



HOUZ

Modern, affordable living



How it works

BUYING A HOUSE AND LAND USING CRYPTO ASSETS

We all know that planning, building, financing and finally moving into a new house can be a long road. We want to make the journey as easy and inexpensive as possible.

in order to reduce prices we started to look at financing. Signing up for a 30 years mortgage at your traditional bank puts you from day one in a peculiar position. Whether you will have an income or any other expenses , you want to be sure that you will be fine. And maybe most importantlay financially: to not feel that burden that you can't pay your living expenses such as mortgage, gas, water and electricity bill.

Therefore are we using alternative financial instruments that put people together where a loan is issued in between individuals where one is earning profits of lending money out and one living peacefully with no monthly expenses more than written in the contract. The nonprofit system, Sirius network, is creating a legal binding agreement where both parts are secured.

1. 10 % (from \$7.900) is needed in order to buy a house. If you decide to use all your crypto assets to finance the property Houz offers a 1 % discount.



2. Funds are sent into a loaning contract set in BTC (Bitcoin) or ETH (Ethereum). The lender receives a promise of payouts and the buyer a promise of fully financing the house purchase and registering the ownership.



3. The funds in fiat currency (EUR, USD, GBP) is paid out to the supplier of the house. It can include everything from furnitures to home appliances. There are over hundred adds to your property.



4. During 4 weeks the house is getting built ,inside a factory, and prepared according to its future owners taste and requirements. Putting the house to the ground takes a day or two.



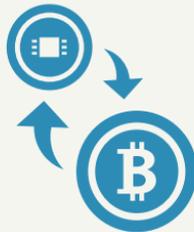
5. The house is getting registered as a property at the local land office and the full ownership is now transferred unto the custodian partner if a loan is taken out, or naturally to the owner if the house is purchased by own funds. We always take care of the transaction and registration of the property.



6. The debt that has been created to finance the house is set in fiat currency, but the crypto asset that was used is still under the ownership of the custodian partner. In this case Sirius. It's Sirius that guarantees that the owner will be able to pay same amount per month and the lender to receive the same money into his or hers bank account. Without adding any fees or additional costs.

7. The contract that is written as a code is very simple and consists of three parameters:

- a) **Two addresses** where the money will be transferred between. Who borrows and who lends.
- b) **How frequently and under which period** the transfers will take place.
- c) **What is the asset** in real life (in this case residential property) and **how much the crypto asset is worth** (3.85 BTC)



8. When the house owner has paid the debt (no longer than 10 years) their initial crypto asset is transferred back to their address. They have earned interest during this time period and hopefully the crypto assets are more worth than 10 years ago.

Loans are set to 1 % yearly interest. This can be done since the loan asset is in crypto asset and not fiat currency. Bill will still get back is 3.85 BTC at the end of the contract. Not necessarily the equivalent value to the amount of \$79.000



Example:

Bill lends Annie 3.85 BTC. The equivalent value of the cryptoasset is on that day \$ 79.000.

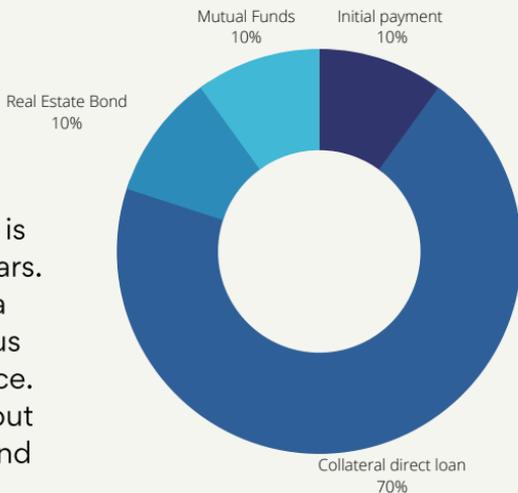
These money are paid out in local currency to finance the house, legal fees and appliances.

Annie has no debt towards Bill. The owner of the debt is the custodian partner that holds the crypto asset.

He is also responsible to pay back the 3.85 BTC at the end of the contract.



Who finances the property?



The construction of the loan is built up on four important pillars.

First is the security you as a buyer release by providing us with 10% of the purchase price. This will work as a collateral but also as an emergency fund and hedge.

Due to this we are able to attract institutional investors that provide 20% of the capital. The 70% of the remaining capital is directly from the lender using its crypto asset as a collateral.

So who takes then the largest risk in this relation ?
The lender. He bets against the fiat currency market and hopes that when the contract ends, anywhere between five to ten years, he will receive the asset that hopefully will be much more worth than from the initial signing.

During that time he has also received a payout of 1 % per month.

Sirius offers two versions of houses :
\$79 K and \$99 K. Apricus and Apricus +

if Annie decides to buy a \$79K house with a loan during a 10 years period, Bill receives $(\$79,000 \times 0.01) \div 12 = \66 every month. No matter what the daily current crypto/fiat price is. Nor does it take deflation or inflation into account. Even the last month of the contract a \$66 value will be transferred to Bill's account. He can however always choose in which crypto currency the transfer will be made in.





\$79.000

Apricus

from \$66 Per month





\$99.000

Apricus +

from \$89 per month















What happens if..

POSSIBLE SCENARIOS AND OUTCOMES

1. Annie can't pay her monthly fee

Let's start by explaining how the property is financed from day one. Annie put down \$10K when she signed the contract. But the loan was for the fully amount, \$79.000. What happened to those money? They were put into emergency funds as well as maintenance funds such as water, electricity and municipalities fees. Sirius pay its supplier a whole year up front. This makes us receive much lower prices on some services. If Annie can't pay her montly fee for three months the emergency fund will start to pay out the money to Bill. An additional 3.75 % fee will be added to the cost. Bill will also receive the three months that he didn't receive until today.

But what happens if Annie decides to not pay at all after the emergency fund is empty? Sirius will then convert the property to the ownership of Bill if he decides to cash in his loan and cover the purchasing price. Annie usually has then three months to leave the property in the same shape as it was received. All possible damages to the property or the interior will Annie legally be responsible for.

POSSIBLE SCENARIOS AND OUTCOMES

2. Annie decides to move prior to the loan contract end

Annie has to leave the city and won't be able to continue living in the house. Can she sell? Practically yes. She would then have to find a partner that can take over the lease under the same conditions as well as covering the 10% of the purchase price. The emergency fund always need to be available for the expenses and maintenance of the house. If Annie can't sell the property she can either offer Bill to purchase it from her (by using the crypto assets if the value is higher than the equivalent value was in dollars) Houz prices raises with 2.5 % every year. A property can't be sold under a certain price level. An Apricut house after three years after completion is worth \$85,000. The maximum price for a house reaches its limit after ten years when the contract is finished. Then the owner is free to sell it for any quote. If the house is sold prior to contract ending Sirius takes out a 3.5% transaction fee.

All fees taken out by Sirius are sent to the same address which work as a "mutual fund" and is the rescue and emergency fund whenever the property is getting damaged or being transferred to another owner. These are the legal fees that are included in the final price when you buy a property with Houz.

POSSIBLE SCENARIOS AND OUTCOMES

3. The property gets damaged by floods or fire.

All houses sold are fully insured. We usually manage to put a new house on the same ground during a two months period, depending on the shape of the ground and its surrounding.

4. If I receive some additional bills that I don't recognize

All houses sold by Houz is so environment friendly and cost efficient that you won't pay any utility bills over the set amount that the emergency fund has reserved per month (\$20). All additional bills that you receive from third parties shouldn't have any impact on your living. We therefore recommend to avoid them.

5. Bill wants to get his loan paid prior to the ending of the contract.

It's possible if the amount is equivalent to the purchasing price in USD at that given date. A fee of 3.5 % is taken out by Sirius and is fully paid by Bill.

POSSIBLE SCENARIOS AND OUTCOMES

6. The contract has ended and it's time to transfer the ownership to Annie. How much has she paid and what is the outstanding debt?

Bill will get his 3.85 BTC transferred back, but who owns now the house and what are the costs? Annie has paid interest every year $\$790 \times 10 = \7.900 which has been directly sent to Bill's address throughout the year. But the debt of the house is still there. Who finance this part now? Annie has now two options, one is to purchase the house by cash or take a new loan at the custodian partner. Annie can also find a new financier just like she did with Bill. This service is always free of charge.

7. Annie decides to buy the property after five years of living. What are the steps and how much does it cost? Since the property has risen in value throughout the years (2.5%) Annie would have to pay that market price plus a 3.5 % fee to Sirius for ending the loan prior to its schedule. The outstanding balance from the Houz fund is automatically deducting the purchase price.





