CENTRAL AUSTIN PORTFOLIO

INVESTMENT SUMMARY

Holliday Fenoglio Fowler, L.P. acting by and through Holliday GP Corp a Texas licensed real estate broker ("HFF").
EXCEPTIONAL VALUE-ADD OPPORTUNITY

The Austin Core Portfolio of 8 properties provide new ownership the ideal value-add opportunity in Austin's most desired submarkets. Current ownership has completed exterior renovations to include new roofs, paint, asphalt repair, landscaping, new signage, installation of outdoor amenities. New ownership will benefit from curing minimal exterior deferred maintenance while capitalizing greatly on interior renovations that will produce substantial rent growth. Proven designer units have been renovated and are averaging $200-$300+ / unit rental increases over non-renovated units. Given the excellent locations and strong market fundamentals, this portfolio is uniquely positioned for long-term NOI growth.

TREMENDOUS JOB AND POPULATION GROWTH

Austin has one of the highest job creation rates in the country (3.8%) and the lowest unemployment rate (3.3%) among the top 50 metros in the U.S. As one of the nation's top economic performers, Austin's real estate market is thriving. Capital Market Research recently predicted apartment rents would continue to grow in the 4% to 5% range in 2017. Austin's business friendly environment and low cost of living attracts the nation's top talent and millennial demographic which will continue to boost rental demand for the foreseeable future.

STRONG SUBMARKET FUNDAMENTALS

The properties are positioned in the Central (1), South Central (2), North Central (2), North (1) and South (2) submarkets, which represent the best performing submarkets in Austin. Combined the submarkets have seen over 3% rent growth in the past 12 months and sit at 93.6% occupancy. Individually, these submarkets are ranked the top 5 from a combined occupancy and rent growth perspective in Austin. These submarkets have become the most desirable places to live as more residents search for centrally located properties at a discount to downtown prices. Lack of available land in Austin's urban core and difficulty in the construction market make these locations a surefire bet for continued prosperity in Austin.

DIFFERENTIATED PRODUCT WITH UPSIDE

This portfolio offers unique and highly differentiated living experience with quiet neighborhood surroundings, ample parking, and spacious units at a fraction of the cost of new construction. The assets offer a desired alternative to new assets and are tremendously positioned to increase NOI substantially through the continued modernization of the community and interior units.

AVAILABLE ALL CASH

This exceptional acquisition opportunity is being offered all cash, allowing investors to take advantage of the historically low interest rate environment.
AUSTIN
POPULATION GROWTH
2006-2016

AUSTIN 35.7%
TEXAS 19.3%
USA 8.2%

#1 AUSTIN
BEST PLACES TO LIVE
- U.S. News & World Report
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EXCELLENT INFILL LOCATIONS
The Central Austin Portfolio offers investors an excellent opportunity to buy eight boutique apartment communities in Austin's most desirable and coveted residential areas with unrivaled access to Austin's top employers, entertainment destinations and major thoroughfares.

Four of the eight properties (SoCo Flats, SoLa Flats, Palm Gardens, Newning Oaks) are located in the dynamic and flourishing South Central Austin area, providing residents short commutes to Downtown and other economic drivers given the close proximity to Interstate Highway 35 (IH-35), South Congress Ave, South Lamar Blvd and Ben White Blvd. The SoCo and SoLa districts are renowned for its eclectic shops and eateries and attract the huge millennial population and young professionals looking for living options at a discount to downtown.

Three of the properties (Midtown Flats, Highland Flats, Dryfield Studios) are located in North Central Austin proximate to "Austin's Second Downtown", The Domain, encompassing over four million square feet of commercial mixed use space and home to 17,500 daytime employees (30,000 once fully developed). State Highway 183, IH-35, Mopac Expressway and the burgeoning Airport Blvd and N. Lamar Blvd corridors help facilitate residents throughout this dynamic growth corridor and provide a variety of different occupations and entertainment options. The final property in the portfolio (Colonial Arms) is located in the Clarksville neighborhood, off of Enfield Road in one of the most affluent residential areas in Austin. This Property is less than five minutes from Downtown, the State Capitol and the University of Texas Campus making this residential address one of the most sought after in Austin.

KEY TAKEAWAYS
- Proven Value Add Story - $200-$300 monthly premiums
- Located in the most desirable Austin submarkets
- Opportunity to purchase 8 assets below replacement cost
- New owner can focus on renovating interiors and realize massive NOI growth
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