

Woven on Liberty

Marketing Plan & Leasing Strategy

Strategy & Goals

Setting

Durham, NC is one of the fastest growing cities in the nation. The people who provide the experience that has transformed this into one of the fastest growing cities in the country, can no longer afford to live here. Whether they work in healthcare, education, civil service, construction or food service, they should be able to afford to live in the highly desirable neighborhoods they work so hard to create. But with rents skyrocketing, these valuable members of our community are being pushed further and further out of the highly desirable urban core and in many cases, pushed out of the city altogether.

We believe this is completely unacceptable.

Our hypothesis is that if we created a more affordable product in these highly desirable neighborhoods, people would line up around the block to live there. We believe this would be the case even if our units were smaller, had fewer amenities and offered less onsite parking.

Mission & Vision

Woven on Liberty is a community, in Downtown Durham, designed to serve the people who work here. We do this to help alleviate the pressure of gentrification on our presently affordable near urban neighborhoods. We do this for the economic, social and environmental benefits it will bring to this community.

Core Values

All people deserve a safe, convenient and affordable place to live. Social impact capital can and must provide a solution where government, non-profits and market developers are unable or unwilling to develop new housing.

Objectives

Quickly and affordably lease all of our units to people who represent our downtown community and wouldn't otherwise be able to afford to live in the Downtown Durham Sub-Market.

Partner with local community organizations to help with PR and outreach

Strategies

Community engagement before Pre-Leasing to help us reach our target demographic for affordable and market units

Develop general qualifiers for standard and income restricted tenants (Employment Status / Student Status / Actual Jobs)

Develop partnership w/ management companies serving nearby LITC & mixed income properties

Increase on site staff during lease up to move tenants in faster

Goals

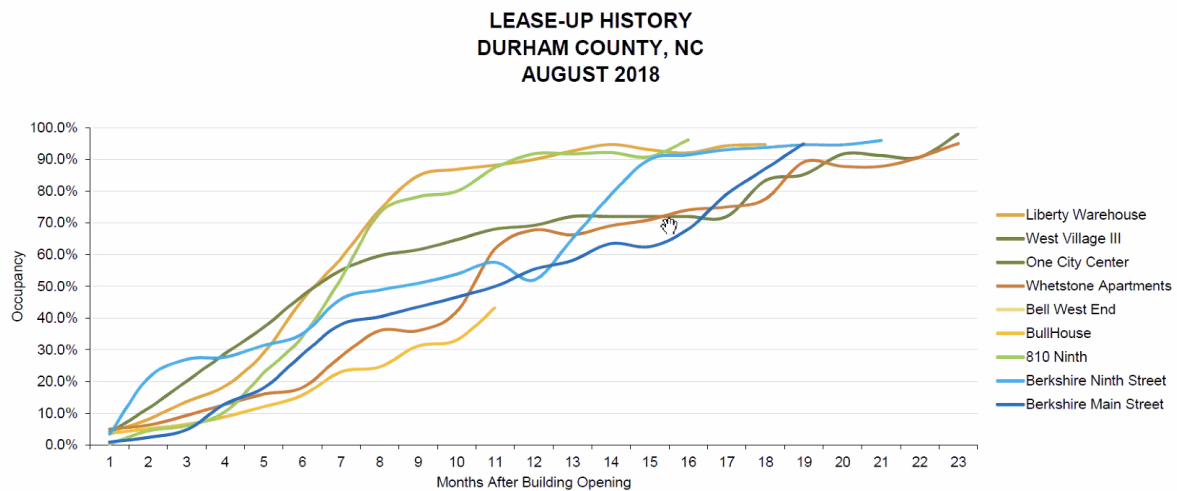
Lease up building to 90% within 1 year of opening
Reach target demographic with at least 80% of tenants
15% of units rented to income qualified tenants

Below you will see some guidance from a local LITC developer and public data for recent market rate projects that came on line. Given our location in the market right in-between affordable and traditional markets, we assume we'll lease up faster than the market, but slower than LITC.

From the Affordable Market

"With affordable projects, the demand is enormous. We probably average 15-20 units per month, but that's based more on the management's ability to process applications and move people in. At a recent project in Raleigh, we had to cut off applications within minutes of opening them up because we had already received hundreds of applications. At Willard, the first day ended with around 200 applications for 50-something units that were available.", Michael Rogers, DHIC (Local LITC Developer)

From the Market Proper



Marketing Plan & Activities

Overview

Woven on Liberty Apartments will help meet a pent up demand for affordable rental housing in the downtown Durham market. The community's unique niche is quality housing accessible to those earning between under 60% up to 120% of the local area median income. There are only 24 60% AMI units which will fill the most quickly. Therefore, the marketing strategy will focus on attracting renters whose incomes are too high to qualify for LITHC communities and too low to afford the market-rate apartments prevalent in the submarket. Based upon the income set-asides, the types of units available within each set-aside, and assuming certain rents and minimum income requirements (rent will not consume more than 40% of income), the marketing strategy will target workers employed within 1.5 miles of the community in jobs with incomes as follows:

Target Renters

Renters earning 70 and 80% AMI:

- One Person HH Income range: \$27,000 - \$50,960
- Two Person Income range: \$28,800- \$58,240

101 units

Target for 60% units:

- Single renters earning between \$27,000 - \$38,220/year
- Two person households with combined incomes of \$28,800 - \$43,680
- Families of three or four with incomes of \$36,000 - \$54,540

Target for 80% units:

- Single and renters earning \$30,000 - \$50,960
- Two person households with combined incomes of \$36,000 - \$58,240
- There are no 80% two bedroom units.

Renters earning 100 and 120% AMI:

- One occupant: income range: \$42,000 - \$63,700
- Two occupants: income range \$42,000 - \$72,800
- Three and four occupants: income range: \$60,000 - \$109,080

101 units

Target for 100% units:

- Single renters earning \$42,000 - \$63,700
- Two person households with combined incomes of \$42,000 - \$72,800
- Families of three or four with incomes of \$60,000 - \$90,000

Target for 120% units:

- Two person households with combined incomes of \$66,000 - \$87,360
- Families of three or four with incomes of \$66,000 - \$109,080

While renters with one or more children can qualify with a higher income than renters without dependents, the scarcity of parking and the lack of kid-friendly amenities at Woven on Liberty might make the community more attractive to childless renters.

However, with a park and two playgrounds nearby, this location may still attract families with younger children. This will be factored into the marketing plan.

Over 40% of approximately 293,000 workers in the Durham-Chapel Hill metro area income-qualify to live at Woven on Liberty Apartments.

Marketing Strategy

In order to achieve our objectives, our marketing strategy will be to focus on the fundamentals, lean on experience and make marketing investments very early on in an effort to lease up as quickly as possible. To do this, we will:

- Partner with a management firm that has solid local experience finding and serving our target demographics. The mixed-income dynamics of this property will require expert marketing and income compliance management in order to attract and retain a diverse mix of residents.
- Increase Occupancy through advertising methods such as community outreach, referrals and social media marketing.
- Maintain Occupancy through Resident Retention by encouraging a sense of community through first-class service, resident community events and partnerships with local community organizations & businesses offering health, fitness, dining, and entertainment incentives to residents.

Marketing Tools & Tactics

Project Branding

We will perform research and innovation to develop a name and brand identity for this project that speaks to our target audience's needs while conveying both the privilege and sensibility of not just living in, but belonging to, the community that we are creating.

Community Outreach

We will develop an aggressive outreach program to gain recognition in the immediate local area. This includes visiting businesses such as restaurants, schools, retail outlets, realtors and large employers in the area. Some examples include:

- **Department of Veterans Affairs- HUD VASH Program:** To help support at-risk veterans.
- **Healthcare employees within walking/biking distance:** School system employees,

including teachers whose salaries range from \$37,000 to \$77,000.

- **City Hall:** Average city employee salary is approx. \$55,000.
- **Retail/Restaurant employees within walking/biking/Uber distance:** Restaurants, bars and retail shops within 1.0-1.5 miles.
- **Other local employers**

Community Website

A responsive community website will function as the hub of all marketing efforts. The site will be cutting-edge, user-friendly and viewable on all devices. Will promote walkability and be sensitive to the presentation of rent diversity focusing mostly on the 100% and 120% units. To avoid confusion regarding qualifying incomes and income compliance, we do not foresee enabling full-scale online rental applications, at this time.

- **Leasing Functionalities** - As a primary leasing tool, the state-of-the-art website will include. 3-D floor plans, community and local area/lifestyle photos, virtual tour capabilities and a secure application portal.
- **Resident Communication** - A resident portal will be available for rent payment, service request submission, preventative maintenance schedules, and a community calendar that will contain information on social events.
- **RealPage Websites** - due to the easy integration with management software, OneSite, and because they are constantly updating their templates. This makes it easy for your website to stay current without having to pay large up-front design fees every time market trends change. Examples of RealPage websites include:
 - www.livemezzo.com
 - www.premiertowncenter.com
 - www.iconnorfolk.com
 - www.botetourtapartments.com
 - www.thejamesapartments.com

Search Engine Marketing

Through a partnership with an expert in the field of Search Engine Marketing, our management firm will develop and manage online cost-per-click campaigns in Google AdWords to maximize website traffic. We use Google Analytics to monitor traffic and conversions through these marketing channels at least monthly.

Internet Listing Services

Both free and paid internet listing services will be utilized. Depending on the market, this could include:

- CoStar Network
- RentPath Network
- Zillow Rental Network
- Apartment List
- Craigslist

- AHRN
- Facebook Marketplace
- Durham Focused Communities

Social Media

A coordinated social media presence is integral to marketing and retention efforts. We will develop an in-depth social media presence utilizing both Facebook and Instagram. The on-site team will manage these pages, and training is provided to ensure they know the importance of posting localized, quality content multiple times per week.

Reputation Management

Deploy a reputation management program that requires all reviews, both positive and negative, to receive a response on behalf of the community. This is achieved by having a member of the corporate office post responses to all reviews.

Resident Referral Program

Residents may receive an incentive for referring friends, family members and/or co-workers to live at the community.

Broker Referrals

Referral fees will be given to any broker that refers a qualified prospect, who then becomes a resident.

Email and Text Communication

Site staff will utilize an email blast product as well as a text messaging product to communicate with prospects and residents.

Examples of prospect communication includes:

- Advertising upcoming apartments
- Sharing information about preferred employer programs
- Inviting the public to an open house
- Examples of resident communication includes:
- Inviting residents to a community event
- Promoting the referral program
- Announcing preventative maintenance items
- Warning about weather advisories

Promotional Items and Print Materials

Premier, high-impact brochures and promotional items will be utilized for leasing efforts as well as community outreach.

Resident Activities

The key to a successful community is a monthly resident activity program. These activities generate camaraderie among residents and a sense of community pride. Examples include:

- **Holiday Functions** - Holiday themed parties, gift wrapping events and contests
- that promote resident interaction
- **Charitable Events** - Community giving projects, food and school supply drives
- **Monthly Activities** - Ice cream sundae bar, breakfast on-the-go, wine tasting

Housewarming Gifts

Each resident will receive a housewarming gift upon move-in. Examples could include:

- Special swag with community logo
- Picnic set including branded tote, stemless stainless wine tumbler and snack pack

Public Relations

Utilize unique aspects of this affordable model as content for press releases. Utilize our network within City of Durham to promote referrals and press events.