

# Rowlett Station

302 Units | 2021 Construction

3601 Melcer Drive, Rowlett, TX 75088

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## Rowlett Station

Address: 3601 Melcer Drive, Rowlett, TX 75088  
Units: 302  
Year Completed: 2021  
NRA: 250,194 SF  
Avg. Unit Size: 828 SF  
Occupancy: 91%  
Buildings: Four-story residential building

# THE SPONSORS



**VENUGOPAL ILAVALA**  
Principal TTI Capital



**RAVIKIRAN THUMMALAPENTA**  
Principal TTI Capital

**TTI CAPITAL**



**TTI Capital** has over 50 years of experience in real estate investing, apartment ownership, architecture and building renovation. This rare combination of hands-on building experience and real estate savvy enables us to accurately assess a prospective real estate investment. TTI Capital has successfully repositioned, renovated thousands of units. We incorporate the type of improvements will bring the greatest return on an investment. We identify exceptionally located properties from distressed sellers and formulate a renovation and management plan that quickly and substantially increases both cash flow and equity.

## Property Management Team



### RPM Living

RPM Living is the nation's 11th largest multifamily property management firm, with over 85,000 units under management in 65 submarkets and counting, offering a tremendous array of living choices to suit any lifestyle. After screening multiple property management firms, the sponsors selected RPM Living to manage Rowlett Station due to their strong presence in DFW market and based on stellar recommendations from trusted industry contacts.

The Sponsors affiliate, Your Way Management Team stands ready to fill in when needed.

## Local Asset Management Team



### Chitra Thiagarajan

Chitra has 12+ years of experience in managing MF portfolios, currently owns and manages SFH & MF portfolios with over 1300 units in TX, SC and FL markets.



### Kumar Shanmugavelu

Kumar is an experienced property and asset manager, he currently owns and manages a portfolio of SFH, Lands and Multi-family investments over 1,300 units in SE and SW US.



### Nalini Reddy

Nalini has 15+ years experience in renovation management and asset management. She currently owns and manages a portfolio of Multi-family investments over 2,000 units in SE US.

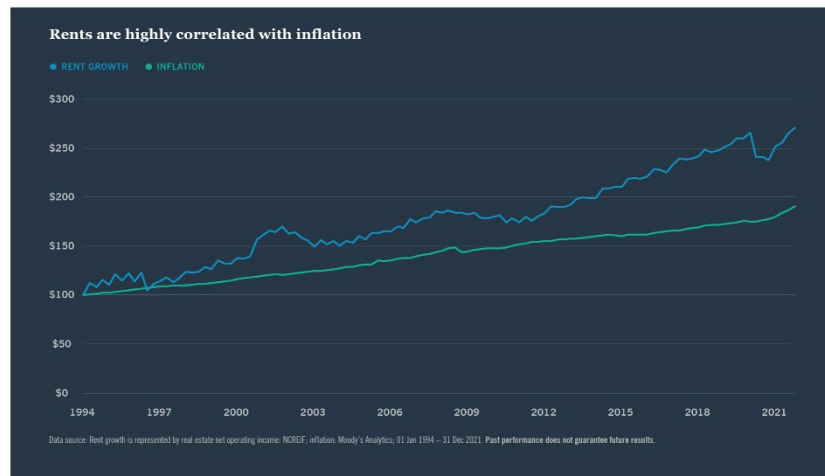
# Why Invest In Real Estate?

Real estate has generally served as a hedge against inflation, based on the principle that income generated through real estate tends to keep pace with consumer prices. Today's inflation is partly due to an economy running at full speed, increasing the demand for real estate and driving rents upward.

✓ **Rising rents pushed up by rising inflation**  
An increase in demand for multifamily real estate can potentially lead to significant rent growth in many markets. You have increased demand from baby boomers downsizing and increased demand from workforce housing. Grove East caters for both.

✓ **Multifamily leases are short enough to ride or hedge against inflation**  
Multifamily leases are generally 12 months long. As leases expire, landlords can attempt to increase rents to existing or new tenants by at least as much as the annual rate of inflation. Rising rents help to offset rising operating expenses and can potentially lead to stable or increased cash flow and appreciation. This can potentially result in greater returns for investors and a potential hedge against inflation.

✓ **Increased demand for Multifamily, but not enough supply**  
During times of high inflation, the cost of construction (materials and labor) typically increases. As a result, this makes building new housing units more expensive. This increases the potential for some developers to postpone building. And these delays can decrease the level of new supply and also make new homes more expensive.



Real estate has generally served as a hedge against inflation over the long term. A key to its effectiveness lies in landlords' ability to raise rents in markets with low vacancy rates, thus outpacing rising inflation and potentially increasing income to investors.



# Investment Highlights



## Location

High-Growth, Low-supply suburb and less than 20 minutes for Dallas urban core. Walkable to numerous restaurants, retail and DART Rail Station



## Asset Quality

2021 Built Class A+ Product that is only one of three assets in the submarket with superior unit finishes and community amenities



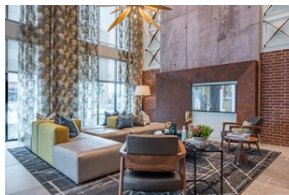
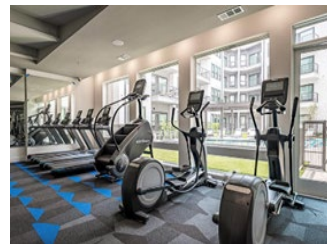
## Strong Lease Up

Impressive lease-up velocity of 25+ leases per month indicative of a strong demand for the asset type.



## Rent Growth and Occupancy

Submarket has seen over the last 12 months a 15% annual rent growth and 97% occupancy.



# Dallas-Fort Worth Corporate Relocations & Expansions

## Corporate Relocations Bring over 20k New Jobs

### DALLAS-FORT WORTH RELOCATIONS & EXPANSIONS

#### 2021 ANNOUNCEMENTS

COMPANY	LOCATION	NET JOBS DECREASE	EXPANSION/RELOCATION
1. Texas Instruments	DFW	6,200	Expansion
2. Global	Allen/Texas	2,000	Expansion
3. Home Depot	Lubbock	2,000	Expansion
4. Shire Health	Fort Worth	1,000	Expansion
5. Sullivan Intelligence & Space	McKinney	900	Expansion
6. Carvana	Ft Worth	800	Expansion
7. Zipline Biologics	North	800	Expansion
8. AECOM	Allen	500	Relocation - HQ
9. Whilowood LLC	DFW	200	Relocation - HQ
10. Magnum	Lubbock	200	Expansion
11. SunCyber	Midland	100	Expansion
12. Bell Helicopter	Arlington	75	Expansion
13. Conifer Systems	Central Texas	15	Expansion
14. Future Plans	Central	50	Expansion
15. International Electronics	Fort Worth	500	Relocation - HQ
16. Proton AI	North Central TX	500	Relocation - HQ
17. Smart Action	Fort Worth	80	Relocation - HQ
18. Midline	Arlington	40	Expansion
19. First Foundation	Dallas	40	Relocation - HQ
20. Energy Services	DFW	40	Expansion
21. Industrial Electronics	Southlake	30	Relocation - HQ
22. Financial Services	Ft Worth	20	Relocation
23. Hall Technologies	Coppell	150	Relocation - Global HQ
24. AECOM	Dallas	100	Relocation - HQ
25. ChangeGrid	Ft Worth	100	Relocation - HQ

#### 2020 ANNOUNCEMENTS

COMPANY	LOCATION	NET JOBS DECREASE	EXPANSION/RELOCATION
1. AT&T	Ft Worth	4,000	Expansion
2. GE Healthcare	Dallas	2,000	Relocation - HQ
3. Global Insurance	Ft Worth	1,000	Relocation - HQ
4. Group D. Company	Ft Worth	800	Relocation - HQ
5. Global Insurance	Ft Worth	800	Relocation - HQ
6. Global Insurance	Ft Worth	600	Expansion
7. Sun, Inc.	Ft Worth	400	Relocation
8. Stanley Black & Decker	Fort Worth	300	Expansion
9. CFC Technology	Dallas	300	Relocation - HQ
10. Mosaic	Ft Worth	300	Expansion
11. Capital	Ft Worth	300	Relocation - HQ
12. Tech Industries America	Ft Worth	300	Expansion
13. Core Life Sciences	Ft Worth	300	Relocation - HQ
14. Texas Instruments	Dallas	200	Expansion
15. Global	Ft Worth	200	Expansion
16. Global	Dallas	100	Expansion
17. Global	Dallas	100	Relocation - HQ
18. Thompson Health	Ft Worth	100	Relocation - HQ
19. Stanley Black & Decker	Fort Worth	100	Relocation - HQ
20. AT&T	Dallas	100	Relocation - HQ
21. Global	Ft Worth	100	Expansion
22. Global	Dallas	100	Expansion
23. Global	Central	200	Expansion
24. Global	Ft Worth	200	Expansion
25. Global	Ft Worth	200	Relocation - HQ



**45 FORTUNE 1000 HEADQUARTERS IN DALLAS FORT WORTH METROPLEX**

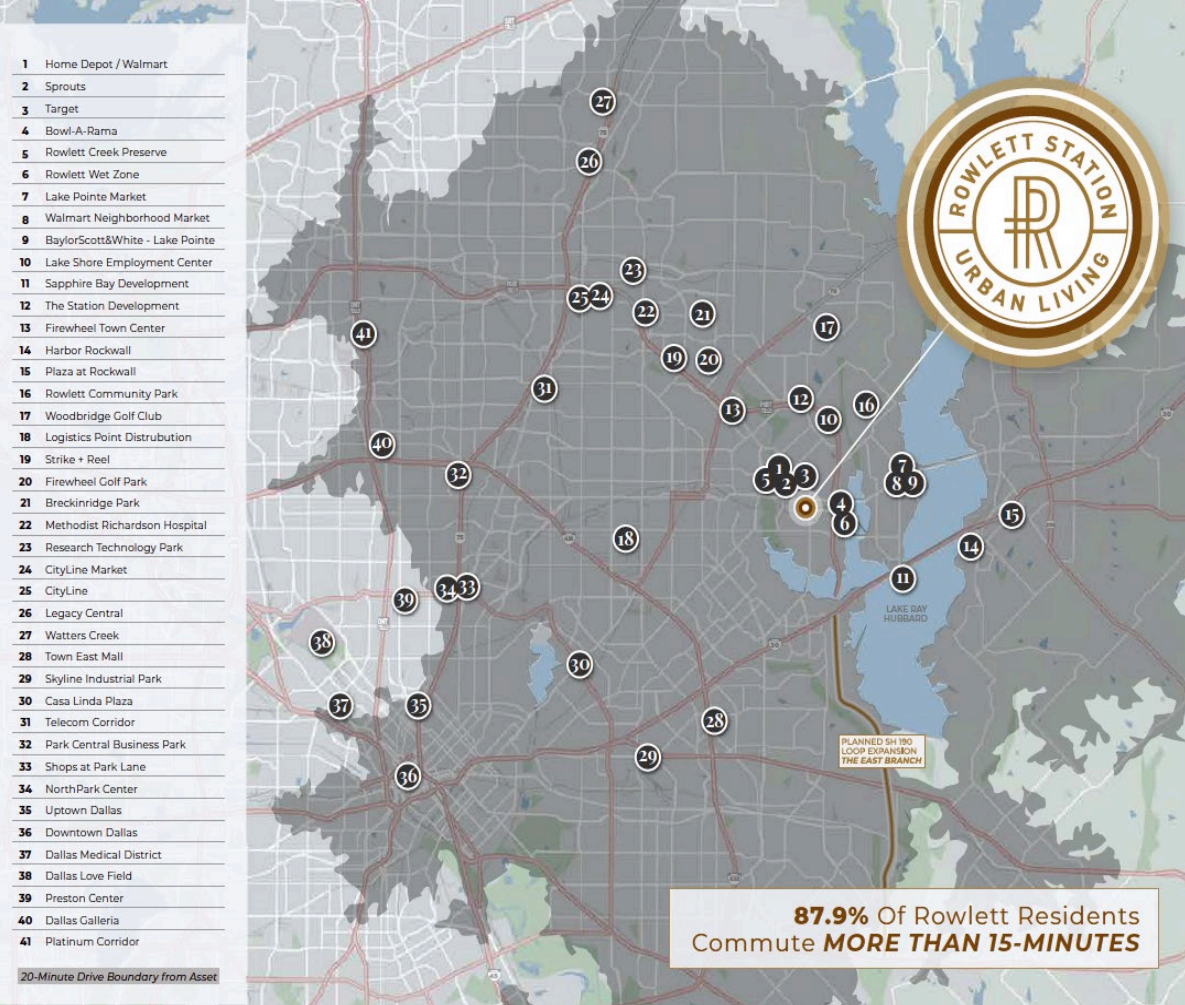




# Rowlett

## Location Location location

- One of DFW's Fastest growing suburbs
- 2019 was voted the 8<sup>th</sup> fastest growing cities in the US
- Median income of more then \$100,000
- Downtown Rowlett is utilizing TIRZ funds for public development which will see a larger modern mixed use and commercial development with over 50 tenants including a library, cafes, Microbreweries and several gyms. Leading to a incredible walk score the assets
- DFWs newest development district, the north shore employment center will consist of 1000 acres of zoned property that will increase major corporate officers and anchor tenants that will see 14k new jobs adding to the list on the left



## Debt Overview

### ➤ ~60% LTC – Intentionally to Limit Risk

The Sponsors are intentionally lowering the going-in loan amount to mitigate any potential refinance risk, as well as better hedge against any potential market shifts. All loans also include preliminary 3 year terms with two, 1-year extensions providing additional refinance flexibility.

### ➤ Rate Locking 3.0%

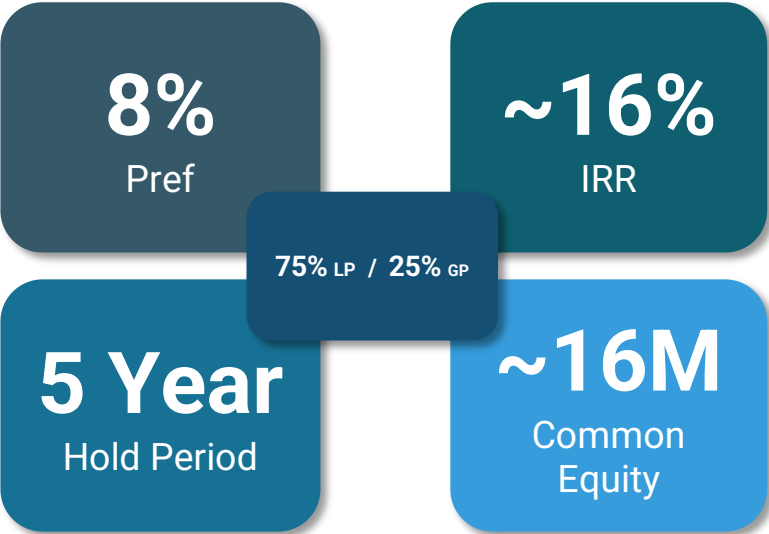
In order to mitigate the floating rate associated with the loan we are engaging Rate Cap Advisors to execute a 2-yr rate cap at a strike rate of 3.0%

### ➤ Reserves

We've ~\$1m in capitalized interest reserves + \$1m in reserves for a total of ~\$2m in reserves. We believe the additional reserves are necessary given the current climate.

# Property Investment Details

Property Details	Name:	Rowlett Station	Type:	Multifamily
	Address:	3601 Melcer Drive	Zip:	75088
	City, State:	Rowlett, TX 75088	Style:	4 Story Mid Rise
	Units:	302	Parking Garage:	431 Spaces
	Rentable SF:	250,194	Acres:	7.30
	Year Built:	2021	Price Per Door:	\$250,000



SOURCES		
Debt	57.58%	\$ 46,851,827
Pref Equity	22.76%	\$ 18,522,898
Common Equity	19.66 %	\$ 16,000,000
Total Sources:	100.00%	\$ 81,374,725

USES		
Purchase Price	92.78%	\$ 75,500,000
Financing Costs	2.92%	\$ 2,377,382
Soft Costs	4.08%	\$ 3,322,000
Renovation Costs	0.22%	\$ 175,343
Total Uses:	100.00%	\$ 81,374,725



# Grove East Investment Details



## Debt Terms

- 5 Year I/O
- 3 + 1 + 1 Term
- ~ 5.5% Interest Rate
- ~ 60% LTC



## Anticipated Institutional Pref Equity Terms

- 13.35% Pref
- Waterfall Structure
  - 4% Current Pay to Pref Equity in Y1; 9.35% accrued
  - 6% Current Pay to Pref Equity in Y2; 7.35% accrued
  - 6.5% Current Pay to Pref Equity in Y3; 6.85% accrued
  - 8.5% Current Pay to Pref Equity in Y4 & Y5; 4.85% accrued
  - Common Equity gets paid after Current Pay is met
- 1.25x minimum multiple



## Sponsors

- ~2.5M Total Sponsor Contribution
- Sponsor Fees
  - ✓ 1% Acquisition Fee
  - ✓ 1.5% Asset Management Fee

# SWOT Analysis

## STRENGTHS

- Expense reductions and rent growth
- Higher barrier of entry
- Exceptional lease up velocity
- Capital Structure

## WEAKNESSES

- Concessions & loss to lease

## OPPORTUNITIES

- Economic conditions favoring rentals
- High growth submarket
- Major development district
- Lack of Class A assets

## THREATS

- Cap rate expansion
- Rate volatility
- Economic downturn

SWOT

# Business Plan



## CONCESSIONS

Burn off in-place concessions  
in the first two years of  
operations.

**13% NOI GROWTH**



## EXPENSES

Reduce Payroll, Admin and  
Marketing expenses to achieve  
a 10% expense reduction

**5% NOI GROWTH**



## RENT INCREASES

Rents are 10% below market,  
raise rents to meet market post  
stabilization. Incl. light value-add

**7% NOI GROWTH**



# CONCESSION BURNOFF

Unit Mix					Lease Rent with Concessions			Effective Rent Post Concession Burnoff		
Bed/Bath	Unit Type	SF	Total Units	% of Total	Rent	Total Rent	Rent/SF	Rent	Total Rent	Rent/SF
1B1BR	A1/E1	738	213	70.53%	\$1,395.00	\$297,118	\$1.89	\$1,591.00	\$338,961	\$2.16
2B2BR	B1	885	89	29.47%	\$1,868.00	\$166,220	\$1.79	\$2,093.00	\$186,306	\$2.00
		250,194	345	100%	\$1,534.00	\$463,337	\$1.85	\$1,739.00	\$525,267	\$2.10

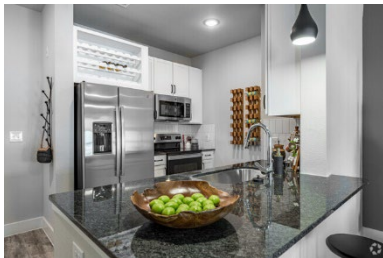
# POST RENOVATION

Unit Mix					Effective Rent Post Concession Burnoff			Effective Rent Post Renovations		
Bed/Bath	Unit Type	SF	Total Units	% of Total	Rent	Total Rent	Rent/SF	Rent	Total Rent	Rent/SF
1B1BR	A1/E1	738	213	70.53%	\$1,591.00	\$338,961	\$2.16	\$1703.00	\$362,688	\$2.31
2B2BR	B1	885	89	29.47%	\$2,093.00	\$186,306	\$2.00	\$2,240.00	\$199,348	\$2.14
		250,194	345	100%	\$1,739.00	\$525,267	\$2.10	\$1,861	\$562,036	\$2.25

**Over the next 24 months, Rowlett Station is projected to burn off concessions & increase rents post-renovation increasing NOI by 20%**

# 100k Investment Projection

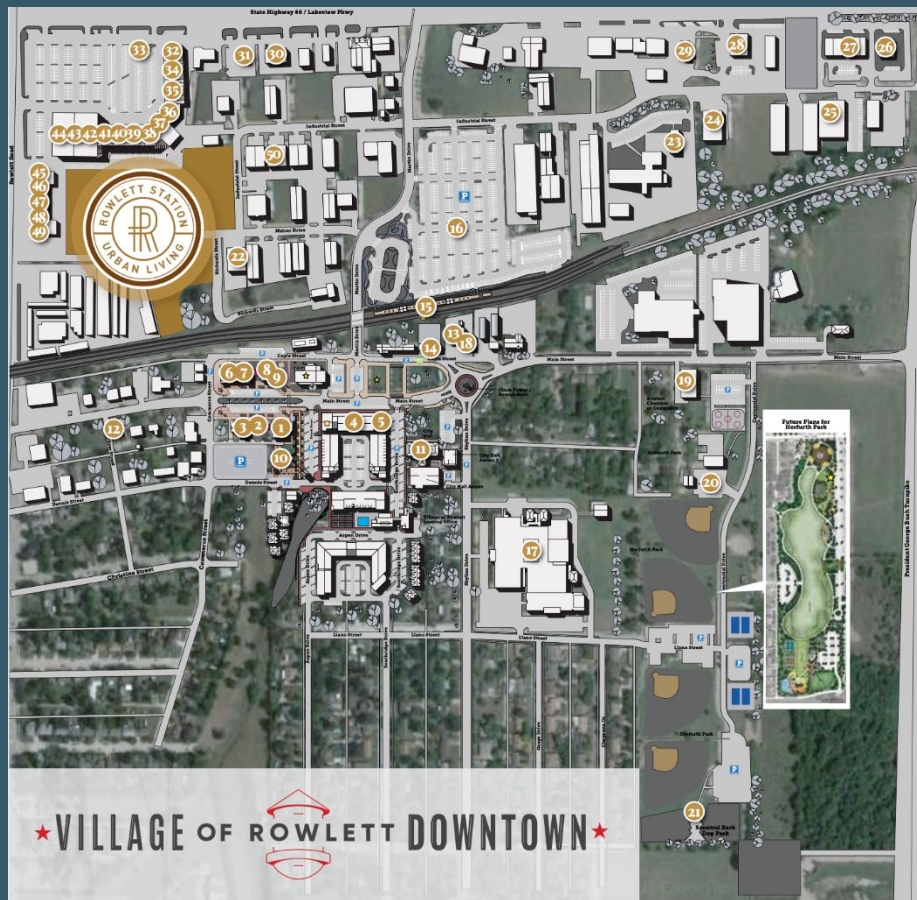
\$100,000 Investment Projection



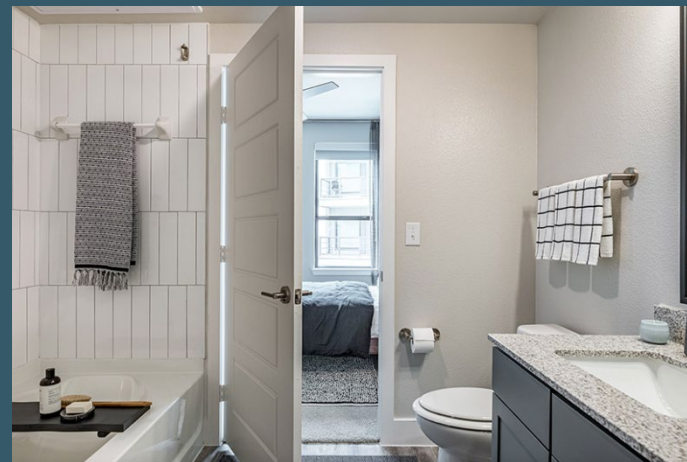
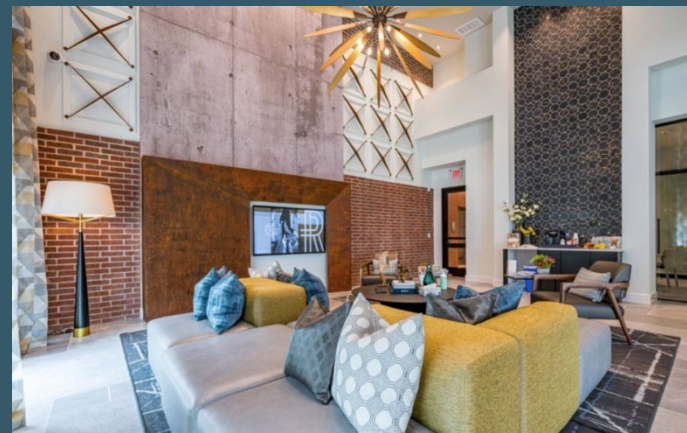
\$100,000 Investment Projection	Y1	Y2	Y3	Y4	Y5	Return \$	Return %
Beginning Investment Account Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		
Property Distributions	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$40,000	
Cash on Cash Return	8.00%	8.00%	8.00%	8.00%	8.00%		
Net Proceeds/Profits from Refi or Sale					\$72,000	\$72,000	
Return of Investment Capital						\$100,000	
Ending Investment Account Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$0	
<b>Total Return On Investment</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$83,000</b>	<b>\$212,000</b>	<b>212.00%</b>
				<b>IRR:</b>			<b>16-17%</b>
				<b>Average Cash on Cash Return:</b>			<b>7-8%</b>

Actual results may vary. Hold period depends on the market and the decision to sell will be reviewed on a yearly basis in consideration of market and property performance.

# Rowlett, TX - Location



- 1 Bankhead Brewing
- 2 Girlfriends Boutique
- 3 Hot Diggity Do
- 4 Rowlett Public Library
- 5 Book Club Cafe
- 6 Lexie's Boutique
- 7 Barracos Latin Cuisine
- 8 Modern Well
- 9 Fresh Ink Tattoo
- 10 Veteran's Park
- 11 City Hall
- 12 Main Street Cigar
- 13 Main Street Events
- 14 Slater Lawn & Garden
- 15 DART Rowlett Station
- 16 Rowlett Park & Ride
- 17 Coyle Middle School
- 18 Fulton Building
- 19 Rowlett Chamber
- 20 Herfurth Park
- 21 Scentral Bark Park
- 22 Sideline Sports
- 23 Rowlett Animal Shelter
- 24 Camp Bow Wow
- 25 GatSplat Paintball
- 26 Panera Bread
- 27 Jersey Mike's Subs
- 28 Applebee's
- 29 Dairy Queen
- 30 Champion's Nail Bar
- 31 Kentucky Fried Chicken
- 32 Nick's Sports Bar
- 33 Scooter's Coffee
- 34 Only Nail Bar
- 35 Star City Barber Shop
- 36 Shiny Wok Asian Cuisine
- 37 Harbor Freight
- 38 Grammy Nails & Spa
- 39 Fit House Cafe
- 40 CICI's Pizza
- 41 SOI Brow
- 42 Kiki's Authentic Mexican
- 43 Aldi
- 44 Goody-Goody Liquor
- 45 River Nails and Spa
- 46 Nutrition With Attitude
- 47 Tobacco Box
- 48 Minced Meal Prep
- 49 Pancho & Lefty's
- 50 CrossFit Rowlett







# Timeline of Events



## Agreements

Review and Sign Subscription agreements & PPM Documents

**AUG 27<sup>th</sup>, 2022.**

Wire monies deadline **SEPT 5<sup>th</sup>, 2022**

## Close Rowlett Station

Closing of Rowlett Station tentatively scheduled for early

**SEPT 13<sup>th</sup>, 2022**

## Access Portal


Access to Rowlett Station on the investor portal will be made live.

# Next Steps



## \$100K

Minimum Investment



## Invitation to Investor Portal

The Investor Portal contains the Offering Documents (PPM, Subscription Agreement, etc....)



## Sponsor Review and Wire Funds

Review and complete the investment packet, acceptance, wire funds, and close purchase.



Reports: Investors will receive quarterly reports with highlights and milestone updates.



Communication: We will clearly communicate progress and any challenges with regular and frequent updates to all investors.

A modern multi-story apartment building with a courtyard featuring a swimming pool, lounge chairs, and a pergola. The building has light-colored siding, dark-framed windows, and balconies with glass railings. The courtyard has a wooden deck, a pergola with a dark metal frame, and a swimming pool with blue water. There are several lounge chairs with blue cushions and yellow planters. A small tree and some shrubs are also in the courtyard. The text "Thank You!" is overlaid in the center of the image.

# Thank You!













