# **Actor explanation**

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| --- |
| **Actor** |
| House token seller (1) |
| house token buyer (2) |
| Lofty: marketplace (3) |
| House Inspection service (4) |
| Valuation service (5) |
| Property manager service (6) |

## **Lofty (marketplace)**

[How the Lofty Marketplace Works | Lofty Learning Center](https://learn.lofty.ai/en/articles/6145558-how-the-lofty-marketplace-works)

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## **House inspection service**

[How the Lofty Marketplace Works | Lofty Learning Center](https://learn.lofty.ai/en/articles/6145558-how-the-lofty-marketplace-works)

A professional property inspection company will inspect the property and provide an inspection report. Oftentimes, the seller will make repairs before closing or provide a credit to the DAO LLC.

## **Valuation service**

A house valuation service in the context of real estate refers to a professional assessment of the monetary value of a property. This valuation is typically conducted by qualified individuals or companies with expertise in property appraisal and real estate market analysis. The purpose of a house valuation is to determine the fair market value of a property based on various factors.

## **Property manager service**

[Properties are Managed by Professional 3rd Party Property Management Companies | Lofty Learning Center](https://learn.lofty.ai/en/articles/6143014-properties-are-managed-by-professional-3rd-party-property-management-companies)

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# **Step by step**

## If you want to list a property to be tokenized and rent/sell

Step 1: A seller submits their property to be sold on the Lofty marketplace. Their background info will be checked by Lofty (racial, gender, crime history,…) (3)

Step 2: Their house’s condition will be checked to make a report (is the house safe to live, any gas leak, mold…) (4)

Step 3: Their house’s price will be determined by (5) and tokenized into **50$ token** (e.g. A house’s worth 20.000$ will have 400 tokens)

A diagram of property management service

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Step 4: the DAO (decentralized autonomous organization: tổ chức tự trị phi tập trung) LLC (Limited Liability Company: Công ty trách nhiệm hữu hạn) will be created under your house name

[DAO là gì? Hạn chế và tiềm năng đầu tư của DAO trong Crypto (coin98.net)](https://coin98.net/daos)

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Step 5: Sell your house token on the marketplace (Lofty) and get money

# **What activities affect your money on this platform**

## Token appreciate or depreciate

[Tokens Update in Value on a Monthly Basis | Lofty Learning Center](https://learn.lofty.ai/en/articles/6145547-tokens-update-in-value-on-a-monthly-basis)

* For example, if HouseCanary’s valuation of your property is $100,000 and then one month later it’s $105,000 – your tokens would increase from $50 each to $52.50 each (a 5% increase).
* The HouseCanary valuation is updated once per month which is when the principal value of your tokens will update as well.
* Every time the value of your tokens updates, there will be a report from HouseCanary attached which walks through exactly how their valuation was calculated.

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## Rental Income

[Rental Income is Sent to Your Account Daily | Lofty Learning Center](https://learn.lofty.ai/en/articles/6140570-rental-income-is-sent-to-your-account-daily)

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## House repairing

[Properties have an Operating Reserve to handle repairs | Lofty Learning Center](https://learn.lofty.ai/en/articles/6162714-properties-have-an-operating-reserve-to-handle-repairs)

* Each property has an Operating Reserve which is used for repairs. The Operating Reserve balance is equal to approximately 5% of the property purchase price
* All urgent repairs will be taken care of immediately, and any non-urgent repairs requested by the resident will be put up for a Governance Vote.

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