



grocapitus

**OM** OVERLAND  
MANAGEMENT





1031 Eligible



QRP, Solo 401k,  
SD-IRA eligible

# Coyote Creek Apartments

116 units | St George, Utah  
New Construction  
Multifamily in one of the  
fastest growing metro  
in the US

COYOTE  
CREEK  
LUXURY APARTMENTS





**NEAL BAWA**  
Grocapitus

**ANNA MYERS**  
Grocapitus

**KEN HOLMAN**  
Overland Group

**MICHAEL HOLMAN**  
Overland Group



# Today's Agenda

1

## Who are we?

An introduction to the Management Team

2

## Why St George?

What's different and special about this market ?

3

## Why build multifamily at this location?

Let's understand the opportunity

4

## What are the numbers?

Assumptions, loans, splits, returns and more

5

## How long and how much?

Minimum investment amount and timeframe

6

## What did we forget?

Q&A session



# Housekeeping & Legal



Feel free to type your questions in the text box. We will answer them at the end.

This presentation is being recorded. You will automatically be sent a copy.

All numbers shown are estimates and subject to change as we negotiate with contractors to reduce costs, the architect to add units, and make improvements where possible.



# Housekeeping & Legal



This material does not constitute an offer or a solicitation to purchase securities. An offer can only be made by the Private Placement Memorandum (PPM).

This document is an informational summary of the prospective investment opportunity only.

The PPM and its exhibits contain complete information about the Property and the investment opportunity.

# Housekeeping & Legal



This presentation has been prepared to summarize such information for prospective investors in the Company.

The information contained herein is not a substitute for an investor's complete review of all of the information attached to the PPM as part of their own due diligence regarding this investment opportunity and its suitability for their investment portfolio.



# Meet the Management Team

President and CEO, Grocapitus



Neal Bawa

CEO & Founder  
Grocapitus

## About Neal

- ✓ Neal's companies have owned / managed a portfolio of over \$180 Million
- ✓ Over 2,000 units of Multifamily and Student housing, in 9 states
- ✓ Nationally known Multifamily mentor and speaker
- ✓ About 5,000 investors attend his Multifamily webinar series and hundreds attend Multifamily Boot camps
- ✓ Co-founder of the largest Multifamily Investing Meetup in the U.S. with 3000+ members.

## Key Focus

Investor Management

Leasing and Tenant Marketing

Submarket and property selection

Operations and metrics

# Meet the Overland Group

Experienced, Vertically Integrated Developer Partners & Asset Managers



**Ken Holman**

President & CEO

Ken holds a B.S. degree in Accounting from Brigham Young University, a MBA from the University of Utah. Licensed real estate broker since 1976. He holds the following designations: CCIM, CPM, CRS, CCA. Served as the president of the Utah Apartment Association.



**Mike Holman**

VP, Investments & Finance

Michael is a licensed Certified Public Accountant. He has a Masters of Accountancy from Brigham Young University. Before working at Overland Group, Michael worked at Ernst & Young, on some of the largest Real Estate and technology companies in Utah.



**Dave Holman**

VP, Operations

Dave is a licensed General Contractor and has a B.S. degree in Construction Management from Brigham Young University and a MBA from Utah State University. Has overseen the development and construction since joining the company in 1999 including multi-family, self storage, retail, office, tenant improvement and municipal projects.



# Company Information

---



Overland Group is a **FULLY INTEGRATED** real estate development, construction, property management and capital company

- CAPITAL
- CONSTRUCTION
- DEVELOPMENT
- MANAGEMENT
- REALTY

---

Founded on the prevailing principles of price strategy, product quality, and timely delivery.

---

Developed over **20 million square feet** of commercial space.

---

Actively managed over **10.6 million square feet** of office, industrial, retail, multi-family, hotel, and self-storage

# Overland Group - Company Information



## RESIDENTIAL

- Quail Cove Apartments (420 units)
- Broadway Tower Apartments (96-unit rise)
- Palladio Apartments (234 units)
- Heatherwood Apartments (264 units)
- Holly Ridge Apartments (440 units)
- Renaissance Apartment Suites (60 units)
- River Oaks Apartments (180 units)
- The Falls at Hunters Pointe Apartments (276 units)



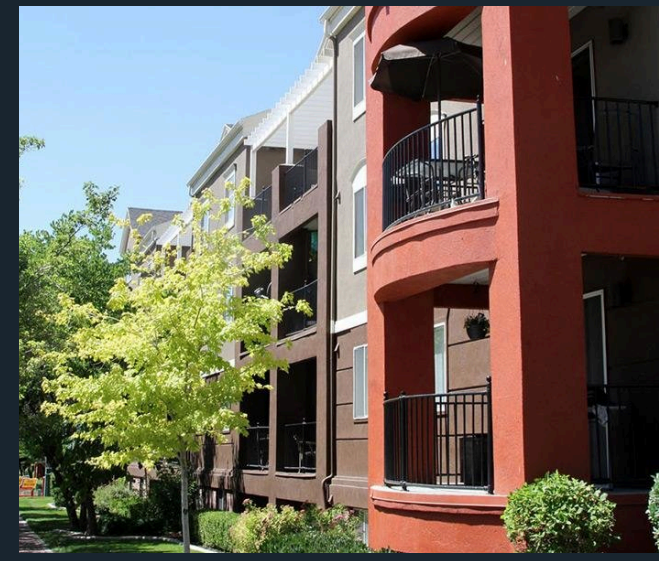
## RETAIL | SERVICE

- Residence Inn Hotel (180 rooms)
- Family Dollar Stores
- Dollar Tree Stores
- Big Lots Stores
- Dollar General Shoes
- River Oaks Golf Course (18 holes)
- Quail Meadows Subdivision
- Industrial Properties
- Office Properties



## SELF STORAGE

- Overland Self Storage (500 units)
- Overland Self Storage (536 units)





# Meet the Management Team

The strength of the project is in the team



Anna Myers

Vice President &  
Operating Partner



Julianne Feliza

Transaction  
Coordinator &  
Investor Relations



Jennifer Pineda

Tenant Leasing &  
Marketing



Nadine Fortich

Property  
Administrator

# Sample of Grocapitus Portfolio & Track Record



## Art City

Art City Center is a beautiful new construction mixed use project in Springville, UT. The iconic mid-rise secure access residential facility has 102 units. The project was completed in April 2018 and is halfway through lease-up.



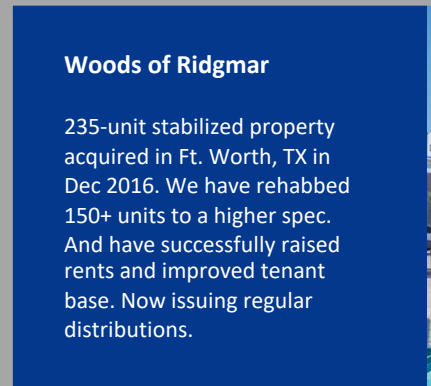
## Equinox on Prince

Purchased March 2019, our first property in Tucson, AZ is an older 114 unit property in a growth area with new medical centers and malls nearby. Under market rents and tired units provide true value add opportunity. We've boosted occupancy by 10% in our 1st month of ownership as we re-brand and renovate to create a modern apt community.



## The Point on Flamingo

192-unit C class property in Las Vegas purchased in May 2017. Borders UNLV campus on two sides, and is now transformed into purpose built student housing. It is run as full-service, furnished housing, rented by the bed to individual students. First 100 students now in.



## Woods of Ridgmar

235-unit stabilized property acquired in Ft. Worth, TX in Dec 2016. We have rehabbed 150+ units to a higher spec. And have successfully raised rents and improved tenant base. Now issuing regular distributions.



## Chelsea Place

174 unit Class C property in East Atlanta, 95% occupied. Value Add project with under market rents, will undergo light rehab and rents pushed to market. Two miles from our other Atlanta property, so lots of efficiencies here.

Property purchased December 2018



## Rails on Main

322 unit new construction purpose-built student housing project next to the university in Buffalo, NY. First raise of \$6.2MM used to buy land, demo, land remediation & rezoning. Project well timed as Buffalo economy surged in 2017. Starting construction 2018, for 2020 completion.



## Lakewood Oaks

Our first project in Jacksonville FL is a 138 unit Class C (vintage 1974) in an emerging Class B area, acquired in Feb 2019. With under market rents, and no renovated units, this is a true value add. We will re-brand it, re-position it, then explore the possibilities to build 32 additional units.



## Park Canyon

151 unit Class B Property in Dalton GA, Chattanooga Metro. Under market rents and 20 down units from a fire gives us opportunity to add significant value in this project.

Property purchased November 2018



## Windward Forest

216 unit Class C Property in East Atlanta. 94% occupied property, will undergo light rehab on all units.

Property purchased Sept 13, 2018





# Let's take a look at the Metro



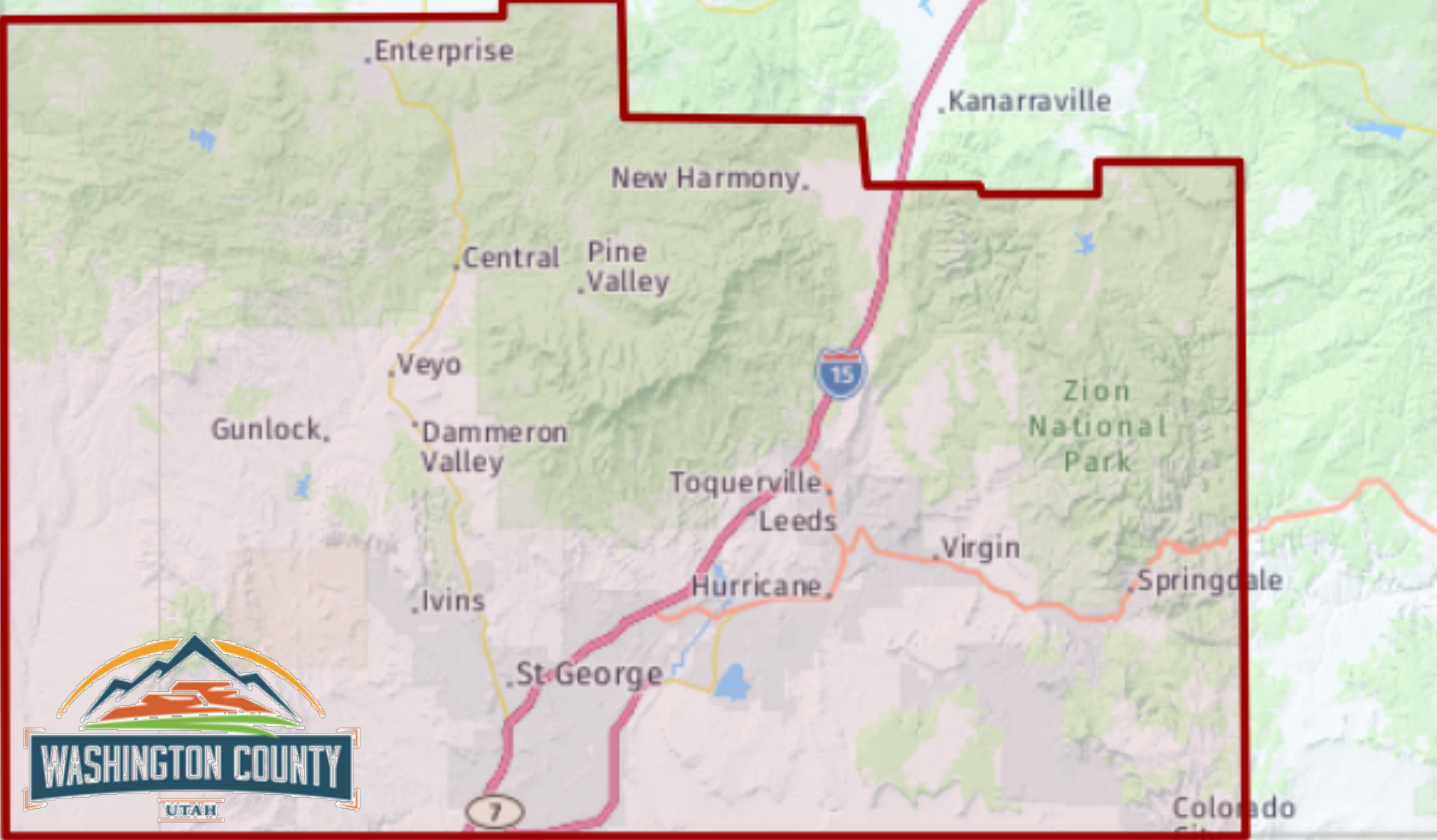
Why we love St George



# BTW... Where is St George?







Enterprise

Kanarrville

New Harmony

Central Pine Valley

Veyo

Gunlock

Dammeron Valley

Toquerville

Leeds

Virgin

Ivins

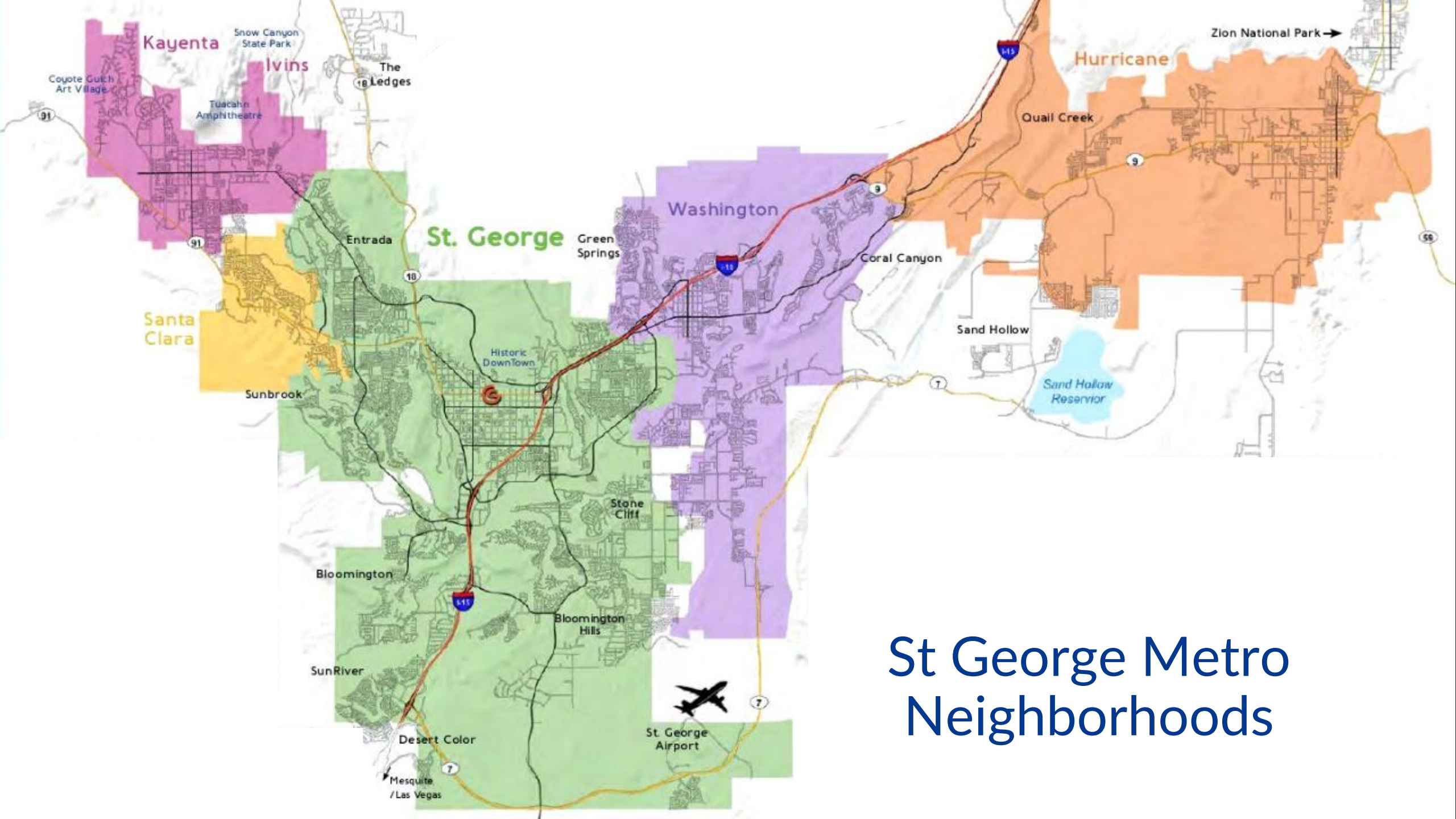
Hurricane

Springdale

St. George

Colorado City





# St George Metro Neighborhoods



# Why is St George so Great?

St. George is America's fastest-growing city



Warm Climate



Attractive to Retirees

less humid than Florida and not as hot as Phoenix



National Parks are your backyard



Education opportunities



Low Crime



Lower Cost of Living

Census shows about 16 people a day moving to St George– not just retirees but a broad range of service workers and outdoor enthusiasts, younger workers and families looking for jobs and homes in the expanding economic base.



# Department of Numbers

## Job Growth by Metropolitan Area

City   State	1 Year CES Jobs Added	1 Year CES Jobs % Change
Reno, NV	13,600	5.63%
Ocean City, NJ	2,300	5.39%
<b>St George, UT</b>	<b>3,300</b>	<b>4.87%</b>
Gainseville, GA	4,400	4.82%
Atlantic City, NJ	6,100	4.76%
Wheeling, WV	3,100	4.69%
Boise City, ID	13,300	4.04%



The April 2019 employment 318 metropolitan areas tracked by the BLS are shown here.

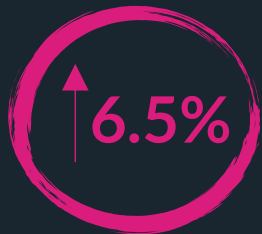
# St George - Employment



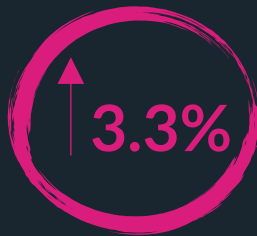
Year-to-Year Change  
in Non-farm Jobs



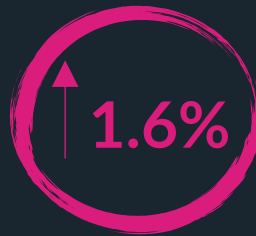
March 2018



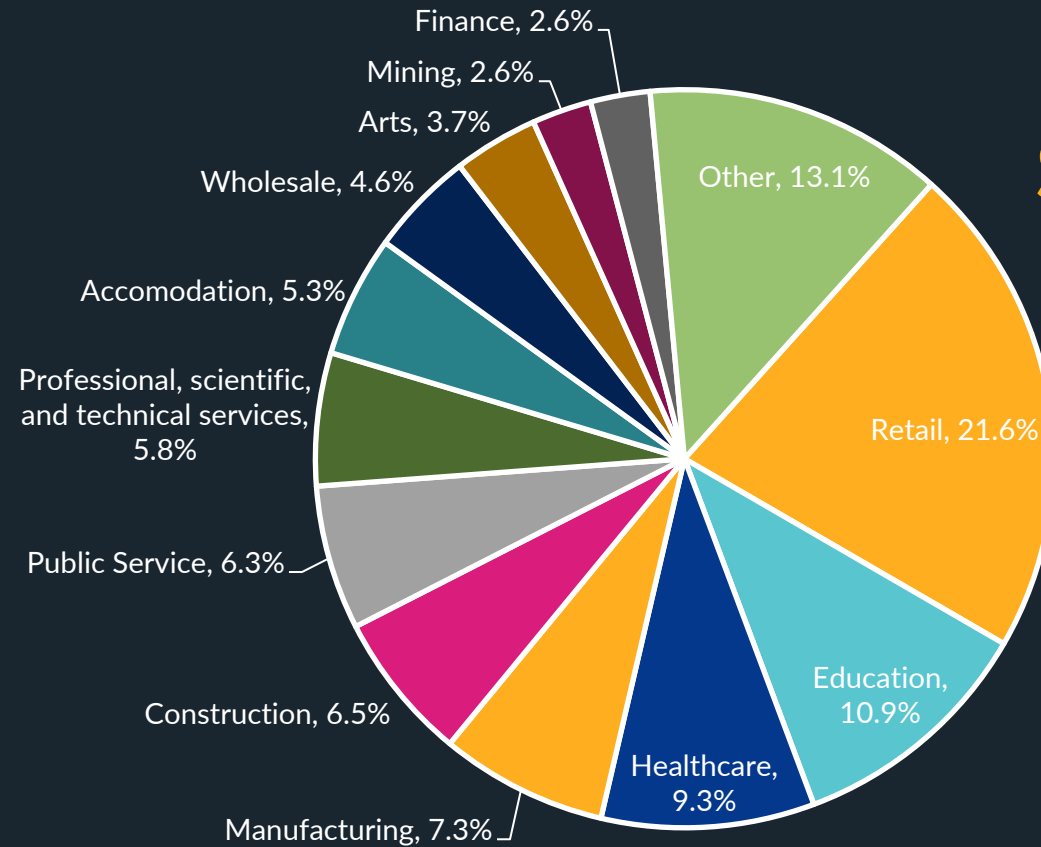
Washington  
County



State of  
Utah



USA

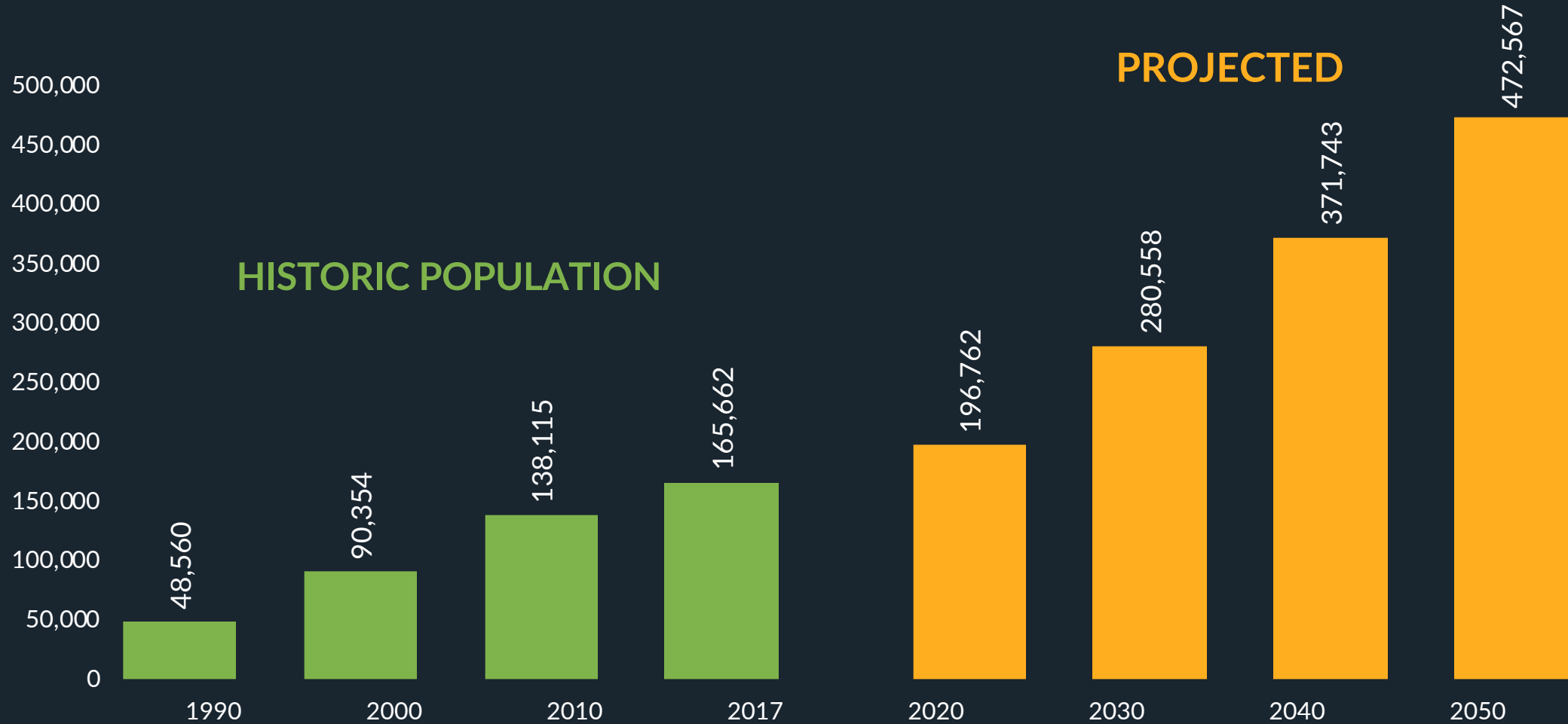


**TOP 12  
SECTORS**



# St George Population Growth

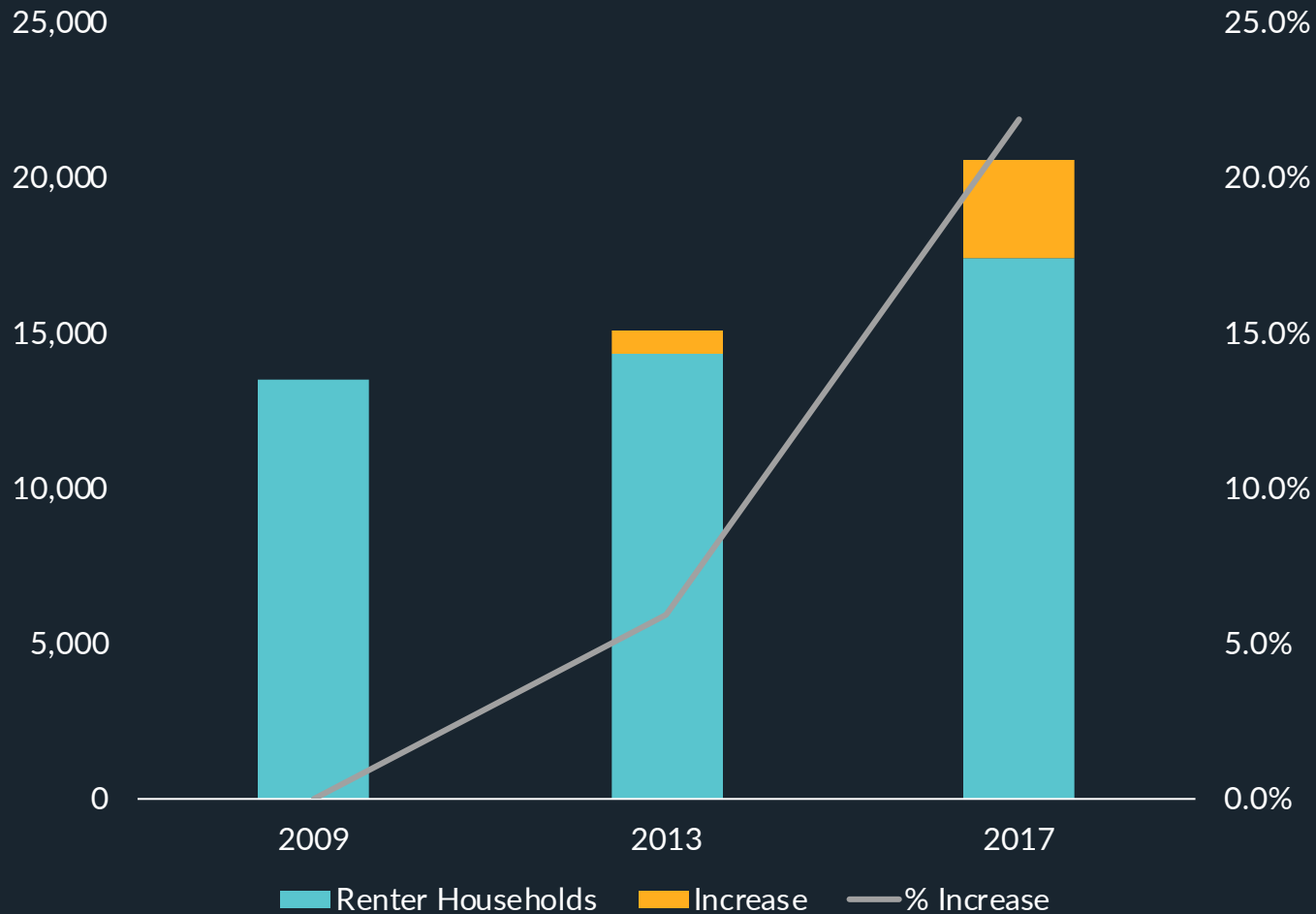
Historic and Projections for St George Metro



# Demand for New Rental Housing



## Rental Households



---

Occupancy rates in the area average about **98%**. A healthy market is considered to be one with up to **8%** vacancy

---

In 8 years from 2009 to 2017 renter household growth accounted for **37.4%** of all household growth

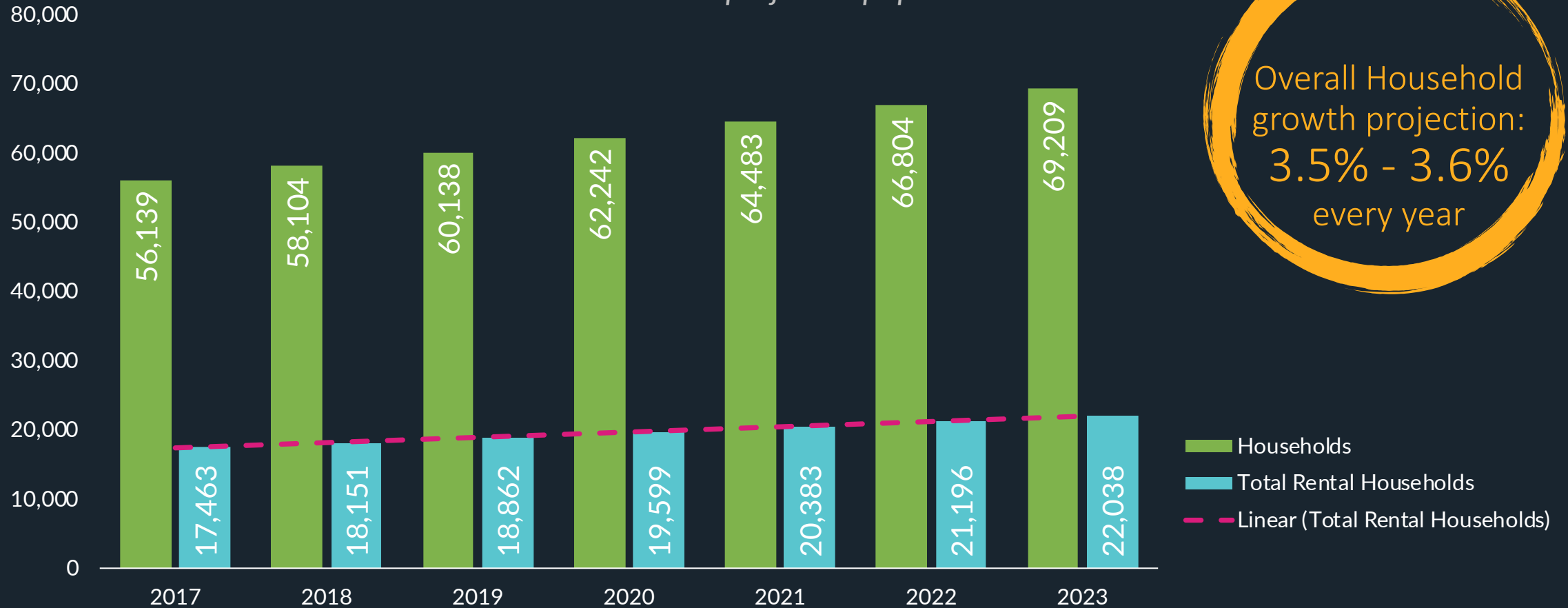
---

Reflects national housing conditions with home ownership becoming less popular.



# Washington County

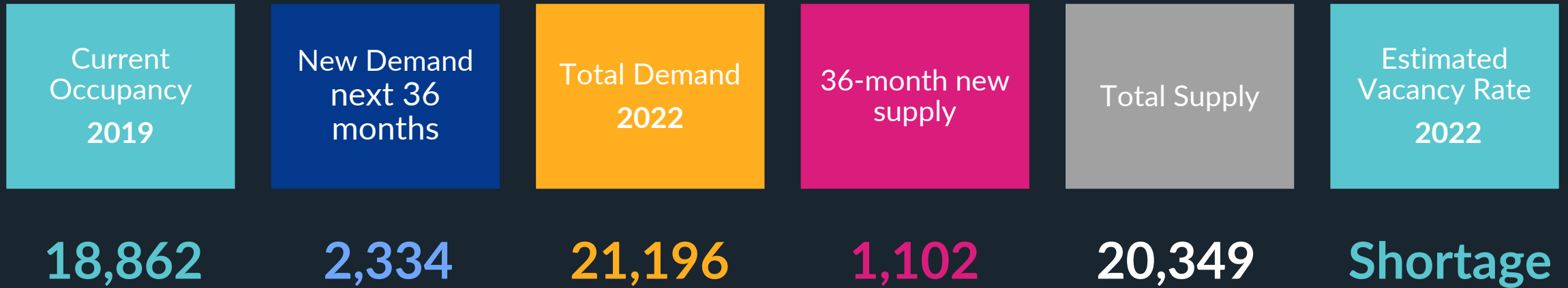
Renter Household Growth Projections through 2023  
*Based on historical and projected population trends.*



In the projection above, renter households will account for **35%** of household growth through 2023

# Supply & Demand for Apartments

Washington County | 2019 - 2022

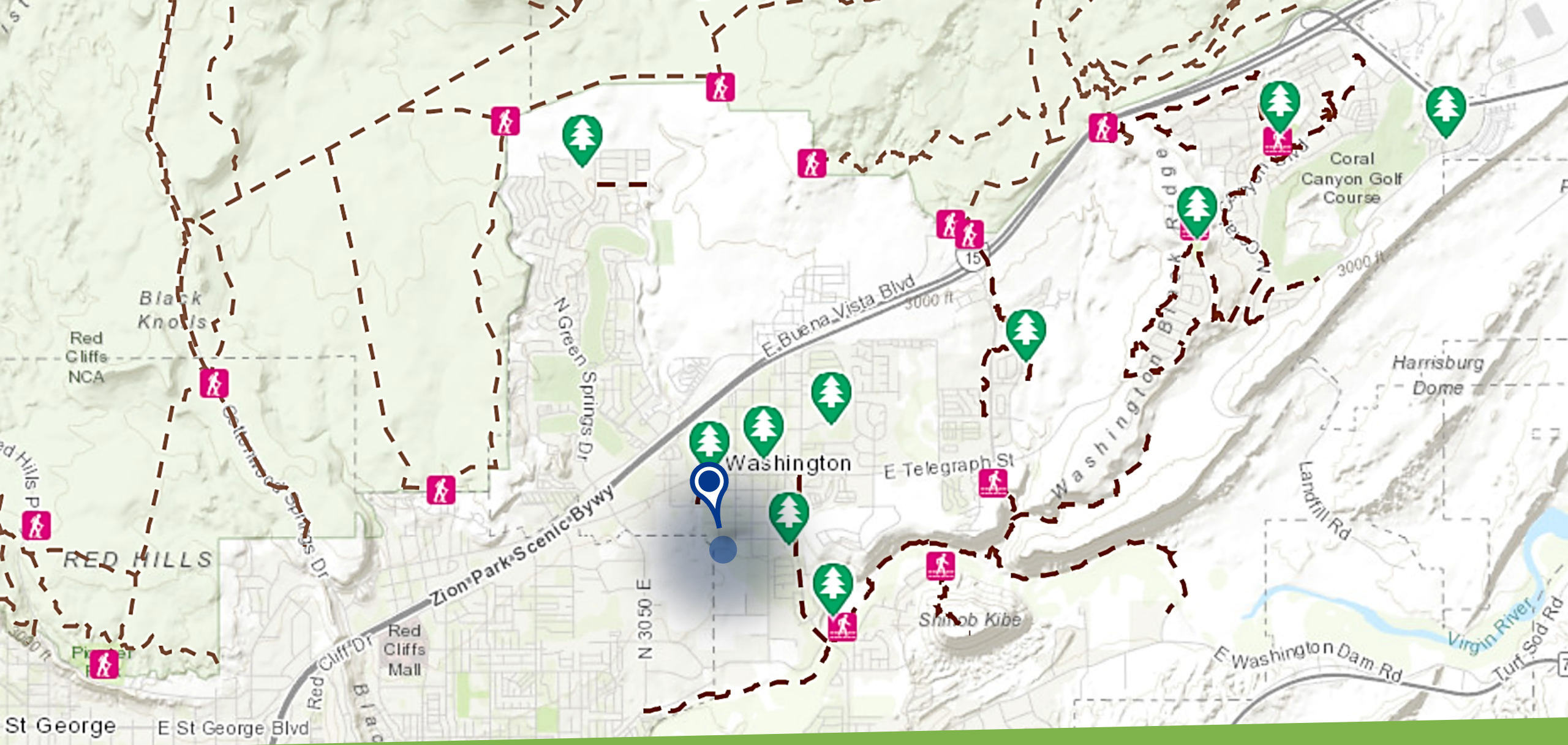


There is currently a **shortage** of rental housing of about **600 units** in Washington County.

There is **demand** for about **2,334 new rental units** in-city over the next 3 years.

Together with the current shortage of 600 units, **total demand** over the next 3 years is estimated at approximately **2,900 units**

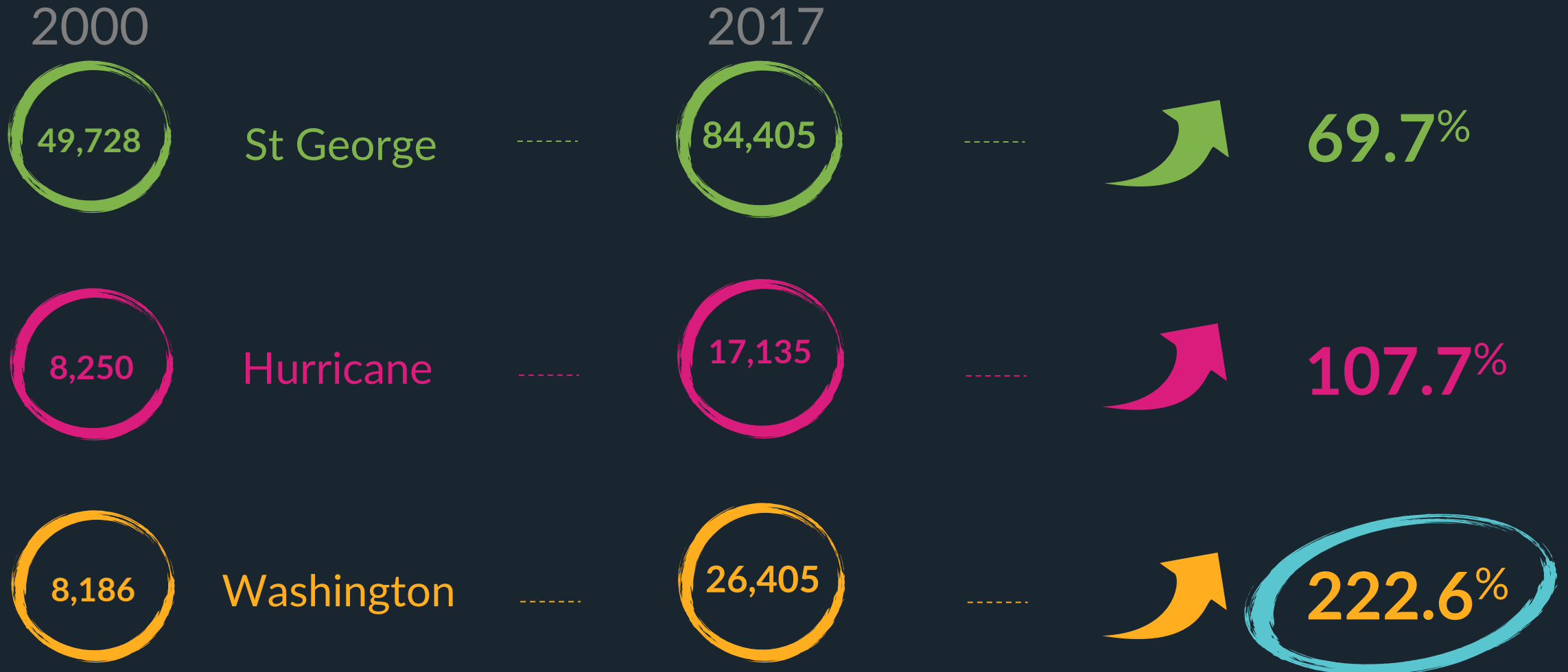




Amazing Metro! What about the Neighborhood?

# TREND IN POPULATION OF NEIGHBORHOOD CITIES

Between 2000 and 2017 the combined population of the neighborhoods increased by 97%,  
but one city was a true overperformer...



# Micro Neighborhood By The Numbers



2.8%

27%

\$59,000

32.1%  
\*11.1%

11.6%

69%

Unemployment  
Compared to  
3.8% avg for US

Forecasted  
Appreciation for  
housing prices in the  
next 3 years

Median Household  
Income

Percent with  
College Degree, and  
\*Advanced Degree  
– both numbers on  
par with US average

Average annual  
change in per capita  
income over last 5  
years (!! ) compared  
to US avg of 2.3%

Safer than 69% of  
all neighborhoods in  
the US for violent  
crime. Many of our  
properties have a  
score below 20%



Falls at  
Mesa  
Point



368 South Mall Drive, St. George

Proximity to Subject:	5.6 miles southwest
Year Built	2011
Number of Units	199



514 South 1990 East, St. George

Proximity to Subject:	5.7 miles southwest
Year Built	2018
Number of Units	160

Legacy  
Ridge



260 North Dixie Drive, St. George

Proximity to Subject:	10 miles southwest
Year Built	2005
Number of Units	146

Oasis  
Palms



484 North 2170 West, Hurricane

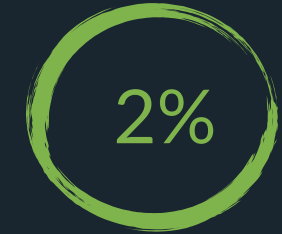
Proximity to Subject:	11 miles northeast
Year Built	2018
Number of Units	84

The Retreat at  
Sky Mountain  
Phase 1

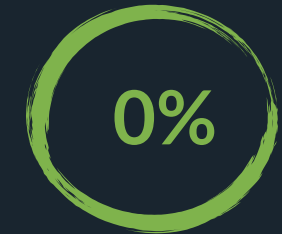
# Submarket Overview

Occupancy at Competing Projects

Name	Number of Units	Units Vacant	Occupancy %
Boulevard North	24	1	99%
Bella Vista	148	0	100%
Mesa Villa	42	0	100%
Oasis Palms	146	2	99%
Rincon Del Sol	90	0	100%
Sunset Springs	124	3	98%
Puerta Del Sol	102	0	100%
Legacy Ridge	160	2	99%
Falls at Mesa Point	199	0	100%
<b>TOTAL</b>	<b>1,035</b>	<b>8</b>	<b>99.2%</b>



Vacancy for area



Concessions



Avg Historical Rent Growth

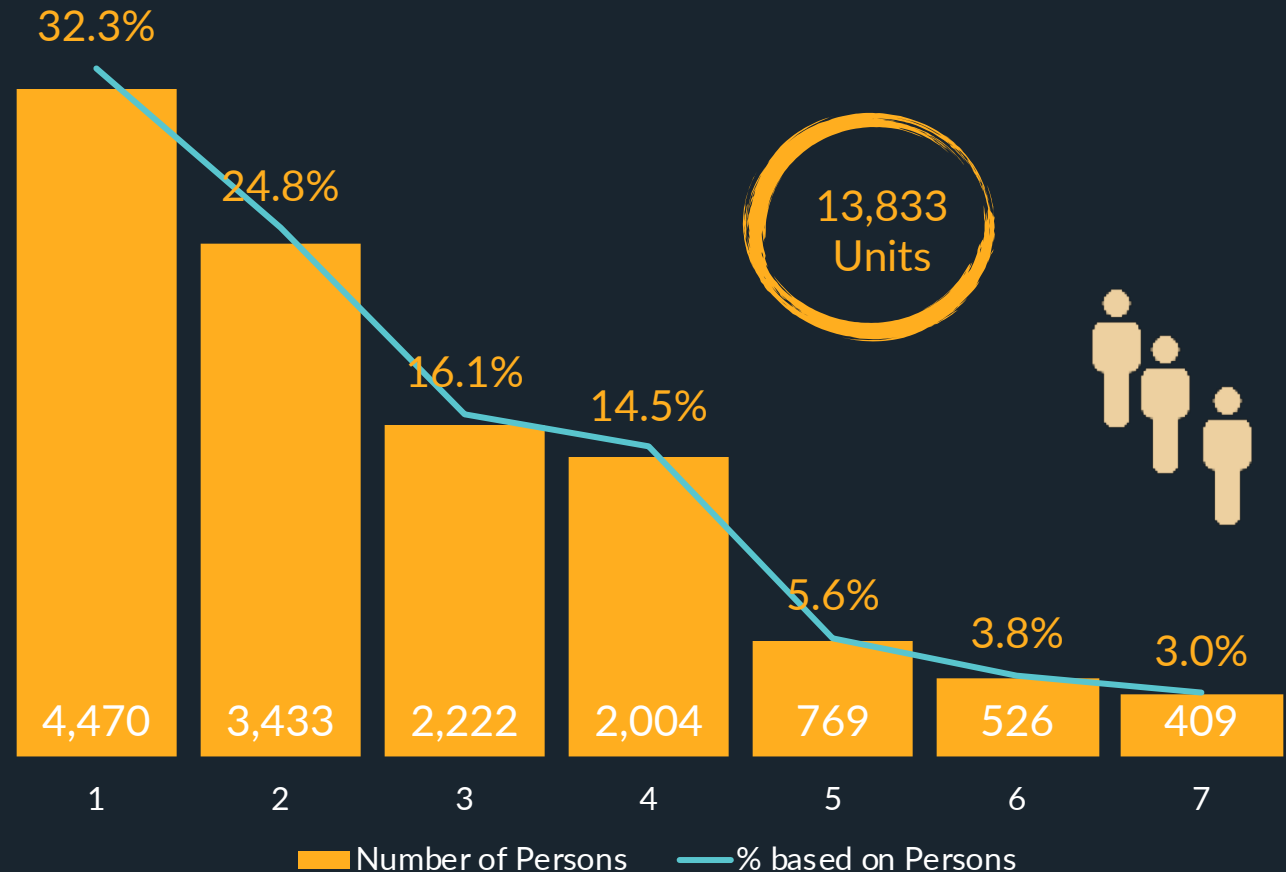
# Size of Household | Rental

The Primary Market area has smaller renter households with **57%** consisting of **1 - 2 persons**, and **27%** with **4+ persons**

**54%** of all renter households consist of **1 or 2 persons**

**14%** of rental housing units are **1 or 2 bedrooms**

St George Metro Household Size





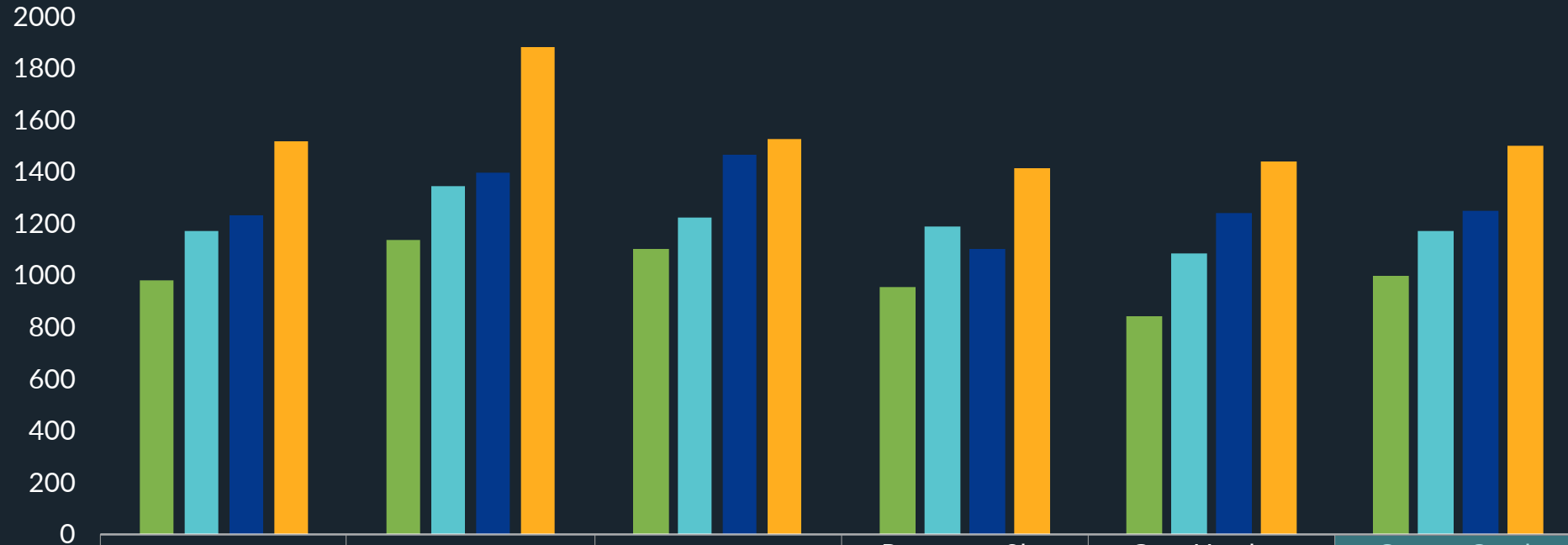
# Suggested Unit Mix

Proposed unit mix for Coyote Creek Apartments as per Market Study



Unit Type	Number of Units	% of Total Units	Unit Size Sq/Ft
One Bedroom	33	28%	775
Two-bedroom	60	52%	1,075
Three-bedroom Townhouse	18	16%	1,350
Three-bedroom Townhouse	5	4%	1,500
TOTAL / AVERAGE	116	100%	1,025

# Rent Comps from Market Study



	Falls at Mesa Point	Oasis Palms	Legacy Ridge	Retreat at Sky Mountain	Gray Hawk at Rivers Edge	Coyote Creek Suggested Rents	
■ 1 BR 1 B 775 Sq Ft	980	1,142	1,106	953	847	1,000	1.29
■ 2 BR 2 B 975 Sq Ft	1,170	1,342	1,226	1,186	1,083	1,175	1.21
■ 2 BR 2 B 1,075 Sq Ft	1,230	1,402	1,468	1,100	1,246	1,250	1.16
■ 3 BR 2.5 B 1,350 Sq Ft	1,517	1,887	1,529	1,414	1,441	1,500	1.11

\$/Sq Ft

# Rents Used in Proforma

Since the Market Study, the unit size SF changed some, but the Price/SF was still used as guidance

One Bedroom



740 SF @ \$1.32

Two Bedroom



1141 SF @ \$1.21

Three Bedroom



1402 SF @ \$1.11

Three Bedroom



1680 SF @ \$1.07

I find the projected rental rates for this project to be very reasonable. Market is undersupplied for 1 and 2 bedroom units, and this will serve to fill the gap. There are plenty of retail-employed individuals looking to be out on their own; this is necessary to support the tourism and other commerce in the location. As an aside, I believe Western State MF (Market Study) is not taking into account the age and wear/tear of comp assets and therefore rent comps from Western State MF are overly conservative. ~ *Independent Underwriter*





COYOTE  
CREEK

LUXURY APARTMENTS





## INTERIOR



Fitness Center



Club Room w Fireplace



Media Room



Game Room

## EXTERIOR



Pool



Hot Tub



Pickle Ball x3



Fire Pit



Barbeque

## PLUS ...



Playground



Bike Maintenance /  
Storage



Dog Park



Dog Wash



Electric Charging

## PARKING



- Townhouse | 46 garage stalls
- Apartment | 30 detached
- Apartment | 63 stalls
- Open air | 144
- RV / Boat Parking | 8



293 spots

# Amenities









# Due Diligence – Completed Work



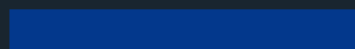
## Due Diligence

- Feasibility study
- Geotechnical report
- Preliminary title report
- Appraisal report



## Underwriting

- 3rd party construction cost estimates based on completed architectural plans
- Financial projections based closely on feasibility study to ensure accuracy
- Detailed 10-year cash flow forecast



## Public Meetings

- Multiple planning and zoning meetings
- City department review meetings (fire department, planning and zoning, economic development, public works, streets, and power company)
- Pre-development meeting



## City Approvals

- Planning and zoning board approval
- Design review approval
- Conditional use permit
- Site plan approval



## Design Work

- Six months of working with architect, civil engineer, landscape architect, etc.
- Floor plans designed to optimize space while being aesthetically appealing
- Conceptual design
- Completed drawings



## Financing

- Worked with various lenders to obtain six LOI's
- Good variety of construction only and permanent financing







# Property Management



We manage apartments, commercial properties, self storage, and more  
Ken Holman



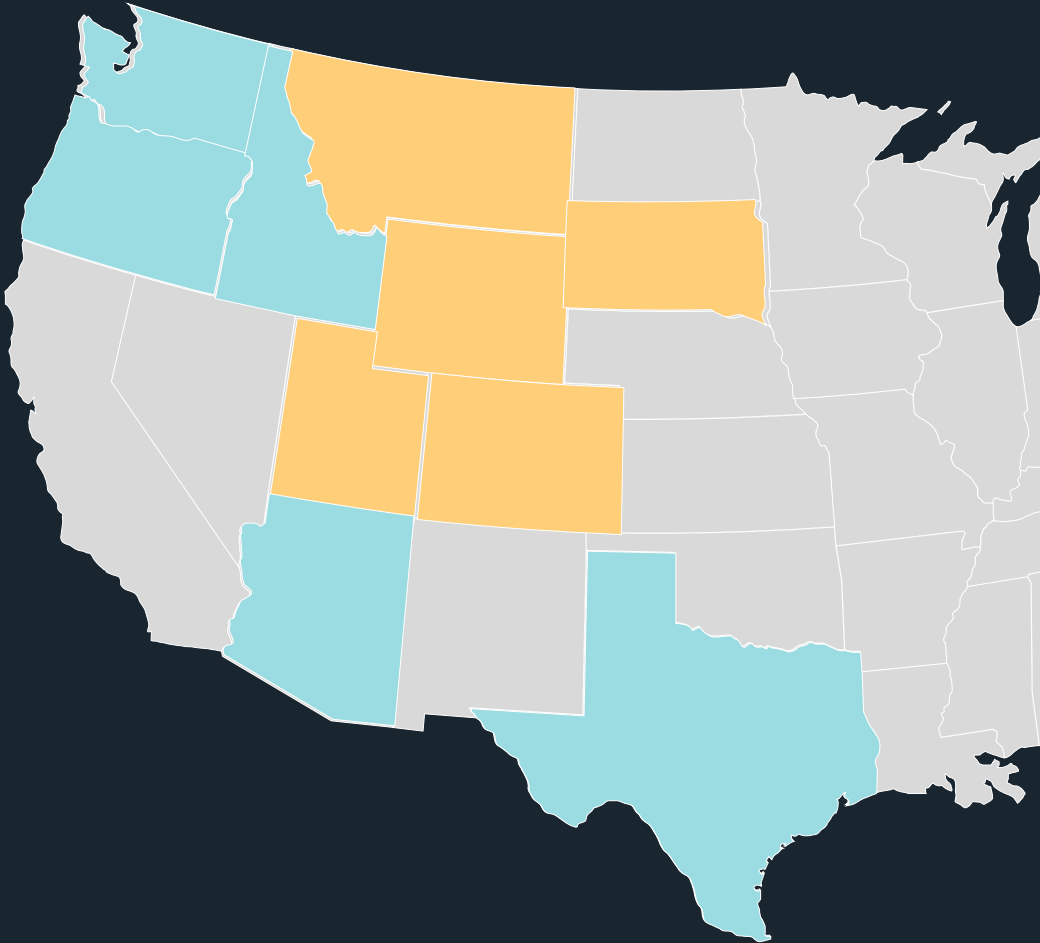
Employees



Units Managed



Assets Managed



# Bottom line: Why we like this project

What makes the project so compelling



Fastest Growing Metro in the US



We have built similar floor plans before in 4 other markets



High occupancy, strong rent and income growth



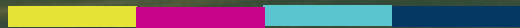
Vertical integration makes everything better







**BONUS INCOME – Zoned for Vacation Rentals**











# AirDNA Market Grade



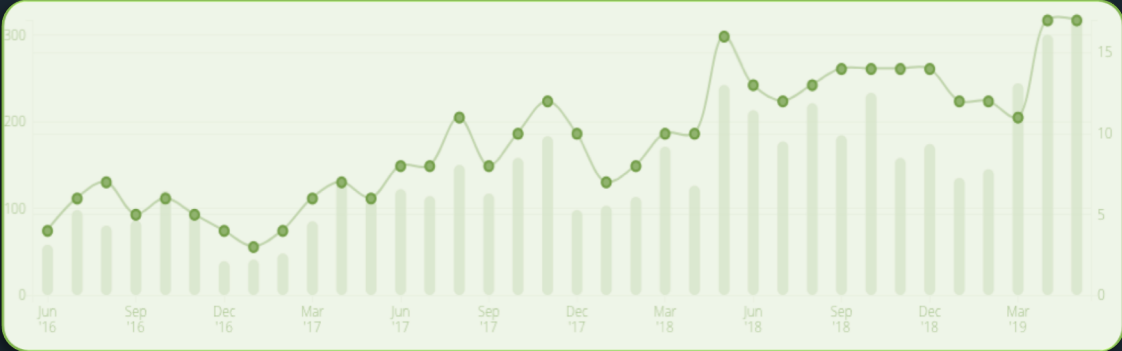


# AIRDNA Market Analysis

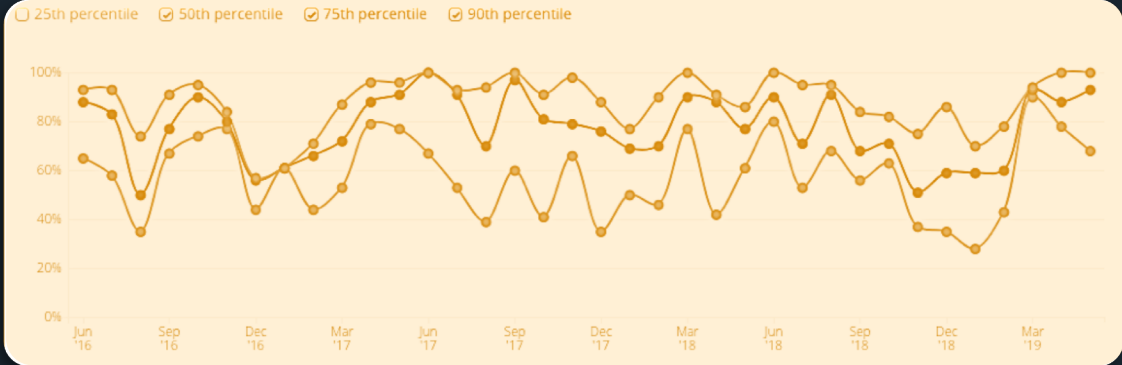
WASHINGTON CITY

Filtered for Entire Home, 1 to 2 bedrooms, Accommodating up to 6 people

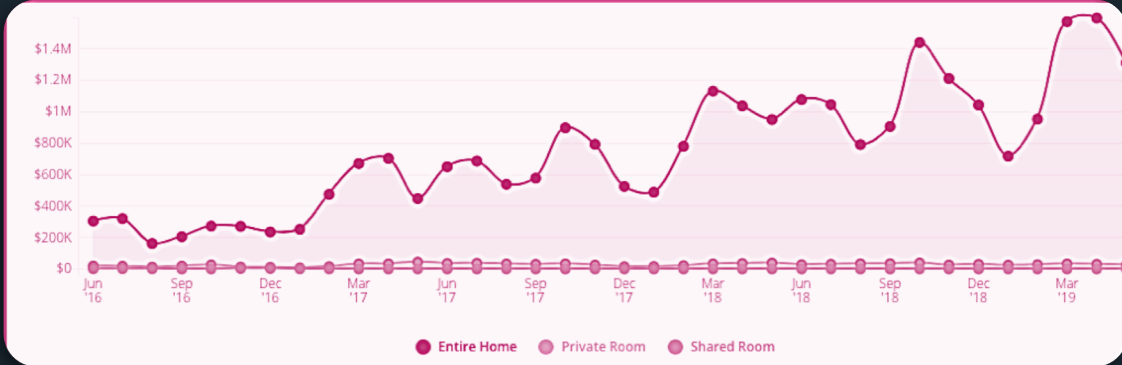
## Demand Growth

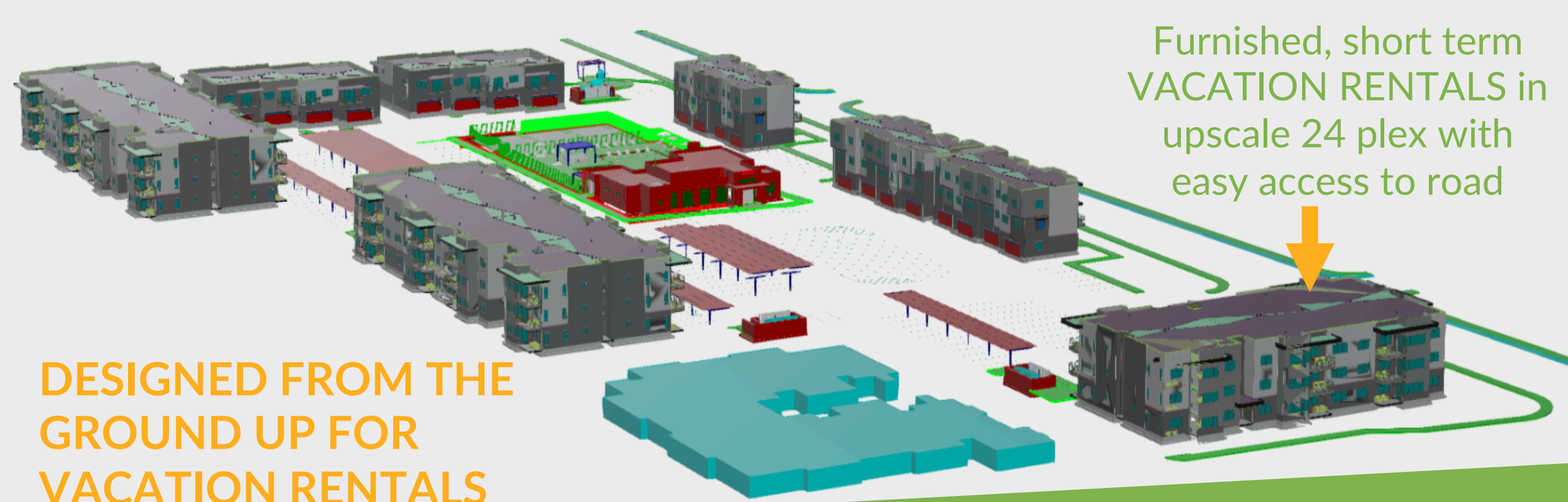


## Historical Occupancy Rate



## Historical Market Revenue





Furnished, short term  
**VACATION RENTALS** in  
upscale 24 plex with  
easy access to road

## DESIGNED FROM THE GROUND UP FOR VACATION RENTALS

Of the 116 units, the 24 plex closest to road has been engineered to be ideal for furnished short term rentals. Featuring all one & two bedroom units as the most efficient size. Also in the plan are 8 RV / boat parking spots which will be very attractive to snow birds and families travelling between National Parks.

The Clubhouse is designed so that a portion of it will cater to vacation rental check ins and guest needs.

Our “Mega Marketing” and off shore staff will also be heavily leveraged to optimize online leasing and occupancy in addition to maximizing guest experience.





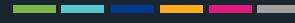
**Now, let's end with a brief look at the Financials**

What are the numbers telling us?





# Financial Highlights



## Project Returns

3x Equity Multiple  
19% IRR

## Loans & DCR

75% LTC = ~18 Million  
1.35 DCR Yr 3  
6.86 Build to Cap Rate

## Loan Rates

Constr Loan: Prime + 150,  
Floor 7%, 2 year, I/O  
Perm Loan: 5 yr Swap + 3.5%  
Floor 5.42%, 10 year



## SKIN in the GAME

\$335k

## Project Size

116 units : ~24 Million

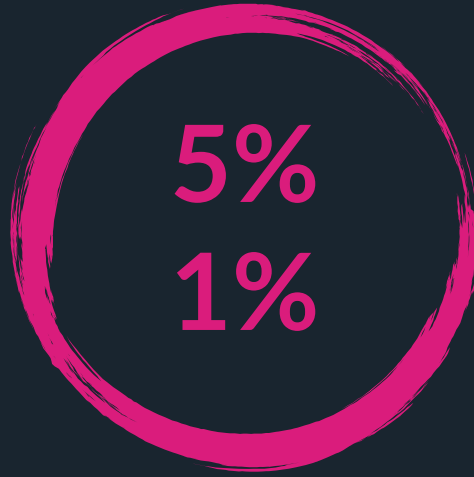
## Total Equity to be Raised

~6 Million

# Investment Offering



Minimum investment



Developer Fee  
Asset Mgmt Fee



Offering Type  
*Accredited Investors Only,*  
*Non-Accredited 1031 OK*



80/20 LP/ GP  
Structure until Yr 5  
or Refi



Preferred Return  
through Yr 5 or  
Refi

Upon Refinance – estimated year 5 - investors capital will be returned. Structure changes to 60/40 with no pref.  
Investors are then effectively receiving infinite cash flow and upside on sale for 5 more years until year 10 when we anticipate sale.

# Projected Returns on \$100,000 invested

Our **cash flow** and return projections over 10 years



Year 5 projected return is made up of:

1. Cash flow for Year 5: \$9,000
2. Catch up for 9% Preferred return : \$2,222
3. Addtl Refinance proceeds : \$39,742

- PLUS the return of capital of \$100,000 for a projected total of \$150,963

**+** **\$117,915** = **\$204,787**

Projected returns on sale

Total 10-year Projected returns



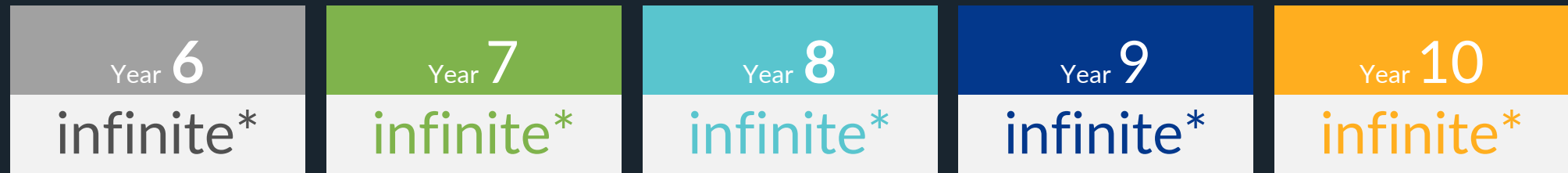
# Projected Returns in %

Our **cash flow** and return projections over **10 years**



Yr 5 Refi: returns all capital to investors , catches up to 9 pref post stabilization, and returns addtl refi profits above that

\* With no cash left in deal, returns for next 5 years are **infinite**



Property Sold Year 10 :



Total Equity Multiple



Total IRR over 10 years

# 1031 Eligible

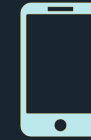


# ANSWER the POLL

To reserve your spot



[neal@grocapitus.com](mailto:neal@grocapitus.com)



510-367-1510

# QUESTIONS?



Common  
Questions  
Investors Ask

How do taxes  
Once the project  
closes, what type  
of reporting do  
the investors  
receive?  
Study

We communicate with our Investors via a monthly update via email as well as a quarterly webinar which goes over the budget vs actual numbers for the property including occupancy, income, expenses, NOI, leads & leases. Note that the monthly emails and quarterly webinars for this property will start out as construction-oriented updates.





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.



# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US

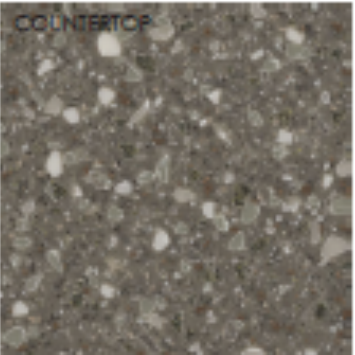
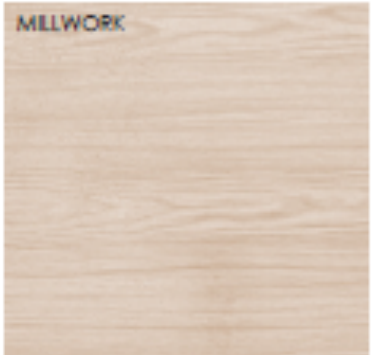
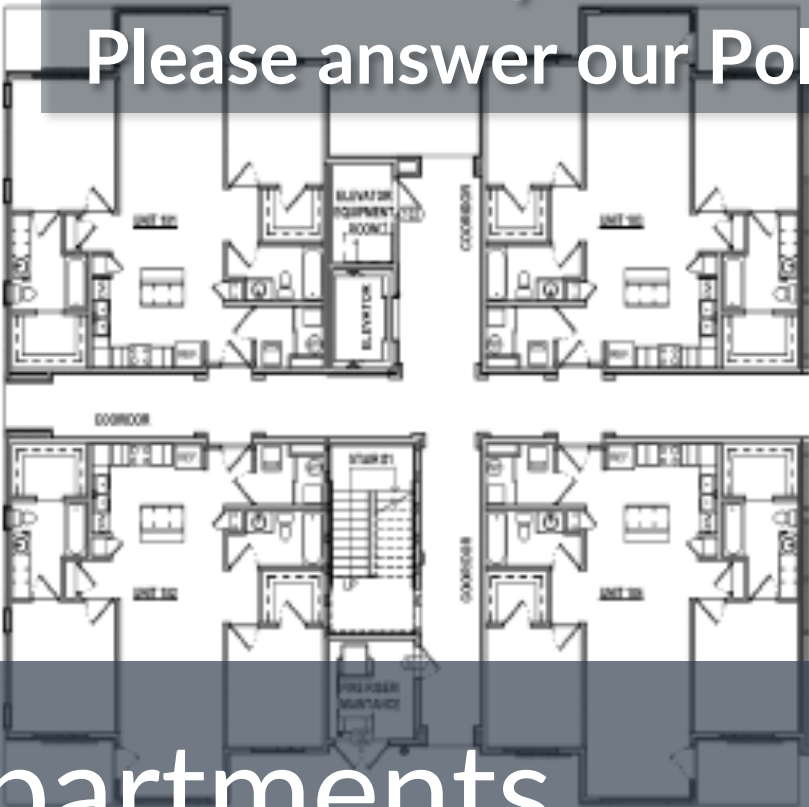






PAIN

Questions? You can type them in if you are watching Online. Please answer our Poll before you go.



CARPET



# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US



Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

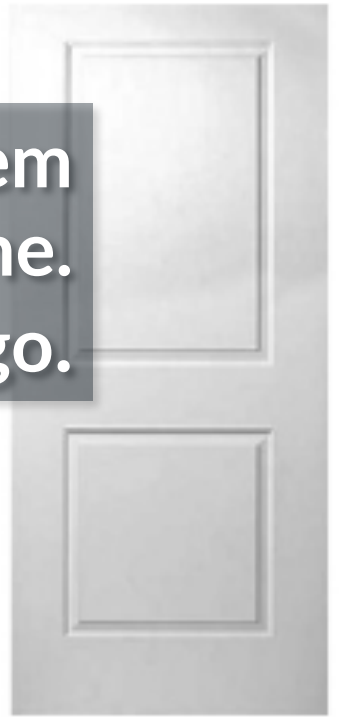
# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US







Questions? You can type them in if you are watching Online. Please answer our Poll before you go.



# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.

# Coyote Creek Apartments

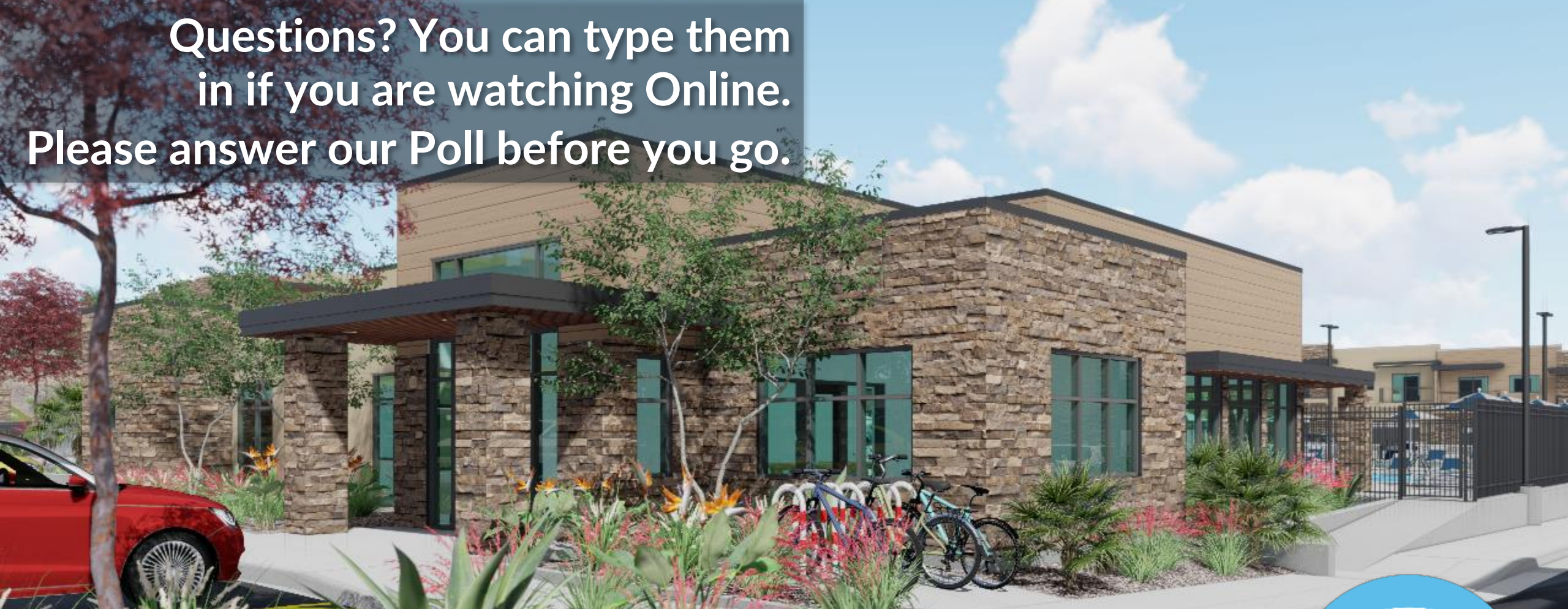
116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US





Questions? You can type them  
in if you are watching Online.  
Please answer our Poll before you go.



# Coyote Creek Apartments

116 units | St George UT

New Construction Multifamily in one of the fastest growing metros in the US

