

# Our Multi-family Investment Criteria

## Executive Summary

Our investment criteria outlined here ensures alignment with sustainable growth and enables predictable returns in resilient markets for our partners and our investors.

### Investment Strategy

- ✓ **Value-Add Opportunities**
  - Renovation & modernization of interiors or exteriors.
  - Operational improvements (e.g., reducing expenses, increasing rents to market levels).
  - Addition of amenities to enhance tenant experience and drive rental income.
- ✓ **Target Returns**

Target cash flow & appreciation-driven returns through strategic improvements and market growth.

  - IRR 15-17% (depending on market & quality of property)
  - Cash-on-Cash minimum 7%
  - Multiple minimum 1.90x

### Market Characteristics

- ✓ **Neighborhood Class**

Located in Class B neighborhoods with strong demand fundamentals.
- ✓ **Median Household Income**

\$50,000 or above within 1, 3 & 5 mile radius (indicating solid renter affordability).
- ✓ **Market Type**

Secondary markets or tertiary markets with populations of 50,000+ residents.
- ✓ **Population Growth**

Evidence of positive population growth trends over recent years, supporting a growing renter pool.
- ✓ **Low Unemployment**

equal to or less than national average

## Target Property Characteristics

### Property Type



Multifamily residential properties

### Property Class



Class B/C properties with potential for improvement (value-add opportunities).

### Property Size

**50+**

Minimum of 50 units

### Construction Year

Built after 1980 (modern infrastructure or less capital-intensive renovations required). Will consider properties built in 1970s if updates to property were already completed (no major capex to exterior required).

## Other Considerations



Favorable regulatory environment & landlord-friendly jurisdictions.



Market with strong employment growth and diverse economic drivers.



Proximity to transportation, schools, and retail hubs to ensure tenant retention.