer Type	Debt
Term	7 Months



**PALLASKENRY, LIMERICK**

Loan Type	Development
Raised	€1.74M
Loan Rate	8 - 8.5%
Prop. Type	New Build
Offer Type	Debt
Term	12 Months
Tranches	5



**TRAMORE, WATERFORD**

Loan Type	Development
Raised	€1.5m
Loan Rate	8%
Prop. Type	New Build
Offer Type	Debt
Tranches	2 of 3



**DROGHEDA COMMERCIAL  
MORTGAGE**

Loan Type	Commercial
Raised	€350K
Loan Rate	9%
Prop. Type	Mortgage
Offer Type	Debt
Term	12 - 24 Months

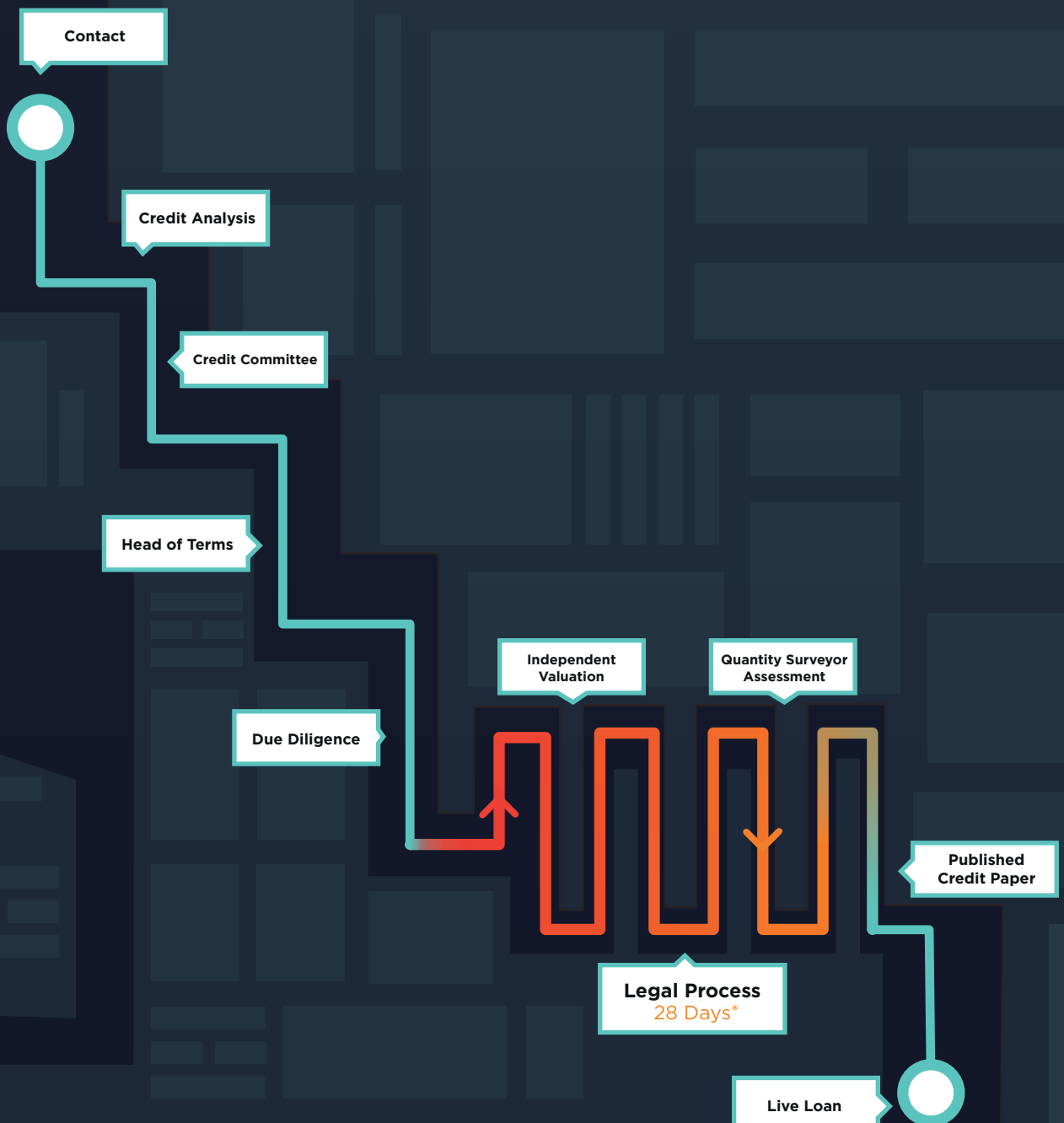


# OUR LOAN PROCESS

A lot of work goes on behind the scenes before an investment opportunity is live on our platform. The loan process starts with initial contact with the borrower, to the loan going live on the platform.

Due diligence is undertaken on every opportunity to bring the best quality loans possible to our platform. The speed of the loan process can vary. This timeline aims to highlight where a investment may take time to go live on the platform.

 propertybridges.com



\* The Law Society of Ireland's standard contract of sale should take 28 days. From experience, this may take longer depending on each property's title.

# MEET THE TEAM

Our team are passionate about our mission; providing an alternative source of finance to small to medium-sized developers and giving ordinary investors access to great asset-backed property loans. Behind the scenes we are building strong processes and improving our technology to meet the needs of our customers.

 [propertybridges.com](http://propertybridges.com)



**James Twomey**

*Head of Lending*

James commenced his career with AIB Bank working in commercial lending roles in the West Dublin region. He moved to Anglo Irish Private Bank in 2000, where he acted as lending manager for high net worth clients, looking for property investment facilities to purchase significant investment properties in Ireland, the UK and Europe.

In February 2004, James moved within Anglo, to Anglo Irish Assurance, where he managed a portfolio of property funds, valued at in excess of €2 billion, across over 200 commercial, retail and residential properties, located in Ireland, the UK, Europe, and the USA, which provided fee income of in excess of €8m pa.

In 2014 Anglo Irish Assurance was taken over and became Harcourt Life Assurance, and was closed to new business, James continued to manage a significant portfolio of property, including the sale of €500m of assets across Ireland and the UK. These included Riverside One, the HQ of McCann Fitzgerald, Childers Road Shopping Centre Limerick, and 1 Colmore Sq Birmingham.



**DAVID JELLY**

*Founder & CEO*

David began his career in Toronto Dominion bank in the IFSC as an equity derivatives analyst. This role gave David a sound understanding of the capital markets and he decided to move to London to pursue opportunities in the UK market. In London David took up the role of Equity Trader at Jefferies International and gained extensive experience of company fundamentals, financial modelling and risk management, in what was a very turbulent time in the markets and a disruptive time within banking.

In 2013, David moved back to Dublin to take up a role at Eagle Alpha. During his time there, David was a key member of the team helping them grow from 4 staff to 20 and into the successful fintech company they are today.

In April 2018, David got accepted onto the NDRC accelerator program and pursued Property Bridges full-time.



**Paul Curran**

*Head of Commercial Lending*

Paul brings a wealth of experience to the role, having over 25 years' commercial lending experience both in Ireland and abroad. Paul has held senior roles in ICC Bank, ICC International Consulting, Bank of Scotland and Certus.

Through his long career in banking Paul has gained specific specialist knowledge in a number of areas including hotels and leisure, energy and alternative energy and healthcare.

In recent years Paul has managed large lending teams and has been responsible for the performance of loan portfolios with values of over €1.5bn.

Unusually for a career banker Paul also has recent commercial experience and was a key member of the team that established a major new family visitor attraction in South Dublin.

Paul brings to Property Bridges his experience and ability to assess deals on their commercial merits rather than on formalised lending templates.

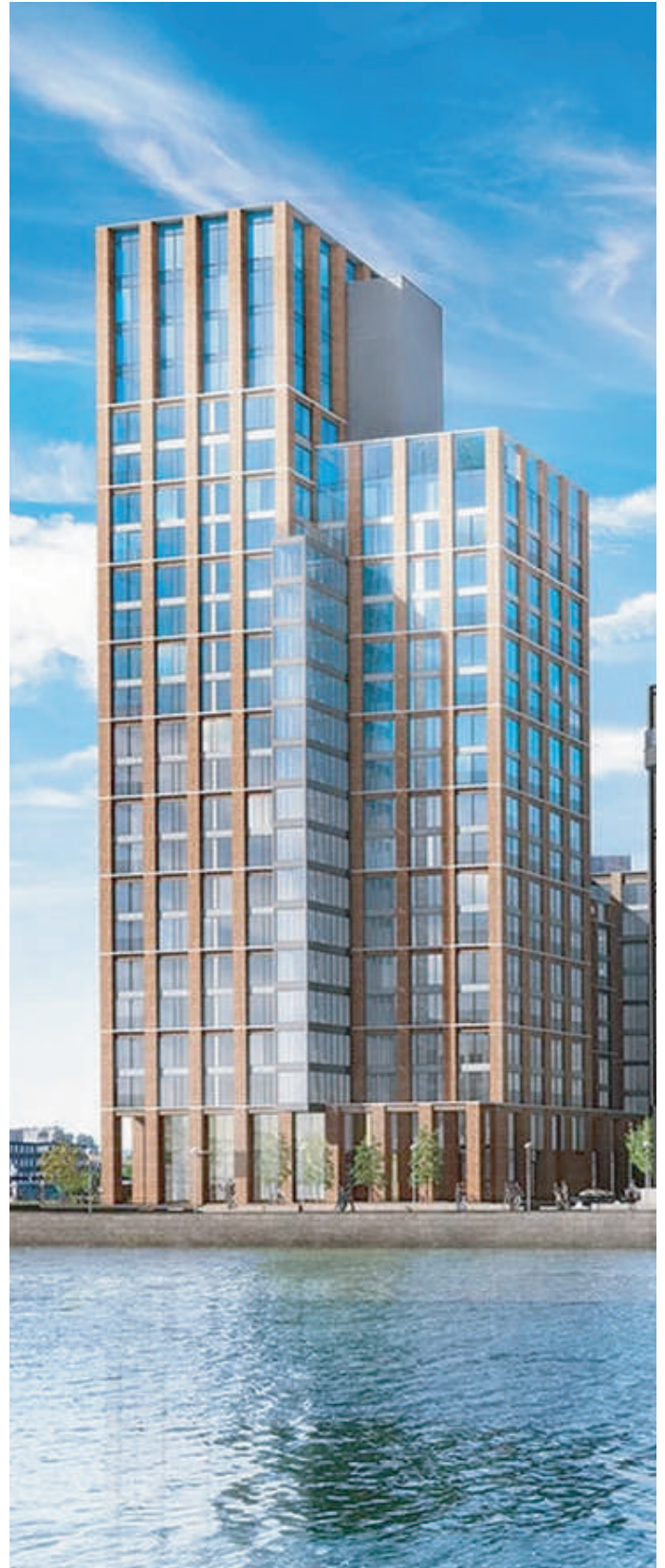


# Ireland's Housing Market 2019



**David Jelly**

CEO &  
Founder of  
Property Bridges

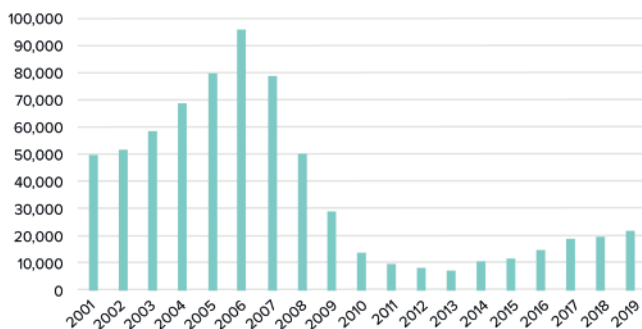


## Ireland's Housing Market

Ireland is currently in the grip of a severe housing crisis as a result of market failure in the delivery of all sectors ranging from private to public housing. On the supply side, the financial crisis of 2009 resulted in record low levels of all housing types being constructed until 2014. Essentially Irish property developers had suffered in the financial crisis and were not able to resume development. Furthermore, following the crash there has been an absence of banks and lending institutions that have the capacity or the appetite to lend to the construction sector. As a result, a number of alternative funding providers have entered the Irish construction market. These alternative funders are usually backed by large US or European private equity funds or institutional investors.

On the demand side, underlying demand for housing is therefore high but the Central Bank being keen to avoid the credit bubble of the past has imposed strict borrowing guidelines for mortgage lenders that mean that access to credit is difficult even for those who can afford it. Multi-national corporate landlords have taken up some of the slack by buying and building large numbers of apartments and renting them. Rent has risen substantially in all locations. For those on or below the average wage the most realistic chance of having a long-term home is through social housing and the pressure to create more social housing is intense.

**Housing Completions**



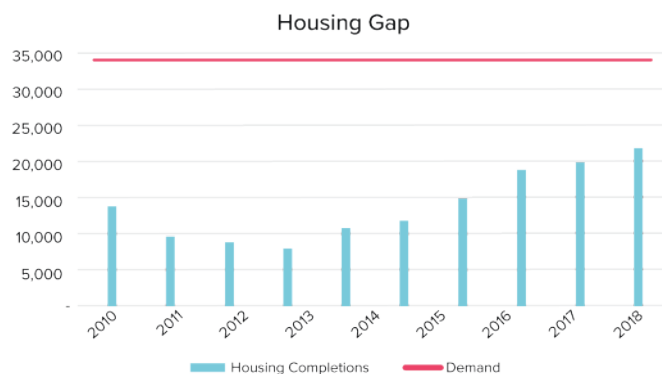
# Special Focus: Social Housing



**James Twomey**

Head of Lending at  
Property Bridges

Such is the significant economic and political pressure to resolve the housing crisis, the government, under the auspices of the Department of Housing, Planning and Local Government, launched the Rebuilding Ireland Action Plan for Housing and Homelessness in 2016 committing to delivering some **10,000 units** on an annual basis. As a mark of intent, the government has committed **€5.35 billion** of funds to deliver on its stated aim.



Therefore, the opportunity as presented in this memorandum is real and likely to grow into the medium and long term. At a recent housing conference, leading social housing provider Cluid Housing stated that there are over 70,000 people on the waiting list for social housing.

The Government has outlined its policy to deliver, including acquiring and leasing of, social housing in the Plan. The Plan was released in 2016 by the DHPLG in response to the housing crisis and sets out a clear roadmap to achieve the government's goals to significantly increase and expedite the delivery of social housing units. The Plan comprises five pillars of concerted actions right across government in which accelerating social housing was designated a key pillar.

Under the Plan, the targeted social housing supply is 47,000 units over the period 2016 to 2021 (at which stage some 10,000 units will be delivered on an annual basis). This will be achieved with Exchequer support of €5.35 billion.

## 350,000 New Homes

over the next decade to satisfy the demand for all Irish citizens. Ireland is currently building 20,000 per year, 15,000 below demand.

## 71,858

households on the social housing waiting list as of 11 June 2018 (latest official figures)



## Targeted Social Housing Supply of 50,000 units from 2016 to 2021

**33,500** of these homes will be exclusively built as social housing

**10,000** homes will be leased by local government authorities and AHBs

**6,500** homes will be acquired by local government authorities and AHBs directly from the market or the Housing Agency

From 2021, some **10,000 units** will be delivered on an annual basis

## €5.35 billion

of support allocated by the government



# PARTNERS

Below is a list of our partners who are experts in their respective fields.

 [propertybridges.com](http://propertybridges.com)

 Lagan Investments

## FUNDING

Property Bridges partnered with Lagan Investments in August 2019. Lagan Investments are now a significant stakeholder in the business and provide funding for our loans through our online platform. We have also partnered with several boutique asset managers based in the UK. This means, when you invest on our platform you are investing alongside institutional investors and industry experts.



## DUE DILIGENCE AND MONITORING

We partner with Cork-based property consultancy firm OCFPM. OCFPM are experts in their field and assist us with our initial due diligence and ongoing monitoring. As well as producing a detailed assessment and risk appraisal before we undertake any project, OCFPM also conducts site visits on a regular basis to make sure the project is progressing according to the agreed construction program.



## PROPERTY LAW

AMOSS Solicitors are a leading Irish corporate and commercial law firm. Our relationship with AMOSS leverages their expertise in finance, real estate and construction. The AMOSS team has extensive experience in handling a full range of corporate transactions and provide in depth advice at every stage of the life cycle of our loans.



## PAYMENTS

Mangopay is an end-to-end payment technology solution for marketplaces and crowdfunding. The Mangopay technology is integrated into our platform, providing individual e-wallets to hold funds securely and they also provide AML and KYC services.



## TECHNOLOGY

Katapult is a financial technology company offering market-leading Cloud based software for alternative investment firms. They are listed on the Canadian Stock exchange and are continually improving their software. The platform is based on PHP technology using both the cakephp and Laravel frameworks. It is a dockerized solution served through AWS ECS in a completely orchestrated manner. Katapult uses MySQL for a database.



## STAKEHOLDERS

Both the NDRG and Enterprise Ireland are stakeholders in the business having provided capital to the business in the early stages of development. We still have a close working relationship with both groups.



# PENSION INVESTING

Freedom, Control, Flexibility.

 propertybridges.com

## Irish Pension Gap

Living longer, spending more.

Property Bridges is an online peer to peer marketplace that facilitates loans to the construction sector. We leverage technology and the peer to peer finance model to make property finance faster, reliable, transparent and more efficient. Investing your pension in property is made easy on our platform.

Our experience and strong focus on risk management ensures all investors have access to low risk, asset-backed returns. Until now these investments have been restricted to banks & institutional investors.

Following the downturn, traditional lenders pulled out of the market causing a massive undersupply and the ongoing housing crisis we see today. The internet age has enabled new financing models to emerge that are fairer and more efficient such as peer to peer lending.

## Inflation will erode your pension pot.

Savings rates have been at record lows for years and are unlikely to rise to meaningful levels anytime soon.

If you're taking a retirement income of €25,000 per year, in 10 years' time, at an inflation rate of 2.5%, your income would be an estimated value of €19,530. (Overall inflation in the EU averaged 1.7% in 2018).

Taking a little more investment risk can help safeguard against inflation eroding your pension savings. This means that by investing your pension in property you could expect to receive 7-9% per annum on your pension investment.

## Pension Types

If you have one of the five pensions below, Property Bridges can help you supercharge it by 7-9% per annum. Not only that, your money will be invested in local housing projects that are secured by a first fixed charge and a 70% max Loan-To-Value all while helping solve the housing crises we see today.

- Personal Retirement Savings Account (PRSA)
- Small Self-Administered Pension Scheme (SSAS)
- Personal Retirement Bond (PRB)
- Approved Minimum Retirement Fund (AMRF)
- Approved Retirement Fund (ARF)

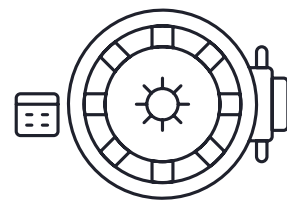
## What are the risks

- Although all our loans are secured by first charge, property values can go down as well as up so your capital is at risk.
- Returns are not guaranteed.
- Despite the short-term time horizon of our loans, and our ongoing monitoring, delays can occur in property development.

Management of risk is paramount for Property Bridges. There are many risks inherent to property development, they can be managed but not eliminated. We manage risks in a number of ways, such as undertaking robust due diligence of each project, lending at conservative loan to values, and closely monitoring the progress of each project.



# REGULATION AND SAFETY OF CLIENT FUNDS



## CROWDFUNDING REGULATION

Currently, the Central Bank of Ireland does not regulate crowdfunding or peer to peer lending. However, Property Bridges is putting in place best practice measures on itself to be ready to work with Government and other Peer to Peer platforms to help draft appropriate and dynamic legislation in the future for the sector. We have worked closely with our legal partners to set out a regulatory framework that is in line with the best standards set out by the Financial Conduct Authority (FCA) in the UK. This includes;

- General website Terms and Conditions
- Privacy Policy
- Cookie Policy
- Risk Warning
- Loan Agreement
- Security Docs

We have also developed a platform that ensures the investor onboarding process follows that of the FCA. This includes a 5 step verification process which complies with (AML) antimoney laundering and knows your customer regulation; Full AML and KYC checks are performed by our 3rd party Mangopay.

- Personal Information
- Investor Profile
- Profile statement and risk warning
- Appropriateness test
- ID verification

## SAFETY OF CLIENT FUNDS

Property Bridges never holds client funds. When a client deposits money into their e-wallet, those funds sit in a client account provided by our payments provider MangoPay. Mangopay's client account is a segregated account held by ING in Luxembourg. If anything would happen to Property Bridges, MangoPay or ING, client funds would still be ringfenced and safe.



# BENEFITS OF P2P PROPERTY LENDING

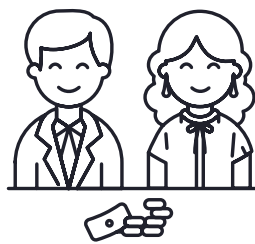
Our direct investment structure removes intermediaries, increasing the speed of funding and reducing the indirect costs of borrowing. This allows us to go after moderately sized deals that other lenders cannot service in a cost-avoidance of performance drag.

 [propertybridges.com](https://www.propertybridges.com)



## BENEFITS FOR BORROWERS

- Focused on servicing small to medium size borrowers, an area of the market that is underserved by existing banks and alternative lenders.
- Competitive interest rates and fees for this loan size and type of finance.
- Flexibility of loan size and terms of loan.
- Speed of response – our technology, processes and direct investment structure ensure prompt investment decisions.
- Fair, fast, and flexible legal requirements and documentation.
- Accessing the support of the public rather than full reliance on banks or alternative lenders.
- In-house due diligence team allowing for highly personal response and relationship.
- Online applications and response.



## BENEFITS FOR RETAIL LENDERS

- Access to attractive property-backed loans which until now were exclusively for banks, institutions and ultra-high net worth individuals.
- Low entry cost from as little as 500 euro per loan.
- Full transparency - you get to view each individual loans details and plans and make your investment decision on a loan by loan basis.
- Security - Secured against physical assets (land or property).
- Local Investing - invest in projects in your community or in sectors or projects that interest you.
- Diversification – We encourage lenders to have a balanced portfolio of savings, shares and property.



## BENEFITS FOR EXPERIENCED LENDERS

- Direct investment in property sector without intermediaries and the complicated and excessive fee structures attached.
- Investor discretion – you can assess the projects and invest in the loans which are most attractive to you.
- Short term – unlike BTL properties our loan terms are short in duration from 6months – 24 month.
- Security - Secured against physical assets (land or property).
- Low risk - We lend at conservative loan-to-value ratios.
- Access to attractive returns of 8%+.
- Hassle free - No dealing with tenants or management agencies.
- Diversification - spread risk by investing small amounts in many projects.

