



REAL ESTATE CROWDFUNDING IN VACATION RENTALS

And how does it work?

Indra look into what Real Estate
Crowdfunding is and how it works.



The raising of funds for a property development from a large group of individuals.



Individual contributions are pooled for a collective project proposed by a property developer



What is property crowdfunding?



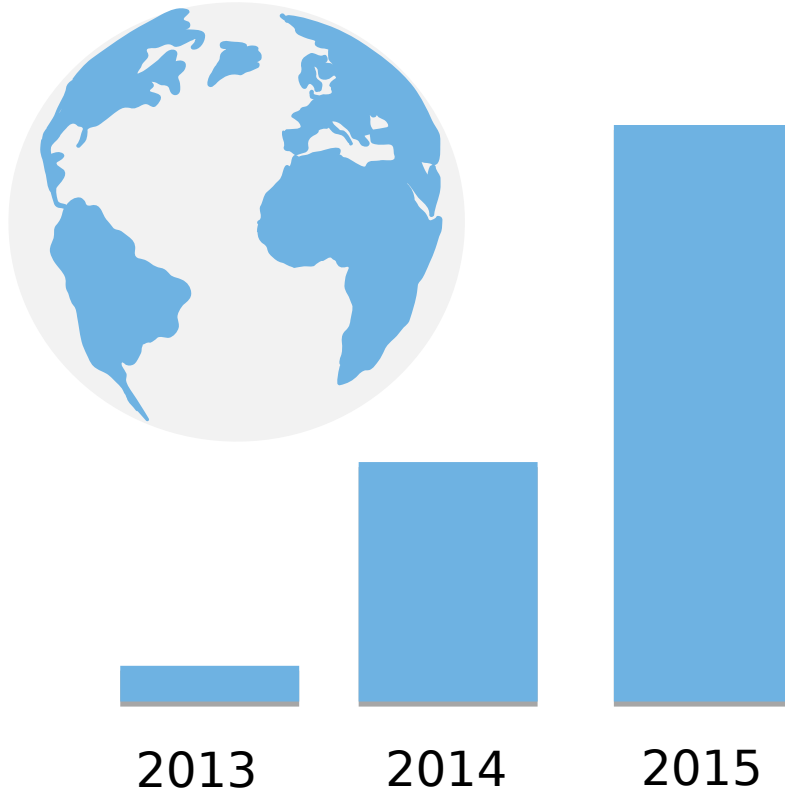
Applies to any property size or category, including retail, office, industrial, commercial and residential, and built from development project



Utilisation of crowdfunding to finance property projects is revolutionising capital raising



GROWTH



Real estate crowdfunding could come out as the real winner in 2016. Real estate crowdfunding has been surging for the last several years and is estimated to reach \$2.5 billion this year according to Massolution. In fact, real estate crowdfunding was the largest growing segment of the crowd in 2015. Crowdfunding 2016 could easily see more than \$3 billion in projects funded.

The World Bank estimates that general crowdfunding will reach \$90 billion by 2020.



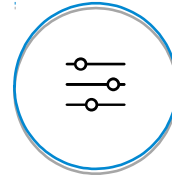
THE BENEFITS OF REAL ESTATE CROWDFUNDING

Invest in multiple property with smaller investments rather than sizeable funding in traditional investments

SIT BACK

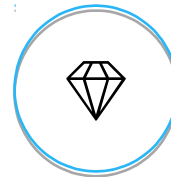


Choice of individual properties that best suit investment objectives



FLEXIBILITY

No need to get involved in day to day administration or running costs



CHOICE



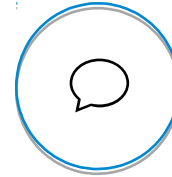
THE BENEFITS OF REAL ESTATE CROWDFUNDING

ACCESS



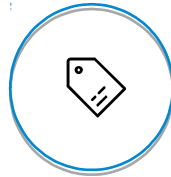
Participate in projects not usually accessible to the general public

Communicate directly with the project sponsor



COMMUNICATE

NO COST



There is no cost to invest in a crowdfunded property project



ARE PROPERTY PROJECTS CHECKED?

All property project sponsors (owners and developers) are assessed for suitability before a project is listed.

EXPERIENCE

A project sponsor's previous track record



LICENSE

Whether all applicable licenses are held



PROPOSAL

The reasonableness of the project proposal



KEY PERSONNEL

Who are key members of the project sponsor?



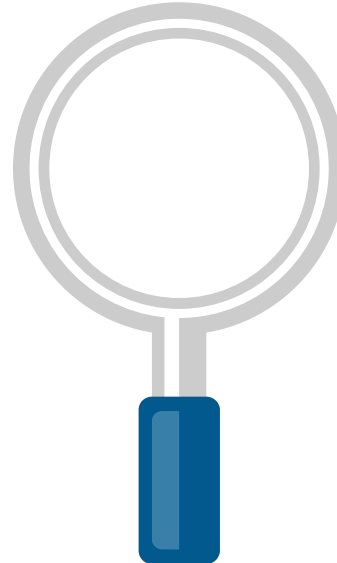
PORTFOLIO

The current portfolio size



DOCUMENTATION

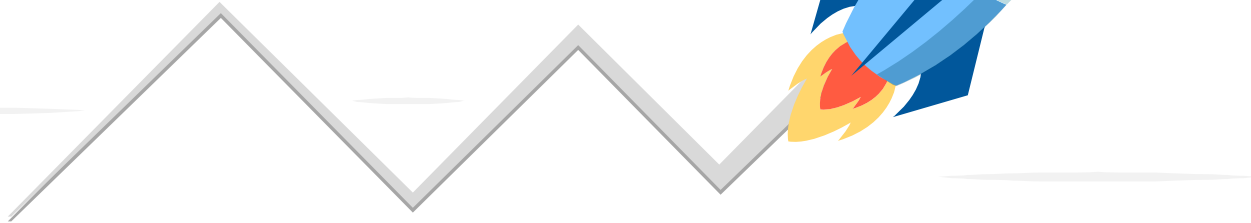
Provision of all relevant documentation



WHAT DOES AN INVESTOR ACTUALLY GET?

INTEREST

When you invest in a crowdfunded property project, you actually invest in units in a trust, also known as an 'interest'



UNIT TRUST

The unit trust in turn, buys the property and/or manages the property development

SECURITY HOLDER

As security holder, you hold the rights associated with the class of security that you have purchased

SHARES

You may hold the same rights as the project owner by acquiring ordinary shares in a development company, or acquire preference shares and a high rate of return



DIFFERENCES WITH A PROPERTY TRUST (REITS)



FEES

REITs charge significant ongoing management fees, in some cases 15% of capital invested



MARKET EXPOSURE

REITs have increased market exposure due to volatile nature of the ASX



LIMITED

REITs don't allow for selection of individual properties or projects you wish to be involved with



PROJECTS

REITs do not usually participate in smaller projects or commercial development





Why Vacation Rentals?

Beyond saving travelers money, vacation rentals provide lasting values through enduring “togetherness” experiences with family and friends that are often considered to be priceless.



An Industry of Massive Potential

115 Million

TRAVELING ADULTS
IN THE USA



43 Million

HAVE NEVER TRIED
VACATION RENTALS

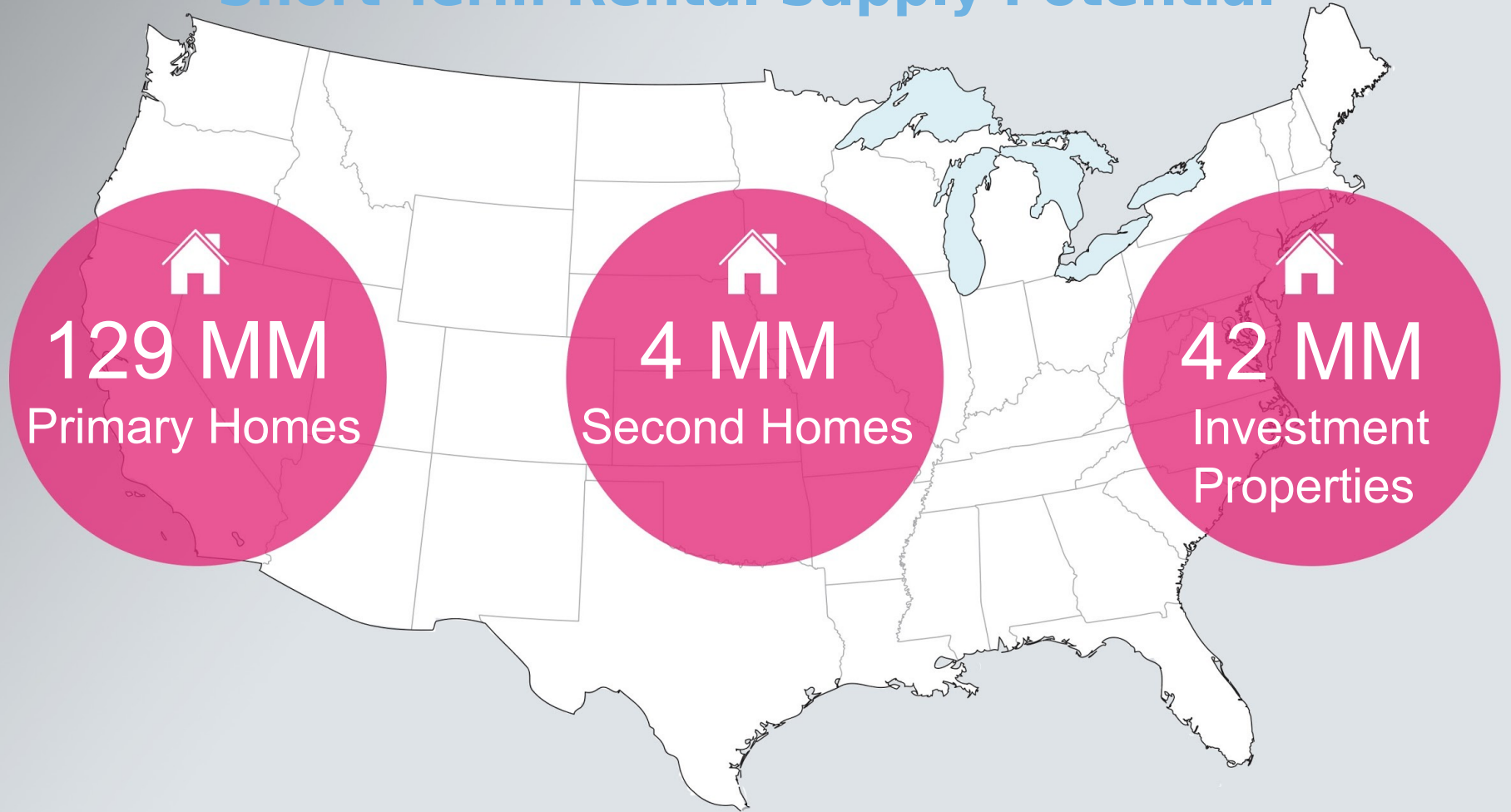


\$85 Billion

GUESTS ARE
SPENDING \$85B



Short Term Rental Supply Potential



Top Reasons Guests Book Vacation Rentals



Value for the Price

62%



Kitchen

61%



More Space

57%



Multiple Bedrooms

54%



Privacy/Independence

44%



Washer/Dryer

42%



Property Amenities
(Pool, Hot Tub, Tennis, etc.)

40%



Better Location

37%



Previous
Good Experience

33%



Recommendation
From Friends/Family

20%



Top Reasons detailed explanation

As more people discover vacation rentals and their many cost-saving benefits, they find great savings and values by renting properties that are managed by reputable vacation rental companies - sometimes in ways they'd least expect. For example, choosing professionally managed vacation homes, condos and villas makes it easy to save on:

SPACE: Vacation rentals come in all shapes and sizes, but travelers will never compromise on space. They often provide from 1,050 to more than 4,000 sq. ft. of vacation space, providing multiple bedrooms and bathrooms underneath one roof that often cost less than even a single hotel room. For example, rates for some three-bedroom vacation homes start at just \$99 per night, but sleep up to eight guests versus just one or two.

DINING: Equipped with full kitchens and dining areas, with some providing outdoor grills and patios, vacation rentals provide the option to prepare and store meals and snacks at a fraction of normal dining costs. Ultimately, this saves travelers from paying for a full restaurant meal three times a day, additionally saving on the average traveler's daily caloric intake.



ENTERTAINMENT: When staying in a vacation rental, not every day requires an outlay of cash to fill an itinerary with entertaining activities. Most vacation rentals include enjoyable amenities not found in the highest quality resort, most of which included in the price of a nightly rental reservation. For example, some vacation rentals include a private, screened-in pool and spa, arcade and/or billiard room, in-home movie theater, fireplace, computers, multiple televisions with DVD players and game stations, as well as free movies and video games. Some are also in communities that provide free access to fitness centers, hiking trails, parks, beaches and more.

ACTIVITIES: Because most professional vacation rental companies have relationships with operators of their local activity providers, attractions, shops and restaurants, they can exclusively offer discounts, coupons, ticket upgrades and, in some cases, free admission.

RENTAL RATES: If travelers are members of AAA, AARP and other organizations, have served in the military, are repeat guests, are booking at the last minute, traveling with a large group or more, there are guest appreciation offers to be found across North America. You can also find themed specials and packages throughout the travel year, and traveling during low season can save guests a substantial amount. Guests should also inquire about Layaway Vacation Plans, which allow travelers to select an installment-based payment plan now to secure their future vacation.



STAYING CONNECTED: While most hotels charge guests for daily high speed Internet access and local telephone calls, many vacation rental companies offering such services do so at no charge.

AIRLINE BAGGAGE FEES: Managed vacation rentals often come equipped with in-home washers and dryers, including free laundry detergent and bath / body amenities, allowing guest to pack less clothing and toiletries, avoiding airlines' pricey checked baggage fees.

INSURANCE: When choosing a vacation rental from an established property management company, travelers can be assured that there's a reputable business maintaining and servicing the property and its guests each day. Beyond this assurance, peace of mind is easily attainable with affordable travel insurance options, through CSA Travel Protection and Travel Guard.

EXTENDED STAYS: Guests embarking on shorter trips often enjoy little to no minimum stay requirements, but travelers will often find added value when extending their stay, whether just one or a few extra nights. Many companies are currently offering "free night" specials and added benefits to help guests save on an extended vacation, sometimes providing more incentives for stays from three to seven nights.

TRANSPORTATION: Other relationships that travelers can reap the benefits of are those made between vacation rental companies and transportation providers, whether it's car rentals, shuttle services, golf carts, bicycles or more. In most cases, guests of specific vacation rental companies are provided discounts on such services, and sometimes, free transport vehicles are provided as added bonus during specific stays.



Short Term Rental Demand

30-40% of Airbnb travelers would not have taken their trip if it weren't for vacation rentals.

80% of travelers say they would return to a vacation rental within 2 years.

Last year, 17% of sharing-economy users found a place to stay through sharing economy lodging options, which is **up 10%** from the year before.





Our Model

Beyond saving travelers money, vacation rentals provide lasting values through enduring “togetherness” experiences with family and friends that are often considered to be priceless.



Introduction to our Business Model

- Since 2009, we have been purchasing luxury vacation rental apartments at competitive prices. We have the housing units refurbished and furnished, and for three years, we have been putting these accommodations on the vacation rentals market through the medium of our own property management company.
- Our gains include the rents collected and the increasing property value. We use our own property management software, hosting services and our own vacation rental platform.
- Since we receive many requests from potential customers, when all our apartments are occupied, we rent lodgings from other owners through our own Vacation Rentals Portal (travelizon.com), to add the commissions to our profits.





Our decision

- We decided to offer the 50% of the stock of our company to investors to raise the capital and purchase new apartments and improve our technology.
- We plan to collect US 2 mln, sale our current properties (are matured in price) and invest in new properties.
- We will connect our vacation rental portal to apartment owner syndication programs to list more than 300,000 properties, to become one of the leaders on the vacation rentals industry.



Our Numbers

- We are planning to sell the properties we currently own (\$2,000,000), plus sell 50% of the shares for \$2,000,000. Thus, the total capital will be \$4,000,000. With this capital, we are going to purchase 10 apartments in the same luxury condominium directly from the Developer at a reduced price.
- The monthly profit from short-term rentals will be around \$4,000 per real estate unit, totalizing after property expenses approximately \$40,000.
- In two years, the evaluation of properties will be at least 20% higher, on an extremely conservative estimate.
- At the end of 2019, the total value of the company – considering its assets only – will equal \$4,800,000. Sales profit (sales – expenses) will be at least \$780,000 (in 3 years).
- For example, with 1% of shares (purchased with \$40,000) the annual profit is \$2,600 (a 6.5%), with an increased shared value of \$48,000 (a 20% increase). In 3 years, if a share is sold, the investor would receive total \$55,800 (139.5%), or 39.5% of total gains.



Our Portal (I)

Travelizon | Home - Mozilla Firefox

Travelizon | Home

www.travelizon.com

Buscar

travelizon

Hosting ▾ Traveling ▾ Login Register USD ▾

Vacation Homes and Short-term Rentals for every budget. Amazing vacation rentals for every occasion. Feel at home anywhere you go in the world with Travelizon

Where do you want to go?...

Where? Search

Chat live with an agent now!

Online

Aplicaciones Lugares Travelizon | Home - M...

Es 12:54



Our Portal (II)

The screenshot shows the Travelizon website interface. At the top, there is a navigation bar with the logo and links for Home, Hosting, Traveling, Login, Register, and USD. Below this is a search area with a location input field containing "Miami, Florida, Estados Unidos", a "Guests" dropdown set to "1", and a "Search" button. There are also "Check In" and "Check out" date pickers set to April 13 and 14, 2016. A "Share Results" bar indicates 44 results. The main content area displays two property listings:

- Conrad Miami Hotel Luxury condo**: \$235.00 per night. Address: 1395 Brickell Avenue, Miami, Florida, United States. Metrics: 0 Distance (km), 1.6 K Views, 0 Positive, 0 Negative, n/a Success Rate, ? Network.
- Stunning Bay View Penthouse in Heart ...**: \$350.00 per night. Address: 1155 Brickell Bay Drive, Miami, Florida, United States. Status: Online.

The bottom of the browser window shows a taskbar with application icons and system tray information including the time 12:54.



Our Portal (III)

Travelizon | Property – Luxury Waterfront 2BD/2BT Condo In The Urban Oasis at Icon Brickell, Viceroy Resort. Sleeps 5 – Mozilla Firefox

Travelizon | Property ... x +

www.travelizon.com/property/luxury-waterfront-2bd-2bt-condo-in-the-urban-oasis-at-icon-brickell-vi

Buscar

travelizon

Hosting - Traveling - Login Register USD -

★ Luxury Waterfront 2B... Featured

485 Brickell Avenue, Miami, Florida, United States

\$400.00 Per night

Book it

LetsVisitMIAMI
VACATION RENTALS BY OWNER

0 1.1 K 0 0 n/a ?

Distance (km) Views Positive Negative Success Rate Network Level

Description Nearby Properties Reviews Recommendations Host's Other Property Reviews Map

Description

Placid waterfront living, breathtaking, amazing views to the Bay & Miami Downtown sky light. The condo is brand new and it's elegantly decorated with exquisite decor and equipped for the most demanding tenant with Leather sofas, Plasma TVs, Tempurpedic mattress with massage and...

Online

Aplicaciones Lugares

Travelizon | Property - ...

12:55



Our Partners



Our Network

travelizon 


vacatravel

 **DEFEND HOSTING**



LetsVisitMIAMI.com
VACATION RENTALS BY OWNER





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