

What Agents Have Said v5

	CURRENT PROPOSITION	
1	Loveitts	
1.1	<i>An interesting idea. It would be great to advertise that “we” could “buy” the house and certainly brings a unique selling point to our service.</i>	
2	Prospect	
2.1	<i>I think the whole proposal is very good</i>	

PREVIOUS PROPOSITION		CURRENT PROPOSITION
3	Nationwide	
3.1	<i>Conflict of interest [inability to reconcile purchasing property from one seller at a discount, whilst lending money to buyer secured on the same property based on a higher value]</i>	• If after proper marketing the seller takes our LTV it becomes MV. • The seller never has to sell at less than MV. • Any monies subsequently lent to a buyer and secured on the property [VAL FREE®] will be based on Sale Price or Valuation whichever is the lower
3.2	<i>Narrow margin in falling market?</i>	• Can restrict / reduce offering in real-time.
3.3	<i>Size of market?</i>	• Approx.338,000 annual house sales

		(urban and no perils) in our Price Bands.
3.4	<i>Homeowners most interested when you are least willing to make an offer and vice versa</i>	CHAIN FREE® only available to homeowner whose house has been on Rightmove less than 8 weeks (homeowner can't take out "insurance" after claim)
3.5	<i>Are you offering real value [discount on MV]?</i>	- If after proper marketing during 20week Plan Membership agent is unable to sell property for more than LTV our LTV becomes MV. - CHAIN FREE® will enable seller to secure next property for lowest price (and reduce asking price by the discount on MV) whilst selling theirs through their agent for highest price.
4	Brit Insurance	
4.1	<i>Volatility in housing market</i>	- Market does not fall concurrently in all areas. - Can restrict / stop offering in real-time. - Product only offered in Local Authority Areas with stable/rising asset prices. - Force Majeure Clause (90% LTV > 85% LTV). - Financial Indemnity Insurance (Sales less than LTV) STC.
4.2	<i>Risk of mis-selling</i>	- Trainer specialising in the property sector (Adam Walker?) will train agents (Teams and Zoom) - Seller "self selects" on Application Form (i.e. determine for themselves if they are eligible) - Plan Membership T&Cs and Finance Agreement are clear (no small print or weasel words) - Staff (not AI) answering Customer and agent questions with exclusive access to CHAIN FREE® and VAL FREE® Q&As otherwise referred to CEO
5	Connells	

5.1	<i>Potential market size / niche market?</i>	• Our Opportunity / Our Market: 338,000 annual house sales (urban and no perils) in our Price Bands (£250K > £700K). • 0.25% of Opportunity.
5.2	<i>What happens if we give different valuation?</i>	• No agent Opinion of Valuation
5.3	<i>What's in it for us?</i>	• Increased no. of clients selling and applicants buying against competition • If your client draws down you will be reinstructed by us at 1.5% plus £1,000 Success Fee if you sell your clients house for more than LTV.
6	West Bromwich Building Society	
6.1	<i>Customer will not be comfortable with loan offer of 90%</i>	• B2C Market Research (321 respondents in Sheffield, Southend and Solihull) suggested 63% consumers would be interested at 90% if only way of securing the house they had set their heart on. • B2B Market Research (250 estate agents offices/63,000 annual transactions) confirmed customers will find 90% acceptable.
6.2	<i>Model assumptions / sale at 96% MV unproven</i>	• Countrywide Surveyors confirmed in flat or oversupply conditions 95% to 100% MV achieved (Adam Walker). • Spicerhaart Corporate Sales confirmed 104% MV generally achieved in 90 days (on market to exchange) and receive offers within 30 days (Adam Walker).
6.3	<i>Distributer must be recognised brand</i>	• Any agent
6.4	<i>Reliance on estate agents is restrictive</i>	• Agent or seller can make Application.
6.5	<i>Product not so valuable when inflation / prices rising</i>	• B2C Market Research suggests consumers need it most when prices are rising. • Customers need to secure next

		property quickly against competition.
6.6	<i>Deteriorating market greater risk / prices falling</i>	- Houses do not all fall in value all at same time - Restrict to Local Authority Areas with rising/stable house prices. - Remove / restrict offering. - Financial Indemnity Insurance STC - Force Majeure Clause (90% LTV > 85% LTV).
7	Countrywide	
7.1	<i>Difficult to train staff to introduce product</i>	- No different to delivering financial products through agency network. - Agents will not advise. - Agent only has to submit on-line Application Form - Trainer (Adam Walker?). - Bespoke Call Centre (Q&As)
7.2	<i>Difficult to train staff to collect fees</i>	No fees
7.3	<i>Min. 90% MV?</i>	Can't make LTV higher.
7.4	<i>Catch 22 for the seller is that any price you offer will always be less than we could ever recommend to a client that they sell for</i>	- We do not buy your client's property. - You will always be able to sell their property for the highest possible price (you have 20 weeks). - Provided you have properly marketed their property and can't sell it for more than our LTV our LTV will be MV. - Your client's decision if they want to drawdown our LTV (which will then be the MV of their property)
8	Rightmove	
8.1	<i>Must have two valuations</i>	- Only one - AVM (Rightmove) - AVM falls within RICS guidelines for finance purposes
8.2	<i>Seen many chain-mending schemes</i>	CHAIN FREE® is a chain-avoiding insurance solution not a chain-mending one.

		• “Vulture funds/we’ll buy any house for cash” offer 10% to 25% less than MV and then.... • A “peace of mind” product • Unique – the Customer • does not have to take LTV. (Insurance type arrangement) • does not have to sell. • never has to sell at less than MV.
9	John Goodfellow (Ex MD Skipton)	
9.1	<i>Agent overpricing</i>	• No Opinion of Valuation
9.2	<i>Must be an extension to acceptance</i>	• 20 weeks should be enough. • Could extend with another valuation but prefer to keep Proposition simple.
9.3	<i>Time for agent to get an offer?</i>	• 20 weeks
9.4	<i>Substantially increase prospective (£445) Administration Fee</i>	• No Administration Fee (previously £340)
9.5	<i>Difficulties with Regularity Environment [estate agents]</i>	• CHAIN FREE® not regulated. • only “signpost” so does not breach MMR rules.
9.6	<i>Fee only payable by NON-EXITS</i>	• Fee based business (insurance offering). • There must be an “opportunity” cost (keeping LTV available for 20 weeks).
9.7	<i>Mainly Lifestyle Sellers (e.g. moving because of affordability, prestige, trading up, amenities)</i>	• Also, Imperative Buyers
9.8	<i>Mortgage for sellers next property?</i>	• Application captures seller behaviour and intentions. • Privacy/T&Cs of Application “Customer consents” • “first through the door” for Direct Marketing with no marketing costs (and no Transcription Fees for lender to pay). • SMART MOVE®
9.9	<i>Will it work?</i>	• Only Local Authority Areas with stable/rising asset values • B2C and B2B2C Market Research.

		• Customer never has to sell at less than MV. • Agents secure clients selling and applicants buying from competitors. • Profitable with low volumes • Both ends covered - CHAIN FREE® for seller and VAL FREE® for buyer (and seller) • Virtuous circle.
10	Legal & General Insurance	
10.1	<i>Finance not chains is the problem</i>	• CHAIN FREE® designed to avoid chains - not mend them. • 20week Membership gives sellers time to source acceptable finance, (MMR rules). • VAL FREE® available to buyers of seller's property.
10.2	<i>More demand in a rising market</i>	• That is what homeowners say. • B2C Market Research "yes" • Chains get longer as confidence is rising (Source: RICS 17 August 2014).
10.3	<i>Keep it simple</i>	• Making sellers Proceedable Buyers • Chain-avoiding insurance solution while your agent is trying to sell your house for more • Albani does not buy your house which you will never have to sell for less than MV.
11	Countrywide	
11.1	<i>Won't the price you can afford to pay for the property always be lower than that we can recommend to a client to accept?</i>	• Client never has to sell at less than MV. • If after proper marketing the agent has been unable to sell their client's property for more than our price becomes MV • Client does not have to accept our LTV.
12	LSL	

12.1	<i>Unique?</i>	• Yes • Gap in the Market • No obvious competition • Insurance type arrangement. • Homeowner does not have to sell (vulture funds commit homeowner who can't then sell for more) • Homeowner never has to sell for less than MV (other schemes when entered into, prevent this). • We work with, not against agents - increases footfall and earns additional fees (other schemes prevent agent selling sell for highest price) • Positioned as "security and peace of mind" (other schemes legally commit homeowner to price so can't sell for more)
12.2	<i>Compelling?</i>	• No legal commitment to sell. • Customer never has to sell at less than MV.
13	Home Funding (Mortgage Services and Consultancy)	
13.1	<i>Tension between customer proposition at 90% LTV and funder appetite?</i>	• Credit Enhancement (Financial Indemnity Insurance STC)
13.2	<i>Keep it simple</i>	• Enables homeowners to secure next property for lowest price before selling own through own agent for highest. • Makes sellers Proceedable Buyers.
14	Kinleigh Folkard and Hayward	
14.1	<i>Product description?</i>	• Chain-avoiding solution
14.2	<i>90% LTV preferable?</i>	• Agreed
14.3	<i>Properties not on market for previous 12 months will limit market penetration?</i>	• Not a requirement
14.4	<i>Restricting offer to properties in postal sectors with stable / rising property will reduce market?</i>	• Risk Management
14.5	<i>If there is a strict sale timetable [NON-EXITS] can a force majeure Sale Price</i>	• Yes

	<i>be achieved?</i>	
14.6	<i>Include higher Price bands over £500,000</i>	• £500K > £700K
15	Halifax	
15.1	<i>Your proposition like others offering to buy property from sellers in a chain</i>	• CHAIN FREE® a chain-avoiding insurance solution making sellers Proceedable Buyers
15.2	<i>Only one financial product - single product company</i>	• No • CHAIN FREE® • VAL FREE® • CHAIN MENDER® • SMART MOVE®
16	Shawbrook	
16.1	<i>100% market fall?</i>	• Market does not fall 100% at one time • Only Local Authority Areas with rising or stable property prices • In last 23 years house prices have only fallen -10% between September 2008 and July 2009 as a result of US financial crises (Source: HMLR). • Stops at 10 stages of Risk Management • Financial Indemnity Insurance STC for house sales less than LTV • Force Majeure (90% LTV > 85% LTV).
17	Romans	

17.1	<i>1% Resale Fee not enough</i>	• Agreed • 1.5%
17.2	<i>Include purpose build flats</i>	• Not agreed
17.3	<i>£500 Success Fee OK</i>	• Not agreed • £1,000
18	Stephen Shipperley (Ex Connells Group Chairman)	
18.1	<i>Most people don't want a chain solution until they desperately need it</i>	• The Home Owners Plan™ is an insurance arrangement • For 20weeks sellers avoid the risk of being caught in a chain (chains can break at the <i>last minute</i>) • When sellers join the Plan they have no legal commitment to sell their house (or to take our finance) • When homeowners join the Plan they can tell the seller's agent that they are a Proceedable Buyer (they know they can take our finance in 5 days)
18.2	<i>Companies offering a chain solution generally don't want to provide it or if they do it's at a knockdown price.</i>	• The Plan is not a quick fix (<i>we'll buy your house fast for cash</i>) offering sellers less than MV • When homeowners join the Plan they never have to sell for less than MV (we do not buy their house)
18.3	<i>Introducing a chain solution at the earliest opportunity is almost a defeatist message when sellers are looking for the most positive outlook from their agent.</i>	• During the sellers 20week Plan Membership sellers have the insurance of a <i>safety-net</i> while their agent continues selling their house for the <i>highest</i> price • Most sellers will use Our Offer of Finance to secure their next home for the <i>best</i> price and will not need to take our finance because their own agent had time to sell their old one for MV