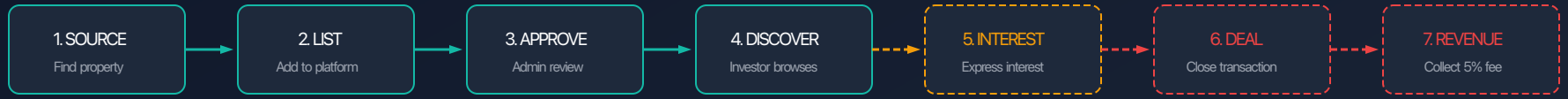
InvestRand Business Model vs Technology

Property Sourcing Marketplace — 5% Fee (min R30,000) per Transaction

Working Gap

BUSINESS PROCESS



CURRENT PLATFORM

Vue 2 / Django 4.2

Working

- Property sourcing & listing
- Investor discovery & browsing
- Admin approval workflow
- Service provider marketplace

Issues

- ROI calculation errors
- CRM sync broken
- Password reset missing

Missing

- Express Interest (future)
- Deal facilitation
- Fee collection

DEVELUTIONS REBUILD

React 18 / Spring Boot 3.4

Frontend (React 18) — 80%

Backend (Spring Boot) — 75%

Property Display — 85%

Critical Business Functions

Financial Calculations — 35%

CRM Integrations — 0%

Deal Facilitation — NOT IN SCOPE

Fee Collection — NOT IN SCOPE

BUSINESS NEEDS

To scale to R500M transactions

Must Have

Lead Capture
Express Interest → CRM → Follow-up

Deal Management
Track pipeline: Interest → Offer → Transfer

Revenue Collection
Invoice generation, fee tracking, commission

Accurate Calculations
ROI, bond, rental yield matching financial model

Regulatory Questions

- PPRA registration for 5% fee?
- FSP license for financial advice?
- FICA compliance for transactions?
- Sourcing agents PPRA registered?

The Core Problem

> Develutions is building infrastructure,
> not business functionality.

Two Failings

1 — InvestRand

Did not articulate clearly how technology should support the business model and enable scale.

2 — Develutions

Just came to build something.
Didn't ask the fundamental questions:
"Why are we doing this?"

The Evidence

35%	0%	NOT IN SCOPE	55-60%
Financial Calculations (Core value proposition)	CRM Integration (How deals close)	Deal facilitation / Fee collection	Claimed Progress (Infrastructure only)

How will this rebuild enable InvestRand to scale to R500M in transactions?

Regulatory & Compliance Considerations

Questions to verify before proceeding with any technology investment

KEY FINDING: InvestRand is a property sourcing marketplace with full ownership transfer — NOT fractional investment.

This changes the regulatory analysis. Different from EasyProperties (fractional SPV model) or Crowdprop (crowdfunding).

PPRA / Property Practitioners

The Question

Is the 5% "sourcing fee" actually commission on property sales?

Requirements

- Property Practitioners Act 22 of 2019
- Fidelity Fund Certificate (FFC) required
- "Spotter's fee" exception is narrow

To Verify

- Is InvestRand PPRA-registered?
- Is Ezra (ex-estate agent) registered?
- Are sourcing agents registered?

FSCA / Financial Services

The Question

Is InvestRand providing financial advice?

Requirements

- FAIS Act - FSP license required
- Category I for non-discretionary advice
- EasyProperties has FSP 22588

Platform Activities

- Calculates ROI, bond repayments
- Presents investment projections
- Connects with financing options

Other Compliance

FICA

Property transactions > R25,000 require FICA compliance (KYC/AML)

POPIA

Personal data handling
Privacy policy review needed

CISCA (Not Applicable)

Full ownership model = no pooled funds
Different from fractional platforms

Alternative: Stokvel Model

Exempt from Banks Act, FAIS, NCA
Register with NASASA if > R100k

Competitor Structures

EasyProperties (Purple Group)

SPV structure, fractional shares | FSP License 22588

No minimum investment | 5-7 year period

Crowdprop

Property crowdfunding | R10,000 minimum

5% capital raise + 5% management fee

InvestRand (Different Model)

Full ownership transfer | 5% sourcing fee

Target: First-time investors | Median age: 33

RECOMMENDATION: Verify regulatory position with compliance attorney before any technology investment decision.

Recommendations & Next Steps

Questions for Develutions

1. How will your rebuild enable InvestRand to scale to R500M in transactions?
2. Where in your architecture is the investment transaction flow?
3. Why is financial calculations only 35% complete if that's the core value proposition?
4. Why is CRM integration 0% complete if lead management is how deals close?
5. Why full migration vs Vue 2 → Vue 3 incremental approach?
6. What is the detailed data migration and rollback strategy?
7. Timeline realism: 55-60% after 1 month — when is production-ready?

Questions for Ezra (InvestRand)

1. How do investors currently invest? What's the actual process?
2. How do you currently collect the 5% sourcing fees?
3. What specifically prevents you from scaling today?
4. Is the problem the technology, or the business process?

Regulatory Verification Required:

- Is InvestRand/Ezra PPRA-registered with valid FFC?
- Are sourcing agents PPRA-registered?
- Is FSP license required for financial projections?

Before Any More Development

1. **Define Investor Journey**
   End-to-end from discovery to completed investment
2. **Clarify Revenue Model**
   When and how is the sourcing fee collected?
3. **Verify Regulatory Status**
   PPRA, FSCA, FICA compliance
   Consult compliance attorney
4. **Assess Alternatives**
   Vue 2→3 + bug fixes vs full stack migration

Key Insight

This is a business problem, not a technical problem. Technology should serve the business model — not the other way around.

Alternative Technical Approaches: Vue 2 → Vue 3 migration (2-4 weeks frontend) | Incremental modernisation | Hybrid approach with new features in modern stack