



Business Plan

By Targo Consulting



Table of Content

Table of Content.....	1
Executive Summary	2
The Product	4
Vision Statement.....	8
Mission Statement.....	8
The Team.....	9
Roles and Responsibilities	11
Market Analysis.....	12
Market Segmentation	28
Competition.....	30
Business Model.....	40
Marketing plan.....	42
Financial Plan.....	44





Executive Summary

About Us

fisbo is the first free **peer-to-peer** marketplace of verified and relevant real estate information. The platform provides home buyers a powerful and inclusive toolkit to efficiently search properties. On the other side, home sellers on *fisbo* will have, for the first time, full control over the selling process, avoiding the discomforts associated with working with real estate agents.

Our vision is to transform the procedure of buying and selling real estate into an efficient and pleasurable process, empowering both buyers and sellers to make the most optimal real estate decision.

Our Product

Unlike common classified ads platforms available today, *fisbo* (as its name indicates) is a "**For Sale By Owner**" (FSBO) platform that looks to eliminate the involvement of the real estate agents in the sale process and improve the overall experience for both the sellers and the buyers.

fisbo provides a simple and enjoyable way to find and buy a home by guiding the buyer gradually on the path towards the new home. The platform provides a superior user experience and a tailored search toolkit, aggregating smartly all real estate related data.

The Market

The rapid growth of the Internet over the last 10 years has forever changed the way people buy and sell residential property. Over the past decade, our world and particularly the world of home hunters has become increasingly digital.

In the first stage, *fisbo* will conduct its proof of concept (POC) in the Israeli market. Following the success of that phase, *fisbo* will penetrate the UK market which was found to be the most suitable and attractive market according to a thorough examination and analysis.



Israel

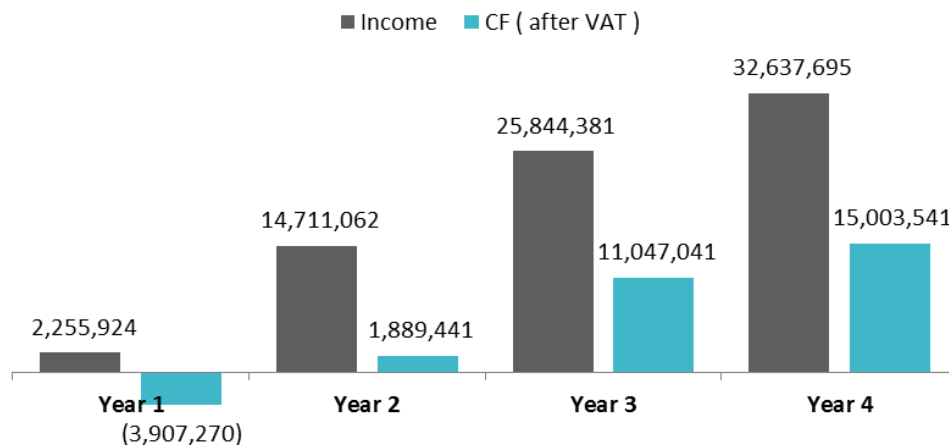
- There were **114,490** residential real estate transactions in 2013. An increase of **12%** compared to 2012. **76%** of them were previously owned dwellings.
- In 2013, constructors started building **3,536** new buildings for dwelling.
- In 08/2014, there were **26,920** new dwellings for sale.
- There are over **2,500** registered residential constructors.

United Kingdom

- Around **80%** of home hunters use the Web to start their search for property.
- Around **1%** of all internet traffic in the UK is property-related.
- In 2013, there were **1,074,000** residential property transactions.
- In 2013, there were **50,964** private construction companies in the UK.

Business Opportunity

- No existing solutions in the Israeli market are providing a smart comprehensive and easy to use solution. There is a **real need for fisbo's** product.
- The operation is expected to become profitable from the second year of operation.



For a period of 15 months, that will include development and market penetration, fisbo will require a total funding of NIS 7,137,575 after VAT refund. During that period, fisbo is expected to generate revenue of NIS 2,312,322 after VAT payment; therefore, fisbo is looking to raise equity of NIS 4,825,253. (Expenditure dependent income)



The Product

- Free peer-to-peer real estate marketplace
- Simple and enjoyable way to find and buy homes
- Aggregates all real estate related data
- Map based search
- State of the art user experience
- Do it yourself (DIY) buying and selling processes

Like most forms of printed media, the classified ad has found its way to the Internet. Classified advertising is a form of advertising that is particularly common in newspapers, online and other periodicals that may be sold or distributed free of charge. A growing number of sites and companies have begun to provide specialized classified marketplaces online, catering to niche market products and services that include boats, cars, and real estate among others.

fisbo is the first free peer-to-peer marketplace of verified and relevant real estate information. It offers home buyers a powerful and inclusive toolkit for quickly and efficiently searching properties. On the other side, home sellers on *fisbo* will have, for the first time, full control over the selling process, avoiding the discomforts associated with working with real estate agents.

Unlike common classified ads platforms available today, *fisbo* (as its name indicates) is a "**For Sale By Owner**" (FSBO) platform that looks to eliminate the involvement of real estate agents in the sale process and improve the overall experience for both the sellers and the buyers. By avoiding the use of real estate brokers or agents, the platform helps both the seller and the buyer in completing the transaction without having to bear brokerage fees. Both parties save time and money, crucial elements in the home purchasing and selling process.

The platform provides a simple and enjoyable way to find and buy a home by guiding the buyer gradually on the path towards the new home. The users on *fisbo* will get a superior user experience and a tailored search toolkit, aggregating smartly all real estate related data.





Information

fisbo believes that open access to real estate information of all kinds can only help empower the people who use it, both home sellers and buyers. Obtaining real estate information is a very cumbersome process as it is spread all over and sometimes unreachable to the average user.

fisbo provides aggregated information from both the public and private domains - land registry extract, city engineers, recent comparable sales, tax assessment records, community ratings of schools, and various other disparate sources to make home hunting significantly easier.

In addition to the real estate information databases, a buyer can get details about how long a home has been on the market, changes in list price over time (invaluable in getting a sense of how flexible the owner is on the list price) and review and analysis of the neighborhoods.

User Experience

Most of the local and global online real estate classified ads platforms offer poor UX, which is reflected in poor site navigation and lack of vital information. *fisbo* will be a map-based property search platform that will provide analysis and description of neighborhoods through photos of the main highlights, indications of interest points and historical background of transactions. In addition, *fisbo* will require all listings to include photographs and detailed descriptions of the property, so buyers can screen relevant listings. In the beginning, *fisbo* will offer free professional real estate photography for all property owners.

P2P

fisbo offers the most cost-effective and simplest way of buying and selling homes online - FSBO. It will eliminate third party involvement and associated fees and will bring full control of the entire selling process into the homeowner's hands.

One of the most popular reasons why homeowners choose to sell their home without the assistance of an agent is to avoid paying an agent's commission (e.g., in the US the agent's fee is, on average, 6% of the selling price of the property). Homeowners on *fisbo* can set the sale price according to the value of the property in their eyes (no influence of a commission interest) and take all the profits from the sale.





FSBO listings can offer advantages to homebuyers as well. In Israel, unlike in the States and the UK, the burden of the agent's commission falls on the homebuyer. Choosing to buy the property directly from the homeowner will save the buyers unnecessary fees that would typically be diverted to the listing agent.

Beyond the issue of commission, homeowners also get to set the schedule for home viewings (Open House Calendar) and negotiations. They personally meet and interview all potential buyers to determine if they are qualified, serious candidates. Moreover, instead of having an agent parade around their home, home sellers on *fisbo*, can genuinely show prospective buyers their home from an owner's unique perspective and highlight the advantages the property has which may not be apparent to the random observer.



Main Platform Traits



Buyer



Overall User Experience

- Smart navigation
- Simple and enjoyable search process
- Aggregation of all real estate related data



Map Based Navigation

- Explore neighborhoods
- Easy and intuitive orientation
- Layers of essential data on the map
- Find interest points in the surrounding
- Mark viewed properties
- Hide unattractive properties
- View the land registry extract and engineering plan of the property



Search Process

- Smart filtering tools
- Neighborhoods analysis - Blog + Pictures + Statistical data
- Save searches
- Search properties in defined distance from your workplace
- Transactions history and statistics
- All properties are verified - no duplications
- No outdated listings



Personal Area

- Manage viewed properties
- Save favorite properties
- Add personal grades and comments to each property
- Personal inbox
- Compare properties

Seller



Full control on the selling process

- only the serious and suitable buyers contact the seller
- Time saving
- Smart dashboard analysis of your property
- Powerful insights



Personal Area

- Personal calendar to manage 'Open House' events
- Indications about buyers who registered to the 'Open House'



Direct Seller-Buyer contact

- No real-estate agents - FSBO
- No commissions
- Meet the buyer personally



Effective Communication

- Personal inbox
- No nagging phone calls in uncomfortable hours or after the property has been sold
- No registration in Multiple Listing Service systems



Vision Statement

Our vision serves as the framework for our roadmap and guides every aspect of our venture by describing what we need to accomplish in order to achieve sustainable, quality growth.

Our vision is to transform the procedure of buying and selling real estate into an efficient and pleasurable process, empowering both buyers and sellers to make the most optimal real estate decision.

Mission Statement

Our roadmap starts with our mission, which declares our purpose as a company and serves as the standard against which we weigh our actions and decisions.

- To be the preeminent real estate marketplace platform – the first choice of homeowners and homebuyers alike.
- To make the buying and selling of real estate as cost effective as possible while maintaining the highest level of service.
- To provide accurate and up-to-date information, expert analysis and comprehensive property depiction.
- To continually explore new ideas and technologies, in order to make the selling and buying of real estate faster, less costly, and much easier.



The Team

CEO – Eyal Zurr

Eyal graduated cum laude from the International School at the Interdisciplinary Center (IDC) Herzliya, Israel where he earned a B.A. in Business Administration with a specialization in Finance. As part of his academic degree, he was in an exchange program at Korea University in Seoul, South Korea.

Prior to *fisbo*, Eyal worked for Barak Capital, the largest hedge fund in Israel. He was a derivative trader in the algo-trading department operating both in the Israeli and American markets.

Eyal is a board member of SF-Solution Ltd, a global business development and international trade firm.

Eyal served as a commander in an elite unit in the IDF.

COO – Adv. Guy Aelion

Guy graduated his LL.B degree from the Haim Striks School of Law at the College of Management, Israel and his LL.M degree from Bar Ilan University, Israel. As part of his LL.B studies, Guy represented the College in the esteemed international mediation competition held annually by the International Chamber of Commerce (ICC) in France. In addition, Guy volunteered in a Legal Aid Clinic that provides free legal aid in cases that deal with family law.

Prior to *fisbo*, Guy practiced law in Sahar Stobiecki & Co. As a lawyer, he specializes in real estate, high-tech ventures, and litigation.

Guy served as a commander in the Parachutes unit in the IDF.



CMO – Rinat Sherzer

Rinat is a creative, people passionate, multidisciplinary entrepreneur.

Rinat graduated her Bio-Technology Engineering degree at Ben-Gurion University, Israel and is currently studying her Masters in Fine Arts - Design for Social Innovation in SVA, NYC.

Rinat is an expert and visionary in defining and developing new media platforms. She led and globally launched award-winning products in the online advertising landscape. Among them, MediaMind's flag product that executed with the company's IPO to NASDAQ and later the purchase by DG, the most successful Israeli exit at the time since 2002. Her last non-independent role was Director of Product Marketing at HIRO-Media, where she drove the company's product strategy while assessing the market's trends, building pioneering products and handling the company's marketing arena.

Prior to *fisbo*, Rinat founded an independent venture with the aim to take her knowledge in the online space and contribute it to small startups and organizations with weak digital footprint. In addition, Rinat is a mentor in the Neilson Innovative hub.

CTO – Yariv Katz

Yariv started his career as a software engineer at the age of 15. At that time, he published his first web application for game downloading, after which he continued to build his application and published his second desktop application to manage personal stock market portfolios.

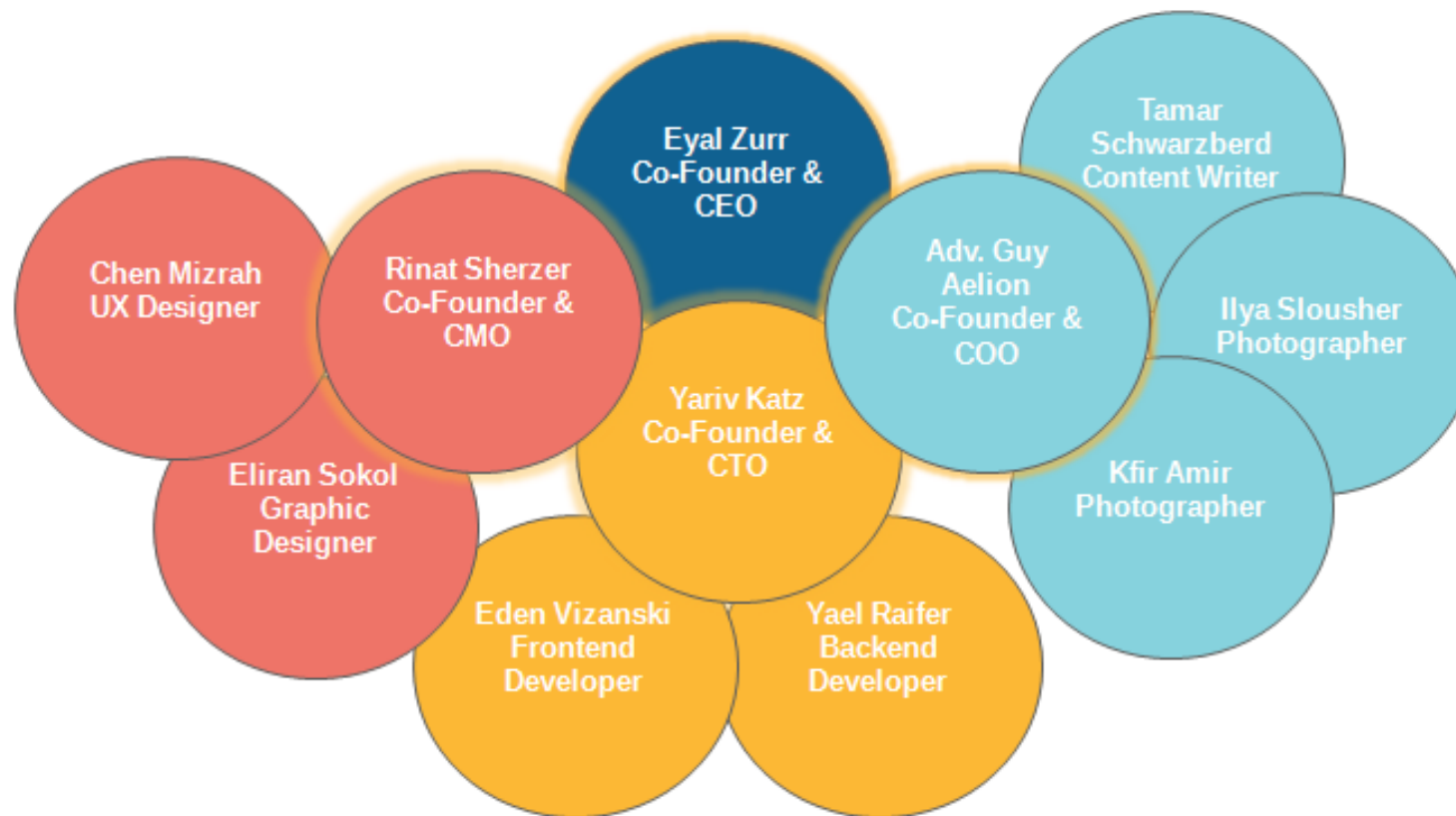
Yariv graduated his B.Sc. in Computer Science from the Technion – Israel Institute of Technology. While studying at the university, he published several iPhone apps.

Yariv worked for several years in the industry as a Python and Java developer and then established his own company called Nerdeez Ltd, where he created, along with other computer software students, web and mobile applications.

Today, with over 10 years of web experience and 5 years of mobile experience, Yariv is the head of Technology at *fisbo*.



Roles and Responsibilities



Market Analysis

Buying and selling a home is practically the largest financial transaction one goes through in a lifetime. There are many aspects to be considered, so it is complicated to know where to start. Therefore, real estate transactions have relied heavily on intermediaries. Most obviously, brokers use their specialized knowledge to aid buyers and sellers. However, e-commerce has introduced new opportunities, improving the availability of information, reducing transactions costs, and facilitating the searching and matching process.

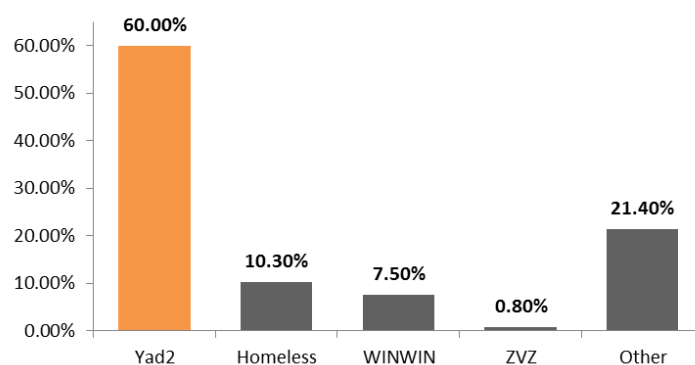
The rapid growth of the Internet over the last 10 years has forever changed the way people buy and sell residential property. Over the past decade, our world, and particularly the world of home hunters has become increasingly digital. Consumers are going online at a rapid pace to look for information to support their buying decisions. They watch “how-to” videos on YouTube, they read review sites, they look up particular brands on search engines, and they even research on the go with their smartphones and tablets.

Properties “for sale by owner” had, of course, existed through newspaper ads even before e-commerce, but e-commerce provides a much more efficient method for allowing potential buyers to “view” the property and ultimately to complete an actual transaction with the seller.

Benchmark - Israel

For performing the research, a benchmark point for reference has been set. The point was the home buying search trends in Israel. The analysis and the familiarity with the local market have shown that Israeli

Where homebuyers first search for homes



Data by TNS Global analyzed by Targo

homebuyers and sellers prefer the online platform. Being ranked 14th in the online popularity Israel, Yad2 (www.yad2.co.il) is the primary searching platform for real estate properties. According to the TIM survey conducted by TNS Global, 60% of

Israeli internet users have indicated that Yad2 is the first place they visit when they start their real estate buying search.

In order to compare Israel to other countries, we have calculated the percentage of Yad2 traffic out of the total internet users and normalized it to the percentage of real estate advertisements from the total website advertisements

(Yad2 is a typical Classified Ads platform that includes not only advertisements for real estate). The result was 2.41% of the population has visited Yad2 for real estate search in 11/2014.

How popular is yad2.co.il?

Alexa Traffic Ranks

How is this site ranked relative to other sites?



Global Rank ?

5,111

Rank in Israel ?

14

Data by Alexa 11/2014

- According to the Israeli Ministry of Construction and Housing, there were **114,490** residential real estate transactions reported to the tax authorities in 2013. This is an increase of 12% from 2012. Out of the properties sold, **76% were previously owned dwellings**.
- According to the Ministry of Construction, in 2Q 2014, the average sale price of a new dwelling unit was **NIS 1.6M**, an increase of 2.9% from Q1.
- According to the Israeli Ministry of Construction and Housing, there were **26,920** new dwellings for sale at 08/2014, an increase of 18% over the same period in 2013.
- According to the Ministry of Construction, in 2013, constructors started building **3,536 new buildings** for dwelling.
- There are over **2,500** registered residential constructors in the Association of Contractors and Builders in Israel.
- According to an article by Ynet from 11/2013, out of the average total construction costs per dwelling unit, the **advertising and marketing costs are 3%**.
- According to an article by Ynet, there were **16,701 real estate brokers** in 09/2013.
- The average home selling time is **4.6 months**, with Givatayim being the most in-demand city with an average selling time of 3.5 months.



Global Market Breakdown

The following market analysis is looking to determine the defining "hunting" method preferred in each of the following 18 countries and to set the characteristics of the target potential market for *fisbo*. The findings are the result of the analysis of 37 different websites.

Country	Traffic %
United Kingdom	3.69%
Germany	3.29%
Australia	2.90%
United States	2.44%
Israel	2.41%
Poland	1.54%
Spain	1.44%
Netherlands	1.37%
Italy	1.27%
France	1.19%
South Africa	0.85%
Canada	0.50%
Mexico	0.48%
India	0.34%
Austria	0.10%
Brazil	0.09%
Venezuela	0.08%
Peru	0.05%



The research has shown that four countries have a higher percentage of traffic to real estate listings than Israel. According to this analysis, the research will focus on analyzing the real estate trends in each of the potential countries with the aim of gaining an insight into detailed information about the home buying transaction. The information provided will supply an understanding at the consumer level of the trends that are transpiring and the changes seen. The survey covers information on demographics, housing characteristics and the experience of consumers in the housing market. Buyers and sellers also provide valuable information on the role that real estate professionals play in home sales transactions.

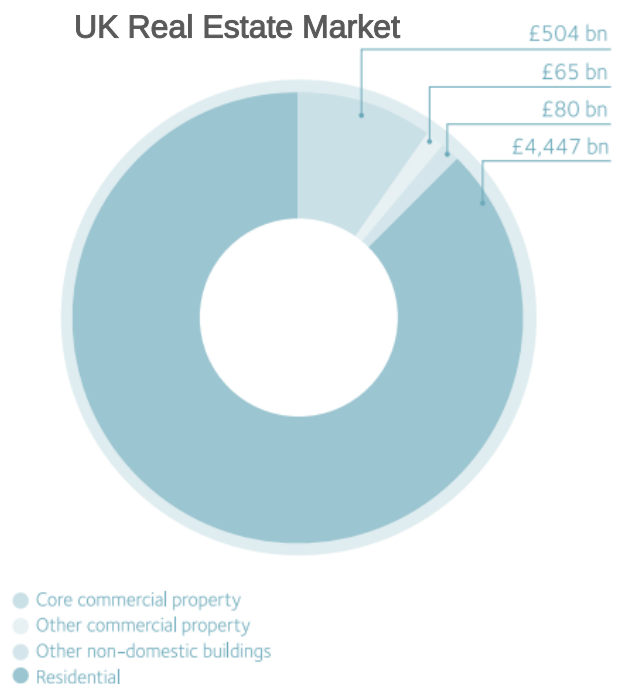
United Kingdom

After years of average performance since 2008, 2013 was the year when the British property market roared back to life. The UK's home prices are still on the rise and the



government is still pumping money to boost mortgage lending, making it more of a seller's property market than it has been for a long time.

As the housing market gathers momentum, one group of people hoping to rake in the cash will be real estate agents. However, a growing number of sellers are shunning the traditional approach and marketing their properties online, saving thousands of pounds in the process. According to the Ernst & Young's 2014 "European real estate assets investment trend indicator" report, the majority of respondents (**52%**) believe that UK residential real estate brokers will continue to lose market share — in both rentals and sales — to internet listing services.



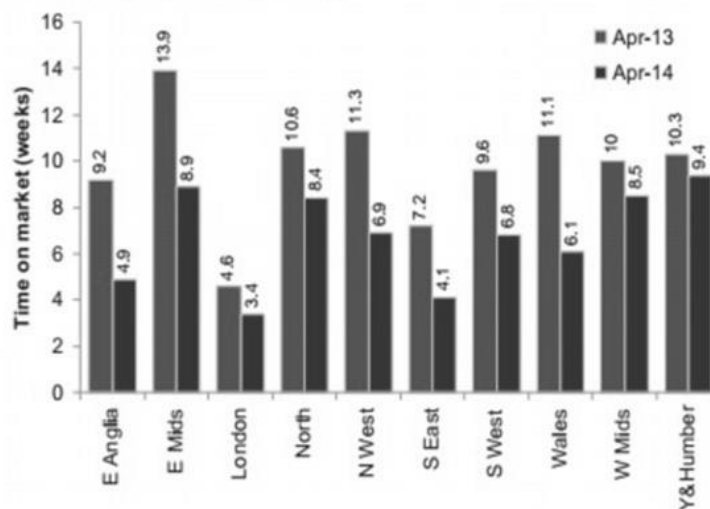
Property Data Report 2013 by Paul Mitchell Real Estate Consultancy Ltd

In the UK, **around 80% of home hunters** now use the Web to start their search for property. In fact, according to traffic statistics expert Hitwise, around **1% of ALL internet traffic in the UK** is property-related. The majority of this traffic is due to home hunters executing property searches on portals and contacting estate agents. Altogether, the top four property portals - Rightmove, Primelocation, Findaproperty and Zoopla - entertain 16+ million user sessions per month. These figures serve to demonstrate how enormously popular online property searches have become.

The shift in trends towards the online platforms results from many reasons. According to the guardian newspaper, while estate agents charge between **2% and 3.5%** of the sale price, or up to a whopping £6,000 on a £300,000 property, there are also sites that enable sellers to market homes online without paying a penny, such as DIY home sale websites. Those sites report a rising number of property listings and sales, and the ability to save sellers money continues to drive them forward.



Time on the market (weeks)



Source: www.thisismoney.co.uk 04/2014

In the UK, around one million residential properties change hands every year. By using the Internet, home hunters can potentially reduce the time spent looking for properties that match their requirements. According to the financial website "Time is Money," the time it takes to sell a property has fallen in

04/2014 to just over six weeks on average nationwide, marking the quickest time period since June 2007.

- According to the Annual UK Property Transaction Statistics for July 2014, in 2013 there were **1,074,000 residential property transactions**, an increase of 15.2% from 2012. (Highest since 2007)
- According to the "National House-Building Council," in 2013, the construction of **137,960 new dwellings** was completed.
- According to the "Monthly National Housing Survey" (09/2014) by "hometrack," the number of new buyers registering with agents has fallen by **4%** over the second quarter of 2014.
- According to the UK "Office for National Statistics", there was a continued annual growth of output in the construction industry. In September 2014, there was an increase of 3.5% compared with September 2013. This was the 16th consecutive period of year-on-year monthly growth.
- UK home prices rose by 0.5% in October 2014, with the annual rate of growth slowing to 9%.
- Average home prices rose to **£189,333** in October 2014.
- There are 21,378 registered real estate agents in the UK's "Yellow Pages".
- According to the "Construction Statistics, No. 15, 2014 Edition" by the UK Office for National Statistics, there were **250,964 private construction companies** in the UK in 2013.



- According to the "Construction Statistics, No. 15, 2014 Edition" by the UK Office for National Statistics, in 2013 there were **1,151,783 employees** in the construction industry, an increase of 0.2% from 2012.

United States

For many centuries, the U.S. home-searching market was dominated by traditional methods, in particularly the use of agents. However, over the last decade, the Internet has seeped into that bedrock of the U.S. economy: the housing market. A group of growing and mostly profitable websites has sprung up to help guide consumers through what in many cases will be the largest and most nerve-wracking transaction of their lives.

According to the 2013 National Association of REALTORS® (NAR) Profile of Home Buyers and Sellers report, the primary reason that sellers choose to sell their home without the assistance of a real estate agent to a buyer they did not know was that they did not want to pay a fee or commission (46%). The upside of using the internet is that it can save customers a considerable amount of money on commissions paid to agents. Real Trends, a research firm, reports the average commission paid to the buying and selling brokers was 5.4%. (The seller's agent collects the commission from the seller and then splits it evenly with the buyer's agent.) According to a report by the Organization for Economic Co-operation and Development, that is considerably higher than the median rate in other markets, where there may only be one agent involved in the transaction, such as the UK (0.75-3.5%), Germany (6%) and Israel (2- 4%).

Where Buyers Come From

Where Buyer Found the Home they Actually Purchased

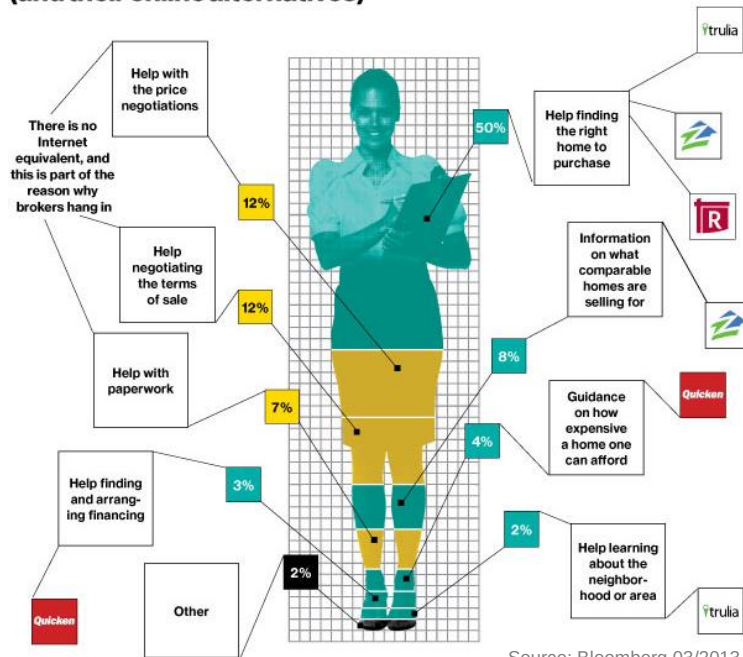


Source: The National Association of REALTORS® profile of home buyers and sellers. Updated 03/2014

The report also indicates that for **42% of homebuyers**, the first step in the home-buying process was looking online for properties, and **47%** buy their home through



What buyers want from real estate agents (and their online alternatives)



the internet. Moreover, 92% of buyers use the internet in some way in their home search process and 50% of buyers use a mobile website or application in their home search.

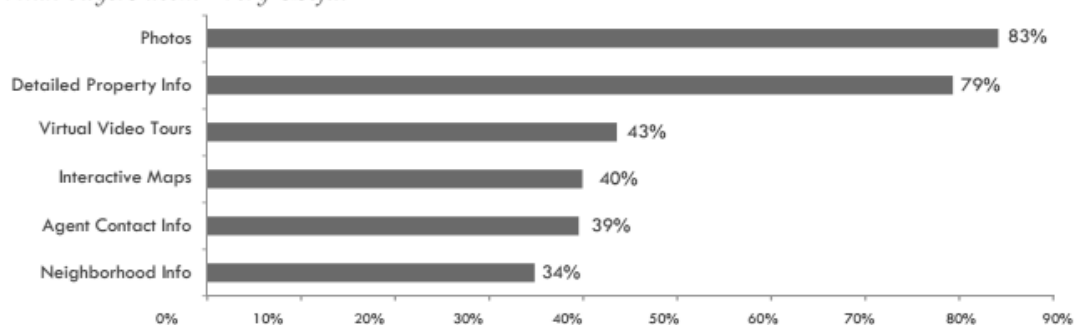
Despite the growing positive interaction between the internet and the real estate market, there are still several services that existing

websites cannot offer to the public. According to the NAR report, homebuyers need the assistance of a real estate professional to help them find the right home for them, help them understand the process, and negotiate terms of sale. Sellers, as well, turn to professionals to help sell their homes within a specific timeframe, market their home effectively and find the right buyer.

The fact that an agent assisted 88% of homebuyers and sellers during the process indicates that although they start their search online, something is missing in the available platforms and they chose to return to traditional methods. According to the report, 83% of the buyers surveyed deem photos to be very useful in the searching process while detailed property info came in second place (79%) and virtual video tours was third with 43%.

What Buyers Like

What buyers deem "Very Useful"



Source: The National Association of REALTORS® profile of homebuyers and sellers. Updated 03/2014

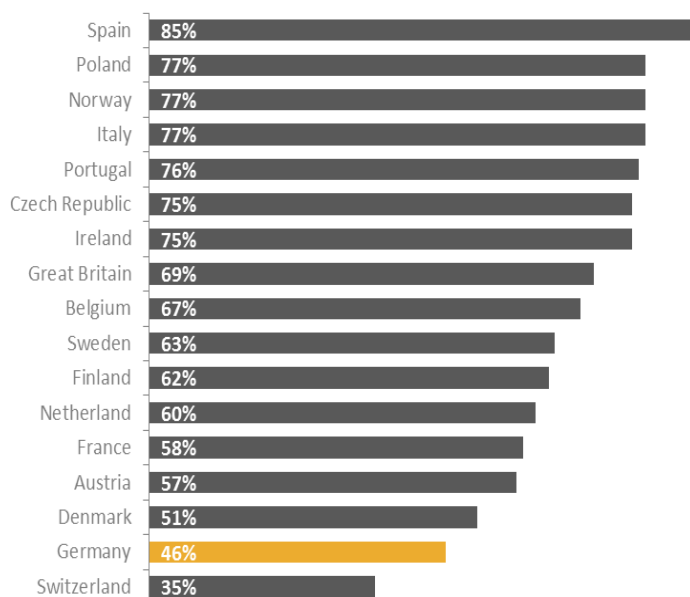


- In the past 4 years, there was an increase of 253% in online real estate related searches.
- The state with the highest number of online queries for first time buyers is Delaware.
- After starting an online search, 40% of homebuyers waited 120 days before contacting an agent.
- According to NAR, there are 109,472 real estate brokerage firms operating in the United States.
- According to the United States Census Bureau, there were **1,108,000 new dwelling units completed** in 2013.
- According to NAR, **5,090,000 existing homes were sold** in 2013. According to the U.S. Census Bureau, **429,000 newly constructed homes were sold** in 2013.
- According to NAR, the typical home sold was on the market for 5 weeks.
- FSBOs accounted for 9% of home sales in 2013. The typical FSBO home sold for \$184,000.
- **16% of the FSBO** transactions were marketed on online classified advertisements websites.
- According to "IBISWorld's Home Builders" market research report, there are 173,903 businesses in the U.S. home construction industry.

Germany

Most Germans do not buy their homes, they rent. Homeownership rose to 44.2% in 2010 and went back to 43% in 2013, according to Federal Statistical Office (Destatis). The country's homeownership rate ranks among the lowest in the developed world, and nearly dead last in Europe, though the Swiss rent even more. Here is comparative data from

Rates of home ownership in Germany and Europe - 07/2014



Data: Statistisches Bundesamt - euroconstruct/ifo – Analysis by Targo



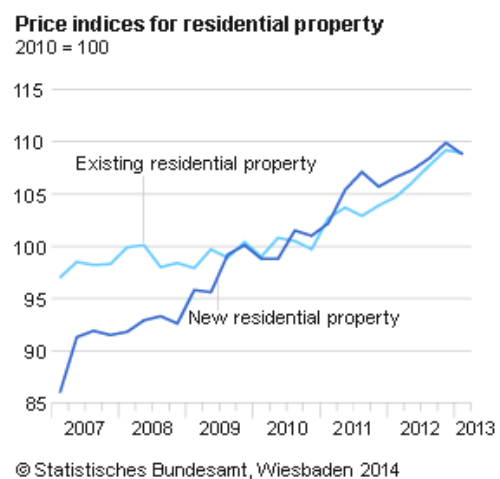
2004, the last time the OECD updated its numbers. (Fresh comparisons are tough to find, as some countries only publish homeownership rates every few years or so.)

As in every country, there are certain procedures for finding an apartment or home and closing the sale. It makes little sense in Germany to look for a "For Sale" sign in front of a home. This is not a common way of offering property. In the last few years, various websites have sprung up that provide extensive listings of apartments and houses for sale as well as rental units. These websites also have extensive information on financing and other topics related to buying and renting property. Some ads state that the property is "von privat," which means that no real estate agent is involved.

The vast majority of German estate agents are small local players with very few recognizable nationwide or pan-regional brands. The exceptions to this rule are banks/building societies, many of whom also operate as estate agents. Data from 2011 describes the German population as relatively immobile when it comes to property. However, this is slowly changing. The EY's 2014 "European real estate assets investment trend indicator" report indicated that **53%** of the surveyed participants believed that brokers will continue to lose market share to online listings.

The clear leader among German property portals is "immobilienscout24.de", which is part of the "Scout 24" group of websites run by Deutsche Telekom. However, the top three portals offer a very similar palette of tools and features for consumers and agents, often copying each other relatively quickly with new features, while immobilenscout24.de typically takes the lead in setting prices. All players accept listings directly from private sellers and present those listings alongside agent listings.

Home prices in Germany are still rising, but more slowly. Germany's overall home price index slowed for the seventh consecutive month this April (2014), after the home price peak of September 2013. The recent slowdown can be attributed to tighter lending standards implemented in the latter part of 2013. In the first half-year of 2014, up to 16,000 euros per square meter were paid for



freehold apartments at very good addresses in Munich and Hamburg, closely followed by Berlin, where prices of up to 15,000 euros per square meter were achieved.

Although Standard & Poor's predicts continuous appreciation of residential real estate prices in Germany over the next two years, home price growth is expected to slightly decelerate from S&P's 5% price increase estimate in 2013 to 4% in 2014 and 3.5% in 2015.

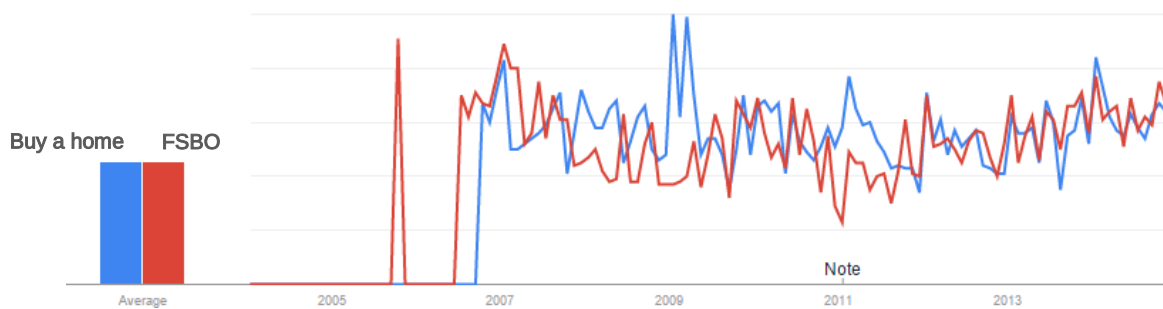
- Population growth is leading to higher demand for housing, which is in short supply because of very low levels of home building activity.
- According to Bloomberg, in 2013, Germany built **225,000** homes with an investment volume of **33.5 billion euros**.
- Government plans to build 250,000 new homes in 2015.
- According to the listings on the website www.immowelt.de, as of July 2014, the average price per square meter for an apartment in Germany was about €2,230.
- According to the Statistisches Bundesamt, in 2012, there were 1,962,861 employees in the residential construction industry.
- According to the Housing Market Report 2014 by DG HYP, the production of new homes fell to a historically low level while the number of private households has grown rapidly.

Australia

The internet and websites like "buyMyplace" have made the process of selling and buying homes in Australia simple and easy. Selling homes online in Australia can save the seller AU\$25,000 in agent fees. Despite that, the FBSO is still a relatively niche market in Australia and home sellers and buyers prefer having an agents' assistance.

However, analysis of the searching trends on Google show that there is a positive correlation between home buying and FSBO. It is notable that Australians who have searched for homes to buy have also searched for FSBO listings. The graph also shows that the FSBO trend (red line) is rising since 2011.





Throughout 2013, Australia's housing market saw its strongest performance since 2009. Home prices in the country's eight major cities rose by **9.48%** (6.47% inflation-adjusted) during 2013, up from a minimal year-on-year increase of 2.61% (0.48% inflation-adjusted) in 2012. These dramatic price rises are somewhat surprising, since Australia's economy is estimated to have grown by 2.5% in 2013.

Moreover, according to the Housing Industry Association, in the twelve months leading up to September 2014, Sydney and Melbourne dwellings experienced the fastest price growth, with rates of 14.3% and 8%, respectively. The overall profile of price growth in the remaining six capital cities was relatively modest. The price growth in Sydney and Melbourne is strong and the transactions volumes in these two cities are historically high. This results from the fact that these two capitals combine to account for around 40% of Australia's population.

Over 2014, the output of Australia's residential construction industry has exceeded **180,000 new homes** for the first time in two decades, according to the Australian Bureau of Statistics. This is a positive sign, showing an increase in demand from a growing population.

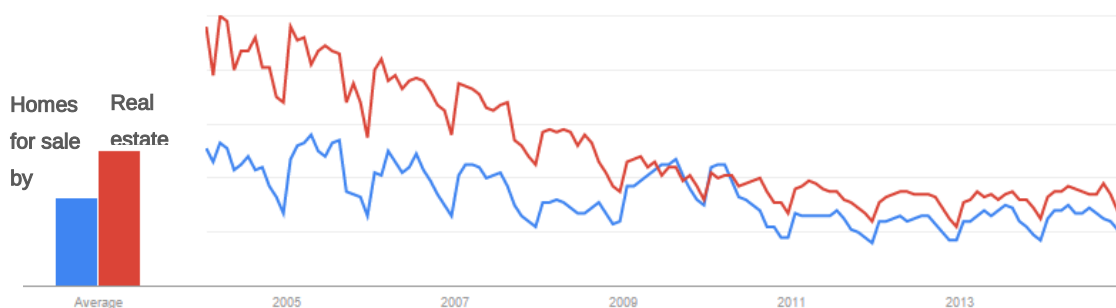
- There are 73,223 building and construction companies in Australia.
- According to "RP Data", privately sold homes in Canberra are spending about **34 days on the market** - the second least amount of time in the country.
- According to the Australian Bureau of Statistics (ABS), the mean price of residential dwellings rose to AU\$8,300 in the September quarter 2014.
- According to the ABS, there are 35,019 real estate services businesses as of 06/2013.
- According to the Real Estate Institution of Australia, the proportion of first home buyers, as part of the total owner-occupied housing finance commitments, fell in 07/2014 to **12.2%** compared to 13.2% in June. This is the lowest since the series commenced in September 1991.



Singapore

The government's five-year campaign to rein in property values has led to declines in prices and demand. The numerous property-cooling regulations imposed by the Ministry of National Development (MND), Urban Redevelopment Authority (URA), Monetary Authority of Singapore (MAS) and Inland Revenue Authority of Singapore (IRAS) have done much to curb the speculative fever in the property market, but regulations to stop the latent demand are futile. In short, if there are 20,000 people in need of homes and only 10,000 homes, then prices will inevitably go up. Brute force measures to artificially restrict 10,000 people from changing their minds to stop buying or defer buying will only momentarily solve the problem.

Analysis of the residential real estate market has shown that there is a significant demand for real estate on online platforms. According to Alexa, the 22nd most visited site in Singapore is a real estate listing platform www.propertyguru.com.sg. However, examination of search patterns on Google Trends indicates that homebuyers and sellers in Singapore have a tendency to look for agents over FSBO transactions when searching for homes. Yet, the difference between the tendencies is almost insignificant.

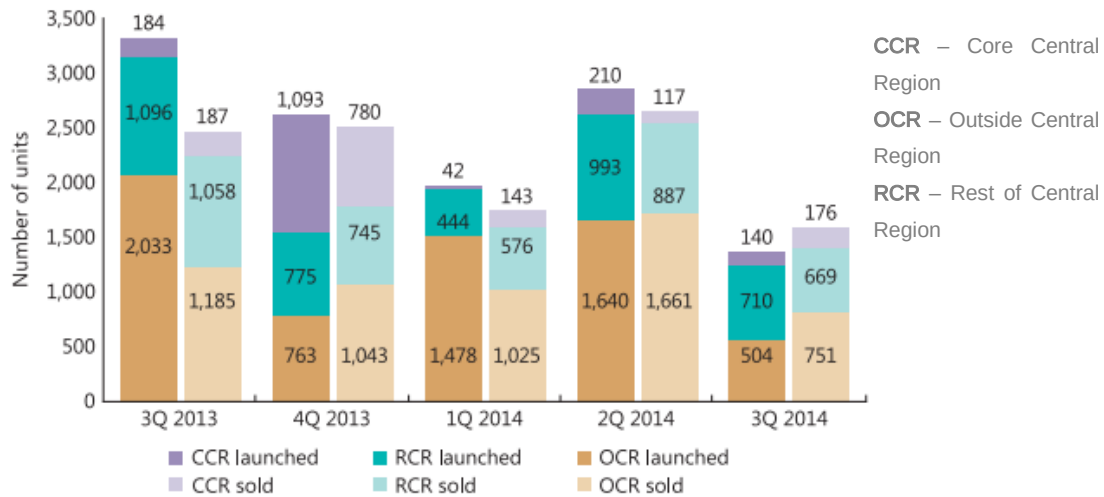


According to the Knight Frank Singapore real estate highlights 09/2014 report, in 2Q 2014, Singapore's economy grew at a slower pace at 2.4% y-o-y. While all key economic sectors posted expansions from a year ago, sectors such as manufacturing and construction have not performed as well as the preceding quarters with a quarter-on-quarter decline of 11.7% and 15.2% correspondingly. The weaker residential and commercial building activity led to a fall in construction output with the easing of annual growth to 4.4% in 2Q 2014 as compared to the 6.4% in the preceding quarter.



According to the Knight Frank Singapore View 11/2014 report, **new sales volume fell by 42.6% quarter-on-quarter in 3Q 2014**. Developers launched a total of **1,354 units** and sold **1,596 new** private residential units in 3Q 2014, a 59.1% and 34.3% fall from the same period in 2013 respectively. This brings the total number of newly launched units in the first three-quarters of the year to 6,161 and the total of new units sold to 6,005.

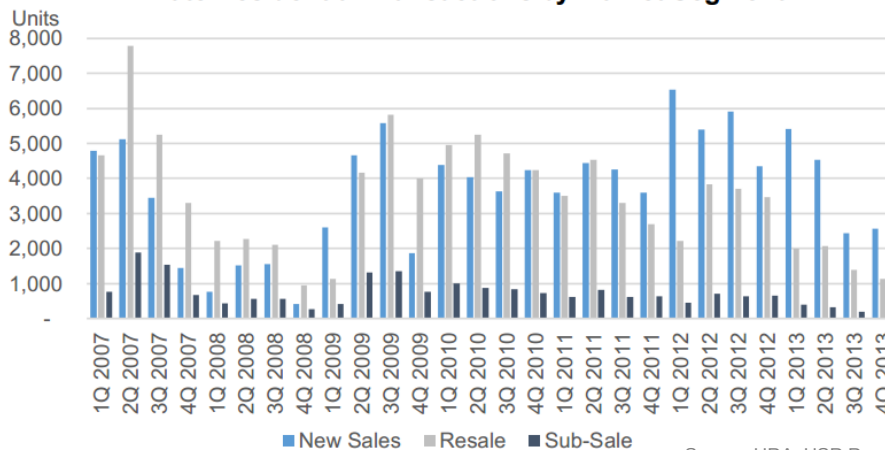
Developers' Lunches and New Sales by Market Segment



Source: REALIS, Knight Frank Research

According to the URS Release of 3rd Quarter 2014 real estate statistics, there were **1,288 resale transactions** in 3rd Quarter 2014, lower than the 1,389 transactions in 2nd Quarter 2014. Resale transactions accounted for 43.6% of all sale transactions in 3rd Quarter 2014, compared to 33.0% in 2nd Quarter 2014. In addition, there were **136 sub-sale transactions** in 3rd Quarter 2014, lower than the 158 transactions in 2nd Quarter 2014. Sub-sales accounted for 4.6% of all sale transactions in 3rd Quarter 2014, compared to the 3.8% recorded in 2nd Quarter 2014

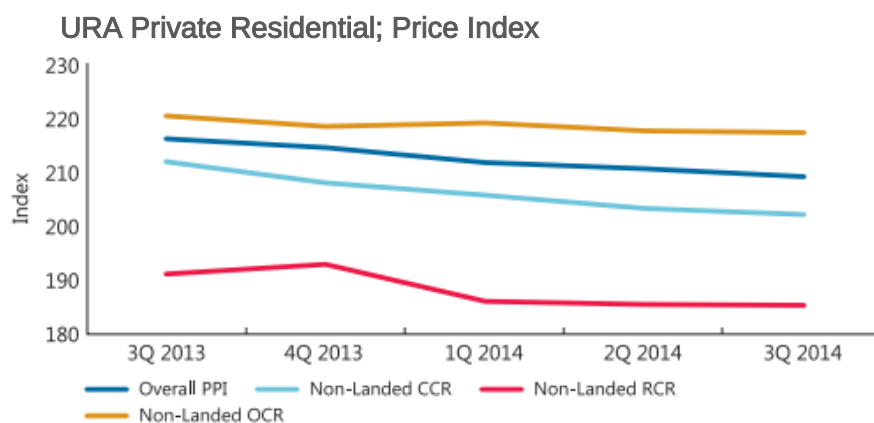
Private Residential Transactions by Market Segment



Source: URA, HSR Research



According to the Knight Frank Singapore View 11/2014 report, the Total-Debt-Servicing-Ratio (TDSR) of 60%, introduced in June 2013 in Singapore, continues to influence the market. 3Q 2014 marks the fifth quarter after the TDSR framework was introduced. Prices of private residential property have moderated by 3.8% in year-on-year basis at 3Q 2014, based on URA's flash estimations on the residential price index. Overall, private home prices decreased by 0.7% in 3Q 2014 with property prices in the Core Central Region (CCR) having the steepest quarter-on-quarter decrease of 0.8%. This marks the fourth consecutive quarter-on-quarter decline since 4Q 2013.



Source: URA, Knight Frank Research

According to the Knight Frank Singapore View 11/2014 report estimations, the sales activity is likely to remain moderate in the fourth quarter of 2014 with the various cooling measures and TDSR frameworks in place. Estimates are that the new sales volume for the full year will be between 7,000 and 8,000 units (lower than in 2013).

The vast majority (more than 82%) of Singaporeans live in public housing provided by the Housing & Development Board (HDB). These homes are located in housing estates, where most are developed neighborhoods with schools, supermarkets, clinics, food centers and recreational facilities. Popular neighborhood estates include names like Ang Mo Kio Town, Toa Payoh, Clementi, Yishun, Bishan, Hougang, Simei, Woodlands, Punggol, Bukit Batok, Tampines, and others.

- Buying cost of Singapore residential property is getting increasingly expensive, 10% for Singaporean and 15% for foreigners, due to the addition of ABSD (Additional Buyers' Stamp Duty).



The need

The diffusion of major new technologies affects the economy in many ways. Their widespread adoption affects the way things are produced, distributed and consumed. The Internet is no exception. Its convenience, speed, low cost, and versatility are being exploited on a daily basis in ever-changing ways. Industries that have been functioning for decades in a traditional manner, such as real estate, have also become major targets of the transformative power of the Internet.

Although the internet has been here for many years, its impact on the real estate industry has been moderate and not much has changed over the years. The online market actors in most Western countries are eventually sidelined in favor of a real estate agent. Using a broker provides a supposedly comfortable professional authority that oversees the whole transaction process, but this comes at a price.

Disadvantages of using a real estate broker:

Contracts and Exclusivity

Most brokers require the buyers and seller to sign a contract designating the agent as their exclusive representative. Some contracts state the agent is entitled to a share of the commission on a home bought or sold, even if the agent is not the one who finds or sells the home.

MLS Listings

Brokers rely on real estate multiple listing services (MLS), which lists all the homes for sale in a particular area. Although this appears as a positive feature, many sellers come to realize that the lists are not frequently updated and sellers continue to receive inquiries about the property long after the home has been sold.

Fake Sellers/Buyers

Brokers live on commissions from completed deals and when the supply of deals is low, or the market is online oriented, they will sign up to an online listing platform and pose as a buyer or a seller in order to attract new clients.



Commission

Hiring a broker, especially an experienced, full-service agent, is expensive. Brokers charge fees of up to 10% (depending on the country) of the transaction size, which can sum to tens of thousands of dollars.

Conflict of Interest

Brokers act as the buffers between the sellers and the buyers and prosper on the fees of closed transactions. Having internal financial motivation from the real estate transaction, they are constantly looking to increase the closing price, from which their commission is calculated. This creates a conflict of interest for the broker, who is on one hand bound to protect the interests of his clients but, on the other hand, is looking to gain the highest profit as possible.

fisbo

Selling a home without an agent is called FSBO (pronounced "*fisbd*") – For Sale By Owner. By using *fisbo*, sellers have more control over the selling process than ever before and can reach hundreds of potential buyers by posting their property online and including professional pictures as well as 3D virtual tours.

fisbo offers its users a reduction in transaction costs, coupled with the qualitatively different nature of information dissemination and communications, expansion of sellers reach and creation of new value-added services to the buyers.



Market Segmentation

fisbo will be concentrated in the beginning exclusively on the residential buying and selling market. The market research has revealed that the potential target markets are the pilot market (Israel) and the first expansion market (UK).

Israel

- **Income** – According to the State Revenue Administration, the average income of households who purchased a home in 2011 amounted to NIS 14,400 gross. Israelis who bought an additional home (home for investment) in 2014 earned an average of NIS 22,300 (gross, per household). Either way, there is a correlation between the household income and the expected acquisition target price.
- **Geography** – A high proportion of first-time homebuyers characterizes these communities: Beit Shemesh 51%; Or Akiva 48%; Pardes Hanna and Or Yehuda 45; Jerusalem 33%; Tel Aviv 29%.
- **Type** – 36% of the homebuyers in between 2012 and 2014 were first-time homebuyers, 23% investors and 35% upgraded to a better home.
- **Age** – The average age of the first-time homebuyers is 36.
- **Marital Status** – 22% of the first-time homebuyers are singles (bachelors, divorced, widowed).
- **Mortgage** – According to a survey and data published by the Bank of Israel, until November 2012, about 30% of the young couples who bought a first home took a mortgage that is higher than 75% of the property value.

UK

- **Income** – The average income is £35,918 and the average deposit as a percentage of income is 82% – eight times that of their parents in 1983.
- **Type** – 28% of the homebuyers in 07/2014 were first-time homebuyers, the highest percentage of FTBs recorded since April 2014.
- **Age** – In 2012, 43% of people aged 25-36 owned their own home.
- **Marital Status** – 34% of first-time homebuyers are couples with no dependent children.





- **Mortgage** – Today, the average first-time buyer spends £147,000 on their first home, with a 20% deposit of £29,400 and a mortgage worth £117,600.



Competition

Online property sales are dominated by a handful of websites, each with different focus, specialist criteria, and alternative search facilities. The market research has indicated a few potential competitors in each of the relevant markets. Some of the competitors are online classified ads websites (i.e., Yad2) and some are specifically dedicated to real estate transactions (i.e., Zillow), as *fisbo* is.

Israel

www.yad2.co.il

Yad2 is the Israeli number one classifieds website. Sean Tal founded the site in 2005, under the Coral-Tel company. In May 2014, the German "Axel Springer Digital Classifieds" company acquired Yad2 for EUR 165 million as part of its plan to become the world's leading digital publishing company.

The site allows anyone to post a free ad, according to a template of the site, and sell or purchase products, such as an apartment, a car, household goods and more. In this way, the site has replaced the classifieds section, which was a significant source of income (billion per year) for printed media. Surfers looking to make a deal can search with the necessary characteristics, such as product type and price range, and get ads that meet these characteristics. In addition to the free ads, the site offers users the opportunity to promote their ads for a fee.

Yad2 is the 14th most popular website in Israel, according to Alexa. While, according to "trafficestimate," Yad2 has an estimated 3,176,300 visitors in September 2014.

www.homeless.co.il

Similar to Yad2, "homeless" is an online classified ads website. "Homeless" is a focused web board, it is the most effective, largest, and advanced in Israel. "Homeless" was established in 2000 by the entrepreneur Dor Paz and was the first online real estate listing platform in Israel. Dor offered home sellers a platform to post their advertisements for just NIS 40, instead of hundreds of Shekels in the printed media.



Users can post free ads or pay fees to promote their ads. Highlighted ads are charged extra and bold and colorful ads are even more expensive.

"Homeless" has received an estimated 219,700 visitors in October 2014. "Homeless" has a registered patent in the field of database and data presentation.

www.winwin.co.il

WINWIN is a classifieds website, owned by Yedioth Ahronoth group and launched in 2007.

The site allows free advertisement of car sales ads, rental and sale of private and commercial real estate ads (in Israel and abroad), second-hand goods, ads, and more.

The site contains a section for new apartments - which shows dozens of new projects across the country and contains images, videos, specifications and plans for the apartments.

In December 2013, a new car section was added to the site in cooperation with CARS FORUM, which contains relevant and current vehicle reviews of all manufacturers and models on the market.

In March 2014, the site added an option of buying second-hand products from private users via the credit card.

The site has received an estimated 347,700 visits in October 2014.

United Kingdom

www.rightmove.co.uk

Rightmove.co.uk is the UK's largest online property portal. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. The Company was created in 2000 as a joint venture between four of the UK's largest property agents: Halifax, Countrywide plc, Royal & Sun Alliance, & Connells under the name Rightmove.co.uk Limited.

First, you have to enter localization in the UK, and choose if you want to buy a property or rent one. Then you will have lots of filters to define your search, like the location, the type of property, the size, the price range, but also if you want a



retirement properties or not, and whether shared ownership or not. You can choose when the advertisements are published.

Moreover, in Rightmove, you can find a commercial property, home ideas, housing prices with market trends, blog, and real estate agents. It is an entire website of real estate. It's not a grouping of classified ads by seller.

Rightmove makes money from listing estate agents on its website and offering additional advertising products to those agents. The ads are visible to users who search for the area chosen by the estate agent. Individuals selling property privately (i.e., directly without an agent) are prohibited from advertising on the site. Each month, Rightmove release a House Price Index, illustrating any changes in the asking prices of homes throughout England and Wales.

According to Alexa, Rightmove is ranked 27th most popular website in the UK and in 10/2014, it had an estimated 16,197,000 visitors and 151,000 unique visitors.

www.zoopla.co.uk

Zoopla is a property website covering the British residential property market. The site also enables users to access information such as sold home prices, area trends and statistics, and current value estimates for domestic properties in the UK. Zoopla is the second biggest property website in the UK: its main rival is Rightmove. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. The company is valued at \$800M, as of November 2014.

The Zoopla site is a searchable directory of UK residential properties, created using Royal Mail's database, the UK HM Land Registry's data on property transactions, Google maps, Microsoft maps' "bird's eye view", and other data sources. The data is then presented in a read-write format so that user-generated content can "fill in the gaps."

Based on this data, Zoopla has developed an automated valuation model or algorithm that allows the site to provide an instant valuation estimate for any property in the UK, similar to competitors Mouseprice and Hometrack. The AVM is based on user-added information such as property attributes, transactions from the Land Registry, and analysis of historical price trends. The site also allows users to claim their home or set a TemptMe price (the price at which they could be tempted to sell).



To search a property, you have to choose a location, then you can define the range of price, the property type, the numbers of bedrooms, the distance from location, when the classified ad is added, also you can add keywords to specify your search.

No classified ads added by private seller, if a seller wants to sell real estate, he must find an agent on Zoopla and use him or her to sell the real estate.

The audiences of Rightmove and Zoopla are very different, with little crossover between the major property portals. According to independent website auditor Nielsen, over 80% of traffic is unduplicated, with only 19.93% of home hunters visiting both Rightmove and the Zoopla sites in 12/2012. Four out of five users (80.07%) who visited a major property portal visited one, but not both. The data also reveals that 64% of Rightmove's users during December used only Rightmove and did not visit Zoopla sites, and that 56% of Zoopla users used only the Zoopla websites and did not visit Rightmove.

Top portals as a percentage of the biggest UK property sites

	Top portals market share	Next 1,000 sites market share
2014	61%	39%
2013	55%	45%
2012	54%	46%
2011	49%	51%

Source: Hitwise (Jan 2011 – Jan 2014)

According to Zoopla, in 11/2014 there were 810,312 properties for sale on the platform and 250,115 properties for rent. In addition, at that time, there were 20,548 agents and home developers registered on the website.

United States

Top 5 real estate networks by Web traffic, June 2014

Real estate network	Total unique visitors in June	Desktop unique visitors	Mobile unique visitors
All sites	95.8 million	61.5 million	55.7 million
Zillow (Yahoo) network	53.8 million	29.8 million	31.2 million
Trulia (RentPath) network	31.6 million	17.0 million	17.6 million
Move Inc. network	23.8 million	12.4 million	13.5 million
Homes.com (ForRent.com) network	11.2 million	6.1 million	5.6 million
Redfin	6.0 million	3.1 million	3.2 million

Source: comScore



<http://zillow.com>

Zillow is a website where you can find a home for sale, a house for rent, shop for a mortgage, an agent, and professional advice about purchasing a home and making real estate transactions. Indeed, on Zillow you can post a home for sale for free so there are properties ads from private owners in addition to those ads submitted by agents. The company is traded on the U.S. stock exchange and has a market capitalization of \$4.62B.

According to Alexa, it is the 48th most viewed site in United States and it has received an estimated 53,597,000 visits over the last 30 days. It is the most popular real estate website in the United States.

<http://trulia.com>

Comparing to Zillow, Trulia offer the same possibility without the ability to post owner ads. With Trulia, you have to find an agent to sell your property. On this site, you can find classified ads just added by agents. On the other hand, your own property can be assessed by free in Trulia. The company is traded on the U.S. stock exchange and has a market capitalization of \$1.85B.

According to Alexa, it's the 129th viewed site in United States and it has received an estimated 25,389,000 visits over the last 30 days.

Together the Zillow and Trulia networks had more than 68 million unique visitors in June, representing about 71% of all visitors to ComScore's real estate category.

Germany

www.immobilienscout24.de

ImmobilienScout24 was founded 16 years ago and is by far the largest German language real estate Internet portal, with 15,080,000 visits as of 10/2014. The Berlin-based company has about 600 employees and is part of the Scout24 Group, a subsidiary of Deutsche Telekom. Each month, more than 1.5 million different apartments and homes are listed on the portal and these listings are viewed more than 300 million times. Furthermore, owners and interested parties find a broad spectrum of real estate information and services, including support for questions about financing, refurbishment, and renovation as well as moving services.



According to Alexa, it is the 22nd most visited website and the number one most visited real estate website in Germany. According to comScore, more people use ImmobilienScout24 to find a new home than its two largest competitors combined.

Australia

www.realestate.com.au

It is the first website of the Rea group founded in 1995. After the success of this site, the strategy of the group has been to expand the group aggressively internationally. Now the company operates property websites in 10 countries that are used by more than 19,000 agents and have approximately 8.8M unique visitors per month. The Australian website revenues have increased by 22% to \$301 million during 2013.

According to Alexa, it is the 19th most viewed site in Australia, and by traffic estimate, it has received an estimated 8,335,400 visits over 10/2014, out of which 87,278 are unique visitor. It is the most popular site for real estate in Australia. According to its main competitor, 400,000 sales transactions were made in a year.

www.domain.com.au

Domain is part of the Fairfax Media Network, which is one of Australia's largest diversified media companies. According to Alexa, it is the 51st most viewed site in Australia, by traffic estimate; it has received 4,037,500 visits in 10/2014.

Additional to the same services of the website Realestate, here you could place an online ad from \$275 or place it in newspapers from \$51.44. To add an online ad, you have to be a member of Domain, and then you can make your own announcement.

www.gumtree.com.au

realestate.com.au is the leading website in Australia for residential property, attracting an average unique audience of more than 3 million visitors every month. realestate.com.au is owned and operated by ASX listed REA Group Ltd. Like its British version, there are 15 different categories of real estate searches on the site. There are almost 2 million different ads. Properties ads represent 3.8% of the classified ads on this site. In addition, there are 50% classified ads less for real estate for the Australian website than for the UK one.



According to Alexa, it is the 12th most viewed site in Australia and it has received an estimated 11,327,000 visits during 10/2014. Relying on the share of real estate ads (3.8%) on the website, we can estimate that there were 430,426 unique visits dedicated to real estate ads.

Singapore

Property portal	PropertyGuru	iProperty	STProperty
Visits	2,300,718	131,000	348,000
Local Property Listings	165,170	48,752	47,646
Alexa SG rank 12/2014	22	224	154
Total Agents (agents who are CEA-certified)	10,200	4,110	13,356





www.propertyguru.com.sg

Founded in 2006, PropertyGuru.com.sg is Singapore's leading property portal and a flagship website of PropertyGuru's Network – Asia's Property Guru. A favorite with local property seekers, PropertyGuru.com.sg is the largest online property database in Singapore, with several awards under its belt and features real-time access to multi-media rich content covering property and home-related products, services, news, advice, guides and tools. It works closely with prominent real estate developers in Singapore and overseas, over 20,000 housing agents and home-related firms.







According to the company, since its first VC funding in 2008, PropertyGuru has maintained positive cash flow, turned profits, and even seen its revenue grow. Currently, its inventory includes 200 property developers and half a million residential and commercial properties listings.



Competitors Analysis

Competitor	Property Type	Unique Search Features	Map Navigation	Peer-to-Peer	Personal Area	Additional Resources	Fees and Costs
Rightmove	<ul style="list-style-type: none"> - Pre-owned and new homes for sale and rent - Commercial properties for sale - Properties for students 	<ul style="list-style-type: none"> - Search radius - Retirement properties - Shared ownership - Time add to site - Outside space - Ways to buy 	 <ul style="list-style-type: none"> - A maximum of 300 properties can be displayed on the map. - Draw your own search area. 	 <ul style="list-style-type: none"> - No private sales available 	<ul style="list-style-type: none"> - Get property alerts - Save Searches - Save Properties - Receive Property News - Save drawn areas - Home ideas 	<ul style="list-style-type: none"> - Property valuation - Help to buy - Sold home prices - Price comparison - Market trends - Blog - Home ideas - Overseas properties 	<ul style="list-style-type: none"> - Brokerage commission - In order to contact the agent the user has to call a "call charge" number at a fee of 4p/min
Zoopla	<ul style="list-style-type: none"> - Pre-owned and new homes for sale and rent - Commercial properties for sale - Farms/Land for sale 	<ul style="list-style-type: none"> - Distance from location - Time add to site - Retirement properties - Ownership type - Keywords - Property features - By agent 	 <ul style="list-style-type: none"> - Draw your own search area. 	 <ul style="list-style-type: none"> - No private sales available 	<ul style="list-style-type: none"> - Search history - Save favorite properties - Add notes to properties - Create property alerts - Hide properties from searches - Expert advise 	<ul style="list-style-type: none"> - Market value estimates - Street index - Popular areas - Hot searches - Search home builders - Agent valuation - Property valuation - Help to buy - Overseas properties and agents - Finance aid - Home ideas - Move planner - Property news - Blog 	<ul style="list-style-type: none"> - Brokerage commission



Competitor	Property Type	Unique Search Features	Map Navigation	Peer-to-Peer	Personal Area	Additional Resources	Fees and Costs
Yad2	<ul style="list-style-type: none"> - Pre-owned and new homes for sale and rent - Commercial properties for sale - Properties for students - Foreclosure properties for sale - Farms/Land for sale 	<ul style="list-style-type: none"> - By neighborhood - Property features - Number of roommates - Roommate gender - Type of business - Keywords - Home builder company - Search radius 		 <ul style="list-style-type: none"> - No separation between private sellers' and brokers' ads 		<ul style="list-style-type: none"> - Real estate articles and guides - Real estate news - Moving guide 	<ul style="list-style-type: none"> - Private ad: free to ₪99 for 21 days - Commercial ad: free to ₪99 for 21 days. - Foreclosure section: ₪99 for a one-day pass to ₪600 for a yearly prescription.
Homeless	<ul style="list-style-type: none"> - Pre-owned and new homes for sale and rent - Commercial properties for sale - Short term retails 	<ul style="list-style-type: none"> - Neighborhood - Keywords - Property features 	 <ul style="list-style-type: none"> - Draw your own search radius. 	 <ul style="list-style-type: none"> - No separation between private sellers' and brokers' ads 		<ul style="list-style-type: none"> - Search history - Favorite searches - Overseas properties 	<ul style="list-style-type: none"> - Private ad: ₪69-99 per month



Competitor	Property Type	Unique Search Features	Map Navigation	Peer-to-Peer	Personal Area	Additional Resources	Fees and Costs
winwin	<ul style="list-style-type: none"> - Pre-owned and new homes for sale and rent - Commercial properties for sale - Short term retails 	<ul style="list-style-type: none"> - Neighborhood - Property type - Keywords - Property features 	✓	✗ <ul style="list-style-type: none"> - No separation between private sellers' and brokers' ads 	✗	<ul style="list-style-type: none"> - Homes price list for property valuation - Mortgage planning and consulting - Saved property - Favorite property 	Private ads: free to ₪79 for two months
fisbo	<ul style="list-style-type: none"> - Pre-owned and new homes for sale 	<ul style="list-style-type: none"> - Smart filtering tools - Neighborhoods analysis – Blog + Pictures + Statistical data - Save searches - Search properties in defined distance from your workplace - Transactions history and statistics 	✓ fisbo is a map based platform <ul style="list-style-type: none"> - Explore neighborhoods - Easy and intuitive orientation - Layers of essential data on the map - Find interest points in the surrounding - Mark viewed properties - Hide unattractive properties 	✓ <ul style="list-style-type: none"> - FSBO - No brokers on the platform 	<ul style="list-style-type: none"> - Manage viewed properties - Save favorite properties - Add personal grades and comment to each property - Personal inbox - Compare properties - Personal calendar to manage 'Open House' events 	<ul style="list-style-type: none"> - View the land registry extract and engineering plan of the property - All properties are verified - no duplications - No outdated listings - No registration in Multiple Listing Service systems 	Free of charge



Business Model

fisbo is looking to become a different – private users – platform that will provide an agents and promotions free environment. In order to accomplish that goal and in order to stay productive, *fisbo* has designed a business model that will provide significant added value to its users while at the same time generate revenues.

The model will be divided into short-term and long-term periods.

Short Term

- **New Homes Contractors** – *fisbo's* main revenue model will be based on advertising services for new dwelling constructors. Developers looking to reach a wide range of potential buyers could buy advertising rights in *fisbo's* "new dwellings for sale" which will be integrated seamlessly on the map. The market research has revealed that on average, new dwelling constructors dedicate a bit over 3% of the building budget to marketing and advertising. Analysis of the competitors has revealed that the monthly costs for advertising new dwelling vary from NIS 4,900 to NIS 8,000 per month for the basic advertising packages.

During the first period of operations, *fisbo* will offer free advertising rights for new dwelling constructors, in order to attract them to the platform and to create traffic of buyers who look for new constructions. After that period, *fisbo* will charge a monthly fee of NIS 8,000.

- **Professional Home Photography** – In order to provide and maintain a high standard of the home-buying-searching experience, *fisbo* will require its home sellers to post listings with at least four photos of the property. One of *fisbo's* unique services to its users will be to offer them professional home photography services. For a one-time fee, home sellers can order one of *fisbo's* professional photographers to come and take photos of their property. Using this service will substantially increase the appearance of their property and provide an edge in the selling process.

In the beginning, *fisbo* will offer this service for free, in order to attract users and to create an appearance standard for the future listings on their platform.





After significant amount of users are obtained, *fisbo* will charge for the service a fee of NIS 200.

Long Term

- **3D Interior Mapping** – In the future, *fisbo* will look to establish a strategic partnership with 3D imaging companies (such as Matterport or Project Tango by Google), a leading company in the field of 3D mapping. With the 3D simulation tools (like Matterport's camera) *fisbo* will offer its user to incorporate to their listings 3D virtual tours that will enhance the showcase their property. Users willing to use this service will be charged a one-time fee.
- **Big Data And Analytics** – In the long run, once *fisbo* positions itself as the leading real estate advertising platform, it will enjoy a high and sustainable traffic of users. The data generated from traffic and usage trends on the platform could reveal important insights about the local real estate market. Besides information on the trends, *fisbo* will also have aggregative information on urban orientation and will possess the ability to produce qualitative analysis. This data and other big data from the platform could be used for consultancy and market report services.

Analysis of companies who currently offer such products and services (i.e., Madlan, Svivot-Megurim, and others) indicates that there is demand for such products and services. The fact that *fisbo* will truly live and feel the market of both new dwellings and pre-owned dwellings will enable it to provide a comprehensive and unique analysis of the market.



Marketing plan

Push – Home sellers

- **Cold Calls** – Cold calling is generally referred to, as an over-the-phone process, making it a source of telemarketing. Since there are existing platforms in the markets that *fisbo* is targeting, *fisbo* will look to attract the users of those platforms to advertise on *fisbo*. To do that, *fisbo* will hire the services of a leading call center company (outsourced) who will use the dwelling-for-sale databases (provided by third party vendors) to target potential users.

In order to attract sellers to the platform, *fisbo* will offer them a free place to post their advertisement coupled with free professional real estate photography of their dwelling (valued at NIS 200). *fisbo* will implement this strategy on 1,500 home sellers in order to generate the initial pool of advertisements on the platform.

Pull – Home sellers and home buyers

- **Public Relations** – As the platform targets potentially tens of thousands of clients, the best way to generate public awareness is by creating significant press coverage. Instead of engaging potential customers, the PR campaign creates interest among the audience and drives them to act and come to the platform.

After *fisbo* obtains the sufficient size of home sellers, it will use the services of a professional PR and marketing company that is experienced in the local media market.

- **Digital Media Buying** – The PR campaign will be accompanied by continuous support of a digital media advertising strategy that will broadly reach the target audience. The strategy will focus on Search Engine Marketing on Google and sponsored advertising in other media sources.

fisbo will use the services of an experienced media buying company that will generate a dynamic and results-driven digital marketing plan.





- **Search Engine Marketing** – After the company will establish its initial client base through the call-center, *fisbo* will implement a search engine marketing strategy for maintaining and generating user traffic. *fisbo* will apply both SEO and PPC promotion strategies for obtaining optimal results. SEO has a relatively long development period. Reaching the first page of search engine results will not happen overnight or even in a week. However, once the website gets there via SEO, it will enjoy sustained traffic.



Financial Plan

The following financial plan represents the future prediction of the company operations. The assumptions and projections are supported by the figures and strategies described in the business plan. Implementation of the aforementioned strategies and actions should generate positive operational outcome for *fisbo*.

All figures are in NIS and include VAT

Budget

	Before VAT	After VAT refund	After VAT refund for a period of 15 months
Fix Assets	287,000	235,340	235,340
OPEX*	516,400	423,448	529,310
Work Force Including Development	2,262,000	2,262,000	2,827,500
Property Photographers - Freelancers	2,748,753	2,253,978	2,817,472
Marketing	710,198	582,362	727,953
Total	6,524,351	5,757,128	7,137,575
Income During the Losing Period	2,255,924	1,849,858	2,312,322
Total Required Investment	4,268,427	3,907,270	4,825,253

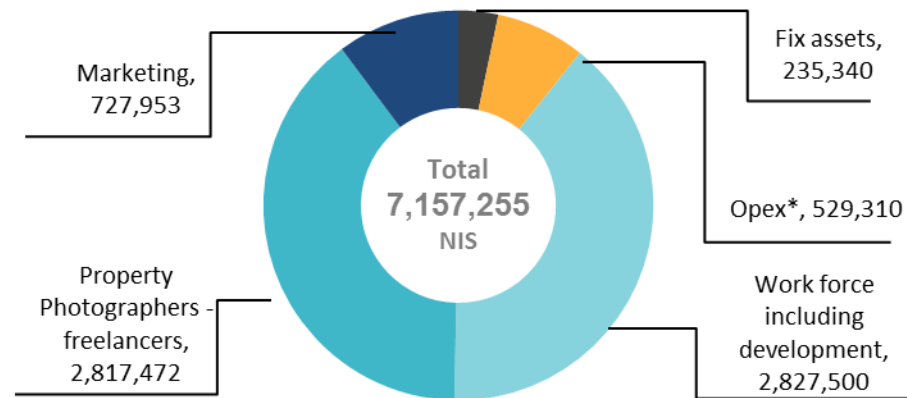
* Excluding Property Photographers

** Expenditure Dependent Income





For a period of 15 months, that will include development and market penetration, fisbo will require a total funding of NIS 7,137,575 after VAT refund. During that period, *fisbo* is expected to generate revenue of NIS 2,312,322 after VAT payment; therefore, *fisbo* is looking to raise equity of NIS 4,825,253. (Expenditure dependent income)



Fixed Assets

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Computers	48,000	0	0	0	48,000	4,800	4,800	4,800
Screens	34,000	0	0	0	34,000	3,400	3,400	3,400
Supplementary Hardware	7,000	0	0	0	7,000	0	0	0
Printers	6,000	0	0	0	6,000	2,000	2,000	2,000
Furniture Expense	40,000	0	0	0	40,000	0	0	0
Sales and Customer Support infrastructure	0	60,000	0	0	60,000	25,000	25,000	0
API	60,000	0	0	0	60,000	0	0	0
Software Licenses	32,000	0	0	0	32,000	5,000	5,000	5,000
Total	227,000	60,000	0	0	287,000	40,200	40,200	15,200



Work Force

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
CEO	42,000	42,000	42,000	42,000	168,000	168,000	168,000	168,000
COO	42,000	42,000	42,000	42,000	168,000	168,000	168,000	168,000
CMO	42,000	42,000	42,000	42,000	168,000	168,000	168,000	168,000
CTO	42,000	42,000	42,000	42,000	168,000	168,000	168,000	168,000
Junior Programmer	90,000	90,000	90,000	90,000	360,000	360,000	360,000	360,000
Senior Programmer	69,000	69,000	69,000	69,000	276,000	276,000	276,000	276,000
QA Specialist	25,500	25,500	25,500	25,500	102,000	102,000	102,000	102,000
Graphic Designer	27,000	27,000	27,000	27,000	108,000	108,000	108,000	108,000
Photographer	30,000	30,000	30,000	30,000	120,000	120,000	120,000	120,000
Content Manager	25,500	25,500	25,500	25,500	102,000	102,000	102,000	102,000
Customer Service Manager	45,000	45,000	45,000	45,000	180,000	360,000	360,000	360,000
Sales & Customer Service Analyst	0	63,000	84,000	105,000	252,000	840,000	1,260,000	1,260,000
	0	0	45,000	45,000	90,000	168,000	168,000	168,000
Total	480,000	543,000	609,000	630,000	2,262,000	3,108,000	3,528,000	3,528,000

OPEX

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Office:								
Rent	45,000	45,000	45,000	45,000	180,000	360,000	360,000	360,000
Utilities	10,000	10,000	10,000	10,000	40,000	60,000	60,000	60,000
General	6,000	6,000	6,000	6,000	24,000	24,000	24,000	24,000
Bureaucracy:								
Bookkeeping + Yearly Report	2,000	2,000	2,000	10,000	16,000	16,000	16,000	16,000
Bank Fees	300	300	300	300	1,200	1,200	1,200	1,200
Liability Insurance	800	800	800	800	3,200	3,200	3,200	3,200
Consulting Services:	0	0	0	0	0	0	0	0
Business	0	0	0	0	20,000	80,000	0	0
Legal	6,000	6,000	6,000	6,000	24,000	24,000	24,000	24,000
Subcontractors:								
Property Photographers	318,473	556,063	937,109	937,109	2,748,753	5,111,062	6,644,381	8,637,695
Payments - UI/UX Studio	25,000	25,000	25,000	25,000	100,000	100,000	100,000	100,000
Infrastructure:								
Hosting	4,500	4,500	4,500	4,500	18,000	18,000	18,000	18,000
Storage	2,500	2,500	2,500	2,500	10,000	10,000	10,000	10,000
Unexpected	20,000	20,000	20,000	20,000	80,000	80,000	80,000	80,000
Total	440,573	678,163	1,059,209	1,087,209	3,265,153	5,887,462	7,340,781	9,334,095



Marketing & Sales Expense

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Meetings Coordination Outsourcing	39,318	0	0	0	39,318	0	0	0
Marketing Infrastructure (Video Art)	32,000	0	0	0	32,000	0	0	0
Digital Media Buying	0	0	200,000	200,000	400,000	400,000	400,000	400,000
PPC	0	30,000	30,000	30,000	90,000	120,000	120,000	120,000
SEO	8,000	21,000	21,000	21,000	71,000	84,000	84,000	84,000
Offline Media Buying (TV)	0	0	0	0	0	2,000,000	0	0
PR	14,160	21,240	21,240	21,240	77,880	84,960	84,960	84,960
Total	93,478	72,240	272,240	272,240	710,198	2,688,960	688,960	688,960
Cost per House	62	28	41	41	41	74	15	11
Supply of Houses - Units	1,499	2,618	6,618	6,618	17,353	36,095	46,924	61,001
General Traffic	0	25,915	75,915	130,163	130,163	312,390	374,868	449,842

Sales

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Photo Shoot Sales (cost price)		381,706	937,109	937,109	2,255,924	5,111,062	6,644,381	8,637,695
New Real Estate Projects - Ads Units	0	0	0	0	0	100	200	250
New Real Estate Projects - Ads Sales	0	0	0	0	0	9,600,000	19,200,000	24,000,000
Total Sales	0	381,706	937,109	937,109	2,255,924	14,711,062	25,844,381	32,637,695



CF

	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4
Income	0	381,706	937,109	937,109	2,255,924	14,711,062	25,844,381	32,637,695
OPEX	440,573	678,163	1,059,209	1,087,209	3,265,153	5,887,462	7,340,781	9,334,095
Work Force	480,000	543,000	609,000	630,000	2,262,000	3,108,000	3,528,000	3,528,000
Marketing & Sales Expense	93,478	72,240	272,240	272,240	710,198	2,688,960	688,960	688,960
Total Operating Expenses	1,014,050	1,293,403	1,940,449	1,989,449	6,237,351	11,684,422	11,557,741	13,551,055
Operational CF	(1,014,050)	(911,697)	(1,003,340)	(1,052,340)	(3,981,427)	3,026,640	14,286,640	19,086,640
Fix Assets	227,000	60,000	0	0	287,000	40,200	40,200	15,200
CF (before taxes)	(1,241,050)	(971,697)	(1,003,340)	(1,052,340)	(4,268,427)	2,986,440	14,246,440	19,071,440
CF (after VAT)	(1,104,061)	(894,531)	(932,359)	(976,319)	(3,907,270)	1,889,441	11,047,041	15,003,541
Accumulated CF	(1,104,061)	(1,998,593)	(2,930,951)	(3,907,270)	(3,907,270)	(2,017,829)	9,029,211	24,032,752

