

Energy Star Certified Homes Stakeholder Meeting

September 6-7, 2018
Phoenix, Arizona



Homes that do more.

Selling and Marketing High Performance Homes

Gene Myers
CEO Thrive Home Builders
Denver, Colorado

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About Thrive Home Builders

Nationally acclaimed niche builder

- Of affordable housing
- Of net zero homes
- Of healthy homes
- *Professional Builder* magazine's
Builder of the Year

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Professional Builder®

DECEMBER 2017 | PROBUILDER.COM

2017
**BUILDER
OF THE
YEAR**

Thrive Home Builders
is capturing a growing niche
and national attention with
efficient, local, and
healthy homes

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Affordable and Workforce Housing / 44
A Remedy for Weak Margins / 52
The Latest in Exterior Products / 64



Niche Home Builder

- **Founded in 1992**
- **257 closings in 2018**
- **National builder dominated market**

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Zero Energy

Colorado's largest builder of Net Zero Energy homes.

100% Energy Star.

100% US Department of Energy Zero Energy Ready Homes.

Housing Innovation Grand Award Winner 6 times in the last 5 years.



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Healthy

Colorado's largest builder of EPA Indoor airPLUS homes.

100% of our homes have:
Active radon mitigation
EPA Indoor airPLUS Certified

EPA Indoor AirPlus Leader Award, 2016 and 2017



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Local

Born in Colorado in 1992, Thrive understands what matters to Coloradan's

Colorado's leading builder in using pine beetle-killed forests to build our homes.



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Current Product Lines

Single Family

- Solaris III
- Vita
- Z.E.N.2.0
- Panacea

3-Story Townhomes

- Stapleton

2-Story Townhomes

- Stapleton MFIQ

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First Build a Great Home.

EFFICIENT

Three tiers of energy performance:

Tier 1: Energy Star and DOE Zero Energy Ready, HERS 30-40

Tier 2: Standard Solar, HERS 20-30

Tier 3: Net Zero Energy, HERS 0-15

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First Build a Great Home.

HEALTHY

Three tiers of health performance:

Tier 1: EPA Indoor airPLUS, active radon

Tier 2: Advanced filtration, ERV

Tier 3: Indoor Air Quality Monitoring



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Now Prove It.

NOT JUST ANOTHER PRETTY HOME.

- EPA Indoor AirPlus
- EPA WaterSense
- EPA EnergyStar
- DOE Zero Energy Ready Home
- USGBC LEED for Home



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Develop your marketing “voice.”

- Do you have a strong value proposition?
- Who is your buyer?
- What do they care about?
- How do your homes address that?
- What is the economic case?
- What is the emotional case?



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Do we have a strong value proposition?

There are only two ways to make money:

1. Be the low cost producer.
2. Have something no one else has.

We try to do both.

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Who is our buyer?

She is a 35 year old woman who drives a Prius, shops at Whole Foods and has “Boulder-like” tendencies.

“The green consumer revolution has been led by women aged between 30 and 49 with children and better-than-average education.

They are motivated by a desire to keep their loved ones free from harm and to secure their future.”

—Jacquelyn A. Ottman, *The New Rules of Green Marketing*



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Who is our buyer?

We believe she:

- **Is a strong CEO for the family.**
- **Is the primary shopper and makes buying decisions.**
- **Operates on a balance of information and emotion.**
- **Confidently pays more for things she believes offer superior value and performance.**



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Who is our buyer?

We believe she:

- **Buys brands and products she trusts.**
- **Buys organic and GMO-free food.**
- **Pays a premium for brands she trusts.**
- **As a consummate consumer, she looks for authenticity, honesty, credibility from the brands she chooses.**
- **Loves local.**



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Who is our buyer?

We believe she:

- **Wants to be seen by her peers and loved ones as knowledgeable and adequate.**
- **Stays abreast of “best practices” for her loved ones via social media, the web, print media (especially magazines) and advertising.**



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Who is our buyer?

We believe she:

- Reads labels. We can tell her what is NOT in her home.
- We can build her a home that is cleaner and better AND teach her how to keep it that way.
- She will be a “customer for life” if we become her trusted advisor.



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Who is our buyer?

We believe she:

- Is suspicious of the health establishment.
- Shops in the “healing aisles” of Whole Foods and Vitamin Cottage.
- Is open to alternative medicine.
- Will embrace a healthier home if we learn how to communicate this effectively.
- Seeks control, empowerment and peace of mind by knowing she has done all she can for her loved ones.



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What does she care about?

She is more likely to buy a home from us if we understand and align with her values.

Emphasize:

- **Authenticity: third party credibility.**
- **Facts: support her reason to believe.**
- **Us as a resource for doing “more and better” for her loved ones including [doing her part to secure the world of the future for her children.](#)**



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What does she care about?

We believe she:

- **Takes charge of the health of her family.**
- **Desires both improvement of health and the likelihood of prevention.**



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What does she care about?

We believe she:

- **Buys green and energy efficient features to do her part to secure the future of her loved ones.**
- **Will vote her dollars with her values if the price is reasonable and the benefit is clear.**



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How do our homes meet her needs?

Authenticity and credibility.

The only authentically verified high performance home of its type. Something no one else has.

- EPA Indoor AirPlus
- EPA WaterSense
- EPA EnergyStar
- DOE Zero Energy Ready Home
- USGBC LEED for Home



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How do our homes meet her needs?

- Seeks control, empowerment and peace of mind by knowing she has done all she can for her loved ones.

Committed to Building 100% Indoor airPLUS



ASK ABOUT
Indoor airPLUS
QUALIFIED HOMES



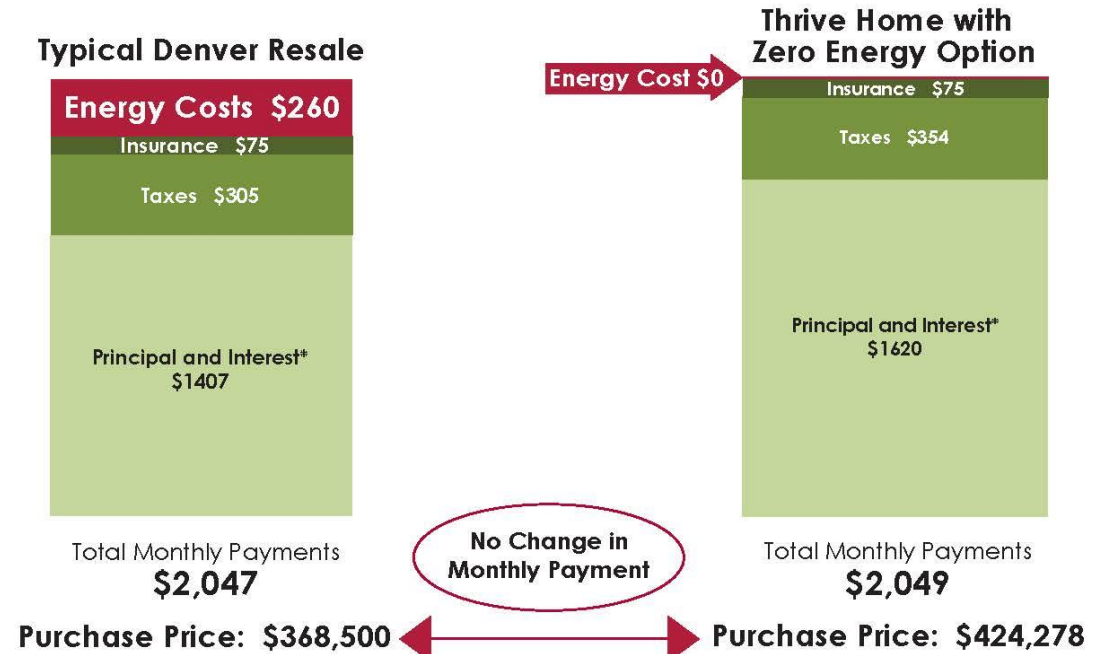
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What is the economic case?

The Total Cost of Home Ownership



PITI + E = Principal, Interest, Taxes, Insurance + Energy



*based on 30 year, 4.0% interest rate fixed first mortgage for 80% loan.

Zero Energy homes are defined as homes that achieve a HERS index of 10 points or lower. The energy used in a home can vary greatly depending on the behavior of its occupants. Solar customer and Zero Energy home owners are not completely exempt from fees charged to all electricity customers, even when you produce more electricity than you use. Price, features, specifications, availability and other terms and conditions are subject to change without notice.



5X GRAND WINNER HOUSING INNOVATOR AWARD
Only production builder in the U.S. to win this Innovation in Housing Award 5 years in a row!

What is the economic case?

The Total Cost of Home Ownership

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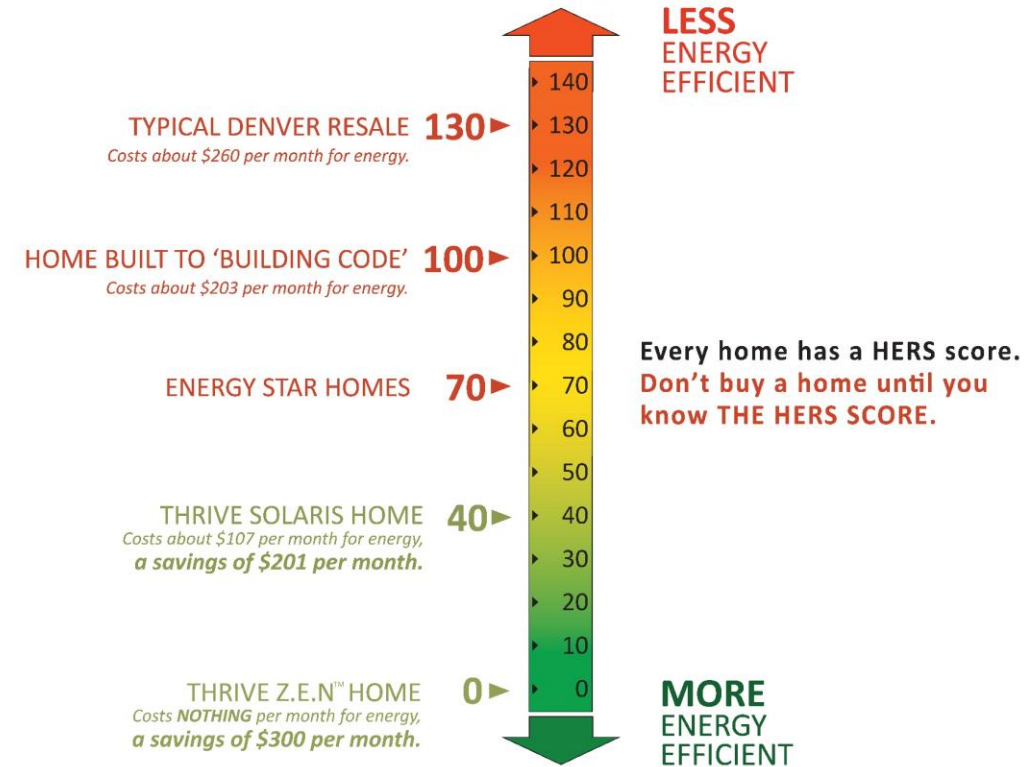


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Score **LOW** for
Big **GAINS**

The Home Energy Rating System (HERS) is an independently tested industry standard for measuring energy performance.

The lower the rating, the lower your energy costs and the lower your impact on the environment.



The Home Energy Rating System (HERS) score is determined through independent inspection and verification performed by a trained professional. The Home Energy Rating System is a nationally-recognized uniform measurement of the energy efficiency of homes. This information does not constitute any warranty of energy cost or savings. Based on standard operating conditions of the home. Cost and saving compared to a HERS 130 Index home.



Only production builder in the U.S. to win this Innovation in Housing Award 5 years in a row!

What is the emotional case?

Convert the features in the home to the emotional benefit that your customer is seeking.

WHAT SHE'S

Breathing

IS JUST AS IMPORTANT
AS WHAT YOU'RE FEEDING HER.



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Selling it.

- **Highly trained sales staff**
 - **Outside sales training on basics of selling**
 - **Constant in-house training on our product differentiators**
 - **Attendance at high performance home conferences like EEBA**

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Selling it.

Great models
support the emotion
of buying.



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Sales office messages

Show that there is a meaningful and tangible benefit.



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The evolution of

Efficiency.

Yes a Thrive home— with its trademark 9 ½-inch walls, lower utility bills, and countless other efficient solutions—is great. AND:

Our real power comes from investing in tomorrow's technologies instead of yesterday's.

There are many reasons to choose a Thrive Home.

The bigger question is, why wouldn't you?



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Sales office messages



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Don't go it alone.

Certifications

Awards

Industry partnerships



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Panasonic



In conclusion: What is Thrive's market position?

Efficient:

We are and will remain the market leader in energy efficiency.

Healthy:

We are the trusted advisor to our customers regarding health in the home.

Local:

We are neighbors who care.

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In conclusion:

What is Thrive's market position?

We are the low cost producer of homes that no one else offers.

We build homes that do more:

- **Our homes help pay for their own energy.**
- **Our homes make people healthier.**
- **Our homes give you the peace of mind of knowing that you have done all that you can for the people you love.**

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In conclusion:

What is Thrive's market position?

But most of all Thrive is about our customers.

We are fundamentally environmentalists. We just happen to deal with the human environment.

We help people to thrive and prosper.



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I hope in some way our journey can help you along what I call “the last mile.”

- We have the technology to build great homes.
- Learning to market and sell to the mainstream home buyer is our movement’s “last mile.”



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Photos courtesy of Thrive Home Builders