
SPONSOR OVERVIEW: TRACK RECORD & CASE STUDIES

Valley Terrace Apartments

A 130 unit garden apartment community constructed in 1968 located in Durham, NC. This property was acquired in late 2013. Immediately after closing, ownership embarked on a \$700,000 improvement program addressing deferred maintenance as well as performing interior unit renovations on 14 off-line units . (all of which was completed in an eight week period). **The property was purchased for \$6.0M in November of 2013. In 2017, the asset refinanced at which time 100% of the invested capital was returned as the asset was valued at \$11.0M. In the summer of 2020, the project was refinanced again where another 45% of the original capital investment was returned as the asset was valued at \$15.65M. The mark to market value of the asset in 2023 is estimated to be \$17.5M.**

<http://www.valleyterrace-aps.com>

Specific asset management strategies employed to enhance revenue and asset quality are listed on the following slide:



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INTERIOR VALUE-ADD

EXTERIOR VALUE-ADD

- Unit Upgrades:
 - Interior Renovation Strategy – Fully renovate units as tenants vacate. Scope of renovation includes the following:
 - Replacing hardware and electrical
 - Replacing cabinets and countertops
 - Restoration of original hardwood floors
 - Installation of washer/dryer connections
- Curb Appeal Enhancement:
 - Resurfacing the parking field
 - Install new playground
 - Install new signage
- Deferred Maintenance:
 - Roof Replacement
 - Drainage Repair

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CURB APPEAL/AMENITY ENHANCEMENT – NEW PLAYGROUND EQUIPMENT



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CURB APPEAL ENHANCEMENT – NEW SIGNAGE



CASE STUDIES: VALLEY TERRACE

The results of the employed strategies are as follows:

Key Financial and Operational Data Points:

Metric	At Acquisition	January 2023
Total Monthly Revenue	\$80,000	\$130,000
Occupancy	82%	95%
Monthly Water & Sewer Charge before and after water conservation system	\$7,407	\$5,900 – savings of \$18,00 annualized on a project cost of \$14,000
Run Rate NOI	\$390,000	\$1,000,000
Annual ROI	Budget – 11.0%	Actual – 7.0% after a 150% return of capital