

Our Multifamily Investment Criteria

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 growth.

✓ 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 return minimum 7%
- ⊕ Multiple minimum 1.90x

Market Characteristics

✓ Neighborhood Class

Located in Class B neighborhoods with diverse economic drivers nearby.

✓ Median Household Income

\$50,000 or above within 1-, 3-, and 5-mile radius (indicating 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.

✓ Job Growth

Evidence of positive job growth trends over recent years, supporting rent growth.

Deal Killers

⚠ High Crime

⚠ **Median Household Income** <3X the annual proforma rents

⚠ Declining Population

⚠ **Wiring** Aluminum wiring that is NOT COALR or Pig-Tailed

⚠ **Plumbing** Galvanized or Cast-Iron plumbing supply lines

⚠ **Laundry** No In-Unit Laundry or Ability to Add Connections

⚠ **Electrical** Stab-Lok panels or fuse boxes

Target Property Characteristics and Other Considerations

Property Type



Multifamily residential properties

Property Class



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

Property Size

20+

Minimum of 20 units

Construction Year



1990+ Preferred
1980+ Okay

Location



Class B neighborhoods with proximity to transportation, schools, employment, and retail to ensure tenant retention.

Unit Mix



- ✓ Ideally 50%+ units are 2 Bedroom
- ✓ No Studio Units

Regulatory Environment



Favorable regulatory environment and landlord-friendly jurisdictions.