

RealtyCoin

A Real Estate backed crypto currency

Introduction

REALTYCOIN is an inflation proof cryptocurrency backed by income producing real estate. Anyone can use it to purchase real-estate or real estate based services on our network or with any participating business. Or, they can simply hold on to it and earn a healthy dividend plus appreciation.

Blockchain

Blockchain technology is a new, powerful tool that is already shaping the future of the Internet with simple, safe and secure transactions, bringing a new wave of Economic Opportunity and Digital Innovation.

The blockchain technology facilitates the exchange of value without the need for intermediaries, enables transparent interactions of parties through a trusted and secure network that distributes certified and auditable access to data, simplifying the existing processes lowering the costs and increasing the capital efficiency.

Ethereum

Blockchains distributed ledger infrastructure had empowered Bitcoin to become a digital and easily tradable token, common used as a currency, successfully proving that distributed consensus works, but has limitations to program and customize new ideas on top of it.

REALTYCOIN choose to work with Ethereum, that enables the development of custom programmed applications on top of the blockchain, like smart contracts, database access and storage.

Token Details

REALTYCOIN (RTC) is an (ERC20) Master-Node coin built on the Ethereum blockchain utilizing smart contracts whereby stakeholders of this coin will receive a “maintenance fee” or dividend based on a percentage of the net operating income. Token-holders will receive limited voting rights based on the amount of token each holds. $15,000,000 / 100 = 150,000$ RTC will equal 1% voting rights.

Increase In token value will follow appreciation and value creation of the underlying assets.

Legal Structure and Compliance

The corporate structure will be:

A Swiss Corporation will own a sub Delaware LLC, which will create a property specific LLC for each individual asset acquired.

This coin will not be available to US investors, although the primary geographic location or the assets will be in major US metro areas.

We are working with top ICO and real estate attorneys to ensure compliance with local laws.

Business Model

Our model is as follows:

US based real estate acquisitions.

Asset identification through our acquisition team.

Asset due diligence, market research, appraisal indications, rehab cost projections/profit predictions, rental analysis, etc

Purchase offer, legal framework – accepted contract

Rehab/value add permitting, construction, completion

Property management team takes over

Stabilization and occupancy for rentals and sales listing for flips

Refinance with traditional lender in order to maximize returns

Collect rental income.

Time frame (acquisition – stabilization) for each project can vary greatly depending on size and necessary repairs, but we can estimate that small single-family deals can be completed in 2-4 months and large multifamily deals can take 10-16 months.

We will begin by acquiring smaller properties initially in order to jumpstart our momentum, then later acquiring larger and more profitable projects.

Sample deal Single family:

Purchase price:	\$50,000
Rehab cost:	\$30,000
ARV (after repaired value):	\$140,000
Refinance @ 75% LTV @ 6%	\$105,000
Cash out:	\$25,000
Net Operating Income:	\$1200/mth, \$14,400/yr.
Debt service:	\$630/mth, \$7,560/yr.
Cash Flow;	\$570/mth, \$6,840 /yr.
Cash on cash return:	\$infinite
Timeframe:	appx. 3 months

As you can see not only did we create \$60,000 worth of additional value from an \$80,000 investment, but when we refinance and take \$105,000 cash out of the investment (31.25% more than the original investment) we have effectively created an infinite return on investment when you calculate the net monthly cash flow. That additional 31.25% will go to fund more deals thus compounding your original investment many times over the course on a year.

This model does not take into acct the intricate cost of refinancing but the numbers are close enough to provide a sample asset return model.

Yes, there will be increased cost as a percentage of returns as the law of diminishing returns comes into effect, but the model will hold true for a \$100,000 deal as well as a \$10m deal.

This model is scalable. We have an extensive network of contractors, realtors, title agents, lending partners and real estate wholesalers to facilitate each transaction due to our experience in this business.

The potential bottle neck in this model is finding deals.

Capital allocation:

80% AUM - single and multifamily rental properties

20% AUM - Turnaround / resale deals (fix n flips)

Token Crowd Sale

Fixed at 15,000,000 RTC tokens

Token value will be determined by dividing the total Ether raised by the total fixed coin supply (15m).

(Token Value = Total ETH Raised / 15,000,000)

REALTYCOIN founders will receive 1/3 of the total coin supply

ICO length will be 6 weeks

Bonuses:

We are offering token bonuses to early token holders and pre ICO sales.

15% - pre ICO

12.5% - week 1

10% - week 2

7.5% - week 3

5% - week 4

2.5% - week 5

0% - week 6

How to participate

Investors can purchase RTC by sending Ether to the following address and registering with an email address.

Dividend structure / Profit sharing

Dividend structure will be as follows: (as a % of NOI)

100% of NOI paid to token-holders/investors.

25% of NOI to be paid to token-holders will be held back as reserves.

So, you will receive only 75% of NOI for the first year.

These reserves will accrue for 1 year after which 100% of NOI will be paid out monthly.

All reserves will be the property of REALTYCOIN token holders.

Reserves will be maintained at a level of 3.75% of AUM.

We want to have ample reserves to ensure stability in the event of a temporary loss of revenue for any particular asset. Reserves will be replenished in this event.

These reserves may be used for operating expenses / dividend payments.

There will be no fixed management fee for the founders.

The Founders and management team will receive 30% of the total coin supply and 30% of net profit / equity created as a performance fee.

We have every incentive to work FOR you.

Dividends will be distributed monthly beginning on month 7 after ICO close and paid in RTC.

We may begin paying dividends on month 4 if we have completed projects by then.

Any excess cash created on top of initial AUM will be reinvested.

Token holders may reinvest their dividends at specified intervals (TBD in the future) or they may withdraw them from the network or hold them in their wallet.

Additional value created will be reflected as REALTYCOIN token price appreciation.

Token Utilization

REALTYCOIN investors will be able to access their RTC balance in the REALTYCOIN Platform application. New users need to sign up to have an RTC account. REALTYCOIN users can invest their dividends back into the REALTYCOIN fund at specified intervals if they desire. We must have a minimum reinvestment amount; network wide, for this to be effective.

Deposits to the account can be made by Ether and fiat by transferring directly to the account. Payments, purchases, sales and loans may be made between token-holders on our network.

Road Map to Success

Successful ICO
Scale
Implement strategy

Trust

Founders liquidity lockout:

Founders and the management team will receive 1/3rd of the total coin supply. They cannot liquidate these coins for a period of 1 year following the ICO.

Escrow:

Upon successful ICO,

25% of funds will be released immediately after ICO close to be used for operating expenses and for earnest money deposits on our first acquisitions.

75% of funds will be held in escrow to be released no less than 10 business days prior to closing on a property. The specific amount of funds for each acquisition will be released by delivering the accepted purchase contract and construction budget invoice for that exact property.

Transparency

All Token holders and investors are welcome to call our team during normal business hours.

Our business address will be listed.

We will issue monthly progress reports and quarterly P&L statements, progress highlights, etc.

We agree to be audited quarterly or annually by a 3rd party CPA firm.

We also agree to perform regular webinars for token holders to share their concerns and to ask questions.

The Founders will maintain a vlog/blog which will talk about current projects, progress and challenges ongoing. We will post regularly to maintain contact with everyone in an efficient way.

In addition to the above, each token holder will have an online dashboard where they can view their token stats, number of tokens, performance, asset growth and asset performance within the portfolio. Latest news, recent acquisitions and updates from the management team will also be updated regularly. We will also maintain a detailed financial ledger which will outline each asset, cash balances, token balances, asset performance, cash flows, performance stats, etc. This will be updated monthly and posted to each token holders account for review.

All current stats of the fund will also be displayed publicly.

Milestones and Timeline

Aug 1 - 15 -- Finalize White paper, begin Blockchain, front and back end development

Aug 15 - 30 -- community outreach, getting feedback, tweak structure, model and features, ensure legal compliance, finalize front end website, etc., prepare marketing materials

Sept -- establish Marketing campaign, wrap up backend and blockchain development

Nov 1st -- Launch ICO, engage community
Dec 15 -- Potential ICO close (TBD by funding amount)
Jan 1 2018 -- Begin asset identification
Feb 2018 -- property acquisitions commence
Onward -- initiate plan

Growth Projections

Growth projections are based on our management teams experience and capability in this business. We will determine our scaling growth based on the amount of funds raised. Our goal is to successfully allocate 100% of funds raised within year 1. At the end of year 1 we believe we will be generating appx. 20% of AUM as NOI. This will be accomplished by first, investing the initial capital then reinvesting the same capital plus +/- 15% equity created after implementing our re-financing strategy for each asset.

Example:

Day 1: \$10m AUM

Day 180: 100% Utilization of capital using our model will create +/- \$16m in assets

Day 210: refinance assets @ 75% LTV @ 6% for 30yrs

Day 210: Cash on hand: \$12m

Net equity: \$4m,

Cash flow after Debt service: \$1,364,804/yr.

Day 211: Do it all over again.

Technology

All of our software will be 3rd party reviewed for security and usability

Our team

Justin Mills

Founder and Fund Manager

Sonu Mills

Co-Founder and Strategist

Acquisitions:

Chris Smith <http://www.chris-smith-homes.com/>

Justin Mills

Stella Cheng

Architect

Walter Antin <https://www.waardesign.com>

Project management

Juan Rubalcava

Javier Hernandez

Property Management

Latter and Blum Property Management

Superior Property management

Strategy

Justin Mills

Arundee Mills

Mark Jerjivak

Technology

Yuriy Shenzen

Pavel

List any others involved....

Legal

Jor Law

Financing Partners

Mike Fahrenholt: Home Bank

Curt Reinmiller: First Bank and Trust

About our founder

With 14 years of Real Estate background, Justin is a Licensed Realtor (Florida & Louisiana) and licensed General Contractor (Louisiana)

Justin has been a real estate enthusiast for a very long time. He graduated from Lafayette High in 2001 and went to ULL for marketing for two years. An entrepreneur at heart, realizing at age 20 his time is better spent doing real estate deals, he dropped out of college and got his realtor's license.

He helped many clients buy and sell properties and bought a few fixer-uppers and renovated to hold and collect rental income. He has been involved in Real Estate ever since.

He has renovated 100s of properties, so is also very knowledgeable of the construction aspect of the business in addition to his knowledge about the real estate market.

Sonu, originally from India is also a real estate enthusiast, with extensive real estate background. With a Bachelor's degree in Business Administration and MBA in International Marketing, Sonu was also a licensed Realtor when she met Justin. Sonu and Justin have been investing in real estate since 2007.

With an eye for finding and spotting deals, Justin has made up to 200% return on many his deals. Some examples of the deals he has done in the past few years are listed below.