

## NexusCrowd

Canadian Real Estate Crowdfunding Platform | HQ: Toronto, ON, CAN | Founded: 2014

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NexusCrowd is the first investment platform in Canada to harness the power of the crowd to offer investors the opportunity to co-invest alongside venture capital and private equity partners on the same terms.

NexusCrowd partners with institutions to provide accredited investors with access to exclusive private investment opportunities that have reached at least 50% of the funding target. Every investment opportunity on the platform is sourced, vetted, structured, reported on and managed by institutional partners, giving investors access to institutionally led and managed investments across all sectors, stages and securities.

NexusCrowd is led by a team with unique expertise in financial services, technology and institutional finance. It's the only investment platform in Canada with an exempt market dealer license that uniquely partners with institutions on equity and debt financings. Combined with proprietary investment and fundraising technology, NexusCrowd provides a simple, transparent process for investors, and a frictionless way for venture capital and private equity partners to raise new capital.

**Website URL:** <http://www.nexuscrowd.com/>



Problem solved by Nexu Crowd: Difficult to raise capital from the equity-raising side and as an investor to get access to really good deals

- Return on equity investments for private commercial real estate development opportunities in Canada typically range between 15 to 25 per cent annually when led by professional institutional developers. However, this market has been closed off to individuals.
- Most of the private real estate development opportunities are only accessible for institutional investors and high net worth individuals with strong connections.
- Now, accredited investors can access commercial real estate developments for as little as \$10,000(minimum investment)

### Leadership

**Hitesh Rathod**, CEO

*LinkedIn:* <https://www.linkedin.com/in/rathodhitesh/>

*Education:*

Master of Financial Economics degree from the University of Toronto  
B.A. in Finance and Economics from the University of Western Ontario  
CFA charterholder.

*Past:*

Vice President, Corporate Development at Broadacre Agriculture Inc.,  
Investment Banker at Mackie Research Capital Corporation and Canaccord Genuity Inc.

**Larry Krauss**, Chairman

*LinkedIn:* <https://www.linkedin.com/in/larry-krauss-b2b58a/>

*Education:*

Osgoode Hall Law School in Toronto  
Masters of Law in taxation from Osgoode Hall.  
Bachelor of Science degree from the University of Toronto.

*Past:*

Over 25 years of real estate finance and development experience.  
CEO of Terracap Management Inc., a real estate development firm.

**Ian Smith**, Advisor

*LinkedIn:* <https://www.linkedin.com/in/iangrattansmith86b41392/>

*Education:*

B.A. in Economics from the University of Western Ontario  
CFA charterholder.

*Past:*

More than 25 years experience in the global financial services industry focused on investment and risk management.  
Managing Director at Goldman Sachs Asia responsible for Pan-Asia Macro Trading managing delta-one derivatives, program trading and index arbitrage.

**Eric Midvidy**, Advisor

*LinkedIn:* <https://www.linkedin.com/in/ericmidvidy/>

*Education:*

B.A. in Philosophy from York University  
Master of Business from the Schulich School of Business

*Past:*

Worked for companies including Oxford Properties Group, Canadian REIT, NorthWest Healthcare Properties REIT, and Terracap Investments Inc.

## BUSINESS MODEL HIGHLIGHTS

### *Strategy*

How to mitigate the risks that are involved in private market investing and crowdfunding specifically?

- NexusCrowd's solution was to partner with institutional investors "who really just do this for a living, where they are sourcing, structuring, monitoring and reporting on deals."
- Only partners with developers who fund 50 per cent of a given project, "to ensure that our partners have significant skin in the game and their interests are aligned with our investors"

### *Product / Pricing*

Minimum investment, \$10,000

### *Technology*

Crowdfunding Technology, proprietary algorithms

### *How it Works*

1. Accredited investors sign up for free, at nexuscrowd.com, with no obligation to invest.
2. Gain access to investment opportunities on the platform that match investment goals.
3. Select and invest in the opportunity of the investor's choice.
4. Monitor progress of investments through the platform's easy-to-use, investment dashboard.

## FUNDING / FINANCIALS

| Date      | Amount / Round          |
|-----------|-------------------------|
| Jun, 2016 | \$15.5M / Venture       |
| Jun, 2016 | \$540k / Debt Financing |

## KEY CORPORATE DEVELOPMENTS



**CLOSED**

Gross Proceeds Raised:

**\$517,000**

Total Equity Funding: \$4,000,000

**SECTOR:** Real Estate Development  
**LOCATION:** Downtown Toronto  
**PARTNER:** Downing Street Realty Partners  
**TYPE OF INVESTMENT:** Equity  
 187 Parliament is a 108,000 sq.ft. mixed-use development located at Parliament St. and Queen St. East. The development will take part in the transformation of the Corktown district.



**CLOSED**

Gross Proceeds Raised:

**\$540,000**

Total Debt Funding: \$5,500,000

**SECTOR:** Real Estate Development  
**LOCATION:** Greater Toronto Area  
**PARTNER:** Downing Street Realty Partners  
**TYPE OF INVESTMENT:** Mortgage Debt  
 25 acres of land in Ajax, Ontario in the process of a multi-phased residential condominium development.



**CLOSED**

Gross Proceeds Raised:

**\$506,000**

Total Equity Funding: \$5,780,000

**SECTOR:** Real Estate Development  
**LOCATION:** Greater Toronto Area  
**PARTNER:** Downing Street Realty Partners  
**TYPE OF INVESTMENT:** Equity  
 Portfolio of industrial properties totaling 110,000 sq.ft. Purchased in August 2014 with redevelopment and remediation well underway.



**CLOSED**

Gross Proceeds Raised:

**\$500,000**

Total Equity Funding: \$8,200,000

**SECTOR:** Real Estate Development  
**LOCATION:** Greater Toronto Area  
**PARTNER:** Terracap Investments Inc.  
**TYPE OF INVESTMENT:** Equity  
 238,000 sq. ft. retail real estate development anchored by grocery chain and tier 1 global bank. 85% of units already pre-sold.

## SWOT ANALYSIS

### Strengths

Developers can raise funds at a lower borrowing rate than a traditional bank loan, while on the other hand, investors get the opportunity to potentially earn more return than by investing in a traditional real estate investment trust.

### Weaknesses

Low traffic on blogs, suggests little clickthrough in social media presence.

### Opportunities

With the increasing volatility of the stock market, investors in Canada are seeking ways to diversify their portfolio to hedge the risk of the unstable capital markets.

### Threats

Popular crowdfunding platforms such as, Kickstarter(<https://www.kickstarter.com/>), indiegogo(<https://www.indiegogo.com/>), RocketHub(<https://www.rockethub.com/>), and FundRazr(<https://fundrazr.com>)

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Goodyear, S. (2016, April 04). *Real estate crowdfunding goes residential*. Retrieved from <http://www.theglobeandmail.com/real-estate/toronto/real-estate-crowdfunding-goes-residential/article29366528/>

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