ASK, and you shall receive

ASK Partners' experienced founding trio open up property transactions to discerning HNW investors, empower borrowers, and bring it all together on an innovative fintech platform

IN THE WAKE of the pandemic, as the property market finds its feet once again and international travel begins to return, opportunities abound. Ambitious developers are on the hunt for capital to finance a wide array of real estate projects, both residential and commercial, and ASK Partners is eager to provide it.

Styled and spoken aloud as 'A-S-K', the name symbolises the union forged by its three founding partners – Daniel Austin, Paul Stevens and Doug King – who each lend an initial. Five years into the partnership, ASK Partners has provided more than £600 million in funding for 70 property transactions, from short-term financing for bridge loans to joint-venture equity.

No strangers to the intertwining worlds of property, banking and corporate finance, they've amassed streets of complementary experience between them. Stevens built up Investec's property business from nothing to a loan book of £3.5 billion, and was joined by Austin at the turn of the millennium. King, meanwhile, earned his corporate finance stripes at BDO. Austin then founded Capital A, which King joined, before Stevens took up a chairman role.

Now, as ASK, they aim to inject the world of property finance with a dose of flexibility, and have so far allowed 250 sophisticated investors to cherry-pick transactions to chip into using a fintech platform. 'All of our investors are little banks in themselves,' Austin says. 'We've given HNW investors the opportunity to come into something that wasn't previously available.'

Traditionally, private banks following an investor-fund model have eschewed personal choice in property investments. Opening out the sector to HNWs, family offices and private clients, Austin says ASK finds that 'most people we take on want to have some influence as to what they're investing in' and want to deploy their 'own intellectual capital to decide what to do with it'.

ASK's platform houses detailed investor briefings tailored to each transaction, while investors can keep abreast with updates on a private social-media feed. By allowing members to select their own investments, the firm sidesteps pressure to lend prematurely, charge excessive fees or grow assets under management. This, in turn, has created a unique pool of capital, where investors can collectively finance a loan and opt for different risk levels with adjusted returns.

Every deal is underwritten in-house, with due diligence processes taking four to six weeks after initial terms are agreed. Industry intel and data are used to assess the potential of each individual property proposal, while the property's title is treated with a fine-tooth comb to untangle any loose legal threads. 'There's still risk in there, but you can't get a return without it. We're not magicians – we just try and mitigate it,' says King.

The firm's skill is borne out by results. 'We've written a total of £800 million of loans and haven't lost any money yet,' Austin says. 'But it's a lot of hard work – you need to employ the same rigorous process to every transaction.' ASK's founders account for five per cent of each deal using their own money.

For developers, Stevens says ASK's ethos 'is about being flexible, and looking at what is the underlying asset, who is the underlying borrower… we're always looking for how to unearth that, the best deal'.

Permitted development rights have added a window of opportunity, while the pandemic has freed up stock as private banks have offloaded assets. ASK recently funded a project to transform one former department store into a residential-led scheme in Staines, which could pave the way for 250 new homes. 'We're looking at how assets can be repositioned,' says King. ASK is looking to fund a scheme that will eventually build 650 new homes in the Midlands, and another that will create 1,000 new homes in north London. For these, he says there might be 'more planning hurdles and more stages, but the point is we've helped unlock that development'.

The founders hope to keep their fingers on the pulse of HNW investors' needs, and are currently responding to a strong demand for lower-risk transactions at around six per cent return. While they will still cater for investors searching for higher, 'calculated returns', many want investments that sit between 'losing money at 1 per cent interest' and entering the stock market.

Flexibility, meanwhile, will underpin everything. ASK is currently piloting a 'secondary market' where investors can swap out of deals early as others step in to fill their shoes. It's something 'that doesn't really exist at the moment', says Austin. You get the sense, however, that this may not be the case for long.

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ASK founding partners Paul Stevens, Daniel Austin and Doug King