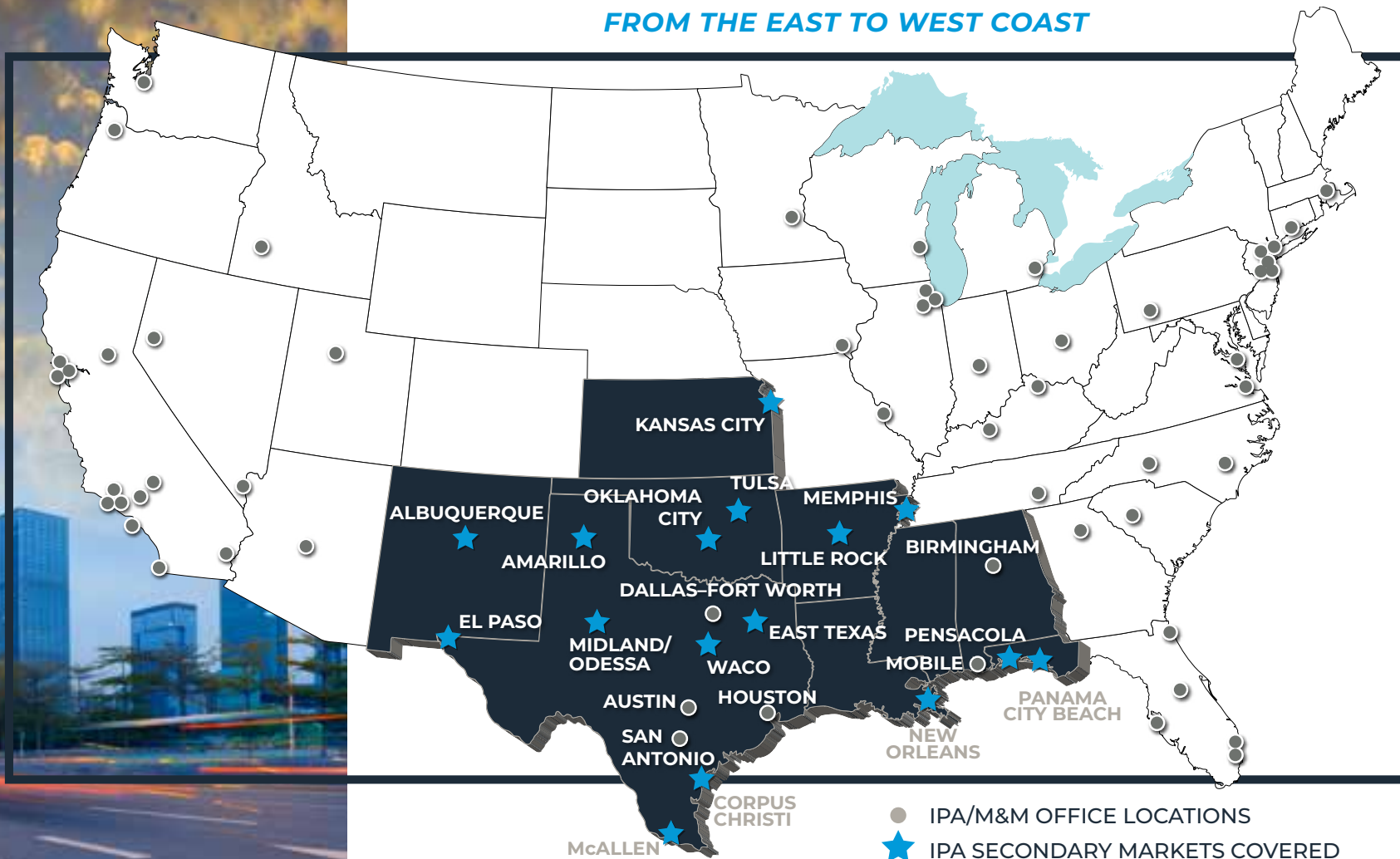


# SECONDARY MARKET ADVISORS

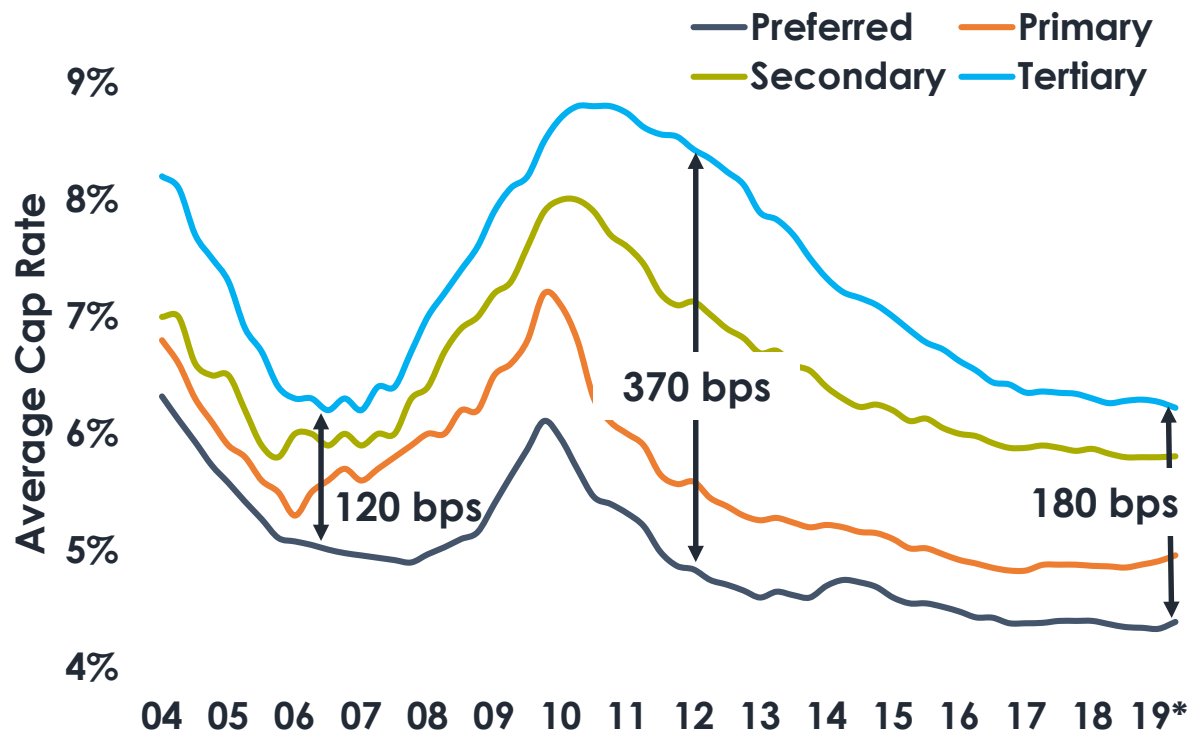


# IPA NATIONAL PLATFORM

**SUPERIOR ACCESS TO PRIVATE, INSTITUTIONAL, & 1031 BUYERS  
FROM THE EAST TO WEST COAST**



# Why Secondary and Tertiary Markets? Why Sell Now?

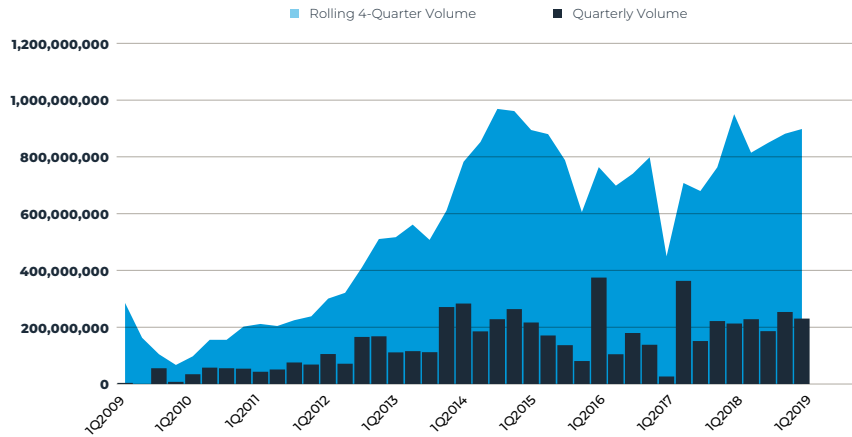


- Late cycle apartment cap rate spreads compress as investors pursue yield in secondary and tertiary markets.
- When the cycle turns, spreads will quickly widen in a flight to major metros. Cap rates will be slow to compress again as the economy recovers.
- This creates a window of time to maximize proceeds from properties in these markets.

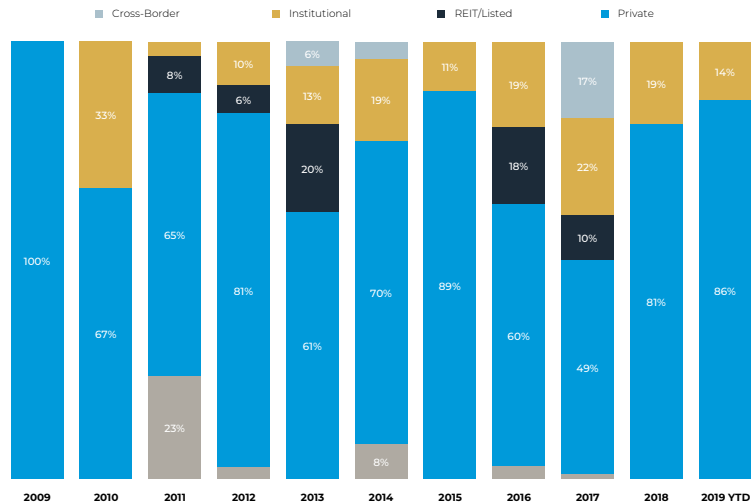
\* Through 2Q  
Includes sales \$1 million and greater  
Preferred Markets Include: NY, DC, BOS, SD, LA, OC, SJ, SF, SEA  
Sources: IPA Research Services, Real Capital Analytics, CoStar Group, Inc.

# INVESTOR APPETITE TEXAS SECONDARY MARKETS VALUE-ADD

SALES VOLUME



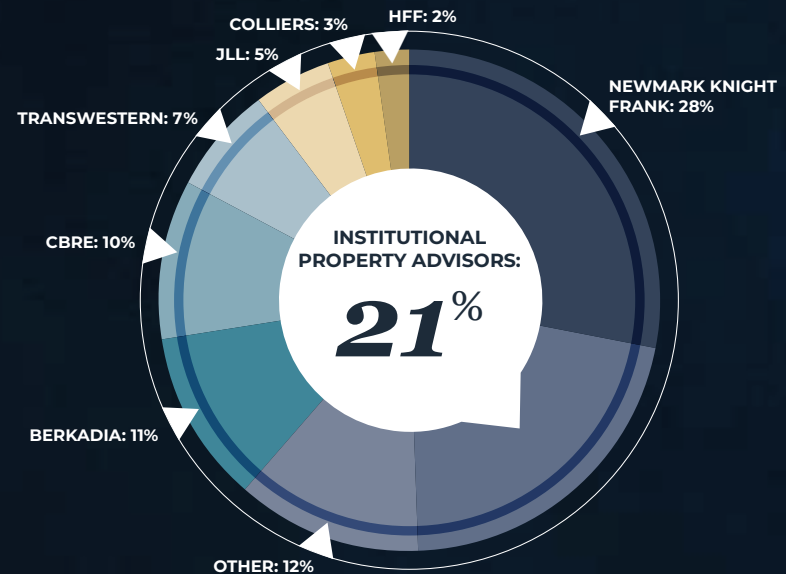
BUYER COMPOSITION



# IPA TEXAS SECONDARY MARKET SHARE

*In the past 5 years, 318 properties were sold in Secondary Markets in Texas and surrounding states. IPA Texas / Marcus & Millichap was the Exclusive Listing Agent for 66 of the 318 transactions (21%).*

Listing Broker	# of Total Transactions	% of Total Transactions
Newmark Knight Frank	89	28%
<b>IPA Texas / Marcus &amp; Millichap</b>	<b>66</b>	<b>21%</b>
Other	39	12%
Berkadia	36	11%
CBRE	33	10%
Transwestern	22	7%
JLL	17	5%
Colliers	9	3%
HFF	7	2%
Total	318	100%





# MULTIFAMILY BUYER COMPOSITION

**63%**  
*Private Investors*

**23%**  
*Institutional & Equity Fund*

*Cross-Border*  
**9%**

*Listed / REITs*  
**4%**

*Other*  
**1%**

*Source: Real Capital Analytics*

“

*When comparing the purchasing activity of institutions versus major private investors, the divide is substantial. IPA has been remarkably successful in sourcing ‘off the radar’ private investors for offerings that would previously only garner institutional interest.*

**HESSAM NADJI**

*President and CEO*

# INVESTOR APPETITE SECONDARY MARKET BUYERS



29th Street Capital  
A Khan Investment Properties Inc  
Abacus Capital Group  
Advenir Inc  
Alden Street Capital  
Barge Properties  
Bella Asset Management  
BH Equities  
Campus Realty Advisors  
Case & Associates  
Castle Lanterra Equity  
Castle Lanterra Properties  
Chartwell Capital Partners  
Clear Sky Capital  
ClearWorth Capital  
Code Capital Partners  
Collegiate Housing Foundation  
Commerce Capital Partners  
Cooper Street Capital  
Cornerstone Holdings LLC  
Crow Holdings  
Cypressbrook Co  
Darwin German Investments  
DiNapoli Capital Partners  
DRA Advisors  
Draper & Kramer  
Encore Enterprises



GPI Investment  
Greystar  
Haley Residential  
Hamilton Point Investments  
Harmony Housing  
Hayden Properties  
HiCap Management  
Hilltop Residential  
Income Property Investments  
Juniper Investment Group  
Lifestyle Unlimited  
LumaCorp  
M&C Properties  
MacDonald Realty Group  
Maxus Realty Trust  
Metonic RE Services  
Milestone Group  
Monarch  
Mosaic Residential  
Mt. Auburn  
Northland Investment Corporation  
Olympus  
Peak Capital Partners  
Post Investment Group  
Presidium Group  
Private Capital Group  
Raybec Investment



REALIANCE  
Regional Invmt & MGMT  
RJ Finlay & Co.  
Rotter Realty Group  
RREAF Holdings  
Saxony Partners  
Scion Group  
Somerset Partners  
Southeast Apartment Investors  
Starwood Related  
Stonehawk Capital Partners  
T2 Capital Management  
Talos Holdings  
Texla Housing Partners  
Thayer Manca Residential  
Threshold Capital  
Tigris Holdings  
UL Coleman  
Varia US Properties  
Vesper Holdings  
Vesta Realty  
Virtu Investments  
Vukota Capital Management  
Waypoint Residential  
Weidner Investment Services

# VALUE-ADD CASE STUDIES



## Vantage at Georgetown

Georgetown, TX

YOC: 2015	Cap Rate: 5.10%
Units: 288	% of Strike: 101%
Avg. Unit Size: 829	CAs: 101
Sales Price: \$38,250,000	Tours: 16
Price per Unit: \$132,813	Offers: 10



## Park Hudson Place

Bryan, TX

YOC: 2007	Cap Rate: 6.10%
Units: 232	% of Strike: 99%
Avg. Unit Size: 935	CAs: 54
Sales Price: \$23,650,000	Tours: 9
Price per Unit: \$101,940	Offers: 7



## Vantage at Panama City Beach

Panama City Beach, FL

YOC: 2018	Cap Rate: 5.25%
Units: 288	% of Strike: 108%
Avg. Unit Size: 837	CAs: 203
Sales Price: \$56,800,500	Tours: 13
Price per Unit: \$197,224	Offers: 7



## Crosswinds

Corpus Christi, Texas

YOC: 1999	Cap Rate: 6.11%
Units: 176	% of Strike: 103%
Avg. Unit Size: 842	CAs: 83
Sales Price: \$15,600,000	Tours: 8
Price per Unit: \$88,636	Offers: 7



## Sendera Baypoint

Corpus Christi, TX

YOC: 1998	Cap Rate: 5.49%
Units: 350	% of Strike: 104%
Avg. Unit Size: 967	CAs: 109
Sales Price: \$43,500,000	Tours: 12
Price per Unit: \$124,286	Offers: 11



## Vantage at Harlingen

Harlingen, TX

YOC: 2015	Cap Rate: 6.09%
Units: 288	% of Strike: 100%
Avg. Unit Size: 829	CAs: 84
Sales Price: \$26,025,000	Tours: 5
Price per Unit: \$90,365	Offers: 10



# PORTFOLIO CASE STUDIES



## East Texas Value-Add Portfolio

Longview-Lufkin

Number of Properties: 3

YOC: 1979-1986	Cap Rate: 6.50%
Units: 658	% of Strike: 98%
Avg. Unit Size: 749	CAs: 131
Sales Price: \$40,925,000	Tours: 27
Price per Unit: \$62,196	Offers: 15



## Vantage Portfolio

San Antonio-Corpus Christi

Number of Properties: 4

YOC: 2014-2017	Cap Rate: 5.21%
Units: 1,152	% of Strike: 93%
Avg. Unit Size: 832	CAs: 198
Sales Price: \$143,000,000	Tours: 64
Price per Unit: \$124,132	Offers: 28



## Permian Value-Add Portfolio

Midland-Odessa

Number of Properties: 3

YOC: 1975	Cap Rate: 7.0%
Units: 352	% of Strike: 100%
Avg. Unit Size: 502	CAs: Preemptive Offer
Sales Price: \$20,300,000	Tours: Preemptive Offer
Price per Unit: \$57,670	Offers: Preemptive Offer



## Sedona Ranch/Sundance Creek

Midland-Odessa

Number of Properties: 2

YOC: 2014-2016	Cap Rate: 6.83%
Units: 568	% of Strike: 106%
Avg. Unit Size: 937	CAs: 89
Sales Price: \$84,000,000	Tours: 8
Price per Unit: \$147,887	Offers: 6



## Rio Grande Valley Portfolio

Brownsville-Edinburg

Number of Properties: 2

YOC: 2014/2018	Cap Rate: 5.75%
Units: 416	% of Strike: 100%
Avg. Unit Size: 787	CAs: Preemptive
Sales Price: \$41,700,000	Tours: Sale to 1031 Buyer
Price per Unit: \$100,240	Offers: Preemptive



## Recent Secondary "In The News"

### IPA brokers three-property East Texas multifamily portfolio sale

News | MultHousing Pro | August 9, 2019

Institutional Property Advisors (IPA), a division of Marcus & Millichap, announced today the sale of a three-property, 658-unit multifamily portfolio in East Texas. The assets are: Pine Knoll, a 310-unit apartment complex built in 1983 in Longview, and two properties in Lufkin; Deer Cross, a 168-unit community constructed in 1986, and Deer Wood, 180 units built in 1979.

"Located in two high-yield secondary markets, these assets provide the new owner with first generation value-add opportunities," said Will Balthrope, IPA executive managing director. "The growing number of jobs in the North Longview submarket has increased the population and lowered vacancy over the past four quarters," added Drew Kile, IPA senior managing director. Balthrope, Kile, Jennifer Campbell, IPA director, and Tommy Lovell III, Marcus & Millichap first vice president investments, represented the seller and procured the buyers. Saxony Capital Management purchased Pine Knoll and Haley Residential acquired Deer Cross and Deer Wood. Richard Robson, Marcus & Millichap associate and William Griffin of IPA provided representation in the sale of Pine Knoll.

"Market conditions in Lufkin are favorable as well," commented Campbell. "At the end of last year average occupancy was 94.3 percent and the city is projected to grow more than three percent per year over the next two years with minimal new construction."

Pine Knoll is a 26-building garden-style property proximate to Loop 281 and less than two miles from State Highway 80. The community is 35 miles northeast of Tyler and 130 miles east of Dallas. Residents can easily access employment, entertainment, and retail centers in Longview and Tyler. Located within close proximity of each other, Deer Cross and Deer Wood are located directly off State Highway 59, near Angelina Junior College. The communities are 30 miles south of Nacogdoches and 90 miles south of Tyler.

MULTIHOUSING  
**PRO**



## Recent Secondary "In The News"

**Institutional Property Advisors (IPA) announced today the sale of Vantage at Panama City Beach, a 288-unit apartment asset in Panama City Beach, Florida.**

*News | MultiHousing Pro | September 23, 2019*

"Panama City Beach is a thriving secondary market with an outstanding job growth story," commented Will Balthrope, IPA executive managing director. "The property has averaged 98 percent occupancy since stabilization and achieved significant organic growth on new leases and renewals." Balthrope represented the seller, San Antonio, Texas-based Vantage Communities, and procured the buyer, Cardone Capital. Ryan Nee, first vice president and district manager, is Marcus Millichap's broker of record in Florida.

Built in 2018 on more than 20 acres, Vantage at Panama City Beach is between Panama City Beach and Panama City near U.S. Highway 98, Front Beach Road and the Hathaway Bridge. Residents have immediate access to major employers, including Tyndall Air Force Base, Bay Medical Center Sacred Heart, U.S. Naval Support Activity, General Dynamics IT, and Berg Pipe. The three-story, 14-building, garden-style community has resort-style amenities, and one-, two- and three-bedroom floor plans.

"Vantage Communities develops a unique, one-of-a-kind product that appeals to a wide variety of tenants due to its low-density design and excellent amenity package," added Balthrope. "We had very strong interest in this offering with numerous tours and offers submitted.

MULTIHOUSING  
**PRO**







## LARGE RESPONSIVE REGIONAL TEAM

INVESTMENT SALES - FINANCING - RESEARCH - ADVISORY SERVICES



I P A T E X A S 2 0 1 8 R E V I E W

# 46 CLOSINGS

\$1.5 BILLION THROUGHOUT TEXAS



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