

birch + pine group

EXECUTIVE SUMMARY

birch + pine group (BPG) is a full service real estate group, under Pall Spera Company Realtors (“PSCO”), providing unparalleled customer service in a modern, forward thinking environment. BPG’s main services involve selling residential and commercial real estate, with a focus on Waterbury and the Mad River Valley, as well as assisting buyers with the home search and buying experience.

By focusing on impeccable customer service, responsive communication, and in depth market knowledge, BPG is the leading resource for real estate needs in Waterbury and continues to grow its presence in the Mad River Valley. BPG’s target market is an up and coming real estate market with growing demand and home values. The competitor real estate companies serving our target market are out of date and not keeping time with the modernization of the current market. BPG is able to relate to, and serve, the needs of contemporary, demanding real estate customers.

OVERVIEW & OBJECTIVES

BPG is a full service advisory group assisting commercial and residential sellers by listing their properties through traditional marketing (MLS and pedestrian signage) and non traditional avenues (social media and virtual tours). While continuing to recognize the markets favoring old school methodology, BPG also caters to the generation looking for new, non traditional options to list and market their properties. Both of these schools of thought assist BPG with buyers looking to purchase in our market.

Continuing to stay at the apex of the current trends in marketing and client preferences is critical to BPG. Complacency among our team is never be tolerated. Our goal is to continue to set ourselves apart from other agencies with an urban energy focusing on rapid and effective responses, while respecting and sharing the natural beauty and heritage of our region. Additionally, BPG principals immerse themselves into the community - both through business groups and community service - in order to grow market visibility, good will, and community input. Our community in Waterbury is already rich with talented, forward thinking business owners and we continue to add to, promote, and enhance these relationships.

PRODUCTS & SERVICES

BPG takes the traditional services provided by a real estate advisor when assisting sellers and buyers to a higher level with optimal client experience, transparency, and responsiveness. Having both personally endured unfortunate real estate agent experiences prior to licensure, Robyn and Stacey are dedicated to making sure each client feels as

though they are the only client in their workload.

While sales are the underlying basis for necessary revenue, it is the advisory role and the client experience BPG seeks to optimize. We want each client to know they are receiving a great value using our services. We would much rather be known as advisors with complimentary concierge services. We know that it takes money to make money, so our services will go beyond just listing services and comp analysis. Our photography is always top notch. We offer high end virtual tours and drone services. For very high end homes, even an additional website could be built. We investigate pre-inspection services to limit the unknowns in any transaction. Robyn and Stacey are known for extremely rapid response time and accessibility. These are the types of value we offer as yet another example of how we set ourselves apart from the competition.

In addition to residential buyers and sellers, BPG is looking into broadening its reach through property management, commercial real estate, and the rental market.

MARKETING OPPORTUNITIES

BPG takes full advantage of the marketing opportunities available to technologically minded individuals. With our clean, modern branding, we enhance the Waterbury business corridor with signage and a fresh, crisp, youthful physical presence with pedestrian access attracting the higher end visitors to Hen of the Wood (November 2022) as well as the brewery, hipster crowd (Reservoir, Pro Pig, Blackback). In addition to physical space and signage, we make full use of social media to spread our listings and brand well beyond our area through influencer marketing and strategic placement. By promoting our amazing neighbor culinary establishments, we also highlight the incredible Waterbury artistic talent through relationships with Tabatha Henry, Ayers Pottery, and Axels Gallery - both in our office and through client gifts.

SALES & MARKETING

To enhance the marketing efforts noted above, BPG continues to harvest the relationships already formed in past transactions. These relationships and positive experiences are proven sources for future business. By keeping in touch with clients in a meaningful way (not just a holiday card but several times per year communication with personal touch - think Ninja methodology), these relationships will continue to grow our market share.

COMPETITIVE ANALYSIS

Pall Spera Company Realtors, while dominant in Stowe and Morrisville with 33.5% and 25.6% of the unit sales respectively, has plenty of room for growth in the Waterbury and Mad River Valley markets where PSCO currently holds 8.5% and .67% of unit sales respectively. Below is the closing and competitor data for Waterbury in 2020.

SALES VOLUME 2019-PRESENT

ROBYN'S 2019 SALES (Licensed 5/2019)

Total Units- 5

Sales Volume- \$2,376,750

ROBYN'S 2020 SALES

Total Units- 17

Sales Volume- \$6,152,500

ROBYN'S 2021 SALES

Total Units- 26

Sales Volume- \$11,379,281

STACEY'S 2021 SALES (Licensed 11/2020)

Total Units- 8.5

Sales Volume- \$2,648,295

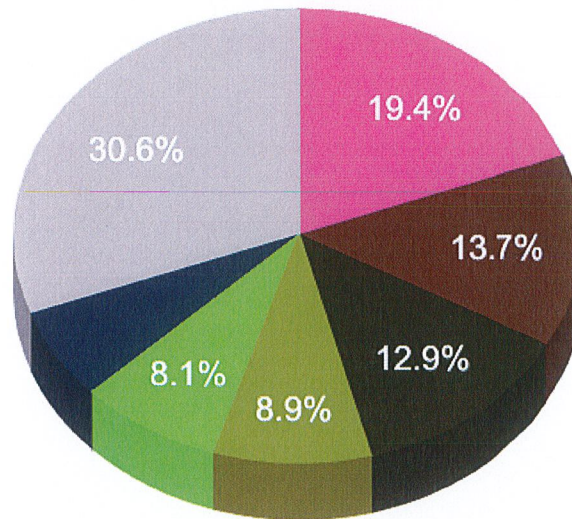
BPG 2022 YTD SALES (Merged Sales 1/1/2022)

Total Units- 24

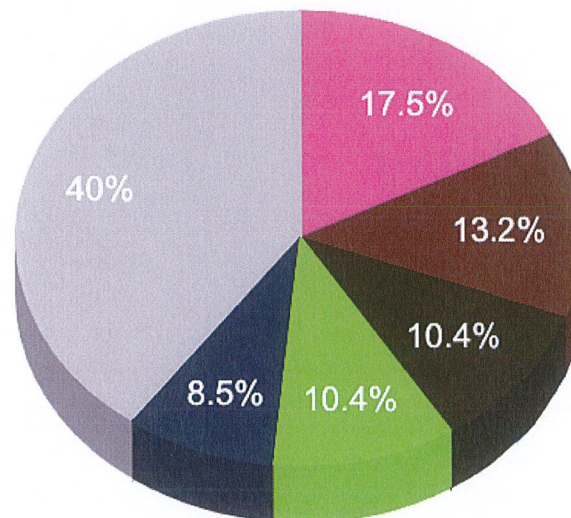
Sales Volume- \$11,491,305

Clearly from the above data, Robyn, Stacey, and BPG experienced rapid growth since becoming licensed in 2019/2020 respectively. BPG projects continued growth and aims to double its sales volume by year's end. As shown in the graphs below, PSCO accounted for 8.5% of the Waterbury sales volume in 2020 and was ranked 6th as a company behind BHHS, KW Vermont, New England Landmark. Coldwell Banker Hickok and Boardman, and Little River Real Estate. Currently (YTD 2022), **PSCO is the leading producer** in Waterbury, accounting for 27.3% of sales volume. BPG leads the way in both volume of sales.

**2020 Waterbury Residential Units Sold by
Sides Thru December**

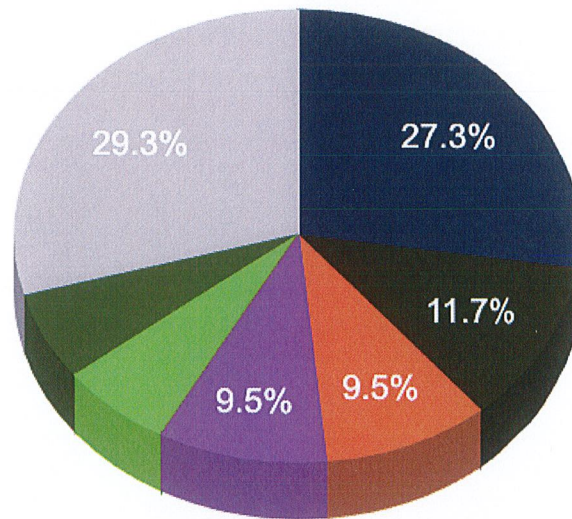


**2020 Waterbury Residential Volume Sold by
Sides Thru December**

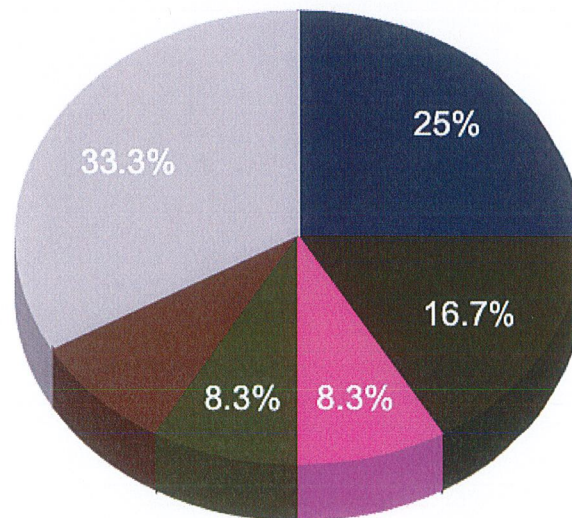


Companies		Sold	\$ Vol
	BHHS Vermont Realty Group/Montpelier	24	10,041,000
	KW Vermont	17	7,585,500
	New England Landmark Realty LTD	16	5,967,649
	Coldwell Banker Hickok and Boardman	11	4,470,500
	Little River Realty	10	5,934,500
	Pall Spera Company Realtors	8	4,886,949
	Coldwell Banker Carlson Real Estate	7	3,097,000
	Vermont Real Estate Company	5	2,342,500
	Coldwell Banker Classic Properties	3	1,421,000
	Red Barn Realty of Vermont	3	1,371,000
	16 Combined Companies	20	10,199,300
PSCO Offices		Sold	\$ Vol
	Pall Spera Company Realtors-Stowe Village	4	2,276,449
	Pall Spera Company Realtors-Stowe	4	2,610,500

**2022 Waterbury Residential Volume Sold by
Sides Thru June**



**2022 Waterbury Residential Units Sold by
Sides Thru June**



	Companies	Sold	\$ Vol
■	Pall Spera Company Realtors	6	3,342,000
■	New England Landmark Realty LTD	4	1,426,000
■	BHHS Vermont Realty Group/Montpelier	2	690,000
■	Element Real Estate	2	710,000
■	KW Vermont	2	654,900
■	Red Barn Realty of Vermont	1	399,900
■	Coldwell Banker Classic Properties	1	255,000
■	Vermont Life Realtors	1	770,000
■	Coldwell Banker Carlson Real Estate	1	1,160,353
■	Ridgeline Real Estate	1	785,000
■	3 Combined Companies	3	2,041,353
	PSCO Offices	Sold	\$ Vol
■	Pall Spera Company LLC.	4	2,566,000
■	Pall Spera Company Realtors-Stowe	2	776,000

In 2020, PSCO held 9.4% of the unit volume in Waterbury. Currently, BHHS holds the largest percentage by one agency with 18.7%. 35.4% of the sales volume in Waterbury is held by 20 combined companies. BPG will establish itself as a staple of the Waterbury real estate market and will gain a large part of that market share.

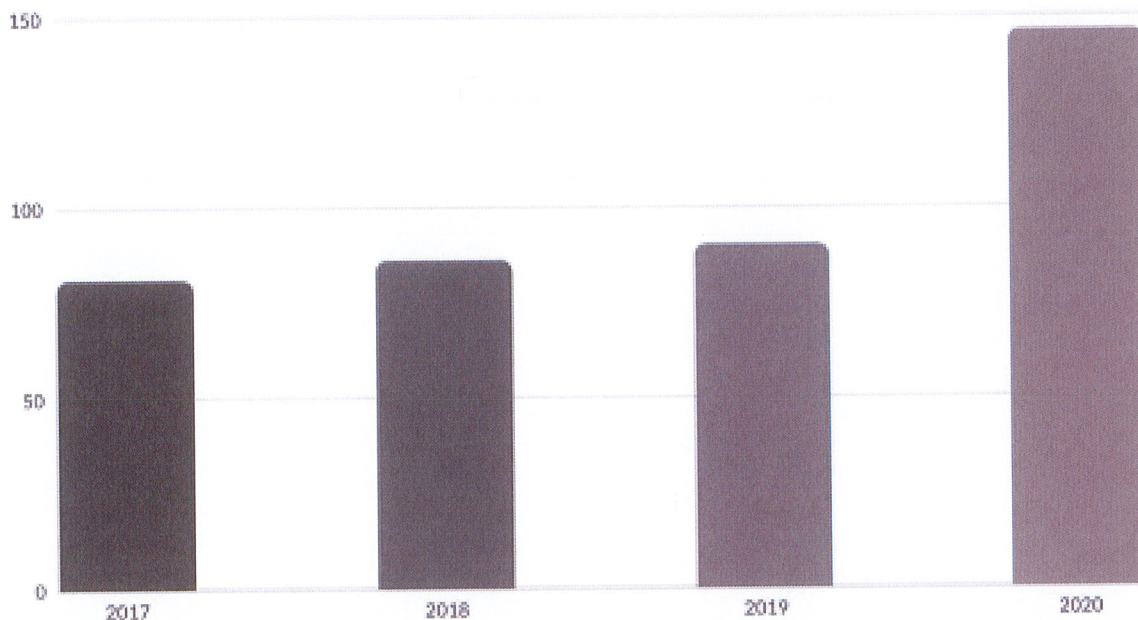
In 2022, PSCO holds 25% of the unit volume in Waterbury. BPG successfully cut into BHHS and New England Landmark's market share. We will continue to expand our Waterbury market reach in 2022 and beyond.

BPG's goal was to generate 20% of Waterbury's sales volume by 2026. We are already on track to meet this goal in 2022. Chipping away the sales number of competitors in our area was achieved with grit and tenacity and long hours - both in transactions and forming a strong connection to our community.

In addition to the Waterbury market, BPG intends to increase PSCO market share in the Mad River Valley. As shown in the graph below, sales and market growth in The Mad River Valley (Waitsfield, Fayston, and Warren) has grown exponentially in recent years.

PROPERTY SALES

Waitsfield, Warren, and Fayston 2017-2020



Sales have been steadily increasing in The Mad River Valley with a large boom in sales during 2020. There was \$62,591,567 in sales volume in 2020 as compared with \$24,049,250 sales volume in 2017. Similarly to Waterbury, the agencies servicing The Mad River Valley are antiquated, old fashioned, and quickly falling behind the current trends. With Stacey and Robyn's Valley connections and increasing positive reputation in the area, BPG will aim to secure 10% of the Mad River Valley sales volume by 2026. Already, by July 2022, BPG has secured 4.05% of the Mad River Valley sales volume.

BPG's goal was, and is, to grow the PSCO market share in Waterbury and the Mad River Valley to be on par with the PSCO Stowe area percentages by 2026. After only six months, BPG is the top producing office in Waterbury.

PROPOSAL

We understand and acknowledge the Waterbury office comes at a cost. Starting August 1, 2022, BPG will cover the Waterbury office expenses which we have figured to be the following:

Rent - \$1408/month
Copier - \$166.9/month
Supplies - \$75/month
First Light - \$200/month
Parking - \$150/month
Art - \$100/month
Electric - \$218/month
Any maintenance or upgrades

Insurance will still be covered under the PSCO umbrella.

These expenses total approximately \$26,914/year. In addition to paying the costs for the Waterbury office, BPG requests a 90/10 commission split for all closings starting August 1, 2022. We understand this is a break from tradition within PSCO, but we also understand our value, and yours, to the Vermont real estate market. BPG thrives under PSCO and we hope to continue the partnership for years to come. While we have no desire to join another firm, it is clear the commission gap between PSCO and other firms is vast. BPG would like to stay under the PSCO umbrella, but move forward with more autonomy as a partner. If an annual commission cap arrangement is more attractive than the split, we would be happy to shift to that model as used by many competitor agencies. Again, our goal is to continue to promote and build the Pall Spera brand as we have proudly done since our inception.

CONCLUSION

By utilizing its pre-existing connections, fierce determination and grit to bring new value to modern clients, BPG seized a clear opportunity in the Waterbury market for a strong, forward thinking agency. While there was initial investment, BPG exploded onto the market quickly to validate the costs over the first six months. The PSCO brand and reputation is unparalleled in Vermont, and BPG looks forward to dominating its base in the Waterbury and Mad River Valley markets as a partner.