

# Green Living

## Overview

Green Living will develop and manage moderately priced, environment-friendly rental housing in major metropolitan areas. The New Hampshire-based business will create profitable lodging and commercial spaces in urban and smart growth neighborhoods that make it easy for residents to live responsibly. Relative to traditional developments, Green Living will set a standard for putting less stress on the environment by using recycled materials, low-resource utility systems, and more effective resident space.

Our first community will be a LEED-certified, mixed-use apartment building with ground-floor retail space and approximately 40-80 units in the Berkeley, California area. While all financial projections are dependent on individual land acquisitions, we expect a general construction cost premium of 2% per ft<sup>2</sup> for our first build with rent premiums in the 5-7% range beyond properties with similar square footage.

## The Market

Green Living will target urban renters that are 1) looking for quality, convenient lodging and 2) have moderate environmentally-conscious buying habits. The customer base is similar to that for natural and organic foods supermarkets. Two distinct target customer segments include: educated empty nesters and young professionals with an interest in outdoor lifestyles.

In the Berkeley area, we estimate approximately 10,200 potential customers. The growth rate for our customer base would be faster than local population growth of 1.3% as people become more interested in environmentally friendly trends such as natural and organic foods.

## Keys To “Green” Success

- Higher-Quality Customers – Green Living’s buildings will attract customers that are better credit risks: college-educated, value-conscious, and responsible neighbors.
- Differentiation – With its quality construction and 15-30% lower utility bills, Green Living spaces will weather economic downturns more easily. And, in good times, its green “look and feel” will serve as a strong differentiator in the rental market.

- Location – Leverage existing businesses with the same customer base by locating projects within a few miles of natural foods supermarkets (a proven “green” business model) and within walking distance of public transportation.
- Unique Amenities – In addition to location, our environmentally friendly construction will allow us to offer a unique mix of amenities at a lower cost than traditional suppliers. Extras will include: gardens, convenient recycling, reclaimed hardwoods, natural lighting, soundproofing, and socially conscious retail.

## Strategic Advantages

Green Living will create barriers to entry through:

- Proprietary market research + architectural plans.
- Relationships with fragmented base of green construction materials suppliers.
- Maintaining a green “look and feel” – selling the atmosphere and experience.

## Milestone-Based Financial Plan

In the near term, Green Living will continue its proprietary market research and begin architectural plan development, funded internally. Our first build is planned for mid-2005, at which point we will seek outside equity financing for 20% of the construction and certification costs, debt financing for the remaining 80%, and equity and internal financing for 100% of the marketing expenses. Following a successful build in Berkeley, we will follow with 1-2 new builds per year, creating metropolitan area clusters.

## Management Team

Ashlea Mittelstaedt, CFA – finance + market research  
Joelle Simonpietri – operations + start-up experience

## Board of Advisors

Yevgeny Neginsky – private equity  
Katerina Mavroidis – architect + greenroof entrepreneur  
Tom Coogan – marketing + new product development  
Anupama Jain – modeling + damage analysis

We are currently searching for additional advisors, particularly in the real estate development field.

