

Talking to Clients in a Changing Market

July 7, 2022



Our Mission

**Divvy was founded
to make homeownership
accessible to everyone—
*now more than ever.***

Agenda

- The Changing Economic Times
- The New Divvy Customer
 - Profiles and talking points
- The Cost of Divvy VS. Traditional Brokerage
 - Resources to share with clients
- Taking Action
 - Auditing and energizing your network
- Why Work With Divvy?
- Q&A with Divvy Homes CEO and Cofounder Adena Hefets

Talking to Clients in a Changing Market

Divvy was built for times just like these.

We know inflation and rising interest rates are making it harder to motivate leads, close homes, and grow your business.

We also know that Divvy can help.



Talking to Clients in a Changing Market

How Divvy can help

Our program is full of solutions for people who need a stepping stone between renting and traditional mortgages.

And there are more people in that very position every day.

We're here to help you help them.



The New Divvy Customer

Traditionally, our customers have been those who don't yet qualify for a mortgage.

Our most common barriers include:



Needs help saving up for a down payment



Wants or needs a competitive cash offer



Needs time to improve credit score



Wants the flexibility to try before they buy



Is self-employed or recently got a new job

Today, our product is positioned to be the perfect solution for even more customers.



COST-OF-LIVING AND INTEREST RATE INCREASES



“I can’t afford it.”

These customers now feel it’s a king’s market, with no place for them.

Our task:

Show clients that Divvy can make their dreams affordable.



DECLINE IN GENERAL ECONOMIC CONFIDENCE



“Now is not the time.”

These customers now feel forced to wait on the sidelines, at least temporarily.

Our task:

Show clients that with Divvy, they don’t have to (and shouldn’t) postpone.

When you can recognize your customers' concerns, you're better able to help them reach their goals.

Reduced Purchasing Power	Reduced Cash Flow	Fear of Commitment	Fear of Lost Liquidity	Low Economic Confidence
<p>THEY ARE...</p> <p>Frustrated that higher mortgage rates are putting their dream homes out of reach</p>	<p>THEY ARE...</p> <p>Feeling the squeeze of inflation, and are hesitant to take on additional monthly expenses</p>	<p>THEY ARE...</p> <p>Afraid of getting locked into a mortgage with a high interest rate</p>	<p>THEY ARE...</p> <p>Afraid to use their savings when cost of living is increasing and a recession is possible</p>	<p>THEY ARE...</p> <p>Overwhelmed by market changes and economic trends, and feel more comfortable waiting it out</p>

Fear of Commitment

PRIMARY PROBLEM

Higher interest rates

WHAT THEY WANT

To avoid signing a mortgage at peak interest rates

SELLING POINT

With Divvy, you're always in control, and can start benefiting from your home's appreciation with low risk.

WHY DIVVY IS RIGHT

With Divvy, your pre-set price doesn't change no matter how much your home appreciates—and you always have the **freedom to walk away** (minus a 2% relisting fee*).

“

**If I buy a house now,
I'll get locked into a high
interest rate for 30 years.**

**30-year mortgage rates crossed
the 6% mark in June for the first time
in a decade.**

6%

Deterred by Reduced Purchasing Power

PRIMARY PROBLEM

Higher interest rates

WHAT THEY WANT

To live in the kind of home they've been dreaming of without compromising

SELLING POINT

With Divvy, you can still move into your dream home and start building equity—all without a mortgage payment inflated by high interest.

WHY DIVVY IS RIGHT

With Divvy, your purchase price is pre-set for the next 3 years, giving you the power to **secure your mortgage after waiting out the market.**

“

**At these interest rates,
I'll never get the house
I want for the monthly
payment I can afford.**

**Increased interest rates have caused the
typical monthly payment to rise 27%
higher than last year.**

+27%

Deterred by Reduced Cash Flow

PRIMARY PROBLEM

Higher cost of living

WHAT THEY WANT

To get on the path to homeownership without stretching their monthly budget too far

SELLING POINT

With Divvy, you can enjoy the stability of homeownership without spending an arm and a leg every month.

WHY DIVVY IS RIGHT

With Divvy, **every cost is 100% predictable**—from your monthly rent to your home purchase price—for a full 3 years.

“

With these gas prices and inflation, I just can't handle a big house payment.

The cost of living index increased 8.6% over the last 12 months—the largest 12-month increase since 1981.

+8.6%

Fear of Lost Liquidity

PRIMARY PROBLEM

Higher cost of living

WHAT THEY WANT

To move in without losing the peace of mind that comes with a cash savings cushion

SELLING POINT

With Divvy's low upfront costs, you can live in your dream home while keeping more of your hard-earned savings for a rainy day.

WHY DIVVY IS RIGHT

With Divvy, **your initial payment is just 1-2%** of your home's purchase price, and we cover the initial closing costs for you.

“

I can't wipe out my savings right when everything costs more.

Today's personal savings rate is just 5.4%—about half what it was this time last year.

-48%

Low Economic Confidence

PRIMARY PROBLEM

General economic uncertainty

WHAT THEY WANT

To wait out the storm in comfort and safety by minimizing risk

SELLING POINT

Divvy puts the security of single-family homeownership within reach—without any of the risk of long-term commitment.

WHY DIVVY IS RIGHT

With Divvy, a low initial payment and **built-in savings that stay yours** put you on a path to homeownership no matter where the market goes.

“

**It's scary out there.
Who knows what will
happen next? Best to stay
put and play it safe.**

Housing supply could actually continue to decrease as would-be sellers—sitting on very low mortgage rates for their current homes—postpone their plans to move.

So how does Divvy compare?

How does Divvy stack up against other options? (2/5 build)

Rental

INITIAL PAYMENT

Security Deposit	<i>One month rent</i>	\$2,375.00
Application Fee		\$50.00

Total Initial Payment \$2,425.00

MONTHLY COSTS

Rent		\$2,375.00
Savings		0
Property Taxes		
Homeowners Insurance	Paid by Landlord	
Maintenance		
Mortgage Insurance		

Total Monthly Payment \$2,375.00

Divvy (2% down build to 5%)

INITIAL PAYMENT

	<i>% of home price</i>	
Initial Payment	2.00%	\$6,000.00
Mortgage Application Fee		
Mortgage Insurance		Paid by Divvy
Closing costs		

Total Initial Payment 2.00% \$6,000.00

MONTHLY COSTS

Rent		\$2,375.00
Savings		\$275.00
Property Taxes		
Homeowners Insurance	Paid by Divvy	
Maintenance		
Mortgage Insurance		

Total Monthly Payment \$2,650.00

Mortgage (3.5% down payment, 6.5% interest rate)

COST AT CLOSING

	<i>% of home price</i>	
Down Payment	3.5%	\$10,500.00
Mortgage Application Fee	0.17%	\$500.00
Mortgage Insurance	1.75%	\$5,066.25
Closing costs	2.50%	\$7,500.00

Total Initial Payment 7.86% \$23,566.25

MONTHLY COSTS

Payment toward Interest	\$1,568.13
Payment toward Principal	\$261.71
Property Taxes	\$375.00
Homeowners Insurance	\$187.50
Maintenance	\$125.00
Mortgage Insurance	\$241.25

Total Monthly Payment \$2,758.59

Home Price \$300,000

Mortgage Rate	6.5%
Taxes	1.5%
Homeowners Insurance	.75%
Maintenance	.50%
Mortgage Insurance	1.75% upfront 1% annually

How does Divvy stack up against other options? (2/5 build)

Divvy (2% down build to 5%)

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With Divvy, your initial payment is **\$17,566.25 less** than with a mortgage. This is because a mortgage requires a larger down payment and as well as taxes and fees.

With Divvy, more of your payment goes towards savings in your home over the first year of the lease than you would in the first year of a mortgage.

With Divvy, your monthly payment is **\$108.59 less** than with a mortgage.

What to do next?

Take another look at your network!

Reach out to potential first-time buyers.

This includes:

- Clients who were previously not approved for a mortgage
- Clients who have been approved but haven't converted yet
- Clients who were approved but are now uncomfortable with higher interest rates
- Clients looking for rentals who may not know about the option to rent-to-own

Many would-be buyers are feeling disappointed that they might need to put their goals on hold, making a lease to own option even more exciting.

You may not have considered it before, but rent-to-own might be a good option now—especially with mortgage rates increasing.

Still looking? Given the current interest rate hikes some of my clients are choosing rent-to-own—they get into the house of their dreams without a big down payment or locking themselves into a mortgage.

Still interested in becoming a homeowner? Ask me about our new program that helps you move in now while you wait out the market.

Next Steps

Reach out to clients with a lease renewal coming up.

Rent continues to soar, thanks to an overall shortage of rental properties and rising mortgage rates keeping even more tenants in place.

With no signs of demand cooling, we expect that year-over-year rent hikes will continue. And some may be catastrophically sudden and large.

With Divvy, you get the security and stability of knowing exactly what your rent will be for the next 3 years.

Plus, why not use your time renting to build towards your dream of owning with built-in savings and a preset purchase price!



SINGLE-FAMILY RENT PRICES CONTINUE TO RISE DRAMATICALLY YEAR OVER YEAR

Single-family rent prices are up an average of

14%

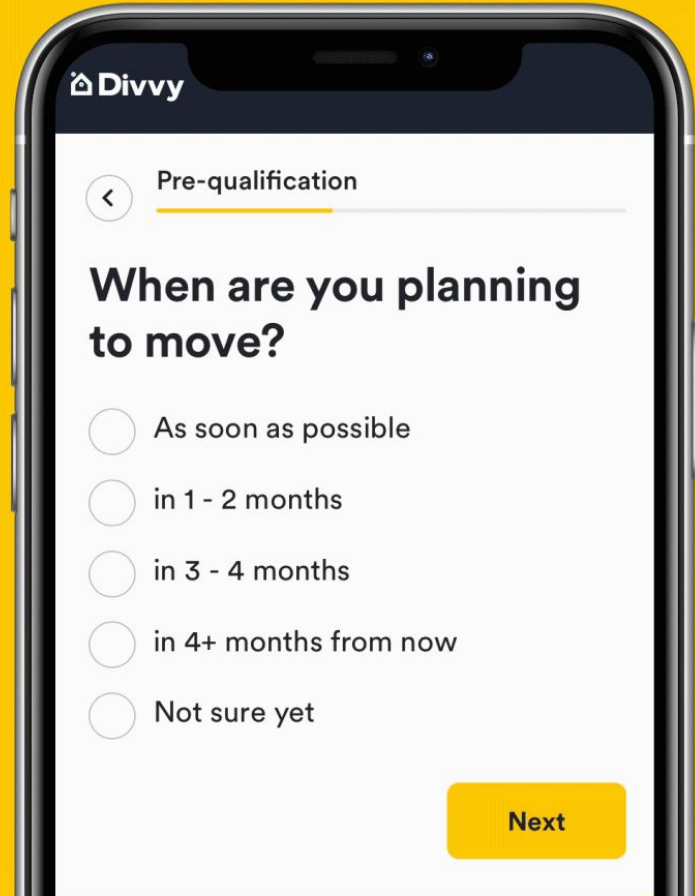
Orlando	+25.8%
Phoenix	+17.8%
Dallas	+14.3%
Atlanta	+13.2%
Houston	+9.8%
St. Louis	+8.2%

Next Steps

Reach out to clients who didn't previously qualify for Divvy—but might now.

Product update! We are always looking for ways to remove friction in our product. So we've recently removed our proof of funds requirement. We've found that many previously declined clients are actually now more likely to qualify.

Encourage them to prequalify again!



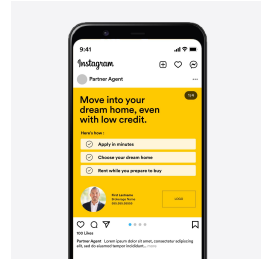
Remarket Divvy on your social channels!

Now is the time to re-engage with your network and expand it! Remind them that the current economic climate is no reason to give up on their dream of homeownership.

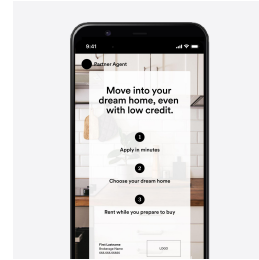
Guidelines and Tips: You can find guidance on all types of marketing including social, emails, SMS and print [here](#).

Downloads: You can find all the marketing assets on the Agents Landing Page [here](#).

Reminder: Be sure to include your unique client sign up link. A video on how to make one is [here](#).



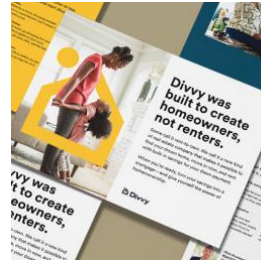
Social In-Feed Posts



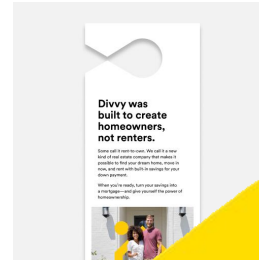
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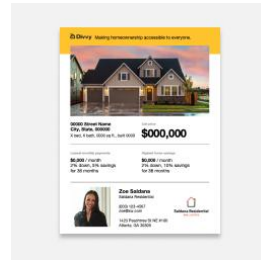
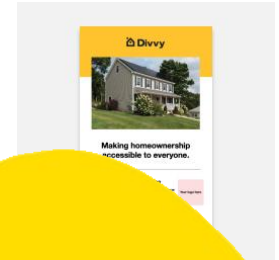
Email and Text Campaign



Postcards



Door Knock



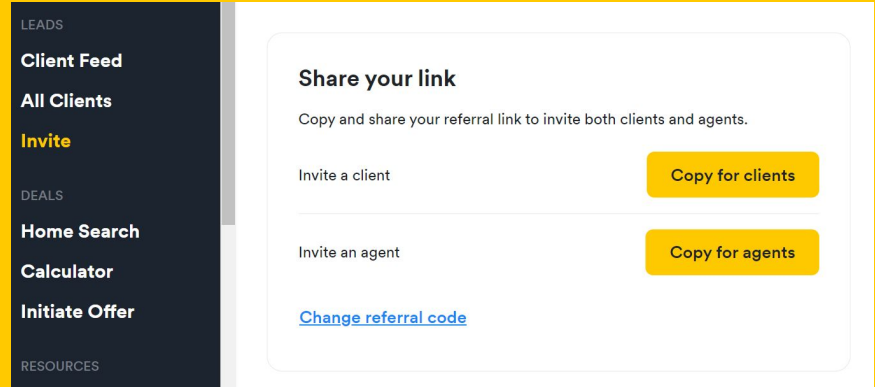
Listing Flyer

...AND
Enter our
July Social Media
Marketing Contest
for a chance
to win \$500.

Finding your personalized Divvy invite page

In your agent portal, you will see an **“Invite”** section. This tab has unique URLs you can use to link to your social media posts or include in emails/newsletters to prospective clients.

This link ensures that you will be connected to anyone who signs up as a result of your message. It also makes it easier for us to let you know when your contacts are applying.



Action Steps: In Summary

1

Review your existing clients, former clients, and contacts.

- Do any of them seem like likely first time buyers, renters whose lease is expiring soon, or are they people who couldn't qualify for Divvy before?
- Who among your contacts might respond to messaging based on the economic concerns we talked about?

2

Schedule targeted outreach

Phone calls, bulk emails, or texts to set up time to discuss how Divvy might be a good fit for your client giving the changing economy. Use the talking points in the presentation to address common concerns

3

Engage your wider network with Social Media Posts

“Divvy’s lease to own program might be the more affordable option to purchasing a home right now!”

- Engage your current followers
- Make public posts to attract new leads
- Share your unique Divvy Agent referral link
- Get excited about our Agent Social Media Contest

Why work with Divvy?

Divvy helps you grow your business ...and the program really works.

Earn full commissions

In 2021, top-performing agents each generated over \$60,000 in commissions from Divvy sales alone.

\$60k

~2 week close with an all-cash offer

Our average time from offer to closing is just 19 days.

19days

Fuel your business for the future

Our top-performing agents close an average of 9 additional homes per year with Divvy.

+9homes

Who's right for Divvy—right now.

Reduced Purchasing Power

THEY ARE...

Frustrated that higher mortgage rates are putting their dream homes out of reach.

DIVVY SELLING POINT

With Divvy, your purchase price is pre-set for the next 3 years—which means you can move into your dream home now and **secure your mortgage after waiting out the market.**

Fear of Commitment

THEY ARE...

Afraid of getting locked into a mortgage with a high interest rate.

DIVVY SELLING POINT

With Divvy, getting on the path to homeownership is a low risk option because your pre-set price doesn't change no matter how much your home appreciates— and you always have the **freedom to walk away***.

Reduced Cash Flow

THEY ARE...

Feeling the squeeze of inflation, and are hesitant to take on additional monthly expenses.

DIVVY SELLING POINT

With Divvy, you get stability without overspending because **every cost is 100% predictable**—from your monthly rent to your home purchase price— for a full 3 years.

Fear of Lost Liquidity

THEY ARE...

Afraid to use their savings when cost of living is increasing and a recession is possible.

DIVVY SELLING POINT

With Divvy, you'll hold onto more of your savings because **your initial payment is just 1-2%** of your home's purchase price, and Divvy covers the initial closing costs.

Low Economic Confidence

THEY ARE...

Overwhelmed by market changes and economic trends, and feel more comfortable waiting it out.

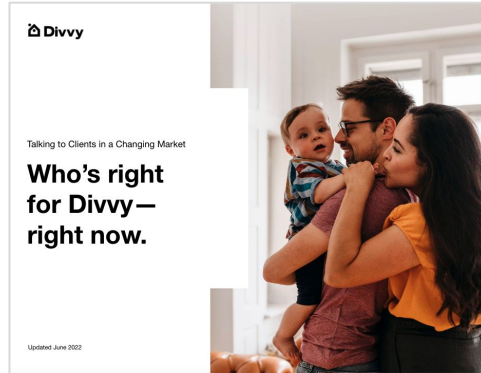
DIVVY SELLING POINT

With Divvy, a low initial payment and **built-in savings that stay yours*** put the security of homeownership within reach no matter where the market goes.

Helpful Resources



How Divvy Compares
Help your clients compare Divvy to the cost of a traditional mortgage or rental.



Who's right for Divvy
Talking points to help your clients understand the value of Divvy right now.

Q&A with Adena Hefets, Cofounder and CEO of Divvy Homes



Divvy Agent Team



Agent Support
Providing support
specifically for agents

Email: partners@divvyhomes.com

*(For client specific questions,
please include email address!)*

Call: 833-600-0096, option 2

FAQs for your clients:

help.divvyhomes.com

FAQs for Agents:

<http://agents.divvyhomes.com/en/>

Sign up for your free,
On-Demand Agent
Learning Portal

[Learning Portal Here](#)

Equipping you with tools, tips,
tricks and marketing strategies

Attend “Boost Your Business”
webinar series and Marketing
Strategies webinars to help you
master Divvy

When you go under contract,
you’ll be introduced to your Agent
Success rep to guide you through
your first deal.

Thank you