HomeOptions

Presentation prepared for:

Business, Financial Services & Trade Committee

Washington State Senate



Kevin's Story





Kevin Li
Founder & CEO

Kevin experienced financial hardships growing up but learned from his parents to work hard and chase the American dream. His family moved many times for new jobs, and each time they were proud to own their home wherever they went. Being first generation immigrants, his parents spoke limited English and relied on various real estate agents to take care of them.

While most agents today do a great job of helping owners through the process, the ones his parents worked with at the time put their own interests ahead of their clients. This experience inspired Kevin to start HomeOptions in order to give money to homeowners today, connect them with great agents if they decide to sell in the future, and help provide the type of experience he would have wanted for his family.

What is HomeOptions?

We pay cash today for the exclusive right to sell a home in the future.



Today

We offer homeowners cash for the exclusive rights to help sell their home in the future.



Tomorrow

We connect homeowners to real estate agents once they decide to sell, earning a referral fee.

HomeOptions

The Model:

HomeOptions provides homeowners with cash today for the right to help them select the best realtor in their area IF they decide to sell.



- Most homeowners do not know how to evaluate, compare and select a realtor
- Data is not readily available to homeowners to make informed decisions when engaging a realtor
- Homeowners are most often forced to rely on word of mouth instead of hard facts[1]

To date:

HomeOptions has provided **$979,851.88** to **968 homeowners**

Sources:

[1]https://www.realtor.com/guides/home-selling-guide/how-to-find-the-right-real-estate-agent/

Annual Increases in Realtor Marketing Spend

FIGURE 2.5 U.S. AD SPENDING, REAL ESTATE AGENTS AND BROKERS, 2017-2019

IN $ BILLIONS

Media Choice	2017 Estimate	Share	'16-'17 % Change	2018 Projection	Share	'17-'18 % Change	2019 Projection	Share	'18-'19 % Change	'17-'19 % Change	'17-'19 Share Pt. Shift
Newspapers	$0.61	5.8%	(11.4)	$0.56	5.1%	(8.4)	$0.56	4.8%	0.0	(8.4)	(1.0)
Other Print	$0.16	1.6%	(8.4)	$0.15	1.4%	(5.2)	$0.15	1.3%	0.0	(5.2)	(0.2)
Directories	$0.02	0.2%	(6.5)	$0.02	0.2%	(7.9)	$0.02	0.2%	0.0	(7.9)	(0.0)
Broadcast TV	$0.22	2.1%	(13.0)	$0.25	2.3%	13.0	$0.23	2.0%	(9.4)	2.4	(0.2)
Cable TV	$0.03	0.3%	(0.6)	$0.03	0.3%	(3.2)	$0.03	0.3%	(0.0)	(3.2)	(0.0)
Radio	$0.02	0.2%	(10.2)	$0.02	0.2%	(3.1)	$0.02	0.2%	(0.0)	(3.1)	(0.0)
Out of Home	$0.03	0.3%	0.3	$0.03	0.3%	(0.3)	$0.03	0.3%	0.0	(0.3)	(0.0)
Cinema	$0.03	0.3%	(20.9)	$0.03	0.2%	(2.2)	$0.03	0.2%	0.0	(2.2)	(0.0)
Direct Mail	$0.19	1.8%	0.4	$0.19	1.7%	2.4	$0.19	1.7%	0.0	2.4	(0.1)
Online	$9.12	87.1%	8.9	$9.76	88.1%	6.9	$10.32	88.8%	5.8	13.1	1.7
Telemarketing	$0.04	0.3%	(0.0)	$0.04	0.3%	(0.7)	$0.04	0.3%	(0.0)	(0.7)	(0.0)
Totals	$10.48	100%	6.2	$11.08	100%	5.8	$11.62	100%	4.9	10.9	

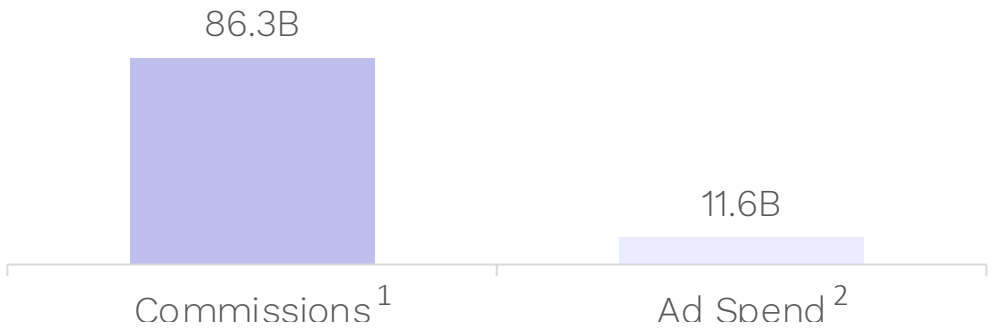
Source: Borrell Inc.

© 2019 Borrell

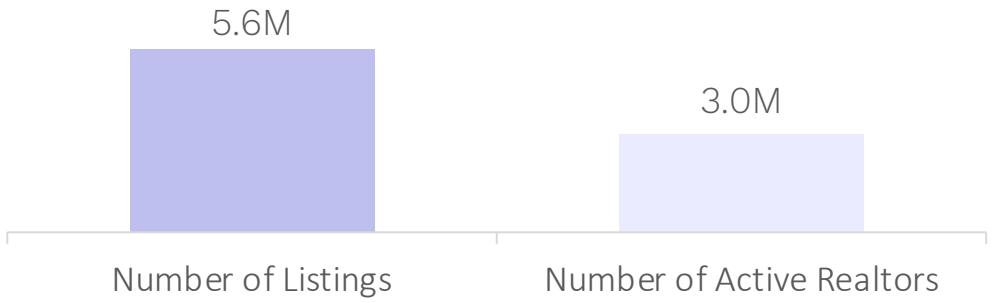
Why Real Estate Agents Choose HomeOptions:

Our agents only pay for deals that close.

Realtors are spending upwards of 13.4% of commissions on advertising



Over 3.0M active agents share only 5.3M listings[3]



How we benefit realtors

Pay only for conversions

Unlike traditional advertising mediums, we provide our agents with leads free of charge and our agents only pay us when a deal closes.

Leads with the highest intent

We provide agents with customers that have the highest intent on selling

Sources:
[1]Bureau of Labor Statistics & National Association of Realtors
[2]Borrell Associates – 2019 Real estate Advertising Outlook
[3]NAR – Quick Real Estate Statistics

HomeOptions

HomeOptions agent network advantage:

Our program provides Homeowners with top 25% real estate agents

1



Review the agent's recent transaction history (12 months)

2



Screening call to assess qualifications and review program standards

3



Agent signs Network Referral Agreement, Agent Code of Conduct & Standards of Business Conduct[1]

4



When a client wants to sell their home, HomeOptions will refer them a Network Agent

5



Support homeowner during the sales process by monitoring transaction status and help address any concerns

1: By executing the code of conduct, network agents agree to: i) Review and abide by the NAR "Code of Ethics and Standards of Practice of the National Association of Realtors®", ii) Represent clients on a best-efforts basis, and iii) Disclose any material information to HomeOptions, including if they have ever been sued by a real estate client or if they are a convicted felon

Regulatory Standards & Governance Needed

HomeOptions welcomes more legislative and regulatory oversight of the options contract business model to ensure that all companies operating in the space remain focused on homeowner benefits and avoid predatory behavior.

The introduction of licensing and regulatory standards with meaningful enforcement will allow companies like HomeOptions to continue to serve homeowners faithfully.

HomeOptions

Q & A

