



RSN  
PROPERTY  
GROUP

REAL ESTATE INVESTING MADE EASY



# Greenville Portfolio

**The Park at Bonito & The Park  
at Calabria Apartments –  
Greenville, SC**

281 Unit Multi-Family Investment  
Opportunity

*Creating Financial Freedom  
with Apartments*



# DISCLAIMER

The following information is an investment summary provided to prospective investors and others. This information is not an offering to sell either a security, or a solicitation to sell a security. At the request of a recipient, **RSN Property Group** ("Manager") will provide a private placement memorandum, subscription agreement, and the Limited Liability Company Operating Agreement. **RSN Property Group** in no way guarantees the projections contained herein. Real estate values, income, expenses, and development costs are all affected by a multitude of forces outside the Company's control. This investment is illiquid and only those persons that are able and willing to risk their entire investment should participate. Please consult your attorney, CPA, and/or professional financial advisor regarding the suitability of an investment by you.





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# RSN PROPERTY GROUP

REAL ESTATE INVESTING MADE EASY

U.S. Multi Family  
Investment Firm  
**Founded in 2014**



Target investments  
that produce:

- Project IRR above **17%**
- **3 to 6 year** hold
- Target **1.7-2.0x** Investors Equity



Focused on acquiring and  
operating multifamily properties  
with significant value-add  
upside within emerging markets  
across the U.S.



# SPONSORSHIP TEAM

# TEAM



## REED GOOSSENS

Founder & CEO

Reed Goossens is a real estate entrepreneur and founder of RSN Property Group. As a native Australian, Reed moved to the US to pursue his career in early 2012. Reed is a qualified chartered structural engineer and project manager. Since 2007, Reed has been involved with large-scale commercial construction, and real estate development projects, combined worth over \$500 million; in Australia, the United Kingdom, and the U.S., including the London 2012 Olympic Games.

Reed's expertise includes project management, property development, and key stakeholder management. He is also the host of top rated real estate investing podcast, Investing in the US , wherein he interviews other distinguished real estate entrepreneurs about their success and helps guide other international investors who want to successfully break into the US market.

Over the past 8 years Reed has built a portfolio of multifamily assets within key markets throughout the US worth of \$650MM (AUM) totaling +3,400 units.

# TEAM



## JONATHAN TWOMBLY

Founder & CEO – TWO BRIDGES  
Asset Management LLC

Jonathan D. Twombly, Esq., is President and Managing Member of Two Bridges Asset Management LLC. Since its founding in 2013, Two Bridges has taken four Multifamily assets, with a combined 404 units and a value of \$25.5mm, full-cycle as lead sponsor. Two Bridges has also co-sponsored Multifamily investments valued at approximately \$250 million. It is a joint-venture partner with Marubeni America Corporation, which has constructed some 80,000 condo units in Asia, to source and manage Multifamily assets in the United States. Jonathan is a graduate of Harvard College and Columbia University School of Law, and was a corporate lawyer focused on real estate and hospitality for a decade before going into real estate investment full-time.

# TEAM



**REED GOOSSENS**  
Founder & CEO



**ABHI JAIN**  
Analyst



**BEN GRAY**  
COO



**HARSHIT SINGHAL**  
Analyst



**JOSH OATEN**  
Acquisitions/Asset Management



**TARA HARTMAN-GUD**  
CFO

# RSN PROPERTY GROUP



....real estate investing made easy!

## **Mission Statement:**

*Our mission is to grow our investors' capital through implementing our systemized repositioning strategies creating long term wealth by maximizing cashflow through increasing operational efficiencies, implementing value-add measures to increase rents, and completely rebranding a property. Combine these strategies with our hands-on asset management approach; we are able to maximize returns for our investors, whilst adding value to the surrounding community.*

## **Who We Are:**

*RSN Property Group is a young, forward-thinking company. We are a full service real estate investment company located in Southern California. We specialize in re-development, re-positioning and re-branding of apartment communities in emerging markets throughout the US.*

## **Our Vision:**

*We have a passion for providing real estate solutions for both investors and sellers to aid with transforming underutilized properties into exceptional residential communities.*

**Re-position**



**Re-brand**



**Re-capture Value**



# FULLY INTEGRATED PLATFORM

RSN's purpose-built, institutional platform drives synergies within its value-add strategy and optimizes results.

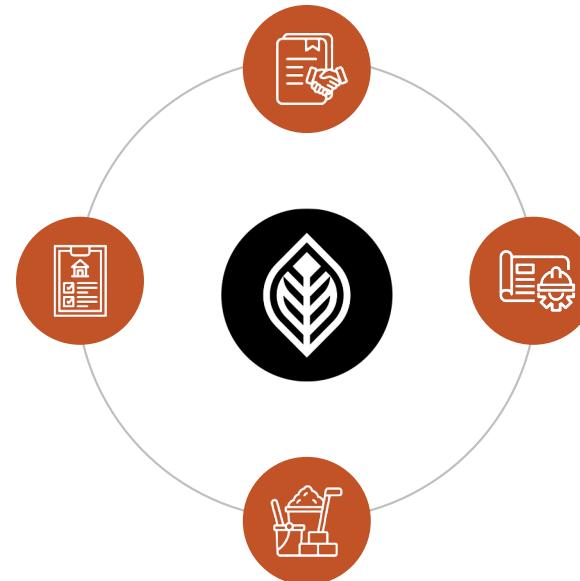
## Institutional Acquisition Approach

- RSN begins with the end in mind
- Disciplined approach creates high-performing strategies at acquisition
- Integrated approach with asset management team throughout investment lifecycle



## Robust Asset Management

- Key functions include business plan execution, budgeting, capital funding, operations, hold/sell/refinance recommendations, and valuation support
  - Frequent site visits and monitoring
  - Robust reporting



## Direct Sourcing materials

- RSN directly sources all materials for unit renovations through international bulk purchasing arrangements.
- This results in reduced construction costs and supply chain delays, increases efficiency and investors returns.
- Flooring, granite, plumbing, sinks, bathroom accessories, lighting, and blinds.

## In-House Construction Management

- Save time / money on capital projects
- Shortened renovation periods when units turnover
- Improves ROI
- Capitalizing on economies of scale through bulk purchasing

# TEAM



Since 1987, **Easlan Management Co. Inc.** (EMC) has been committed to providing unsurpassed service to the multi-family housing industry. They pride themselves on exceptional customer service, value, attention to detail, and good communication which provides a solid foundation that is second to none. EMC is headquartered in Greenville, SC and they manage over \$1B in multi-family properties across five states and 17 cities.

EMC manages everything from Class-A through Class-C market rate properties, including properties with conventional and HUD-insured loans, all the way through to affordable housing.

EMC operates in the following states:

- Tennessee, North and South Carolina, Georgia and Alabama.

To find out more go to: <https://easlanmanagement.com/>

# PROVEN TRACK RECORD

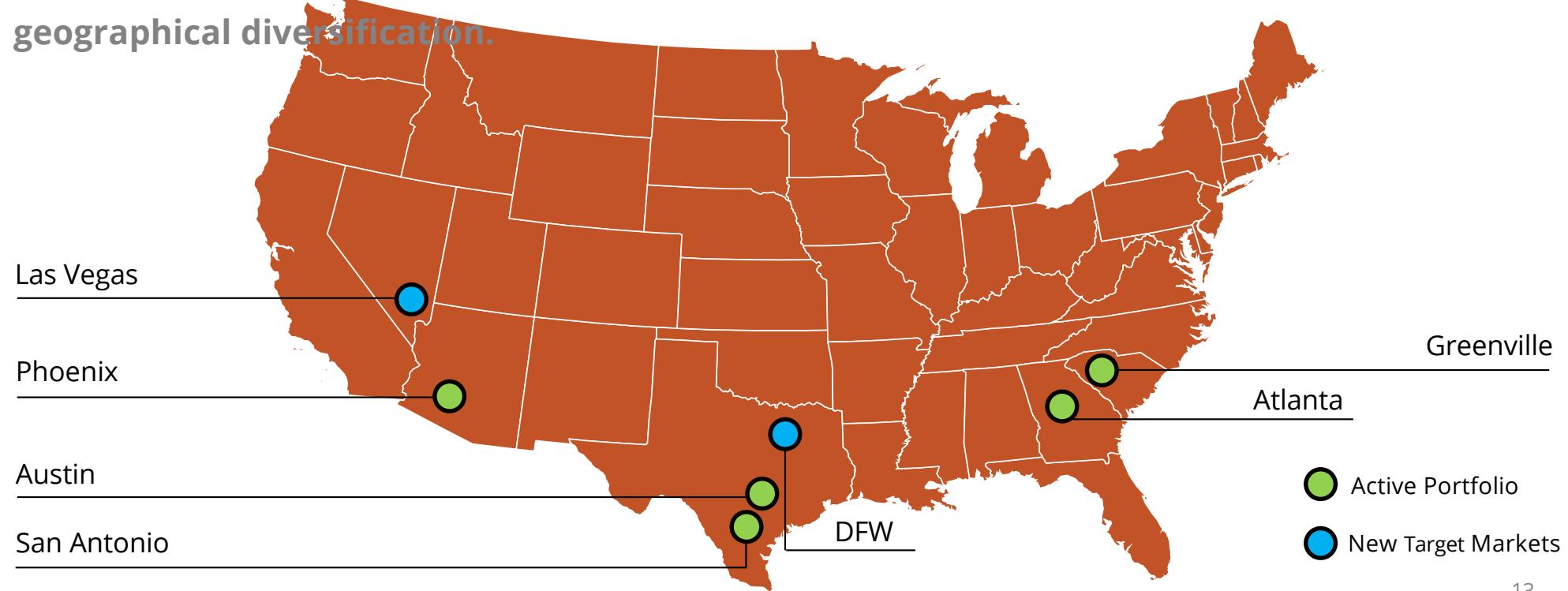
Deals Sold										
Property	Units	Year Built	Acquisition Date	Market	Valuation Increase	Hold Period	IRR	Equity Multiple	AAR	Year Sold
The Henry B	198	1985	10/1/2018	San Antonio, TX	31%	30 months	15.21%	1.42	16.20%	2021
The Blair	190	1986	10/1/2018	San Antonio, TX	31%	30 months	15.21%	1.42	16.20%	2021
The Joseph	192	1984	11/30/2017	San Antonio, TX	75%	53 months	18.29%	1.92	22.81%	2022
The Baxter	350	1986	11/30/2019	Austin, TX	42%	30 months	32.98%	1.98	40.59%	2022
RWC	284	2004	12/20/2018	Austin, TX	71%	39 months	24.92%	1.99	30.46%	2022
Lila	253	1981	4/1/2018	San Antonio, TX	92%	51 months	22.65%	1.87	20.86%	2022
Weighted Average							23.02%	1.81	26.45%	

IRR – Internal Rate of Return (LP)

AAR – Average Annual Return (LP)

# TARGET MARKETS

RSN is looking to build on the success of the current portfolio in Central Texas and expand to other high growth MSA's across the country in order to offer investors geographical diversification.





# EXECUTIVE SUMMARY

# 1. EXECUTIVE SUMMARY

- **RSN Property Group** has identified two, value-add communities in the fast growing MSA of Greenville, SC: The Park at Bonito and The Park at Calabria Apartments.
- Both assets are **boutique rental communities** offering a total of **281** apartment homes in two and three-story garden-style layout.
- Both assets are located in the desirable "Eastside" submarket with easy access to Downtown Greenville, the Airport and the world famous BMW North America Manufacturing Plant.
- Nestled in the highly sort after **Greenville County School District; the largest in the state**, these assets benefit from desirable demographics in the submarket boasting an average HHI of over **\$87,072 within a 3 mile radius**.
- Within the past 12 months rents in Greenville have exploded over **15% on average**. Organic rent growth is projected to be over **20% through 2026**.
- Our business plan is to **renovate the interiors of +90% of the units (full classic) to our platinum level finish**, add in our signature technology package, install washer/dryers, rebrand both assets, modernize the amenities and operate them as one asset.
- Both assets comprise a good unit mix consisting of 7% studios, 40% 1bedx1bath, and 53% 2bedx2bath.
- We are purchasing these assets well **below replacement cost!**

Offering Summary	
Purchase Price	\$35,480,000
Hold Period	3-5 Years
Tot. No. Of Units	281 units
Occupancy	95%
5 yr Avg. Breakeven Occupancy	76.1%
Year Built	1974 ; 1978
Investors	Accredited Only (506c)
1031 Exchange Investors?	Yes! (see page 51)
<b>TOTAL EQUITY REQUIRED</b>	<b>\$16,000,000</b>

# 1. EXECUTIVE SUMMARY

## Investment Highlights

- **Exploding Greenville Sub-Market.** Greenville has continued to see major growth as more people move to the area given its affordability compared to its two biggest neighbors; Charlotte and Atlanta (both located within 2 hours drive). This growth has seen the median house prices in the submarket increase over 15% within the past 12 months, and over 63% over the past 5 years (average sales price - \$426,826).
- **Realtor.com named Greenville** among the nation's top 10 hottest housing markets for 2022, and it ranks #1 in the US for emerging multifamily markets by [Multi-Housing News!](#)
- **New & Existing Major Employers:** The Greenville/Spartanburg/Anderson "Upstate SC" region, is one of the state's fastest growing areas, and is traversed by the commerce-rich I-85 corridor. Over the past 20 years, industries such as automotive, biosciences, and energy have moved the region forward at record pace, and it is now well known as one of the Southeast's largest production centers.
- **Notable headquarters and manufacturing firms:** BMW, Michelin North America, Fluor Corporation, Duke Energy, UPS, Lockheed Martin, Alcoa, GA Pacific, Caterpillar, BiLo, Owens Corning, and Kemet Industries. The region includes the global HQ for GE Energy's Engineering Division and the world's largest heavy-duty gas turbine manufacturing facility.
- **Opportunity to Quickly Grow Rents:** Both of these Class B assets are located directly adjacent to several other properties, which receive **\$150-300+/month** rent premiums. In addition, we've seen very strong demand for renovated Class B product within the submarket confirming our business plan. We can improve the overall property, increase rents, and offer residents a lower cost offering relative to the competition.

# 1. EXECUTIVE SUMMARY

## Investment Highlights

- **Familiar Value Add Strategies:** We plan to employ our tried-and-true value-add strategies on-site, including renovating all classic units (~95% of the unit mix) to our platinum interior program, adding our signature technology package, rebranding the assets, freshening up existing amenities and adding a new community "people park"-- all strategies we've executed with success at our other assets in the past.
- **Operational Efficiency:** Given the close proximity, both assets will be operated as one, helping us save on personnel costs.
- **Sponsor Investment:** I am personally investing **\$1mm** of my money into this deal.
- **Bonus Depreciation:** 2022 is the last year of **100% bonus depreciation and will be phased out by the end of 2026**. We plan to maximize this powerful tool to reduce investors taxable net income in 2022.



# 1. EXECUTIVE SUMMARY

## Three-Tiered Equity Structure Allows Investors to Match Investment Goals

Once again we'll be offering three tiers of equity allowing investors to align their dollars with their investing goals and preferences.

### Limited Partner (A) – (Class A):

- Class A investors sit behind the debt in the capital stack. **Class A has a total preferred return of 11%;**
- **7% pref will be paid out quarterly throughout the hold period; the remaining 4% pref will accrue and paid out once we sell. This tier is limited to only 30% of the total equity with a minimum investment of \$75k per investor.** Due to the position in the capital stack Class A investors don't participate in any upside once we sell the deal in five years. This tier is for investors who want good cashflow and lower risk.

### Limited Partner (B) – (Class B):

- Class B investors sit behind Class A investors in the capital stack, per the adjacent diagram. **Class B has a preferred return of 7% which will accrue over the life of the deal – Minimum investment: \$50K – Profit Split – 70/30.**

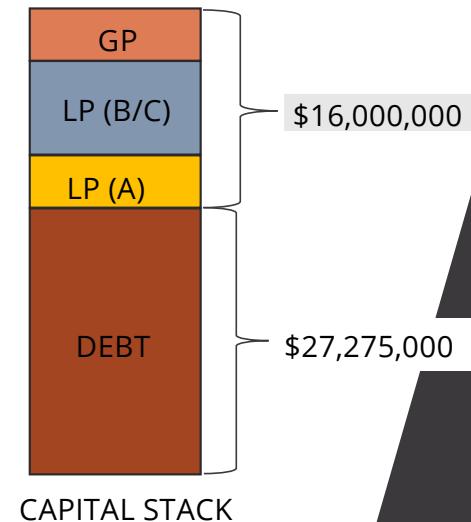
### Limited Partner (C) – (Class C):

- We are also offering a Class C share: This is for those investors who want to invest a larger amount of equity into the deal. For doing so, we are offering better return metrics. Class C investors also sit behind Class A investors in the capital stack - Class C investors have a **preferred return of 8%, which will also accrue over the life of the deal – Minimum investment \$500k – Profit Split 80/20.**

We are also accepting **1031 Exchange Investors** who have \$750k (or more) to exchange in these deals. (For more info see page 51).

Partnership Structure	
Class A Preferred Return	11%*
Class B Preferred Return	7%*
Class C Preferred Return	8%*
Equity Split After Class A Hurdle	
Class B (Equity)	70%
Managers (Equity)	30%
Class C (Equity)	80%
Managers (Equity)	20%

\*Accrues over the life of the deal; any unpaid pref will be caught up upon sale.



# 1. EXECUTIVE SUMMARY

Three-Tiered Equity Structure Allows Investors to Match Investment Goals

Return Summary				
	Annualized	IRR	ROI	Avg. COC
Project (Unlevered)	10.77%	9.9%	1.54x	5.52%
Project (Levered)	21.03%	17.0%	2.05x	6.82%
<b>LP (Class A)</b>	<b>11.1%</b>	<b>10.6%</b>	<b>1.56x</b>	<b>7.0%</b>
<b>LP (Class B)</b>	<b>20.0%</b>	<b>16.2%</b>	<b>2.00x</b>	<b>+6.8%</b>
<b>LP (Class C)</b>	<b>22.0%</b>	<b>17.4%</b>	<b>2.10x</b>	<b>+6.8%</b>

A photograph of a modern apartment complex during the day. In the foreground, there's a paved walkway with some low-lying plants and a small garden bed with rocks. To the left, a large stone pillar supports a wooden overhang where a "LEASING OFFICE" sign is visible. Behind the pillar, there's a glass door leading into the building. The building itself has horizontal wood siding and a dark roof. In the background, there are more apartment buildings, trees, and a clear sky.

# INVESTMENT HIGHLIGHTS

## 2. INVESTMENT HIGHLIGHTS - BUSINESS PLAN

*The business plan is to finish out necessary exterior improvements and upgrades to the overall property and amenities, renovate unit interiors whilst adding washer and dryer appliances.*

### 1. Unit Renovations

- I. Currently, only 16 units have been lightly renovated. Our plan is to renovate the remaining ~95% of units (all classics) to our platinum level package. In our renovations, we plan to add granite counters, undermount sinks, remove/replace cabinets and add modern hardware and lighting throughout, tile backsplash in the kitchen and new vinyl flooring throughout the units.
- II. Over 110 units between the two properties either don't have W/D hookups, or have the hookups but don't have appliances. We plan on adding these throughout, achieving an additional \$45/unit/month.

### 2. Common Area Improvements

- I. These assets are in excellent condition, as previous ownership/s have completed over **\$1.0M** in deferred maintenance improvements.
- II. Given their close proximity to one another, we plan to continue to enhance the curb appeal, rebrand both assets, refresh the club houses and improve common areas in order to make them feel like one community.

### 3. Operational Improvement

- I. Our property manager, **Easlan Properties**, established in 1987, is headquartered in Greenville and manages assets in five states totaling over 10,000 units.
- II. Given their long history in the Greenville market, **Easlan** are very familiar with these assets. Needless to say, we both think there is some serious operational upside at both communities. Easlan have reviewed our business plan and are on board with the strategy and desired rent premiums.

### 4. Low Flow Toilets/Water Saving

- I. Upon review of the water expenses on the T12, there is an immediate need to add low-flow water saving devices to both assets. We have implemented similar strategies in the past, and have seen a drastic reduction in monthly water bills saving us, and the tenants, money.

## 2. INVESTMENT HIGHLIGHTS - BUSINESS PLAN

### 5. Low-Leveraged, Fixed Rate Debt Financing

- I. Given the recent market volatility we have opted for a low leveraged (~65% LTC), fixed rate, debt option from a local Greenville bank. We have transacted with this bank in the past and we believe fixing the rate (5.25%) will mitigate any future interest movement in the market, protecting investors downside.

### 6. Exit Strategy

- I. We have modelled a 5 year hold, however given our flexible-debt we will have the option to exit as early as year 3 without any prepayment penalty. We will continually assess the market to determine when the best time is to exit, maximizing investor returns.

### 7. Conservative Underwriting/Rent Growth

- I. Our conservative underwriting creates the potential for further upside and mitigates risk of downside loss. Greenville, like most emerging cities, has experienced phenomenal rental growth over the past 5 years. This is expected to continue; some sources (RealPage) estimating the organic rental growth to be over 20% over the coming 3-5 years.
- II. We are only assuming an average of 3.0% rent growth year-on-year over the next 5 years.

### 8. Strong Demographics & Job Creation will continue to push rents



## 2. INVESTMENT HIGHLIGHTS – INTERIOR RENOVATIONS



### Classic Unit

- Original Cabinets, dated hardware.
- Original flooring; carpet in the bedrooms.
- Black Appliances.

### Planned Renovated Units

- Granite Counters, undermount sinks, gooseneck faucets.
- New cabinets with modern hardware.
- Backsplash and updated lighting fixtures.
- Vinyl flooring throughout, framed bathroom mirrors.
- SS Appliances.
- New door-hardware throughout.

## 2. INVESTMENT HIGHLIGHTS – CAPEX BUDGET

Interior Renovation Item	Total	Per Unit*
Electrical Fixtures	\$177,450	\$650
Flooring	\$409,500	\$1,500
Kitchen Appliances	\$491,400	\$1,800
Interior Upgrade Materials	\$136,500	\$500
Countertops	\$354,900	\$1,300
Tubs / Enclosures	\$136,500	\$500
Paint / Drywall / Cabinets	\$354,900	\$1,300
Plumbing	\$136,500	\$500
Door Hardware	\$163,800	\$600
Demolition	\$150,150	\$550
Bathroom Vanity / Fixtures	\$177,450	\$650
Glass Tile Backsplash	\$68,250	\$250
Cabinets	\$491,400	\$1,800
Misc	\$281,300	\$1,030
<b>Total Interior Renovation</b>	<b>\$3,530,000</b>	<b>\$12,930</b>

\*273 units to be renovated

Exterior Renovation Item	Total	Per Unit
Paint/Siding/Roof	\$195,000	\$694
HVAC/Chiller	\$90,000	\$320
Hot Water/Boiler	\$90,000	\$320
Landscaping	\$70,000	\$249
Signage	\$70,000	\$249
Dog Park	\$20,000	\$71
Leasing Center	\$100,000	\$356
Gym	\$35,000	\$125
Plumbing	\$75,000	\$267
W/D	\$187,500	\$667
FFE	\$35,000	\$125
FFE Gym	\$30,000	\$107
Model Upgrade + FFE	\$40,000	\$142
BBQ/Amenities/Package	\$40,000	\$142
Parcel Pending Locker System	\$30,000	\$107
Low Flow Toilets	\$45,000	\$160
Roof/Carpots	\$300,000	\$1,068
<b>Total</b>	<b>\$1,452,500</b>	<b>\$5,169</b>
Contingency	10.00%	\$145,250
<b>Total Exterior Repair</b>	<b>\$1,597,750</b>	<b>\$5,686</b>
CM Fee	5.00%	\$256,388
<b>TOTAL RENOVATION BUDGET</b>	<b>\$5,384,138</b>	<b>\$19,161</b>

# INVESTMENT HIGHLIGHTS – DEBT SUMMARY

RSN Property Group will secure debt with the following terms\*

- Initial funding of **\$23,062,000 (65% LTV)**
- Future Funding of **\$3,499,690 (65% of CAPEX)**
- Initial Interest Rate: **5.25% (fixed)**
- Interest Only: **Full Term**
- Full Term: **60 Months**
- Prepayment: **3%, 2%, 1%, 0% thereafter**

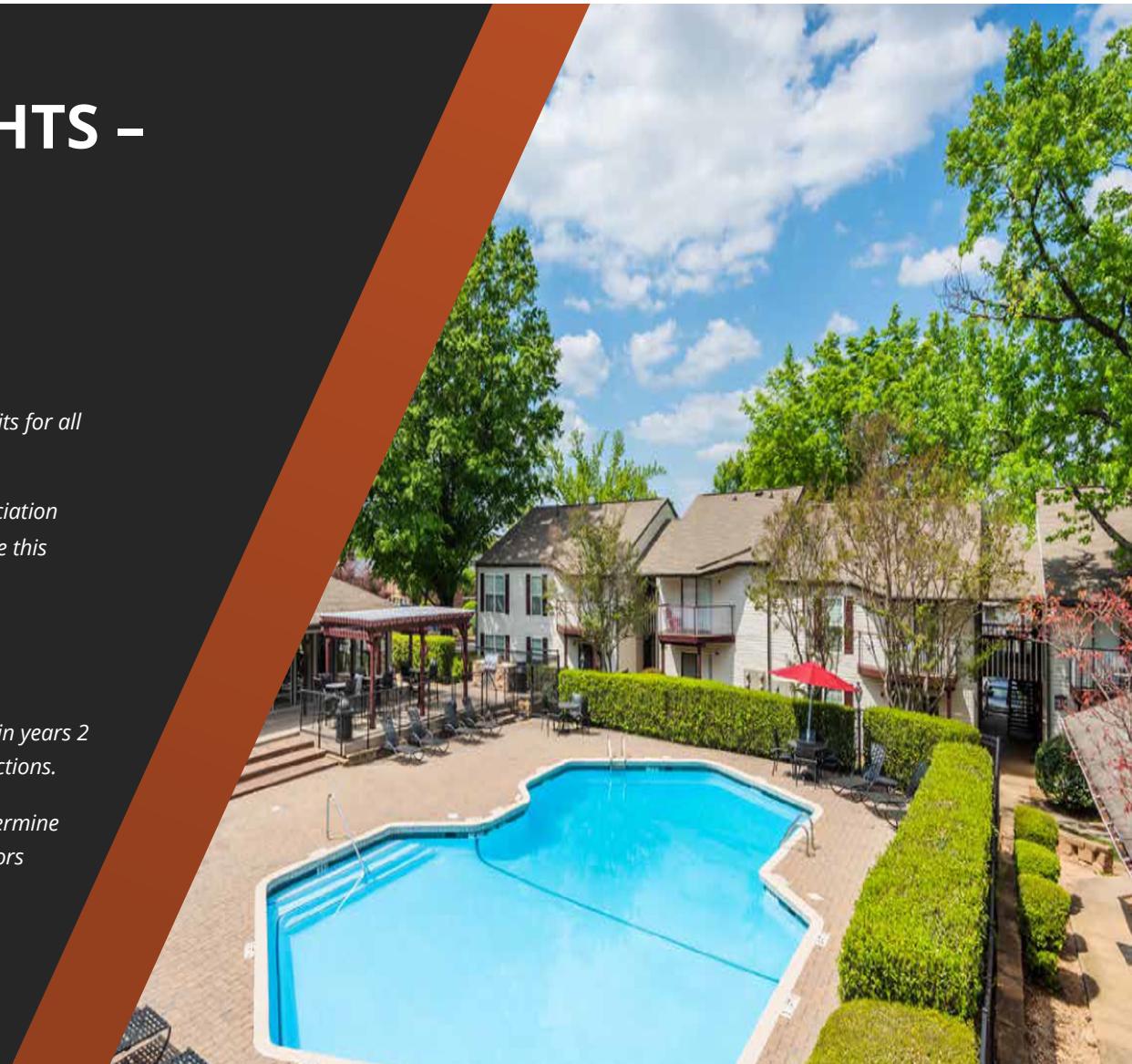
\*Subject to change prior to closing



# INVESTMENT HIGHLIGHTS – EXIT STRATEGIES

RSN Property Group will employ the following strategies to maximize investors returns.

- **Cost Segregation:** We use all tax strategies available, like cost segregation and bonus depreciation, to maximize the tax benefits for all of our investors throughout the hold period.
- **Bonus Depreciation:** 2022 is the last year of 100% bonus depreciation and will be phased out by the end of 2026. We plan to maximize this powerful tool to reduce investors taxable net income in 2022.
- **Multiple Exit Options:**
  - We will explore the possibility of debt refinance options in years 2 or 3, though this has not been included in current projections.
  - We will consistently assess the market conditions to determine when the best time is to sell in order to maximize investors returns; this could occur as early as year 2.



# INVESTMENT HIGHLIGHTS – COST SEGREGATION & DEPRECIATION

Property Information - Bonito		
Purchase Price	\$22,500,000	
Land Allocation (15%)	\$3,375,000	
Total Depreciable Basis	\$19,125,000	

Depreciation Cost Seg. Vs Non-Cost Seg.*		
Depreciation	Cost Seg.	Non Cost Seg.
Year 1 – 100% Bonus	\$4,798,812	\$260,865
Year 1-6 Total Savings	\$7,439,330	\$3,737,790

\*These numbers presented herewith are based on a preliminary review. A full cost segregation report will be conducted once we close on the asset; this report may alter some of the numbers presented here. Please be sure to consult your own tax consultant.

We expect the average depreciation in year 1 (inclusive of 100% bonus depreciation) to be between 40-47% of the invested amount.\*

## Without Cost Segregation

With the standard method, you claim an even amount of depreciation annually over the depreciable life of the property, offering you just a small benefit yearly.

First year savings: \$260,865

Total 6 year savings: \$3,737,790

## 1-6 Year Method

Cost-seg gives you the option to collect your depreciation over a shorter period of time for select assets. Instead of waiting the total depreciable time, you claim it as a deduction over the first 6 years.

First year savings: \$889,498

Total 6 year savings: \$6,583,944

## First-Year 100% Method

BONUS  
METHOD

For many, the best way to maximize cashflow is to use the first-year Bonus method: claim 100% of your depreciation for select assets in the first year, allowing all unused depreciation to carry forward to following years.

First year savings: \$4,798,812

Total 6 year savings: \$7,439,330

A photograph of a modern apartment complex during the day. In the foreground, there's a paved walkway with some low-lying plants and a small garden bed with rocks. To the left, a building with horizontal siding and a stone pillar has a glass door with a sign that reads "LEASING OFFICE". Behind it, there are several two-story apartment buildings with similar architectural styles. The sky is clear and blue.

# PROPERTY OVERVIEW

# PROPERTY OVERVIEW – BONITO

## Property Information

### Property Information

Purchase Price	\$22,680,000
Number of Buildings	14
Number of Units	180
Rentable Square Feet	127,960
Avg Unit SF	711
Year Built	1974
Hot Water	Individual
Roof	Pitched
Construction	Siding/Wood Framing
Gas - Property	
Electric – RUBS	
Water/Sewer – RUBS	
Trash – RUBS	

## Community Amenities

- Barbeque Grills
- Car Care Area
- Fitness Center
- Laundry Facility (2)
- Mail Center
- Swimming Pool
- Picnic Area
- Resident Business Center
- Resident Clubhouse

## Unit Mix and Current Market Rents

Type	SqFt	Units	Bed/Bath	Current Rents	Renovated Rents
Studio	450	20	0x1	\$739	\$900
1x1	636	80	1x1	\$837	\$1,050
2x1	851	80	2x1	\$953	\$1,250
Avg/Total		711	180	\$878	\$1,122

\*See rental comps on page 55



# PROPERTY OVERVIEW - CALABRIA

Property Information	
Purchase Price	\$12,800,000
Number of Buildings	2
Number of Units	101
Rentable Square Feet	92,303
Avg Unit SF	914
Year Built	1978
Hot Water	Individual
HVAC	Individual
Roof	Pitched
Construction	Siding/Wood Framing
Utilities/Metering	Gas - Property
	Electric – RUBS
	Water/Sewer – RUBS
	Trash - RUBS

Community Amenities	
Business Center w/ WIFI	
Fenced-In Dog Park	
Fitness Center	
Garage & Storage Available	
Mail Center	
Mature Landscaping	
On the Bus Line	
Pet-Friendly Amenities	
Swimming Pool	

Unit Mix and Current Market Rents					
Type	SqFt	Units	Bed/Bath	Current Rents	Renovated Rents*
1x1	639	33	2 x 2	\$917	\$1,050
2x1.5	1,080	20	2x1.5	\$1,089	\$1,150
2x2	995	8	2x2	\$1,042	\$1,200
2x2D	1,199	8	2x2	\$1,254	\$1,300
2x2L	1,002	24	2x2	\$1,021	\$1,350
2x2LD	1,002	8	3x2	\$1,352	\$1,352
<b>Avg/Total</b>		<b>914</b>	<b>101</b>	<b>\$1,047</b>	<b>\$1,183</b>

\*See rental comps on page 57

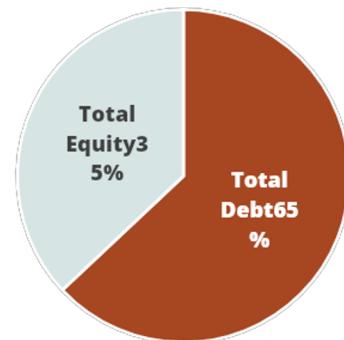
A photograph of a modern apartment complex during the day. In the foreground, there's a paved walkway with some low-lying plants and a small garden bed with rocks. To the left, a building with horizontal wood siding and a stone pillar has a glass door with a sign that reads "LEASING OFFICE". Behind it, several other apartment buildings with similar architectural styles are visible, surrounded by trees and greenery.

# FINANCIAL ANALYSIS

# FINANCIAL ANALYSIS

Offering Summary	
Cap (T12)	4.0%
Expense Ratio (T12)	54.70%
5yr Avg. Breakeven Occupancy	76.1%
DSCR	1.7x
Purchase Price	\$35,480,000
Hold Time	3-5 years
<b>Total Equity Required</b>	<b>\$16,000,000</b>
Limited Partner (Class A)	\$5,000,000
Limited Partner (Class B & C)	\$11,000,000

Capital Structure



Return Summary				
	Annualized	IRR	ROI	Avg. COC
Project (Unlevered)	10.77%	9.9%	1.54x	5.52%
Project (Levered)	21.03%	17.0%	2.05x	6.82%
<b>LP (Class A)</b>	<b>11.1%</b>	<b>10.6%</b>	<b>1.56x</b>	<b>7.0%</b>
<b>LP (Class B)</b>	<b>20.0%</b>	<b>16.2%</b>	<b>2.00x</b>	<b>+6.8%</b>
<b>LP (Class C)</b>	<b>22.0%</b>	<b>17.4%</b>	<b>2.10x</b>	<b>+6.8%</b>

# FINANCIAL ANALYSIS

Total Investor Return - Limited Partner (Class A) - \$100,000 Investment	
Cumulative Cash Flow Distribution	\$35,000
Return of Equity at Sale (incl. pref catch up)	<u>\$121,697</u>
<b>Total Investor Return</b>	<b>\$156,967</b>

Sample \$100,000 Investment – Limited Partner (Class A)						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Project Cashflow from Operations</b>		\$655,668	\$870,060	\$1,175,843	\$1,289,094	\$28,783,529
Cashflow Limited Partner (A)	(\$100,000)	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
<b>Cashflow From Operations (%)</b>		7.0%	7.0%	7.0%	7.0%	7.0%
<b>Catch-up to Pref from Sale (11% total pref.)</b>						\$21,697
Return from Sale Limited Partner (A)*						\$100,000 *
<b>Total Return LP(A)</b>	<b>(\$100,000)</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$128,697</b>

\* Includes initial invested amount.

# FINANCIAL ANALYSIS

Total Investor Return - Limited Partner (Class B) - \$100,000 Investment	
Cumulative Cash Flow Distribution	\$34,169
Return of Equity at Sale (incl. pref catch up)	<u>\$165,876</u>
<b>Total Investor Return</b>	<b>\$200,045</b>

Sample \$100,000 Investment – Limited Partner (Class B)						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Project Cashflow from Operations</b>		<b>\$655,668</b>	<b>\$870,060</b>	<b>\$1,175,843</b>	<b>\$1,289,094</b>	<b>\$28,783,529</b>
Cashflow Limited Partner (B)	(\$100,000)	\$2,883	\$4,828	\$7,623	\$8,655	\$10,180
<b>Cashflow From Operations (%)</b>		<b>2.88%</b>	<b>4.83%</b>	<b>7.62%</b>	<b>8.65%</b>	<b>10.18%</b>
<b>Catch-up to Pref from Sale (7% total pref.)</b>						<b>\$1,283</b>
Return from Sale Limited Partner (B)*						<b>\$164,593 *</b>
<b>Total Return LP(B)</b>	<b>(\$100,000)</b>	<b>\$2,883</b>	<b>\$4,828</b>	<b>\$7,623</b>	<b>\$8,655</b>	<b>\$176,057</b>

\* Includes initial invested amount.

# FINANCIAL ANALYSIS

Total Investor Return - Limited Partner (Class C) - \$500,000 Investment	
Cumulative Cash Flow Distribution	\$170,843
Return of Equity at Sale (incl. pref catch up)	<u>\$881,463</u>
<b>Total Investor Return</b>	<b>\$1,052,306</b>

Sample \$500,000 Investment – Limited Partner (Class C)						
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Project Cashflow from Operations</b>		<b>\$655,668</b>	<b>\$870,060</b>	<b>\$1,175,843</b>	<b>\$1,289,094</b>	<b>\$28,783,529</b>
Cashflow Limited Partner (C)	(\$500,000)	\$14,415	\$24,140	\$38,114	\$43,273	\$50,901
<b>Cashflow From Operations (%)</b>		<b>2.88%</b>	<b>4.83%</b>	<b>7.62%</b>	<b>8.65%</b>	<b>10.18%</b>
<b>Catch-up to Pref from Sale (8% total pref.)</b>						<b>\$36,131</b>
Return from Sale Limited Partner (C)*						<b>\$845,332 *</b>
<b>Total Return LP(C)</b>	<b>(\$500,000)</b>	<b>\$14,415</b>	<b>\$24,140</b>	<b>\$38,114</b>	<b>\$43,273</b>	<b>\$932,364</b>

\* Includes initial invested amount.

# FINANCIAL ANALYSIS – SENSITIVITY ANALYSIS

IRR Sensitivity Analysis – Class B									
Change in Stabilized Rent Growth									
	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%
Change in Exit Cap	6.00%	7.46%	7.68%	7.89%	8.10%	8.31%	8.52%	8.72%	8.93%
	5.75%	9.48%	9.69%	9.89%	10.09%	10.30%	10.50%	10.69%	10.89%
	5.50%	11.51%	11.71%	11.91%	12.11%	12.30%	12.49%	12.69%	12.88%
	5.25%	13.58%	13.77%	13.96%	14.15%	14.34%	14.52%	14.71%	14.90%
	<b>5.00%</b>	<b>15.67%</b>	<b>15.86%</b>	<b>16.04%</b>	<b>16.23%</b>	<b>16.41%</b>	<b>16.59%</b>	<b>16.78%</b>	<b>16.96%</b>
	4.75%	17.82%	18.00%	18.18%	18.36%	18.54%	18.72%	18.89%	19.07%
	4.50%	20.03%	20.20%	20.38%	20.55%	20.73%	20.90%	21.07%	21.24%
	4.25%	22.31%	22.48%	22.65%	22.82%	22.99%	23.16%	23.33%	23.49%
	4.00%	24.68%	24.84%	25.01%	25.18%	25.34%	25.51%	25.67%	25.84%
									26.00%

Table 1: Illustrates how the overall IRR changes for Class B investors when we change the stabilized yearly rent growth vs a changing exit cap rate.

Equity Multiple Sensitivity Analysis – Class B									
Change in Stabilized Rent Growth									
	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%	4.00%	4.25%
Change in Exit Cap	6.00%	1.38x	1.39x	1.41x	1.42x	1.43x	1.45x	1.46x	1.47x
	5.75%	1.51x	1.52x	1.53x	1.55x	1.56x	1.57x	1.59x	1.60x
	5.50%	1.64x	1.66x	1.67x	1.68x	1.70x	1.71x	1.72x	1.74x
	5.25%	1.79x	1.81x	1.82x	1.83x	1.85x	1.86x	1.88x	1.89x
	<b>5.00%</b>	<b>1.96x</b>	<b>1.97x</b>	<b>1.99x</b>	<b>2.00x</b>	<b>2.02x</b>	<b>2.03x</b>	<b>2.04x</b>	<b>2.06x</b>
	4.75%	2.14x	2.15x	2.17x	2.18x	2.20x	2.21x	2.23x	2.25x
	4.50%	2.34x	2.35x	2.37x	2.39x	2.40x	2.42x	2.44x	2.45x
	4.25%	2.56x	2.58x	2.60x	2.61x	2.63x	2.65x	2.67x	2.68x
	4.00%	2.82x	2.83x	2.85x	2.87x	2.89x	2.91x	2.93x	2.94x
									2.96x

Table 2: Similar to table 1, except this table illustrates how the overall equity multiple changes for Class B investors when we change the stabilized yearly rent growth vs a changing exit cap rate.

# FINANCIAL ANALYSIS – SENSITIVITY ANALYSIS

Interest Rate Sensitivity Analysis – Class B				
	5 Year Avg. Cashflows	Avg. Annual Return	Equity Multiple	
Interest Rate	5.25%	<b>6.83%</b>	<b>20.01%</b>	<b>2.00x</b>
	5.50%	6.23%	19.62%	1.98x
	5.75%	5.62%	19.23%	1.96x
	6.00%	5.02%	18.83%	1.94x
	6.25%	4.44%	18.43%	1.92x
	6.50%	3.86%	18.01%	1.90x
	6.75%	3.31%	17.59%	1.88x
	7.00%	2.78%	17.15%	1.86x
	7.25%	2.29%	16.70%	1.83x

**Table 3:** Change in the interest rates do not affect our returns as we have been quoted an all-in fixed interest rate of 5.25%. However, we have included the interest sensitivity analysis to illustrate what happens to investors returns if the interest rates were on a floating rate basis.



Average Annual Return Sensitivity Analysis – Class B									
	Change in Stabilized Rent Growth								
	2.25%	2.50%	2.75%	<b>3.00%</b>	3.25%	3.50%	3.75%	4.00%	4.25%
Change in Exit Cap	6.00%	7.65%	7.90%	8.15%	8.40%	8.65%	8.90%	9.15%	9.40%
	5.75%	10.14%	10.40%	10.66%	10.92%	11.18%	11.45%	11.71%	11.97%
	5.50%	12.87%	13.14%	13.41%	13.68%	13.95%	14.22%	14.49%	14.76%
	5.25%	15.85%	16.13%	16.41%	16.69%	16.97%	17.26%	17.54%	17.82%
	<b>5.00%</b>	<b>19.12%</b>	<b>19.42%</b>	<b>19.71%</b>	<b>20.01%</b>	<b>20.30%</b>	<b>20.60%</b>	<b>20.89%</b>	<b>21.19%</b>
	4.75%	22.75%	23.06%	23.37%	23.67%	23.98%	24.29%	24.60%	24.91%
	4.50%	26.77%	27.10%	27.42%	27.75%	28.07%	28.40%	28.72%	29.04%
	4.25%	31.27%	31.62%	31.96%	32.30%	32.64%	32.98%	33.32%	33.67%
	4.00%	36.34%	36.70%	37.06%	37.42%	37.78%	38.14%	38.50%	38.87%

**Table 4:** Similar to table 1, except this table illustrates how the overall AAR (average annual return) changes for Class B investors when we change the stabilized yearly rent growth vs a changing exit cap rate.

# FINANCIAL ANALYSIS – SENSITIVITY ANALYSIS

5-year Cash-on-Cash Sensitivity Analysis – Class B										
	Change in Bad Debt, Concessions, and other write-offs									
	1.30%	1.55%	1.80%	2.05%	2.30%	2.55%	2.80%	3.05%	3.30%	
Change in Occupancy	97.00%	8.27%	8.25%	8.24%	8.22%	8.21%	8.19%	8.18%	8.16%	8.15%
	96.00%	7.92%	7.90%	7.89%	7.87%	7.86%	7.84%	7.83%	7.81%	7.80%
	95.00%	7.57%	7.56%	7.54%	7.53%	7.51%	7.50%	7.48%	7.47%	7.45%
	94.00%	7.23%	7.21%	7.20%	7.18%	7.17%	7.15%	7.14%	7.12%	7.11%
	<b>93.00%</b>	<b>6.88%</b>	<b>6.86%</b>	<b>6.85%</b>	<b>6.83%</b>	<b>6.82%</b>	<b>6.80%</b>	<b>6.79%</b>	<b>6.78%</b>	<b>6.76%</b>
	92.00%	6.53%	6.52%	6.50%	6.49%	6.47%	6.46%	6.44%	6.43%	6.41%
	91.00%	6.18%	6.17%	6.15%	6.14%	6.13%	6.11%	6.10%	6.08%	6.07%
	90.00%	5.84%	5.82%	5.81%	5.79%	5.78%	5.76%	5.75%	5.74%	5.72%
	89.00%	5.49%	5.47%	5.46%	5.45%	5.43%	5.42%	5.40%	5.39%	5.38%
	88.00%	5.14%	5.13%	5.11%	5.10%	5.08%	5.07%	5.06%	5.04%	5.03%
	87.00%	4.79%	4.78%	4.77%	4.75%	4.74%	4.73%	4.72%	4.71%	4.70%
	86.00%	4.45%	4.44%	4.43%	4.42%	4.40%	4.39%	4.38%	4.37%	4.36%
	85.00%	4.11%	4.10%	4.09%	4.08%	4.07%	4.06%	4.05%	4.04%	4.03%
	84.00%	3.78%	3.77%	3.76%	3.75%	3.74%	3.73%	3.72%	3.71%	3.70%
	83.00%	3.45%	3.44%	3.43%	3.42%	3.41%	3.40%	3.39%	3.39%	3.38%
	82.00%	3.12%	3.11%	3.10%	3.09%	3.08%	3.08%	3.07%	3.06%	3.05%
	81.00%	2.80%	2.79%	2.78%	2.78%	2.77%	2.76%	2.75%	2.75%	2.74%
	80.00%	2.49%	2.48%	2.47%	2.47%	2.46%	2.45%	2.45%	2.44%	2.44%
	79.00%	2.19%	2.18%	2.17%	2.17%	2.16%	2.16%	2.15%	2.15%	2.14%
	78.00%	1.89%	1.89%	1.88%	1.88%	1.87%	1.87%	1.87%	1.86%	1.86%

Table 5: Illustrates how the overall cashflow to Class B investors (from operations) changes when the economic losses increase/decrease vs a change in physical occupancy.



# FINANCIAL ANALYSIS – 5 YEAR PROFORMA

	Trailing 12-Month	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5
<b>Gross Potential Rents</b>	<b>\$3,344,436</b>	<b>\$3,358,095</b>	<b>\$3,887,531</b>	<b>\$4,267,105</b>	<b>\$4,397,373</b>	<b>\$4,529,295</b>
Less: Vacancy Loss	(\$367,719)	(\$259,917)	(\$266,004)	(\$211,222)	(\$218,770)	(\$226,465)
Less: Loss to Lease	(\$249,341)	(\$109,138)	(\$87,469)	(\$42,671)	(\$21,987)	\$0
Less: Non-Revenue Units	(\$56,465)	(\$23,124)	(\$26,904)	(\$29,989)	(\$31,065)	\$0
Less: Concessions	(\$16,776)	(\$8,122)	(\$5,700)	(\$6,337)	(\$6,563)	\$0
<b>Net Rental Revenue</b>	<b>\$2,654,135</b>	<b>\$2,957,794</b>	<b>\$3,501,453</b>	<b>\$3,976,886</b>	<b>\$4,118,988</b>	<b>\$4,302,830</b>
Utility Reimbursements	\$210,780	\$256,472	\$298,893	\$304,870	\$310,968	\$317,187
Fee Income	\$239,819	\$175,793	\$181,067	\$186,499	\$192,094	\$197,856
Additional Income	\$0	\$28,292	\$101,528	\$104,574	\$107,711	\$110,943
Bad Debt	(\$87,380)	(\$61,530)	(\$40,829)	(\$22,864)	(\$19,095)	\$0
<b>Total Revenue</b>	<b>\$3,017,354</b>	<b>\$3,356,821</b>	<b>\$4,042,111</b>	<b>\$4,549,965</b>	<b>\$4,710,666</b>	<b>\$4,928,816</b>
Management Fees	(\$111,136)	(\$100,705)	(\$121,263)	(\$136,499)	(\$141,320)	(\$147,864)
Personnel Costs	(\$353,527)	(\$391,070)	(\$395,294)	(\$403,200)	(\$411,264)	(\$419,489)
Administrative	(\$85,921)	(\$71,352)	(\$72,122)	(\$73,565)	(\$75,036)	(\$76,537)
Advertising & Promotion	(\$38,404)	(\$56,200)	(\$56,807)	(\$57,943)	(\$59,102)	(\$60,284)
Repairs & Maintenance	(\$57,674)	(\$55,014)	(\$55,608)	(\$56,721)	(\$57,855)	(\$59,012)
Turnover	(\$86,404)	(\$83,538)	(\$84,441)	(\$86,130)	(\$87,852)	(\$89,609)
Contract Services	(\$67,868)	(\$75,760)	(\$76,579)	(\$78,110)	(\$79,672)	(\$81,266)
Utilities	(\$382,146)	(\$369,624)	(\$373,616)	(\$381,088)	(\$388,710)	(\$396,484)
Real Estate Taxes	(\$361,423)	(\$318,770)	(\$328,333)	(\$338,183)	(\$348,329)	(\$358,779)
Insurance	(\$106,501)	(\$131,834)	(\$135,789)	(\$139,863)	(\$144,058)	(\$148,380)
Capital Reserves	\$0	(\$84,300)	(\$85,210)	(\$86,915)	(\$88,653)	(\$90,426)
Additional Cost Items	\$0	(\$3,818)	(\$13,231)	(\$13,496)	(\$13,766)	(\$14,041)
<b>Total Operating Expenses</b>	<b>(\$1,651,005)</b>	<b>(\$1,741,985)</b>	<b>(\$1,798,294)</b>	<b>(\$1,851,711)</b>	<b>(\$1,895,617)</b>	<b>(\$1,942,171)</b>
<b>Net Operating Income</b>	<b>\$1,366,349</b>	<b>\$1,614,836</b>	<b>\$2,243,817</b>	<b>\$2,698,254</b>	<b>\$2,815,049</b>	<b>\$2,986,645</b>

# FINANCIAL ANALYSIS – 5 YEAR PROFORMA

	Trailing 12-Month	2023 Year 1	2024 Year 2	2025 Year 3	2026 Year 4	2027 Year 5
<b>Net Operating Income</b>	\$1,366,349	\$1,614,836	\$2,243,817	\$2,698,254	\$2,815,049	\$2,986,645
Reversion CAP	4.0%	4.55%*	6.32%*	7.61%*	7.93%*	8.42%*
AM Fee		(\$67,136)	(\$80,842)	(\$90,999)	(\$94,213)	(\$98,576)
	\$1,366,349	\$1,547,700	\$2,162,975	\$2,607,255	\$2,720,836	\$2,888,069
<b>Property Cash Flow</b>		\$1,547,700	\$2,162,975	\$2,607,255	\$2,720,836	\$2,888,069
<b>Net Sale Revenue</b>		\$0	\$0	\$0	\$0	\$54,598,492
<b>Unlevered Cash Flow</b>		\$1,547,700	\$2,162,975	\$2,607,255	\$2,720,836	\$57,486,561
<b>Debt Service</b>		\$1,292,032	\$1,392,915	\$1,431,412	\$1,431,743	\$28,703,032
<b>Working Capital Schedule</b>		\$400,000	\$100,000	\$0	\$0	\$0
<b>Levered Cash Flow</b>		\$655,668	\$870,060	\$1,175,843	\$1,289,093	\$28,783,529

\*Represents our internal cap rate (Net operating income/our original purchase price) throughout our hold period, not the projected exit cap rate.

# FINANCIAL ANALYSIS – UNDERWRITING ASSUMPTION

Assumptions play a key role in the development of the 5-year proforma. These assumptions are developed by the Sponsorship team based on their knowledge of the market, as well as their knowledge of the asset type. Key assumptions include occupancy, rent growth, expense assumptions, and the interest rate for debt service.



**Economic occupancy** refers to the total physical occupancy (the number of units rented to tenants) and the total income collections (how much rent and other income is collected from tenants). Lower physical occupancy and lower income collections may lead to lower overall returns.



**Expense assumptions** refer to the expected expenses we will incur operating the property, and how fast these expenses will increase over time. Higher than anticipated expenses, or higher than anticipated expense growth, may lead to overall lower returns. In our underwriting we estimate expenses based on other assets we operate within the local market.



**Rent growth** refers to how fast we anticipate rental income to increase at the property. This includes organic, market rent growth, and value-add rent growth (by increasing current rents to market level and increase overall rents by renovating interiors). Lower rent growth may lead to lower overall returns.



**Interest rate** refers to the amount of interest payments we expect to pay to our lender. We have decided to obtain a fixed rate interest rate loan, this means we will not be impacted by any further rise in interest rates.

We assume:

- A gradual burn off in loss-to-lease starting in year 1 as 3.25% of GPR, tapering down to 0.5% of GPR in year 5.
- Implementation of the “other value-add” income strategies happens over a 12 month period starting after 6 months of ownership.
- RUBS absorption ramps up to 80% over the first 12 months

We Assume:

- We have not, nor will we ever, assumed a refinance in our underwriting.
- We are expanding our exit cap rate 100 bps over the going-in cap rate. **Exit Cap rate 5.0%.**



# MARKET OVERVIEW

## Target Geographies

# GREENVILLE, SC

### Demand Drivers

- Greenville ranks among the nation's top 10 hottest housing markets for 2022, with home prices projected to grow by **6%** and sales volume increasing by **11%**.
- The GDP for the Greenville-Anderson-Mauldin, SC MSA is nearly **\$47.6 billion**, and has grown by more than **53% over the past decade**.
- Home values in Greenville, SC have increased by 15.5% over the past year and have grown by nearly **63% over the past 5 years**.
- The unemployment rate in Greenville is down to **2.7%** as of March 2022, as reported by the Bureau of Labor Statistics (BLS).
- The median rent for a 3-bedroom home in Greenville is **\$1,650** per month, according to Zumper (as of December 2021).
- The average household income in within a 3 mile radius is **\$87,072**.
- Median house prices in the submarket increased over **15%** within the past 12 months, and over **63%** over the past 5 years (average sales price - **\$426,826**).

**\$3.3B+**

Transaction Volume

**43K+**

Total Rental Inventory

**3.3%**

**5-YEAR AVERAGE NET ABSORPTION**

US National Average: 2.2%



**15.3%**

**1-YEAR AVERAGE HISTORICAL RENT GROWTH**

US National Average: 15.0%

**17.78%**

**10-YEAR TOTAL HISTORICAL POPULATION GROWTH**

US National Average: 7.4%

**+20%**

**5-YEAR PROJECTED RENT GROWTH**

2022 - 2026

# GREENVILLE ACCOLADES

**#3** on U.S. News' "Best Places to Live in South Carolina" 2021-2022.

**#7** on Forbes list of communities "Where the Jobs Will Be" in 2020.

**#5** Best Small City in the United States in the 2021 Condé Nast Traveler Readers' Choice Awards.

**#42** on the ranking of Best-Performing Cities 2020 by the Milken Institute.

**Top City** to relocate to during COVID-19 according to a survey commissioned by Airbnb.

**A-**

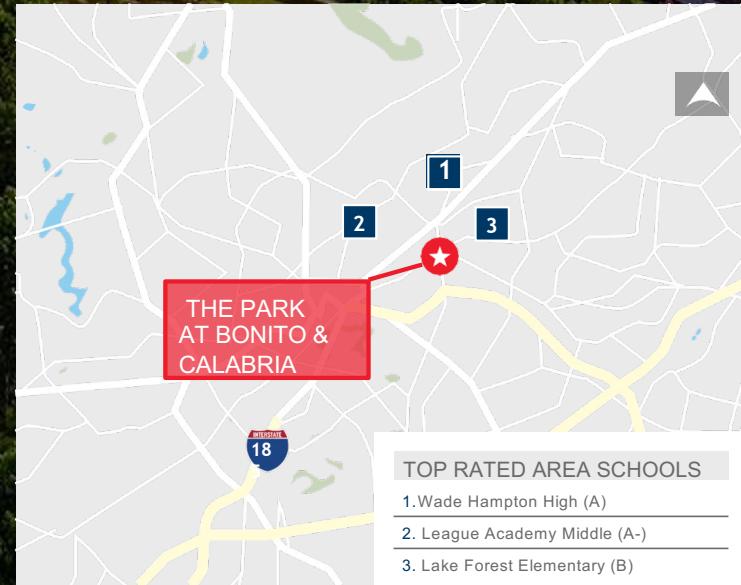
AVG. SCHOOL  
RATING

## SOUGHT AFTER SCHOOL DISTRICT

- #1 and #25 Best Public Elementary Schools in SC, 2020 Niche.com
- #1, #4, #8 Best Private Schools in SC, Niche. com 2020
- 23 Blue Ribbon Country Public Schools

The schools assigned to The Park at Bonito & Calabria include Wade Hampton High School (A), League Academy Middle School (A-), and Lake Forest Elementary School (B).

Greenville County School District was awarded district-wide National Accreditation, recognizing it as a high quality school district, but what truly sets them apart is their Graduation Plus program designed to ensure graduates are college or career ready, supporting a graduation rate of 87%.



# MARKET OVERVIEW

## SUBMARKET EMPLOYMENT HUBS & MAJOR EMPLOYERS

The Greenville/Spartanburg/Anderson “Upstate SC” region, is one of the state’s fastest growing areas, and is traversed by the commerce-rich I-85 corridor. Over the past 20 years, industries such as automotive, biosciences, and energy have moved the region forward at record pace, and it is now well known as one of the Southeast’s largest production centers.

691

NEW JOBS  
ANNOUNCED  
(2022)

\$126M+

CAPITAL  
INVESTMENTS  
(2022)

17.78%

POPULATION  
GROWTH  
(2010 - 2020)



### MANUFACTURING & AUTOMOTIVE

BMW anchors the manufacturing industry, with a growth multiplier of 4.0: for every direct job created, an additional 3 jobs are created elsewhere in SC. Other major firms such as Koyo and Michelin call Upstate home largely due to manufacturer tax incentives in SC.

### ENGINEERING

Often hand-in-hand with the automotive industry, engineering in Greenville is driven by BMW, Fluor, GE Power, Lockheed Martin, Honeywell, and Bosch Rexroth Corp.

### HEALTHCARE

Largest employer Prisma Health employs 12K over 7 Greenville hospitals. Bon Secours St. Francis Health System employs 3,450 at their 2 locations in Greenville.

### EDUCATION

12 Upstate colleges and universities anchored by Clemson University and Greenville Tech. College serve more than 70K students regionally.

### LOGISTICS

The Upstate is among the top exporters in the country and is SC's largest, accounting for more than half of SC Ports' \$63.4B annual economic impact. Inland Port Greer's inter-modal port just 212 miles from Charleston, reaches 94M consumers within a 1-day drive.

### INTERNATIONAL MARKET

Greenville is home to more than 230 international firms from 27 nations.

# NOTABLE EMPLOYERS

## INLAND PORT GREER

Inland Port Greer boosts efficiency for international freight movements between the Port of Charleston and companies located across the Southeast. This intermodal transfer facility with direct rail access has benefited cargo shipping by eliminating 50,000 truck trips per year on I-26. According to the CEO, the port is 62% ahead of projections when it opened 5 years ago. Including the Port of Charleston, SC Ports activity has been credited for 24,000 new jobs created in South Carolina since 2012.

Rapid growth at Inland Port Greer has forced the SC Ports Authority to plan for expansion sooner than expected. Operating on 40 acres of a 100-acre site off I-85 near Highway 101, providing market access to 94 million customers, the authority has budgeted \$2.2M to expand operations.



## BMW

BMW employs 11,000 at Plant Spartanburg to produce the X3 and X5 Sports Activity Vehicle and the X4 and X6 Sports Activity Coupe. The Crossover X7 was added to line production in 2016.

To date, BMW has invested more than \$7.8B in its Plant Spartanburg operations. The plant set a production record in 2020 with 361,365 vehicles manufactured; total value of vehicles exported was reported at \$8.9B.

## CLEMSON UNIVERSITY INTERNATIONAL CENTER FOR AUTOMOTIVE RESEARCH (CU-ICAR)

As a consortium between Clemson University, BMW, Michelin, SAE, Timken, Koyo JTEKT, American Titanium Works, Proterra, and the Society of Automotive Engineers International (SAE), the 250-acre CU-ICAR site is a strategically-focused automotive and motorsports research campus.

The 760K SF CU-ICAR campus employs 770 and has announced 2,300+ new high-wage jobs. It has generated nearly \$250M in investment and \$500M in development. Its 60K SF Center for Emerging Technologies provides incubator space to dozens of new technology companies.



**691**  
New Jobs  
Announced (2022)

**\$126M+**  
CAPITAL  
INVESTMENTS  
(2022)

#### LEADING EMPLOYERS

*	Prisma Health System	15,000+
1	BMW Manufacturing	11,000
2	Michelin North America	4,300
3	GE Energy	3,400
4	Fluor Corporation	2,260
5	Food Lion Supermarkets	2,090
6	Verizon Wireless Call Center	1,200
7	Sealed Air Corp - Cryovac	1,300
8	SYNNEX Corp	1,060
9	Greenville-Spartanburg Airport	950
10	Windstream Call Center	950
11	Clemson Univ - ICAR	770
12	Lockheed Martin Aircraft	700
13	Mitsubishi Polyester Film	700
14	Nutra Manufacturing	650
15	ScanSource	650
16	Honeywell	650
17	Hartness International	500
18	Resurgent Capital Services	500
19	Sloan Construction	500
20	Hubbell Lighting	470
21	Global Performance	420
22	Sage Automotive	400
23	Kemet Electronics	400
24	Bausch & Lomb	400
25	Confluence Watersports	400

\*Regional locations

#### RECENT ANNOUNCEMENTS & INVESTMENTS



220 JOBS  
\$30M



185 JOBS  
\$51M



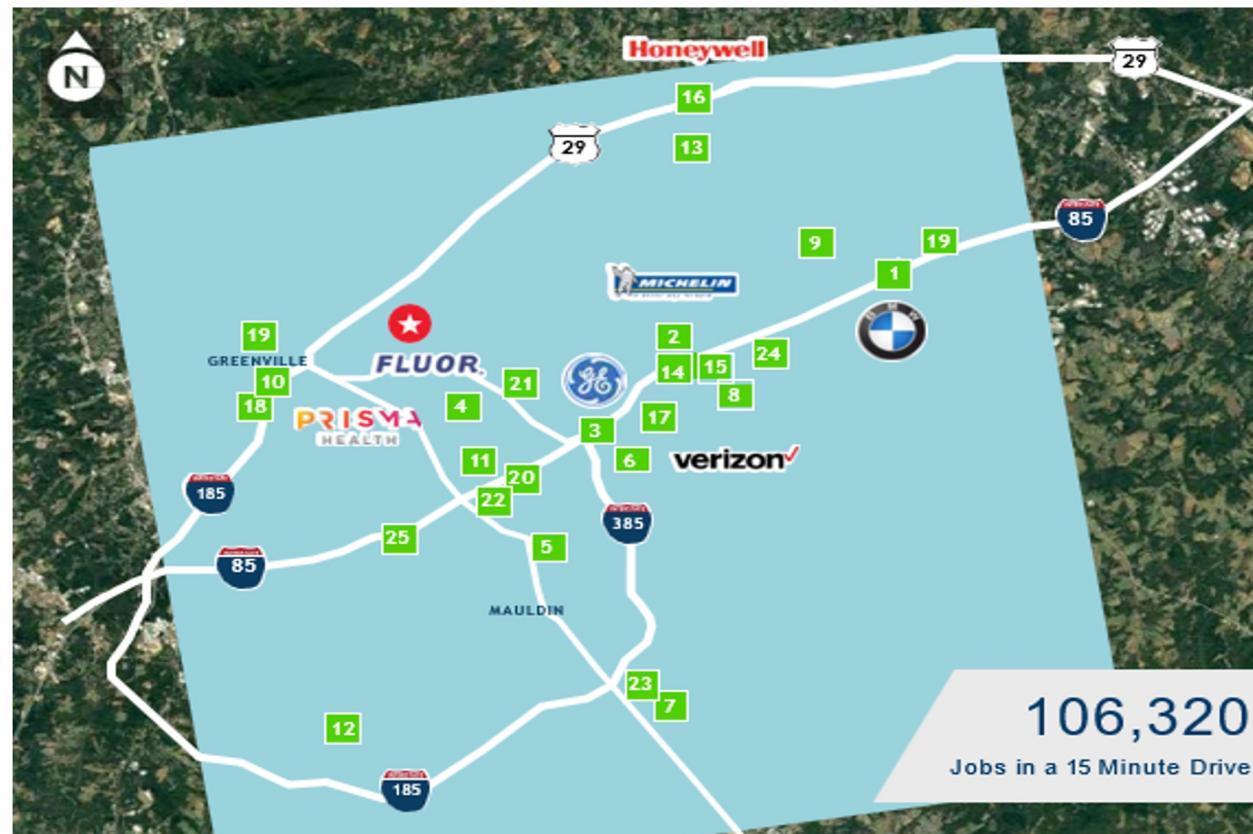
450 JOBS  
\$5M



95 JOBS  
\$8.5M



116 JOBS  
\$18.7M

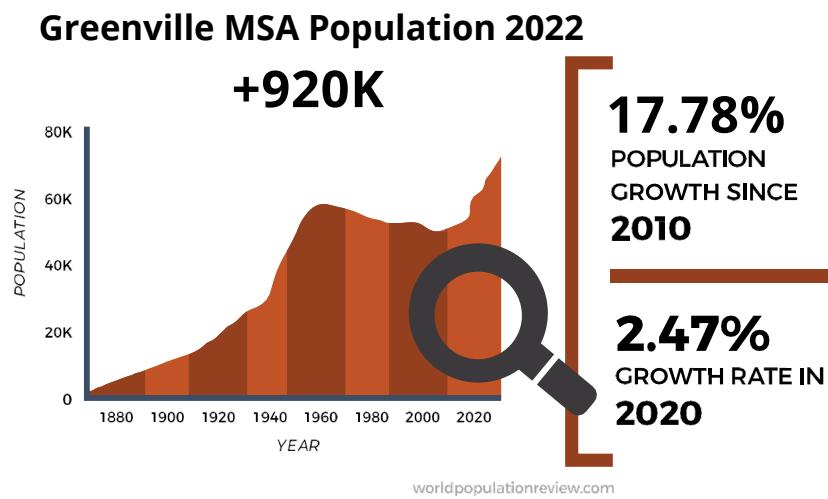


# MARKET OVERVIEW

## POPULATION GROWTH FUELING MULTIFAMILY DEMAND

Driven by an expanding job market and relative affordability among the Southeastern markets, Greenville remains one of the fastest-growing metros in the country. Today, Greenville-Spartanburg MSA consists of more than 920 thousand residents.

A steady stream of new residents is forecast to continue this year and beyond, slated to add another 2-4% of resident growth in the next 18 months.



## Emerging Markets (2010-2020 Growth Rate)

Greenville-Spartanburg, SC 17.78%

Savannah, GA 15%

Reno, NV 15%

Pensacola, Fla 13.6%

Omaha, Neb 11.8%

\*U.S. Census  
Bureau



# MULTIFAMILY MARKET CYCLE

## EXPANSION

Decreasing Vacancy Rates  
Moderate/High New Construction  
High Absorption  
Moderate/High Employment Growth  
Med/High Rental Rate Growth

## HYPERSUPPLY

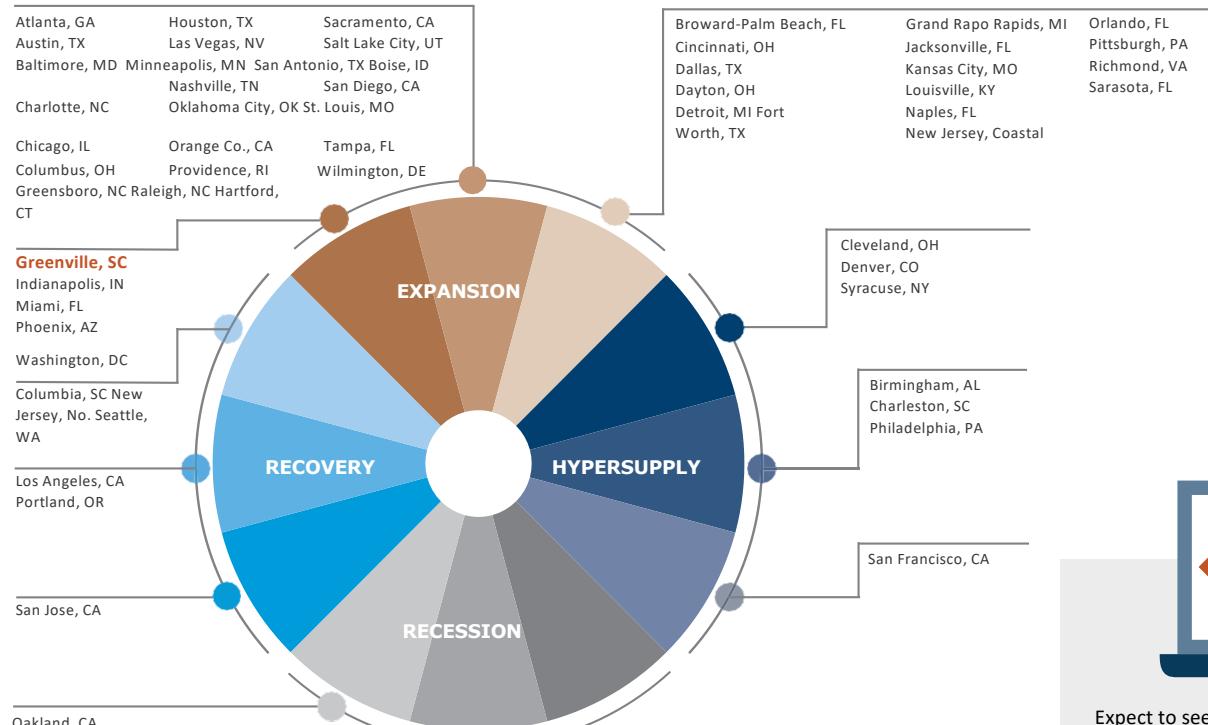
Increasing Vacancy Rates  
Moderate/High New Construction  
Low/Negative Absorption  
Moderate/Low Employment Growth  
Med/Low Rental Rate Growth

## RECESSION

Increasing Vacancy Rates  
Moderate/Low New Construction  
Low Absorption  
Low/Negative Employment Growth  
Low/Neg Rental Rate Growth

## RECOVERY

Decreasing Vacancy Rates  
Low New Construction  
Moderate Absorption  
Low/Moderate Employment Growth  
Neg/Low Rental Rate Growth



VIEWPOINT 2022

Expect to see investment volumes increase as the myriad of recently constructed multifamily projects stabilize. While cap rates in the sector have historically been 70 to 80 basis points higher than the national average, Greenville is increasingly attracting outside investment interest.



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# U.S. MARKETS TO WATCH

Greenville-Spartanburg is benefiting from the same broad-based trends experienced by many high-growth markets nationwide of increasing demand for multifamily living, particularly within urban areas of the metro. Renters consist of young workers as well as retirees seeking a central and convenient location rich with amenities and little to no maintenance relative to owning a home. As population in the market increases, the demand for units will continue to outpace supply. This imbalance should lead to stable market conditions, with vacancy levels in the single-digits in the near-term.

The following rankings were pulled from Emerging Trends in Real Estate© 2021 list of the Top 80 Markets in the U.S.

## OVERALL REAL ESTATE PROSPECTS



**#5** Charlotte, NC

**#26 Greenville, SC**

**#80** Jacksonville, FL



## HOME BUILDING PROSPECTS

**#2** Austin, TX

**#14 Greenville, SC**

**#18** Salt Lake City, UT

GREENVILLE has emerged as a leader in the **Niche Market** for **Boutique Markets** along with cities like Boise, Chattanooga, Des Moines and Knoxville.

Emerging Trends in Real Estate© 2021

# MULTIFAMILY MARKET CYCLE

## Greenville At A Glance

Greenville SC, effective rents are now \$1,138 per month representing a 13% increase year over year Occupancy rates have increased significantly to 96.9% over the past year.

<u>Effective Rent</u>	<u>Occupancy</u>	<u>Deliveries</u>	<u>Absorption</u>	<u>Employment</u>
<b>\$1,138</b>	<b>96.9%</b>	<b>1,707</b>	<b>2,547</b>	<b>2.1%</b>
UP 13.0% YTD	UP 130 BPS YTD	UNITS YTD	UNITS YTD	CHANGE YTD

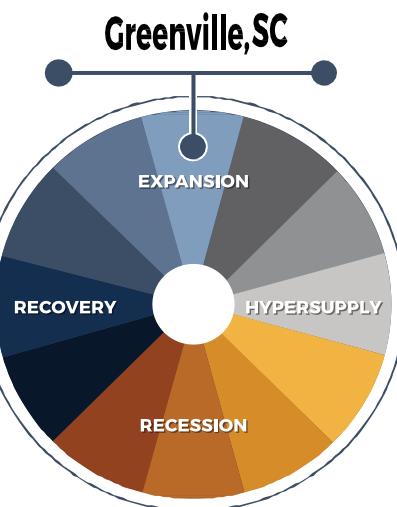
Moderate/High Employment Growth



Decreasing Vacancy Rates



Moderate/High New Construction



©2021 Integra Realty Resources, Inc.

High Absorption



Med/High Rental Rate Growth

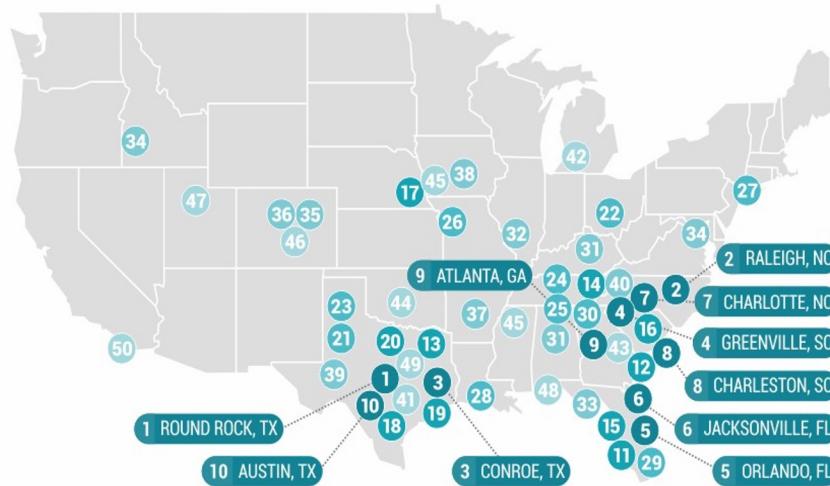


# BEST CITIES FOR RENTERS 2022

## 4. Greenville, SC

Greenville, SC is fourth among the top places for renters of any age. A renter-majority city (56.9%), Greenville is the second-best U.S. location in terms of cost of living among the cities analyzed, while also boasting a high share of college-educated residents. Additionally, Greenville is home to many large companies that provide jobs in health services, technology and the automotive industry. In fact, the city has the second-lowest unemployment rate on our list, topped only by Arlington, VA and Madison, WI.

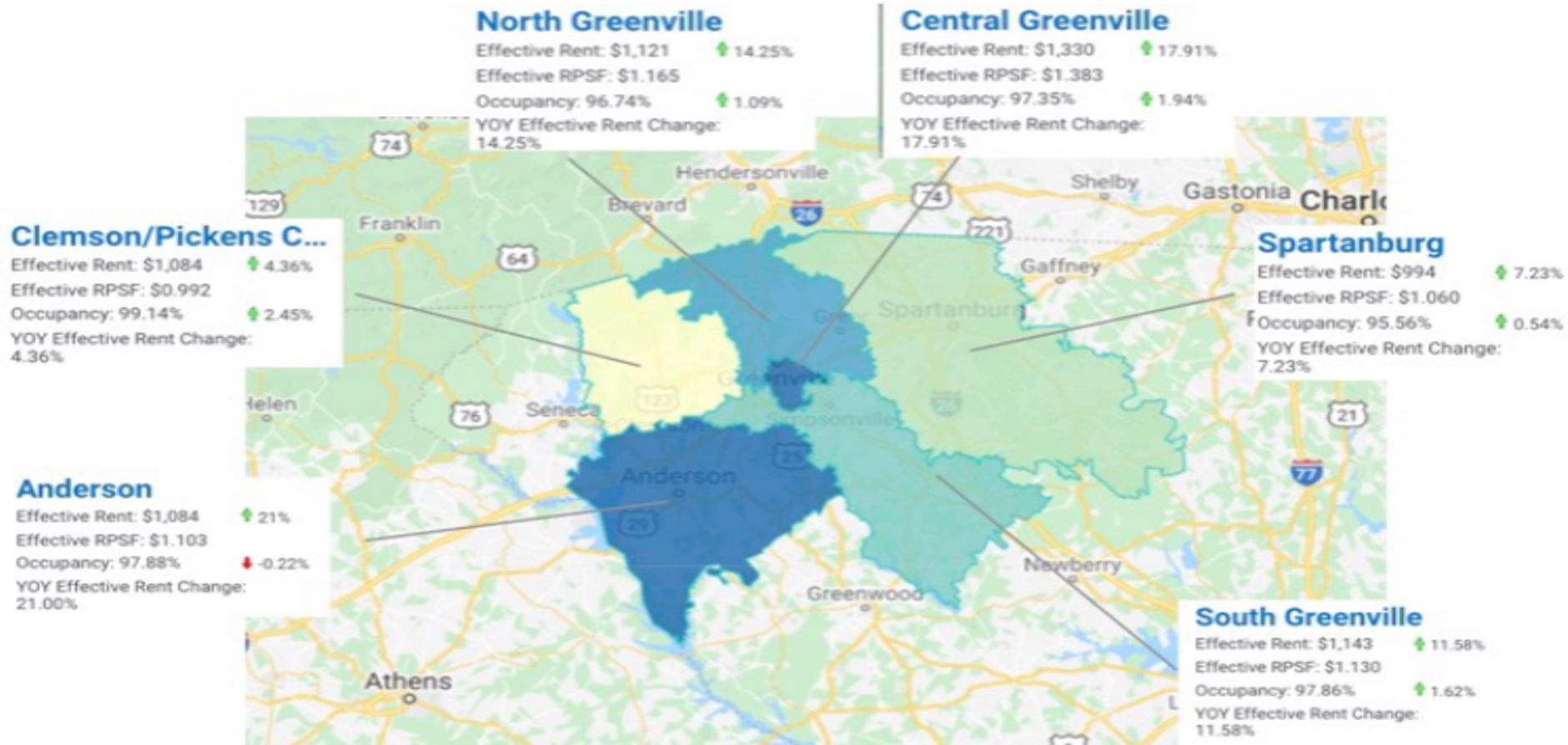
## Top 50 Best Cities for Renters



- |                     |                     |                         |                          |
|---------------------|---------------------|-------------------------|--------------------------|
| 1. Round Rock, TX   | 15. Tampa, FL       | 29. Fort Lauderdale, FL | 41. San Marcos, TX       |
| 2. Raleigh, NC      | 16. Columbia, SC    | 30. Chattanooga, TN     | 42. Kalamazoo, MI        |
| 3. Conroe, TX       | 17. Lincoln, NE     | 31. Lexington, KY       | 43. Augusta, GA          |
| 4. Greenville, SC   | 18. San Antonio, TX | 31. Birmingham, AL      | 44. Oklahoma City, OK    |
| 5. Orlando, FL      | 19. Houston, TX     | 32. St. Louis, MO       | 45. Memphis, TN          |
| 6. Jacksonville, FL | 20. Fort Worth, TX  | 33. Tallahassee, FL     | 45. Omaha, NE            |
| 7. Charlotte, NC    | 21. Lubbock, TX     | 34. Arlington, VA       | 46. Colorado Springs, CO |
| 8. Charleston, SC   | 22. Columbus, OH    | 34. Boise City, ID      | 47. Salt Lake City, UT   |
| 9. Atlanta, GA      | 23. Amarillo, TX    | 35. Westminster, CO     | 48. Mobile, AL           |
| 10. Austin, TX      | 24. Nashville, TN   | 36. Denver, CO          | 49. Dallas, TX           |
| 11. Sarasota, FL    | 25. Huntsville, AL  | 37. Little Rock, AR     | 50. San Diego, CA        |
| 12. Savannah, GA    | 26. Kansas City, MO | 38. Des Moines, IA      |                          |
| 13. Plano, TX       | 27. Stamford, CT    | 39. Odessa, TX          |                          |
| 14. Knoxville, TN   | 28. Lafayette, LA   | 40. Asheville, NC       |                          |

RentCafe®

# GREENVILLE – RENT GROWTH AND MAP



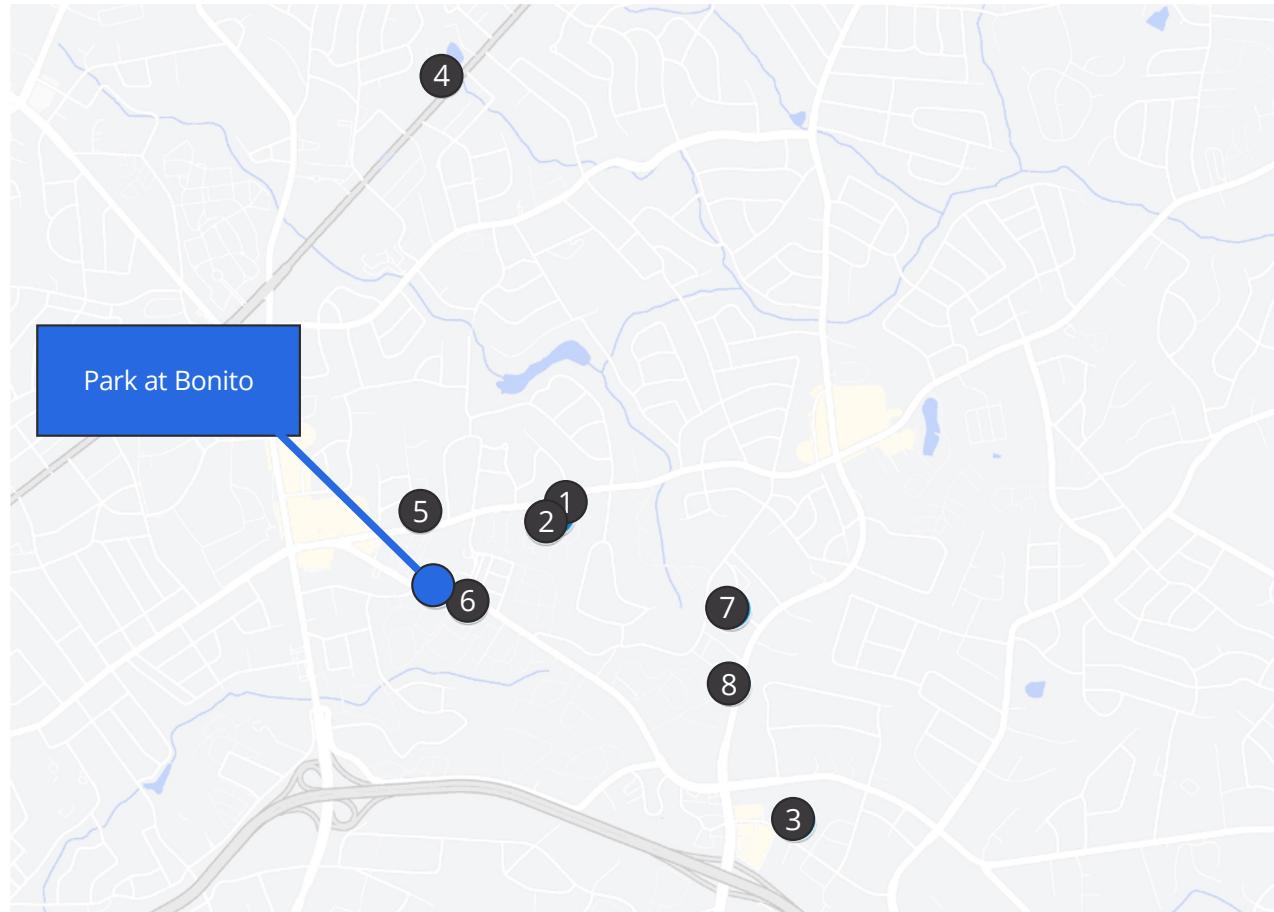
# MARKET OVERVIEW – DEMOGRAPHIC DATA

The following table shows Economic and Demographic Highlights of the immediate area. The demographic statistics are estimated by CoStar, and include the 1-, 3-, and 5-mile trade areas from the immediate area of **The Park at Bonito & The Park at Calabria**, and confirm the density, growth and quality surrounding the property.

Greenville Portfolio Area Demographic Highlights			
	1-MILE	3-MILE	5-MILE
Total Population (2022 Estimate)	11,615	71,008	177,825
Total Population (2027 Projection)	12,596	77,835	196,077
% Growth 2022 – 2027	8.5%	9.6%	10.3%
Households (2022 Estimate)	4,887	30,445	74,908
Households (2027 Projection)	5,294	33,316	82,562
% Household Growth 2022 – 2027	8.3%	9.4%	10.2%
Renter Occupied Households	3,556	15,786	33,697
Average HH Income	\$65,052	\$87,072	\$89,440

## MARKET OVERVIEW – RENT COMPS PARK AT BONITO

1. The Park At Ariano
2. The Park at Toscana
3. Orchard Park
4. 2207 North
5. Element at East North
6. Pelham Apartment Homes
7. Haywood Pointe
8. Beacon Ridge



# MARKET OVERVIEW – RENT COMPS THE PARK AT BONITO

1 Bed/1 Bath			
Property	Sqft	Rents	\$/SF
Beacon Ridge (PR)	900	\$1,196	\$1.33
Orchard Park (R)	700	\$1,125	\$1.61
The Park at Toscana (R)	762	\$1,111	\$1.46
2207 North (PR)	750	\$1,029	\$1.37
Haywood Pointe (C)	742	\$1,023	\$1.38
Element at East North (C)	751	\$995	\$1.33
The Park at Ariano (C)	608	\$888	\$1.46
Pelham Apartment Homes (PR)	622	\$861	\$1.38
<b>Average</b>	<b>729</b>	<b>\$1,028</b>	<b>\$1.41</b>
<b>The Park at Bonito</b>	<b>599</b>	<b>\$817</b>	<b>\$1.36</b>

2 Bed/2 Bath			
Property	Sqft	Rents	\$/SF
Beacon Ridge (PR)	1121	\$1,552	\$1.38
The Park at Ariano (C)	875	\$1,430	\$1.63
The Park at Toscana (R)	1060	\$1,378	\$1.30
Orchard Park (R)	966	\$1,377	\$1.43
Haywood Pointe (C)	962	\$1,316	\$1.37
2207 North (PR)	990	\$1,298	\$1.31
Element at East North (C)	1200	\$1,291	\$1.08
Pelham Apartment Homes (PR)	1026	\$1,018	\$0.99
<b>Average</b>	<b>1025</b>	<b>\$1,332</b>	<b>\$1.31</b>
<b>The Park at Bonito</b>	<b>851</b>	<b>\$953</b>	<b>\$1.12</b>

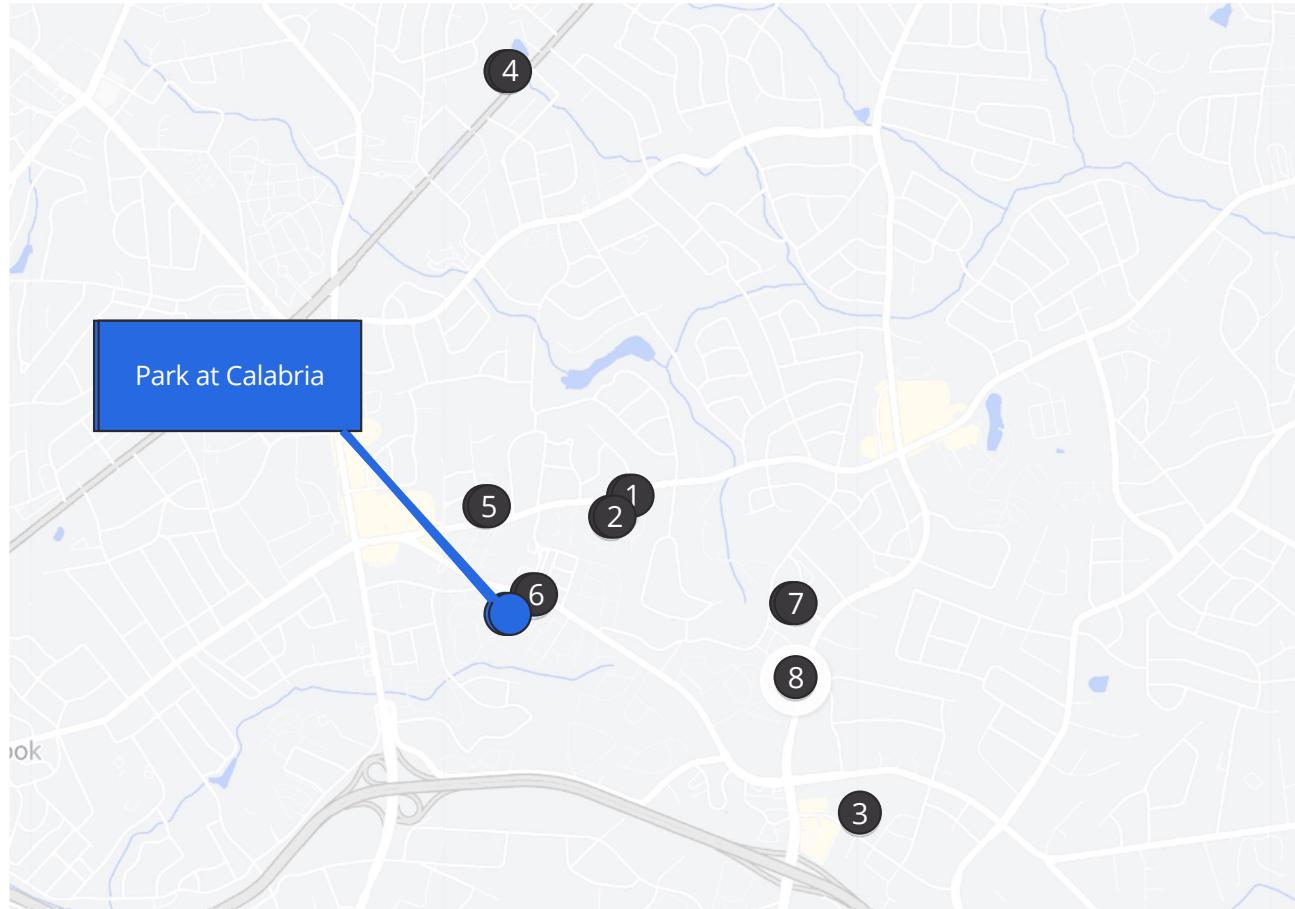
(R) - Renovated

(PR) – Partial Renovated

(C) - Classic

- 1. The Park At Ariano
- 2. The Park at Toscana
- 3. Orchard Park
- 4. 2207 North
- 5. Element at East North
- 6. Pelham Apartment Homes
- 7. Haywood Pointe
- 8. Beacon Ridge

## MARKET OVERVIEW RENT COMPS PARK AT CALABRIA



# MARKET OVERVIEW – RENT COMPS THE PARK AT CALABRIA

1 Bed/1 Bath			
Property	Sqft	Rents	\$/SF
Beacon Ridge (PR)	900	\$1,196	\$1.33
Orchard Park (R)	700	\$1,125	\$1.61
The Park at Toscana (R)	762	\$1,111	\$1.46
2207 North (PR)	750	\$1,029	\$1.37
Haywood Pointe (C)	742	\$1,023	\$1.38
Element at East North (C)	751	\$995	\$1.33
The Park at Ariano (C)	608	\$888	\$1.46
Pelham Apartment Homes (PR)	622	\$861	\$1.38
<b>Average</b>	<b>729</b>	<b>\$1028</b>	<b>\$1.41</b>
<b>The Park at Calabria (PR)</b>	<b>639</b>	<b>\$917</b>	<b>\$1.44</b>

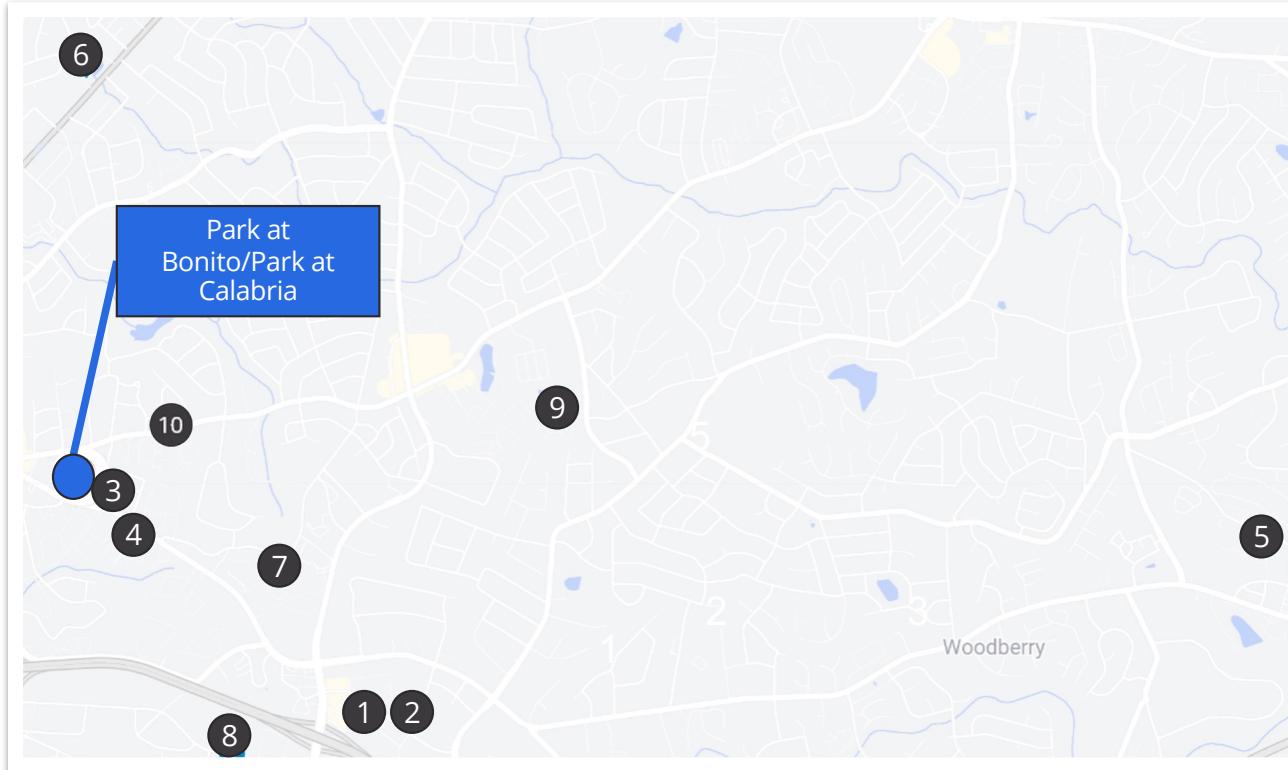
2 Bed/2 Bath			
Property	Sqft	Rents	\$/SF
Beacon Ridge (PR)	1121	\$1,552	\$1.38
The Park at Ariano (C)	875	\$1,430	\$1.63
The Park at Toscana (R)	1060	\$1,378	\$1.30
Orchard Park (R)	966	\$1,377	\$1.43
Haywood Pointe (C)	962	\$1,316	\$1.37
2207 North (PR)	990	\$1,298	\$1.31
Element at East North (C)	1200	\$1,291	\$1.08
Pelham Apartment Homes (PR)	1026	\$1,018	\$0.99
<b>Average</b>	<b>1025</b>	<b>\$1,332</b>	<b>\$1.31</b>
<b>The Park at Calabria (PR)</b>	<b>1033</b>	<b>\$1,118</b>	<b>\$1.08</b>

2 Bed/1 Bath			
Property	Sqft	Rents	\$/SF
Beacon Ridge (PR)	1016	\$1,536	\$1.51
The Park at Toscana (R)	900	\$1,271	\$1.41
Element at East North (C)	891	\$1,121	\$1.26
Pelham Apartment Homes (PR)	1020	\$1,018	\$1.00
The Park at Ariano (C)	820	\$954	\$1.16
<b>Average</b>	<b>929</b>	<b>\$1,180</b>	<b>\$1.27</b>
<b>The Park at Calabria (PR)</b>	<b>1080</b>	<b>\$1,089</b>	<b>\$1.01</b>

(R) - Renovated  
 (PR) – Partial Renovated  
 (C) - Classic

## MARKET OVERVIEW – SALE COMPS

1. Terrain at Haywood
2. Orchard Park
3. Sterling Pelham
4. Sterling Westchester
5. Oak Ridge at Pelham
6. 2207 North
7. Caledon
8. Preserve at Woods Lake
9. Edgemont
10. The Park at Toscana



# MARKET OVERVIEW – SALE COMPS

	Property Name	Address	Built	Units	Sale Date	Sales Price	\$/unit
1	Terrain at Haywood	48 McPrice Ct, Greenville	1983	97	21-Dec	\$11,600,000	\$119,587
2	Orchard Park	1210 Brendan Way, Greenville	1983	172	21-Dec	\$30,788,000	\$179,000
3	Sterling Pelham	230 Pelham Rd, Greenville	1979	422	21-Oct	\$47,200,000	\$111,848
4	Sterling Westchester	300 Pelham Rd, Greenville	1972	116	21-Oct	\$18,300,000	\$157,758
5	Oak Ridge at Pelham	150 Oak Ridge Pl, Greenville	1986	252	21-Sept	\$40,325,000	\$160,019
6	2207 North	2207 Wade Hampton Blvd, Greenville	1968	130	21-July	\$13,650,000	\$105,000
7	Caledon	100 Caledon Ct, Greenville	1996	350	21-July	\$55,750,000	\$159,285
8	Preserve at Woods Lake	412 Woods Lake Rd, Greenville	1996	232	21-June	\$35,700,000	\$153,879
9	Edgemont	151 Mitchell Rd, Greenville	1985	144	21-April	\$17,950,000	\$124,652
10	The Park at Toscana	2900 E North St, Greenville	1972	172	21-Feb	\$20,050,000	\$116,569
<b>Park at Bonito</b>			<b>1974</b>	<b>180</b>		<b>\$22,680,000</b>	<b>\$126,000</b>
<b>Park at Calabria</b>			<b>1978</b>	<b>101</b>		<b>\$12,800,000</b>	<b>\$126,733</b>
<b>Total/Average</b>			<b>1981</b>	<b>209</b>		<b>\$29,131,300</b>	<b>\$138,760</b>
<b>Total Weighted Average Comps</b>							<b>\$139,584</b>
<b>Total Weighted Purchase Price</b>							<b>\$126,263</b>
						<b>% Difference</b>	<b>-9.54%</b>

# REAL ESTATE TERMS & DEFINITIONS

**Accredited Investor** – A person who meets the individual net worth requirements and/or income requirements set forth by the SEC, and has knowledge and/or experience in financing and business matters and are capable of evaluating the merits and risks of the prospective investments

**Capitalization Rate (Cap Rate)** - A rate of return on a real estate investment property based on the expected income that the property will generate. Capitalization rate is used to estimate the investor's potential return on his or her investment. This is done by dividing the income the property will generate (after fixed costs and variable costs) by the total value of the property.

- When acquiring income property, the higher the capitalization rate ("Cap Rate") the better;
- When selling income property, the lower the Cap Rate the better.
- A higher cap rate implies a lower price, a lower cap rate implies a higher price.

**Cash Flow** – Cash generated from the operations of a company, generally defined as revenues less all operating expenses.

**Cash on Cash** - A rate of return often used in real estate transactions. The calculation determines the cash income on the cash invested.

Calculated:

Cash on Cash Return = Annual Dollar Income / Total Dollar Investment

**Debt Service Coverage Ratio (DSCR)** - It is the multiples of cash flow available to meet annual interest and principal payments on debt . This ratio should ideally be over 1. That would mean the property is generating enough income to pay its debt obligations.

**Internal Rate of Return (IRR)** - The rate of return that would make the present value of future cash flows plus the final market value of an investment opportunity equal to the current market price of the investment or opportunity. The higher a project's internal rate of return, the more desirable it is to undertake the project.

**Return on Equity (ROE)** - The amount of net income returned as a percentage of shareholders equity. ROE is expressed as a percentage and calculated as:

$$\text{Return on Equity} = \text{Net Income}/\text{Shareholder's Equity}$$

**Sophisticated Investor** – A person that does not meet accredited investor requirements however has knowledge and experience in financing and business matters and is capable of evaluating the merits and risks of the prospective investments.

**1031 Exchange Investor:** See next page



# 1031 EXCHANGE IN MULTIFAMILY SYNDICATION

*Are you a 1031 exchange investor....? Good news! We accept 1031 exchanges in our deals!*

## 1031 EXCHANGE

A 1031 exchange is a major tax benefit associated with real estate ownership, which allows the deferral of capital gains by exchanging the gain into a like-kind property upon sale rather than receiving all the sale proceeds in taxable cash. Combining a 1031 exchange with a managed syndication allows the 1031 investor to become a passive investor in a professionally managed investment vehicle. The investor performing the 1031 exchange into the syndication can also 1031 exchange out their interest upon sale. Syndications as a group also can 1031 exchange upon sale into a succeeding project, but the individual investors cannot exchange their personal interest into something else.

## TENANCY IN COMMON

Investors in syndications are technically purchasing and holding a security / membership interest in an entity, not direct real estate ownership. Meanwhile, a 1031 exchange is a like-kind exchange of property ownership to property ownership (not property to entity interest). Through the tenancy-in-common (TIC) structure, the 1031 investor is taking direct title to the syndicated property, which is one of the key requirements of a legitimate 1031 exchange.

A complication of the TIC structure within a management partnership is that the "tenants" in common have joint and several ownerships of the property with equal control. However, in a syndication/joint venture, the sponsor is supposed to have decision making control. Typical joint venture economics and control rights can be outlined through a side-letter or through other means to make the 1031 fit into a traditional syndication/joint venture structure.

## OUR EXPERIENCE

Our team has experience structuring 1031 exchanges in our syndications both with agency and private debt. The greatest source of complexity comes from the lender requirements when it comes to the TIC structure, especially Fannie Mae and Freddie Mac. Because the 1031 TIC investor is a direct owner of the property, they are technically a borrower in the eyes of the lender and therefore must be underwritten. Being underwritten by a lender includes a credit check, background check, disclosure of personal financial statement, schedule of real estate owned, and business resume. This does NOT mean the 1031 investor has to sign on the loan. We handle this entire process for our 1031 exchange investors as well as form and manage the single purpose entity which will be the vehicle holding title on behalf of the 1031 investor (as required by the lender).

**If you are a 1031 Exchange Investor please reach out to us immediately as time is of the essence. We will send you a 1031 Exchange Checklist that outlines the entire process and documentation needed for leveraging this attractive tool.**

# Investment Portfolio

\$685 MM

Portfolio Value

3,546

Number of Units

18

Properties

## Texas



**The Reserve at Walnut Creek**

AUSTIN, TEXAS  
284 UNITS  
A- Class Asset



**The Baxter at Westwood**

AUSTIN, TEXAS  
350 UNITS  
B CLASS ASSET



**The Lila at Oakgate**

SAN ANTONIO, TEXAS  
253 UNITS  
B Class Asset



**The Joseph at Huebner**

SAN ANTONIO, TEXAS  
192 UNITS  
B CLASS ASSET



**Patten East**

AUSTIN, TEXAS  
284 UNITS  
B+ Class Asset



**Providence Estates**

SAN ANTONIO, TEXAS  
106 UNITS  
B+ CLASS ASSET



**The Barstow**

AUSTIN, TEXAS  
561 UNITS  
B Class Asset



**Saint Mary**

AUSTIN, TEXAS  
240 UNITS  
A CLASS ASSET



**SoNA Apartments**

AUSTIN, TEXAS  
164 UNITS  
B+ Class Asset



**Palmera**

SAN ANTONIO, TEXAS  
288 UNITS  
B+ CLASS ASSET



**The Henry B**

SAN ANTONIO, TEXAS  
198 UNITS  
B Class Asset



**The Blair at Bitters**

SAN ANTONIO, TEXAS  
190 UNITS  
B CLASS ASSET

# Investment Portfolio

\$685 MM

Portfolio Value

3,546

Number of Units

18

Properties

## Georgia



Pines of Lanier

GAINSVILLE, GA  
157 Units  
B Class Asset

## Phoenix



North Edge Phoenix

PHOENIX, AZ  
71 Units  
B Class Asset



The Bronte East

PHOENIX, AZ  
87 Units  
B Class Asset



The Bronte West

PHOENIX, AZ  
48 Units  
B Class Asset

## Greenville



Townhomes at Summit

GREENVILLE, SC  
30 Units  
B Class Asset



Carolina Commons

GREENVILLE, SC  
43 Units  
B Class Asset

# NEXT STEPS & GETTING STARTED!

Interested Investors can fill out a contact form and we will setup a one-on-one consultation to discuss your investing goals!



Email or Call:

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