

# DOMUS US MULTIFAMILY REAL ESTATE FUND



*Ventana Palms, Phoenix, Arizona - 160 Apartments*

## DOMUS US MULTIFAMILY REAL ESTATE FUND – INVESTMENT HIGHLIGHTS

- \* IRR OF 25%+ OVER A 5 YR PERIOD
- \* EQUITY MULTIPLE IF 1.81X OVER A 5YR PERIOD
- \* FINANCED BY LONG TERM (35YR) non-recourse US Government guaranteed (HUD) DEBT
- \* INVESTORS REPAYED ON REFINANCE AN ESTIMATED 100% OF ORIGINAL INVESTMENT (AT 18-24MTHS)

## 8 ASSET MULTI-STATE PORTFOLIO - FEATURES

Domus offers investors an opportunity to invest in geographically diverse a portfolio of 8 value-add properties comprising 1296 apartments located across 4 states in the US (Arizona, Utah, Oregon and Colorado). These are markets with some of the highest jobs and population growth trends in the US and allows investors to access high quality real estate investment in a strengthening US economy.

## INVESTMENT STRATEGY

Working with US based operating partner, Geringer Capital, targeting an IRR exceeding 25%, an equity multiple of x1.81 over a 5-year hold period and delivering secure income, the investment strategy broadly comprises,

- acquiring the portfolio using floating rate acquisition short term debt;
- immediately undertaking value add improvements to increase rental income;
- following improvements to the apartments, re-financing the assets using low fixed rate (currently at around 3.4%pa), long term (up to 35 yr.), non-recourse US Government guaranteed debt under the HUD Program.

This will offer investors the following key benefits based on implementation of the acquisition and financing strategy, namely:

- **repayment to investors an estimated 100% of their original investment in approximately 18 - 24 months' time on the refinance, in addition to all accrued preferred return, and probably some profit**
- delivering recurring income supported by positive long-term fundamentals of US multifamily real estate and further enhanced by the strengthening US economy
- above market returns driven by an already proven value add strategy and underpinned by the high demand for rental apartments in the portfolio sub markets
- an opportunity to benefit from historically low fixed rate US Government guaranteed debt which is not readily accessible to individual investors and which is only available for large scale US multifamily assets: both Wells Fargo and US Prudential have reviewed the portfolio projections and indicated our HUD loan in 24 months would be in excess of US\$192m
- a US asset management team that has extensive experience with large scale US multifamily projects and a well-established track record of obtaining US Government, guaranteed debt for large scale multifamily assets.

## INVESTMENT SUMMARY

<b>Acquisition Price</b>	US\$161m
<b>Portfolio yield on acquisition</b>	5.74%+*
	* this assumes the 8th asset (Ventana) PP at a 5.5% whereas actual yield on close due to rent increases is now 6.8%
<b>Equity Multiple</b>	x1.81
<b>Projected IRR</b>	25%+ over 5yrs
<b>Bridge Finance Terms</b>	6.67%* with LTV @ 86%** on acquisition  * blended senior+mezz and part deferred so cash flow positive ** LTV across the 8 assets in the portfolio
<b>HUD finance (non-recourse)*</b>	3.4%-4.2%pa**: fixed for 35 yrs: LTV: 80%-82.5%  * estimated loan sizing of US\$192M (estimated by lenders) after 18-24 mths.  **Current HUD rates are subject movement of 10 yr US Treasury Bond Yield
<b>Distributions</b>	<b>100%+ of invested amount repaid within 18-24 mths</b> + Quarterly cash distributions from NOI after 18/24 mths + Profits on sale of assets on Fund expiry



*Waterstone, Mesa, Arizona - 296 Apartments*

#### KEY DATES & TERMS

THIS EQUITY RAISE	Up to US\$21.5m
MINIMUM SUBSCRIPTION	US\$250K
SUBSCRIPTION APPLICATIONS DUE:	Now closed
SUBSCRIPTION AMOUNTS DUE:	Now closed

\* The Trustee has the discretion to accept subscriptions for less.

#### IMPORTANT NOTE:

#### MAKING AN APPLICATION

- \* APPLICATION FORM ATTACHED TO INFORMATION MEMORANDUM
- \* EMAIL COMPLETED APPLICATION FORM TO LES KOLTAI AND CC ETICORE
- \* COMPLETE A WHOLESALE INVESTOR DECLARATION FORM ATTACHED TO THE IM IF REQUIRED

#### PLEASE NOTE:

APPLICATIONS RECEIVED FROM INVESTORS ARE ON A FIRST COME FIRST SERVED BASIS, AT THE DISCRETION OF THE TRUSTEE.

TO REQUEST A COMPLETE INFORMATION MEMORANDUM AND APPLICATION FORM, PLEASE CONTACT:

## Les Koltai

M A N A G I N G D I R E C T O R

**Domus Multifamily Investment Management**

[les.koltai@lsglobaladvisors.com](mailto:les.koltai@lsglobaladvisors.com)

**+61 (0) 408 900 344**

### ABOUT LS GLOBAL ADVISORS

LS Global Advisors is an Asia Pacific based internationally focused boutique real estate advisory business specialising in identifying and structuring tailored investment opportunities internationally for its clients, investors and partners. <http://www.lsglobaladvisors.com/about-us/>

### Important Information

This email has been issued by LS Global Capital (Australia) Pty Limited ACN 152 430 521 (**LS Global Advisors**). This is not a prospectus or a product disclosure statement, and therefore does not have to comply with the relevant provisions of the Corporations Act 2001 dealing with disclosure documents. The information in this email is for the sole use of the recipient and may not be reproduced or distributed to any other person. If you have received this email from anyone other than LS Global Advisors, please delete it. This email outlines some of the key points in relation to the proposed investment. The matters included in this email do not constitute a comprehensive statement of the costs, benefits, risks and other characteristics of the investment. Potential investors should read this document in its entirety, obtain advice from a suitably qualified professional advisor and make their own assessment of the investment before deciding to invest. This email does not constitute advice on legal, taxation and investment matters and does not take into account the investment objectives or the personal financial circumstances of any person to whom it is provided. Whilst this email includes information about the nature of the investment and other matters, it is not exhaustive in its contents and should not be considered as such. All projections and forecasts in this document are for illustrative purposes only. They are based on the opinions, assumptions and qualifications as at the date of this email. Actual results may be materially affected by changes in economic and other circumstances. Any reliance placed upon the accuracy of projections, forecasts and other information provided in this email, and the appropriateness of opinions, assumptions and qualifications used, is a matter for your own commercial judgment. No representation or warranty is made that any projections, forecasts, values, assumptions or estimates contained in this document can or will be achieved. LS Global and Geringer Capital and their directors, officers, employees, advisers and representatives give no warranty and make no representation in respect of the contents of this email, nor do they accept any responsibility for the accuracy, reliability or completeness of the information provided in this email.

Investment is only available to investors who are "wholesale clients" within the requirements of section 761G of the Corporations Act 2001 (Cth) or who are otherwise entitled to invest.

LS Global Advisors is the authorised representative of Emerald Partners Pty Limited ACN 107 969 433 which is the holder of an AFS licence 27115