



Ireland needs a €20m "Homes Market Tech" Fund

Ireland's startup ecosystem

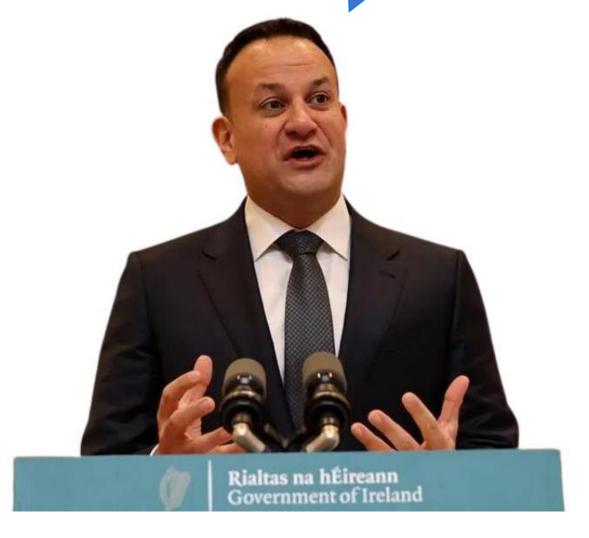
is not structured to support novel, practical solutions

for our most pressing problems, such as housing supply.



A direct quote from An Taoiseach, as reported by Business Plus on the 29th of December 2022.

We need to turn the corner on housing, it is an emergency, it's affecting people in so many different ways. It's holding us back as a country, and it's causing intergenerational division that I don't like to see. So, it's really going to be a case of let's do everything, unless there's a really good reason as to why we can't.





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How a #HomesMarketTech fund will help with housing

Recognise market innovation

Construction tech supports exist already, but are inaccessible to proptechs. They are of limited efficacy without a solid, stable market.

We need to recognise #HomesMarketTech as a #proptech niche which creates housing supply and lowers prices.

Acknowledge that novelty is required

Both Enterprise Ireland and the NDRC want 'tried and tested'. This is incompatible with society's needs in housing. A Proptech Fund would be a strategic 'win' for Team Ireland.

Spend Smart

€20m approved by Cabinet for 400 refugee beds is great.

€20m for a proptech fund, allocated to innovative, viable housing solutions, helping multiple proptechs, could solve the #housingcrisis. ✓

One Solution Ready To Go

Homebuyer's Hero is already active in the market with solutions for New Builds and Vacant Homes. Startup supports have not helped at all, to date. We can get thousands on the path to home ownership before the end of 2023 with even some modest funding help.

HOMEBUYER'S HERO











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Statement by Colm Casey

Ireland, like the rest of the world, is undergoing significant change. Challenges such as climate change, geopolitical instability, immigration, integration, and housing are felt nationwide. The public looks to the government for solutions.

Over the past three decades, governments have steered the ship as best they could, with some successes and some failures, and Ireland is more inclusive, prosperous, and healthy than ever. Yet, challenges persist. In the late 1990s, Mary Harney introduced Enterprise Ireland, prioritising job creation. This proved invaluable post-economic crash some years ago, as it did then. But is job creation still the right focus?

Recent data from Scale Ireland's 2022 survey highlights startups' primary concerns: <u>funding and housing</u>. Enterprise Ireland and its High Potential Startup Unit have been pivotal in establishing a startup ecosystem. Yet, with startups, especially those with B2B SaaS models, now having diverse investment avenues, is Enterprise Ireland's involvement becoming redundant? Their current focus on traditional business models, primarily for job creation, seems misaligned with today's challenges. For instance, their B2B SaaS analysis doesn't fit our non-SaaS solution to Ireland's housing issues, crafted thusly to bring about the much-needed systemic change, yet falling foul of current ecosystem analyses.

Enterprise Ireland's broad success makes us loathe to criticise. However, there's a growing gap between public perception on one side and their actual mandate and institutional-level customs and processes built up over time, on the other side. Our challenges have evolved since the 1990s; shouldn't our strategies evolve too? Perhaps we need startup supports that use state funds more effectively in addressing today's problems. A simple subscription-based business model isn't always the solution. Our startup supports should back innovations that might not fit traditional models but address pressing issues and *do so at the earliest stages of those businesses' development*. This is where we could become very strong indeed.

Government initiatives are addressing societal challenges like housing and climate change. Yet, the pace needs acceleration. While Enterprise Ireland's 'Built to Innovate' programme focuses on construction process innovations, it doesn't at all support startups offering systemic housing market solutions. Our Homebuyer's Hero innovations, for instance, remain untapped, despite their potential societal and climate benefits.

Currently, the emphasis on employment isn't addressing our most pressing societal issues and it even has become something of a blockage to innovative early-stage startups getting support. It's a



crutch for what is, in essence, a very conservative startup ecosystem, despite outward signals from Enterprise Ireland and others. The 'mandate' or 'remit' justifies inaction. "It's taxpayers' money", they say, justifying a requirement for very onerous 'proof' points.

But taxpayers want houses, yes?

"It's an emergency", says our Taoiseach, but nobody told the startup supports and they seem happy to turn away solutions to a national crisis.

We need to back impactful solutions which address national problems. Export potential is a bonus and has actually been waived for one startup support which housing market innovators can't access, unfortunately – 'Built to Innovate' (see Glossary of Terms).

As it happens, we have excellent export potential. The Homebuyer's Hero innovations, for example, can streamline the construction industry's demand prediction, offering stable employment opportunities. However, systemic changes in the startup ecosystem to facilitate such innovations might take time.

We can't afford to wait.

"The market has failed to deliver housing", is a common refrain. Yet, no state action whatsoever is taking place to try to fix the fundamental issues with how the market operates, just attempts to 'restart' it. This is a failure, both here and abroad. Market innovations are required. That or significant changes in terms of how we structure our economy.

The urgency of housing, green housing technology investments, and addressing the housing crisis is paramount. The proposed 'Homes Market Tech Fund' would invest in tech solutions for the housing market, equipping startups to innovate and scale both at home and internationally, benefiting the nation by virtue of the solutions for housing supply as well as the strategic investments bringing a return from the companies at a later date, as they scale.

It's almost like solving the housing crisis for free.



Ireland could be an international centre of excellence for housing market solutions. We need a "Homes Market Tech" Fund, now. Thank you.

Colm Casey, co-founder & CEO Homebuyer's Hero

colm@homebuyershero.com



Glossary of Terms

Proptech:

This is a term used to loosely describe almost any business which applies technology to some aspect of property or real estate. Commonly understood 'Proptech' businesses include bidding platforms and block management tools, as two examples.

Homes Market Tech:

This term applies to businesses which relate to the functionality of the market for homes, second hand or new. More than just speeding up conveyancing or simply digitally managing bidding in formats analogous to how things have been done for approximately a century, 'Homes Market Tech' businesses are designed to change the functionality of the market by instilling confidence in all market stakeholders through transparent, immutable and novel processes, such that confidence remains "always-on", and supply bottlenecks are eliminated.

Homebuyer's Hero is aware of just four such businesses in Ireland which might meet this definition – these all being startups having difficulties with our startup supports. That is not to say that with appropriate encouragement such as the existence of the proposed fund, many more wouldn't spring forth.

Housing for All:

This is the Irish government's plan to stimulate housing production. We will reference sub-parts of this document throughout.

Built To Innovate:

This is a programme operated by Enterprise Ireland, sanctioned under the government's housing plan, Housing for All, see above. The intent for this program was to foster innovation and provide grant support to anything which would have a "demonstrable impact on the cost of home building in Ireland". However, the remit, we are told, does not extend to anything which is "outside the envelope of the dwelling", and businesses must have a minimum of ten employees.

Interestingly, such is the need for action on housing, export potential for businesses availing of these grants has been waived. Market innovation, which can derisk Built to Innovate grant recipients, needs to be similarly recognised and supported as per the call for a fund in this document.

<u>SaaS / B2B SaaS / Software as a Service:</u> This is a business model for tech / software businesses, one which is preferred by many startup business supports,



venture capitalists and angel investors due to its simplicity, regardless of industry or niche. Further, when it is deployed in a setting of a startup doing businesses with other businesses (B2B), the two together represent the go-to business type the Irish startup supports want to see. Simply, supporting a B2B SaaS business is far less risky for those responsible for selecting business to support. By its nature too, it is relatively easy to "prove" the business. Get 5 or 6 customers, with a couple repeating, and boxes can be ticked. This is a "wash, rinse repeat" model for the startup supports, so much so, that they find it difficult to even assess anything else.

The comfort with this business model among the Irish startup supports is derived from the inherent presence of a "market", i.e., businesses to purchase the software as a service from a given startup. However, this implies that there is a cohort willing to "subscribe" and that it is significantly large. In the case of housing, the viability of the SaaS model is questionable. If there were something any existing cohort of potential users could do, they would likely already be doing it. For novel, market-altering solutions such as Homebuyer's Hero, this is a wholly unsuitable model.



Background



Image 1 We polled our followers earlier this year on things such as, for example, whether or not Mayo LEO should rectify their admitted blocking of our access to startup grants – the feeling is overwhelmingly that they should.

This document aims to highlight our challenges navigating the startup ecosystem and advocate for a specialised "Homes Market Tech" fund to support housing market innovation. Current business supports are ill-equipped to foster such innovation. While the Minister for Enterprise focuses on business metrics and the Minister for Housing invests heavily, there's a disconnect in supporting startups like ours with unconventional business models. Our approach, driven by the need for fresh solutions, doesn't align with the traditional models the ecosystem favours.

This document hopes to shed light on how startup support limitations affect crucial areas like housing. Many, including politicians and industry professionals, anticipate organisations like Enterprise Ireland to address national challenges. However, their current

stance doesn't reflect this expectation. By sharing our startup's potential solutions to pressing national issues, we hope to underscore the importance of recognising and funding innovative problem-solving methods.

Homebuyer's Hero solves major housing issues



greener, cheaper homes, for everyone.

Image 2 We are ready to bring novel price establishment tech to vacant homes as well as major derisking to new build developments, anywhere in the country.

We are just one example of innovation which is currently not getting to market in Ireland.

At Homebuyer's Hero, our mission is to make homes much more plentiful and accessible to all, through our use of buyer demand data in derisking low-carbon residential construction, allowing for



By amassing buyer data, as well as through our novel processes for establishing the true value of vacant homes and loosely binding buyers to new developments even before they are submitted for planning permission, we can break the deadlocks which currently exist within market functionality as it is now, as well as maximally leverage all the positive measures enacted under Housing for All.



Kevin Kirrane MIPAV REV MMCEPI CIPS NAR • 1st

Property Consultant Recognised European Valuer 6d • Edited • 🔇

Scary numbers ..

Very low payouts so far on the vacant home scheme .

On the ground we found property values had jumped because of the potential of getting these grants and vendors expectations went through the roof as they thought you could add the grant to the existing property value .

Image 3 An estate agent talks about values jumping, as well as vendor expectations going through the roof. This indicates some inefficiencies in the measures. However, the fine tuning offered by HomesMarketTech businesses like Homebuyer's Hero can remove these issues entirely, so as to compliment Housing For All measures.

We can even make some of those measures more efficient. We can support the First Home Scheme, for example, by removing <u>all</u> tendency for price inflation, within developments brought to the market on our platform. We can, without legislation or regulation, ensure

that homebuyers are at the top of the queue, not funds or investors. We can similarly help promote town centre renewal by derisking refurbishment projects anywhere in the country, as well as let buyers and sellers alike understand <u>exactly</u> the value of vacant properties, so we can get out of the situation of the grants pushing vendor expectations "through the roof".

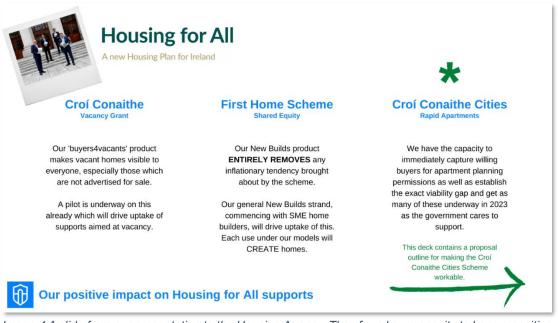


Image 4 A slide from our presentation to the Housing Agency. They found our capacity to have a positive impact on the Croí Conaithe Cities scheme to be "very interesting" yet were not empowered to or simply chose not to engage with us. There are two reasons for

At Homebuyer's Hero, we feel, given the current level of crisis in Ireland in terms of housing and constant the battle the government faces as fresh challenges arise due to our susceptibility to external shocks,

that our mission is laudable regardless of other state-backed efforts howsoever sizeable, and indeed that our niche, "Homes Market Tech", is one of strategic national importance and *even a hedge against failure in other efforts*. It should be seen as something which can complement and derisk



the significant spending by this government on addressing housing. Supporting innovation in market functionality is possibly the smartest money we could spend. There are other businesses besides ours working on market functionality and supply issues, and all should be supported, when showing the capacity to actually improve our housing situation.

Issues with housing are felt internationally. In Ireland, we have the perfect environment for solving issues in housing, and we should not only solve our own problems but also seek to capitalise on this effort by becoming a centre of excellence for innovation in HomesMarketTech, so we can export our innovations to the world.

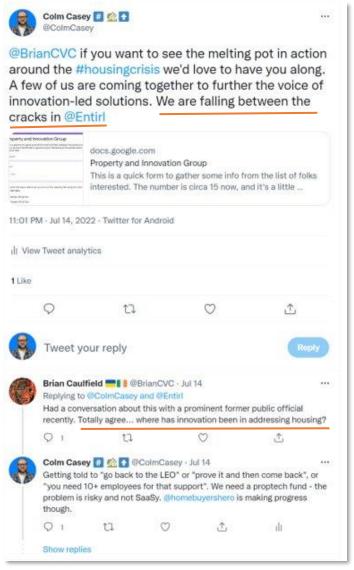


Image 5 "Where has innovation been in addressing housing?", asks Brian Caulfield, Chair of Scale Ireland. That was a year ago. We can tell you clearly that innovation is locked out of business supports if it doesn't conform to certain "norms". This is a critical mistake, especially since innovation can help solve one of Ireland's biggest problems.

The Problem we have Encountered

Brian Caulfield, Chair of Scale Ireland, posed a question on Twitter: "Where has innovation been in addressing housing?" While some might argue that innovation in housing is limited to new materials or construction methods, this narrow view aligns with the structure of 'Built to Innovate'.

Recent years have seen the emergence of successful businesses in the property sector, including bidding platforms and conveyancing tools. These B2B SaaS businesses align with the criteria of entities like Enterprise Ireland. While many fall under the 'PropTech' category, they don't necessarily drive housing supply as 'Homes Market Tech' businesses would.

Ireland's strategic need is clear: develop startup supports that not only have international scaling potential but also address the country's needs, particularly in housing. Despite our engagements with Enterprise

Ireland, stringent targets to meet before they could help or even see us as being in focus, such as the completion of six new-build developments with some home builders repeating, remain. They are



openly using B2B SaaS (see Glossary of Terms) analyses on our decidedly non-SaaS housing supply solution.

Crazy money needed to top the bidding as online auctions drive up prices

House-hunters are putting in bids on Friday nights after a bottle of wine, says Ciaran Mulqueen, who has finally found a home of his own after shining a light on an increasingly frenzied property market. He spoke with Niamh Horan



Image 6 CrazyHousePrices founder laments the negative effect on the market of businesses with a model which has been backed by Enterprise Ireland a number of times. Is this what we need the state to do — make things more difficult for home buyers? El won't back gambling or porn. Why not perform proper analyses of market impact for those things it does support? When that isn't feasible, it's a sure sign that a dedicated, strategic fund is required.

With employment no longer a primary concern, societal issues like housing and climate change dominate the Homebuyer's discourse. Hero promises nationwide housing supply, MMC businesses supporting and promoting homeownership. Yet. Enterprise Ireland's conservative stance and the inaccessibility of 'Built to Innovate' hinder our progress.

The challenges faced by 'MedTech' businesses mirror ours. The Western Development Commission's fund operates with a particular interest in 'MedTech' – medical technology. It serves as an example of targeted

support. Similarly, we advocate for a "Homes Market Tech" Fund, addressing both national and



Image 7 Here is a still of An Taoiseach taken from a Scale Ireland video. On February 25th last, he lamented the fact that recovery in construction finance lending is likely to be very slow, due to risk perceived by lenders. Homebuyer's Hero removes this risk. An Executive Director of Enterprise Ireland was in the audience hearing the leader of the country talk about this national-scale problem, knowing she had supported the El requirement for Homebuyer's Hero to get 5/6 developments built with 2 repeating (a highly inappropriate SaaS-based analysis) just a few months before. They are ignoring our calls to remove that inappropriate requirement. How is this conducive to finding and supporting positive innovation and solutions to national-scale problems? Are we really turning over every stone?

international housing challenges. Otherwise, we risk relying on potentially unsuitable foreign tech platforms. Consider the impact AirBnb has on the rental market, for example.

Our journey as a housing-focused startup in Ireland has been fraught with challenges, from underfunding to restrictive business models and issues with entities like the NDRC and Mayo LEO. To truly address the housing crisis, we must overcome these barriers – drift to later stage businesses in the former and deviation from grant application rules in the latter.

In summary, Ireland's startup ecosystem currently lacks the structure to support innovative solutions



for pressing issues, especially in housing supply. This cannot be allowed to continue. As the reader examines the rest of this document, please keep in mind and refer back to the problem as we see it and as summed up in the following statement:



Ireland's startup ecosystem is not structured to support novel, practical solutions for our most pressing problems, such as housing supply.

We have prepared a detailed document, 'Evidence of Need for a 'Homes Market Tech Fund', which chronicles our journey through the startup ecosystem and offers recommendations to address observed challenges. While these challenges underscore the urgency of our proposed fund, we believe in a collaborative approach to solutions. We'll be sharing this document with key stakeholders in government and relevant departments to foster understanding and joint problem-solving.

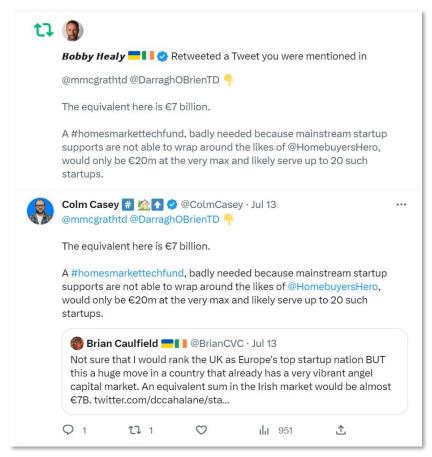


Image 8 Here's Bobby Healy - an NDRC Mentor and outstanding entrepreneur, retweeting one of Colm Casey's many social media calls for a "Homes Market Tech" fund. €20m – the same as sanctioned by cabinet for 400 refugee bedspaces - would be enough to properly enable innovators in the space to pump up housing delivery numbers. Do we want that in Ireland, or not?

Our Proposed Solution – a "Homes Market Tech" Fund

Various entities are approaching the government with specific requests within their domains. For instance, IPAV might seek a new "Section 23" and a "CGT amnesty" to stimulate investment in rentals and motivate owners of vacant homes to sell. These represent potential governmental levers in housing.

Scale Ireland and other groups are advocating for enhanced support for startups and scaleups. The SERI pre-budget submission highlights a significant challenge with Social

Enterprise in Ireland, stemming from a restrictive 2019 definition.

(Refer to the supplementary document "Evidence of Need for a 'Homes Market Tech' Fund".)

While some of these proposals might indirectly benefit Homebuyer's Hero, it's probable that any increase in startup funding will still be managed by the existing, somewhat rigid ecosystem. This ecosystem often struggles to support innovative and impactful ventures at early stage, outside of familiar areas like MedTech or the standard B2B SaaS model.



Image 9 The entrepreneurial landscape is often influenced by widely respected texts such as "The Mom Test," which have shaped the perceptions and expectations of many within the startup ecosystem. These "bibles" of the startup world, while undeniably valuable, tend to support more traditional, easily quantifiable business models, like B2B SaaS, often neglecting the nuanced dynamics of startups addressing complex societal issues, which cannot be driven in the same manner, with housing, for example, requiring systemic solutions borne of deep expertise, not 'feedback' necessarily.

Traditional methodologies, such as those in "The Mom Test", might not always capture the nuances of businesses aiming for significant societal change. These businesses often diverge from conventional revenue

models and timelines, making it difficult for them to secure deserved recognition and support. It's



"BUT WE HAVE AN INDUSTRY THAT RELIES ON CERTAINTY. IT RELIES ON A SIGHTLINE FOR DEMAND OF A PARTICULAR TYPE OF SERVICE OR AT LEAST A PIPELINE THAT ALLOWS A **DEGREE OF PREPARATION AND** INVESTMENT BASED ON THE SKILLS AND PRODUCT THAT WILL DEFINITELY BE PROCURED. OUR INDUSTRY CAN HAVE A LONG LEAD IN TIME TO DELIVERY, BUT WHEN THE GREEN LIGHT IS GIVEN, ALL THE DEMAND AND RISK PASSES ON TO THE SUPPLY CHAIN PARTNERS. YOU ARE **EXPECTED TO RESPOND WITH** RESOURCES AS IF YOU HAVE BEEN STORING THEM UP WAITING FOR AN INSTRUCTION TO PROCEED."

CIF Director General, Mr. Tom Parlon, in his opening statement on May 9th last to a meeting of the Joint Oireachtas Committee on Housing

crucial for stakeholders, including the government, to expand their perspectives, moving beyond a de facto, almost singular focus on the B2B SaaS model at early stage, and to appreciate startups addressing societal challenges. Ireland's ambitions, like its climate goals, demand this broader view.

For instance, Homebuyer's Hero can advance climate goals by facilitating investment in MMC businesses using our data. As Tom Parlon of the Construction Industry Federation highlighted, businesses crucial for sustainable construction need a clear market signal to adapt and invest. Our platform can provide this clarity, as detailed later in this document.

However, housing market innovation is too pivotal to be left to chance. It shouldn't be overshadowed by vested interests in the startup ecosystem or the narrow focus of government-funded bodies. The current startup ecosystem's preference for B2B SaaS, which inherently targets industry incumbents, can hinder genuine innovation. If existing housing players could implement solutions similar to Homebuyer's Hero, they would have done so already. The

startup ecosystem's evident bias towards B2B SaaS means ventures like ours often face challenges in securing support, as evidenced by our experiences with Enterprise Ireland's, LEOs and the NDRC's funding initiatives. (See supplementary document "Evidence of Need for a 'Homes Market Tech' Fund.")

Fund Outline

As per communications to An Taoiseach, Ministers and T.D.s in January and throughout 2023 thus far, here is an outline of how a fund should be structured, in our opinion:



Fund Objectives and Scope:

This fund aims to invest in applicant businesses fitting the definition of "Homes Market Tech" with innovations for market-altering impacts in increasing the supply of new homes, enabling the use and transactions of vacant homes, and within that, promoting green initiatives aligned with Ireland's climate targets.

Fund to target support at technology companies deploying solutions around market innovation, not merely digitizing existing functions or supporting models already backed by existing aids.

Financial Details:

- €20m fund, plus administrative budget.
- Cheque sizes expected to be around €1m.
- Funding is for an equity stake, typically ordinary shares, negotiated individually.
- Should matching funding be a requirement, securing matching funding from private VCs should be feasible.

Administration and Oversight:

- The fund should be overseen by the Department of Finance or the Department of Housing, distinct from Enterprise Ireland or the Department of Enterprise. (See supplementary document entitled "Evidence of need for a "Homes Market Tech" Fund'.)
- ISIF/NTMA might be ideal administrators, given their expertise and the recent announcement about construction finance capital.

Operational Details:

- Time-limited requirements on being Irish-based and focusing on the Irish market could be part of an agreement.
- Avoid complications or tranching in investment deals to ensure attractiveness to potential employees.
- The fund should recognise the Irish market's size and avoid supporting competing enterprises for spending efficiency.
- The fund could be finite or have an annual budget, initially supporting 15-20 companies.
- Guarantee privacy, ensuring Intellectual Property protection and separation between applications.
- Funding is not for R&D but for businesses with ready solutions.

Exclusions and Specifics:



- Exclude 'ConTech' or MMC-related initiatives, as Enterprise Ireland and the new Centre of Excellence already cater to them.
- The fund is designed for companies with limited or no revenue, where other funding sources are inaccessible.
- By supporting ready companies, traditional supports can back similar enterprises later, with the market validated by this initiative.

The fund's primary objective should be to identify viable market solutions. To achieve this, an expert panel should be established, from which the supervising department can select members for each application review. Instead of contracting organisations like Dogpatch Labs or Furthr, individual experts should be chosen for the panel. This approach ensures tailored expertise selection and a thorough conflict of interest assessment, crucial in a tight-knit ecosystem and an area of the economy with significant money flows. The panel should possess specific skills, understanding scale and impact, and there must be a clear distinction between this fund's objectives and those of mainstream startup supports.

The European Investment Council (EIC) accelerator's structure, which assembles assessment panels as needed, offers a secure and efficient model. This approach ensures the fund remains cost-effective, activating only upon receiving applications. Minimal promotion is required, as other support entities can direct potential applicants to the fund. We at Homebuyer's Hero have come across several individuals with pertinent expertise, including:

- <u>Carol Tallon</u> Construction industry and related startup expert. Carol has extensive expertise and experience to understand when the needs of industry are likely to be met by any given application innovator. She has extensive expertise in policy design, ConTech and PropTech, such that she is an excellent proxy for the construction industry. She would be ideally positioned to even know when certain things, perhaps thought of as undesirable on the surface, would actually be good medicine for the industry and contribute to long term stability.
- Ena Coleman Senior Regional Development Exec Dublin Region at Enterprise Ireland. Ena
 has the capacity to understand the very significant ideas and is not afraid to make calls based
 on an understanding of potential societal benefit, while also being an expert in terms of
 assessing businesses seeking funding at early stages, as applicant businesses to the fund
 will be.
- Alan Costello Alan is an expert in seed venture investment with a strong interest in Climate
 and Sustainability Technology, while having a keen understanding of what makes a business



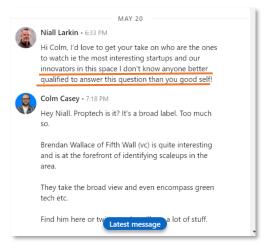
likely to succeed. His style of 'interrogation' would likely uncover any weaknesses quite easily, as well as offer solutions to same.

- Mary McKenna An outgoing director of the Western Development Commission as of the date of writing, a prolific investor, Expert Advisor to the European Commission, UKBAA Angel Investor of the Year, Entrepreneurship Expert with the Entrepreneurship Centre at the University of Oxford, business founder and founder of Awaken Hub, Mary is an expert in Irish and international startup eco-systems, follow-on steps for applicant businesses to the proposed fund and since having a home is for all members of the human race, Mary would likely spot and understand innovations coming from female founders which might otherwise be lost.
- Amy Neale General Partner at Delta Partners VC. While Amy possesses all the skills of someone who can find excellent investment opportunities, she is with others in her firm and in partnership with the RDI Hub in Kerry, currently involved in finding innovators touching off the mortgage scene in Ireland, potentially having met some within scope of this proposed "Homes Market Tech" fund.
- Colm Casey Our CEO understands
 HomesMarketTech and he is happy to be of
 service were it deemed appropriate and desirable,
 outside of a Homebuyer's Hero application, of
 course. We have a very small ecosystem this
 may not be desirable, but then, so too is it not

Note: The 'Mortgage Innovation' competition stems from Bol's acquisition of the KBC loan book, aiming to foster innovation in the mortgage sector. While we did apply, we didn't progress past the initial stage. It's crucial to highlight that this competition doesn't directly address housing supply or the specific objectives of 'Homes Market Tech', as defined earlier in this document.

As detailed in the supplementary document "Evidence of Need for a 'Homes Market Tech' Fund," our prior interactions with the NDRC ecosystem through the RDI Hub, a regional NDRC partner, influenced our approach to the grant application. Given our then ongoing discussions with the Department of Communications about perceived challenges with the current NDRC model, we couldn't really consider the competition as viable for us and held back on our application, given we had connected to the NDRC ecosystem a number of times remotely, through RDI Hub. This €1m competition's existence should not overshadow the pressing need for a dedicated fund, distinct from the current startup ecosystem infrastructure.

desirable to have government contracts such as the NDRC spanning multiple organisations



with multiple points of crossover. Either conflict of interest can be managed in this small ecosystem, or it can't.

Image 10 Niall is in the Dogpatch Labs family through HBAN and is also based in the RDIHub. This is a snippet of a LinkedIn chat from May of this year. Homebuyer's Hero is often recognised for the depth of expertise held by our two founders. However, due to various eco-system biases and imbalances, and especially due to a lack of confidence in early stage supports to back the 'novel', 'impactful' thing, we quite often lack 'signal' for higher or more specialised supports. Niall recognises Colm's expertise, but unfortunately, this does not translate into support for Homebuyer's Hero from the NDRC, for example, although the NDRC has scored us somewhere between 40th and 16th place out of circa 200 applications recently. But they are not seeking out the things with the societal benefit. See the document entitled "Evidence of need for a 'Homes Market Tech' Fund".



What's happening elsewhere?

Like many nations, Ireland grapples with challenges that others face too. Some countries might have more funding, more mature startup ecosystems, or even existing programs akin to our proposal. By observing innovations in the U.S., with its advanced investment ecosystem, we can gain insights—even when startups employ unconventional models.

However, we shouldn't be overly fixated on precedent. Ireland has the potential to lead, without constantly seeking validation from abroad. As An Taoiseach, Mr. Varadkar, highlighted, the situation is urgent, and our actions should reflect that. No country has cracked housing solutions. Yet.

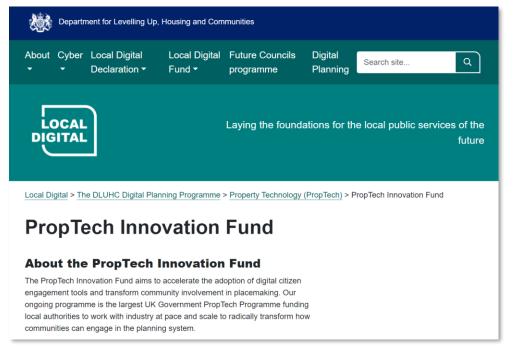


Image 11 The UK recognises when it needs to work with innovators. While this proposed fund is different to the UK's PropTech Innovation Fund, the underlying concept of the state enabling innovation is sound and working well. Their fund is on its third iteration.

PropTech Innovation Fund (U.K.)

The U.K.'s **PropTech** Innovation Fund seeks to expedite the adoption of digital tools for community engagement in placemaking. While not identical, its objectives resonate with our proposed 'Homes Market Tech Fund'. The U.K. initiative underscores the

societal dimension of the challenges and the potential of private-sector innovation. However, its distribution model, through Local Planning Authorities, has faced criticism for its fragmented approach. Given Ireland's demographics, a centralised, national approach for our 'Homes Market Tech Fund' seems more apt.

USA based PropTechs

The U.S. boasts a mature startup investment ecosystem. This maturity, combined with a vast market, facilitates early-stage investments in promising innovations. Yet, biases persist. A 'Homes Market Tech Fund' can prioritize societal impact, aligning profitability with positive societal outcomes, especially with state-backed support.



- 1. Opendoor: An 'iBuyer' model, Opendoor aims to capitalise on market data. By offering convenience, it encourages users to sell at lower prices and buy at higher ones, profiting from the margin. This model, questionable for the Irish context, exemplifies innovations that might eventually find their way to Ireland if we don't foster home-grown solutions. It represents a very closed use of data, rather than open.
- 2. Vairt, RealBlocks, Owny: These blockchain-based property investment platforms resemble digital REITs, potentially democratising property investment. While some variants might support co-investment in social housing which is laudable, they don't fundamentally address housing supply for homebuyers. However, such models resonate more with the current Irish startup ecosystem.
- 3. Enablers of cash offers: Something along the lines of a bidding helper, a plethora of startups help buyers to win bidding by enabling them with cash offers. These PropTechs are not enablers of new supply. They don't push construction costs down. They simply cause bidding issues and take a slice, causing further pressure. When the market cooled in the USA so too did their prospects. However, some have survived. Again, this is not a particularly helpful model to add to a market and is more parasitical than helpful, preying on people caught in tough market conditions.

These 'PropTech' businesses are attractive to investors with the promise of major returns. There is nothing wrong with getting a return, but in the area of housing, and as we would suggest as part of the operation of the proposed fund with state backed support, there can be a deep dive on business models and the effects on the wider market to ensure there isn't damage being done. This is much like the reference to 'Friday Night Bidding' after a glass of wine, earlier in the document.

Even as a business, the iBuyer model is risky, especially when there is a downturn in the market. By pooling data, a market becomes sustainable in perpetuity.

Would our startup fare well in terms of investment in the USA? We believe so, as it is an enabler of the homebuyer with significant moats, due to the crafting of business and revenue models while very strong, are also not parasitical in nature. Other 'Homes Market Tech' businesses aspire to similar models, recognising the 'win' in helping the homebuyer as well as pushing down the cost of construction. These, not the examples above, are the types of businesses we need our fund to support.

BUSINESSPLUS

Varadkar Willing To Sidestep Constitution To Solve Housing Crisis



NEWS / 29TH DECEMBER 2022 / BP REPORTER

The housing crisis is holding Ireland back and a "can-do" Covidstyle response needs to be adopted, the Taoiseach has declared.

Leo Varadkar has indicated he plans to override State aid rules and even the Constitution in a bid to "turn the corner" on the housing shortage.

For the first time, Mr <u>Varadkar</u> has accepted that "permanent housing solutions" are going to be required to help house close to 70,000 Ukrainian refugees who have already arrived in the country. This indicates that the scale of the housing crisis is more acute than previously believed.

The Fine Gael leader said: "Sometimes in government we're too willing to say that things can't be done, because of public finances, because of State aid rules, or because of something else, I'm not willing to accept that.

"We need to turn the corner on housing, it is an emergency, it's affecting people in so many different ways. It's holding us back as a country, and it's causing intergenerational division that I don't like to see. So, it's really going to be a case of let's do everything, unless there's a really good reason as to why we can't."

Image 12 We need a COVID-style response to housing. COVID saw many private businesses here and around the world active in the push. Although he is a medical professional, I doubt the Taoiseach would suggest that government should have created the COVID vaccines.

stimulate investment in MMC businesses.

The fund would sidestep the current startup support biases towards 'proven models'.

Using Homebuyer's Hero as an Example

 Our platform reorders the construction process, securing buyers early to reduce financial risks and pushing down construction cost.

Benefits and Impact

What can be gained from optimising vacant homes, maximizing the First Homes Scheme on New Builds without price inflation, and making dormant urban planning permissions actionable?

Maybe a better question might be, "What might we lose if we don't enable market innovation?"

Generally

- The fund would drive innovation to address the housing crisis.
- It would enhance the impact of the existing Housing for All initiatives.
- It would encourage innovators to apply their expertise to unique housing challenges.
- The state could shift from high-cost, limited-return investments to smart, strategic funding, aligning construction industry predictions with market realities.
- It would foster collaboration between state efforts and innovative solutions.
- Innovators could mitigate construction risks, making building viable nationwide.
- Predictable demand insights would



- We make construction viable in areas previously deemed non-viable by providing relevant data. This enables an army of SME builders from the smallest village to county towns to urban centres.
- Our data offers market predictability, enabling MMC innovators and investors to assess risks and rewards.
- This predictability can attract international construction workers to Ireland.
- We introduce transparency to house pricing, establishing clear profit margins.
- Our platform empowers homebuyers, reducing competition with large investment funds.
- We've developed models for various urban and rural scenarios, including new builds and urban regeneration.
- Our vacancy models address current market apprehensions, ensuring accurate property valuation.
- In relation to Housing for All, we ensure no price inflation through the First Home Scheme and enhance the attractiveness of grants for vacant homes.
- Our alternative to the Croi Conaithe Cities Scheme offers solutions for office space conversion, planning permission activation, and more.
- Our data can refine development plans, making the National Planning Framework more adaptive and demand driven.

In essence, leveraging innovation can pave the way for a stable and efficient housing supply and to be clear, our innovations require no changes to Housing for All.

Our alignment with Housing for All

- Through our platform, the First Home Scheme is safeguarded against any price inflation tendencies. Buyers can confidently utilize it to de-risk construction projects, driving genuine housing supply without necessitating any scheme alterations. There is no scope for price creep.
- Our pilot with Mayo County Council enhances the appeal of grants for vacant homes.
 Although currently on hold due to our funding constraints, it addresses the prevailing challenges: buyers' and sellers' lack of clarity on property value and local authorities' valuation uncertainties for Compulsory Purchase Orders (CPOs). It also allows buyers to surface properties for the pilot. (The Housing Finance Agency has provided some funding to Mayo County Council for this pilot.)



- For the Croi Conaithe Cities Scheme, we offer an model. lt facilitates a) innovative Risk-mitigated conversion of unviable office spaces. b) Activation of permissions. apartment planning c) resubmission of existing planning permissions to align with buyers' preferences. d) Conversion of 'build-to-let' planning permissions that were previously declined, to 'build-to-sell'.
- We can optimize the efficiency of "Housing for All" expenditures, ensuring government efforts directly benefit buyers.

Broadly, the data generated by us, and similar 'Homes Market Tech' innovations can refine development plans. The National Planning Framework could transition to a more adaptive model, where organic demand shapes development, rather than a rigid top-down strategy.

Promoting innovation as a solution to the housing crisis can businesses innovations.



Image 13 Page One of a detailed proposal to derisk Croi Conaithe Cities. We understand that circa €42,000 was paid to a consultant to find out why the planning permissions are not activated. We can tell the reader for free! The Housing Agency characterise our proposal as 'very interesting'. Ireland needs to help businesses with strategically impactful innovations.



Note: We feel a heavy responsibility to home buyers and other market actors to be on reasonably solid financial footing before deploying our technologies into the market. Launching without sight of a financial runway to get us from start to revenue might cause significant damage to too many people, far beyond any risks posed by starting up some generic B2B SaaS platform, selling a widget for €49 per month.

Conclusion

Our state-backed startup ecosystem, originally in large part designed to address the 1990s' job focus, now faces contemporary societal challenges: housing, climate, and immigration. While job creation remains vital, our focus should pivot to addressing these pressing, societal issues through commercially sustainable solutions. Our approach at alleviating housing pressures, while also generating employment with high impact on employment and economic activity outside our own business, employs non-traditional models essential for bringing about systemic change in housing market functionality. Unfortunately, entities like Enterprise Ireland struggle to evaluate such innovative businesses, as elaborated in the "Evidence of need for a 'Homes Market Tech' Fund' document.



AS MONETARY POLICY NORMALISES,
THERE APPEARS TO BE NO
ALTERNATIVE TO A COMPREHENSIVE
PROGRAMME OF SUPPLY-SIDE
MEASURES THAT RADICALLY REDUCES
THE COST OF RESIDENTIAL
DEVELOPMENT.

Department of Finance, Economic Insights,
February 2023.
Innovation in the 'Homes Market Tech' space is
complimentary to state actions, such as the recently
mooted €8bn for the Land Development Agency

Immediate action is required to address the housing crisis. Given the current limitations of startup supports, a dedicated fund for housing innovation is imperative. Recent discussions suggest allocating €8bn to the LDA for collaborations with homebuilders. However, diverting just one quarter of one percent of this, just €20m, to the Homes Market Tech Fund could potentially optimise or even negate the need for the larger expenditure, long term, but in the here and now, this fund could enhance the efficiency of every LDA-backed construction

project, Croi Conaithe Cities apartments and so many more.

The urgency for a 'Homes Market Tech' fund is undeniable.

Ireland needs a 'Homes Market Tech' fund. If there is a reason as to why we can't do this, it should be a really good one. So says An Taoiseach, Mr Leo Varadkar at least. Thank you for reading. For further discussions, contact Colm on colm@homebuyershero.com or 087-1238778.

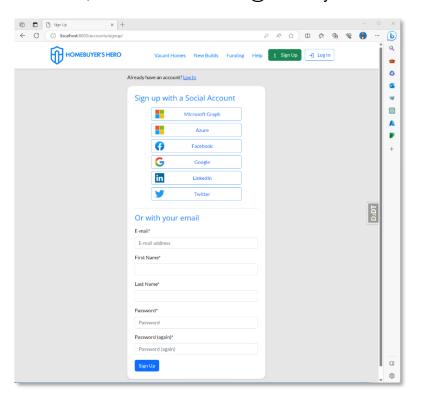


Image 14 Our 'Sign Up' page, shown here running on a development machine. With big thanks to Microsoft, we have resources for the technical aspects of our launch. However, in order to be able to bridge the gap between launch and solid revenue, our housing supply startup requires some form of a push, in the total absence of ANY help from existing startup supports. With some help available to us should we make a successful application to the proposed Homes Market Tech Fund, we are very confident that this could become one of the most popular pages on the Irish web!

