

**#1 Moving  
Destination**

**#2 Metro  
for  
Economic  
Growth  
Potential**

**#1 Most  
Affordable  
Big City**

**194 Unit Value-Add Multifamily**

# **WEATHERLY WALK ~ Fayetteville GA**

✓ **1031 Exchange**

✓ **QRP, Solo 401k, SD-IRA**



Neal Bawa – Anna Myers



Omar Khan



# Today's Agenda

1

## Who are we?

An introduction to the Management Team

2

## Why Atlanta?

What's different and special about this market ?

3

## Fayetteville GA?

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.
- ▶ 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.
- ▶ 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 Neal

President and CEO, Grocapitus



Neal Bawa

CEO & Founder  
Grocapitus

## About Neal

- ✓ Neal's companies have owned / managed a portfolio of over \$200 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 3,000+ members.

## Key Focus

Investor Management

Leasing and Tenant Marketing

Submarket and Property Selection

Operations and Metrics



# 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 the apts are at 100% occupancy.



## 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.

## The GRID

217 units ground up construction next to transit and BNMC medical university campus in Buffalo, NY. Started Construction July 2019, for Q1 2021 Completion.



## 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



## 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

## 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.



## Coyote Creek Apartments

116-unit new construction multifamily in St George UT, a city with 2% vacancy rate, and the property is zoned for vacation rentals as well. Construction starts Sept 2019, for completion Q1 2021



## 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.





# Our Partner | Omar Khan



Omar Khan  
Founder & Principal

- Advised on \$3.7 billion in capital financing and M&A transactions in oil and gas and commercial real estate.
- Exclusive advisor for high net-worth families and international entrepreneurs on their US-based real estate portfolio allocations.
- CFA charter holder with extensive experience in valuation across commodities and real estate in 3 countries.

## Multifamily Portfolio (Managed, Co-Owned)

- ❑ 138 units, Jacksonville, FL
- ❑ 253 units, San Antonio, TX
- ❑ 198 units, San Antonio, TX
- ❑ 190 units, San Antonio, TX
- ❑ 284 units, Austin, TX



BOARDWALK WEALTH

Boardwalk Wealth has managed or invested in over **1,063 units / \$100+ million** of multifamily real estate transactions





Nathan Cloud

Nathan is responsible for market research and acquisitions. He has a deep background in capital markets and portfolio management.

Nathan currently lives in Atlanta, Georgia.



**BOARDWALK WEALTH**



Matthew Baltzell,

Matthew is responsible for market research, due diligence, acquisitions and investor relations.

He participates in identifying, analyzing and advising in all phases of the acquisition process.



# Meet the Team

The strength of the project is in the team



Anna Myers

Vice President &  
General Partner



Eng Taing

Key Sponsor



Laretta Hayes

Financial Controller



Nadine Fortich

Efficiency Center  
Manager



April Cajucom

Transaction  
Coordinator &  
Investor Relations





# Let's take a look at the Metro



Why we really love Atlanta





# Best Reasons to love Atlanta!



**#1**

Best State  
for Doing  
Business



**#1**

Best  
Economic  
Growth  
Potential



**#4**

Largest  
Increase in  
Population



**#1**

Best  
Destination  
to Move to



**#1**

Best Cities  
for Startups



**#3**

Tech Talent  
Pool



**#1**

Busiest  
Airport

Georgia's business climate has been ranked #1 in the nation for the 6<sup>th</sup> consecutive year. And, for the 5<sup>th</sup> consecutive year has been ranked #1 for Area Development 2019

Atlanta is #1 for Best Economic Growth Potential among large metro areas *Business Facilities 2019*

Metro Area for Largest Increase in Population, 2017-2018 (75,702) Metro Atlanta Chamber analysis of U.S. Census Bureau, Population Division, - April 2019

National award (for the ninth consecutive year) Source: *Penske - 2019*

\*U.S. City for Startups That Is Not New York or San Francisco. Source: *FitSmallBusiness.com, Francisco,* May 21, 2018

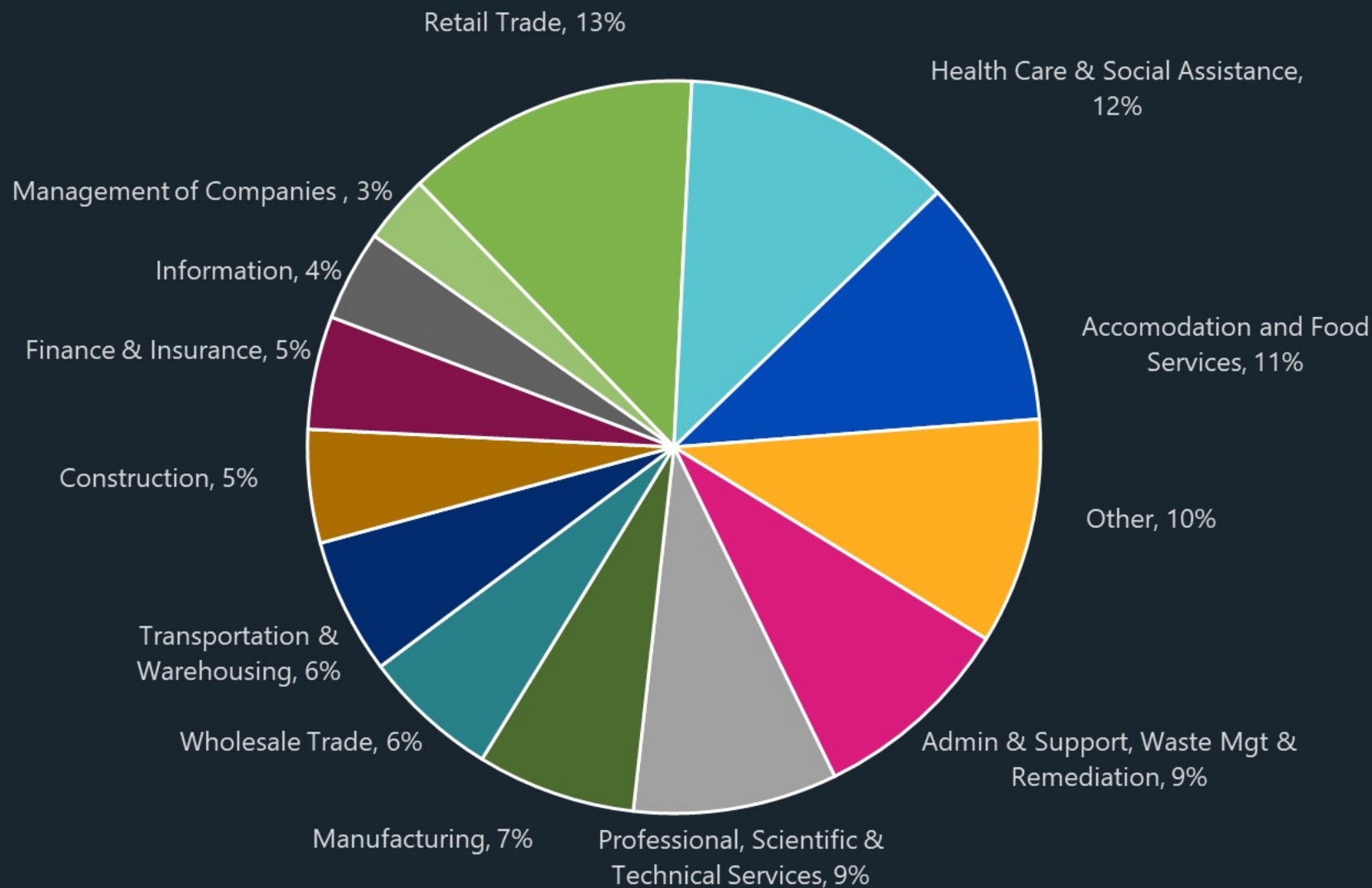
Market for Tech Talent Labor Pool Growth Rate (34.7% increase of tech talent employed.

Source: CBRE, "Scoring Tech Talent in North America 2018"

World's Busiest Airport (21st consecutive years - 2019

# Atlanta –Employment

## Percent of Atlanta's Private-Sector Workforce by Industry



3.5%

Unemployment Rate  
(August 2019)



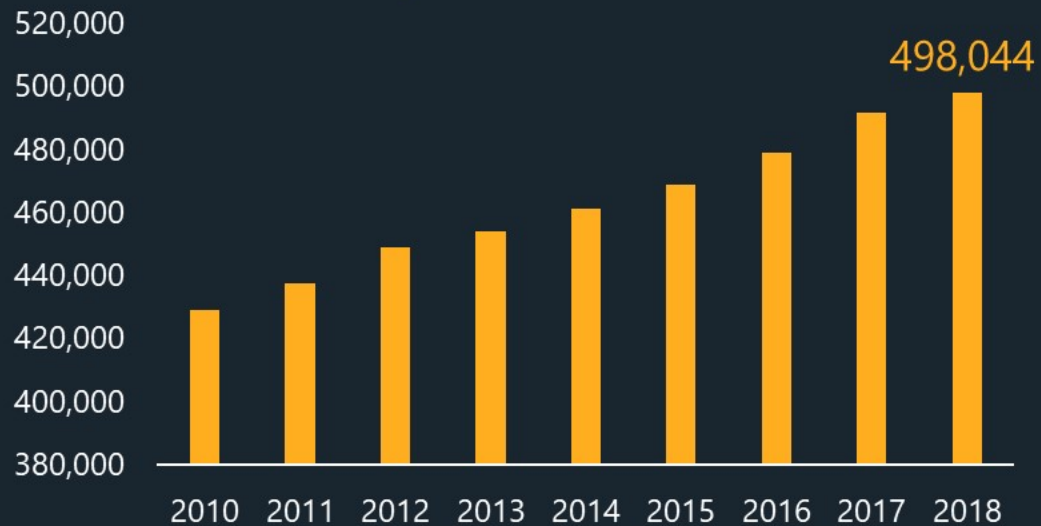


# Atlanta Metro's Diverse Corporate Anchor

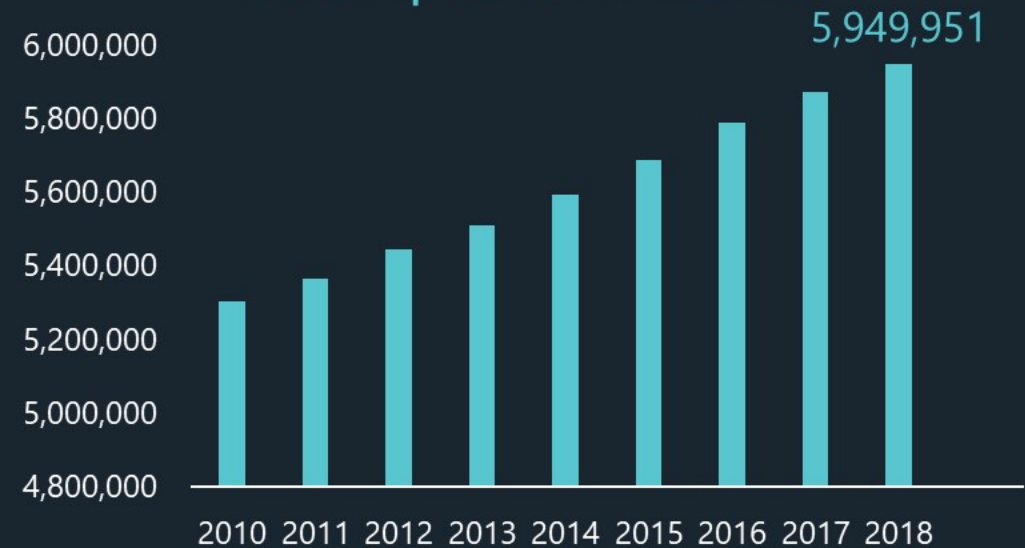
# Atlanta – Population

Metro Atlanta & City of Atlanta

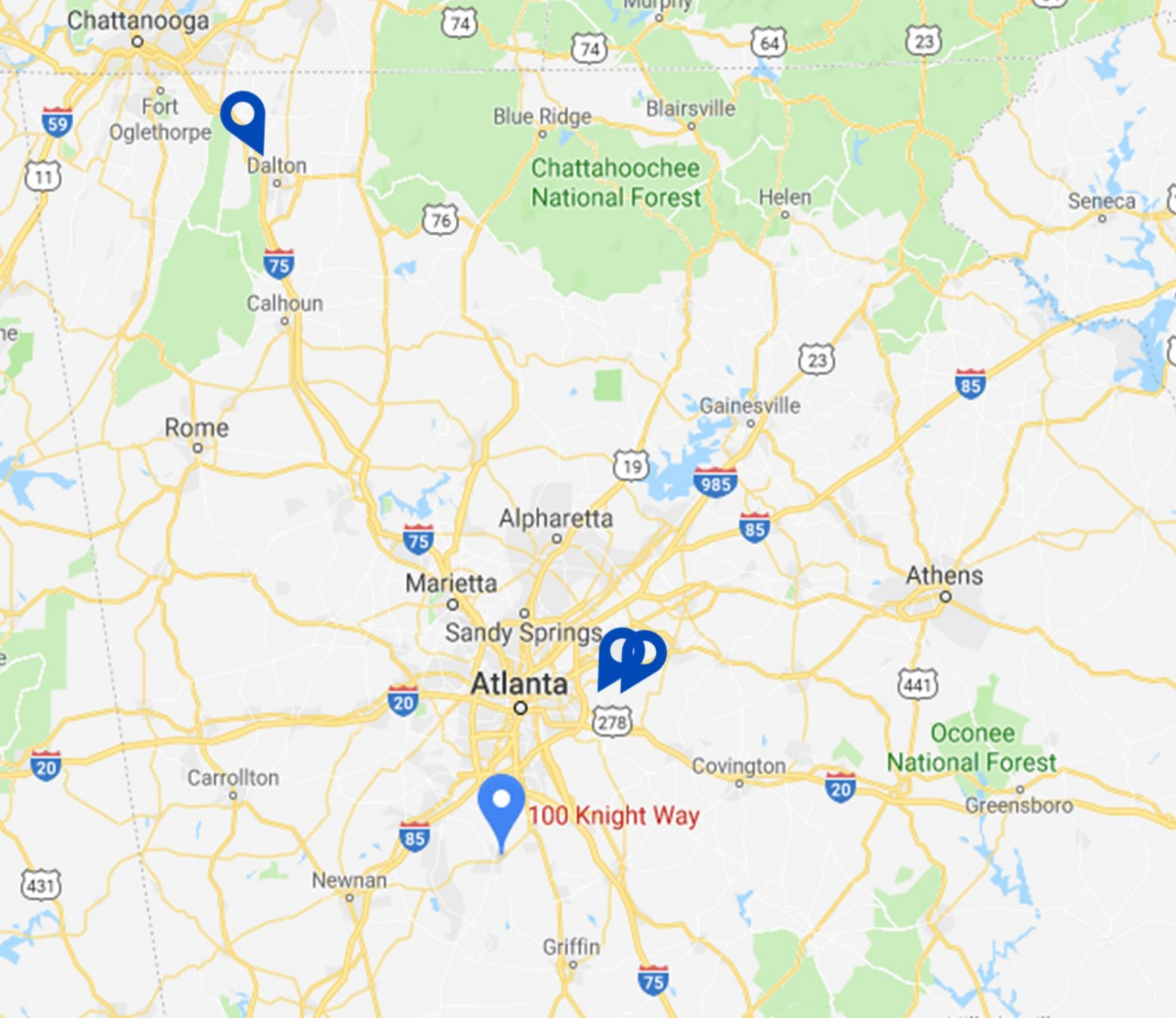
## City of Atlanta



## Metropolitan Atlanta







## 3 Apartment Communities in Wider Atlanta Metro

### LITHONIA, GA

Chelsea Place -157 units  
Windward Forest- 216 units

### DALTON, GA

Park Canyon -151 units

## WEATHERLY WALK

100 Knight Way,  
Fayetteville Georgia  
194 Units

# Micro Neighborhood By The Numbers



3.41%

3.41% Growth in  
Jobs / Employment  
in last year for  
Fayetteville

86%

Score of 86 for  
Diversity =  
Extremely diverse  
population

\$49,900

Median Household  
Income for  
microneighborhood,  
\$71k for area with  
6.82% growth  
between 2016 and  
2017

10/10

School District  
Compared to GA,  
and 9/10 when  
compared to US!

11%

Property Value  
increase of 11%  
between 2016 to  
2017 – went from  
\$183k to \$206K in  
one year

17%

Submarket  
expected to  
experience rent  
growth of 17% in  
next 5 years, with  
steady vacancy rate  
of ~ 4%



7

PIEDMONT  
HOSPITALSPINEWOOD  
STUDIOS

8

6

Michael's

5

GLYNN STREET

Walgreens

4

2



LOWE'S

1

FAYETTE  
PAVILIONDOWNTOWN  
FAYETTEVILLE

E. LANIER AVENUE

WEATHERLY  
WALK

Weatherly Walk residents enjoy close proximity to boutique retail and local restaurants

Popular local restaurants include Oz Pizza, City Bakery, Olde Courthouse Tavern and Papa Lou's Kitchen

Downtown Fayetteville hosts annual events such as Taste of Fayetteville, Lunch on the Lawn, art shows, parades and festivals



# Location overview

Award Winning Neighborhood Hospital



Piedmont Fayette Hospital has received the Healthgrades America's **50 Best Hospitals Award** for **5 consecutive years.**

*The 50 recipients of the America's 50 Best Hospitals Award are distinguished for overall clinical excellence across a broad spectrum of care.*



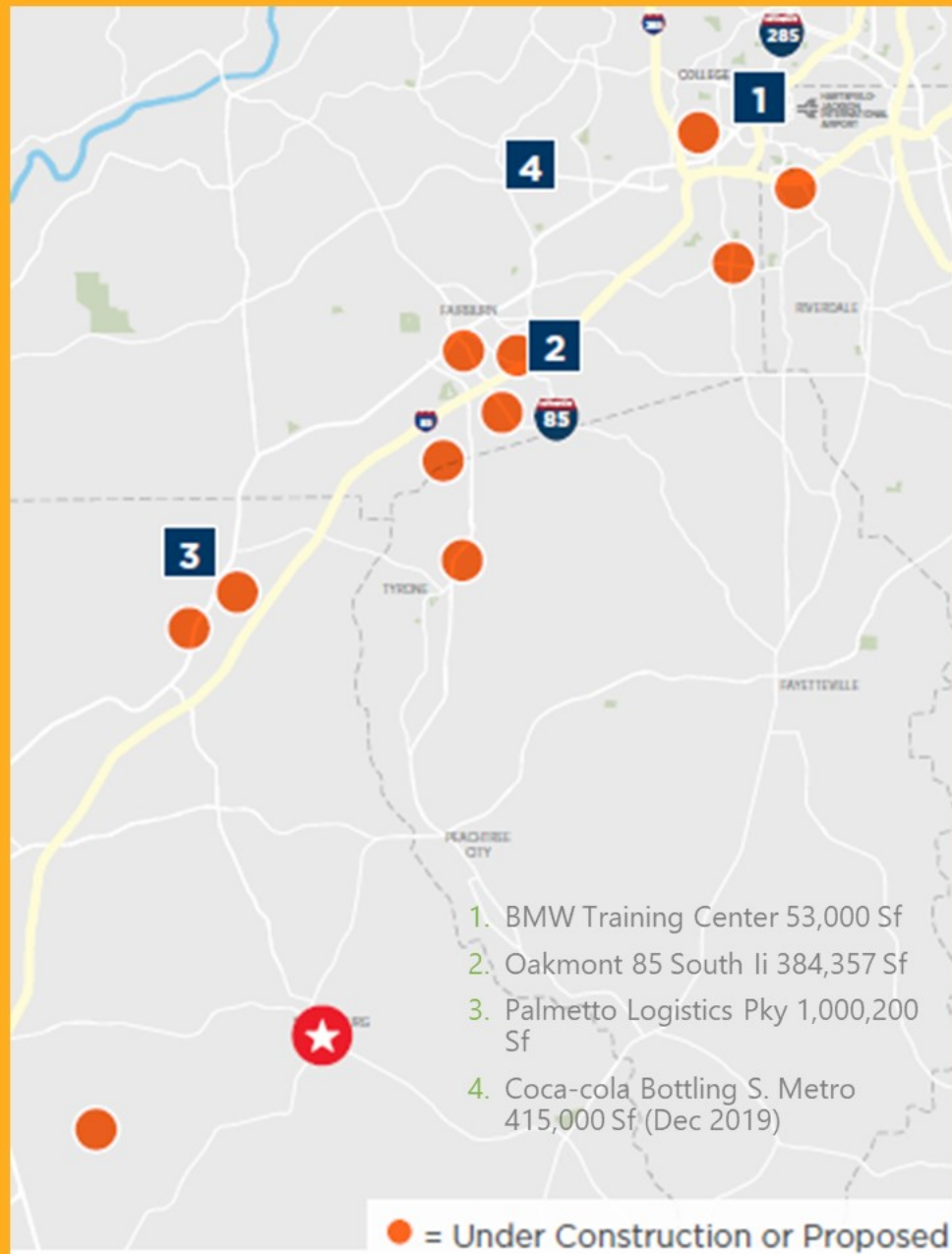
An aerial photograph of the Pinewood Studio complex, showing several large industrial-style buildings with grey roofs, extensive parking lots filled with cars, and surrounding greenery. A large blue triangular overlay covers the right side of the image, and a smaller blue circular overlay is on the bottom left.

# Pinewood Studio

- Full-service film and entertainment studio complex with 18 sound stages.
- 700 Acres
- 400K SF of workshops, offices, and production support
- More than 500 movies produced
- Over 300 businesses operating on-site

A 15-minute  
drive to this  
major employer  
from Weatherly  
Walk





# LOCATION OVERVIEW

## The Expanding I-85 South Corridor



Downtown Atlanta – 40 minutes

The I-85 south corridor contains 1/3 of all industrial developments that are currently under construction or proposed in the metro area.





# Let's take a closer look at the Property



Why we think Weatherly Walk is a winner

# The Property's Vital Stats

Price, Occupancy, Unit Count, Age

**PREVIOUS  
UPGRADES**

**\$3M**

In past 4 years

**OCCUPANCY**

**92.3%**

**UNIT COUNT**

**194 Units**

**RENTS**

**~\$250  
Below Market**

**PRICE**

**\$123K / door**

+ Capital Improvements  
of \$7k / door

**AGE**

**Built 1988**





# Grocapitus Efficiency Center

UltraPowerful Secret Sauce



## Fill up the Property

### Mega Marketing

Current run rate of nearly 20,000 tenant leads a year

### Mega Leasing

Current run rate of 3500 tenant appointments a year

## Keep the Property filled

### Delinquency Management

Calls, texts, voiceshots to reduce delinquency and accelerate evictions

### Renewal Management

Ensure that best practices of tenant renewal are being followed

### Reputation Management

After maintenance calls, tenants are called to request reviews

### Community Building

Newsletters, taco Tuesdays, pizza Fridays, tenant highlights, birthday greetings and more



## INTERIOR



Fitness Center



Club Lounge



Laundry Facility

## EXTERIOR



Corn Hole



Outdoor Pool



Basketball court  
(1/2 court)



Children's Playground



Fenced Dog Park



Community Mail  
Room

## PARKING



405 spaces

# Amenities





Property  
video tour





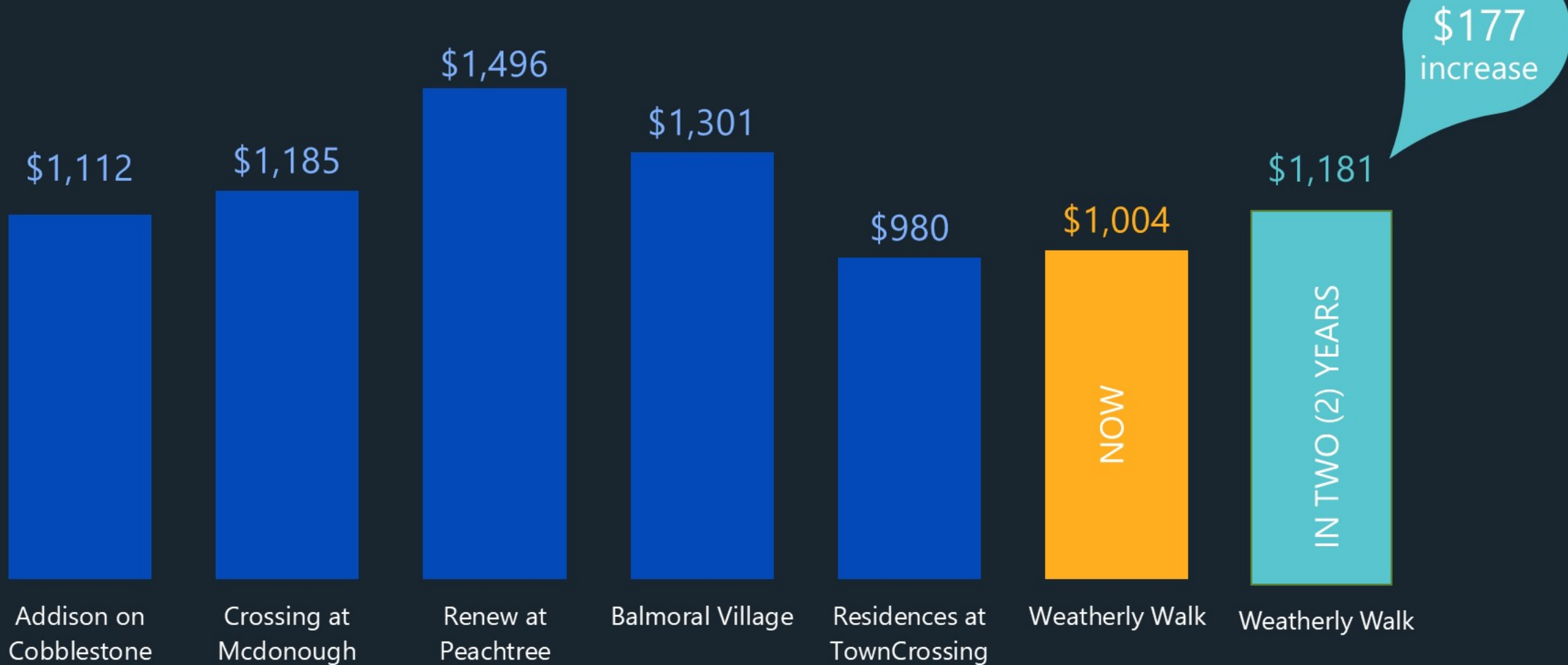
# Unit Information

194 Units

| SQ FT PER<br>UNIT | FLOOR PLAN | # OF UNITS | UNIT BASE PRICE<br><i>UNRENOVATED</i> | UNIT BASE<br>PRICE<br><i>RENOVATED</i> |
|-------------------|------------|------------|---------------------------------------|--|
| 711               | 1 x1       | 24         | \$880                                 | \$980                                  |
| 786               | 1x1s       | 30         | \$891                                 | \$991                                  |
| 932               | 2 x 1      | 30         | \$953                                 | \$1,133                                |
| 1,027             | 2 x 2      | 40         | \$1,038                               | \$1,208                                |
| 1,100             | 2 spre     | 30         | \$1,079                               | \$1,229                                |
| 1,208             | 3 x 2      | 20         | \$1,130                               | \$1,350                                |
| 1,285             | 3 x 2s     | 20         | \$1,090                               | \$1,390                                |

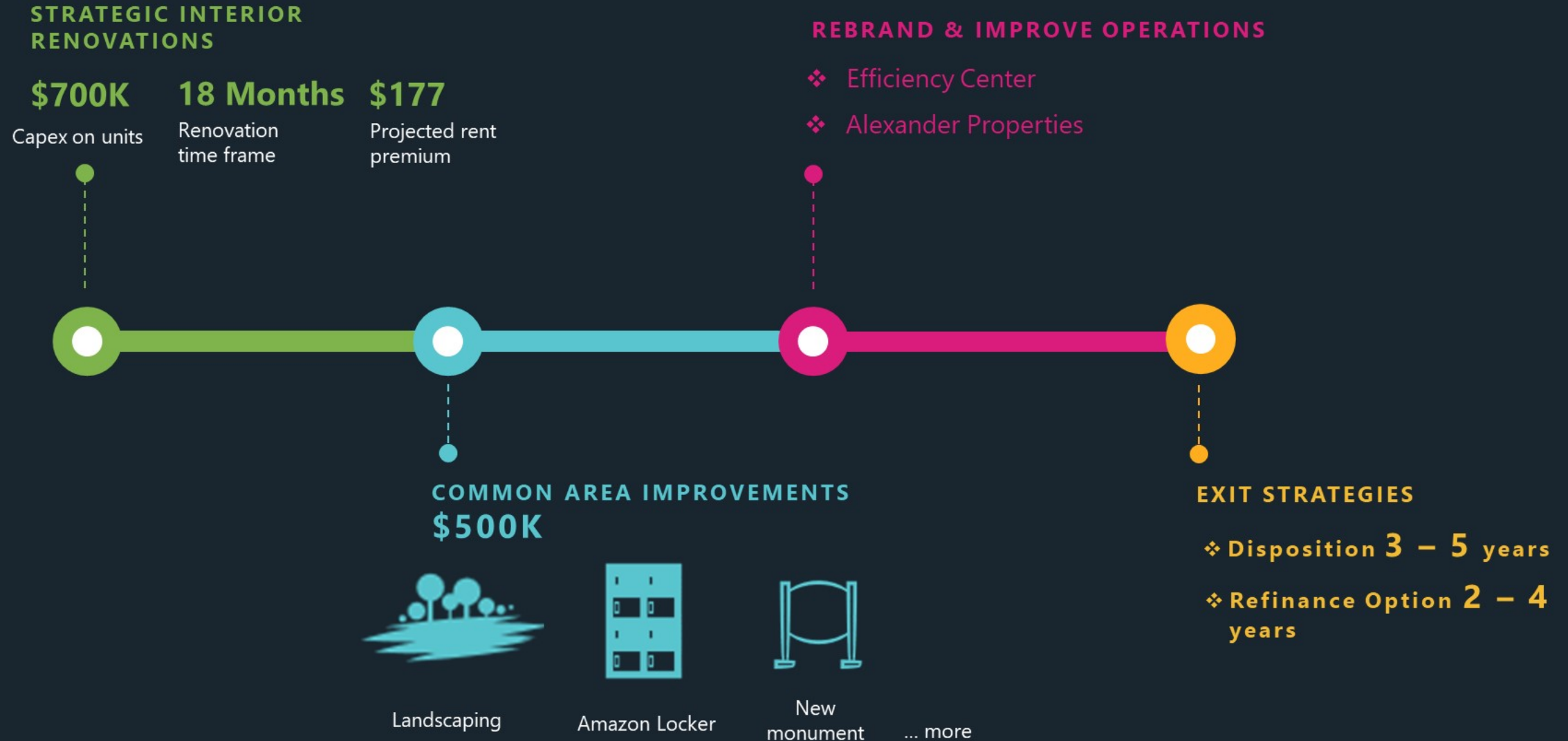
# Increase to Weatherly Walk Rent

Showing Market Comps and Current Weatherly Walk Rent





# Business Plan



# Property Management

## ALEXANDER PROPERTY GROUP

- ❑ Started in the apt business in Atlanta in 1977 as owners
- ❑ **Best in-class** in acquisitions, asset management, property management and construction management.

130

Employees

19

Apt communities under  
management

5,000

Units managed across  
6 states

ALEXANDER  
PROPERTIES



# Bottom line: Why we like this project

What makes the project so compelling



Limited supply in the market



Median income > \$70k in the market



Strong Rent Growth : 6%+



Well maintained property, long term owner,  
rent upside > \$250







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



What are the numbers telling us?



# Financial Highlights



## Project Returns

1.9x Equity Multiple | 15.6% IRR  
8.5% Cash on Cash | 18% AAR

## Loans & DCR

80% LTV = ~19 Million  
100% LTC = ~1.3 Million

DSCR - 1.18 Yr1  
1.60 Yr2

## Loan Rates

Bridge Loan  
Interest rate 4.8%, 3 years  
Increase of .15% for 2 addtl years



## SKIN in the GAME

\$300k from the sponsors

## Project Size & Timing

194 units : ~24 M + 1.3M capex  
Projected 5-year Hold

## Total Equity to be Raised

~6.95 Million

# Investment Offering



Minimum investment



Acquisition Fee  
Asset Mgmt Fee



Offering Type  
*Accredited Investors Only*



Eight Percent  
Preferred Return



70/30 Split between  
LP/GP, goes to 50/50 if  
project returns over  
20% AAR \*

\* If the overall project returns are above 20% Average Annualized Return, only the amount over the 20% AAR would be split 50/50 between LP/GP. This would be determined on exit.



# Projected Returns in %

Our **cash flow** and return projections over **5 years**

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------|--------|--------|--------|--------|
| 8%     | 8%     | 9.3%   | 8.4%   | 8.6%   |

+

| Projected Returns on Sale |
|---------------------------|
| 49.5%                     |

=

| Total 5 Yr Projected Returns |
|------------------------------|
| 18% annualized               |

**1.9x**

Equity Multiple

**15.6%**

Internal Rate of Return

# Projected Returns on \$100,000 invested

Our **cash flow** and return projections over 5 years

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------|--------|--------|--------|--------|
| \$8037 | \$8000 | \$9255 | \$8354 | \$8586 |

+

\$49,561

Projected  
returns on sale

=

\$91,792

Total 5-year  
Projected returns

(projected return does not include the \$100,000 invested, only the projected profit)



# 1031 Eligible



# ANSWER *the* POLL

To reserve your spot



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



510-367-1510



W

IS

# Diverse Corporate Anchor

METRO Atlanta

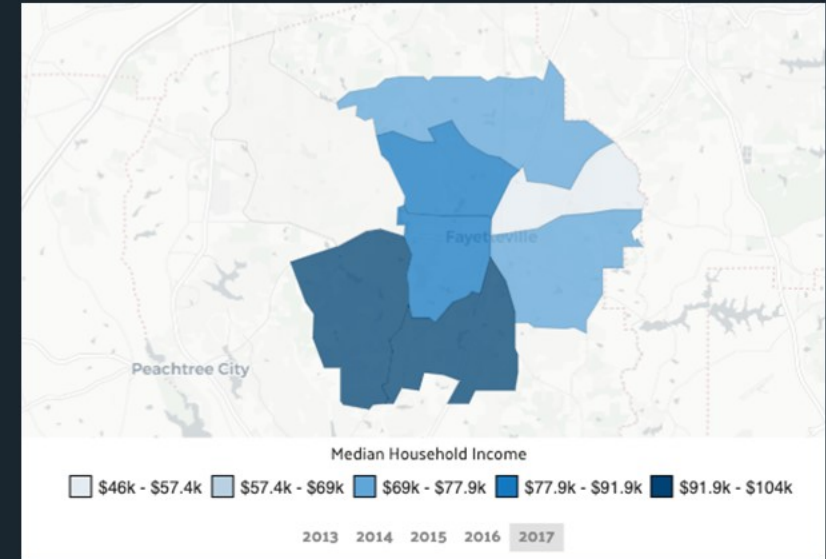
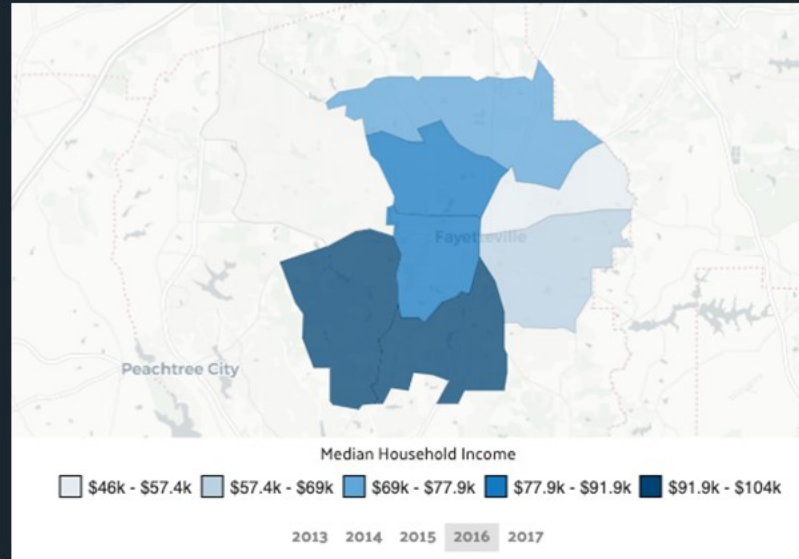
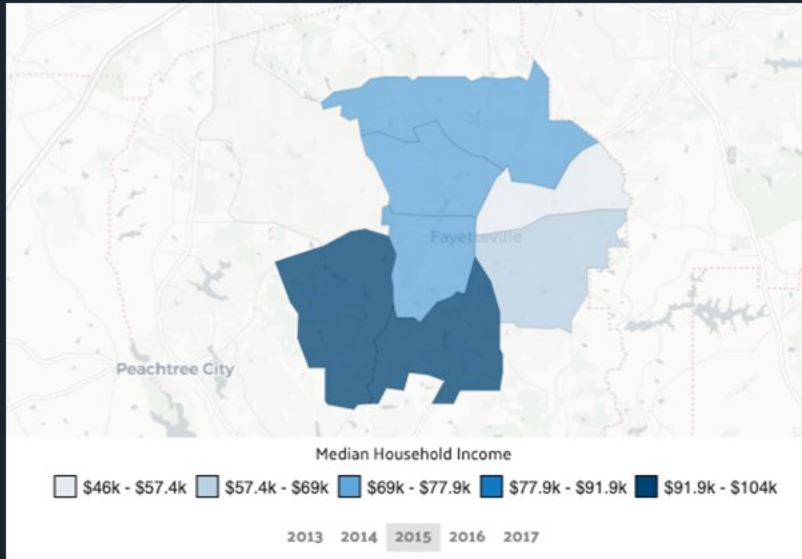
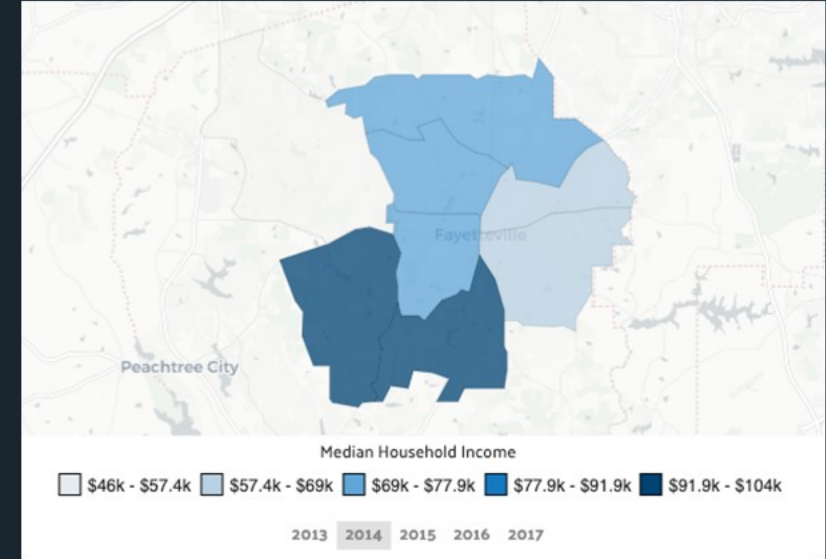
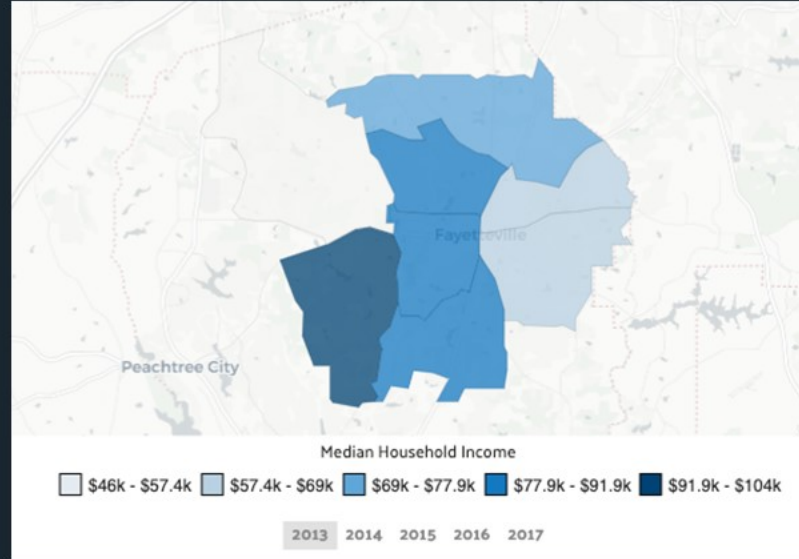
Atlanta's legendary diverse and inherently resilient economic base is its ongoing hallmark, and it ranks among the country's Top 5 cities in Fortune 500 HQ.

Twenty-five metro Atlanta headquartered firms are among America's largest corporations qualifying as the 2016 FORTUNE 1000, of which 16 rank among the 2016 FORTUNE 500:

- The Home Depot
- UPS
- The Coca-Cola Company
- Delta Air Lines, The Southern Company
- Genuine Parts Company
- First Data
- HD Supply Holdings, Inc.
- Veritiv
- SunTrust Banks,
- AGCO Corporation
- Asbury Automotive
- Coca-Cola European Partners
- NCR Corporation
- PulteGroup
- Newell Brands

# Fayetteville IS

Median household  
income from 2013  
through 2017





# Our plan to increase rents

As compared to comparable projects

\$ 1,181 in 2 years

| PROPERTY NAME              | YEAR | UNITS | SQ. FT. | RENT \$\$\$ | \$ / PSF | OCCUPANCY |
|----------------------------|------|-------|---------|-------------|----------|-----------|
| WEATHERLY WALK             | 1988 | 194   | 992     | 1,004       | 1.01     | 92.3%     |
| Addison on Cobblestone     | 1991 | 248   | 1,143   | 1,112       | 0.97     | 93.0%     |
| Residences at Towncrossing | 1988 | 113   | 884     | 1,056       | 1.19     | 97.0%     |
| The Meridian at Lafayette  | 2017 | 210   | 966     | 1,474       | 1.53     | 96.0%     |
| Crossings at McDonough     | 2005 | 252   | 1,121   | 1,181       | 1.05     | 98.0%     |
| Renew at Peachtree City    | 1986 | 198   | 1,070   | 1,496       | 1.40     | 95.0%     |
| Balmoral Village           | 1990 | 312   | 1,073   | 1,300       | 1.21     | 95.0%     |
| AVERAGE                    | 1996 | 222   | 1,043   | 1,270       | 1.23     | 95.70%    |

W

IS

# Business Plan

STRATEGIC  
RENOVATION

**18 Months** **\$136**

units

Renovation  
time frame

Projected rent  
premium

## REBRAND & IMPROVE OPERATIONS

- ❖ Efficiency Center: marketing, leasing, community building)
- ❖ Alexander Properties: (empower PM with sizable capex budget to take property to next level)



## COMMON AREA IMPROVEMENTS \$500K



Landscaping



Amazon  
Locker



New  
monument

... more

## EXIT STRATEGIES

- ❖ Disposition **3 – 5** years
- ❖ Refinance **2 – 4** years





IS

# Property Management

## ALEXANDER PROPERTY GROUP

Serving owners of residential real estate since 1991

- Started in the apt business in Atlanta in 1977 as owners
- Best in-class in acquisitions, asset management, property management and construction management.
- "Results oriented" approach to leasing and management

130

Employees

19

Apt Communities  
Under Management

5,000

Units Managed  
Across 6 States

ALEXANDER  
PROPERTIES



# Weatherly Walk

194 Units  
100 Knight Way

What is the General Partner Skin in the Game? How much money will the sponsors put into the deal?

The management team will be putting in \$300,000 of their own money into the deal.

## Questions?

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





How do taxes work with this investment? Will you be doing a cost segregation study for 2019?

Cost seg will be implemented. We will conduct it in 2020 but will work with the CPA to see if it can be claimed against 2019 taxes as we will close the property in 2019.

## Questions?

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

# Weatherly Walk

194 Units  
100 Knight Way





How frequently do I get paid, and when will it start?

Investors will be paid quarterly with the first payment coming in the 6<sup>th</sup> month.

For the first six months of a project it is our standard procedure to not pay out any monies, and focus our resources on getting the business plan going and stabilizing the property.

# Weatherly Walk

194 Units  
100 Knight Way

## Questions?

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





Why is the owner selling?

Long-term owner is selling because (A) they are getting older and (B) they have maxed out their depreciation and want to cycle money into newer i.e. depreciation heavy investments

# Weatherly Walk


194 Units  
100 Knight Way

## Questions?

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







What is the  
general  
breakdown of  
the capital  
expenditures  
budget?

There is a \$1.3M capex  
budget split 55/45  
between  
interiors/exterior.

# Weatherly Walk

194 Units  
100 Knight Way

## Questions?

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





# Weatherly Walk

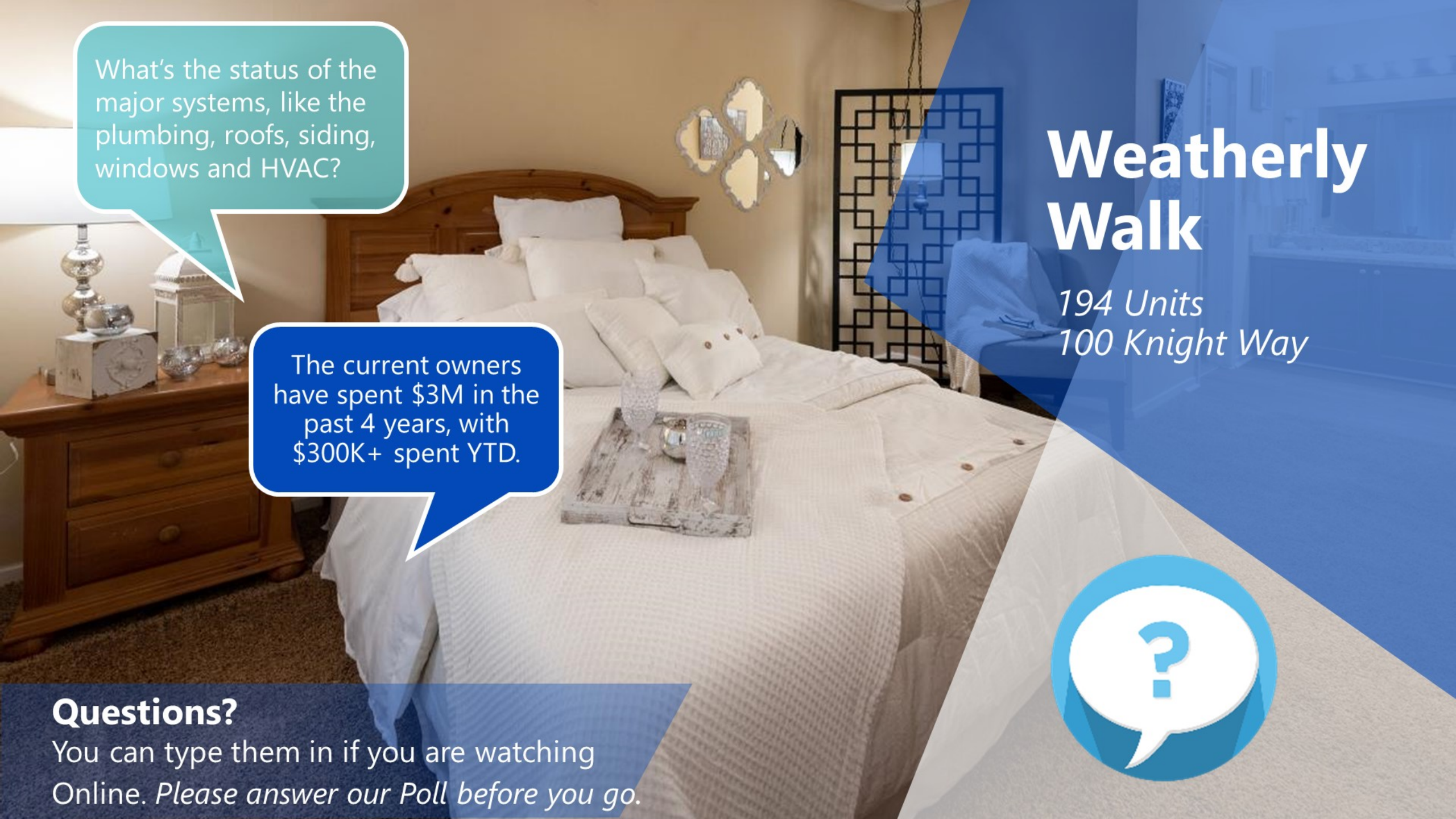
194 Units  
100 Knight Way



## Questions?

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



A photograph of a bedroom interior. A large bed with a wooden headboard is covered in white linens and has several pillows. A wooden nightstand to the left holds a lamp and decorative items. A decorative mirror is on the wall above the bed. A blue geometric overlay is on the right side of the image.

What's the status of the major systems, like the plumbing, roofs, siding, windows and HVAC?

The current owners have spent \$3M in the past 4 years, with \$300K+ spent YTD.

# Weatherly Walk

194 Units  
100 Knight Way

## Questions?

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





An aerial photograph of a community pool and tennis courts. The pool is rectangular with a blue interior and is surrounded by a deck with lounge chairs and umbrellas. There are two tennis courts with green and red surfaces. The area is surrounded by lush green trees and some residential buildings in the background.

# Weatherly Walk

194 Units  
100 Knight Way



## Questions?

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



What is the debt structure?

It is a bridge debt, 80% LTC, 100% rehab financing. Three year loan with option to extend for two additional years. We also will be purchasing cap rate locks to ensure that our floating rate does not exceed ##. Because our hold time is targeted for 3 to 5 years a bridge loan is a better vehicle than long term fixed agency debt which can be expensive to get out of early.

# Weatherly Walk

194 Units  
100 Knight Way



## Questions?

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



# Weatherly Walk

194 Units  
100 Knight Way



## Questions?

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



What is the  
going-in cap  
rate?

Cap rate (use whichever one you  
prefer): T3 = 5.4%, T6 = 5.0%, T9 =  
4.9%, T12 = 4.8% --> As can be seen  
from the cap rate trend, the property  
NOI is an upwards trend

## Questions?

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

# Weatherly Walk

194 Units  
100 Knight Way

