CA VENTURES’ STRATEGIC PARTNERSHIP TO EXPAND UNIVERSITY STUDENT HOUSING OPTIONS IN 2017 IN LATIN AMERICA WILL ATTRACT STUDENTS AND PARENTS TO DIVERSE STUDENT HOUSING THROUGH CONNECTIONS WITH THE COMMUNITY

PRESENTED TO
Mr. Sean Zasche, Chief Investment Officer
CA Ventures

PREPARED BY:
Crimson Consulting Group

Katie Boyer
Brooke Fontaine
Alex Helvaty
Ethan Miller
Conner North

7 November 2017
19 January 2017

Mr. Sean Zasche  
Chief Investment Officer  
CA Ventures  
130 E Randolph St #2100,  
Chicago, IL 60601  

Dear Mr. Zasche:

Here is the report you requested on January 19th 2017. Crimson Consulting Group has developed an innovative solution that presents a new diverse way of college living internationally. CA Ventures has begun to enter a new market in Latin America and we believe CA Ventures should capitalize on the new market presence.

Our research shows us that CA Ventures is one of the first companies in the industry to enter the student housing market. This opportunity will help grow CA Ventures’ market share while developing international connections with companies. Partnering with the local company, Grana Y Montero, is one way CA Ventures can integrate diverse student housing options into Lima, Peru.

Thank you for the opportunity to help differentiate your successful business and help grow market share by expanding student housing in Latin America. To maintain lines of communication, you may reach us at CCgroup@indiana.edu. We look forward to providing help for CA Ventures in the future.

Sincerely,

Katie Boyer       Brooke Fontaine       Alex Helvaty       Ethan Miller       Conner North
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EXECUTIVE SUMMARY

Introduction

In the increasingly international real estate industry, CA Ventures must expand and increase market share to remain competitive. CA Ventures has entered Latin America, in Chile and Colombia, and should continue expansion into neighboring Peru with Lima based university student housing. For expansion to become a reality, CA Ventures must attract students and their parents to diverse community oriented student housing.

Expand Student Housing Options in Latin America

The World Bank forecasts Peru to have the fastest growing GDP in South America as a result of an increase in political stability, strong economic policy, and the addition of several new, large-scale mining projects. According to the Inter-American Development Bank, the Peruvian middle class has grown fivefold in the last nine years and caused an increase in demand for residential, commercial, and industrial real estate. Because of this increase in demand, Peru is now facing a housing deficit of 1,800,000 units, with only 80,000 new units entering into the market each year. As a result, Peru is now experiencing a construction and real estate development boom.

A shift toward a new form of student housing by students in Latin America, away from the traditional norm of living with one's family, allows for the implementation of modern ideas and features.

Attract Students and Parents to Diverse Student Housing

The current norms for students living in Lima, Peru are changing and students seek private living spaces with modern amenities. The San Isidro area, where the National University of San Marcos is located, fits CA Ventures' target market of iGens, who are the key consumers for the next five years. The area is also home to high income families and features modern architecture that allows CA Ventures to integrate its modern building styles into the area of San Isidro. The university is in a safe neighborhood of Lima and is located near major destinations in Lima and public transportation, which is a requirement for building locations for CA Ventures. CA Ventures expansion into Lima, Peru will diversify student housing options for students and parents near the University of San Marcos.

Connect with Community to Build Student Housing

The community of Lima, Peru is culturally different than other investments CA Ventures has invested in. Connecting with the community by partnering with a local company to build the student housing will ensure the sense of community stays intact while introducing a diverse way of college living. Grana Y Montero is a construction company
that is headquartered in Lima and has worked on projects similar in size to CA Ventures. This partnership is strategic in providing the resources to build in the Lima district of San Isidro.

Conclusions/Recommendations

To remain competitive, CA Ventures should increase its presence in the Latin American real estate market by expanding into Peru. Through a new Lima-based student housing facility, CA Ventures should take advantage of a growing economy and a growing housing market. CA Ventures should cater to the needs of an evolving Peruvian population by providing modern amenities while maintaining a strong sense of native culture within its facility.
CA VENTURES’ STRATEGIC PARTNERSHIP TO EXPAND UNIVERSITY STUDENT HOUSING OPTIONS IN 2017 IN LATIN AMERICA WILL ATTRACT STUDENTS AND PARENTS TO DIVERSE STUDENT HOUSING THROUGH CONNECTIONS WITH THE COMMUNITY

INTRODUCTION

Problem and Purpose

How can CA Ventures differentiate itself and increase market share in a competitive environment? What steps can be implemented to drive growth of CA Ventures? The purpose of this report is to develop and effectively communicate a clear strategic differentiation plan that will help CA Ventures drive a sustainable competitive advantage in the real estate industry, keeping in mind the current scale of the company. The report addresses what student housing implementation will be needed, why the area was selected and how the project will be incorporated into CA Ventures’ business model successfully.

Research

In order to gain a deeper understanding of the features, styles, and cost figures that will be implemented into the development of student housing, this report includes primary research conducted by means of email and instant message. The information gathered by email provided a comparable student housing unit, owned by Livinn Santiago, with which information regarding modern amenities, room and building structure, and cost figures was obtained. Speaking with representatives of Livinn Santiago allowed for a unique and accurate set of information to be acquired so that all figures and features set to be implemented are realistic.

To understand the living culture of students, the report includes a primary source from Olga Guedes, a native of Brazil. Brazilian cultural norms are closely related to those of Peru in that family and community is regarded as one of the most important aspects of an individual’s life. The personal interview provided information about the norm of college student housing in Brazil, and how changes in the norms are occurring as a result of modern features and ideals being implemented into student housing and living arrangements.
Report Preview

This report contains the details of implementing student housing in the Lima, Peru area and further describes the logic behind the recommendation. The report then addresses the benefits of the chosen location and provides evidence supporting the attractiveness of student housing in Lima. Finally, the report explains the partnership and methods needed to successfully implement the plan in Lima's culture-oriented environment. The report then provides a timeline of implementation, risk analysis and potential marketing strategies.

EXPAND UNIVERSITY STUDENT HOUSING OPTIONS IN LATIN AMERICA

CA Ventures has begun to tap into the Latin American student housing industry with projects in Chile and Colombia. Neighboring Peru boasts similar characteristics and currently has an unmet demand, making Lima a prime market for expansion.

Develop University Student Housing in Lima, Peru

An unprecedented amount of growth for CA Ventures comes by breaking into the Peruvian real estate market and capitalizing on its prime economic condition. Peru is ideal for CA Ventures' student housing expansion because:

- Peruvian middle class has grown fivefold in the last nine years (Grossman)
- World Bank forecasts Peru to have the fastest growing GDP in the region (Peru)
- Peru has a relatively young population, with 45.25% under 24 (The Worldbank Factbook: Peru)

Demand for residential, commercial and industrial real estate continues to grow along with the middle class. Relative to other Latin American countries, such as Colombia and Chile, Peru boasts similar characteristics in GDP and ease of doing business. (See Figure 1) CA Ventures’ student housing project will benefit from Peru's economic growth and this increase in demand.

<table>
<thead>
<tr>
<th>2016 Latin America Country Comparison</th>
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<tr>
<td>GDP (Billions)</td>
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<tr>
<td>Columbia (Livinn Bogota)</td>
</tr>
<tr>
<td>Chile (Livinn Chile)</td>
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<tr>
<td>Peru (Livinn Lima)</td>
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</tbody>
</table>

Source: Cia World Factbook, Transparency International, World bank

CA Ventures’ student housing experience in Colombia and Chile offers a new form of student housing for students in Latin America. This student housing is different from the traditional norm of living with family and allows for more modern ideas and features to
be implemented. Introducing modern amenities and housing in the Lima, Peru area will allow CA Ventures to attract students from National University of San Marcos and benefit from Peru's economic situation.

**Integrate Modern Amenities for Students**

The quality of social and physical infrastructure and the well-being of the new residents of any project have a strong connection (Instalan). This connection enforces the concept of amenities playing a major role while choosing a property.

**Enhance Living Space with Modern Amenities**

Amenities that will enhance the desirability of the living space and contribute to the pleasure and enjoyment of the occupants include the following:

- **Location**
  - Proximity to Parks, Lakes, Highways, Schools
  - Aesthetic View from Residence

- **Individualized Enhancements**
  - High Speed Internet
  - Large Units with Storage Space
  - In-Unit Washer and Dryer
  - Fully Functional Kitchen
  - Heated Floors
  - Furnished Rooms

- **Communal Enhancements**
  - Fitness Facilities
  - Work and Leisure Collaboration Areas
  - Group Events/Activities
  - 24 Hour Security

Further information regarding amenities and residence enhancements can be found on page 10.

**Competitive Edge and Appeal to Cultural Ideals**

Integrating modern amenities and designs into the development of student housing in Lima, Peru will give CA Ventures a competitive edge in this rapidly growing economy and real estate market by connecting both work and leisure in an appealing way. Implementing certain designs and features is also heavily dependent on the culture. CA Ventures should be aware of the cultural differences, so that the design fully appeals to the local residents. Because South American cultural values are very heavily focused on family and community, implementing amenities that create a family-like feel within the housing community will appeal to the cultural ideal (Instalan).
The incorporation of communal features to provide a safe and family-like atmosphere has created diverse student housing. A change in cultural ideals, as a result of implementing modern amenities and features into student housing and apartments, has begun to attract more students and families to the idea of living separately from each other.

**ATTRACT STUDENTS AND PARENTS TO DIVERSE STUDENT HOUSING**

The current college housing options in the Lima District include living with students in a house, living with a host family, or living with related family. However, views are changing and students are seeking alternative living.

**International Student Perspective on Student Living in Latin America**

The current college housing options in the Lima District are similar to cultural norms of living in other Latin American countries. However, the norms are changing. According to Olga Guedes, a resident of Brazil (a country culturally similar to Peru), living with family while in college is the norm for students. However, many students’ views have changed and apartment living has become desirable. Older generations tend to live with families until marriage, but iGens and Millennials have started to seek other living experiences. Olga explained that private living spaces with modern amenities excite younger generations in Brazil because they never had modern amenities growing up (Guedes). By offering modern student housing, CA Ventures will diversify the current student housing options in the Lima District.

**National University of San Marcos Fits CA Ventures’ Target Market**

The San Isidro area, where the National University of San Marcos is located, is home to high income families. San Isidro is the 4th wealthiest city in Latin America, based on the population that live in the area (“San Isidro Peru”). iGens have entered adulthood and have begun to live on their own and make purchasing decisions. Although few now live on their own, over the next five years, iGens search for their own affordable living spaces. They will become the key consumer segment for marketers of big-ticket items such as households, electronics, automotive, and more (O'Donnell). iGens who rent living spaces in local communities are more likely to spend money to keep the community economy growing (Shwetz) and local students make up majority of the population at the National University of San Marcos, making the university a prime destination for CA Ventures.

**Easy to Integrate Modern Design Into the Building Styles**

The historic city of San Isidro is characterized by modern architecture with elements and legacies of the colonial and indigenous culture. The architecture focuses on unifying tradition and modernity in the urban residential developments, multifamily buildings, shopping centers, and financial centers (“San Isidro Peru”). Figures 2 & 3
compare the buildings of the San Isidro city and the recent Chile development. The similar styles show that CA Ventures will be able to integrate its modern building styles with the architecture of San Isidro.

Figure 2 & 3
San Isidro modern buildings compared to CA Ventures’ modern student housing

San Isidro: A Financial District Home to Upper Class Families

The city of San Isidro is the financial district of Lima, Peru. This city is home to upper class families with higher levels of income than other areas of Peru. The city’s urban colonial style came to life through social and cultural styles as universities, hospitals, and other buildings expanded (“Historic Centre of Lima”). Modern construction and beautiful gardens, parks, and plazas characterize the historic center of Lima, Peru. With the district being primarily upper/middle class, this demographic gravitates toward nicer, modern apartment living. They spare no expense on amenities and options within the living space, which is what CA Ventures does.

Safe Environment with Higher Security

The city of San Isidro is a relatively safe neighborhood of Lima. A review on Trip Advisor recommends San Isidro as a very safe neighborhood for a place to stay in Lima ("Safe Neighborhood in Lima"). In addition, Miraflores, a high tourist area located 25 minutes from the University, is also considered to be a safe neighborhood of Lima ("Peru 2016 Crime & Safety Report").

The University San Marcos also has security measures to keep the area safe for students. Recent public announcements for the area call for recruitment of additional
security agents for the Office of Security and Surveillance ("Archivo De La Categoría: Seguridad Y Vigilancia"). CA Ventures also incorporates security in amenities. Recent Chile and Columbia developments, Livinn Santiago and Livinn Bogota, offer staff and security 24 hours every day of the week ("Livinn Bogota").

**Convenient Transportation and Close Proximity to Popular Destinations**

The University of San Marcos ranks as one of the top schools in district with its close proximity to numerous popular destinations in Lima. In addition, the university is conveniently located near a major transportation system of Lima. Recent developments in Chile and Columbia are all built around local transportation, shopping centers, and major tourist destinations. The University of San Marcos holds all of these aspects that will allow the area of San Isidro to be an attractive destination for students. (See Appendix A for a map of the University of San Marcos' close proximity to popular destinations and transportation)

**Proximity to Popular Areas in Lima**

The University of San Marcos centers around popular destinations in Lima, which is important for students when renting a living space. The university is within close proximity to two major museums, a major park, zoo, and plaza in Lima. (See Appendix A for more details about the destinations and location from the university)

**Proximity to Public Transportation From the University of San Marcos**

CA Ventures builds student housing in areas that are close to public transportation and the San Isidro area fulfills that requirement. The University of San Marcos is in close proximity to major tourist destinations and the Metro de Lima allows students to be able to visit those places, particularly the international population. The university is also in close proximity to the major airport of Lima.

In addition, an efficient and close transportation system draws students to universities and areas of student living. A public transportation system encourages economic and social activities to create strong neighborhood centers that are stable, safe, and productive. (Pillion) (See Appendix A for more information about the Metro de Lima and airport)

The wealthy area of San Isidro is an opportunity to attract students and parents to diverse student housing. Connecting with the local community and partnering with a local construction company will help to build the new, diverse student housing in Lima, Peru.

**CONNECT WITH THE COMMUNITY TO BUILD STUDENT HOUSING**

The community and culture in Latin American countries is vastly different compared to the culture of America. Investing in the community of Lima will help integrate the new community style living CA Ventures provides for students who only know what living at home is like. CA Ventures can begin by partnering with a local construction company to
help with building codes, zoning laws, and integrating CA Ventures’ design into the community. The goal of this strategic partnership is to gain market expertise specific to Peru and then use CA Ventures’ development, finance, and operational experience to create a strong asset in the community. (CA international Website)

**Partner with Local Construction and Development Company**

Beginning a new project internationally has challenges that partnering with a local community company will solve. Graña y Montero is a construction and real estate company head quartered in Lima, Peru. Graña Y Montero has created a network with over 26 companies over the past 82 years they have been in business. Creating such a broad network gives the company access to resources that they would not have access to or would have to pay for normally. This network that CA Ventures would have access to would provide access to resources such as (Graña y Montero website):

- Engineering
- Infrastructure
- Real Estate
- Construction
- Services

Additionally, the company’s connections and knowledge of Lima’s building codes and zoning laws will speed up the process of getting the project approved. Building codes and zoning laws restrict companies from building whatever wherever. This partnership would be a strategic move for CA Ventures because Graña Y Montero can support CA Ventures’ operations in other Latin America opportunities. In Peru, construction permits take up to four weeks to get approval (Doing business). This process has many steps that include paper work that varies on the length of time to complete. Through the help of Graña Y Montero, CA Ventures can spend less time on the completion of the building construction paperwork.

**Flexible Costs Associated with Partnership and Development**

The costs of developing Livinn Lima resemble the costs of the apartments built in Mira Flores. The zoning laws in Lima require residential buildings to be no higher than 15 floors (PDF). To maximize the land that CA Ventures will use to build the student apartments, using all 15 floors is ideal. (See Appendix F for cost figures)

Because CA Ventures has already developed student housing internationally in Columbia and Chile, the price resemble what CA Ventures can expect to charge for the apartments in Lima. Figure 4 provides an overview of how much each student will be individually charged for the various types of apartments to choose from.
Livinn Lima will provide five different floor plans that the students can choose to live in. The costs of living in these apartments are individually charged and the prices range from paying $1554-$3452 per month per person. The four-person standard apartment is the most popular because of the cheaper cost of living (See Appendix C for more information on the layout of the apartments). All of the rooms have similar amenities across all room styles.

Economic and Profitable Benefits Gained Through Partnership

The purpose of this international venture is to grow CA Ventures. By expanding student housing in Latin America, CA Ventures will enter a new housing market. Entering a brand new market has challenges but if done successfully, will allow CA Ventures to have all the market share in Latin America (Business Case Studies). Another benefit of expanding operations abroad is that student housing is not correlated to the economy performance (Business Case Studies). Students will always need student housing and prefer luxury apartments; therefore, the market will not fluctuate as much as more volatile markets.

The return on investment will take CA Ventures approximately 9.6 years to start seeing a profit from operations of Livinn Lima. (See Appendix C for more details on the costs figures)

Reshape the Idea of Community in a Family-Oriented Culture

Peru has a long legacy of placing importance on family. This emphasis on family has major implications for the real estate market in Peru. Most young Peruvian adults still live in their parents’ home until they marry ("Relationships"), and 88.7% of housing units in Peru are single-family detached houses ("Peru – Worldmark Encyclopedia"). Regardless of ethnic background, Peruvians stress the importance of family and religion. In order to reshape the Peruvian idea of community in a family-oriented culture, CA Ventures must adapt to the culture of Peru as well as stress the similarity of the
community lifestyle in Lima and at CA Ventures' student housing facility to that of a familial home.

Risks Associated with Cultural Differences

Peruvians tend to be interdependent, conforming more to social norms and relying on others more ("GlobeSmart"). To navigate this difference, CA Ventures must stress the interdependent atmosphere of its new Peruvian facility. More differences between Peruvian and American cultures are listed and illustrated in Figure 5 below (See Appendix D for risk and mitigation of cultural differences). Peruvians tend to:

- Respect status more than egalitarianism
- Prefer certainty to risky decisions
- Communicate more indirectly than directly
- Value relationship-oriented business over task-focused business

**Figure 5**
Comparison Profile for Peru and the United States

![Comparison Profile for Peru and the United States](http://www.aperianglobal.com/learning-solutions/online-learning-tools/globesmart/)

Students Acquire Relational Connection with Local Community

Among the most important facets of Peruvian culture are music and dance, religion, soccer, and art and history ("Culture of Peru"). CA Ventures should highlight the community atmosphere and cultural opportunities both in the city of Lima and in the CA Ventures student housing when marketing to iGens. (A list of local cultural attractions in Lima are in Appendix E)

Offer Amenities that Appeal to Community Culture and Mindset

Amenities provided by CA Ventures to its Peruvian tenants need to consider the importance placed on family and community. Amenities that CA Ventures could provide to accommodate these needs include:
• **High Wi-Fi speeds and computer labs**
  o 22.6% of homes in Peru have internet connection, a 3.6% increase from 2012, 38.4% of people ages 6 and up use the internet, and a majority of homes in Peru have at least one cell phone ("Chase"). This makes high Wi-Fi speeds the best option for students to communicate with friends and family.

• **Community areas such as game rooms, study areas, TV lounges, terrace/balcony and BBQ Area**
  o Game rooms could include foosball tables as soccer is extremely popular in Peru. Study areas are important for students. TV lounges will attract students, providing a sense of community.

• **Community events such as dances and casino nights**
  o Dancing is a major cultural feature of Peru, including popular dances such as huayno, vals criollo, and marinera ("La Marinera"). Gambling is legal in Peru and is now a popular business ("Casinos"). As the legal gambling age in Peru is 18, parents will prefer for their students to have casino nights at their apartments than to gamble in the city.

• **Fitness areas, such as weight gyms, pools, yoga studios**
  o According to a recent survey of 7,095 college students, when thinking about communal living spaces, fitness centers top the list of common areas students say they are likely to use ("Batdorf").

• **Community grocery store**
  o A 100% fresh community grocery store, such as those implemented in CA Ventures’ facilities at Penn State and Purdue (CA Ventures Q&A) is a good option for this Peru facility. Modern Peru takes full advantage of the 85 individual climates to grow almost anything imaginable through mostly organic farming ("Weaver").

**Timeline of Implementation**

CA Ventures should spend months 1-5 researching and planning the expansion into Lima, Peru. Then, months 6-10 should focus on building the student housing, followed with two months of marketing to iGens. (See Appendix G for Marketing Plan) (See Appendix B for a visual of the timeline and specific details)

CA Ventures can continue to expand on the Latin American developments in the wealthy district of San Isidro, Peru. The modern amenities and private living space will attract students and parents to a new way of living and culture.
CONCLUSION AND RECOMMENDATION

CA Ventures has already begun to expand its presence into Latin America with projects in Chile and Columbia. An exciting opportunity for further Latin American expansion lies in Peru. The University of San Marcos in Lima, Peru provides CA Ventures with an ideal target demographic for a new student housing facility.

The growing housing market and middle class of Peru, along with the untapped student housing market of Lima, Peru allow CA Ventures to move first and capture the demand of students in the evolving culture of an upper-class financial district. CA Ventures, through partnering with local companies, implementing modern amenities, and providing housing tailored to the family-oriented culture of Peru, should find great success through opening a new student housing facility located near the University of San Marcos in Lima, Peru.
BIBLIOGRAPHY


APPENDIX A

Map of the University of San Marco's Close Proximity to Popular Destinations and Public Transportation

Legend
- Red: Museo Larco
- Orange: Museum of Archaeology, Anthropology, and History
- Blue: Parque de la Leyendas
- Green: Parque de la Reserva
- Purple: Plaza de Armas

Source: Google Maps

About the Major Destinations in Lima

The University of San Marcos is within close proximity of two major museums in Lima. Located 1.3 miles from the university, Museo Larco rates #1 on a list of 321 things to do in Lima with a certificate of excellence award (Guerra). The National Museum of Archaeology, Anthropology and History rates #15 on the list of 321 things to do in Lima. This museum is the Travelers’ Choice 2016 Winner with historic architecture where visitors can relive and discover the life of ancestors (“National Museum of Archaeology”).

The university is also centered around a major park and zoo of Lima. The Parque de la Leyendas is Lima’s traditional zoo that combines ecology, archaeology, education, and relaxation for the visitors. The park has interesting museums within the area that display artifacts and mummies found in different ceremonial centers. The #2 of 321 attractions in Lima, Parque de la Reserva, is 3.5 miles from the university. The attraction incorporates a light and water show with Peruvian music that makes the park one of Lima’s most visited tourist attractions.

The University of San Marcos locates 3.7 miles from the Plaza de Armas. This Plaza rates as #8 of things to do in Lima and is a Travelers’ Choice 2016 Winner. The Government Palace, Cathedral of Lima, and the Palace of the Union surround the Plaza, which is the core of the city of Lima.
Metro de Lima and Jorge Chavez International Airport

The major Metro de Lima, which covers 2,672.28 km squared around Lima, is located 8 minutes from the University of San Marcos. The aboveground mass-transit system links downtown areas with the financial district of San Isidro. In addition, the major airport, Jorge Chavez International Airport, is 20 minutes from the university, which attracts international students who need to travel from foreign countries to the university.
APPENDIX B

Timeline of Implementation

Source: Own
APPENDIX C

Floor Plans

Source: Email from Livinn Santiago
## APPENDIX D

### Risk and Mitigation

<table>
<thead>
<tr>
<th>Risk</th>
<th>Mitigation</th>
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<tbody>
<tr>
<td>Peruvian tendency to honor status and age, resulting in breakdown of communication</td>
<td>Speak one on one with lower-ranking individuals in Peruvian organizations to understand their point of view</td>
</tr>
<tr>
<td>Peruvian preference of certainty over risk</td>
<td>Lay out in concrete terms CA Ventures' processes and objectives to Peruvian partners</td>
</tr>
<tr>
<td>Peruvian tendency to communicate indirectly</td>
<td>Emphasize when CA Ventures needs concrete answers and ask for clarification when necessary</td>
</tr>
<tr>
<td>Peruvian preference of relationship-oriented business</td>
<td>Take time to build relationships and trust with Peruvian partners, pay close attention to needs of tenants</td>
</tr>
</tbody>
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APPENDIX E

Local Cultural Attractions in Lima

- Churches: Iglesia de Santo Domingo ("Iglesia De Santo Domingo"), La Catedral de Lima ("La Catedral"), Iglesia de la Merced ("Iglesia De La Merced")
- Museums: Museo de Arte de Lima (MALI) ("MALI"), Museo Larco ("Museo")
- Soccer Stadiums: Estadio Monumental "U" ("Estadio Monumental"), Estadio Nacional del Peru ("Estadio Nacional")
- Dance & Music Halls: Teatro Segura ("Segura")
APPENDIX F

Cost Figures

With ten apartments on each floor, the total number of apartments in Livinn Lima to be 150. The cost of each apartment comes to a total of $288,000. The cost of each apartment has an associated cost of $15,000 for furnishing each apartment and 21,000 land cost is imbedded into the total of $288,000 cost for each apartment (PDF).

Cost Figures

<table>
<thead>
<tr>
<th>Unit size</th>
<th># floors</th>
<th># units/floor</th>
<th>Total sqmeters</th>
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<tr>
<td></td>
<td>90</td>
<td>15</td>
<td>10</td>
</tr>
</tbody>
</table>

average unit cost costs to furnish

| 288,000 | 15,000 |

Cost of land per unit

| 21,000.00 | Cost overall |
| 233.33    | 900 Per Unit |

Charge Per year # years for investment return

| 2500 | 30000 | 9.6  |

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APPENDIX G

Marketing Advertisement and Associated Costs

Plan:

- Web and Social Media Platforms
  - Build Website, Facebook page, Twitter, and Instagram profiles
    - Create: Produce content and share it on social media
    - Amplify: Selectively promote your top content on social media
    - Tag: Build your remarketing audience by tagging site visitors with a cookie.
    - Filter: Apply behavioral and demographic filters on your audience.
    - Remarket: Remarket to your audience with display ads, social ads, and Remarketing lists for Search Ads to promote offers. Build relationships with followers and users that interact with Livinn Lima’s accounts
    - Convert: Capture qualified leads or sale
  - It is important to utilize social media platforms to reach the target demographic, iGens.

- Physical Marketing
  - Current college students residing in Livinn Lima will distribute advertisement flyers to other students in class and around campus. When other students sign up for an apartment, the students distributing flyers will receive a 10% discount on their first year of rent.

Costs Associated with Advertising on Social Media:

- Facebook
  - When Facebook is promoting a page and its social media content the following costs occur:
    - $0.20 - $0.40 per like received
    - The more money spent on advertising, the more likes a page will receive. This guarantees a compound rate of return on views and exposure.
    - Cost to outsource an individual or company to maintain Facebook account: $2500 - $5000 a month.

- Twitter
  - Charge on a cost per engagement (CPE) basis, the account holder only pays when someone clicks, retweets, replies to, or favorites his/her tweet.
    - $0.75 - $2.50 per click/engagement
  - Account Promotion: Twitter will recommend that users follow the paid account.
    - $2.50 - $4.00 per follower gained during promotion
  - Cost to outsource an individual or company to maintain Twitter account: $1000 - $4000 a month
• Instagram
  o Pay for actual targeted ads based on the user’s follow and “like” history.
  ▪ $500 will result in approximately 10 weeks of targeted advertising by Instagram.

Marketing Advertisement:

Livinn Lima is a modern, 15 story, premium apartment complex located in the heart of Lima, Peru. The following amenities and services have been designed for the comfort and enjoyment of all college students and recent graduates and are catered to serve each individual’s needs.

Amenities:
To increase the well-being of all individuals

- Game Rooms
- Wellness Areas
- Gym
- Pool
- Lobby
- Study Rooms
- BBQ Grills
- Terrace

If you are interested in joining the Livinn Community, contact us at:

info@livinnlima.com

(312)-994-1880

The Following Services are Included for All Residents:

- Wi-Fi
- Cable TV
- Utilities
- Furnished Rooms
- Security
- Community Events
- Private & Community Areas
- Heated Floors

1 Bedroom Studio 1 Bedroom Standard 2 Bedroom Standard 3 Bedroom Standard 4 Bedroom Standard
APPENDIX H

Pre SWOT Analysis

Strengths:

• Partnering with other real estate developers to expand and build the best spaces
• Knowledge and experience in the Investment and Real Estate industry
• Investments and real estate spread out across the country and strategically located
• Designs sustainable projects and targets LEED (Leadership in Energy and Environmental Design) certifications; has achieved six LEED certifications and is in the process of achieving two more
• Offers a variety of services from investment management to development & construction management to asset & property management
• Well established relationships and infrastructure to rapidly expand within housing industry
• The ability to raise revenue from the wide range of services CA Ventures offers. Adapting to their clients’ needs for more services will allow for more revenue to be generated

Weaknesses:

• CA Ventures was sued for a bonus dispute for not giving $2.5 million to a company in a joint venture
• Central focus on the Student Housing and Senior Living industries with less focus on the other markets CA Ventures is involved in
• Does not have a strong market share in the industry, which prevents CA Ventures from having control over the industry
• Lack of strong branding and reputation in the Investment Real Estate industry
• Has not created an app for on-the-go users to take advantages of their services like real estate companies such as RE/MAX have

Opportunities:

• Expand on amenities such as bike racks, lockers, yoga spaces and more for healthier environments
• Take advantage of virtual reality technologies and create a website to set up virtual tours of properties
• The increase in the 10-year treasury note yield will create a higher demand for residential/apartment living
• The baby-boomer generation is reaching the age of retirement. This is not only creating a demand for senior living facilities, but also facilities with new technology that puts millennials’ minds at ease
• The infrastructure investment industry is growing and emerged as a key driver of building new projects or renovating old ones
Threats:

- College student debt causes restrictions on spending on real estate
- Global change and uncertainty as a result of the European Financial Crisis and China’s slowing economy is having a negative effect on companies wanting to do business internationally
- The reduction in demand for office space as more employees are working remotely through technology
- Rising interest rates and high barriers to entry will limit expansion in near future
- Higher market prices will reduce the number of investors willing to invest with CA
- Stock market volatility
APPENDIX I

Post SWOT Analysis

Strengths:

- Partnering with other real estate developers to expand and build the best spaces
- Knowledge and experience in the Investment and Real Estate industry
- Investments and real estate spread out across the country and strategically located
- Well established relationships and infrastructure to rapidly expand within housing industry
- Understanding of the Latin American student housing industry
- Further diversification of student living options abroad
- The ability to raise revenue from the wide range of services CA Ventures offers.
- Adapting to Peruvian cultural preferences for more services will allow for more revenue to be generated
- Greater cultural awareness and ability to attract students and parents

Weaknesses:

- Does not have a strong market share in the industry, which prevents CA Ventures from having control over the industry
- Lack of strong branding and reputation in the Investment Real Estate industry
- Has not created an app for on-the-go users to take advantages of their services like real estate companies such as RE/MAX have

Opportunities:

- Expand on amenities such as bike racks, lockers, yoga spaces and more for healthier environments
- Take advantage of virtual reality technologies and create a website to set up virtual tours of properties
- Create an app for on-the-go users and get more involved on social media
- The baby-boomer generation is reaching the age of retirement. This is not only creating a demand for senior living facilities, but also facilities with new technology that puts millennials’ minds at ease
- The infrastructure investment industry is growing and emerged as a key driver of building new projects or renovating old ones

Threats:

- College student debt causes restrictions on spending on real estate
- Global change and uncertainty as a result of the European Financial Crisis and China’s slowing economy is having a negative effect on companies wanting to do business internationally
- Rising interest rates and high barriers to entry will limit expansion in near future
• Higher market prices will reduce the number of investors willing to invest with CA
• Stock market volatility