The House Crowd Announces £700,000 Investment Milestone

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Property crowdfunding platform The House Crowd has today reached a key investment milestone, having secured £700,000 from investors just four weeks after the launch of their share offer. This investment will help The House Crowd to promote their product to a wider audience, helping the business to crowdfund a forecast £100m to invest in and develop property in 2016-17.

The funds of £700,000 were realised for an equity ownership of 3.5% of the company, in line with the valuation pitched to BBC's *Dragons' Den* earlier this year. A further 1.5% of equity in the company has been reserved as an incentive for staff. The Dragons may have overlooked the opportunity to invest in the summer – however other investors obviously see the potential in The House Crowd and the augmented growth expected in this this sector.

Global crowdfunding experienced accelerated growth in 2014, expanding by 167 percent to reach $16.2 billion raised, up from $6.1 billion in 2013. Property crowdfunding is estimated to be worth $2.5 billion a year and is forecast to grow to $250 billion a year by 2020[1].

Reflecting this global trend, The House Crowd grew at 211% in 2014. Since its launch in 2012, The House Crowd has built a customer base of investors who have a strong understanding of the property crowdfunding business and its potential. Employing 11 people at its Cheshire head office, the company employs a further 30 tradespeople engaged in refurbishing the houses purchased by investors, and hopes to create at least 12 new jobs in 2016.

Frazer Fearnhead, founder and CEO of The House Crowd, said: “Despite the dragons of BBC's *Dragon's Den* choosing not to invest earlier this year, today's news shows that our loyal investors believe in what we're doing and want to be a part of the journey to the next level. This investment will allow us to expand, enabling more people to make themselves financially secure without having to deal with the whims of mortgage lenders and onerous small print from the banks."

October sees the House Crowd hit 150 successful projects, and the company's model has pioneered the way for similar companies to enter the market by emulating the property crowdfunding model they established.

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Notes to editor

- The House Crowd was the first property crowdfunding platform to launch in the UK in 2012
- The company has exceeded its targets every year so far and has £14m worth of assets

[1] *Massolution Research – Real Estate Crowdfunding Industry Report 2015*

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