



A Decade of Deals and Dreams

Exploring Kiavi's Journey of Innovation, Growth, and Partnership in Real Estate Investment Financing

The dream of building a real estate portfolio is alive and well—and financing innovation over the past decade has helped bring it to more new real estate investors than ever before — benefiting communities, investors and renters alike.

It's been a great decade to be a real estate investor. In the years between 2013 to 2023, residential real estate investing (REI) has been steadily growing as a pathway for everyday Americans to realize their dreams of generational wealth and financial independence. Opportunities for real estate investors have skyrocketed with growing demand for move-in-ready homes as an increasing number of households are looking to rent and buy turn-key single-family homes. More than half of REIs (60%) are local "mom-and-pop" investors and small business owners who care about investing close to home, bringing much-needed housing into neighborhoods through renovation and repurposing existing but under-improved homes. These investors bring a community-based mindset to their investments, revitalizing the country's aging housing stock for generations to come.

Sustained demand for rental housing is at historical highs, creating a steady stream of cash flow for real estate investors. In recent years, the number of single-family renter households has surged. In 2001, 10.9 million renters lived in single-family homes, according to data from "The State of the Nation's Housing 2023" report by the Joint Center of Housing Studies at Harvard University, and that number was up to 14.3 million (33%) in 2021.¹ This growth in the market means that, despite fluctuations in recent years, there were 3.5 million more single-family renter households in 2021. At least part of this influx of renters who live in single-family homes today can be attributed to the expansion of housing stock availability.

Additionally, U.S. housing stock is growing older every year, as a decline in residential construction has curbed the availability of new homes. According to the U.S. Census Bureau, in 2019, owner-occupied homes were a median age of 39 years old, nearly double the median age of 23 in 1985.² As demand



for more move-in ready homes continues to grow, residential real estate investors looking to fix and flip older homes are a crucial piece in the complex puzzle that is the housing market, creating affordable, move-in-ready homes with key updates and modern amenities.

Local investors are not only contributing to the vitality of their communities, but they are also playing a pivotal role in expanding access to quality housing. By investing in single-family homes and making them available for rent, they provide a crucial bridge to homeownership for countless individuals and families.

Kiavi's Evolution – 2013 v 2023

Kiavi is Celebrating its 10th Anniversary

A lot has changed over the past decade, and Kiavi has changed, too. From its high-growth venture start-up days, Kiavi has evolved into one of the largest national lenders that have funded more than \$16 billion in investment property loans, enabling mom-and-pop REIs to achieve their dreams with Kiavi's data-driven approach to financing.

When Kiavi (then called LendingHome) was founded in 2013, the lending industry was still lagging behind in terms of technological advancements, which created barriers to securing financing under meaningful timeframes in the rapidly moving residential real estate markets. Kiavi was a pioneer in reimagining the future of investment property lending, harnessing the power of data analytics and automation and disrupting the inefficiencies of dated processes. By putting a focus on technology and helping smaller investors get a head start, Kiavi changed the game for residential real estate investing. Today, Kiavi borrowers can expect to access personalized, transparent pricing and on-demand capital.

Kiavi's tech-forward approach has kept a culture of embracing change alive within the company throughout its first decade in business. Like many companies, Kiavi made the decision to go fully remote when the pandemic hit. During this time, Kiavi's tech-first approach was validated. Operating on cloud-based systems, the company was able to expand from its two hubs to tap into a much deeper talent pool, expanding its workforce geography to anywhere in the country. Since shifting to a remote work culture, Kiavi continues to find innovative ways to keep our teams working in sync even



when thousands of miles apart.

Today, Kiavi is spearheading the transformation of investment property lending with an unwavering commitment to data-driven technologies, advanced AI, and machine learning models. These technologies are not just reshaping the operations of REIs by democratizing access to capital, enabling small-scale and novice investors to chase their entrepreneurial visions.

Kiavi's technological advancements allow the company to differentiate, offering unparalleled speed and customized lending solutions, even as traditional lenders are entangled in cumbersome, outdated models and paper-based processes. They're empowering real estate investors by dismantling conventional borrowing hurdles and automating manual, time-intensive steps, delivering swift and tailored funding solutions for various real estate investment projects.

Kiavi's commitment to technology empowers investors to close faster, make informed, data-driven decisions and succeed in a competitive marketplace, significantly enhancing the scope, scale, and success of their investment portfolios. Our platform's innovative features make accessible interactions a priority, underlining our resolve to make real estate investment a seamless experience.

Kiavi in a Snapshot

- Unlocked Value for REIs: **\$4.1 billion**
- Number of Funded Projects: **65,000**
- Number of Borrowers: **17K+**
- Percentage of Kiavi Projects with Successful Exits: **95%**
- Percentage of Transactions with Repeat Customers: **82%**
- Number of Operating States: **32 states + DC**
- Number of Lending Products: **6**
- Number of Office Locations: **2** (San Francisco & Pittsburgh)
- Number of Employees: **311**



Market Trends – 2013 v 2023

As the lending business recovered from the global financial crisis and evolved into a booming, resilient industry, investors benefited from both high demand for real estate and technology innovation. Though individual real estate investors have long been in the industry, financing wasn't evolving to serve them before the housing crisis of 2009. The crisis forced a reckoning; the industry had had a wake-up call and knew it had to evolve to bring efficiencies and improve the financing experience for both homeowners and real estate investors. At the same time, institutional capital from prop-tech and fintech initiatives became available to fund new financial technology companies and financial innovations, opening the door for Kiavi's launch.

In an era of increased transparency and customer-centricity today, borrowers now expect seamless, user-friendly online experiences, and lenders have responded by simplifying application processes and providing real-time updates. Ethical marketing practices and financial education have taken center stage, ensuring borrowers are better able to make informed decisions. Overall, the lending sector has adapted to the digital age, making the journey from initial interest to homeownership more efficient and consumer-friendly. Because of this, investors are breathing new life into cities across the country, opening opportunities in unexpected places and helping to create the communities of tomorrow.

2013 vs 2023	2013	2023 YTD
Mortgage Interest Rates ³	3.98%	7.21%
Number of Single Family New Construction Houses Completed ⁴	569,000	1,018,000
Fix and Flip Transaction Activity, Percentage Represented	4.6% of all U.S. single family home sales in 2013 ⁵	9% of all home sales in Q1 2023 ⁶
Number of Renter-Occupied Households	40.2M or 30% of US Households ⁷	4.1M or 35% of US Households ⁸
Average Single-Family Home Price	324,500 ⁹	422,550 ¹⁰
Existing Home Inventory	5.2 months supply ¹¹	3.1 months supply ¹²

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Hottest Residential Markets 2013¹³

1. Houston, TX
2. San Francisco, CA
3. Bethesda-Rockville-Frederick, MD
4. San Antonio, TX
5. Austin, TX
6. Seattle, WA
7. Omaha, NE
8. Peabody, MA
9. Fort Worth, TX
10. Louisville, KY

Hottest Residential Markets 2023¹⁴

1. Atlanta-Sandy Springs, GA
2. Raleigh, NC
3. Dallas-Fort Worth-Arlington, TX
4. Fayetteville-Springdale-Rogers, AR-MO
5. Greenville-Anderson-Mauldin, SC
6. Charleston-North Charleston, SC
7. Huntsville, AL
8. Jacksonville, FL
9. San Antonio-New Braunfels, TX
10. Knoxville, TN

Investor Trends – 2013 v 2023

The Evolution of Residential Real Estate Investing

The concept of buying investment properties to fix up and sell first became popular in the late 1980s, a period marked by economic recession, declining stock market earnings, and a surge in home foreclosures. Recognizing an investment opportunity, many people began purchasing foreclosed homes to renovate with the intention of reselling them for a profit as the housing market improved.

During the 1980s and 1990s, the trend expanded as private lending fueled the construction of housing and renovating older homes gained popularity. Long before HGTV, shows like "This Old House" and media icon Bob Vila inspired homeowners to tackle renovation projects themselves as home improvement companies like Home Depot and Lowe's gained traction from small-scale hardware shops.¹⁵

Today, the fixer-upper trend has evolved beyond professional contractors and carpenters into the world of YouTube and TikTok, where seemingly anyone can DIY a home renovation. A new generation of entrepreneurs has turned house flipping into a viable career by purchasing homes at discounted prices, rehabbing or renovating, then selling for a profit and repeating the cycle. HGTV and real estate investing shows on other networks have brought mass-market awareness of the potential of real estate investment on a scale unheard of in previous decades as well.

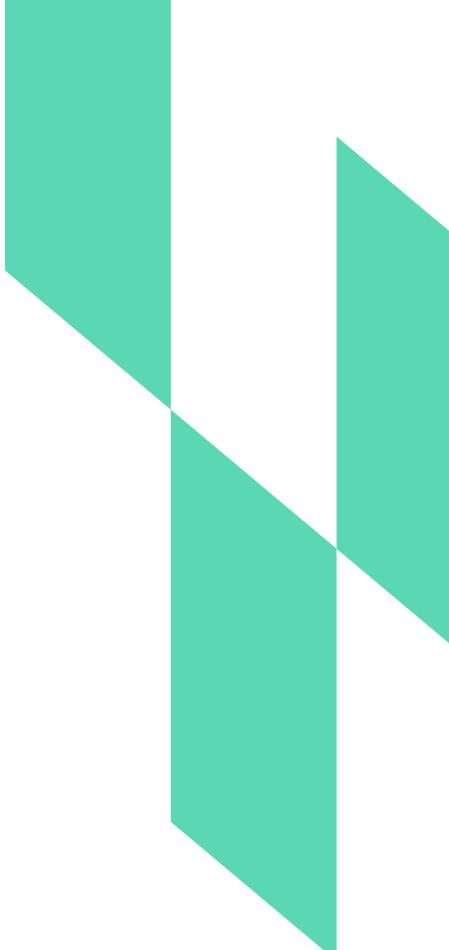
The 2008-2009 financial crisis once again spurred private debt growth as a source of financing for individual real estate investors, particularly in the fix-and-flip sector. Private lending became a prevalent funding source for these property deals as the JOBS Act of 2012 expanded lending opportunities, leading to the rise of marketplace lending (MPL) platforms, where many now specialize in real estate lending.¹⁶ Finding their niche in the fix-and-flip market, private lenders began offering short-term, higher-interest loans with faster closings and more flexible credit standards than traditional financing, making them appealing options for borrowers.

Showing no signs of slowing down, the next wave of lending will be digital and driven by data. From 2017 to 2022, the amount of home sales purchased for flipping jumped from 5.7% to 8.4%, according to property analytics company ATTOM. The ROI of these investments is variable but profitable, offering an average gross profit of \$67,000 in the first quarter of 2022, according to ATTOM.¹⁷

Kiavi is not merely leveraging technology; it's pioneering a transformative wave in the real estate sector, unlocking unprecedented access to capital and empowering entrepreneurs to scale their ventures to unimagined heights, realizing aspirations once deemed unattainable. Its clients leverage this advanced technology to revitalize communities and create lasting generational wealth.

The platform's advanced technologies, like AI and machine learning, integrate vast data pools to provide nuanced insights, allowing investors to rapidly make informed, data-driven decisions. These insights assist in accurately assessing the After Repair Value (ARV) and the Scope of Work (SOW), optimizing the likelihood of success for each project. This efficient use of data clarifies potential risks and rewards and provides a structured pathway, guiding clients toward lucrative and successful investments.

At Kiavi, it's not solely about providing capital—it's about enabling success and transformation through groundbreaking technology, aiding clients in their journey to redefine communities and construct a legacy of prosperity.



Kiavi Borrower Spotlight + Kiavi's Impact

The lens is turned on Kiavi's venerable borrowers in this spotlight, emphasizing the intersection of success stories and the transformative strides taken in residential real estate investing through their partnerships with Kiavi.

Diego Espinoza-Martinez, a professional investor based in California, and Anam and Aamir Hashambhai, a formidable investing team from Texas, serve as beacon examples of Kiavi borrowers who have harnessed residential real estate investing in creating generational wealth and are impacting positive change in their communities.

Introducing Visionary Investors

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Diego Espinoza-Martinez: A proficient investor based in California, Diego commenced his journey in real estate at the tender age of 17, turning a nascent interest into a flourishing multi-million dollar Real Estate Investment (REI) enterprise. Diego regards Kiavi as a preferred lender, attributing his accelerated investment pace and ability to turn neglected homes into quality, affordable rental options to the reliable lending solutions provided by Kiavi. His partnerships with Kiavi have been instrumental in allowing him to scale his portfolio and leading to the revival of communities and the provision of affordable housing. For a deeper insight into Diego's transformative journey and his inspiring accomplishments. [Read Diego's full story here.](#)

Anam and Aamir Hashambhai: Focusing their initiatives in the Dallas-Fort Worth area, this enterprising pair is renowned for their commitment to quality, ethics, and innovative real estate strategies. Their endeavors in real estate are not just business ventures but passionate pursuits.

Anam shares that upon partnering with Kiavi, "our trajectory took a sharp upward turn. We moved from handling a couple of deals a year to managing 10, then 15, soaring to 30 in just a year." The partnership meant faster progress, bypassing the limitations of their personal capital. Their three-year journey with Kiavi encompasses nearly 50 successful loans. They have a portfolio of 65 rental properties plus seven flips. [Read Anam and Aamir's full story here.](#)





Crafting Legacies in Residential Real Estate

Diego and the Hashambhais have diligently navigated the nuanced landscape of real estate, leveraging their association with Kiavi to achieve significant successes and construct enduring legacies. They embody the transformative power of residential real estate in fostering wealth and instigating substantial community change.

Revitalizing Neighborhoods: The Renaissance of Communities

In collaboration with Kiavi, these experienced investors have reimagined and resurrected forgotten spaces, turning them into thriving community hubs. Their meticulous efforts have collectively reconstructed the societal fabric in diverse neighborhoods across California and the Dallas Fort Worth metro, showcasing the extraordinary impact of visionary investment and strategic alliances in rejuvenating communities and fostering societal development.

Kiavi's alignment with the aspirations of its borrowers signifies its commitment to fostering an environment conducive to real estate development, community revitalization, and affordable housing options for future generations.

Synergistic partnerships such as these stand as a beacon, inspiring investors to scale their real estate portfolios with a new perspective of value creation and societal enrichment within their communities.

Looking To The Future

So, what does the future of real estate investing look like? While no one has a crystal ball to predict outcomes, it's fair to say that residential real estate investments are here to stay, with even more sophisticated technologies to help streamline the process anticipated in years to come. Two major trends we see impacting the next decade of REI?

AI and Machine Learning Will Drive Innovation Across the Sector

While these are still nascent technologies across all industries, AI and machine learning models are already being integrated at Kiavi to help collect and compile data into structured solutions for borrowers to scale their businesses. Utilizing the latest technology, we will continue to get better at understanding primary risk factors around the customer, project, property, and local market conditions; create better overall outcomes from a risk underwriting perspective, and empower customers to find success as they enter and exit projects.



Residential Real Estate Investors Can Help Solve the Housing Crisis

On the supply side, housing stock availability still needs to be attacked to encourage more building as migration expands into more affordable areas throughout the Midwest and South. Currently, more than 65% of U.S. housing stock is over 30 years old, which means refurbishing housing infrastructure is necessary to bring properties up to code, improve energy efficiency, and expand units to support existing communities with good systems for water and city services in place. From a pricing affordability perspective, housing prices will continue to trend higher if affordability remains unchallenged.

At Kiavi, this means continuing to keep our fingers on the pulse of what our investors want, need and desire in the future. Whether it's how to make the lending process for our customers easier and faster or utilizing our machine learning models to analyze fast-moving national data to improve consistent, reliable market projections that benefit our customers, we are dedicating the next decade to empowering real estate investors to make informed decisions and scale their real estate portfolios.

About Kiavi

Since 2013, Kiavi has worked to achieve synergy between investment strategy and modern technology. Our industry-leading team empowers clients with an intuitive platform that delivers speed, flexibility, and simplicity. With over **65,000** projects funded, Kiavi is committed to helping investors revitalize aged U.S. housing stock.

Unlock unparalleled investment opportunities!

Get pre-qualified with Kiavi now and seize your chance to thrive in booming real estate markets!

Pre-qualify Today

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