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Water Softening as a Revenue Stream for:

- Real Estate Investment Trusts
- Property Management Companies
- Residential Landlords

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The business strategy contained in this prospectus, the second of two (2), is predicated upon ten (10) months of observing the SOP's of Culligan Ultrapure, Inc. in Austin, Texas in the capacity of a salt and water delivery driver and household sales representative.

During this time, inefficiencies in sales and marketing were examined in comparison to potential opportunities which could expand the Culligan™ brand in a formulaic and efficient manner.

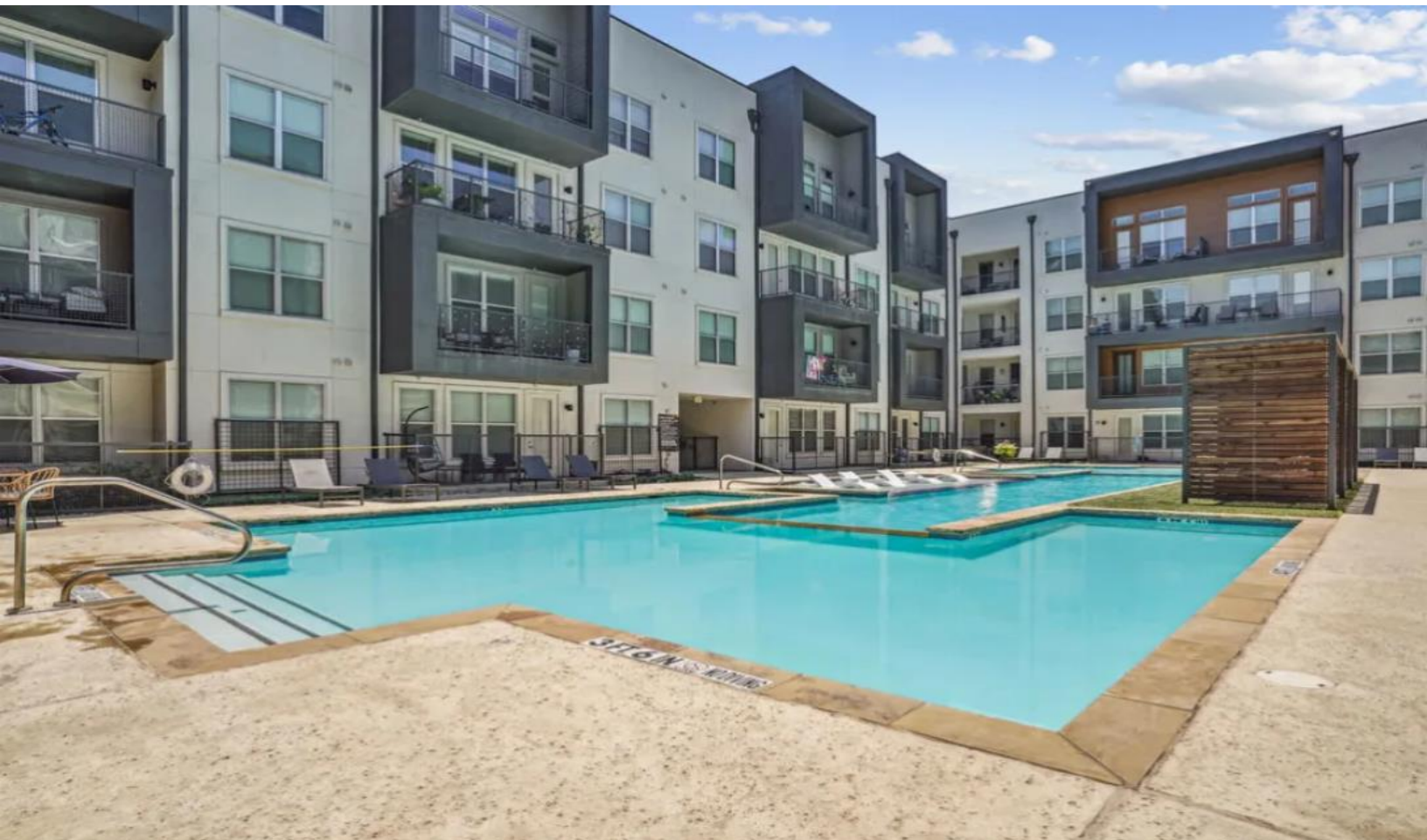
The strategy, in addition to potentially facilitating Culligan™ franchise dealers growth in their respective markets, could be of considerable value to any future initial public offering.

The analysis which this strategy is predicated upon would not have been possible without the benefit of talented management from likes Corey Stidham and Corey Rodriguez. Any brand would be fortunate to have these individuals as representatives and their work exemplifies how demonstrated leadership creates a work environment that improves employee morale and customer experiences with a product and employee(s).



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Introduction

Communicating the cost-savings benefits of water softening to property managers, with respect to mechanical equipment, is difficult as they are frequently poorly informed of the hazards hard water poses to a facilities mechanical equipment and are far removed from the individuals within REIT's who allocate their vendor budgets.

Complicating matters further, many people are simply unaware of the need for water softening in hard water regions or are of the mind that they can get by without softening.

If REIT's could be shown, i) the operational cost savings of water softening, and ii) a strategy to charge tenants to pay water softening that simultaneously markets a property as more desirable, there is a reasonable likelihood that water softening as a revenue stream could be adopted as a industry standard within the residential apartment industry.

The growing trend towards marketing Valet Garbage pick-up in residential apartment complexes indicates a desire for REIT's to maximize revenue streams that can be marketed as a convenience, if not a luxury.

This strategy, if tested and proven to work, could provide [Culligan™](#) with a marketing beachhead into the homes of a significant portion of the housing market, i.e., privately owned rental apartment complexes.

The rest of this short document explores this idea that caters to the perspective of a property asset manager.

Financials related to equipment cost are unreliable as I don't have proper access to correct pricing. The fact that C&I here in Austin marks up what is purchased from [Culligan™](#) International by 40% is a good indication that my conservative estimates are realistic and may even be able to be vastly improved upon.





Property Owner/Manager/Landlord Proposal

There is an opportunity to create a new marketable feature in the residential leasing space, which is capable of generating a positive monthly cashflow for real estate investment trusts, property management companies and landlords. Residential leaseholders can justifiably be charged a fixed **\$4.99-\$19.99** per month/per unit for water softening that improves their **pool amenity** and additionally ensures:

- Improved water quality.
- Improved dishwashing and soap lathering.
- Improved laundry, soap savings and fabric protection.
- Improved showering that protects hair and skin moisture.

The benefits of soft water, provided by the #1 industry leader **Culligan™**, equips leasing representatives with the selling points required to effectively differentiate a property for prospective tenants. As the average **Texan household spends \$45.00 per month on water softening**, before monthly maintenance plans, a tenant paying **\$4.99-\$19.99** for soft water and its many instant benefits, is reasonable.





Property Owner/Manager/Landlord Financial Savings

Soft water is required for any commercial operation in a hard water area. According to the U.S. Geological Survey approximately 85% of the U.S. has moderate to extremely hard water. Source: <https://www.usgs.gov/special-topics/water-science-school/science/hardness-water>

Softened water:

- Prevents **water heater** and **water pump** deterioration and maintenance.
- Protects **pool plumbing and equipment**.
- Protects the **structural integrity** of all plumbing.
- **Extends the life and appearance** of dishwashers, laundry machines, refrigerators with ice machines, sinks, faucets, toilets, showers and baths.
- **Reduces maintenance** calls and replacement parts.

Softened water in a hard water area is the cheapest and most efficient way to prevent plumbing damage and to save money on equipment maintenance and replacement. Property owners, managers and landlords now have a way to obtain this required protection while simultaneously generating [positive cashflow within one \(1\) billing cycle](#) from the date a commercial **Culligan™** water softening system is installed.



Financial Analysis Example

A property consisting of 400 units would require a water softening system capable of softening approximately 2,000,000 gallons of water per month.

Capital Investment

Cost of System with Installation, i.e., Capital Investment = \$75,000.00 incl. tax

Monthly finance cost @ 4.99%/15yr term = **\$592.70 per month.**

Annual finance cost = $\$592.70 \times 12 \text{ months} = \underline{\$7,112.40 \text{ per year.}}$

Monthly **Gold Seal** Service Plan Including Salt Delivery & Intallation = \$216.50 incl. tax per month.

Annual **Gold Seal** Service Plan Including Salt Delivery & Intallation = **\$2,598.00** incl. tax per year.

Annual Operating Cost = $\$7,112.40 + \$2,598.00 = \underline{\$9,710.40}$

\$4.99 Monthly Charge

Residential Occupancy of 90% = 360 units

Monthly residential water softening charge of $\$4.99 \times 360$ units = \$1,796.40

Annual Revenue = $\$1,796.40 \times 12 \text{ months} = \$21,556.80$

Gross Annual Revenue = \$21,556.80

Net Annual Revenue = $\$21,556.80 - \underline{\$9,710.40}$ (finance cost + service plan) = **\$11,846.40**

\$4.99 Monthly Charge Return on Operating Cost Rate = $\$11,846.40 \div \underline{\$9,710.40} = 1.22 \times 100 = \underline{\underline{122\%}}$

\$9.99 Monthly Charge

Residential Occupancy of 90% = 360 units

Monthly residential water softening charge of $\$9.99 \times 360$ units = \$3,596.40

Annual Revenue = $\$3,596.40 \times 12 \text{ months} = \$43,156.80$

Gross Annual Revenue = \$43,156.80

Net Annual Revenue = $\$43,156.80 - \underline{\$9,710.40}$ (finance cost + service plan) = **\$33,446.40**

\$9.99 Monthly Charge Return on Operating Cost Rate = $\$33,446.40 \div \underline{\$9,710.40} = 3.44 \times 100 = \underline{\underline{344\%}}$

\$14.99 Monthly Charge

Residential Occupancy of 90% = 360 units

Monthly residential water softening charge of $\$14.99 \times 360$ units = \$5,396.40

Annual Revenue = $\$5,396.40 \times 12 \text{ months} = \$64,756.80$

Gross Annual Revenue = \$64,756.80

Net Annual Revenue = $\$64,756.80 - \underline{\$9,710.40}$ (finance cost + service plan) = **\$55,046.40**

\$14.99 Monthly Charge Return on Operating Cost Rate = $\$55,046.40 \div \underline{\$9,710.40} = 5.67 \times 100 = \underline{\underline{567\%}}$

\$19.99 Monthly Charge

Residential Occupancy of 90% = 360 units

Monthly residential water softening charge of $\$19.99 \times 360$ units = \$7,196.40

Annual Revenue = $\$7,196.40 \times 12 \text{ months} = \$86,356.80$

Gross Annual Revenue = \$86,356.80

Net Annual Revenue = $\$86,356.80 - \underline{\$9,710.40}$ (finance cost + service plan) = **\$76,646.40**

\$19.99 Monthly Charge Return on Operating Cost Rate = $\$76,646.40 \div \underline{\$9,710.40} = 7.89 \times 100 = \underline{\underline{789\%}}$

A justifiable revenue stream is at hand, which can be applied to any property in a hard water region. These financials do not include, nor project, maintenance cost savings.



Water Softening as a REIT/PMC Revenue Stream

Hard Water degrades [plumbing](#) and [machinery](#) costing maintenance, replacements and inefficiency.

Hard Water comprises up to [25% of operating costs](#) without owners and maintenance staff being aware.

Protect Your Portfolio's:

Water Heating and Pumping Equipment - [Plumbing Integrity](#) - Pool and Pool Equipment - [Appliances](#) - Sinks and Bathrooms and [Maintenance Log](#) from the degrading effects of Hard Water.

Earn Positive Cashflow:

Create a [positive monthly cashflow](#) revenue stream of \$4.99-\$19.99 [per unit](#)!

Help Leasing Representatives:

Enhance your leasing representative's ability to distinguish your property in the market while having your critical maintenance and overhead paid for by tenants.

Help Tenants:

Tenants receive noticeable benefits through cleaner dishes, improved soap lathering, protection from dried out hair and skin condition, cleaner and softer laundry, cleaner showers/sinks and toilets.

Timely ROI:

Generating significant monthly profits while reducing operational costs by [25%](#), [within your next billing cycle](#), can be streamlined by outfitting apartment assets with a commercial [Culligan™](#) water softening system through purchase, financing or renting.

Contact



Implementation

Testing this strategy is feasible by having senior Culligan™ International leadership approach the approximately fifty (50) major asset holders in the REIT industry. These companies own no less than 2.5M units.

The National Multifamily Housing Council is a useful resource:



2025 Rankings

NMHC Top 50 Owners

Explore other Top Lists

Download data sheet of list

Owner Rank 2025	Owner Rank 2024	Company Name	Units Owned 2025	Units Owned 2024	CEO	HQ City	HQ State
1	1	Greystar	122,545	109,341	Bob Faith	Charleston	SC
2	2	MAA	102,348	100,894	H. Eric Bolton, Jr.	Germantown	TN
3	3	Morgan Properties	96,727	92,935	Mitchell Morgan	Conshohocken	PA

Source: <https://www.nmhc.org/research-insight/the-nmhc-50/top-50-lists/2025-top-owners-list/>

A reasonable beta test could be pursued here in Austin as almost all REIT's have a stake here. In addition to my work pursuing Austin developers, I could readily act a liaison with Property Managers to have a property quoted with the help of Culligan Ultrapure, Inc's senior C&I rep here, Bo Vandergriff.

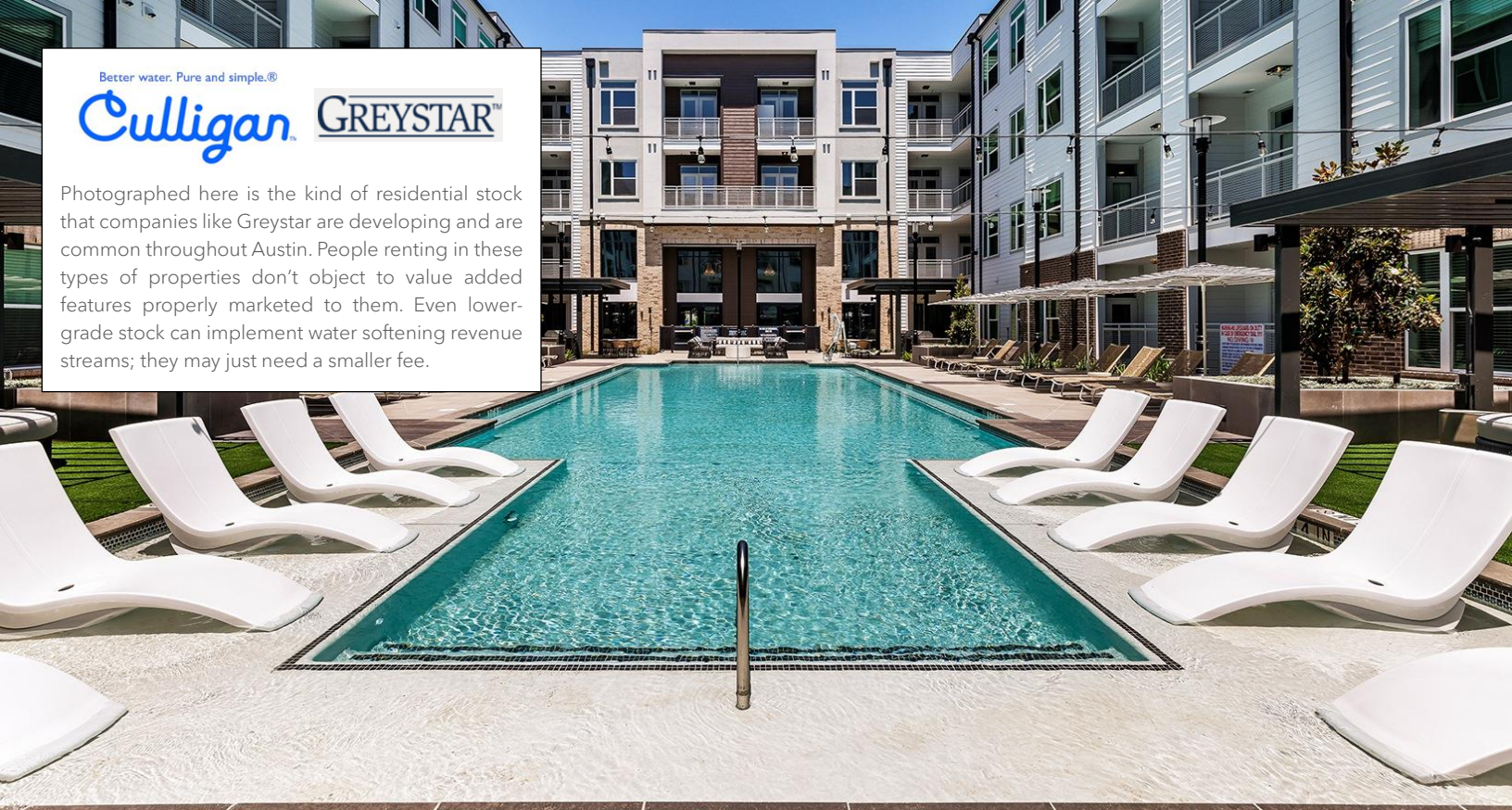
Given the strength of the Culligan™ brand, the potential here for scalability, and the need for the brand's reputation to help market a small water softening fee, the likelihood of any quotation being shopped is low. This may seem obvious, but it needs stating.



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Photographed here is the kind of residential stock that companies like Greystar are developing and are common throughout Austin. People renting in these types of properties don't object to value added features properly marketed to them. Even lower-grade stock can implement water softening revenue streams; they may just need a smaller fee.



Summation

I hope this strategy can be given serious consideration and properly explored by the individuals this prospectus was addressed to.

There is a viable opportunity for franchise owners to gain considerable new ground with, i) their commercial divisions, ii) salt deliveries, and iii) by keeping the [Culligan™](#) brand top of mind by being present as a line item on tenant invoices, but franchise owners require the representation and logistics of qualified corporate executives to navigate and open the channels this strategy can exploit for them.

As such, making contact with the executives of publicly traded companies is obviously in the domain of [Culligan™](#) International Corporate Leadership.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'Z' or 'K' shape.

