

## CASE STUDY: WATERMARK PARTNERS

# Setting the standard for investor communications and transparency.

**THE PROBLEM: A BETTER WAY TO COMMUNICATE.**

Founded in 2014, the company established itself with the launch of its Fund 1 Portfolio, a friends and family fund including roughly 40 investors. Following a second fund of slightly greater size and scope, the company was ready to build on its success to reach an extended investor pool. It was during the funding cycle for its Fund 3 Portfolio offering that Watermark embraced CrowdStreet's platform.

"We needed a CRM tool, a better workflow, and a place to store documentation," explained Watermark Head of Investor Relations Tom Carroll. "We'd been using DocuSign, and it was very manual. As importantly, we needed a better way to communicate with investors by email. We started with a list of 100 people, but it grew so quickly, I began getting dinged by Google for spamming. It just was not viable."

Beyond greater efficiency and scalability, the company had another core requirement for their new investor and investment management software. "Privacy was one of our largest concerns," Carroll elaborated. "We could have kept muddling along with our email system, but it lacked crucial elements of privacy and control. We have so much sensitive data that the capacity to control it was essential to us."

Beyond the technical issues, there was yet one more core requirement needed to meet their scaling business drivers: supporting Watermark's dedication to greatest possible transparency and communication with its investors.

As CrowdStreet Client Success Manager Molly Hart explained, "Funds evolve and require a consistent flow of information to investors. Beyond that, though, Watermark sets the standard for investor communications. They offer a ton of resources, but also make the time for small touches. That attention to relationships makes all the difference for investor satisfaction and retention."

Based on the company's needs, one of Watermark's investors recommended CrowdStreet's software. As Carroll explains, "He'd invested in multiple crowdsourced real estate deals and engaged with four or five investor management solutions. He endorsed CrowdStreet as the absolute best platform out there. He introduced us to the CrowdStreet team, and it's been a match made in heaven ever since."



"There was no feasible way we could have scaled our investor base 10x in 12 months if it hadn't been for a tool like CrowdStreet."

Tom Carroll  
Head of Investor Relations

## THE RESULTS: AMAZING GROWTH

Flash forward to 2018, when Watermark's mailing list has grown to 1,000 and its investor pool to over 300 individuals. The rapidly-growing company has also achieved a 53% carryover in repeat investment between funds. Carroll commented there'd have been no way to achieve such level of growth and retention without a tool like CrowdStreet. "There literally would not have been enough time in the day."

Watermark points to the CrowdStreet portal as giving investors an experience that "mirrors a bank statement," providing them with the online, on-demand access to information they expect. "It's a real legitimizing factor, especially for a small private fund like ours," said Carroll.

As the company moves into tax season, CFO Mike Schmansky highlights another benefit of the platform: distribution of K1s. "All of our document delivery, including investor K1s, now goes through CrowdStreet. We're able to bulk-upload the

## BONUS: FUNDRAISING PARTNER

The company recently introduced its most ambitious offering yet: Fund Portfolio 4. This opened a new point of engagement with CrowdStreet, as Watermark plans to complete the remaining 10% of its fundraising on the CrowdStreet marketplace.



"We had looked at other online fundraising platforms, but they don't like funds. They want to do their own. CrowdStreet welcomed working with us. We expect the marketplace to be a good source of additional funding and a channel for new, lasting investor relationships."

Lastly, Carroll commented, "We're in love with our account reps. The human touch is fantastic. They've lead us nicely through the process." Schmansky elaborated, "Molly will come to us and ask what's working and what's not. When we give her examples of things that aren't working, there's legitimate traction regarding listening to our needs and then putting those changes into place."

### WATERMARK ON CROWDSTREET

# \$11.5M+

CAPITAL RAISED ON THE  
MARKETPLACE



### ABOUT WATERMARK PARTNERS REAL ESTATE

Michigan-based Watermark Partners focuses exclusively on low-to-moderate income multi-family housing in the Midwest's rust-belt. The company's strategy is to generate consistent and high returns for investors by acquiring properties that have been poorly managed, were underpriced, or benefited from an upfront capital investment to improve rental income immediately and over the long term. Watermark's funds span 4000 apartments across 10 cities, with a focus on secondary and tertiary markets.

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