


HEAL THE PAIN POINTS

Generate Revenue & Door Growth
with Hybrid Pricing and Owner Programs

OUR ULTIMATE MISSION




1. We target desirable customer **SEGMENTS**
 - SMIPOs, Investors, Multi-unit & HOAs
2. Promoting Our Unique **4 PILLARS**
 - Total Transparency, Compelling Value Propositions (including Owner & Tenant Programs), Stellar Customer Service & a Unique Hybrid Pricing Plan
3. Using Multiple **MARKETING** Channels
 - Direct mail, Google ads, Referral, SEO & Local Landlord Seminars
4. Through Multiple **DISTRIBUTION** Channels
 - Retail, Virtual, Wholesale & Licensing
5. To Create Profitable Revenue **STREAMS**
 - Management, Real Estate, Maintenance, Insurance & Escrow

(to reach our ultimate goal)



3 PRIORITIES WITH 4 PILLARS:

1. Add More **Doors**
2. **Squeeze** More Out of Those Doors
3. Add **Agents** Needing Doors to Squeeze

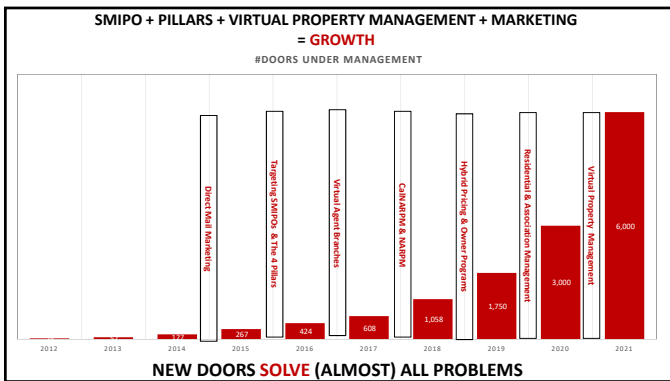
“If you have more than 3 priorities, you have **no** priorities.” Jim Collins



OUR BUSINESSES

- Progressive Property Management, Inc.
- Progressive Association Management
- Partners Real Estate Group
- Sierra Maintenance Services
- Lagani Insurance Services
- Brady Consulting Group
- Ally Escrow, Inc.





SHOW US (YOU) THE MONEY

| Month | Total Income |
|----------|--------------|
| Sep 2019 | 1,893,673.40 |
| Aug 2019 | 1,758,044.45 |
| Jul 2019 | 1,814,254.90 |
| Jun 2019 | 1,752,483.49 |
| May 2019 | 1,729,679.97 |
| Apr 2019 | 1,775,995.80 |
| Mar 2019 | 1,821,611.82 |
| Feb 2019 | 1,691,694.18 |
| Jan 2019 | 1,669,942.55 |
| Dec 2018 | 1,559,004.28 |
| Nov 2018 | 1,517,265.51 |
| Oct 2018 | 1,471,484.88 |
| Sep 2018 | 1,364,711.93 |

**38.7%
GROWTH
YEAR
OVER
YEAR
IN
GROSS
RENTS**












IN A PERFECT SMIPO WORLD...

| | | |
|-------------------------------|-----------------|---|
| Monthly Rent | \$2,000 |  |
| Annual Income Received | \$24,000 | |
| Maintenance Expenses | \$0 | |
| Loss of Rent/ Management | \$0 | |
| Tenant Acquisition/ Lease Up | \$0 | |
| Net Income for Year | \$24,000 | |

THIS THE FANTASY OF SELF-MANAGING OWNERS

IN THE REAL WORLD...

| | | |
|-------------------------------|-----------------|--|
| Monthly Rent | \$2,000 |  |
| Annual Income Received | \$24,000 | |
| Maintenance Expenses | \$1,000 | |
| Loss of Rent/ Management | \$2,680 | |
| Tenant Acquisition/ Lease Up | \$1,250 | |
| Net Income for Year | \$18,770 | |

\$5,320 (22%) IS THE FINANCIAL PAIN POINT OF FANTASY VS. REALITY



**WE (OUR INDUSTRY)
HAS FAILED THE **SMIPOS****



**70% Self-Manage Rentals,
But **Who** Sells By Owner?**

THE 3 ASPECTS OF TRUST:

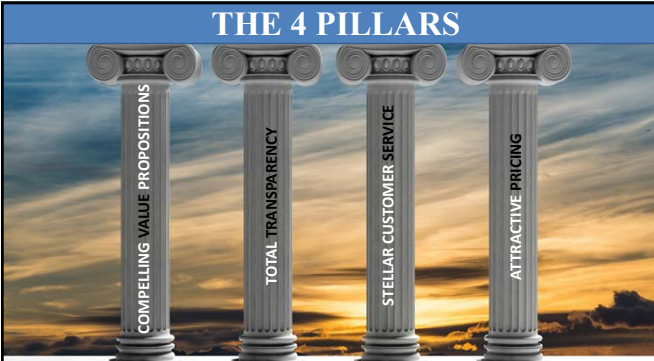
- 1. CONFIDENCE**
 - I Believe What You **Say**.
- 2. COMPETENCE**
 - I Believe You Have the **Skills** to Do What You Say.
- 3. BENEVOLENCE**
 - I Believe You Are **Acting** on My Behalf.

Glen Urban – Trust Based Marketing MIT Sloan

PRICING & PROGRAMS PROVE BENEVOLENCE.



THE 4 PILLARS



COMPELLING VALUE PROPOSITIONS


TOTAL TRANSPARENCY

STELLAR CUSTOMER SERVICE

ATTRACTIVE PRICING

THE 4 PILLARS FOR SMIPOs

- 1. THEY MUST TRUST YOU.**
You must offer compelling **VALUE** to the SMIPOs.
- 2. THEY HAVE TO BELIEVE YOU.**
You must make your business totally **TRANSPARENT** to them.
- 3. THEY WANT TO LIKE YOU.**
You need to provide stellar **SERVICE** at every level.
- 4. THEY DEMAND A "FAIR" PRICE.**
You should offer a pricing plan that **ATTRACTS** owners.



BE TRANSPARENT AND NOT COY IN YOUR MARKETING.



TRANSPARENCY

Be Totally **TRANSPARENT** With The World



THE COMPANY COMPARISON CHART

| | Progressive Property Management, Inc. | Invine Property Management | Monticello Property Management | Real Property Management | Huntington West | APG Properties | Smart Partner Property Management |
|---------------------|--|---------------------------------------|---|--|--|--|--|
| Licensed Since | 2014 | 2010 | 1986 | 2007 | 1997 | 10/12/09 | 1997 |
| Website | Website | Website | Website | Website | Website | Website | Website |
| Phone | (714) 528-3100 | (949) 679-0440 | (714) 777-0524 | (714) 907-1463 | (714) 891-1522 | (714) 400-9997 | (714) 423-9227 |
| Address | 1251 Yorba Linda Boulevard Placentia, CA 92670 | 14701 Myford Road Tustin, CA 92780 | 16531 Bolsa Chica, Ste. 311 Huntington Beach, CA 92649 | 15234 Transistor Huntington Beach, CA | 13812 Goldenwest St. Westminster, CA, 92683 | 675 N. Euclid St. #532, Anaheim, CA 92801 | 4454 Cerritos Avenue Los Alamitos, CA 90720 |
| Broker of Record | Progressive Property Management, Inc. BRE# 01956885 | Invine Property Management, Inc. | Mike Flory BRE# 01017622 | Bryan Hull BRE# 01409550 | David Lewis BRE# 050578709 | APG Properties, Inc. BRE# 01525202 | Marc Ferralaz BRE# 01223244 |
| Yelp Reviews | | | | | | | |
| Base Management Fee | \$75 + 2% of Collected Rents | 7% | 6% with a \$100 minimum per Month | 6.9% | 10% | \$125 \$100 per Unit for 8+ Unit Properties | \$100 |

YOUR REPUTATION MATTERS



WHO IS YOUR CUSTOMER? THIS ANSWER DRIVES...

- PRICE**
 - Pricing Type
 - Monthly Amount
 - Tenant Acquisition
- PROGRAMS**
 - Owner & Tenant Programs
 - Performance Guarantees
- MARKETING**
 - Channels
 - Message
- SALES**
 - Cost per Door
 - Profit per Door
 - Lead Conversion





THE PERFECT PROGRESSIVE TARGET CLIENT

- Bought 10 to 20 years ago.
- Property worth \$400,000 to \$600,000.
- Potential rent of \$2,000 to \$3,500.
- Have ample equity, cash flows.
- Can buy without selling current residence.
- Don't have the skills or time to self-manage.
- Concerned about this important financial asset.
- Will pay or have tenant pay for monthly programs.



**PICK A STRATEGY
AND NOT A PRICE.**

PRICING STRATEGICALLY IN PROPERTY MANAGEMENT





“The only difference between companies that succeed and fail is that one figured out how to make money, because there was deep consideration of REVENUE, PRICE and BUSINESS MODEL.”
Steve Ballmer

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WE LOSE MONEY ON EVERY DOOR...



PROFIT

BUT MAKE IT UP WITH VOLUME.

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OUR MARGINS ARE REALLY HIGH...



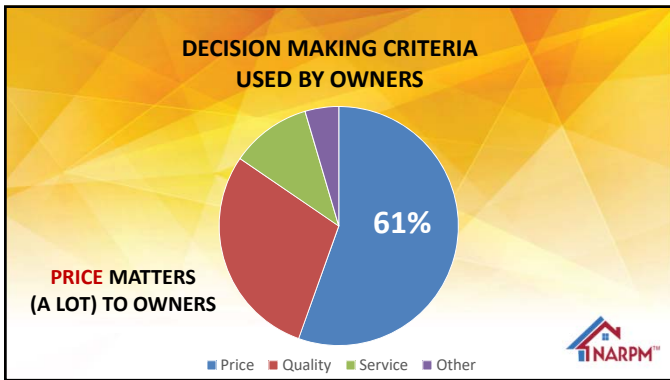
PROFIT

BUT OUR GROWTH RATE IS LOW.

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"PRICE IS WHAT YOU PAY, VALUE IS WHAT YOU GET." Warren Buffet

| | | | |
|--|-----------------|---|----------------|
| D I F F E R E N T I A T O R | ➤ VALUE | E Q U A L I Z E R | ➤ PRICE |
| | • Reputation | | • Is Price |
| | • Brand | | • Is Price |
| | • Programs | | • Is Price |
| | • Guarantees | | • Is Price |
| | • Experience | | • Is Price |
| | • Market Leader | | • Is Price |
| | • Service | | • Is Price |
| | • Systems | | • Is Price |
| | • Location | | • Is Price |



Can You Offer a **FAIR** But
Compelling **PRICE**?

PRICE = PROFIT
VALUE = GROWTH

Is There a **VALUE PRICING** Model
Creating **PROFITABLE GROWTH**?

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YES?

Our Prices Are The **Lowest**.

except

There is Always Someone **Lower**.




YES!

Hybrid Pricing
Bundling
Owner & Tenant Programs



1. **POTENTIAL:** How to Price
 - Competition Comparison
 - Work Back from Cost
 - Strategic to the Segment
2. **POSITIONING:** Types of Pricing
 - Fixed Fee
 - Percent of Rent
 - Hybrid
3. **PRICING:** Actual Monthly Price
 - Fee Per Month
 - Leasing Fee/Tenant Acquisition Fee
 - Programs – Additional Services
4. **PROFITABILITY:** Bundling and Maximizing Profit
 - Silver – Low - Basic
 - Gold – Middle – A La Carte “Our Most Popular”
 - Platinum – High – All Inclusive

THE 4 P’S:
P+P+P+P





3 WAYS TO PRICE

- COPY THE **COMPETITION**
- WORK BACKWARDS FROM **COST**
- STRATEGICALLY PRICE FOR YOUR **TARGET MARKET**

"HYBRID" PROGRESSIVE PRICING PLAN

3 WAYS TO PAY

- **Fixed (\$)**
- **Percent (%)**
- **Hybrid (\$) + (%)**



THE HYBRID PRICING PLAN

Increase Per Door Income, Market More Effectively & Differentiate Your Company

SURGICAL PRICING, NOT BLUNT FORCE



6 REASONS TO HYBRID

- 1. BETTER **EQUALITY**
- 2. ADDITIONAL **INCOME**
- 3. **ARTFUL** MARKETING
- 4. **GUARANTEED FEE**
- 5. **FLEXIBLE PRICING**
- 6. COMPANY **DIFFERENTIATOR**



OWNER **EQUALITY**

ADDITIONAL INCOME



PICK PRICING THAT APPEALS MOST TO YOUR TARGET MARKET
Lower the Base to Attract Lower End Doors
Lower the Percentage to Attract Higher End Doors

ARTFUL MARKETING



HYBRID "SEEMS" LESS EXPENSIVE
Fixed Portion & Monthly Percent Lowest in Industry

GUARANTEED FEE



BASE FEE FOR MANAGEMENT SERVICES
MONTHLY PERCENTAGE FOR CONTRACT ENFORCEMENT

**FLEXIBLE
PRICING**

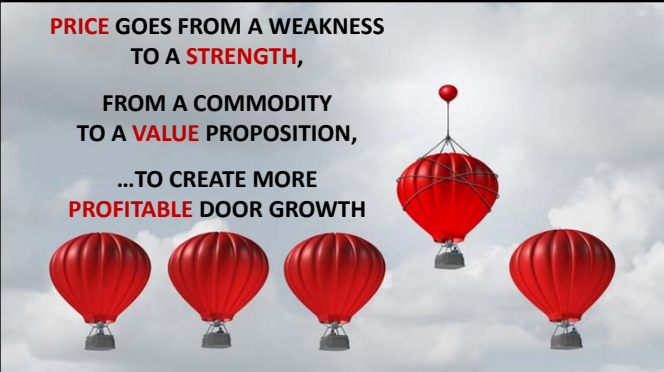


ADJUST BASE FEE AND PERCENTAGE FOR MULTI-UNIT,
SECTION 8, RENT CONTROL OR BUNDLED SERVICES

COMPANY DIFFERENTIATOR
Pricing, Pillars, Performance Guarantees
& Programs That Set You...
...APART



**PRICE GOES FROM A WEAKNESS
TO A STRENGTH,**
**FROM A COMMODITY
TO A VALUE PROPOSITION,**
**...TO CREATE MORE
PROFITABLE DOOR GROWTH**



**SOLVE OWNER PAIN
POINTS WITH
PROGRAMS.**

**HEAL THEIR
PAIN POINTS**
"Healing is an Art.
It Takes Practice.
It Takes **Love.**"
D. Carnegie

**Charging a Fee to an
Owner or Tenant for a
Program Which Heals a
Pain Point Caused by a
Problem, Is...
RIGHTEOUS.**



Without **VALUE, It All Comes Down to **PRICE**.**



8 *Guarantees*
EIGHT PERFORMANCE GUARANTEES

"If We Don't **PERFORM As Promised,
We Pay a Real Financial **PRICE**."**







THE 3 RESIDENT BENEFIT PROGRAMS:

| INCLUDED | BASIC | LIMITED | COMPLETE |
|------------------------|-------|---------|----------|
| 4 Guarantees | ✓ | ✓ | ✓ |
| Filter Easy | ✓ | ✓ | ✓ |
| Utility Assistance | ✓ | ✓ | ✓ |
| Online Services | ✓ | ✓ | ✓ |
| Use of Equipment | | ✓ | ✓ |
| Liability Insurance | | ✓ | ✓ |
| Content Insurance | | ✓ | ✓ |
| Renewal Waiver | | ✓ | ✓ |
| Annual Carpet Cleaning | | | ✓ |
| Complete Cleaning | | | ✓ |











RENT A \$600,000 SFR, MAKE A \$3,000 DEPOSIT
 $\frac{1}{2}\%$ OF VALUE

WHO BENEFITS FROM THIS PROGRAM?

TENANTS

PROPERTY MANAGERS

PREFERRED TENANT

100% SECURITY DEPOSIT GUARANTEE

OWNERS

THE COMPANY

| PREFERRED TENANT PROJECTIONS | |
|--|-----------|
| COST/REVENUE | PM |
| Total Doors | 1,000 |
| Owner Participation | 80% |
| Tenant Participation | 50% |
| Total Revenue | \$144,000 |
| Expected "Loss" & Rebate | \$70,000 |
| Total Profit/Loss | \$74,000 |
| Income Per Door/Month | \$15 |
| Increase Income All Doors/Month | \$9 |
| <p>WIN³: OWNER WIN – TENANT WIN – COMPANY WIN</p> <p><small>\$2,000 Monthly Rent, Average "Loss" of \$300/Door, 30 Month Occupancy, 675 Credit</small></p> | |





| | |
|--|--|
| <p>We Offer Owner & Tenant Programs</p> | <p>To Protect Our Owner's Asset, Improve Their Cash Flow & Make the Rental Experience Better for our Tenants.</p> |
|--|--|



EFFECTIVE OWNER & TENANT MARKETING PROGRAMS OFFERED BY OUR INDUSTRY....

- Generate Additional **Revenue** Streams
- Create Compelling Calls to **Action**
- Remove Owner **Fear** and Install **Trust**
- Better **Align** Our Interests with Owners
- Have Better **Control** of the Owner Experience
- **Elevate** the Entire Industry







HOW TO SQUEEZE \$508,000 OUT OF 1,000 DOORS IN 2 YEARS

- PREFERRED TENANT PROGRAM
 - \$74,000
- RESIDENT BENEFITS PACKAGE
 - \$100,000
- PET PROTECTION PROGRAM
 - \$84,000
- OWNER PROTECTION PLAN
 - \$100,000
- INITIAL & RENEWAL FEES
 - \$80,000
- PREFERRED VENDOR PROGRAM
 - \$70,000

SQUEEZE MORE OUT OF YOUR DOORS

THE HEALING JOURNEY

← FEAR

I Can't Let Go

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TRUST →

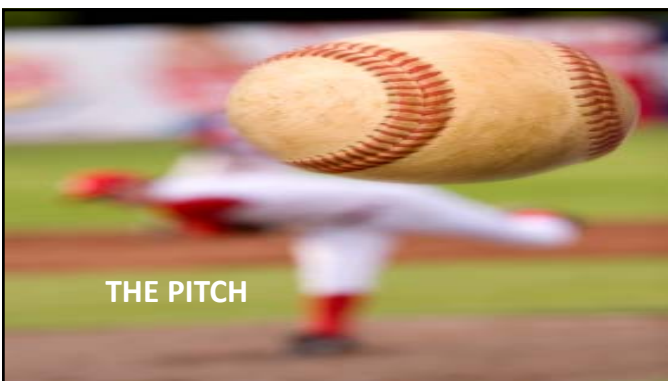
I Believe in You



WORK "ON" THE BUSINESS AND NOT "IN" THE BUSINESS.







THE ASSOCIATION MANAGEMENT PITCH

1. We are **Licensed** Professionals
2. We **Care** about Your Community
3. Biggest is not the **Best**
4. Hire Us for **Better** Service,
Not Necessarily a Lower Price
5. You Can **Talk** to the Owner of the Company



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THE ACQUISITION TIME/COST ADVANTAGE

1. To Get to 1,000 **Residential** Doors
 - It Can Take 6 Years
 - It Can Cost \$500,000+ (BDM+Marketing)
 - You Can Buy 1,000 Doors for \$1,000,000
2. To Get to 1,000 **HOA** Doors
 - It Can Take 1 Year
 - It Can Cost \$0 (\$5,000 Marketing, \$1,000 Set Up Fee)
 - Six HOA Doors = 1 Residential Doors

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HOW 6/1 BECOMES 2/1

| DOOR TYPE | 60 MONTH GROSS INCOME | 60 MO. NET INCOME (20%) | ACQUISITION COST | NET VALUE |
|--------------------------|-----------------------|-------------------------|------------------|-----------|
| Residential | \$7,500 | \$1,500 | \$500 | \$1,000 |
| HOA | \$1,250 | \$480 | \$0 | \$480 |
| Residential to HOA Ratio | 6/1 | 3/1 | | 2/1 |

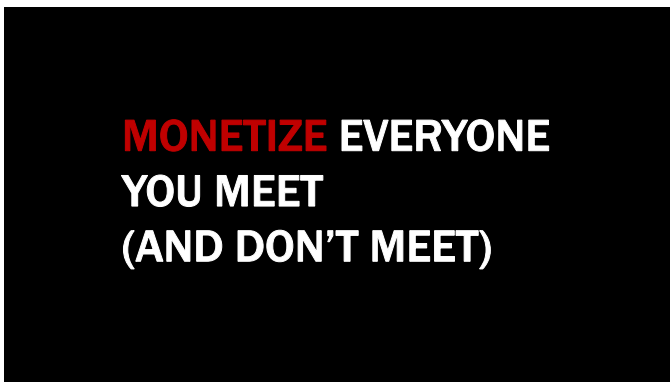
- RESIDENTIAL PROVIDES ADDITIONAL INCOME OPPORTUNITIES:
- Sales
 - Vendor Discounts
 - Leasing
 - Programs

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WHAT ARE THE NUMBERS?
NET PROFIT OF **\$90.88 PER DOOR PER YEAR -- \$8.23 PER MONTH**

| #Doors | Base & Add. Income | 3 rd Party Income | Total | BM | PAM Gross | Total Cost | Net Income |
|--------|--------------------|------------------------------|-----------|-----------|-----------|------------|------------------|
| 800 | \$115,200 | \$58,200 | \$173,400 | \$57,600 | \$143,800 | \$64,750 | \$79,050 |
| 1,000 | \$144,000 | \$72,750 | \$216,750 | \$72,000 | \$179,750 | \$80,938 | \$98,813 |
| 1,200 | \$172,800 | \$87,300 | \$260,100 | \$86,400 | \$215,700 | \$97,125 | \$118,575 |
| 1,400 | \$201,600 | \$101,850 | \$303,450 | \$100,800 | \$251,650 | \$113,313 | \$138,338 |

ASSUMPTIONS:
New SDR/Door: \$175/S365 Incent & Lien Fee
20% Additional Income
1% Sales Rate
\$495 Seller Transfer Fee
\$100 Demand Fee
\$250 Documentation Fee
Analyzed Credit 50% Penetration
1.50% Credit No USA
Community Manager 50% of Base
\$5,000/Gross Revenue \$4/Door Overhead
25% Net Profit to HOA Manager



WHOM SHOULD YOU MONETIZE?

| | |
|---|--|
| <ul style="list-style-type: none"> • OWNERS <ul style="list-style-type: none"> - Programs In Portfolio - SMIPO Tools - Local Landlord Seminars • TENANTS <ul style="list-style-type: none"> - Current Tenants - Applicants • VENDORS <ul style="list-style-type: none"> - Analyzed Bank Accounts - Preferred Vendor - In-House Work - Local Vendor Networking | <ul style="list-style-type: none"> • REAL ESTATE AGENTS <ul style="list-style-type: none"> - Referrals - Sales - Management • ASSOCIATIONS <ul style="list-style-type: none"> - Vendors - Residential Doors • INVESTORS <ul style="list-style-type: none"> - Multi-unit - ROE, 1031 - Syndications - Fix & Flips |
|---|--|

EVERY ONE

HYBRID PRICING + OWNER PROGRAMS + NEW REVENUE STREAMS = ADDITIONAL RESOURCES



OUR ULTIMATE GOAL

FUNNEL THE PROFITS FOR GREATER WEALTH

- Property Management
- Association Management
- Insurance Services
- Maintenance Services
- Real Estate Sales
- Escrow



CARPE DIEM DEVELOPERS
Syndications - Fix & Flips - Profit Sharing



IN SUMMARY, MY NARPM PEEPS

