

CASE STUDY: WINDMILL INVESTMENTS

Using CrowdStreet to raise more money and acquire long-term investors, online.

THE PROBLEM: A BOLD ENTRY INTO ONLINE CRE INVESTING.

The year was 2014—and online Commercial Real Estate (CRE) fundraising was in its infancy. Windmill Investments Founder and CEO Dan Carter and CrowdStreet VP and Co-Founder Darren Powderly became acquainted during the timeframe when Powderly and his team were preparing for CrowdStreet's launch.

Carter, whose company has a history of delivering double-digit returns and performing beyond projections, was intrigued by the evolving platform. When Windmill sought to raise funds for Timber Oaks, a 180-unit Class A multi-family apartment complex in the Dallas, TX, area, the stars aligned. Timber Oaks became one of the first listings on CrowdStreet's newly launched investor marketplace.

The equity amount of the offering was \$3MM with 43% of the total equity represented by CrowdStreet investors. The Targeted Investment Period was set for five years, with full payout in 2020.

THE RESULTS: REPEAT SPONSOR & REPEAT INVESTORS.

Trouncing its goal for return-on-investment, Timber Oaks sold in under three years—with investors pocketing \$1.8MM in profit. The project is also notable as being CrowdStreet's first fully invested and realized offering.

Due to the success of equity raise for Timber Oaks, Windmill has partnered on three subsequent offerings with CrowdStreet to-date, adding 80 new investors to Windmill's ranks.

"CrowdStreet investors have invested in at least two of our four offerings on the platform," stated Julien Collin, Investment Analyst/Investor Relations Manager at Windmill. "Raising capital through CrowdStreet increases our opportunity to purchase bigger properties and increase our investment size. We reach out to our existing investor group, then CrowdStreet fills the gap."

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"We plan to continue beating our projections and using technology to best serve our investors. CrowdStreet is a conduit to meeting these goals."

Julien Collin,
Investment Analyst / Investor
Relations Manager

THE BONUS: CREATING DEEPER INVESTOR-SPONSOR RELATIONSHIPS.

The offering bore earmarks of what Timber Oaks investor Michael George calls an “outstanding commitment” between Windmill and its investors—in this case, aided further by CrowdStreet’s platform and facilitation processes. “Communication between Windmill and its clients has always been top-notch, but CrowdStreet took it to the next level.”

One example was the introductory webinar for Timber Oaks hosted by CrowdStreet. “I’d invested in multiple deals with Windmill. Still, it’s a benefit to hear the people managing the deal answer questions directly. It’s greater insight into how savvy they are,” said George.

Collin agrees, adding, “With CrowdStreet as a third-party, investors feel empowered to ask questions they might not ask us. They also know CrowdStreet will select qualified Sponsors, which creates an environment of trust.”

Besides winning with Timber Oaks, another early CrowdStreet adopter (and investor in CrowdStreet, Inc.), James Knapp, has invested in a total of 14 CrowdStreet offerings. Still, it’s the relationship factor that made Windmill stand out. “I got the sense that Dan Carter was more worried about the investors than about himself,” Knapp commented.

In addition to posting offerings on the CrowdStreet marketplace, Windmill also uses the white-label CrowdStreet Connect investment software to power its own investor portal. Collin cites the time savings and ease of use in managing his current roster of 370 investors via emails personalized to all contacts, plus the ability for investors to access documents on-demand, 24/7.



“We started looking at online fundraising platforms such as we felt it is going to be significant for the future of the industry of commercial real estate funding alternatives. Similar to Amazon in 1994 and the eCommerce industry, we expect exponential growth for CrowdStreet and the industry. Trust and transparency is essential and CrowdStreet’s advanced technology allows 24/7 access for investors and facilitates communication.”

Dan Carter
Founder & CEO

ABOUT WINDMILL INVESTMENTS

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Founded in 2004, Windmill Investments is a private real estate investment company specializing in identifying undervalued or under-performing properties with strong growth potential, including single-family homes, multifamily apartment complexes, and commercial offices. The company has over 1,500 units under its management portfolio.

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