

# Rex

## A decentralized listing and transaction platform for real estate

### Overview

Rex is a US and Australian operated startup seeking to disrupt the real estate industry by utilizing ethereum smart contracts to streamline the listing and sales process of physical real estate.

The company has two main goals:

- 1) to reward participants including brokers and agents for crowdsourcing and contributing relevant information relating to new properties
- 2) create a platform and protocol to allow the purchase, sale and land ownership transfer to be held entirely on the blockchain

Rex has released several 'Alpha-stage' demos to convey the vision of future development ([found here](#)).

### Token Sale

Under the code REX, Rex is raising a maximum of ~\$30m (133k ETH) for development and commercialization of the platform.

As detailed in the company's white paper, only 50% of the tokens are being sold in the crowd sale, while approximately 27% are kept and vested by founders, angels and advisors of the ICO.

The white paper does not detail a breakdown of future expenditure of operation costs or where the funds raised are going.



## AVOID



### General

Incorporation:	NA
Team:	Transparent
White Paper:	<a href="#">Available</a>
Stage:	Pre-Alpha
Sale Period:	31 July - August 25 2017
Website:	<a href="#">Click here</a>

### Sale Info

Pricing:	1000 REX/ 1 ETH
Accepted:	ETH
Min Goal:	N/A
Cap:	133,000 ETH
Escrow:	NA
Bonus:	<a href="#">View here</a>

### Bonus structure

Stage 1:	1000 REX/ 1 ETH
Stage 2:	900 REX/ 1 ETH
Stage 3:	800 REX/ 1 ETH
Stage 4:	700 REX/ 1 ETH

### Checklist

Management team:	✓
Product definition:	⚠
Commercial viability:	⚠
Volume/interest:	⚠
Fulfilment:	—

## Tokens for Investors

The REX tokens are used as both a rewards system for contribution of data as well as a transactional element for the right to advertise listings on the Rex Platform. Investors seeking to buy the tokens at ICO will gain value by either utilizing them on the platform as a member, or alternatively selling them on the exchange when it becomes available.

## Commercial Strategy & Roadmap

Rex's has a two-phase commercial approach involving 1) building the platform as a community rewards and listing environment (MLS) and then 2) developing the infrastructure further to facilitate actual real estate transactions.

Whilst the dynamics of phase (1) may be an exciting and marketable proposition to those within the real estate industry, it is essentially another real estate platform backed by a rewards component. Such ventures are capital and marketing intensive and will likely be subject to high operating costs.

As for phase (2) real execution would be the catalyst to make Rex a truly successful company.

Unfortunately, the regulatory landscape and segregated industry of real estate and land ownership means that Rex faces many hurdles, some of which are also acknowledged in the [Rex white paper](#).

## Management

The management team consist of two co-founders with some knowledge of the real estate and blockchain market. It would appear that Stephen King is based in New Jersey, USA and Russell is based in Sydney Australia.

There are no developers mentioned within the team.



### Stephen King - Principal & Co-founder

Experience in real estate. Since 2013 has been principal of King Realty Group in Princeton.



### Russell McLernon - Principal & Co-founder

15 years experience in enterprise software with ~7 years of experience in blockchain.

## Strengths

- The process of transacting and transferring ownership of land is still extremely inefficient. The creation and successful deployment of infrastructure to ease this would provide significant benefit to the entire ecosystem.
- The Rex team appear to have a strong advisory board, although it is unclear as to how much input they will have.

## Weaknesses

- The white paper produced by Rex details little information regarding the technology side or future roadmap (and timings) of the venture.
- Phase (1) of the initiative is purely an online real estate portal with tokens being used for rewards and listing fees. In its most simple form, we cannot say that blockchain is a necessity for this type of business model.
- Phase (1) will require a significant amount of marketing and education in the market to be successful. We do not see sufficient allocation of capital detailed within the white paper to this.
- Whilst Phase (2) of the of the business roadmap is a disruptive and exciting concept, we do not believe that regulators will accept/allow it, nor do we believe that all other parties in the real estate transaction process would adapt to it (banks, conveyancers, legal, brokers). Furthermore, companies such as PEXA in Australia have already created such a solution without the need for blockchain (they are supported by the banks).
- Approximately 27% of the tokens are being held between the management team, advisors and 'angels.' We find this significant by any standard and believe that it is an opportunistic move by the management team.
- Aside from one of the co-founders, there is no mention of other developers, designers or product managers.
- The white paper failed to show a budget. If Rex raise their maximum cap of ~\$30m, we do not know exactly how the money will be spent or what development/marketing costs are involved.
- Whilst there are pre-alpha demos available, we have not found any functionality that would give the platform a unique value proposition (UVP).

## Conclusion

Rex is a highly speculative and risky opportunity for ICO investors.

Whilst some effort has been put in by the team to create a nice looking website, a number of demo videos and a pre-alpha platform, we feel that these are purely for the 'marketing-factor' and successful commercialization of the venture will be very unlikely.

We acknowledge the need for commercial transactions to be on the blockchain as a more efficient process, however we do not believe that regulators, nor industry participants will allow the platform to penetrate the market.

In brief, our negative view is due to the following:

- The white paper lacks detail regarding budget, expenditure, use of proceeds and timelines
- Phase (1) of the project does not provide a strategic advantage and will come at a very high marketing cost
- Phase (2) of the project has little chance at penetrating the market due to regulation and pushback by market participants
- The white paper does not detail the technical workflow of phase (2)
- The management team and advisors are taking a significant amount of the tokens

The above five points raise red flags and are signs of a company seeking a capital injection for a concept stage idea.

As a result of the preceding, we believe there is a significant amount of risk associated with long-term holding of the REX tokens and advise investors to **Avoid** participation in the ICO.

## Ratings Overview



Either at concept stage, lack of commercialization/conviction or bordering a Scam.



The company/tokens have merit, however there are questionable attributes and involves significant risk.



An investment worthy opportunity that should be considered and a healthy balance of risk vs return.



A good opportunity with no significant weaknesses and a clear path of commercialization.



A high conviction opportunity of investment with no visible weaknesses.

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### **SCAM**

A fraudulent initiative to be avoided at all costs.

### **AVOID**

Participation will likely result in all capital lost.

### **RISKY**

Due to a variety of factors, investment is associated with high risk of losing capital.

### **HOLD**

Usually occurring in an updated release of coverage to advise maintaining current levels of position sizing.

### **SPEC BUY**

A speculative opportunity for investors with a higher risk tolerance.

### **BUY**

A high conviction buying opportunity.

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