

Team GOAT Fintech!

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Project Proposal

Team Goat Fintech has decided to create a REIT (Real Estate Investment Trust) by using blockchain technology. We will be creating a token by which interested investors can use as an investment vehicle to ascertain value, share expenses, distribute cash flow, and by which the investing guidelines and laws are held.

Our REIT will be tokenized by using an apartment complex as use case whereupon the framework could be expanded upon to other real estate assets effectively and efficiently. Visit our Repository for [code](#)



Steps

Step 1: The Deal

Determine the specific property or properties to tokenize and consider jurisdiction, types of shareholders, and the relevant regulations.

Step 2: Legal Structure

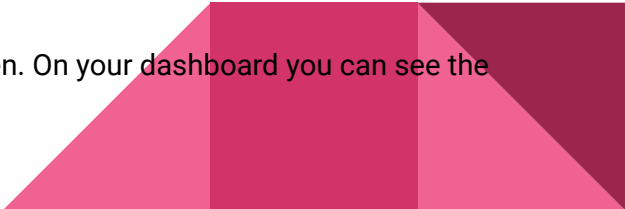
Determine the legal structure. Various options are available and the owner can choose to tokenize the equity of a Special Purpose Vehicle (SPV), a debenture, or another form of participation right such as revenue or profit.

Step 3: Appropriate Technology

custody solution with a custody provider and choose the right blockchain network for token creation.

Step 4: Token Creation & Distribution

Creating a distribution plan and payment methods for potential investors to purchase the token. On your dashboard you can see the amount of funds that you have raised in real-time.



Some Benefits of Tokenization

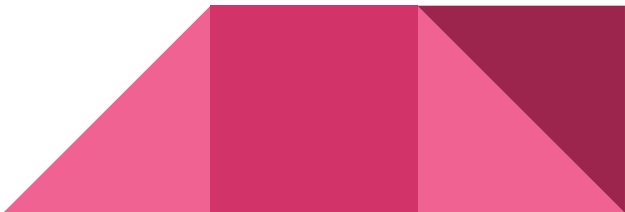
Efficiency – time & cost (x10 reduction):

- Digitization and automation of processes
- Automated compliance and governance
- Removal of human errors

New capabilities:

- Increased liquidity (from 0 to 1)
- Fractional ownership / democratization

Other values:

- Global standards and interoperability
 - Logging of transactions
 - Factor x10 increased design space
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Asset Summary

60 Unit Apartment Building in Minneapolis:

UNDERGROUND PARKING (DRIVE OUT): 30 PARKING SPOTS – 9,056 SQFT
FIRST FLOOR: 2B2B APARTMENT: 4 UNITS, 1B1B APARTMENTS: 8 UNITS, TOTAL OF 12 UNITS – 8,000 SQFT
SECOND FLOOR: 2B2B APARTMENT: 4 UNITS, 1B1B APARTMENTS: 8 UNITS, TOTAL OF 12 UNITS – 8,000 SQFT
THIRD FLOOR: 2B2B APARTMENT: 4 UNITS, 1B1B APARTMENTS: 8 UNITS, TOTAL OF 12 UNITS – 8,000 SQFT
FORTH FLOOR: 2B2B APARTMENT: 4 UNITS, 1B1B APARTMENTS: 8 UNITS, TOTAL OF 12 UNITS – 8,000 SQFT
FIFTH FLOOR: 2B2B APARTMENT: 4 UNITS, 1B1B APARTMENTS: 8 UNITS, TOTAL OF 12 UNITS – 8,000 SQFT

TOTAL:
60 APARTMENT UNITS (40 X 1B1B AND 20 X 2B2B)
30 CAR UNDERGROUNG PARKING

TOTAL BUILDING AREA: 49,056.00 SQFT

SOFT COST

\$ 1,471,000.00

HARD COST

\$ 9,811,000.00

LAND COST

\$ 1,050,000.00

EQUITY

\$ 2,521,000.00

LOAN

\$ 9,811,000.00

TOTAL DEVELOPMENT COST

\$ 12,332,000.00

MORTGAGE (\$12,332,000.00 WITH \$ 2,521,000.00 DOWN PAY, FOR 30 YEAR @ 2.5%):

\$39,244.00/MONTH = \$470,928.00/YEAR

Asset Summary

ESTIMATED RETURN

2B2B = \$1,980.00/MONTH/UNIT X 20 = \$39,600.00/MONTH = \$475,200.00/YEAR

1B1B = \$1,560.00/MONTH/UNIT X 40 = \$62,400.00/MONTH = \$748,800.00/YEAR

STORAGE, BIKE SERVICES, PARTY ROOM, GYM, PARKING = \$4,000.00/MONTH = \$36,000.00/YEAR

TOTAL: \$106,000.00/MONTH = \$1,272,000.00/YEAR

VACANCY: 5%

GSI: \$1,208,400.00/YEAR

EXPENSES/YEAR

Property management (tenants, contracts, contracting maintenance, rentals, wages):

\$86,000.00

Utilities (water, garbage, storm water, internet, security, common spaces nat. gas, common spaces electricity, cable):

\$68,000.00

Real estate taxes:

\$200,000.00

Insurance:

\$40,000.00

Maintenance:

\$50,000.00

TOTAL: \$444,000.00

NOI:

\$764,400.00

CASH FLOW:

NOI \$764,400.00 – MORTGAGE \$470,928.00 = \$293,472.00/YEAR

\$24,456.00/MONTH

\$407.00/UNIT/MONTH (\$239.00*/UNIT/MONTH)

EXIT STRATEGIE

5 YEARS SALE SIMULATION

EARNED CASH FLOW: \$24,456.00 X 12 MONTHS X 5 YEARS = \$1,467,360.00

FUTURE PROJECTION:

48 APARTMENT UNITS X \$2,000.00/MONTH = \$96,000.00/MONTH = \$1,700,000.00/YEAR

VACANCY: 5%

GSI: \$1,615,000.00/YEAR

EXPENSES: 35%

NOI: \$1,049,750.00

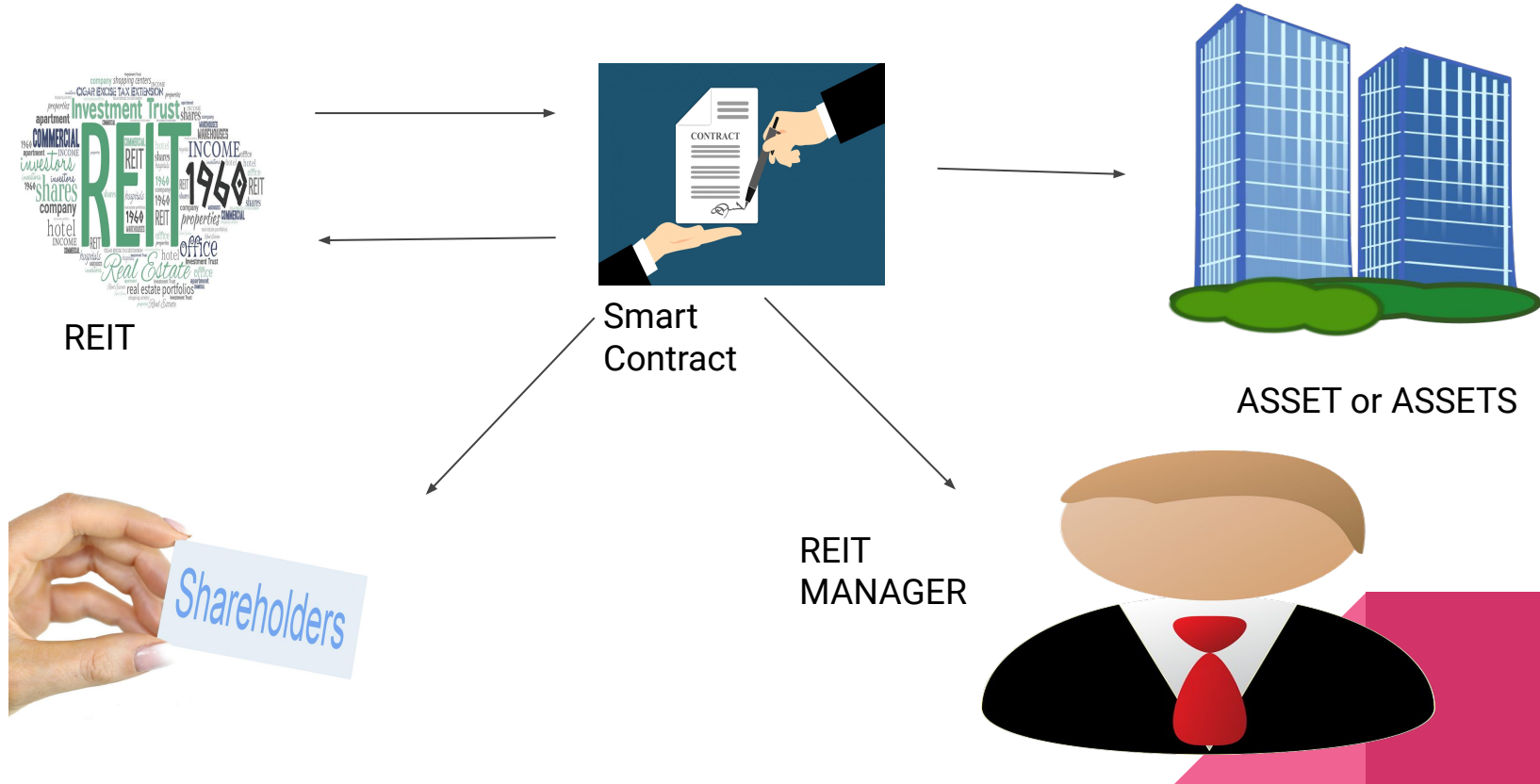
CAP (ESTIMATED FOR MINNEAPOLIS A CLASS BUILDING): 5.14

CAP LIMIT: NOI / (CAP / 100) = \$1,049,750.00 / (5.14 / 100)

BUILDING VALUE: \$20,423,151.00

PROFIT: EARNED CASH FLOW + SALE – PAYOFF MORTGAGE = \$12,079,000.00

How Does our REIT Work?



Roles and Capabilities

REIT

- Tokenizes Real Estate
- Allows purchases and sales between shareholders
- Adds/Subtracts Stakeholders
- Distributes accumulated funds
- Seize Assets of shareholders in need be

REIT MANAGER/SHAREHOLDERS

- Decide who can become a tenant
- Claim ownership
- Transfer Tokens to other owners
- Withdraw funds
- REIT Manager functions as property facilitator

digESTATE:

> Token Demo



digESTATE:

> REIT Contract Demo



Voting Contract

Since Ali and Mike's contract will address all the agreed terms for this investment, the voting contract will be for voting on future acquisitions. Some things that may be voted on in the future may be what area should we target for the next project? Or, what is the budget for the next endeavor? Or, should we look for additional investors for the next project?

Today, we will present a voting contract looking to see if investors will need to see a 10% return annually to invest in another property.



digESTATE:

> Voting Contract Demo

