Find your home faster

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Emerging Business Issues & Technology Forum

The best lifestyle focused home search.

OCT 2014
Q: Would you make the largest purchase decision in your life with only *half* the information?
“The base mortgage is just the beginning of your housing costs. On average, you need to add another 40-45 percent to get a more realistic total monthly cost.”

85% currently make a purchase based on mortgage payment alone.
WHAT IS TRUE LIFESTYLE COST?

**MORTGAGE ALONE**

**AFFORDABILITY BASED ON MORTGAGE PAYMENTS**

**HOME #1 PRICE $390,000**
**TIME TO WORK: 60 MINUTES**

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>MORTGAGE</th>
<th>&quot;HIDDEN COSTS&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING BUDGET</td>
<td>$5,000</td>
<td>($1,950)</td>
</tr>
<tr>
<td>MORTGAGE</td>
<td>($1,950)</td>
<td>($1,050)</td>
</tr>
<tr>
<td>&quot;HIDDEN COSTS&quot;</td>
<td>($3,000)</td>
<td>($3,000)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>($500)</td>
<td>($500)</td>
</tr>
</tbody>
</table>

**BOTTOM LINE: OVERBUDGET BY $50/MO AND STUCK IN TRAFFIC LONGER**

**TLC (TRUE LIFESTYLE COST)**

**AFFORDABILITY BASED ON TRUE LIFESTYLE COST SUMMARY**

**HOME #2 PRICE $440,000**
**TIME TO WORK: 20 MINUTES**

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>MORTGAGE</th>
<th>PROPERTY TAXES</th>
<th>COMMUTE</th>
<th>INSURANCE</th>
<th>UTILITIES</th>
<th>MAINTENANCE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING BUDGET</td>
<td>$5,000</td>
<td>($900)</td>
<td>($600)</td>
<td>($300)</td>
<td>($300)</td>
<td>($250)</td>
<td>$450</td>
</tr>
<tr>
<td>MORTGAGE</td>
<td>($2,200)</td>
<td>($900)</td>
<td>($600)</td>
<td>($300)</td>
<td>($300)</td>
<td>($250)</td>
<td>$450</td>
</tr>
</tbody>
</table>

**BOTTOM LINE: SAVINGS OF $450/MO AND 26 LESS COMMUTE HOURS**

TLC (TRUE LIFESTYLE COST) GIVES YOU A MORE COMPLETE PICTURE OF LIVING IN A PARTICULAR NEIGHBORHOOD. WE TAKE INTO ACCOUNT OVER 31 UNIQUE VARIABLES TO SHOW YOU ALL THE "HIDDEN COSTS" OF HOMEOWNERSHIP INCLUDING LOCAL PROPERTY TAXES, COMMUTE COSTS, UTILITY COSTS, AND MUCH MORE.
Our Mission: Add a little “TLC” when buying a home

- Promote homebuyer education and transparency via unique TLC (or True Lifestyle Cost) search engine
- Display “total costs” of home ownership and discover value in homes that buyers may have initially overlooked
- Encourage healthier & sustainable lifestyle choices and provide energy-efficiency tips
- Empower Real Estate Agents and increase loyalty
Recent Center for Housing Policy Report

Uninformed decisions cost people thousands of dollars when moving or changing jobs.
Homebuyers find surprising value - TLCengine home search:
3BR/2BA Home, Dual income married couple w/ no kids who both work in NYC

<table>
<thead>
<tr>
<th>House</th>
<th>Location</th>
<th>Mortgage</th>
<th>Commute Time</th>
<th>TLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500K</td>
<td>Princeton</td>
<td>$2,334</td>
<td>60-80min</td>
<td>$4,600</td>
</tr>
<tr>
<td>$500K</td>
<td>Bridgewater</td>
<td>$2,334</td>
<td>75-90min</td>
<td>$4,500</td>
</tr>
<tr>
<td>$600K</td>
<td>Jersey City</td>
<td>$2,813</td>
<td>20min</td>
<td>$3,700</td>
</tr>
<tr>
<td>$600K</td>
<td>Hoboken</td>
<td>$2,813</td>
<td>20min</td>
<td>$3,800</td>
</tr>
<tr>
<td>$700K</td>
<td>Jersey City</td>
<td>$3,328</td>
<td>20Min</td>
<td>$4,200</td>
</tr>
</tbody>
</table>

TLC (true lifestyle cost) data includes housing, transportation, and lifestyle costs.
### Additional Example: Washington DC

<table>
<thead>
<tr>
<th>House</th>
<th>Location</th>
<th>Mortgage</th>
<th>Commute Time</th>
<th>TLC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$560K</td>
<td>Fairfax</td>
<td>$1,950</td>
<td>60-80min</td>
<td>$4,800</td>
</tr>
<tr>
<td>$560K</td>
<td>Bethesda</td>
<td>$1,950</td>
<td>60-80min</td>
<td>$4,440</td>
</tr>
<tr>
<td>$700K</td>
<td>Arlington</td>
<td>$2,437</td>
<td>20min</td>
<td>$3,700</td>
</tr>
<tr>
<td>$700K</td>
<td>Alexandria</td>
<td>$2,437</td>
<td>20min</td>
<td>$3,800</td>
</tr>
<tr>
<td>$800K</td>
<td>Arlington</td>
<td>$2,785</td>
<td>20Min</td>
<td>$4,200</td>
</tr>
</tbody>
</table>

- **TLC (true lifestyle cost)** data includes housing, transportation, and lifestyle costs.
Promote healthier lifestyles and “Green” living

• Less Commute Costs saves CO2

• Explore Home Energy Efficiency tips including Alternative energy (eg. Solar, Wind)

• In Sociology, theory of “Third Places”
  – First Place: home
  – Second Place: work
  – Third Places: the places “in between” that build community (eg. yoga, sports, etc) and can be increased with shorter commutes
We are getting many points of data from different sources
“Big Data”
What we do is convert all those data points and filter out what is most important to you
By connecting the data we make meaning and allow you to take “actionable” decisions
Multiple Listing Service (MLS)

Sources of Data
- Data from public & private data sets which range from national to local zip code level
- Some data updated daily eg. Gas & APR

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Automated Calculators

TLCengine automates them for every home in the MLS:

- Mortgage calculator – Using current rates
- Affordability calculator – Based on Banking Rules
- Tax savings calculator – from IRS Guidelines
- Home insurance calculator
- Commute calculator – Public Transportation/Car – distance, time, maintenance, insurance
- Mortgage term comparison
- Gross to Net calculator based on local/state/federal taxes
- Debt reduction calculator
- *Customer has a choice to personalize this further*

*Note that TLCengine® is a comparative tool — your actual costs of owning a particular home will vary depending on your personal circumstances, such as your FICO score, type of heating/cooling system, age, others.*
Detroit Lakes Public School District

Detroit Lakes Senior High School
Public 9-12
1301 Roosevelt Ave
Detroit Lakes, MN 56601

Detroit Lakes Alternative Program
Public 9-12
826 Summit Ave
Detroit Lakes, MN 56601

Detroit Lakes Area Learning Center
Public 9-12
826 Summit Ave
Detroit Lakes, MN 56601

Afterschool Program

Terms and Disclaimer Submit Support Ticket

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Millennials (age 18 to 35) & Future of Real Estate

- 75% place a premium on “walkability” of neighborhoods

- Majority prefer to live in locations that offer more convenient access to shops, restaurants, transit & their place of work

- Strong emphasis on eco-consciousness and community building

Thank You

Q&A

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