

Introducing the Real Estate Asset Ledger



REAL

Real Estate Crowdfunding with Cryptocurrency

Whitepaper Presentation

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Abstract

Real Estate has been historically considered the best way to preserve wealth. However, Real Estate investments today present significant inefficiencies such as lack of efficiency and liquidity.

REAL (**R**eal **E**state **A**sset **L**edger) team is applying Blockchain technologies to the world of Real Estate investments in order to solve those issues. REAL is an Ethereum Smart-Contracts governed ecosystem that focuses on creating the best conditions for Real Estate investment eliminating costs due to unnecessary intermediaries, providing transparency and liquidity, alleviating tax inefficiencies and easing cross-border transactions under a unified crowdfunding platform.

This paper explains the principles of the REAL ecosystem, our execution plan and the economic arguments for the economic value of a REAL Token.

EXECUTIVE SUMMARY

REAL (**R**eal **E**state **A**sset **L**edger) is a new Ethereum Smart-Contracts governed ecosystem that applies Blockchain technologies to the enormous Real Estate investment industry, giving greater access to global investment in Real Estate, lowering barriers to entry, and increasing market liquidity. It will offer an effective method of investing and securing the value of the existing +100 Billion USD equivalent in cryptocurrency into the less volatile and growing Real Estate market by generating rental income and value appreciation.

Key to our ecosystem is the innovation of REAL Tokens, a unique Blockchain-secured digital asset with inherent value as a secure cryptocurrency, which may be traded or used to participate in Crowdfunding by purchasing Real Estate Participations (RPP) on our platform.

REAL Founders have invested USD 350.000 in the company, have a strong successful execution track-record and reputation, have founded and exited high profile online startups over the last 20 years and have held executive positions at Google, Yahoo and top Venture Capital firms in Europe (see founders references on page 34).

In November this year, a full fledged site will be launched leveraging the Crowdfunding formula, where any user will be able to invest in a fraction of a Real Estate asset with REAL Tokens, gaining profit rights (rental income+value appreciation) awarded by a smart contract and paid with Ether.

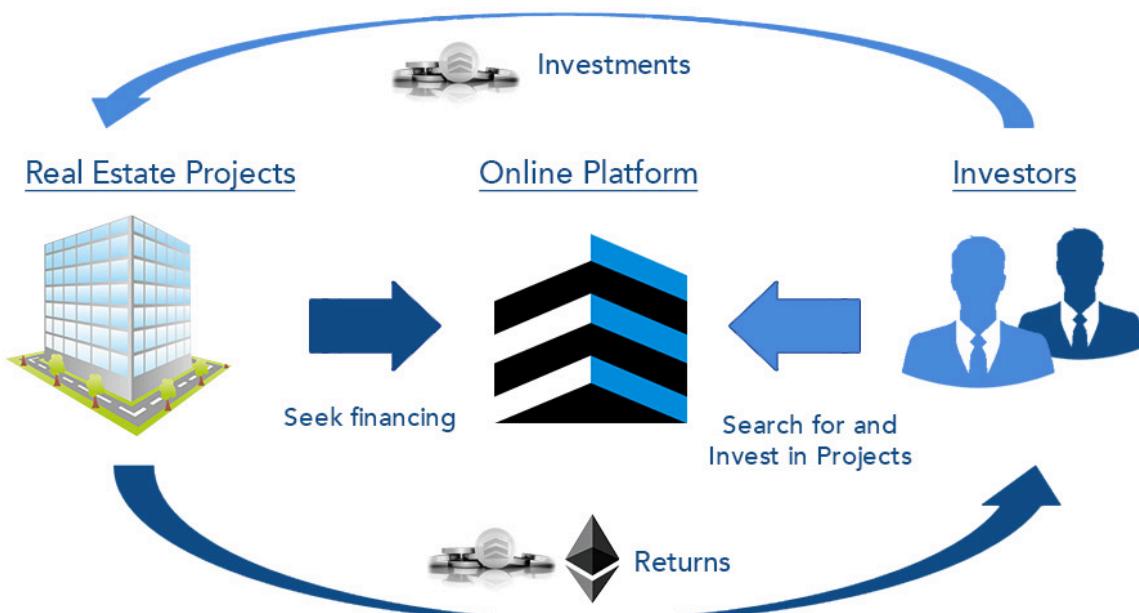


BACKGROUND

“Real estate crowdfunding continues to be a dynamic and ever-evolving industry, growing to an estimated \$3.5 billion in 2016. By 2025, the crowdfunding industry as a whole is anticipated to be valued at more than \$300 billion and online real estate marketplaces are primed to capitalize on that explosive growth.” (Forbes)

REAL team believes that one of the most impactful and exciting applications of Blockchain technologies will be within the Real Estate market, especially within the Crowdfunding space.

The use of Blockchain technology in the field of Real Estate Crowdfunding has the potential to completely revolutionize the sector, giving greater access to investment in global Real Estate, lowering barriers to entry and increasing market liquidity.



According to [The Guardian](#), a recent U.S. Real Estate study showed that “Chinese investors have poured \$110 billion dollars into the U.S. market in the last 5 years (both commercial and residential). This investment is set to double in the next 5 years.” In all likelihood, a certain amount of these investment funds will find their way into alternative funding options such as Real Estate Crowdfunding as foreign investment expands in the U.S. Experts believe this tendency towards growth is largely due to worldwide economic uncertainty and foreign investors seeking new destinations for their investments.

Thanks to our Crowdfunding site, people from all over the world will benefit from Real Estate profit potential worldwide while performing transactions with ease. We are confident that a Real Estate Crowdfunding platform that uses Blockchain and cryptocurrency will revolutionize the market.

THE REAL TOKEN AND RPP

Our system is built upon two units of value; our innovative cryptocurrency REAL Token which may be held in any Ethereum Smart Wallet and the internal, tradeable, asset-backed REAL Property Participation (RPP) for use on our Crowdfunding platform. The Real Estate Asset Ledger Token ("REAL") is a Blockchain secure digital asset with built-in vesting functionality. This cryptocurrency is built upon the Minime token developed by Jordi Baylina (Giveth), an established token standard for governance used in many major token sales such as Aragon and Status.

Real Tokens are minted via a Token Sale Smart Contract and can be held in any Ethereum ERC20 compatible Wallet. REAL Tokens will be tradable outside REAL platform, as they are an ERC20 Token with inherent value in the exchanges. Investors will also be able to use REAL Tokens for acquiring Real Estate Participations (RPP) which may be traded for liquidity or used to participate in our Crowdfunding Platform. This ecosystem frees consumers to participate in the Real Estate market without the traditional high barriers to investment.

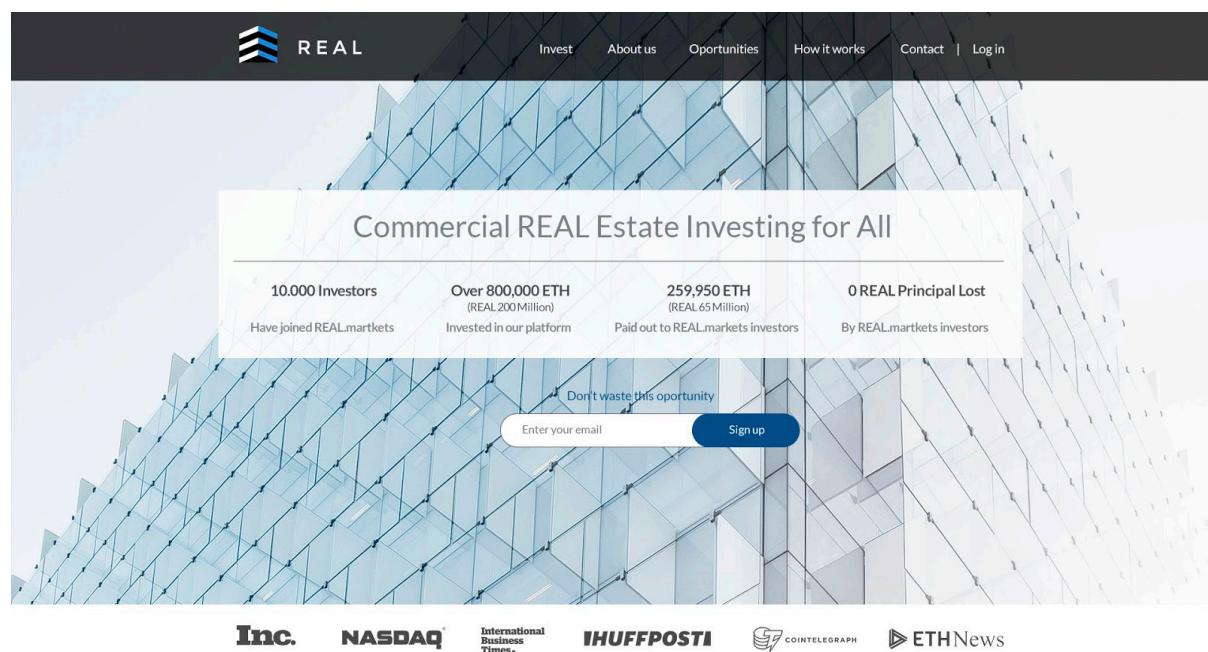
THE CROWDFUNDING PLATFORM

We are combining two of the most recent disruptions in the online world: Real Estate Crowdfunding and Blockchain technology. As a result, we are inventing a whole new way to invest. We will offer anyone from any part of the world invest in Real Estate assets using cryptocurrency and generating profits paid in cryptocurrency like Ether or similar.

REAL will offer simple and transparent property investments that remove the uncertainties usually faced by small investors and enabling virtually anybody to build a property based investment portfolio that delivers predictable and consistent returns. We believe in diversifying investments and therefore we will offer a range of products with varying levels of risk and reward for users to invest in.

On our Crowdfunding site, users will be able to exchange REAL Tokens for economic rights of a property, represented by REAL Property Participation (RPP) which and will be backed by physical Real Estate. Our users will also be able to trade their investments at our platform, turning Real Estate investments into liquid investments.

REAL.MARKETS HOME SCREENSHOT:



- **Marketplace Fee**

There are a variety of fee structures in Crowdfunding deals, which range from annual fees as well as partial participation in upside returns and participation in profits on exit.

We believe the most transparent and interest-aligned formula is a profit share fee, so our interests are aligned which incentivizes us to make the best returns for our users.

REAL will earn a 10% commission fee on all income or value appreciation profits from investments made through the platform. For example, if a property participation generates 100 ETH in profits, REAL platform will keep 10 ETH and pay 90 ETH to the investor.

- The users will be able to invest their tokens into different properties worldwide.

REAL.MARKETS INVESTOR SCREENSHOT

The screenshot shows a grid of four investment projects with images and details:

Recent investments			
1,290,000 REAL Invested (5,160 ETH)	3,000,000 REAL Invested (12,000 ETH)	990,000 REAL Invested (3,960 ETH)	2,990,000 REAL Invested (11,960 ETH)
Property Type Office	Investment Type Equity	Property Type Building	Property Type Commercial
Location Santiago de Chile	Location Barcelona	Location Hong Kong	Location Orlando (USA)

Below the grid are navigation arrows: < and >.

- A Real-Time simple web interface will allow the user to track his balance and investments.

REAL.MARKETS PORTFOLIO MANAGER SCREENSHOT

The screenshot shows the Asset Summary section with a pie chart and the Results section with a table.

Asset Summary

CAPITAL GAIN 1,290.66 REAL (5.16 ETH)	AVAILABLE 15.80 REAL	CAPITAL INVESTED 5,000.00 REAL
--	--------------------------------	--

Results

RENTAL INCOME	2.80 ETH
CAPITAL GAINS PROFIT	5.16 ETH
TOTAL BENEFITS	7.96 ETH

Portfolio Metrics

TOTAL ASSETS	6,306.66 REAL
AVAILABLE TO INVEST	15.80 REAL
PROJECTS	4 PROJECTS
CAPITAL INVESTED	5,000.00 REAL
AVERAGE INVESTED PER PROJECT	1,250.00 REAL

REAL INITIAL INVESTMENT STRATEGY

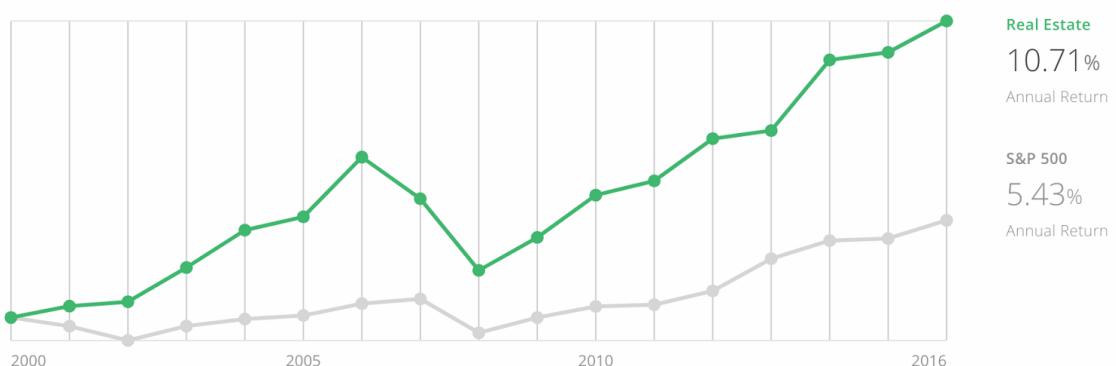
REAL boasts an exceptional team of founders and advisors with extensive experience and a first-rate reputation in offering real estate services, for both residential and commercial properties. REAL is growing its investment team and has an excellent track record in all areas: investments, portfolio development, asset management, generation of returns, capital markets, and mergers & acquisitions.

REAL allows property owners and developers to tokenize their assets and list them on our Crowdfunding site. Our mission will be the selection, acquisition and management of diversified real estate assets, through careful selection, curation, value investing and impeccable portfolio management. Our objective is to generate growth in income and value for our investors and to maximize returns in a long-term and sustainable manner.

We follow a “value investing” strategy, meaning we choose investments for less than what we believe is their intrinsic value (i.e. their replacement cost). Value investing has tended to produce more stable returns over the long term, a strategy to which many of the most famous investors have attributed their success. We focus in handpicked opportunities: Buy-to-let commercial property investments, discounted buy-to-sell “flip” opportunities and loan-note investments.

Through careful selection, REAL will acquire a portfolio of desirable real estate properties, for both residential and commercial purposes, with a view to generating income and adding value. REAL seeks to attain competitive purchase prices, and offers tailor-made rentals and repositioning.

Real estate has outperformed the stock market 2:1 since 2000



Key ideas:

- The development of a diversified portfolio of top quality residential and commercial properties which create high value for both income and capital gains.
- The identification of lucrative investment opportunities in the real estate market to generate higher returns.
- An investment analysis aimed at generating higher value through focusing on quality assets in prime locations with the potential to generate steady and sustainable cash flows.

We have already identified the Spanish real estate market to provide considerably greater investment opportunities in terms of the risk/return ratio than many other countries. However, REAL's plans include expansion into the North American, Latin American and Asian markets

Expected Returns: We are targeting 12-20% annual returns depending on the type of asset and market risk.

Leverage levels: the appropriate leverage will be assessed on a case by case basis depending on the risk of each investment. We will target 50% loan-to-value, no operational performance covenants and at least 20% headroom in the ability to service the debt.

Opportunity Focus:

Invest in high-quality hospitality assets on a worldwide basis. Leisure travel benefits from a positive secular trend worldwide. As the global economy and GDP per capita grows and increasing % of disposable income is devoted to travel. In developed countries, consumers are demanding increasing levels of luxury and uniqueness. In emerging economies, an increasing number of consumers have the means to travel. Owning high-quality properties in unique locations will drive superior returns.

Expertise: We will partner with Portblue Hotels, an experienced hotel operator managed by one of our Advisors to be offered opportunities from their proprietary deal flow and have a management contract with them in the properties we purchase.

Geographical Focus: We will initially target opportunities in Spain, Caribbean and USA. Each of these markets is benefiting from the following positive trends:

- **USA:** We want to be opportunistic if we get the chance of buying properties in unique markets such as NY.
- **Spain:** The strong positive macroeconomic momentum in Europe is strengthening the demand for Mediterranean vacation spots. Moreover, safety concerns in Northern Africa has structurally shifted demand to Northern Mediterranean destinations. Spain benefits from a combination of good weather and cultural appeal. We are particularly focused on supply-constrained markets with good airport infrastructure such as Ibiza, Mallorca, Menorca and Canary Islands. Hotel prices in these destinations have been in an upswing and we expect them to continue to generate strong returns. In Spain hotel ownership is fragmented into many small businesses that are undermanaged and underinvested. There is significant upside from redevelopment opportunities. Cost of debt and availability of leverage remain very compelling.
- **Caribbean:** Consumer strength in the US is creating high growth prospects in several mature Caribbean hotel markets such as Riviera Maya in Mexico and Punta Cana in Dominican Republic. We are also identifying opportunities in niche luxury markets in smaller Caribbean islands.

Illustrative Images of example Residential & Hospitality opportunities on Balearic Islands, Spain



TECHNOLOGIES

- **Blockchain**

Blockchain is a type of distributed ledger or decentralized database that keeps records of digital transactions. Rather than having a central administrator like a traditional database, (think banks, governments & accountants), a distributed ledger has a network of replicated databases, synchronized via the internet and visible to anyone within the network. Blockchain networks can be private with restricted membership similar to an intranet, or public, like the Internet, accessible to any person in the world

When a digital transaction is carried out, it is grouped together in a cryptographically protected block with other transactions that have occurred in the last period and sent out to the entire network. Miners (members in the network with high levels of computing power) then compete to validate the transactions by solving complex coded problems. The first miner to solve the problems and validate the block receives a reward.

The validated block of transactions is then timestamped and added to a chain in a linear, chronological order. New blocks of validated transactions are linked to older blocks, making a chain of blocks that show every transaction made in the history of that blockchain. The entire chain is continually updated so that every ledger in the network is the same, giving each member the ability to prove who owns what at any given time.

*Read more on Blockchain here: <https://medium.com/the-intrepid-review/how-does-the-blockchain-work-for-dummies-explained-simply-9f94d386e093>

- **Smart contracts**

Ethereum is an open blockchain that works as a decentralized computer. It allows the execution of smart contracts.

Smart contracts help you exchange money, property, shares, or anything of value in a transparent, conflict-free way while avoiding the services of a middleman.

The best way to describe smart contracts is to compare the technology to a vending machine. Ordinarily, you would go to a lawyer or a notary, pay them, and wait while you get the document. With smart contracts, you simply drop an ether into the vending machine (i.e. ledger), and your escrow, driver's license, or whatever drops into your account. More so, smart contracts not only define the

rules and penalties around an agreement in the same way that a traditional contract does, but also automatically enforce those obligations.

*Read more on Smart Contracts here: <https://blockgeeks.com/guides/smart-contracts/>

- **REAL Tokens (REAL)**

Real Tokens are a digital representation of a participation entry ticket for our crowdfunding site. They are divisible until 0.00000000000000000001 REAL (1/1.000.000.000.000.000 REAL). Real Tokens are minted via a Token Sale Smart Contract and can be held in any Ethereum ERC20 compatible Wallet.

We are using the Minime token developed by Jordi Baylina (Giveth) with built-in vesting functionality. It is a secure great token standard for governance and it is being used in many major token sales like Aragon and Status.

REAL Tokens will be tradable outside REAL platform, as they are an ERC20 Token so they will have an inherent value in the exchanges. Users will also be able to use REAL Tokens for acquiring real estate economic participations at our crowdfunding platform.

ERC20 is a standard interface that guarantees the interoperability between tokens. ERC20 tokens are a subgroup of Ethereum tokens that comply with specific parameters. To comply completely with ERC20 standards the developer has to incorporate a specific number of functions in his smart contract that will allow to execute the following actions:

1. Total token supply
2. Account balance
3. Transfer token
4. Approve spending token



THE CROWDFUNDING PLATFORM

We will have a smart contract that will represent the property acquisition (We call this REAL Property Contract). This contract will have different steps. Each step will be stamped in the blockchain by the contract.



- Once a new property asset is entered in our platform, there will be a list of required tasks to be performed. This information will be audited and shared with the platform investors.

Real.markets checklist



When we purchase a new property to upload to the platform we will create the property contract associated and will populate it with its basic data:

- **Property register ID**
- **Acquisition documentation IPFS hash.**
- **Custody information IPFS hash.**
- **Total amount participations.**
- **Value in REAL from each participation.**

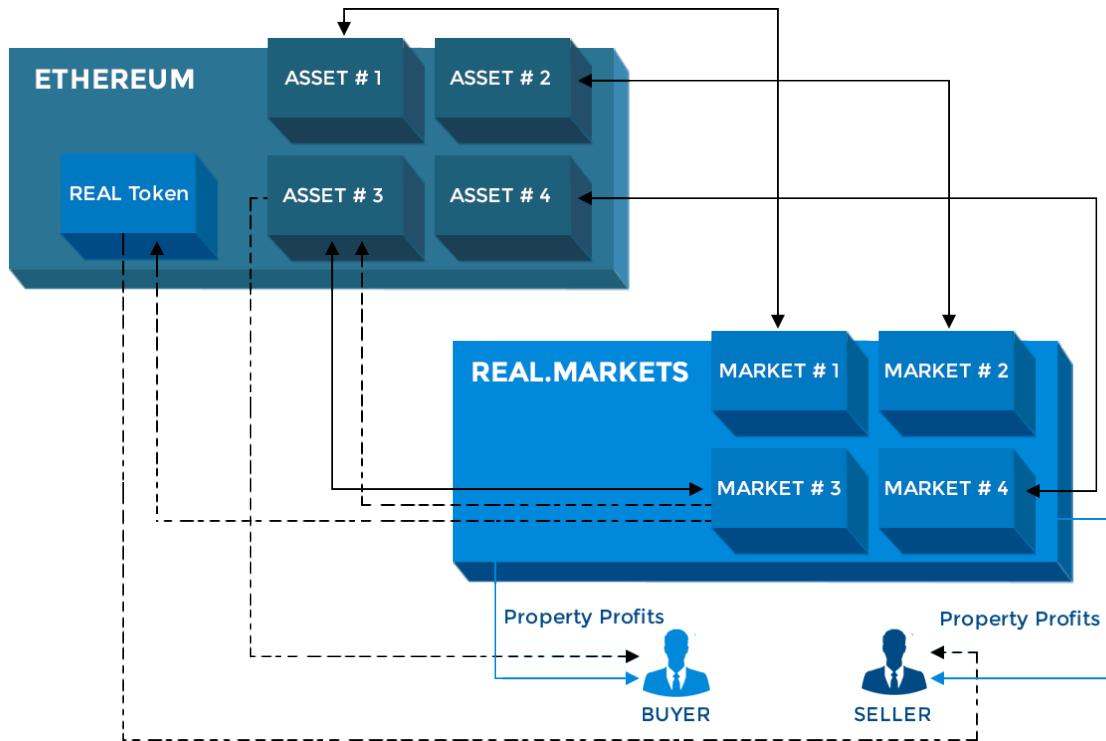
When we do that, the system will automatically create all the associate data for the contract and will mint the Property participations associated to it so each user will be able to purchase them.

REAL Property Participation or RPP will represent the shares on each property. Each investor will be able to exchange REAL tokens for this property's participations through our platform. RPPs will also be tradable inside REAL platform so any investor will be able to transfer and sell their investment to gain liquidity.

Each month the platform's property responsible will add to the property smart contract the earnings from renting the property so the contract will automatically divide and pay in ETH to each RPP holder.

If the property owners decide to sell the property, the distribution of the rental income will get frozen, and the property owners will deposit the profits of the sale (in ETHER) inside the contract, as well as the proper legal documentation of the sale. The RPP holders will automatically receive the principal investment in REAL tokens plus the ETHER corresponding to the profits of the sale related to the RPPs he had at the block when the property was sold.

- Platform diagram



- Process flow

PROPERTY

1. REAL Platform allows investment in the acquisition of a property and offer participations to platform users.
For that, we will create a REAL Property Contract (RPC), a smart contract of physical property.
2. REAL Platform creates participations that are offered to the users through REAL Property Participations (RPP). Those are internal tokens that describe the participation details for each property with their different valuations and participation percentages.
3. Users will get REAL Tokens in the Token sale or at exchanges. We will facilitate on our site the exchanges link where users can buy REAL Tokens.
4. Once the users have REAL, they will be able to acquire RPP (Real Property Participations) paying with REAL Tokens.

RENTAL PROFITS

5. Property participations of each property can generate profits through rentals.

6. These profits will be split according the participation percentage of each user in that property, that will be detailed in the RPPs.

7. Rental profits will be paid monthly among the RPP owners in ETH.

SALE PROFITS

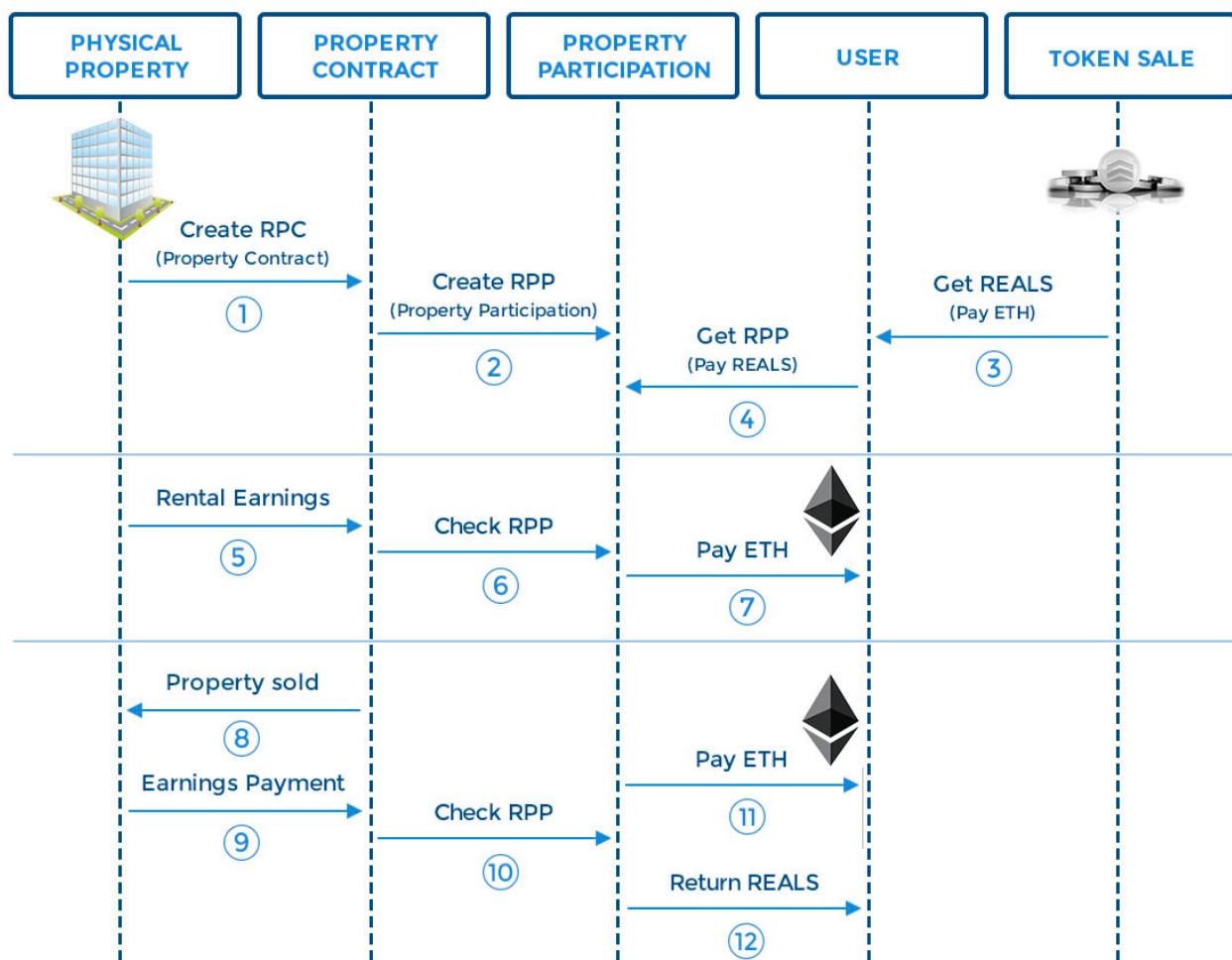
8. REAL Platform sells the property.

9. We will obtain profits from that sale.

10. Those profits will be split according the percentage that corresponds to each user. As detailed in the RPP tokens.

11. Each user profits will be paid in ETH.

12. Each user will get REAL Tokens back when the sale transaction is finished.



- **Platform Technologies**

We are creating a robust Dapp on web, desktop and mobile that will allow the users to check their investments anytime anywhere. This software is being created with mobile first approach and a strong foundation in UX (User eXperience) so it can be used by anyone.

The web application has the following technologies:

- Python
- Angular 4
- All this packed in Docker containers and deployed by Kubernetes on Google Cloud so we can have a really elastic setup that can grow or shrink depending on the current needs.

Mobile apps are native:

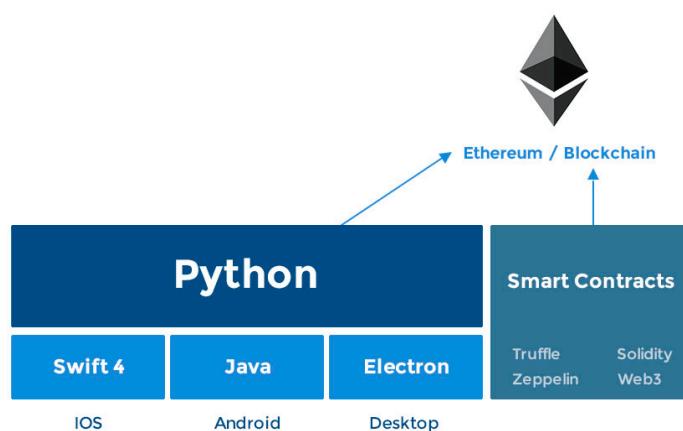
- Swift 4 for iOS
- Java for Android
- Both apps use Realm as local database, that is the fastest and more reliable mobile database.

Desktop app

- Electron, so will be multi platform (Windows, Linux and MacOS)

Smart contracts

- Truffle
- Solidity
- Zeppelin
- Web3 (for python, java,javascript or just RPC depending from where are we calling)



“TOKENOMICS” : Our economic fundamentals

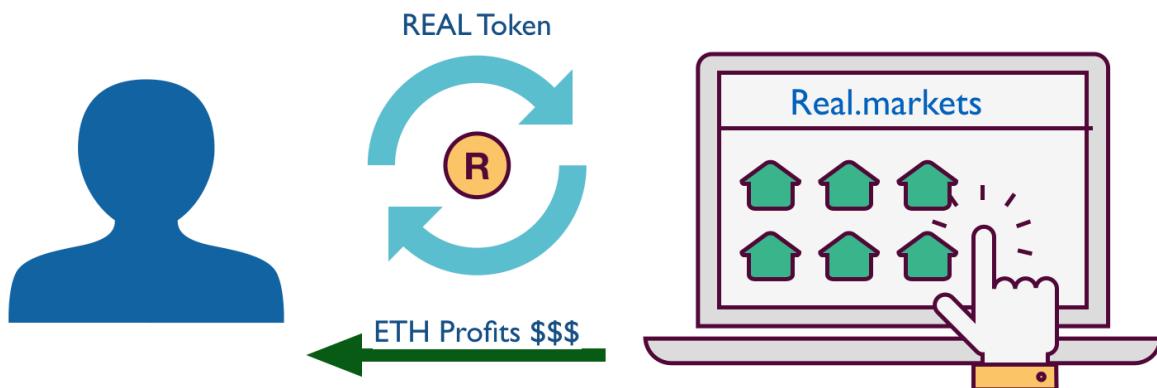
REAL is creating a new agile and liquid investment ecosystem focused in Real Estate. We have carefully studied and reviewed the economic model and strategy in order to create, maintain and grow the value for everyone involved.

- **How the Crowdfunding site will work**

On our upcoming Crowdfunding site, our users will acquire economic rights of the Real Estate assets by paying with REAL Tokens. Price in REAL Tokens will be converted from its FIAT price at market price. When users purchase Tokens, as with any cryptocurrency they may elect to keep or trade these Tokens. Investors may also choose to use their Tokens to buy into Real Estate properties on our platform, by exchanging their tokens for REAL Property Participations (RPP). RPP will also be tradable inside the Crowdfunding platform so that any investor will be able to transfer and sell their investment to gain liquidity. This ecosystem frees consumers to participate in the Real Estate market without the traditional high barriers to investment. For example, if a Real Estate asset is worth 1 MM REAL Tokens, many of our users will be able to invest in it from as little as 100 REAL each acquired at the Token Sale or at the Exchanges. (we are in conversations with Changelly to provide a friction less Token purchase directly on our site).

After the investment has been made, and on a monthly basis, our users will receive their share of the rental profits that the Real Estate asset generates. Also, when the investment is liquidated (sold at a profit, or sold to another user in the marketplace at our secondary market option), the user will receive back REAL Tokens plus the generated profits.

Profits from REAL investments will always be paid on Ether or any future equivalent cryptocurrency.



- These are our calculations regarding the potential profit or loss.

Definitions:

$$t : \text{time (years)}$$

$$P(t) : \text{Real Estate price (\$)}$$

$$P_C : \text{Real Estate purchase price (\$)}$$

$$t = 0 \text{ Time of purchase}$$

$$P_C = P(0)$$

$$P_V : \text{Real Estate Sale price (\$)}$$

$$t = T \text{ Sale time}$$

$$P_V = P(T)$$

$$\text{fee} : \text{Smart contract creation fee}$$

$$c : \text{REAL Fee}$$

$$p(t) : \text{Token price in market} \left(\frac{\$}{tok} \right)$$

$$u_i : \text{Number of Tokens invested by user } i \text{ (tok)}$$

$$N : \text{User number}$$

If the Real Estate asset is sold for a higher price than the purchase price.

$$P_V - P_C > 0$$

Next formula will calculate the user earnings taking into consideration the platform and ethereum fees.

$$G_i : \text{User earnings } i \text{ (\$)}$$

$$G_i = (P_V - P_C - \text{fee})(1 - c) \frac{u_i}{\sum_{j=1}^N u_j}$$

Profits will be distributed in ETH therefore the only needed step will be a USD/ETH conversion.

User will also get back the REAL Tokens he invested in the property.

In the rare case of losses the REAL fee won't be applied and the user will not lose his invested Tokens.

$$P_V - P_C < 0$$

$$L_i : \text{User losses } i \text{ (tok)}$$

$$L_i = \frac{(P_C - P_V + \text{fee})}{p(T)} \frac{u_i}{\sum_{j=1}^N u_j}$$

- **REAL Planned growth strategy**

As all tokens will be created at the Token Sale stage, the token will be deflationary.

As more investments are made in the ecosystem, less REAL tokens remain in circulation, so the availability of the tokens will be lower every time the holders keep crowdfunding new Real Estate investments and as a result we believe the price will go up.

To provide an escalated growth to the platform, the company will introduce the reserved REAL tokens from the Token Sale when the 1 year lock period is over in the market by selling REAL in stages when new properties are added, following a well planned strategy in order to maintain the Token price.

On a daily basis, we will calculate the REAL Token volume on the exchanges in order to get a month average. If the volume is lower than the optimum threshold we will introduce Tokens according to this formula.

$Vol_{exj,-D}$: Token exchange volume j D days ago (tok)

M : Number of exchanges where REAL is traded

δ : Threshold from total supply

$\varepsilon(t)$: Smoothing function

$$\frac{1}{30} \sum_{D=0}^{30} \sum_{j=1}^M Vol_{exj,-D} < (\delta - \varepsilon(t)) totalSupply$$

$$0 \leq \varepsilon(t) \leq \delta, \quad \forall t \in \mathbf{R}$$

- **Real Estate sale timing**

We will sell the Real Estate asset at an established time interval or when the expected return that will be published on the platform has been achieved according to this formula.

$P(t)$: Real Estate price (\$)

t_{OUT} : time out (years)

ε : Gain threshold

$$t = \min(\{t : P(t) \geq P(0)(1 + \varepsilon)\}, t_{OUT})$$

- **Token Price**

We have studied how the Token price could evolve considering that users reinvest part of their profits obtained participating on our crowdfunding site in purchasing more Real tokens to increase their investment activity.

t : time in years

C_i : Capital in time $t = i$

$\gamma(t)$: Average annual yield

$\beta(t)$: Average percentage of user reinvestment

$$0 \leq \beta(t) \leq 1 \quad \forall t \in \mathbf{R}$$

Let's first consider the simple version of the problem:

$$t = i \in \mathbf{N}$$

We also assume that $\gamma(t)$ and $\beta(t)$ are stationary, meaning, they do not depend on time t .

From there we can easily extract:

$$C_i = C_{i-1} + \gamma\beta C_{i-1}$$

$$C_i = C_{i-1}(1 + \gamma\beta)$$

$$C_i = C_0(1 + \gamma\beta)^i$$

As γ and β do not depend on time t , we can do the following continuous approximation:

$$C(t) = \lim_{n \rightarrow +\infty} C_0 \left(1 + \frac{\gamma\beta}{n}\right)^t = C_0 e^{\gamma\beta t}$$

If we consider

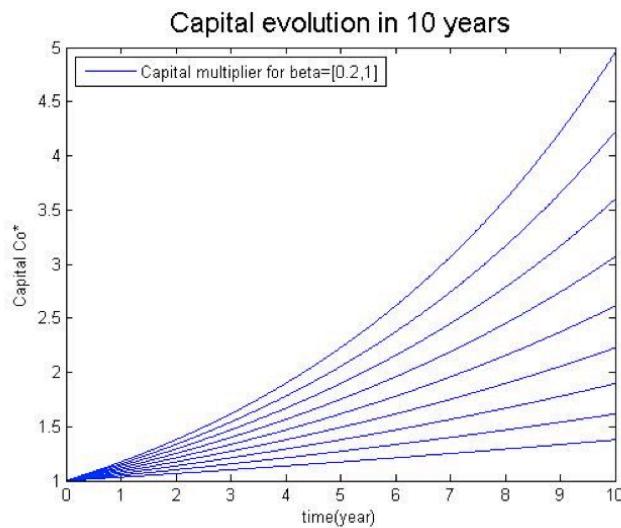
$$\beta(t) = \beta \in [0.2, 1]$$

$$\gamma(t) = \gamma \in [0.12, 0.2]$$

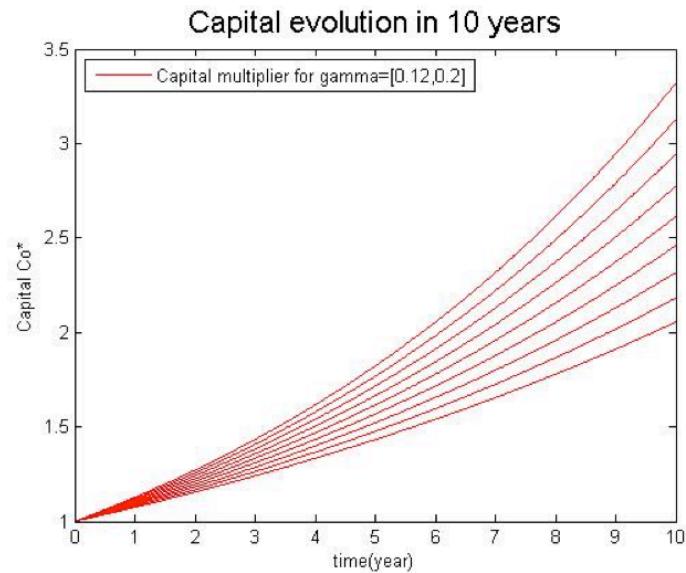
These values are approximate. We estimate the average annual yield will be between 12% and 20% and user reinvestment will be between 20% and 100% based on historical info from other real estate crowdfunding sites.

Note: C_0 initial value can not be guaranteed as the Token price is determined by supply and demand. These calculations are used to determine a possible trend.

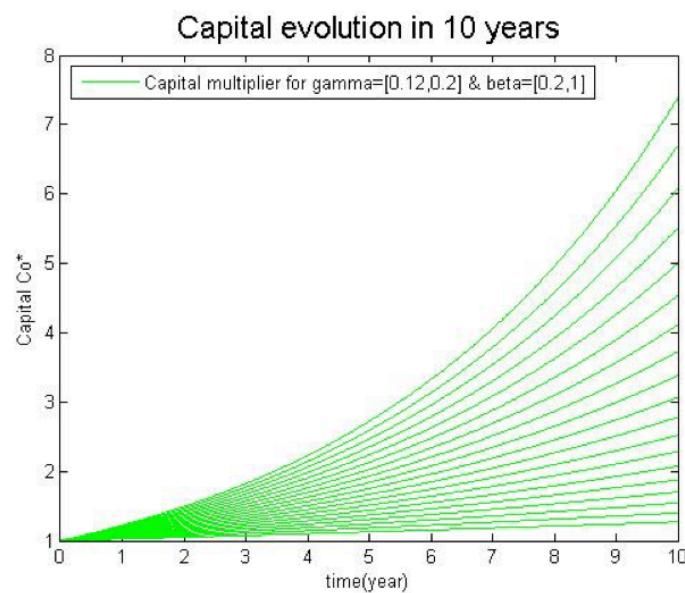
- In this graph we do a beta projection between 20% and 100%.



- In this graph we do a gamma projection between 12% and 20%



- In this graph we combine both projections.



- **The Crowdfunding Push Fund - Floor Effect**

Thanks to our team of experienced founders and advisors, we have come up with a strategy that will ensure the Token price gets valued and backed by several prominent Real Estate assets from the start.

1. We will use **all** the raised funds (70-80% depending on CAP) that surpass our defined Core Operating Budget (defined at page 32) as a “Crowdfunding Push Fund” to advance the payments for the initial acquisition of the Real Estate assets that will be offered at our Crowdfunding site. That will create a “floor” and growing effect on the REAL Token price.
2. We will accept and keep (not sell) the REAL Tokens received as payment for the Crowdfunding investments in our future website during the first 12 months or until we run out of the Ether raised in the Token Sale. That should keep the Token price steady and growing.

(*Note: As mentioned before, when we want to purchase a new Real Estate asset and have run out of Ether, we will sell the REAL Tokens in stages following a carefully planned strategy to ensure we do not cause a price drop. We are confident that in any case any possible drop will be compensated by the rise when people acquire Tokens to invest in the new Real Estate asset.)

This strategy will give enormous traction and a big boost to our Crowdfunding marketplace site which will heavily promote the use of the REAL Token causing its value growth.

It will also ensure that our company will be successful, self sustainable and generate profits from year one in order to have stability as we grow into a successful long lasting company.

No currency can guarantee absolute stability, but we believe that the REAL Token is an asset that is designed to increase in value by design.

- **Additional positive outcomes**

Besides from the expected usual profits of investing in Real Estate assets (rental income and capital appreciation) there are other positive outcomes of acquiring and investing with REAL Tokens. Let us outline two of those:

1. REAL Tokens price grows X% post-Token sale prior to investing in the Crowdfunding: When that happens, you will benefit from a discount at the time of investing in our Crowdfunding marketplace and a multiplier of the ETH profit payments. The cheaper you acquire REAL Tokens the more profitable the Real Estate investments will be. EXAMPLE: If Token price grows 300%, you will invest 3 times as much as others, therefore at 300% better terms than others. If the Real Estate asset returns 15% annually, you would obtain $15\% \times 3 = 45\%$
2. REAL Tokens price grows X% while invested: When that happens, you will not only earn the Real Estate profits but also the Token appreciation. EXAMPLE: If Token price grows 300%,

and the property grows 15%, you will receive 15% of profits in ETH, and 300% in value gains when you receive your REAL tokens back.

Those scenarios can also happen together exponentially multiplying the positive outcomes.

FOUNDING TEAM

REAL Founders have a strong successful online track-record and reputation having founded and exited online startups for over +200 MM€ over the last 20 years and having held executive positions at Google, Yahoo and top Venture Capital firms in Europe. They have invested 350.000 USD in this company.



Enrique Dubois, Co-Founder & CEO

Serial entrepreneur and Business Angel with over 15 years of experience. He has founded and raised online companies like Bingos.com -Online gaming site- (Sold to NetPlay Plc for 8 MM USD), Wamba.com -the european Myspace- (Raised 3MM€), and Mola.com -Small Seed VC in Spain- (Invested in +60 companies). He also co-founded a development company in Uruguay -SXNetworks- and a Blog Network -MediaGambling- sold to CMedia. He is advisor and judge of several estate-run Startup programs like Startup Chile and Startup Peru and a frequent speaker in entrepreneurship schools and events.



Bernardo Hernández, Co-Founder

Serial entrepreneur, Internet Executive and Venture Capitalist. Currently a director in e-Ventures in Germany, he cofounded Idealista -the biggest Real Estate site in Spain- (sold to APAX for 273MM€), Tuenti.com -Spanish Facebook- (Sold to Telefonica for 80MM€), and was the senior marketing and product positions at Google. In May 2013 he joined Yahoo as the Head of Flickr, which he ran until May 2015. In May 2011, he was appointed to the Jury of the Prince of Asturias Awards for Science and Technology. He has a Masters in Finance from Boston College and holds the Chartered Financial Analyst (CFA) designation.

**Javier Llabres, CTO**

Experienced full stack software engineer with vast experience in Python, Java and Blockchain. He got a degree in UIB and is currently studying a postgraduate in UOC University. Before coding at REAL, Javier specialized himself in Blockchain system architecture. He is also actively involved in the development of the Blockchain technology. His research interest covers cryptocurrency trading, Cloud computing, BigData, Security in Trusted/Untrusted environment.

**David Ortega, Ethereum Developer**

Started with Blockchain in 2016 testing different capabilities for public and private blockchains as ethereum and multichain. He spends his spare time reading about security in smart contracts. Before Blockchain he was iOS developer in several big projects like FCBarcelona official APP or Glassy Pro. Specialties: Blockchain, Design Patterns, agile methodologies, team leading, iOS development, Apple, mysql and postgresql, HTML5, CSS3, Django, Web standards.

**Melissa Sapmaz, Communications Director**

Senior PR consultant for Online Startups for the past 10 years, she is also a e-Food entrepreneur and won several awards including Startup Chile and Actualidad Económica prize. She studied Communications and PR London Metropolitan University.

**Miguel Covas, COO**

+14 Years of Business Development experience with usability, sales, design and programming experience having held positions at all startups Enrique has founded. He has a degree in Business Administration.

ADVISORS**Arnaud Porto**

Co-Founder of Blueport Capital, San Francisco. He is an MBA Stanford class of 10-12, MIT Master Thesis 2007, Electrical Engineer and Business Bachelor & Master. He is the co-founder de Jaguar Capital, a Real Estate fund based in Colombia and Portblue Hotels. He has experience in Hedge Funds having worked for years at Viking Global Investors. He also worked in The Blackstone Group as Private Equity Investment Professional and brings to the company a unique bold vision about Real Estate business and strategy.

**Gregorio Martín-Montalvo**

Director of Investment Advisory & Real Estate Valuations in Aktua (Lindorff Group).

Member of the founder management team (2009), Full time member of the Board of Directors and Strategy Committee, reporting directly to the CEO of the company and the Lindorff group. Currently developing the new "Global Real Estate" business unit in Lindorff, providing support in the acquisition of NPL / REO portfolios, Carve-out of existing units, and M&A processes at a global scale.



Bernardo Oliver

Experienced economic advisor in Real Estate transactions. He founded O&M Advisory boutique in Mallorca in 2001. He holds a degree on Economics from Ruprecht-Karls-Universität in Heidelberg.



David Riudor

Engineer with entrepreneurial behavior, Blockchain Enthusiast, Studies Telecom Engineering in UPC. Ex-member in the Google's awarded project Android Beyond the Stratosphere in the field of energy management software development., CEO & Co-founder of the company leading the sector of the magic apps and show business , pioneers in the I+D of new technologies : Abracadapp. Trader in the stock market and Forex, specialized in psicotrading and stop losses.



Carlos Rodriguez Antón

Full-Stack Developer, Blockchain Engineer and Entrepreneur. CTO of Prakma (Blockchain-based Startup) and Founder of Beat.BCN, education project that manages many educational institutions in Spain. He has also worked as developer at Vueling, Skyscanner and ex-CTO of Inhours.



Andreu Rodriguez i Donaire

Blockchain expert & advisor, speaker and development Engineer. Director at Atraura Blockchain, one of the first companies 100% focused on the use of Blockchain technology. He is also the President of Barcelona Mobile Apps, one of the most important mobile app entrepreneurs association of Barcelona (www.bma.cat).

AUDIT & REGULATORY

-Real Estate Asset Ledger Pte. Ltd. is incorporated in Singapore where the highest standards for privacy and regulatory oversight apply. Its UEN (Unique Entity Number) is 201720446Z

-It has a fully paid up 350,000 USD in capital and its address is 22 North Canal Road #02-00, Singapore 048834.

-As per recent developments, we believe that MAS ([Monetary Authority of Singapore](#)) has positioned Singapore as a hub for Fintech innovation and ensured its primacy in global financial services for decades to come.

-REAL is in the process of appointing an auditor (currently in conversation talks with BDO) and will publish on its website a monthly audited report on all Real Estate investments and its revenues.

-There has been some uncertainty in the Token world after SEC and Singaporean MAS communications.

After carefully analyzing with our lawyer we are sure that our Tokens are not securities.

We are operating as a Singapore company selling Tokens that will be used as a currency accepted by our platform. Our platform will be a crowdfunding service specializing in the real estate sales, and we will be applying to have it regulated in Singapore once the Token Sale has closed. Our token is not a security since it is simply a form of payment we will accept on our platform—users have no rights attached to the token. Our platform is separate from the token, and though offerings on the platform may be classified as a securities, the platform will seek to be licensed and regulated accordingly so as to be able to offer such items for sale legally. We will offer a service through the platform, and are now accepting prepayment for the service in the Token Sale, and the token and the platform are separate.

Token Sale DETAILS

The launch of the REAL Token is organized around smart contracts running on Ethereum.

Summary:

- Participants willing to contribute to and support the development of the REAL can do so by sending ether to the designated address.
- By doing so contributors create REAL Tokens (REAL) at the rate of 220 REAL per ETH.
- It will begin on August 31th.
- Contribution Period will run for 30 days (until September 30th), or within 36 hours of the soft cap being achieved.
- There will be a pre-sale on the 24h of August during 24H for contributors of more than 100 ETH capped at 25.000 ETH.
- Token Sale Size: There will be Soft Cap of 100.000 ETH and a hard cap of 200.000 ETH. Hard cap will begin if soft cap is hit within the first six hours. Explanation below.*
- All unsold tokens will be burned.
- REAL company and BitcoinSuisse control the contract and the address to which gathered ether will be sent (implemented as a secure cold storage multisig address).
- REAL received by Contributors will be transferrable 7 days after the end of the Contribution Period. (7 days Cliff)
- Security Audits: To ensure beyond any doubt that funds will be secure, we are working with some of the most respected Ethereum security advisors, CoinFabrik. The results of the audits will be made public before the Token Sale.

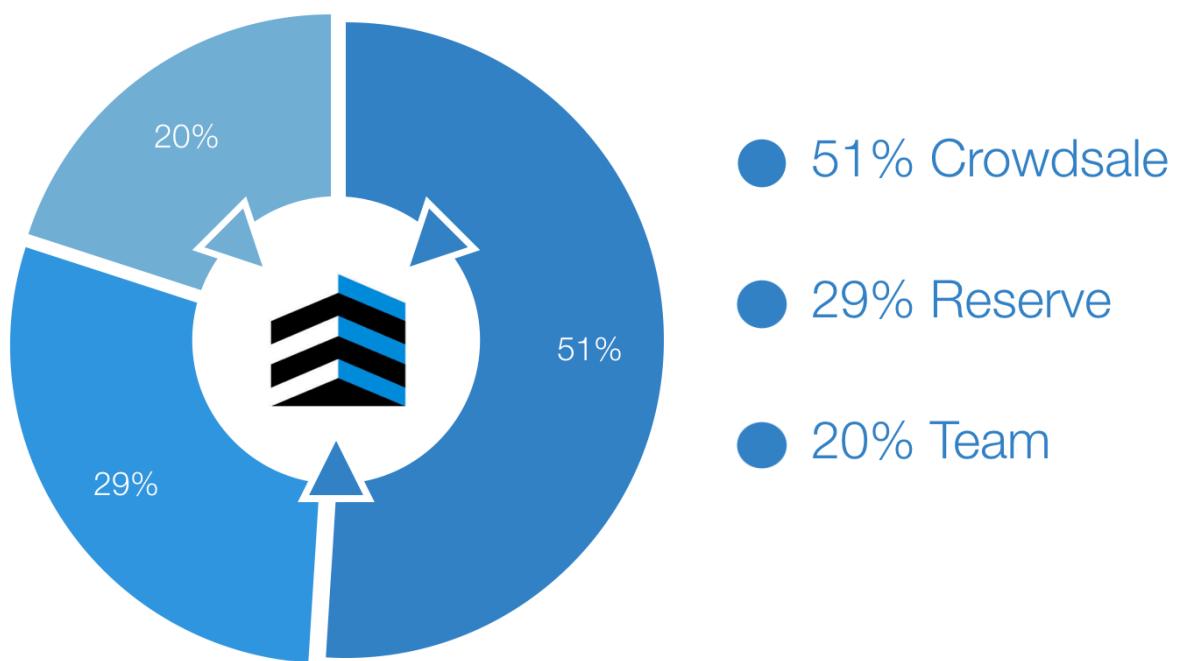
Our Dynamic Size: Soft and Hard Cap.

Real Estate market size is enormous and very capital intensive. We are determined to succeed and be the world leader. Therefore we are aiming at an ambitious strategy establishing the “Crowdfunding Push Fund” with all raised funds above our Core Operating Budget (defined in page 22) (70-80% of raised funds) to ensure our success and create a “floor” effect on the REAL Token price.

Token Sale Discount Bonus for early participants:

Available Token Bonus	TOTAL ETH Committed
25%	25.000 ETH
20%	25.000 ETH - 50.000 ETH
15%	50.000 ETH - 100.000 ETH
5%	100.000 ETH - 150.000 ETH
0%	+150.000 ETH

REAL Token distribution:

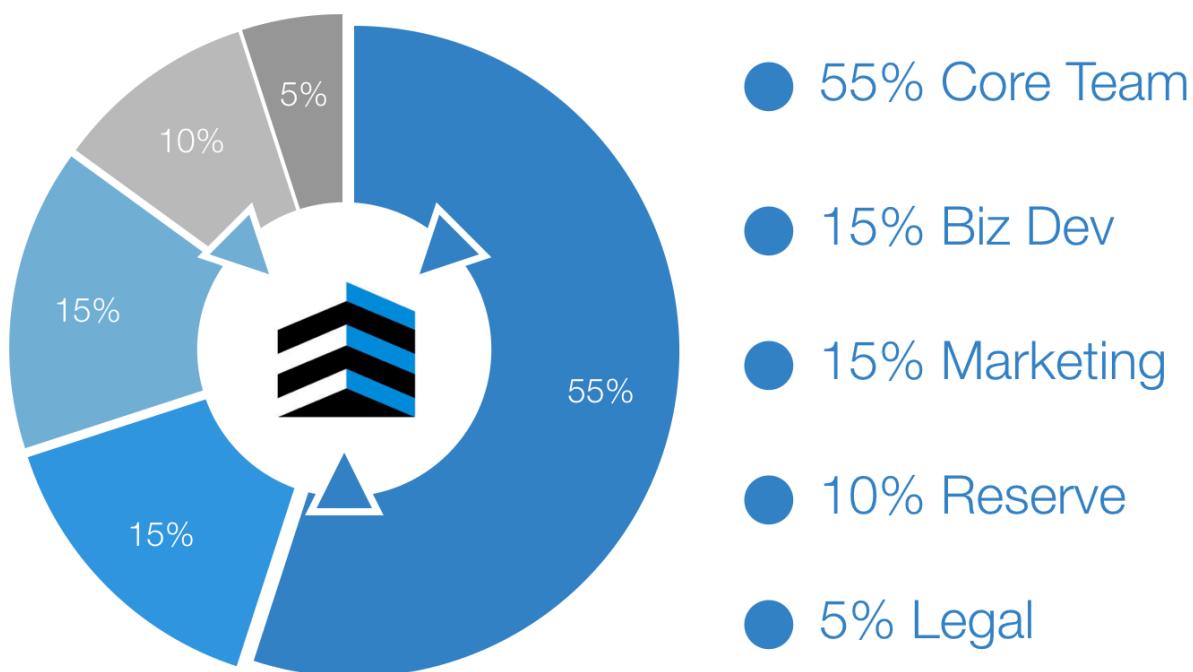


80% of all tokens will be distributed to the public in the medium-long term. This will ensure long term growth of the REAL technology and Tokens.

- a) 51% of all tokens will be distributed during the REAL Initial Token Sale.
- b) 29% of all tokens will be retained for future reserve: They will be held in a multisig and are intended to be slowly distributed to contributors and partners in the network periodically at a later date to foster growth. (see “Tokenomics” section). Half of the reserve will not be accessed for a minimum of 4 quarters (12 months), and will be re-locked or burned if deemed unnecessary for the growth of the network.
- c) 20% of REAL Tokens created during the Contribution Period will be allocated to REAL Founders, Team, Advisors and Strategic partners over a 24 month vesting period, with a 6 month cliff. This means these tokens will not be immediately tradable, further aligning the Founders interests with executing upon the long term goals for the project.

Planned Token Sale Funds distribution:

-Defined Core Operating Budget: We have established a fixed budget for our next 5 years of operations. We believe this provides more transparency and avoids inflated teams and/or excessive development costs.



1. 55% Core Dev: Expansion of the REAL development team who will implement our proprietary functionalities. Additional industry specialists will be hired.

2. 15% Business Development: Generate new revenue sources, clients and partnerships.
3. 15% Marketing: Online marketing in order to generate awareness in the Real Estate sector and acquiring cryptocurrency holders.
4. 10% Reserve: For future unforeseen costs.
5. 5% Legal & Compliance: Most of which will be allocated for developing a solid legal framework for REAL offerings; a minor part of that will go to administration/accounting.

-Core Operating Budget projection: 8 MM USD (ETH 43,759 Calculated at 200 USD=1 ETH ex.rate.)

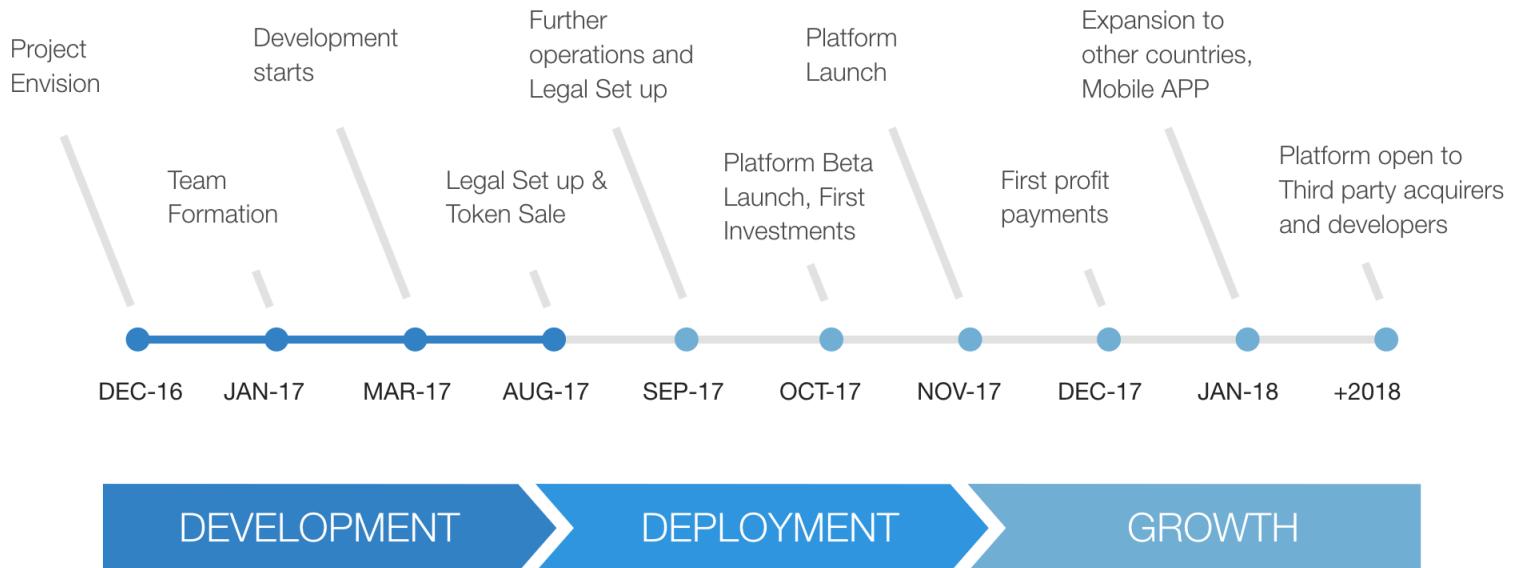
CORE OPERATING BUDGET	2017E	2018E	2019E	2020E	2021E
STAFFING					
Full Time Employees					
CEO	ETH 600	ETH 800	ETH 1,000	ETH 1,000	ETH 1,000
Chief Data Scientist	ETH 300	ETH 300	ETH 320	ETH 360	ETH 400
COO / Head of Operations - TBD	ETH 400				
CMO / Chief Marketing Officer	ETH 300				
Chief Investment Manager	ETH 300				
Property Director	ETH 200				
Account Manager	ETH 200				
Business Development EMEA	ETH 400				
Business Development Asia	ETH 400				
Business Development America	ETH 400				
Total Full Time	ETH 3,500	ETH 3,700	ETH 3,920	ETH 3,960	ETH 4,000
Contractors					
Blockchain Engineer	ETH 269	ETH 249	ETH 289	ETH 329	ETH 369
Blockchain Engineer 2	ETH 269	ETH 249	ETH 289	ETH 329	ETH 369
Back End Engineer	ETH 269	ETH 249	ETH 289	ETH 329	ETH 369
IOS Developer	ETH 269	ETH 249	ETH 289	ETH 329	ETH 369
Product Designer	ETH 269	ETH 249	ETH 289	ETH 329	ETH 369
Chief of Staff	ETH 189	ETH 189	ETH 189	ETH 229	ETH 289
New Contractor 1	ETH 89				
New Contractor 2					
New Contractor 3					
Total Contractors	ETH 1,622	ETH 1,522	ETH 1,722	ETH 1,962	ETH 2,222
Total Payroll	ETH 5,122	ETH 5,222	ETH 5,642	ETH 5,922	ETH 6,222
OTHER OPERATING EXPENSES					
Rent	ETH 202	ETH 202	ETH 218	ETH 252	ETH 286
Accounting	ETH 48	ETH 44	ETH 52	ETH 60	ETH 68
Bank Service Charges	ETH 24	ETH 22	ETH 26	ETH 30	ETH 34
Marketing & PR Firm	ETH 1,200				
IT Expenses	ETH 48	ETH 44	ETH 52	ETH 60	ETH 68
Office Expenses	ETH 66	ETH 66	ETH 72	ETH 84	ETH 96
Travel	ETH 132	ETH 132	ETH 144	ETH 168	ETH 192
Other Consulting	ETH 110	ETH 110	ETH 120	ETH 140	ETH 160
Legal	ETH 400				
Reserve	ETH 800				
Total Other Operating Expenses	ETH 3,030	ETH 3,020	ETH 3,084	ETH 3,194	ETH 3,304
Total Operating Expenses	ETH 8,151	ETH 8,241	ETH 8,726	ETH 9,116	ETH 9,525

-Crowdfunding Push Fund: All funds raised above the Core Operating Budget will be used to invest in Real Estate assets to consolidate and boost the Token value during the first year while generating traction to our Crowdfunding site according to page 23. That will create a “floor” effect on the REAL Token price.

ROADMAP

We have an ambitious execution plan and roadmap that started in January this year.

We share with you this glimpse of our plans. Real Estate industry is huge and ripe for disruption and we believe we are at the right time.



Together with your help, we are confident we will build the worlds most successful Real Estate crowdfunding, and will revolutionize how Real Estate investments are done.

LONG TERM VISION

About eight years ago, a pseudonymous cryptographer known as Satoshi Nakamoto introduced Bitcoin as a digital analog to gold: Limited in supply, but secured by modern cryptography, and made for the internet age.

Since then, many have tried to improve on Satoshi's original vision, and thousands of alternative cryptocurrencies have been born.

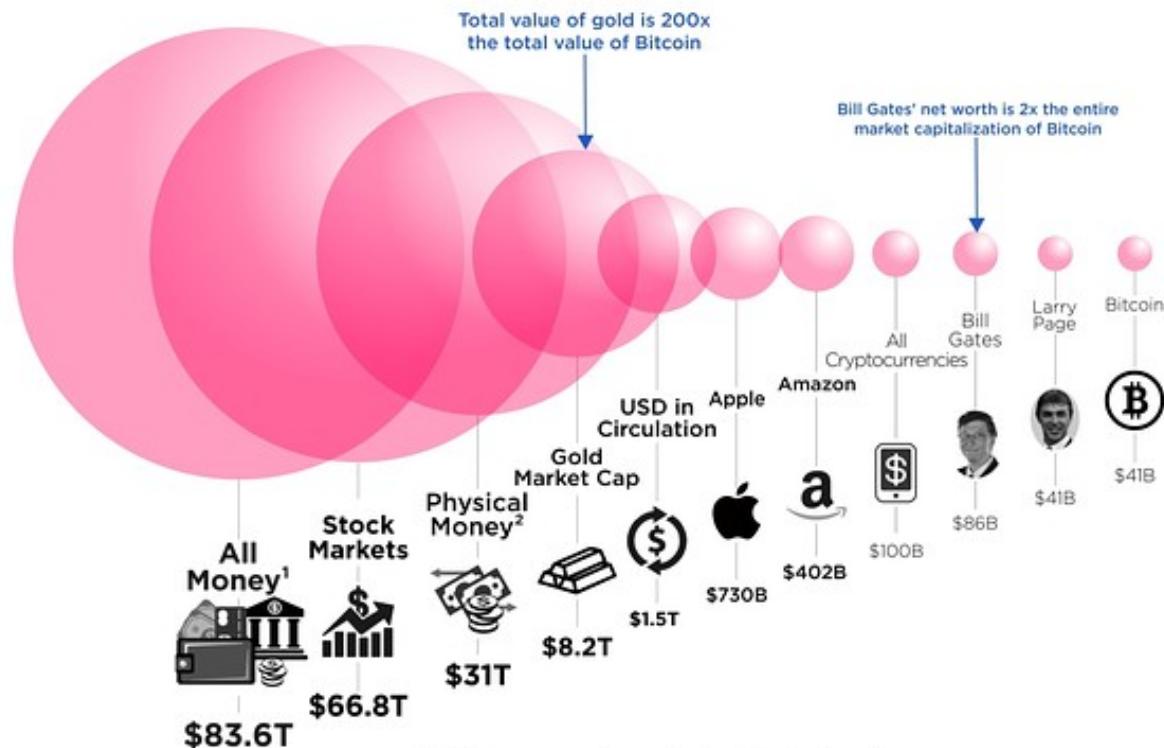
The value of all the cryptocurrencies in existence, such as Bitcoin and Ether, checks in at \$50-\$100 billion, slightly ahead of Bill Gates fortune. However, the market for cryptocurrencies remains very niche. Cryptocurrencies still have shortcomings that discourage mainstream use, in particular high volatility and barriers to entry.

There are many assets in the world which people choose as a store of value, a transactional medium, or an investment. Blockchain is a better technology for transacting, storing, and accounting for these assets. Most estimates measure global wealth around 250 trillion dollars with much of that being held by banks or similar financial institutions.

The migration of these assets into Cryptocurrency represents a tremendous opportunity.

We believe that REAL will be an important milestone in the cryptocurrency world and will contribute to the rise of cryptocurrencies as more and more people lose faith in fiat money and other traditional measures of wealth

Putting the World's Money into Perspective



We believe that REAL Tokens will be more attractive than traditional Real Estate investment because Real Estate will become liquid with Tokenized ownership.

We also believe that REAL technology will enable all property-related transactions to become safer, more transparent and streamlined in the near future

Finally, we believe the **REAL Token** will offer stability, security and a more precise determination of value and perceived risk of the value of cryptocurrency thanks to its connection to one of the best performing real world assets: Real Estate.

Acknowledgements

We would like to thank everyone that participated in this Whitepaper assisting and supporting us for the past months. We also want to thank Satoshi Nakamoto, The Ethereum Foundation, and the entire Blockchain community, Mist, Metamask, Parity and MEW for paving the way over the past 8 years.

The best is yet to come.

FOUNDERS REFERENCES

As in every Token Sale and Crypto-asset project, the most important thing is execution. Our team has shown in the past our ability to execute in a quality and timely manner and we are confident we will turn REAL into a stellar successful execution.

- **Enrique Dubois background**

Profile Interview

<https://www.abc-mallorca.com/enrique-dubois/>

Profile Review

<http://spanishmonitor.overblog.com/key-players-in-start-ups-iv-enrique-dubois>

Spanish Social Network, Wamba, Scores 3M Euros in Funding from Early Skype Investor

<http://techcrunch.com/2007/09/28/spanish-social-network-wamba-scores-3m-euros-in-funding-from-early-skype-investor/>

PlaySpace Scores \$1.9M To Expand Its Social Games To U.S., Latin America

<http://techcrunch.com/2012/09/05/playspace-scores-1-9m-to-expand-its-social-games-to-u-s-latin-america/>

Mallorca-based Incubator Raises €1.2m, Announces First Investments

<http://techcrunch.com/2012/03/01/mallorca-based-incubator-raises-e1-2m-announces-first-investments/>

Spanish startup accelerator Mola, from Mallorca to Latin America

<http://thenextweb.com/la/2011/11/20/spanish-startup-accelerator-mola-from-mallorca-to-latin-america/>

Linkedin Profile

<https://www.linkedin.com/in/enriquedubois>

Angel List Profile

www.angel.co/enrique-dubois

- **Bernardo Hernández background**

Wikipedia Profile

https://en.wikipedia.org/wiki/Bernardo_Hern%C3%A1ndez_Gonz%C3%A1lez

Bernardo Flickr announcement

<https://petapixel.com/2013/08/06/flickr-gets-a-new-leader-former-google-exec-bernardo-hernandez/>

Techcrunch Press Release

<https://techcrunch.com/2016/05/18/e-ventures/>

Bernardo Interview on TheNextWeb

https://thenextweb.com/creativity/2014/06/11/flickrs-bernardo-hernandez-seeks-reignite-photo-service-take-new-heights/#.tnw_Y9JLFVB6

Linkedin Profile

<https://www.linkedin.com/in/bernardohernandez>

Bernardo Hernandez Interview at Noah16

<https://www.youtube.com/watch?v=fa0a1j9IV8I>

Bernardo Hernandez on Spanish National TV (Spanish)

<http://www.rtve.es/alacarta/videos/los-desayunos-de-tve/entrevista-bernardo-hernandez-director-mundial-productos-emergentes-google/1420215/>

- **Real Estate Crowdfunding background**

Three years since crowdfunding for real estate started, the market has grown to more than a billion dollar industry. By 2025, the global real estate market could be worth \$90 billion or more. This is getting the attention of VCs.

VC activity in the space can be measured by their investments on real estate crowdfunding platforms. VC's investment in Fundrise raised \$31 million.

The investors were led by Chinese social networking company Renren and executives from New York-based Silverstein Properties Inc., which owns the World Trade Center. This Series A funding round had additional new investors – Guggenheim Partners and the president of Rockrose Justin Elghanayan – have taken the total to \$38 million.

Renren liked Fundrise's focus on community and believes that real estate is the next frontier of crowd-based financing. Silverstein executives were impressed on Fundrise's vision and execution, noting that it has cracked the code to do real estate crowdfunding well.

Early in 2014 Realty Mogul raised \$10.1 million in a funding round led by Canaan Partners which contributed \$9 million. Realty Mogul has already invested more than \$70 million in 226 different properties located in 19 different states.

Hrach Simonian, partner at Canaan Partners, notes that VCs have invested in the platform because the public is now participating in crowdfunding sites. Another reason for investing is the data build up on these platforms, which can be used to predict assets' performance.

Addressing the needs of an underserved market not met by banking solutions | Pixabay.com
A platform for borrowing and investing in commercial real estate, AssetAvenue raised \$3 million in 2014 from investors led by Matrix Partners and NetEase. Matrix backed powerhouses such as Apple and JustFab, while NetEase is one of the largest publicly traded companies in the internet and technology space in China.

Josh Hannah of Matrix Partners notes that real estate crowdfunding platforms are addressing the needs of an underserved market not met by banking solutions. In 2015, the platform raised an additional \$11 million from DCM Ventures and from earlier investors, NetEase and Matrix Partners.

DCM Ventures' General Partner, David Chao believes that AssetAvenue can change the commercial real estate landscape in terms of how lending is done.

Other notable local and overseas fundraising participated by VCs include:

- RealtyShares raised \$10 million in a Series A round led by Menlo Ventures, which also incorporates participation from the previous investor General Catalyst.
- California-based platform Patch of Land raised \$23.6 million in a Series A round, which SF Capital Group and Prosper participated.
- UK-based Property Partner, which gives investors the opportunity to invest for as little as £50 in the flourishing UK buy-to-let housing market, raised £1.25 million in seed capital from Octopus Investments, and VC Jon Moulton, founder of Seedcamp and Better Capital.

These successes indicate that real estate crowdfunding is going to be a force to reckon with in the future.

(Source:<https://www.hedgeco.net/blogs/2017/01/27/why-15-venture-capital-firms-are-playing-the-real-estate-crowdfunding-game-by-david-drake/>)