



**A SIMPLE
SECURE
REAL ESTATE**
INVESTMENT PLATFORM



GUIDE TO
REAL
ESTATE
CROWDFUNDING

2026

WHO ARE WE?

Invest in real estate, without the hassle or expense of managing property

Vairt enables you to review each investment on its own merits before you make an investment decision. Diversify your portfolio manually or automatically with investments across geographies.

Numerous product

Hotels & Vacation Homes
Investments

All on one powerful technology
platform



"The best investment you can make, is an investment in yourself...The more you learn... the more you will earn".

- Warren Buffet



WHY REAL
ESTATE?

Why real estate?

Real estate is the largest investable asset class in the world, worth \$217 trillion.

It is bigger than debt markets (\$200 trillion) and almost 3 times the size of equity (shares) market (\$73 trillion). The global GDP of all countries is approximately \$76 trillion. Why is real estate so large? Well, there are almost 7 billion people in the world that need to have a roof over their heads and a place to work.

You may have heard of the phrase “[safe as houses](#)”, as it is a relatively safe asset class for people to invest in. It provides good diversification in one’s portfolio from the volatility of the stock and bond markets. Real estate provides a steady cash flow through rental income and capital appreciation, as the price of real estate increases over time. There might be periods where real estate prices decrease but you still earn rental income during those periods providing some value to your investment.

A study conducted by the economist titled “[The Rate of Return on Everything, 1870-15](#)”, looked at 16 advanced economies over the past 145 years. Specifically, they compared returns on equities, residential real estate, short-term treasury bills, and longer-term treasury bonds.

What did they find? To most people’s surprise, they found that residential real estate out-performed everything else over the last 145 years. Residential real estate returned an average of 7.05% a year. Stocks were not too far behind with 6.89% return a year. One of the key factors for real estate to do so well was the fact that half of its returns were made up of rental income and the other half from capital appreciation. This is the power of real estate, it provides steady cash flows even in tough economic times to ensure you continue to increase your wealth while preserving your capital. If you ask the wealthy, they will tell you it’s harder to retain the wealth than to accumulate and many use real estate to grow and preserve their capital.

The returns look even more attractive when you compare it against the level of risk in each of the asset classes. One of the key factors to consider is to evaluate returns per level of risk. In the finance industry this is known as the Sharpe Ratio. But to keep things simple, think of it as returns divided by risk. A higher ratio indicates a better investment – greater return, relative to the risk. Real estate had the highest Sharpe ratio of 0.7 compared to stock that had 0.27.

Real estate is the best investment in the world because it is the only thing they are not making anymore

- Will Rogers

Traditional options

So, what are the traditional ways of investing in real estate?

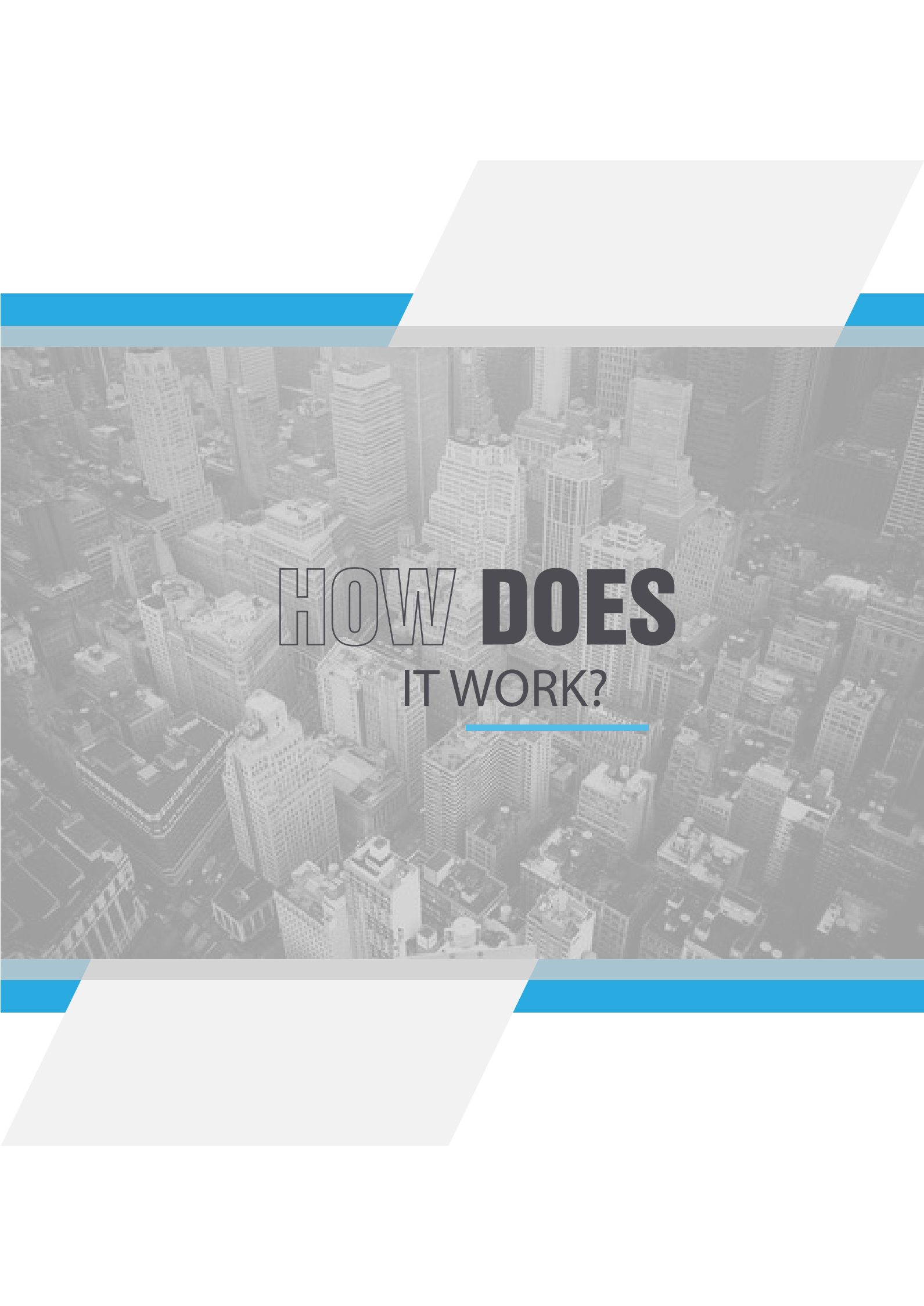
The most common form is direct purchase, meaning you buy that entire real estate outright. Easier said than done, as real estate investing requires a lot of capital upfront. That is why only 12% of the world population owns real estate, it can be very expensive.

The other way is to finance real estate investment or purchase. You borrow money from a financial institution to cover the cost of the property and in exchange you pay them interest over a period. This allows you to purchase a property for a price more than you can afford and use that money from rental income to cover your costs and mortgage payments. This is one of the big benefits of real estate as it enhances your returns but at the same time increases your risk as well. By financing, you expose yourself to interest rate risk. Meaning, if the interest rates rise, your monthly obligation will increase, and if at the same time your property is vacant it can become difficult to cover your monthly obligations putting your investment in jeopardy.

You can also invest in real estate through indirect channels such as REITS (Real Estate Investment Trusts) or private funds. However, at times these are restricted to accredited investors, require a minimum investment amount, and are often costly. It also provides less transparency on your ownership and little to no control on your investment. It somewhat increases liquidity for your investment. However, your portfolio diversification is reduced, especially with public funds like REITS that are traded on stock exchange which are correlated with stock markets rather than real estate. Explore the legal and fee structures before deciding to invest through one of these channels.

Table 01: Vairt vs Direct Investment

	Vairt	Direct Investment
Capital Required	Low	High
Liquidity	Medium	Medium
Management Fees	Medium	Medium
Diversification	High	Low
Control	High	High

The background of the entire page is a grayscale aerial photograph of a dense city skyline, likely New York City, showing numerous skyscrapers and buildings. Overlaid on this image are several geometric shapes: a large light gray parallelogram in the top right corner, a blue horizontal bar with a light gray trapezoidal extension on the left in the top left, and a similar blue bar with a light gray extension on the right in the bottom left. The text 'HOW DOES IT WORK?' is centered over the city image, with 'HOW' in a thin outline font, 'DOES' in a bold solid font, and 'IT WORK?' in a solid font with a blue underline.

HOW DOES IT WORK?

Crowdfunding

As the name suggests, Crowdfunding is raising small amounts of funds from multiple people to provide capital to a new business or project.

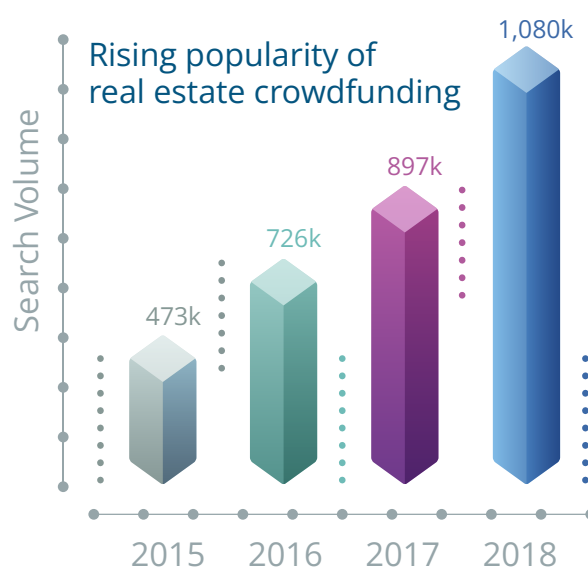
Crowdfunding has been around for more than a decade now. It was essentially started and pioneered by companies like Indiegogo and Kickstarter that allowed people to fund unique ideas and products. The concept was simple. Anyone could create a funding page for their idea or project on one of these sites and others on the platform would contribute money towards that idea or project in return for a reward or the item itself.

This concept really took off in the financial space post 2008 crisis where liquidity had dried up and businesses were finding it difficult to raise or borrow money. Crowdfunding allowed businesses to raise debt or equity from the crowd. Investors in exchange received interest for providing debt or some ownership in the business for providing equity capital.

What is real estate (RE) crowdfunding?

They launched a campaign to raise money from the community to upgrade a building and serve the community. The concept quickly evolved given its appeal and relatability to people. Almost everyone likes to own real estate, yet many people can't afford it as it requires a lot of capital upfront. Crowdfunding allows likeminded people to pool their capital to acquire a real estate asset which they collectively own and share the returns generated from that asset. For example, there is an apartment for \$100,000. Ten people contribute \$10,000 each towards this property. Now they will each own 10% of the property. All returns generated from the property, whether that is rental income or profit from selling the property in the future, will be shared among them.

Each of them will receive 10% share of the returns in proportion to their investment.



Source: Google Keyword Planner

Benefits of real estate crowdfunding?

Crowdfunding breaks barriers and lowers the entry point for real estate.

A crowdfunding mechanism allows you to build a diversified real estate portfolio. Diversification protects you against the concentrated risks of owning only one or two properties. Also, the process of investing in real estate becomes easy, as most crowdfunding platforms are digital, making it completely hassle-free for you to not only invest, but manage your portfolio. The crowdfunding platform would usually do the hard work of conducting due diligence on each property that goes on the platform and curate all the necessary

market information required for you to make an investment decision. This allows you to see only pre-vetted opportunities, hence reducing your time and effort required to find good investment opportunities. A key benefit of this is, it allows you to put your money to work and start generating a steady cash flow through rental income that can be reinvested in other real estate opportunities or other investment products allowing you to compound your investment.

How to take advantage of the market with real estate crowdfunding?

A lot of retail investors get scared during market downturns.

Many savvy investors try to take advantage of market corrections to invest in quality assets as they have a long-term view when it comes to investing. Sadly, most of us don't have enough money saved up to take advantage of market down turns. We are probably struggling in the slow market, or too afraid to take the risk, especially investing in real estate as it requires a lot of one's capital to make an investment.

But not anymore. Models like Vairt's mean that by pooling your (small) amount of investment money together with others, you are able to generate the sort of buying power only the wealthy normally have. For the

average person, this is a great idea, as you are not allocating a majority share of your portfolio into one investment, making you more able to shoulder risk in the current market situation.

In this current low-price market, through a crowdfunding investment, you have the ability to find a good entry point that will provide a good yield. In practical terms, this means you can make a decent return and get paid while you wait for the next up cycle.

By being smart with your money, diversifying your investment into a number of smaller, more manageable pockets, you are giving your wealth the chance to grow.

You are joining forces with other like-minded people, all helping to grow each other's investment.

Most of us don't have the time or ability to continuously hunt for the best property investment deals. Investing in a real estate crowdfunding vehicle means the legwork has already been done. Experts have already researched the markets, worked out where the best possible investments lie, and made risk assessments. It's time-saving, it's convenient, and it mitigates risk as much as you want it to. Of course, as with any investment, it's important that you do your homework to ensure you are investing through a reputable and regulated platform that provides you full protection and complete transparency.

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WHAT **IS** CROWDFUNDING

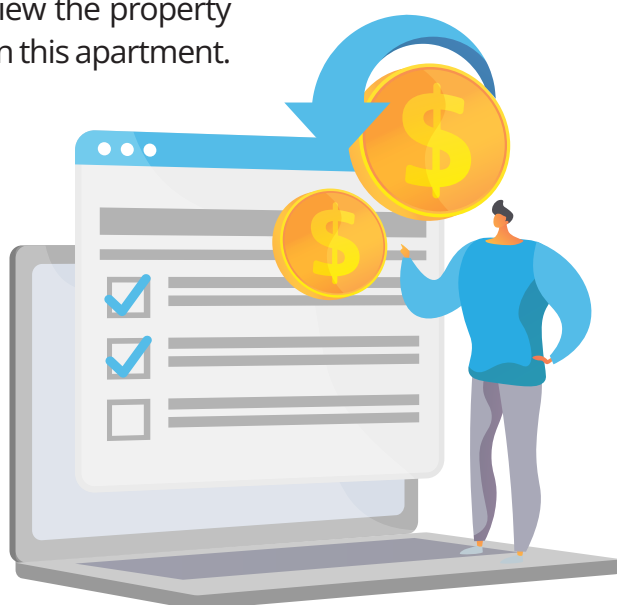
How does it work?

Firstly, you must be registered on the crowdfunding platform to get access to the opportunities listed on it.

After the platform has conducted their due diligence on the property, they will market that opportunity on its platform to its users. You should be able to see all the details about the property, particularly the financial details that list the property price and associated purchasing costs. At this stage, the users of the platform can review the details of the investment opportunity and decide to invest in it. There is usually a time period for the property to be marketed. It can range from a few weeks to few months depending on the geography and type of asset. The platform must reach the funding target during this time frame for the transaction to complete. Example, a one hundred thousand dollars \$100,000 apartment is listed on the platform for 30 days. The total funding target with the property price, plus other closing costs such as agent fees, brokerage fees etc. Let's assume those costs are \$5000. So, the total funding target would be \$105,000. The platform users will then review the property details and decide to invest in this apartment. If they want to

invest in the apartment, they will allocate some capital towards it; meaning they will buy a "fraction" of the apartment. If the real estate crowdfunding platform is regulated, the money will be held in a third-party custodian/escrow account until the total funding target is reached. Once enough users have invested in the apartment to reach the total funding target, the platform will purchase the property on behalf of all the users who invested in that apartment. In the event that the total funding target is not achieved in the allotted time, the funds are refunded back to users without any charges or fees.

Now, these investors will collectively own this apartment and will benefit from the returns generated from it. They will be provided with a personalized dashboard where they will be able to track the performance of their investment.



Who owns the property?

Many platforms offer different structures and its important to understand to ensure your legal protection.

This section will lay out how investments are structured on the Vairt platform, particularly for United States properties. Each investment opportunity that is marketed and transacted on our platform is registered under a LLC (Limited Liability Company). The investors in the property then become shareholders of this LLC and own the property via that LLC, providing them full transparency and legal rights to joint ownership of the property. This provides investors further protection in case Vairt stops functioning. Given that Vairt has no ownership in this LLC and the LLC is a Limited Liability Company, it will continue to exist ensuring your investment is protected.

This structure provides investors full transparency and legal rights on ownership, as well as, protection if Vairt was to cease operation.

Our LLCs are established and registered in the Delaware, USA.





HOW **DO**
I MAKE MONEY ?

How do I make money?

Vairt focuses on ready residential properties.

You will earn dividends on your investment through rental income generated by letting the property. If the property is rented out on monthly rent, you will receive 12 dividends per year. If the property is rented on bimonthly or quarterly rent, you will receive dividends same way. In addition to rental income, you also have the potential to earn returns from price appreciation. If property prices increase during the period the property is held, you will earn capital gains on your investments when the property is sold. For example, if you invested 10% in a property that is worth \$100,000, this would appreciate in value over 5 years to \$ 130,000. This means your initial

investment of \$10,000 would be worth approximately \$13,000 which will be resized when the property is sold. However, if the property prices were to decrease in value, your investment will also decrease in value. In summary, by investing in real estate you can earn regular rental income via dividends and capital gains with property price appreciation. Please note, the value of your Vairt investment can go up or down and historic performance is not a guide to future performance. Achievement of rental and capital returns will depend on a range of factors, including the property asset as well as the wider economy.

How do I sell?

Each investment opportunity has a suggested investment period.

At the end of the investment term all investors can vote to sell their holdings. The property valuation will be made by an independent and State approved appraiser or valuator. This process is outlined below:

- The property is inspected and valued by an independent agency to provide valuation services. Considerations towards any potential liabilities that the investment vehicle may have, outstanding service charges or taxation, are also made before a per share market value is given to the investor.
- This information is provided on the dashboard where the investor can vote on whether to sell at the market value or extend the investment term.
- Where a majority of investors decide to sell the property, it will be relisted on the Vairt platform at the new market value for up to four weeks. This process is similar to the initial crowdfunding of a New Listing.

If this process is unsuccessful, Vairt will commence proceedings to sell the underlying property off the platform. The property will be advertised for sale on the open market at the valuation determined by the independent valuator. Vairt will administer this process. Upon successful completion of the sale, all investors in that property will exit and net proceeds will be distributed to investors. Note that third-party costs, such as legal fees, will reduce the proceeds available for distribution to investors, but Vairt will not charge any fees or make any profit margin on the third-party fees.

However, the Secondary Marketplace should not be considered as a trading facility, where investors relist shares and choose their own price. This is to ensure that relisted shares do not misrepresent the market value of the underlying asset at any given time. Depending on the price you are offering, the opportunity may or may not attract prospective buyers (and therefore may or may not sell). It should be kept in mind that, while the facility provides a potential opportunity for an early exit, there is no guarantee of a completed sale. In this scenario, your opportunity to exit is limited to the above.

Vairt will soon introduce a Secondary Market. Once operational, at any time, you can offer your holdings to other investors on the Secondary Market at a price of your choice. Your co-owners will have the first right of refusal to buy your holding. If there are no buyers, then your holdings will be marketed to all users on the platform. This will give you full control and flexibility on your investment.





EVALUATION OF

REAL ESTATE

CROWDFUNDING

How to evaluate real estate crowdfunding platforms?

Giving access to real estate to the masses has great appeal, hence many such platforms all over the world are being set up.

However, only a few pass the smell test. It is important to understand whether they are regulated and how the investments are structured. Ensure you are not exposed to the operational risk of the platform. Is your investment ring-fenced and protected against fraud? Before considering any investment, make sure you understand how much due diligence the platform does itself. You should raise serious questions about anything that seems unclear.

While real estate crowdfunding is innovating how real estate investment takes place, it is important to understand the cost structure. Ensure you receive value for your money. Evaluate the returns offered on a risk-adjusted basis, and don't allocate your entire investment portfolio on such platforms. Utilize it as an integral part of your investment portfolio.

At Vairt we were cognitive of this and ensure that our platform is regulated, and our legal structure adheres to local rules and regulations. Each property investment is also ring-fenced to protect our investors.

How is it different from REITs?

Let's start with explaining what is Real estate investment trust (REIT) is a trust which collects funds through an Initial Public Offering (IPO) and uses that money to invest and/or develop real estate projects. If its not a publicly traded REIT, then the funds are raised through private placements. These are managed funds where investors are trusting the fund management team to manage their money and make investment decisions. For this, they charge a management fee in addition to other fees related to managing and administrating the funds. The REITS will invest in real estate project and provide a steady dividend income to its investors. The price of a REIT share is usually compared to its NAV (Net Asset Value) which is the market value of all its assets less any liabilities. The REIT share price should be trading close to its NAV. If its trading below its NAV i.e. at a discount, the fund management team is adding zero value and might have other structural challenges; whereas, if its trading above the NAV i.e at a premium, that could be because of the fund, management team or the market sentiment.

There are many similarities between REITs and Real Estate Crowdfunding platforms. They allow investors to balance their portfolios by offering current income as well as long-term appreciation on the underlying real estate assets.

The main difference between the two is that in a REIT you are giving money to someone else to manage and make decisions on your behalf as a paid service. This can be a great strategy if they are able to make you returns to justify their fees. In crowdfunding, you retain the decision-making power and allocate your capital to the assets you want to invest in. This not only empowers you but also provides you full transparency on your investment and ownership. Generally, crowdfunding platforms are a lot more efficient in terms of costs compared to REITs. REITs are heavily regulated hence have more infrastructure costs that need to be covered through higher fees. Crowdfunding also

provides investors better diversification in their investment portfolio compared to REITs, especially publicly traded REITs. REITs often move in similar direction to stock markets compared to direct real estate which is what crowdfunding offers. Given REITs are publicly traded, they are easy to buy and sell. When investing you need to evaluate whether liquidity at the costs of other benefits is justified or not.

Table 02: Vairt vs REITs

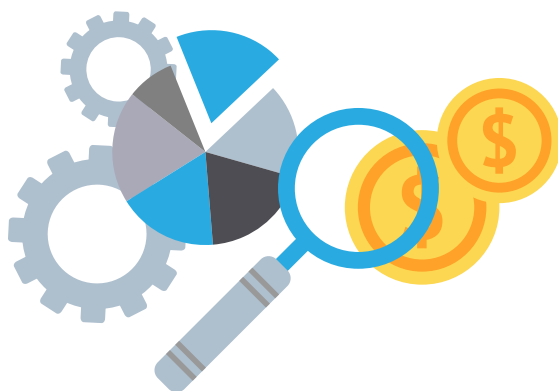
	Vairt	REITS
Capital Required	Low	Medium
Liquidity	Medium	Medium
Management Fees	Medium	High
Diversification	High	High
Control	High	Low

What are the risks?

Like any other investment, there are risks that need to be considered when investing via a crowdfunding platform.

Many of us are not necessarily experts when it comes to real estate investing. You are most likely relying on the expertise of the platform and have to assess the management and team of the platform. You should evaluate their due diligence process and ask them questions to get comfortable that they understand the market and can find good investment opportunities. You obviously have exposure to real estate, so you will be exposed to all those risks, such as loss of property value and loss of rent. Most platforms are relatively new, providing fewer options in the beginning to diversify your risk. The biggest risk is liquidity, as you are investing in a non-tradeable company that

owns the property. It may be difficult to sell your investment because of lack of investors willing to buy such an investment. So, as an investor, you must be prepared to commit to investing for the full investment period.





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