



# *PechaKucha*

Invent, Imitate or Innovate:  
Thrive's Story

Stephen Myers  
Thrive Home Builders

# Overview

- Thrive Home Builders
- Founded in 1992
- Based in Denver, Colorado
- 200+ closings expected in 2017
  - Mix of townhomes and single family
- Brand Platform:
  - Efficient
  - Healthy
  - Local



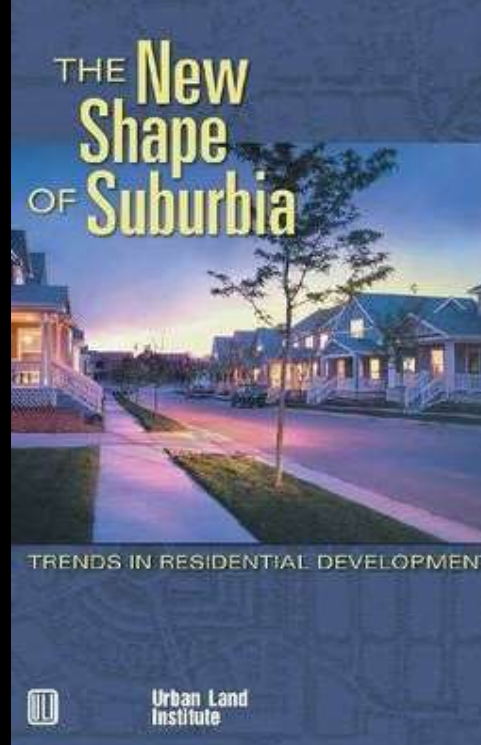
# What's our DNA?

- Our business was founded on efficiency and sustainability
  - “Eco-Built”: Guaranteed Annual Heating Bill in the early '90s
  - Solar standard communities in 2009
  - Net Zero option in 2011, standard in 2013
  - Double-wall framing
  - Beetle-kill lumber

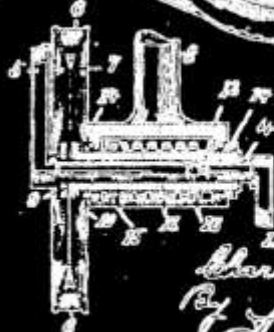
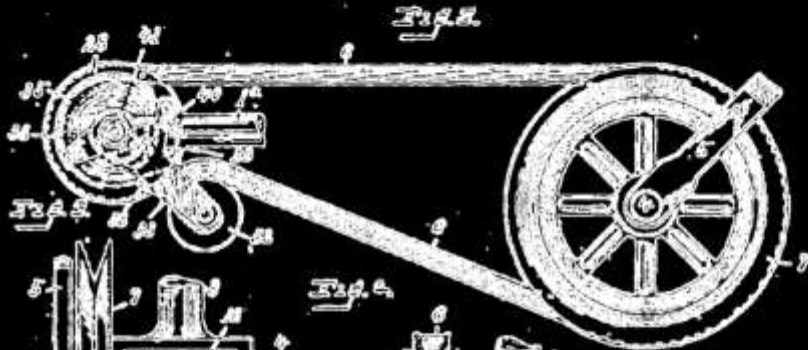
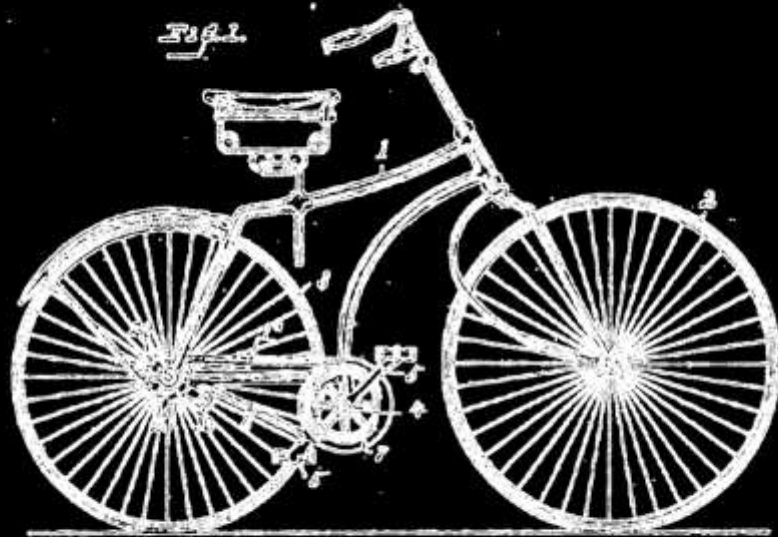


# What's our DNA?

- New Urbanism, traditional neighborhood design
- Alleys/porches
- Density!
- Affordability and attainability



# Invent, Imitate or Innovate?



*C. M. Mason,*  
*Assty S. Mason.*

INVENTOR  
*Charles S. Rice*  
By *A. M. ...*  
*att.*

Are we inventors?

- We rely on the R&D of our suppliers, the national laboratories, etc.
- We hold no patents

Are we imitators?

- Sure, in the areas where we aren't trying to differentiate

Are we innovators?

- Dictionary definition: The act or process of introducing new ideas, devices or methods
- This is the space we play in

# Recognitions for Innovation

- 4x DOE Grand Award for Innovation
- 2015 Best in Green Home Design, The Nationals
- 2015 IBS Best In Green Award
- 4x Energy Star Market Leader Award
- 2x EPA Indoor airPLUS Leader award
- 2016 Builder of the Year: Green Home Builder Magazine



# Value Chain

- Dusting off a business school concept...
- Builders outsource a lot of their work, so where do we contribute to the value chain?



# Our Path on Sales and Marketing...

Version 1.0 (circa 2011)

- First try at pushing the envelope on marketing high performance
- The EXPLAIN EVERYTHING strategy
  - Features, features, features...
- Manufacturers and 3<sup>rd</sup> Party Certifications
  - Leaned on these heavily to support our credibility





# Our Path on Sales and Marketing...

Version 2.0 (circa 2013)

- “Puppies and babies meets carbon footprint”
  - More of a lifestyle focus
  - Starting to connect features with benefits
- Huge effort and investment from our industry partner, Owens Corning!
- Displays inspired by museum-type displays
  - Interactivity
  - Multimedia



# Our Path on Sales and Marketing...

Version 3.0 (circa 2015)

- Can we do this on a smaller budget?
- Spotlight ZERH Program
- Showcase differences in framing
  - Typical resale
  - Typical new
  - Thrive double 2x4
- “Explain everything” snuck back in...

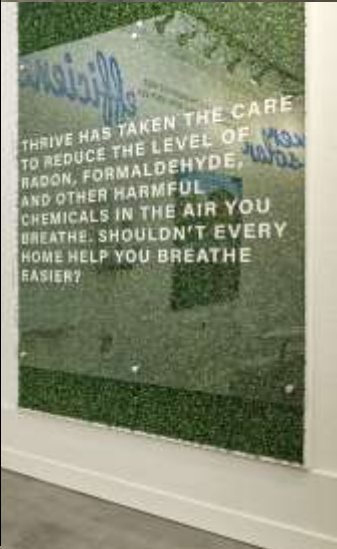




## Our Path on Sales and Marketing...

Version 4.0 (circa 2017)

- Moving to simplicity
- Build the brand!
  - Efficient
  - Healthy
  - Local
- 3<sup>rd</sup> Party Certifications
  - Essential for credibility, but playing a supporting role to our brand
- Inspiration from retail look & feel



Eco-luxury.  
[YEAH, WE MADE THAT UP.]



ZERO ENERGY. SOLAR POWER. HEALTHIER INDOOR AIR.



HIGH-END WITH A SMALL FOOTPRINT  
PANACEA COLLECTION at STAPLETON

Luxurious Design, Healthier Indoor Air  
and Zero Energy Performance

*Living efficiently doesn't mean giving up luxury.  
In fact, we think they go hand in hand.*

PRE-MODEL PRICING FOR A LIMITED TIME

thrive  
HOME BUILDERS

Homes that do more.

Panacea Collection  
Eco-Luxury from the mid \$800's  
303.665.6100  
ThriveHomeBuilders.com

# Efficient

- 100% Zero Energy Ready
- Double 2x4 walls on 8 product lines
- ~HERS 40 without solar
- Solar standard on 6 product lines
- 4 Net Zero product lines (HERS 0-15)

# Healthy

- EPA Indoor airPLUS
  - integral to 100% Zero Energy Ready
- Active radon mitigation
- CertainTeed AirRenew Drywall
- ERV



YOU ARE WHAT YOU

# Breathe.

Air pollution can be up to 100 times higher indoors than outdoors. It's time to live in cleaner, healthier air with Thrive Home Builders.

[thrivehomebuilders.com](http://thrivehomebuilders.com)



Homes that do more.



WESTMINSTER | STAPLETON | LOWRY | LONE TREE

# Local

- This message says a lot more about Thrive than the product
- Beetle-kill lumber when available
- “Meet Your Neighbor” meetings with Thrive leadership and homeowners at each community





# Our Product Types

- Single Family
  - Solaris III
  - ZEN 2.0
  - Vita
  - Panacea
  - Lowry
- Multifamily
  - 3-Story
  - 2-story courtyards
  - Income-qualified

Base price range: High \$100s to high \$800s

# Are we getting paid for what we do?

- According to MetroStudy, Thrive is the 17<sup>th</sup> largest builder by volume in Denver
  - An impressive 1.4% market share...
- And yet, Thrive gets the 4<sup>th</sup> highest price per square foot among the top 25 builders in Denver
- Something seems to be working!
  - Synergy between premium product and premium locations





# 2017 Innovation Award Winners

## Ridgegate

- HERS score of 8...in a townhome!
- Suburban location, yet walkable and transit-accessible
- 1887 sqft, low-maintenance, main-floor master product
  - Up to 2 bedrooms upstairs,
  - Optional finished basement of 902 sqft



# 2017 Innovation Award Winners

## Ridgegate

- Energy
  - DOE Zero Energy Ready
  - 6.2 kW of solar (prepaid lease)
  - Double 2x4 walls
- Health
  - EPA Indoor airPLUS
  - Active radon mitigation system
- Leaky party wall assemblies are still an issue...



# 2017 Innovation Award Winners

## Lowry Boulevard One

- HERS score of 4
- Urban infill location, proximity to high-end, established Denver neighborhoods
- Unique “Z-lot” configuration allows single family, main-floor master on narrow urban lots
  - Zoning for this product is a challenge!
- 2554 sqft, low-maintenance, main-floor master product
  - 2 bedrooms upstairs
  - Optional finished basement





# 2017 Innovation Award Winners

## Lowry Boulevard One

- Energy
  - DOE Zero Energy Ready
  - 8.68 kW of solar (prepaid lease)
  - Double 2x4 walls
- Health
  - EPA Indoor airPLUS
  - Active radon mitigation system

# What's the next frontier?

- Keep building the brand of Efficient, Healthy and Local
- Handling the challenges of land availability, trade capacity
- Operational excellence is the key to our long-term prosperity and survival
- Building the financial strength to weather the next down market, and be well-positioned for the next upswing





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