

1. IMPORTANT POINT – Market Research

2. Carried out for previous company (Chain Mender Limited)

2.1. B2B in Previous Market Conditions

2.1.1. Adam Walker & Associates July 2007/Report 02.08.07

2.1.1.1. 25 firms of estate agents (13 firms with 130 offices and 12 firms with 120 offices) with total annual sales of circa 63,000 houses in CHAIN FREE® Price Bands

2.1.1.2. £396 Administration Fee (£201 Refunded when Participation Documents accepted), and Fee of 1.25% LTV

2.1.1.3. Facility Letter at 90% of MV was tested to see if it were thought to be enough for sellers to secure their next property with **no** adverse response from any of the estate agents

2.1.1.4. **Result**

2.1.1.4.1. 250 offices would expect to sell CHAIN FREE® Facility Letters to 5% of their clients pa/12.6 per office

2.1.1.4.2. Would sell better in a slower market

2.1.1.4.3. The B2B market research indicated that if the Administration Fee was reduced to say £150 [Option 1: £151] volumes would significantly increase as the Estate Agents would bundle CHAIN FREE® and offer the bundled package to **all** vendors

2.1.1.5. Notwithstanding Adam Walker advice: *“no need to reward agents (exclusivity enough)”* Success Fee provided

2.1.2. Adam Walker & Associates October 2007/Report 10.10.07

2.1.2.1. **Result**

2.1.2.1.1. Halifax Estate Agency (over 300 offices) expects to achieve in both rising and falling markets a 3:1 ratio of

sales at Asking Price or over within
15 weeks on market to exchange

- 2.1.2.1.2. **Not** comparable to the ratio
EXITS: NON-EXITS as sale of
NON-EXITS at a max. Margin of
3% over MV (all Stress Tests) **not**
at Asking Price (the Plan will
always sell Customer's Property
for the highest possible price)

2.2. B2C in Previous Market Conditions

2.2.1. Way Ahead Research August 2007/ Report 05.09.07 (incorporating
2 previous rounds of market research – 160 and 161 interviews (Sheffield,
Southend and Solihull) – at 90% LTV 63% consumers said they would be
interested if **only** way of securing the house they had set their heart on and
23% very interested)

2.2.1.1. 156 interviews with consumers who had sold and bought
houses within CHAIN FREE® Price Bands in the previous
twelve months or were planning to do so in the next 12
months

2.2.1.2. The Consumer market research was conducted on the
basis of a £195 Administration Fee, Facility Letter at 90%
MV, and Fee of 1.25% LTV

2.2.1.3. **Result**

2.2.1.3.1. Just under half felt an Administration
Fee of £195 was about right and
nearly half felt 90% of MV would
be/would have been sufficient to
secure their next Property against
competition

2.2.1.3.2. The Consumer Market Research
indicated that 45% of respondents
said they would be “very and
quite interested” at 90% MV

2.2.1.3.3. In previous research 160 respondents
were asked to consider a Fee of 2%:
34% thought a 2% Fee was
‘about right’

2.2.1.3.4. More demand when prices rising

2.2.1.3.5. Main reasons: ability to secure next property before selling, speed and chain avoidance. 25% of respondents said they would be “very and quite interested” at 85% MV and 20% at 80%

2.3. B2B and B2C in Current Market Conditions

2.3.1. Prices rising (HPSI 51.4 August 2016)

2.3.2. See: Houses below £1M

2.3.2.1. Consolidation of estate agency market (fewer independents) with **not** enough stock in CHAIN FREE® Price Bands = **more** B2B demand for exclusivity (against competition) with B2B advantage of Success Fee “*I would recommend it to all my clients*” (Source: Richard Rawlings, Estate Agency Consulting, Training and Marketing 18 June 2015)

2.3.2.2. Higher deposit, lower LTV and lower LTI mortgages and MMR rules = less available liquidity = **more** B2C demand