



REAL

# REAL with Airbnb & VRBO Properties

## Event Overview:

- REAL Introduction
- Sample Scenario & Economics
- Transaction Timeline & Exercising the Option
- Commonly Asked Questions
- Next Steps & Resources
- Reference Materials

# REAL + VRBO + Airbnb = A Big Opportunity for Buyers & Agents

Over the years, services such as VRBO and Airbnb have become increasingly popular; even more so, now that traveling for pleasure has become more flexible. Unfortunately, using traditional mortgage options to buy second home properties to leverage these services is difficult. With REAL, buying part-time residential properties is profitable, and partnering with Seashine to use this offer makes for an easy way to do more deals.

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## The REAL Solution:

- **Debt Free** - Nobody wants debt. They want what debt buys. Using REAL you get all of the benefits of ownership without incurring debt.
- **Aligned Interest** - Using REAL, your interests are perfectly aligned with the capital investor - you get the use and economic benefits while Seashine enjoys reliable cash flows and investment security.
- **REAL Power** - In addition to the power of negotiating as a cash buyer, you get Seashine as a professional real estate investor helping you get the deal you deserve with full knowledge of property condition and value.



# Sample Scenario

After living in the home they'd been in since they were first married, Jeffrey and Melissa had grown their family and desired a second property to call home for an occasional getaway with the kids. They wanted the property to feel like their own, and they wanted to make money on it when they weren't there by using a service such as Airbnb or VRBO. Because properties are expensive everywhere these days, Jeffrey and Melissa hadn't been able to qualify for a traditional mortgage. While they had some cash on hand to purchase a home, they weren't interested in taking on more debt.

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**Fortunately, their Agent told them about Seashine and that REAL doesn't use a Debt-to-Income (DTI) ratio in the transaction process. With REAL, Jeffrey and Melissa were quickly able to find and begin enjoying the second home of their dreams.**



# Sample Economics

The following table summarizes a few options - Jeffrey and Melissa chose Scenario (C):

CHARACTERISTICS	Credit Score	Property Use	Property Type	Purpose	Notes
Jeffrey and Melissa	700+	PART-TIME	SFR	PURCHASE	Applicant/Property Details

SCENARIOS	(A)	(B)	(C)	(D)	Notes
Contract Purchase Price	1,000,000	1,000,000	1,000,000	1,000,000	Negotiated by Jeffrey, Melissa and Seashine through the agent
Acquisition Premium (\$)	(150,000)	(200,000)	(250,000)	(300,000)	Acquisition Premium (AP) is the option premium paid to acquire the benefits of ownership
Acquisition Premium (%)	15.00%	20.00%	25.00%	30.00%	
Transaction Fee (2.50%)	21,250	20,000	18,750	17,500	Transaction Fee is <b>not</b> paid upfront but added to the Program Balance
<b>Program Balance</b>	871,250	820,000	768,750	717,500	The amount paid by Jeffrey and Melissa to exercise the option

MONTHLY PAYMENT	(A)	(B)	(C)	(D)	Notes
<b>Base Payment</b>	\$4,556	\$3,752	\$3,216	\$3,017	Excludes taxes, insurance, and HOA dues added to the monthly payment

# Timelines & Exercising the Option

## TIMELINE FOR AMOUNTS DUE FROM JEFFREY AND MELISSA:

- Jeffrey and Melissa applied for REAL with only their photo IDs and by each paying **\$25**, (\$50 total). Getting approved for REAL is simple and void of the onerous documentation requirements associated with debt financing.
- Within 24 hours of their offer acceptance, Jeffrey and Melissa wired their earnest money deposit (**\$10,000**) and Due Diligence Fee (**\$1,500**) to the REAL Homeownership Trust.
- Prior to the contract Due Diligence deadline, Jeffrey and Melissa wired the remainder of their upfront payment (~**\$240,000**) to the REAL Homeownership Trust. The earnest money deposit counted toward their Acquisition Premium.

## EXERCISING THE OPTION:

- Jeffrey and Melissa decided to exercise their option by selling the home, paying the Program Balance of **\$768,750** to the Trust. As a result, they received 100% of the net price appreciation of the property since there is no equity sharing with REAL.



# Most Commonly Asked Questions

- Can I use REAL to purchase investment properties?
- Can multiple people use REAL to acquire a single property together?
- As an agent, can I use REAL for myself?
- If I already have a second home, can I acquire another?
- Can I use REAL for any property, in any location?



# Next Steps & Resources

To understand more about how REAL works, and to access other REAL marketing, media and resources, please visit the REAL Resource Center:

<https://info.realhomeownership.com/rrc>



## Key Information

- Apply to Reserve REAL Capital at [apply.realhomeownership.com](https://apply.realhomeownership.com)
- Questions about REAL? Call the Deal Desk at **(714) 202-9288**
- Run sample transactions with the **REAL Calculator**
- Contact us via email at [Deals@REALHomeownership.com](mailto:Deals@REALHomeownership.com)



## Upcoming Events

- **October 14 - Topic Coming Soon**
- **October 21 - Topic Coming Soon**



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# Reference Materials

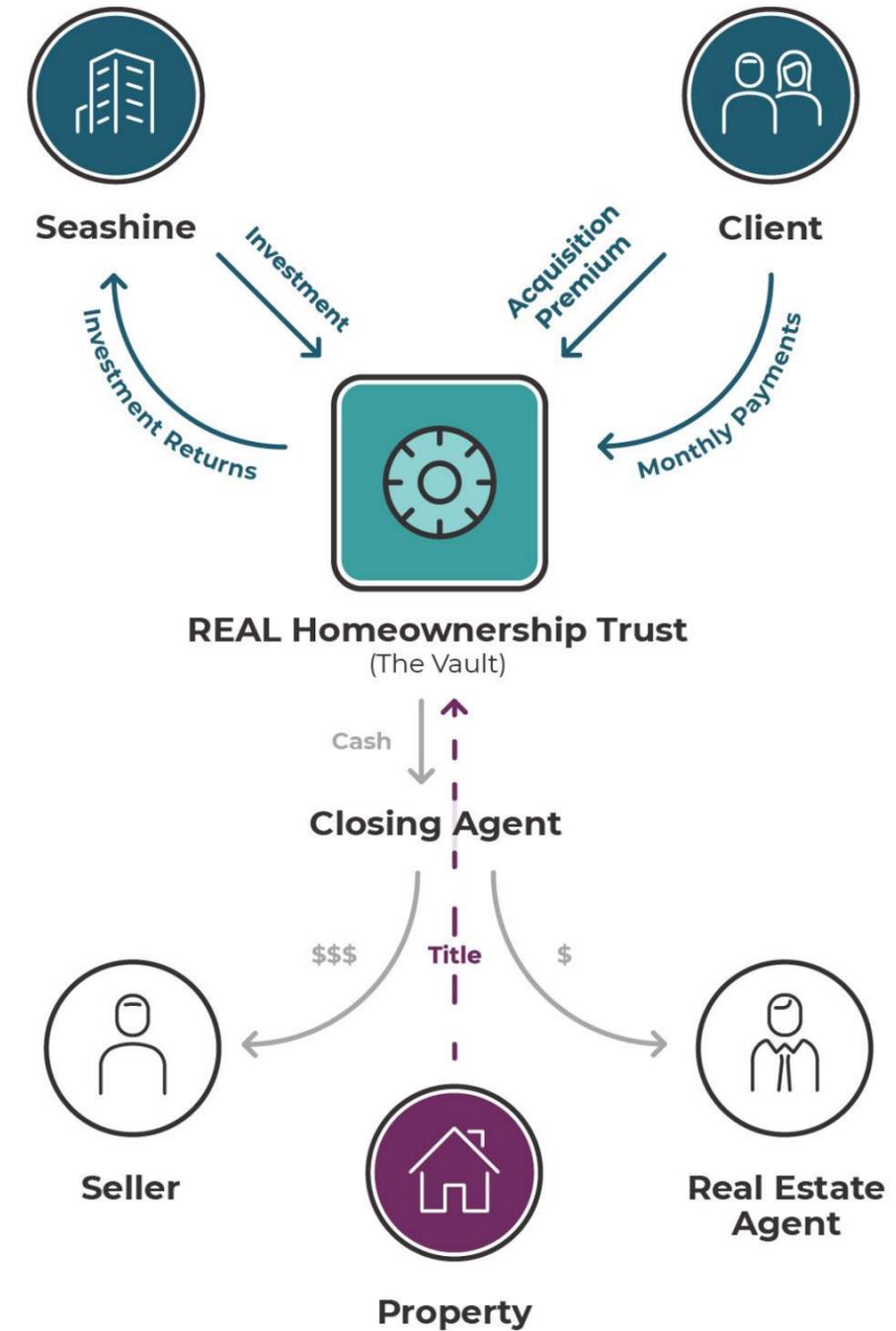
## Event Specific Resources

- How REAL Works - Vault Diagram

# How REAL Works

1. REAL utilizes the REAL Homeownership Trust (the "Trust"), a Delaware statutory trust with an independent national bank trustee. The Trust serves as a vault to hold properties, leases, and cash.
2. Seashine and the Client each deposit capital into the Trust. The Client pays the Acquisition Premium and Seashine invests the balance of the purchase price of the home selected by the Client.
3. At closing, the Trust acquires the property for cash, wiring the total purchase price to the closing agent who distributes proceeds to the Seller and commissions to the Real Estate Agent. Title to the property is transferred from the Seller to the Trust.
4. Each month, the Client makes their monthly payment to the Trust. The Trust pays property taxes, insurance, and HOA dues and remits the remaining cash to Seashine as investment returns.

*At any time during the term the Client can exercise their option by paying the Program Balance to the Trust either by obtaining traditional financing or by selling the Property to a third-party. With REAL, the Client realizes 100% of the net property appreciation associated with the sale of the Property.*





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