

Frame Real Estate



Canvas Business Model

Simen Bjelland Berle

Andreea Maria Bora

Christoffer Jakob King

Larisa Mudregheli

Jafar Rashed

Introduction:

Frame Real Estate is a Dutch developer and an investor based in Rotterdam. It is specialized in renovating and realizing different kind of areas. Its portfolio includes offices, retail spaces, rental and resale properties, from mid to high-level brands like Porsche, Louis Vuitton, and Victoria Secret. Frame Real Estate consists of 30 employees and owns approximately 300 properties with a value of 350 million euros.

Canvas Business Model describes how an organization creates, delivers and captures value. It consists of 9 building blocks that show how a company is expected to make money. These blocks are: Customer Segments, Value Propositions, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, and Cost Structure.

Customer segments:

Frame Real Estate focuses on the Dutch market, Rotterdam Metropolitan area to be more specific. They have a diverse mixture of real estate property within the retail, residential, rent- and resale segments. Like most real estate businesses, Frame Real Estate focuses on expanding their portfolio of properties especially in Rotterdam, where the retail properties are then advertised to brands from the mid to high-end market segments, such as Victoria Secret, Porsche, and Jumbo. The residential complexes are aimed at students, families, and expatriates.

Value propositions:

The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment.

Frame Real Estate most important value proposition is their geographical position. They have a large network in Rotterdam, which is their main area of operation. They know what the people of Rotterdam want, and they meet their needs. This gives them the market power, and the ability to obtain more contracts in this area.

Channels:

The Channels Building Block describes how a company communicates with and reaches its customer segments to deliver value propositions.

Frame Real Estate is quite different from a production company since they deliver a unique service within real estate and financial investments. This excludes the need for distribution, but on the other hand establishes the need for communicating to the customers. This is how they deliver their service. In other means they are dependent on advertising and networking to establish potential clients.

Customer Relationships:

The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments. When we speak about Frame, it's all about networking. It is important for them to establish strong relations with their clients so they can understand their certain demand. When it comes to working on a project, in order to have the best outcome they prefer to have face to face conversations, and to avoid email because it can cause misunderstanding between the two parties. In order to maintain relationships with their clients and to find new ones they invest a lot in their appearance. They only use brokers to reach the big companies which they can't reach in any other way.

Revenue Streams:

Revenue Streams represent the amount of money that a company obtains by doing its activity. Frame Real Estate generates Revenue Streams from renting contracts and selling properties. Regarding the renting contracts, the Revenue Stream is created by temporarily granting someone the right to use an asset for a period of time (usually of 5 years), in return for a fee. Moreover, the yield fluctuation can generate Revenue Streams.

Key Resources:

Like any other company, Frame Real Estate has physical, human and financial resources. The many properties of Frame Real Estate represent the physical resources.

The staff of the company as well as all external assets such as the construction companies, and the architects make up the human resources.

And finally, the equity providers and investors who provide them with the equity they require, and bank loans are the financial aspect of the key resources.

Key Activities:

The Key Activities Building Block describes the most important things a company must do to make its business model work.

Frame Real Estate's key activities are project management, investing and real estate development.

They also offer properties for rent. Frame Real Estate's key activities are based on their key resources. They transform office buildings, restore listed properties, create new housing, shopping centers and locations for other companies.

Key Partnerships:

The Key Partnerships Building Block describes the network of suppliers and partners that make the business model work.

Frame Real Estate's key activities demand a high amount of invested capital. Therefore, they are required to partner up with several external partners such as banks, equity providers (investors) and developers. By doing this, they also disperse financial risk.

Frame also partner up with external architects to get specifically tailored drawings to satisfy the customers different needs for each project. They also partner up with large construction companies.

Cost Structure:

The Cost Structure describes all costs incurred to operate a business model. More than 50% of the total budget goes to the cost of construction. On the second place is the marketing department, due to the fact that they have their website and are present on all social media. In the area of marketing, presentations of a project in a virtual reality experience represents a big part of the cost structure.