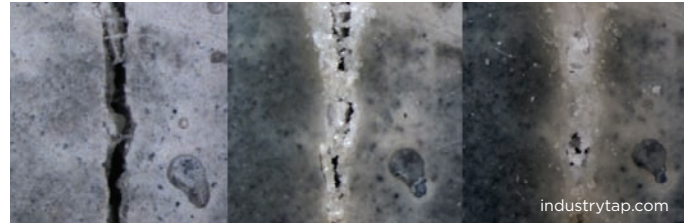


Trend: THE FUTURE HOME IS RESPONSIBLE

Home buyers in general (and up and coming generations in particular) see themselves not only as dwellers and neighbors, but also, as global citizens. Younger dwellers have less interest in homes as status symbols and more interest in homes that reflect their hobbies, causes and personal values.

New Homes are Flexible and Space Efficient

Over the past decade we've seen an increasing move towards urbanization. As of the last census⁵, over 80 percent of US Citizens now dwell in cities. The move downtown has had a significant impact on what buyers seek in urban properties. They own fewer cars, and in areas of the country where space is at a premium, the 3-car garage is more likely to be used as a rentable AirBnB flat. And it's not just in the garage where families are seeking to reclaim space. While the traditional house is built for a nuclear family (Mom, Dad and 2.5 kids), only 20 percent of current households fit that description.⁶ New technologies like moveable walls, flexible floor plans, multifunctional furniture and space-saving solutions are needed to make housing attractive and adaptable for families that change from day to day. This flexibility extends to various ages of dwellers as well. Many "sandwich" families need to support both children and aging parents in the same house. Features such as variable height counters, pull down cabinets and ADA compliant restrooms are expected to look great while keeping all family members safely supported.



enviroboards (made from agricultural waste fiber such as straw and grass). However, customers are especially interested in building products that offer a high-tech edge as well as an ecological halo effect such as cement that absorbs and emits light,⁹ solar roofing tiles,¹⁰ furniture created from corn (biomade),¹¹ and bricks manufactured from cigarette butts.¹²

Over 3.5 billion pounds of carpet and 3.7 trillion pounds of construction debris create landfill annually.¹³

2008 marked the turning point...for the first time ever, the majority of the world's population called urban centers home.⁷

New Homes are Globally Responsible

The notion of being a good global citizen is increasingly important to dwellers—especially younger ones. Dwellers have come to expect smart technology that will help them lower their energy use and costs. Smart thermostats are used to monitor when dwellers are home and what temperatures they prefer.



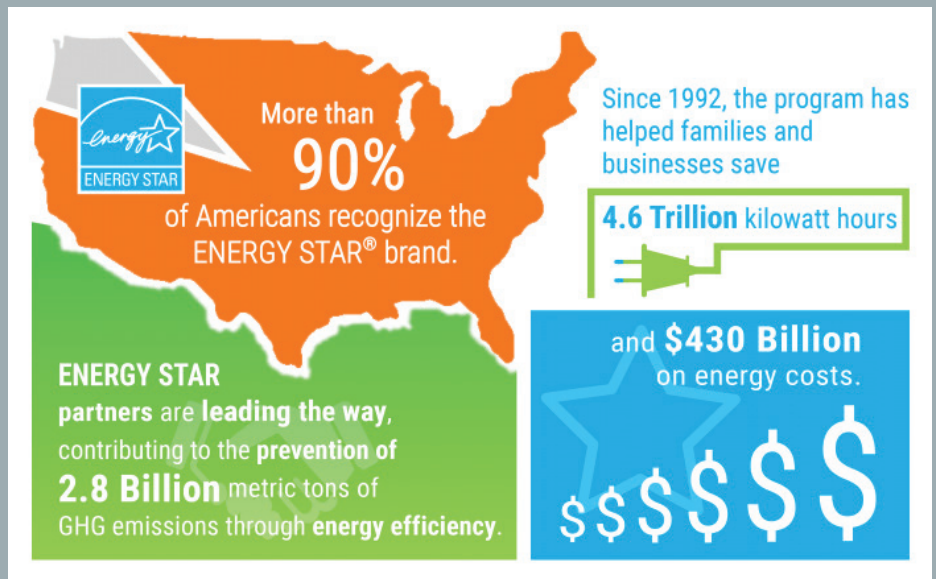
Half of home buyers and renters under 40 years of age actively seek out eco-aware properties, and about one third were willing to pay extra for these features.⁸

Conscious customers are also seeking dwellings built with sustainable materials such as sheep's wool, filterpave (porous pavement made from ground glass and recycled materials), recycled paper, self-healing concrete (made with self-activating limestone producing bacteria), and

New Homes are More Affordable

With an ever-expanding need for affordable housing, some cities like San Diego have even opted to reduce the required number of additional parking spaces required for housing located adjacent to public transportation. Builders are constantly seeking ways to cut costs while retaining high product quality. One important cost cutting measure is utilizing lower-cost/high-tech building materials. Often sold as systems, these building materials may offer better insulation or may protect buildings from earthquakes and fires while simplifying installation and thereby cutting costs.

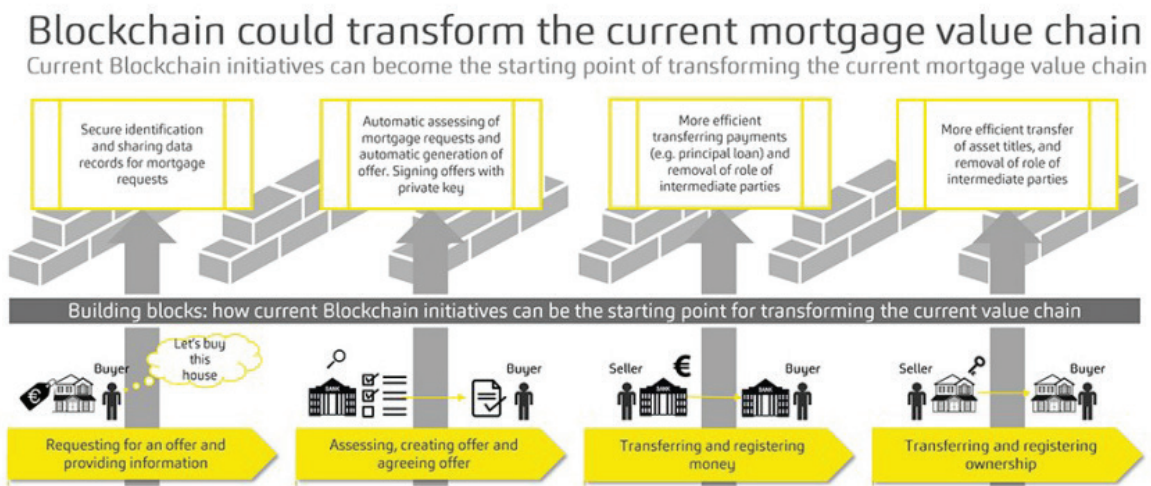
A recent study indicated that across all age groups, 80 percent of those surveyed said that energy-efficient strategies such as ENERGY-STAR appliances, better windows and above code insulation would positively influence their purchasing decision for a property.¹⁴



The New Building Block(chain) of Buying

With average mortgage closing costs (including broker fees, underwriting fees, surveyor fees, loan origination fees, title fees and legal fees) varying between 2 and 5 percent of the overall home buying price, customers are seeking new ways to finance homes. It's no wonder. For a \$250,000 mortgage the buyer can expect to pay anywhere between \$5,000 and \$12,000 just to obtain the money. Enter blockchain, a new type of financing technology that cuts out expensive middlemen and helps home buyers obtain money far more quickly, with far less paperwork and significantly less expense. (Moody's suggests that blockchain-based applications could generate annual savings as high as \$1.7 billion.)¹⁵ So how does blockchain backed financing save the customer so

much time and money? The typical mortgage process is extremely time and labor intensive--requiring information to be gathered and verified from a wide variety of sources. With blockchain, all of the required information could be securely stored on a distributed network where each party can check in on or update information as needed. This would eliminate an enormous volume of paper pushing between entities and potentially cut the mortgage application from several months to several minutes.¹⁶ What's more, several intermediary steps could be removed with the use of smart contracts which are programmed to automatically release funds when certain conditions are met.



Blockchain technology may radically alter the process through which consumers buy a home, as well as the way financial institutions handle mortgages. Specifically, the technology could remove cost and friction from the process, create transaction records that are infallible and incorruptible, and facilitate near-instantaneous settlement.¹⁷