

Introduction

BuildingBits Holdings, LLC plans to create a leading crowdfunding real estate platform linking commercial property owners and non-accredited real estate investors.



Real Estate Market Description

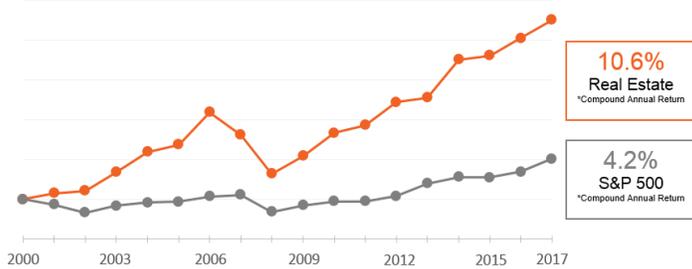
The U.S. real estate market has continued its strong and steady recovery post 2008 financial crisis. The overall market has been growing at an

annual rate of 3.7% from 2013 to 2018. In 2017, the value of the real estate market increased by \$1.95 trillion compared to the previous year.

Problem and Solution

Non-accredited investors are currently cut off from many real estate investment opportunities that yield sustained returns and recurring cash flow over time. Other real estate crowdfunding platforms do not give investors the liquidity they need to freely buy and sell their real estate shares. Non-accredited investors tend to have their investments concentrated in stock accounts, despite the fact that returns from stocks tend to be lower than returns from the commercial real estate.

Figure 1: Comparison between S&P returns and average returns on real estate over time.



A P2P trading platform will give non-accredited investors the liquidity they need to quickly enter and exit the real estate market, as well as collect recurring returns from real estate.

BuildingBits is poised to become the leading global company with a secondary real estate marketplace allowing those small shares (what we call “bits”) of real estate to be traded, thereby allowing investors to quickly access their holdings and turn them into cash in case of an emergency. Investors will not have to worry about day-to-day management of their assets.

Encoding these investments on a blockchain in the form of tokens provides security and facilitates instant transfer of wealth between investors.

As of June 2018, CRE has increased in value alongside consumer spending, reaching \$1 trillion in revenue with an annual growth rate of 4% between 2013 and 2018.

Capital Flow and Revenue Model

BuildingBits will collect revenue from rental payments by occupants of commercial properties. Individual investors in properties and BuildingBits are entitled to a pro rata share of this income stream (less expenses and management fees). In return for managing the properties and the secondary real estate marketplace, BuildingBits will collect a 0.75% management fee.

Financial Projections

The Company’s goal is to raise approximately \$25 million of equity from the crowd of investors, which would be used to acquire selected investment properties during the first year of operations. Net Income is expected to run from a pre-tax net loss of \$1,216,000 in year one, up to a net gain of \$554,000 in Year 2. From there, the Company expects to see steady net earnings growth of up to \$49 Million by Year 6. The Company’s goal is to reach 15,000 active investors and acquire \$293 Million in assets under management by the end of Year 2, become cash-flow neutral by the end of that year, and profitable in the following year.

BuildingBits Hybrid Blockchain Platform

BuildingBits Holdings, LLC will develop its own private blockchain as a sidechain of the Ethereum Mainnet. BuildingBits is also building its own decentralized marketplace for trading real estate assets. This will enable users to trade their tokenized real estate shares in a distributed and secure manner with full transparency. Users will also be able to invest into existing properties or participate in new offerings.

Blockchain Real Estate

Crowdfunded Real Estate

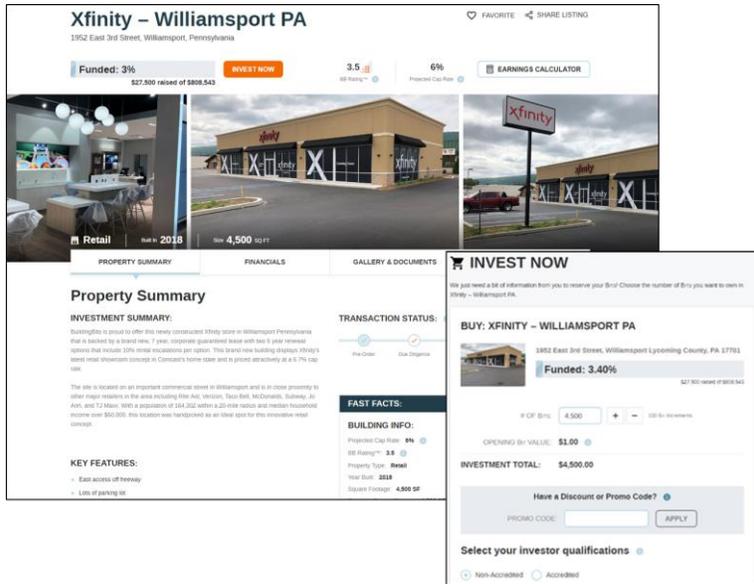
	Slice	I-House	Propy	BrickBlock	BuildingBITS	Rich Uncles	Realty Shares	Fundrise	Realty Mogul	
US Non-accredited Investors	✘	✘	✘	✘	✔	✔	✘	✔	✘	US Non-accredited Investors
Proprietary Secondary Market	✔	✔	✘	✔	✔	✔	✘	✔	✘	Liquidity
US Assets	✔	✘	✔	✘	✔	✔	✔	✔	✘	Under \$2000 Investment
US Security Token	✘	✘	✘	✘	✔	✘	✘	✘	✘	Tokenization
US CRE Focus	✔	✘	✘	✘	✔	✔	✘	✔	✘	Global Access
Live Platform	✔	✘	✘	✘	✔	✘	✘	✘	✘	Accepting Cryptocurrencies

✔ = Full Capability ✔ = Limited Capability

Corporate Development and Token Offerings

Phase I – Developing and launching the BuildingBits online investment platform. SEC qualification under Reg. A+ was received and the platform with the initial set of properties was launched in October 2018. Phase I is complete.

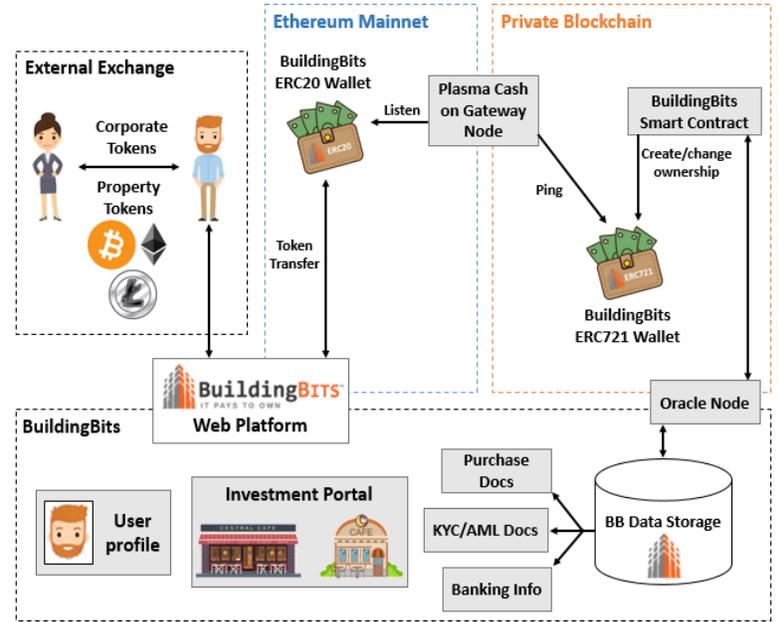
Figure 2: Property summary and investment portal.



Phase III – Investors will have the opportunity to purchase tokens in companies that own individual buildings.

- **Property Token (ERC20 security token with associated ERC721 utility token)** – Investors will have an opportunity to invest in commercial properties through a BuildingBits SPV, which is a separately registered legal entity and will be qualified with the SEC under Reg. A+ and/or Reg. CF. These offerings will allow BuildingBits to continue developing its own real estate marketplace using blockchain technology. The ERC20 token is stored on the Ethereum Mainnet, and the associated ERC721 token is stored on the Company’s private blockchain environment.

Figure 4: Platform architecture.



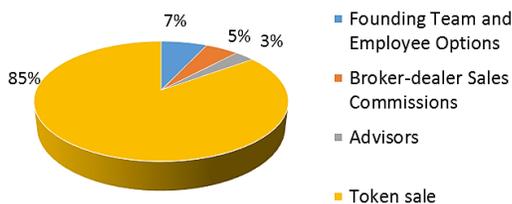
Phase II – Continuing Reg. A+ offering for commercial real estate available on the BuildingBits platform. Developing secondary market. Providing investors the opportunity to purchase tokenized shares in BuildingBits Holdings, LLC under Reg. D/Reg. S.

- **Corporate Token (ERC20 security token)** – Each token represents an equity share in BuildingBits Holdings LLC. These tokens will be stored on the Ethereum Mainnet.

Figure 3. Corporate Token offering details

Token type	ERC20
Fees	Ethereum Gas
Max supply	40 million
Tokenized equity	10%
Tiered/timed discounts	Yes
Vesting period	3 years
Accepted contributions	Fiat, BTC, ETH, LTC

Corporate Token Distribution



Team

The top managers of the Company have a combined 150+ years of real estate, investment, and executive management experience.



Contact Us

- invest@buildingbits.com
- www.buildingbits.com
- 1-833-BITS-PAY