

PREPARED  
BY

135  
MADISON



Making high income neighborhoods  
accessible to all renters through co-living

[www.greenwoodcommunities.com](http://www.greenwoodcommunities.com)

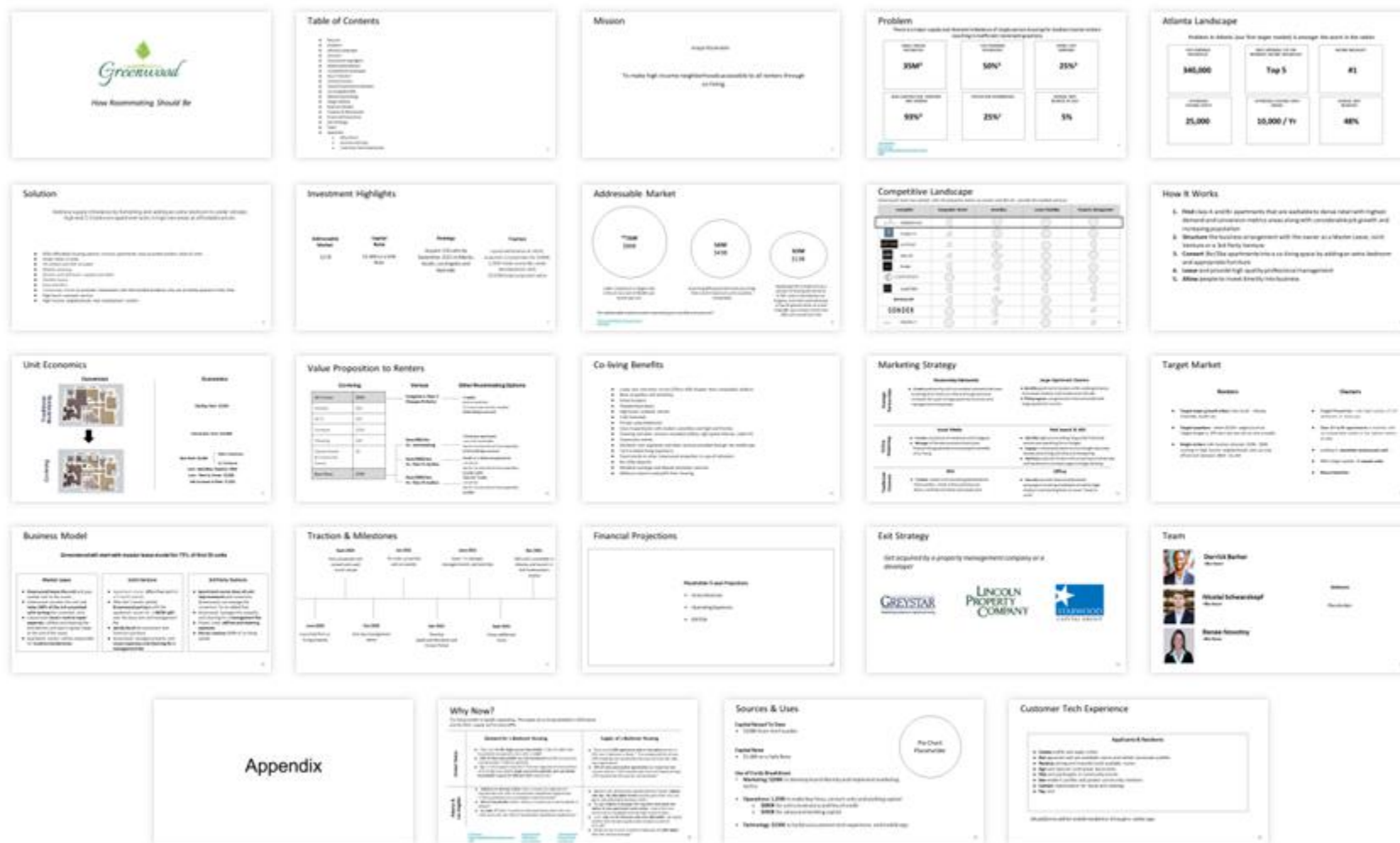




# BEFORE

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## How It Works



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## Unit Economics



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## Business Model

Greenwood will start with Master Lease model then shift to Management and JV model

### Management

- Apartment owner funds the conversion, Greenwood manages the conversion.
- Greenwood handles the leasing and coliving management.
- Owner covers utilities and cleaning expenses and receives 100% of rent living upside.

### Joint Venture

- Apartment owner funds the conversion, Greenwood manages the conversion.
- Greenwood handles the leasing and coliving management.
- After 3-week conversion and lease-up period, Greenwood guarantees a base rent amount and splits coliving upside 50/50 with apartment owner after the management fee and expenses.

### Master Lease

- Greenwood leases the unit and pays market rent to the owner.
- Greenwood converts the unit and takes 100% of the risk associated with renting the converted units.
- Greenwood covers routine repair expenses, utilities and cleaning fee and delivers unit back in great shape at the end of the lease.
- Apartment owners will be responsible for routine maintenance.

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## Addressable Market

The addressable market numbers represent net revenue per unit type\*



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## Co-living Benefits

Lower rent (25% to 45% cheaper than comparable studios)	Lower move in cost	Resident screening and background checked	Flexible lease terms
Professional customer service	Fully furnished	Private suites/bedrooms	Class A apartments with modern amenities and high-end finishes
Cleaning and other services included (utilities, high speed internet, cable TV)	Community events	Electronic rent payments and other services provided through the mobile app	Tech enabled living experience
Easy transfer to other Greenwood properties in case of relocation	No utility deposits	Resident concierge and dispute resolution services	Ability to invest in and profit from housing

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## Competitive Landscape

What sets Greenwood apart:

- We work with in-place property managers
- We are focused on the Southeast region of the US
- We are less capital intensive



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## Value Proposition to Renters

Atlanta	Greenwood	Craigslip Homes	Traditional Studios
Rent:	\$1300	\$750	\$1200
Furniture:	Included	\$100	\$150
Utilities:	Included	\$50	\$100
Wi-Fi:	Included	\$25	\$75
Cable TV:	Included	\$25	\$75
Cleaning:	Included	\$50	\$100
Total Cost:	\$1300	\$1100	\$1700

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## Target Renters



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## Atlanta Landscape

Problem in Atlanta (our first target market) is amongst the worst in the nation



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## Traction & Milestones



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## Financial Projections



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## Team



### Derrick Barker

A Southeast Atlanta native, Derrick began his career at Goldman Sachs trading municipal bonds and managing a \$100m collateralized debt portfolio. Prior to founding Greenwood, Derrick attended Harvard University where he and his roommates started a venture that grew into Chalk Communities, a real estate company that has managed over \$100m in multifamily assets across 4 states.



### Nicolai Schwarzkopf

A native of Decatur, Georgia, Nicolai has over 10 years experience as a real estate entrepreneur. Prior to joining Greenwood, he developed single family properties through his company NPS Development, and prior to that he co-founded the industrial division at Stream Realty Partners. Nicolai is a Harvard alumnus in Economics and former all-star right end on the football team.



### Renea Novotny

Renea brings over 30 years of property management, leasing, and operations experience to the team. Prior to joining Greenwood, Renea founded Troika Management, managed over 1000 units for 14 different clients, and served as Director of Property Management and for Sugar Creek Realty with a 140-unit portfolio of 40 properties in eight different states, an asset portfolio of 60 properties (studio units) and a management portfolio of 8 properties (2000 units).

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## Advisors



### William Lyman

Based in San Diego, CA, William is an entrepreneurial executive working with technology-enabled startups and growth companies across a range of industries. He has served as an executive (CEO, COO) in a growth stage company, general partner in an early stage venture capital partnership, a Wall Street equity analyst, an advisor/mentor/investor to various startups and emerging growth companies and as an entrepreneur in both equity backed and bootstrapped companies.





### Why Now?

Co-living market is rapidly expanding. The supply of co-living doubled in 2018 alone, and by 2021, supply will increase 84%.

	Demand for 1-Bedroom Housing	Supply of 1-Bedroom Housing
<b>United States</b>	<ul style="list-style-type: none"> <li>There are 30.7M single person households in the US (24% of all households) compared to only 10% in 1997.</li> <li>50% of these households are cost burdened and 20% are severely cost burdened (10M households).</li> <li>Age in which people have their first marriage and child are both at record highs causing the single person households and non family households to grow at 20% and 30% respectively.</li> </ul>	<ul style="list-style-type: none"> <li>There are 25.6M apartment units in the nation of which 12% are 1 bedroom or fewer. This creates a deficit of over 2M single person households who may not have the right housing situation.</li> <li>10% of new construction apartments are targeting high income renters (10M households) which still leaves at least 1M households who may be cost burdened.</li> </ul>
<b>Atlanta &amp; Los Angeles</b>	<ul style="list-style-type: none"> <li>Atlanta is in the top 3 cities when it comes to single person households with 7M of households classified as single person (7-M households not including the suburban areas).</li> <li>60% of households (either renters or owners) are cost burdened in Atlanta.</li> <li>LA ranks 2nd when it comes to total apartment stock with over 1.3M units with over 50% of households classified as single person.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the Atlanta Housing Affordability Tracker, Atlanta only has one affordable homes and the goal of the city is to get to 20K affordable homes by 2025.</li> <li>Though Atlanta is amongst the top cities that leads the nation in new apartment construction, most of the new construction is targeted towards high income renters.</li> <li>In LA, only 13% of homes sold were affordable during Q4 2019 to families earning the area's median income of \$75,000.</li> <li>Overall prices in LA for a rental 2 bedroom are 40% higher than the national average.</li> </ul>

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### Sources & Uses

Capital Raised To Date  
**\$100K**  
from the Founder

Capital Raise  
**\$1.6M**  
on a Safe Note

#### Use of Funds Breakdown

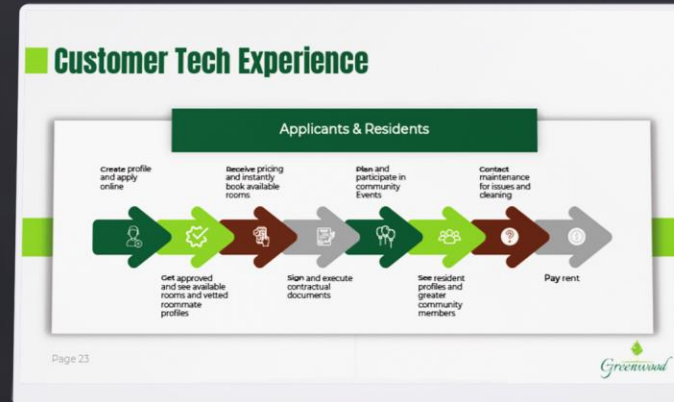
**Marketing: \$200K** to develop brand identity and implement marketing tactics

**Operations: 1.25M** to make key hires, convert units and working capital

- \$800K for unit conversions and line of credit
- \$450K for salary and working capital

**Technology: \$150K** to build-out customer tech experience and mobile app

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### Marketing Strategy

<b>Strategic Partnerships</b> <ul style="list-style-type: none"> <li><b>Ownership Networks</b> <ul style="list-style-type: none"> <li>Create partnership with ownership networks that have buildings that meet our criteria through personal outreach (focused on large apartment owners and management companies).</li> </ul> </li> <li><b>Large Apartment Owners</b> <ul style="list-style-type: none"> <li>Identify apartments located within walking distance from retail location with studio rents &gt;\$1,500.</li> <li>Pike program using the Joint Venture model with large apartment owners.</li> </ul> </li> </ul>	<b>Online Marketing</b> <ul style="list-style-type: none"> <li><b>Social Media</b> <ul style="list-style-type: none"> <li>Create a presence on Facebook and Instagram.</li> <li>Manage of the above accounts and post frequent blog/articles showcasing the benefits of co-living.</li> </ul> </li> <li><b>Paid Search &amp; SEO</b> <ul style="list-style-type: none"> <li>Identify highest converting "keywords" that local renters are searching for on Google.</li> <li>Engage in daily paid search such as Google Adwords, display advertising activities and retargeting.</li> <li>Optimize website for SEO with proper keyword density and backlinks to increase organic Google Ranking.</li> </ul> </li> </ul>	<b>Traditional Channels</b> <ul style="list-style-type: none"> <li><b>MLS</b> <ul style="list-style-type: none"> <li>Feature vacant units are being advertised on the local MLS, which is then picked up by Zillow, HotPads, and other real estate sites.</li> </ul> </li> <li><b>Offline</b> <ul style="list-style-type: none"> <li>Execute periodic direct mail/postcard campaign to existing employees of nearby large retailers incentivizing them to move "closer to work".</li> </ul> </li> </ul>
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## Marketing Strategy

### Strategic Partnerships

- Ownership Networks**
  - Create partnerships with ownership networks that have buildings that meet our criteria through personal outreach (focused on large apartment owners and management companies)
- Large Apartment Owners**
  - Identify apartments located within walking distance from retail location with studio units <\$1,000
  - Build program using the Joint Venture model with large apartment owners

### Online Marketing

- Social Media**
  - Create a presence on Facebook and Instagram
  - Member of the owner accounts and post frequent images/videos showcasing the benefits of co-living
- Paid Search & SEO**
  - Identify highest performing "keywords" that local renters are searching for on Google
  - Engage in paid search with Google Adwords, create advertising creatives and strategize
  - Optimize website for SEO with proper keyword density and backlinks to increase organic Google ranking

### Traditional Channels

- MLS**
  - Real estate agent websites being advertised on the local MLS, which is most utilized by 20-30s, 30-40s and other real estate sites
- Online**
  - Execute periodic direct mail/postcard campaign to existing employees of nearby large retailers encouraging them to move "closer to work"

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## Exit Strategy

Get acquired by a property management company or a developer

GREYSTAR  
Building Excellence in Apartment Living

LINCOLN  
PROPERTY COMPANY

STARWOOD  
CAPITAL GROUP

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## Investment Highlights



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## Market Opportunity

There is a major supply and demand imbalance of single person housing for median income renters resulting in a substantial affordability gap and undesirable roommating options

Current Situation

35M <sup>2</sup> Single Person Households	16M <sup>3</sup> Cost Burdened Households	20M <sup>1</sup> Household Rooming
11M Household of Single Family Apartments	28% Increase in Household of Single Family Households	35% Growth in Household of Single Family Households
13% Growth in Median Rent (2015-2018)	0.5% Growth in Median Single Household Income (2015-2018)	93% <sup>4</sup> New Construction Targeting High Earners

Trend

Affordability Gap

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## Solution

**Co-living**  
is roommating made better

Address single person household affordability gap through co-living

Furnish and (in some cases) add an extra bedroom to underutilized 2 and 3-bedroom apartment units in the most desirable neighborhoods in growth cities and renting by the bedroom at an affordable price in a convenient, all-inclusive package, on a tech enabled platform

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- Offer affordable housing options in luxury apartments
- All utilities and wifi included
- Kitchen and bathroom supplies provided
- Easy transfers
- Professional customer support
- Lower move-in costs
- Weekly cleaning
- Flexible leases
- Quietest events to foster community
- High growth cities with affordability concerns

## Target Renters

- Anyone who makes ~60% - 120% AMI
- Can't afford a studio
- Wants to live with roommates but doesn't want the hassle
- New to a city (or has apt in multiple cities)
- Wants friends and a cheap/funny place to stay.
- Single people - preferring to live alone
- Marital separations ~15-20M each year (average duration is 2 yrs if reconciled, 3 yrs if ends in divorce)
- Relocation of single workers to a new city
- New entrants to workforce moving from college graduation
- Single military personnel on short-term assignments desiring to live off base

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**Thank You!**

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