



ibuyer – What does it mean
for mobility programs?

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- Dial 866.779.3239, or e-mail questions to support@webex.com

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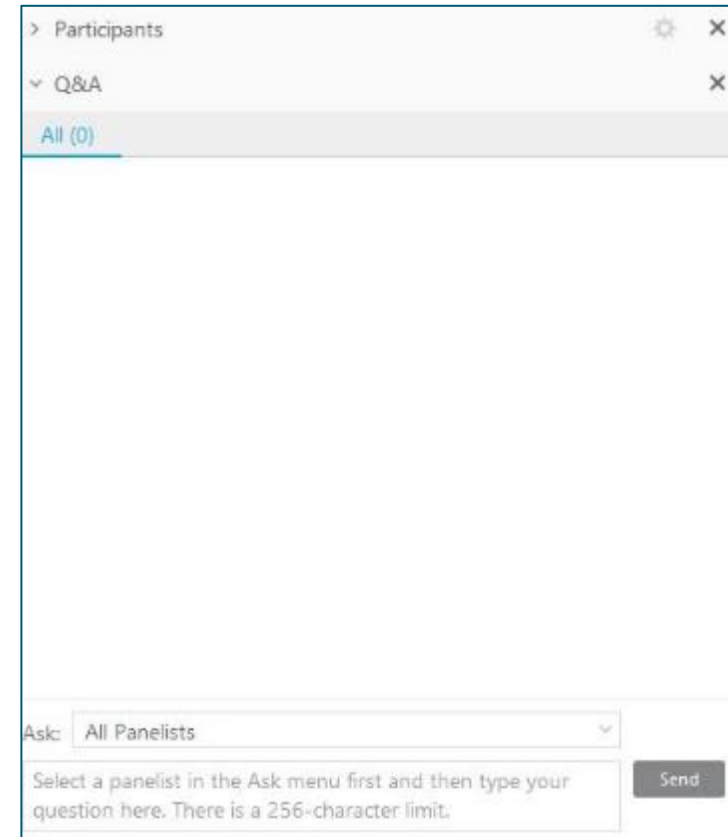
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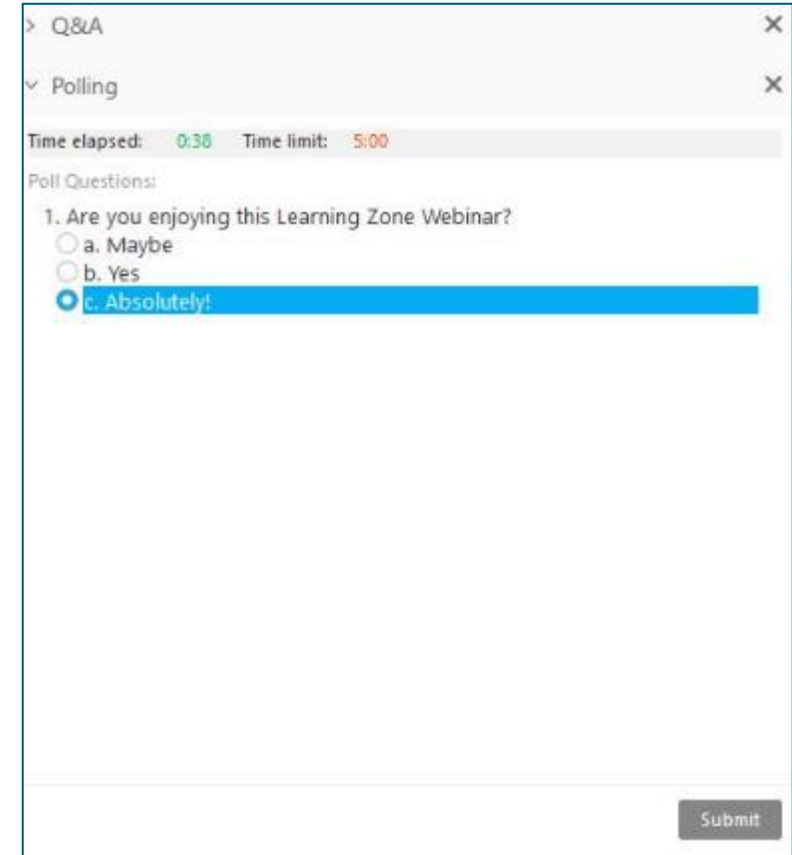
Q&A Instructions

- Submit questions through Q&A dialogue box
- Box is located in lower right corner of screen
- Do not use the Chat Box
- Be specific
- You may submit your question at any time



Polling Instructions

- The Polling Box appears below Q&A Box
- Question will appear on slide and in the Poll Box
- Submit answer quickly
- Results will display in the same location



The screenshot shows a web interface with two panels: 'Q&A' and 'Polling'. The 'Polling' panel displays a timer with 'Time elapsed: 0:36' and 'Time limit: 5:00'. Below the timer, the question '1. Are you enjoying this Learning Zone Webinar?' is shown with three radio button options: 'a. Maybe', 'b. Yes', and 'c. Absolutely!'. The 'c. Absolutely!' option is selected and highlighted with a blue bar. A 'Submit' button is located at the bottom right of the panel.

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- GMS® designees must add this session to their GMS® Renewal Application
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This session is being recorded and will be archived:

- ALL may access this session until 10 January 2021
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Today's Presenters



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Agenda

- ibuyer introduction
- Why ibuyer?
- Merging ibuyers into the real estate and relocation process



Polling Question

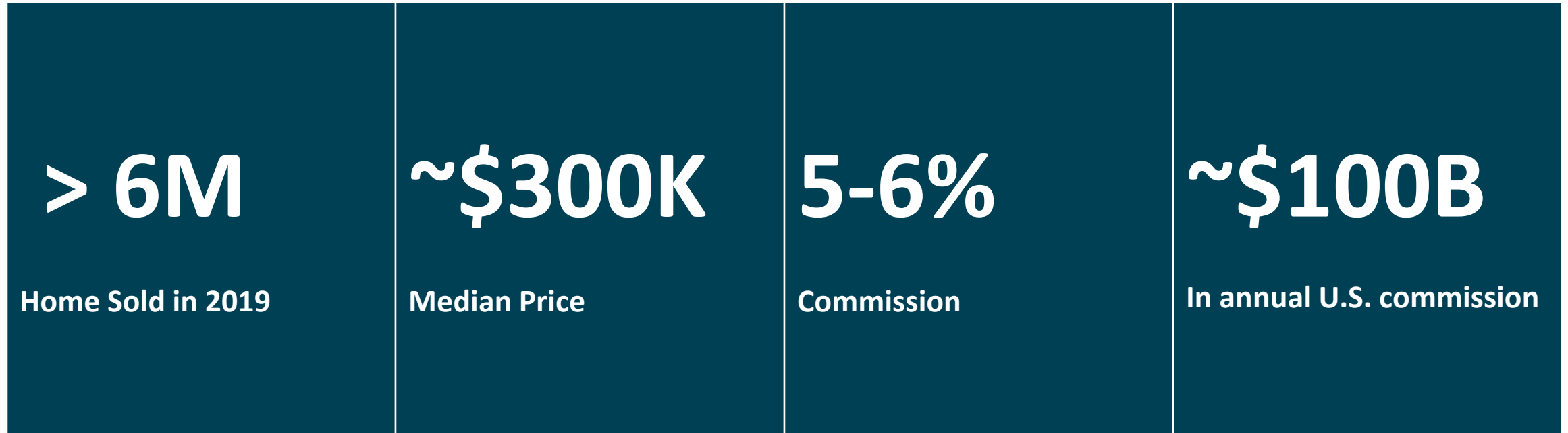
How familiar are you with ibuyers and what they offer?

- A. Not familiar at all
- B. I know a little
- C. Very familiar
- D. I know quite a bit but not sure how it applies to my mobility program

ibuyer Introduction



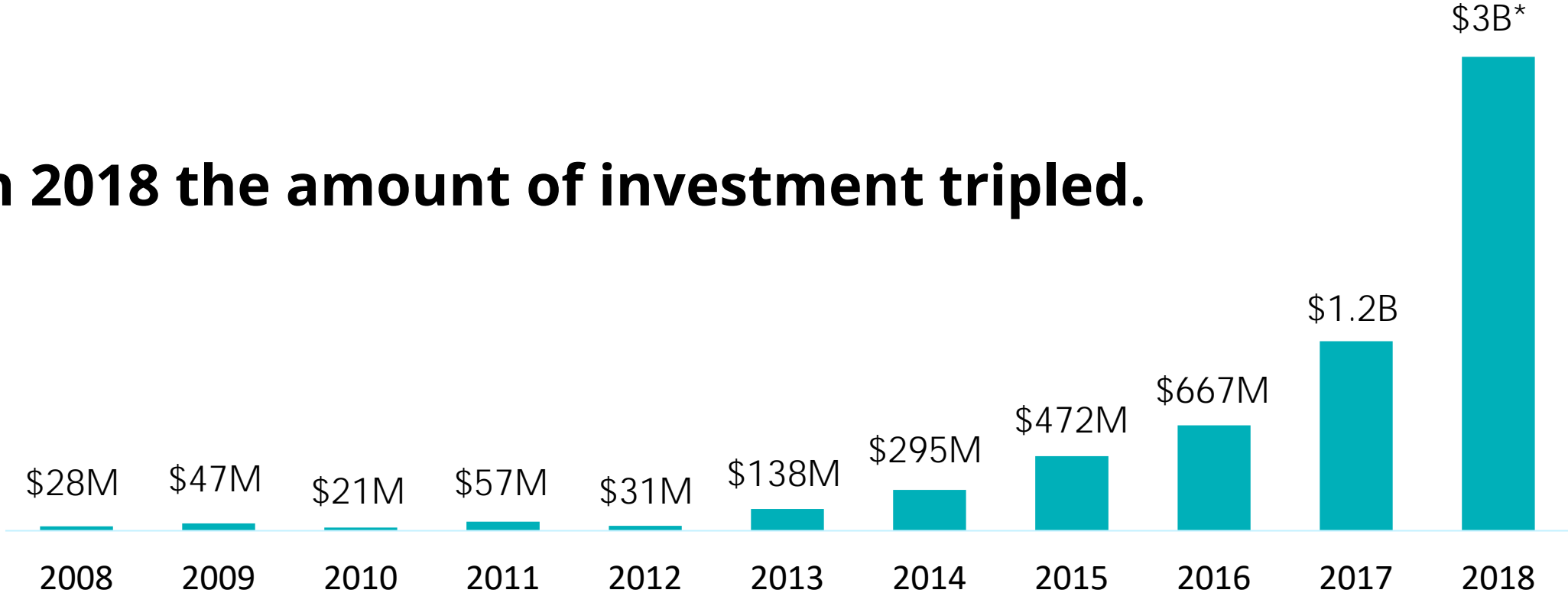
Some Context on U.S. Real Estate Market



Source: National Association of Realtor – Research and Statistics

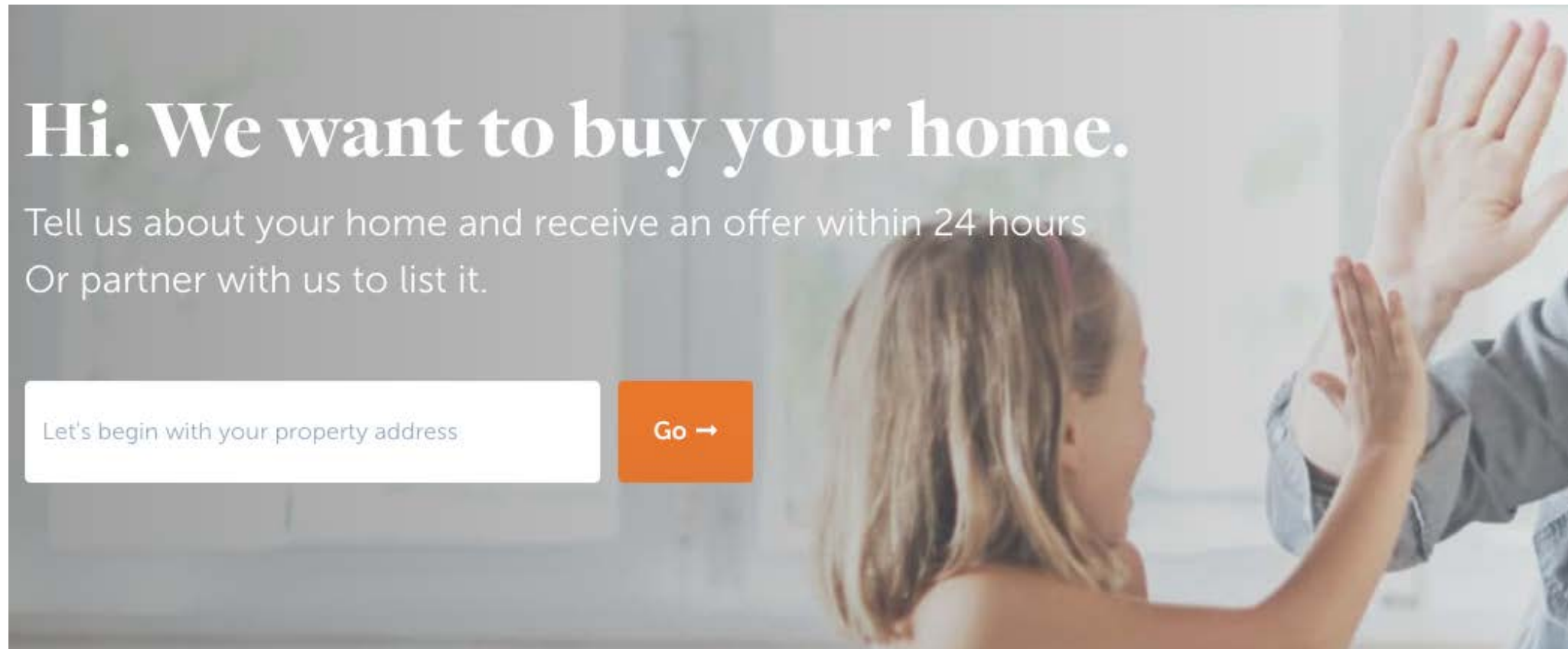
Venture Capital Invested in Real Estate Technology

In 2018 the amount of investment tripled.



Source: *Projected Pitchbook; CB Insights, Redfin <https://seekingalpha.com/article/4211438-redfin-integrated-full-service-real-estate-competitor>

ibuyer – Value Proposition to Consumer

A banner for Offerpad's 'ibuyer' service. The background is a soft-focus photograph of a young girl with blonde hair, seen from the side, reaching up to high-five an adult whose hand is visible on the right. The text is overlaid on the left side of the image.

Hi. We want to buy your home.

Tell us about your home and receive an offer within 24 hours
Or partner with us to list it.

Let's begin with your property address

Go →

Source: Offerpad website

ibuyer – Who Are The Players?

Opendoor

\$1.3B equity raised

 **Zillow**[®]

\$7.1B market cap

Offerpad 

\$150M equity raised

knock

\$60.5M equity raised

REDFIN

\$1.8B market cap

Source: Company disclosures, public markets March 2019. Offerpad amount based on author's best estimate. - Mike Delprete – iBuyer stats

ibuyer – How Do They Make Money ?

Revenue = Service fee + Price appreciation

The fee charged to
the home seller.

The difference between what
an ibuyer buys and
subsequently sells a house for.

ibuyer – Strength and Opportunities

Strength

- Technology (Artificial Intelligence powered)
- Piles of cash infusion
- On-demand

Opportunities/Challenges

- Withstand down housing market?
- Sustained unprofitability – how long?
- Market share reach – economies of scale?
- Managing vacant property?
- Lack of national coverage

Why ibuyer?



Why are ibuyers Attractive to Companies?

Corporate client:

- Employee experience
- Reduce uncertainty
- More options for employees with limited or no benefits for home selling
- No additional cost for those with direct reimbursement
- Inventory option



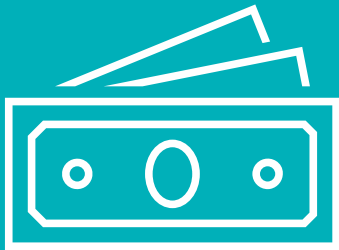
Why are ibuyers Attractive to Transferees?

Employee experience:

- Instant cash offer option
- Convenience of not showing the property
- Quick sale and ease of transaction
- Pick your own close date
- Option to list with ibuyer
- It's out there in the market as an option



Cash Offers



ibuyers provide a cash offer which means:

- There's no mortgage contingency in the contract
- No lender appraisal to worry about
- No closing delays due to lender and buyer issues
- Fewer sale fallout because the buyer couldn't secure financing

ibuyer vs. Traditional Broker



WILL AN IBUYER BE A GOOD
FIT FOR ALL TRANSFEREES?



WHY ARE TRADITIONAL
NETWORK BROKERS SO
IMPORTANT?



ASSISTING THE TRANSFEREE
WITH MAKING A FULLY
INFORMED DECISION

The companies and agents that win will be those that empower transferees to make the choice that's right for them.

*Source: Mike Delprete –
ibuyer stats*

Merging ibuyers into the Real Estate & Relocation Process



What Programs May Benefit

- Lump sums
- Marketing assistance only
- Direct reimbursement
- Inventory management



Transferees can sell their origin home simply and faster than before

The Future: BVO and GBO's?

- Taxability and liability considerations
- Risks when using for amended sales
- Recommendations



How ibuyers Work



The Way They Work

- Transferee initiates the process via website
- ibuyer gathers info and reviews photos or conducts virtual walkthrough via transferee's cell phone
- ibuyer presents cash offer (emailed or texted) and ibuyer informs seller what their fee will be if accepting cash offer (fluctuating or flat rate)
- Listing services and perks discussed
- Potential site visit (Varies by ibuyer)
- Home inspection (10 days)
- Repairs discussed/repair addendum signed
- Closing

Inspections



Generally:

- Inspect the home, just like any other buyer
- Present transferee/seller with a repair list and cost
- Seller has option to repair and provide repair receipts/or deduct cost at closing or back out of sale

Some ibuyers have a cancellation fee

Closing



TRANSFEEE REVIEWS & SIGNS
CLOSING DOCUMENTS



CLOSING COSTS SUBMITTED FOR
REIMBURSEMENT, WHEN APPLICABLE

Acceptable Properties

Generally:

- Single-family residential home or condo
- Value under \$600,000
- Situated on a lot no greater than one acre

- Varies by ibuyer and location
- Exceptions are granted



Important Considerations

- ibuyer service fee
 - When cash offer accepted
 - Variable rate (5% to 11% of sale price)
 - Flat rate
- Real estate commission
 - When listing with an ibuyer or other real estate broker
- Cancellation fees
 - Varies from \$0 to 1% of sale price
 - Conditional



Incorporating the ibuyer into the Home Sale Process



Inventory

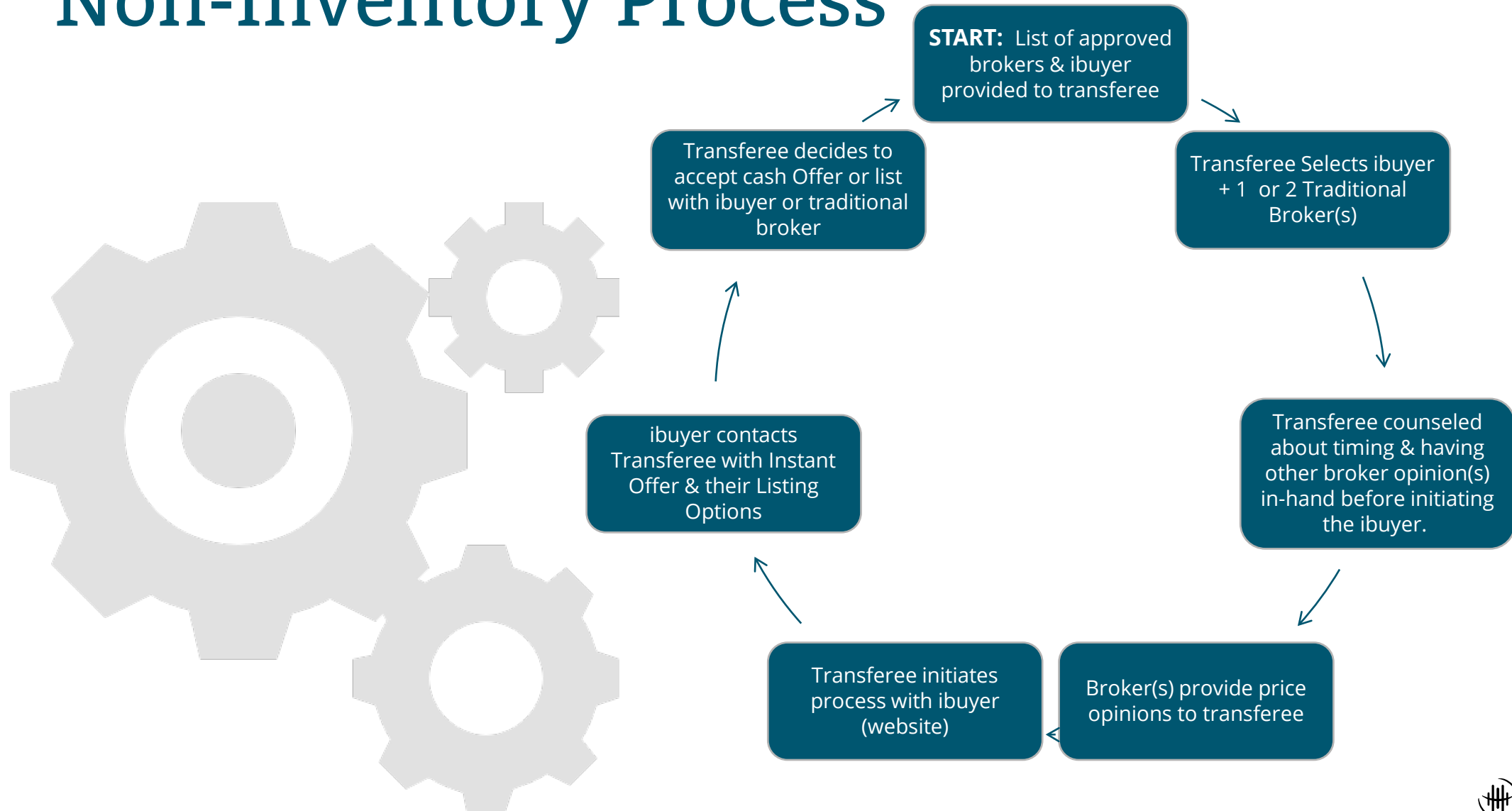
Few ibuyers participate with inventory!

- Inspections, repair receipts and disclosure statements are shared with the ibuyer and a cash offer is requested
- The ibuyer presents the cash offer amount
- The offer is good for a set number of days
- The offer is not negotiable
- Only contingency is for inspections (10 days)
- Closing date selected by RMC/Seller – as soon as 15 days

The relocation company shares costs with corporate client:

- Ibuyer fee
- Real estate commission + customary closing costs
- Cost comparison of selling in two weeks vs. three months in a traditional sale

Non-Inventory Process



In Summary, ibuyers:

- Enhance the transferee's relocation experience
- Provide a buyout option for those not receiving a buyout
- Offers two flexible options and choices for the transferee
- Can provide manageable costs for the transferee – some can be free!
- Would not increase costs to the corporate client and there's no risk to the corporate client when the transferee closes with the ibuyer
- Will not be a fit for all transferees – having a strong traditional broker network integrated into the process allows the transferee to make a full informed decision from varied partners
- Offer a solution for inventory homes
- When partnered with RMC ibuyers are fully vetted, are serviced-oriented partners and their performance is managed

Polling Question

Do you feel ibuyers could add value to existing mobility programs?

- A. Yes!
- B. Yes, but I have a few questions...
- C. Not sure yet





Thank you for attending!

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