

# ATLAS

## AT BAY POINT

ST. PETERSBURG, FLORIDA



# CAPITAL

Empowering investors to earn passive income through real estate investing.

April 2024

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#### Forward-Looking Statements

This document includes "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") and "financial outlook" within the meaning of applicable securities laws. All statements other than statements of historical facts included in this document, including, without limitation, statements regarding the future financial position, targeted or projected investment returns, business strategy, budgets and projected costs of the Partnership and plans and objectives of the Partnership for further operations, are forward-looking statements or financial outlook. In addition, forward-looking statements and financial outlook generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "forecasted," "projected," "estimate," "anticipate," "believe," or "continue" or the negative usages thereof or variations thereon or similar terms, although not all forward-looking statements or financial outlook contain these identifying words. Forward-looking statements and financial outlook reflect our current expectations and assumptions as of the date of the statements and are subject to a number of known and unknown risks, uncertainties and other factors, including, without limitation, those listed under the heading "Risk Factors" below, many of which are beyond our control, which may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Although we believe that the assumptions on which the forward-looking statements are made and the financial outlook is based, including, without limitation, those assumptions listed under heading "Assumptions" below, are reasonable, based on the information available to it on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Given these uncertainties, readers are cautioned that forward-looking statements and financial outlook contained herein are not guarantees of future performance; accordingly, readers should not place undue reliance on forward-looking statements or financial outlook. To the extent any forward-looking statements in this document constitute "financial outlook" within the meaning of applicable securities laws, such information is being provided, so that readers are aware of management's current estimate of future financial performance of the Partnership (which estimates are subject to change). We will not update any forward-looking statements or financial outlook except as, and to the extent, required by applicable securities laws. The forward-looking statements and financial outlook contained herein, and all subsequent written and oral forward-looking statements and financial outlook attributable to the Partnership, or persons acting on any of their behalf, are expressly qualified in their entirety by this cautionary statement. No representation or warranty is made by the Partnership as to the accuracy or completeness of any of the information contained herein. No securities commission or similar regulatory authority has passed on the merits of the securities referred to hereunder and any representation to the contrary is an offence. In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Partnership will achieve comparable results.

#### Risk Factors

Investment in the Partnership involves a high degree of risk and is suitable only for sophisticated investors who can withstand the loss of their entire investment and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Partnership. No assurance, representation or warranty can be given that the Partnership's investment objectives will be achieved or that investors will receive a return of their capital. An investment in Units is subject to risk. Standard risks applicable to investments of this nature include:

- **No market for Units:** There is currently no resale market for the Units and it is not guaranteed that any market will develop. The Units are not transferable without the approval of General Partner and in compliance with applicable securities laws and regulations.
- **Vacancy Rates:** The apartment building business relies on a steady supply of good quality tenants. A shortage of quality tenants due to an economic downturn or job losses in a given marketplace could result in higher than expected vacancy and lower than expected revenue.
- **No guaranteed return:** The projected returns described in this Investment Summary are not guaranteed. An investment in Units is not suitable for investors who cannot afford to assume significant risks in connection with their investments.
- **Tax matters:** Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the units based on their particular circumstances.
- **The Partnership:** intends to acquire units in a USLP (Investment), Delaware limited partnership, and the Partnership will own units in the
- **USLP (Investment).** In the event of a refinancing of the property, the Partnership will be entitled to participate in the net proceeds of the refinancing on a pari passu basis. Subject however, to the final terms of the USLP (Investment) agreement which may include a Preferred Equity Partner that may receive preferred preferential rights of return (see Two-Tiered Equity Structure for more details). For more information, investors are advised to review the agreements governing the relationships described herein.
- **Covid-19:** As the impact and extent of the COVID-19 outbreak is not known as of the date of this document, all forward looking statements in this document are qualified by the risks associated with the COVID-19 outbreak. There is significant risk that the COVID-19 outbreak will cause the assumptions underlying the forward-looking information in this document to change and the actual results and performance of the Partnership to differ materially from the forward-looking statements contained herein.

#### Assumptions

Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements and financial outlook contained herein include that: building upgrade plans and related expenses will proceed as anticipated; the Partnership will remain in good standing with respect to its obligations to any senior lenders; the general economy is stable; local real estate conditions are stable; interest rates are relatively stable; equity and debt markets continue to provide access to capital; and that the Partnership's expenses will not be materially greater than anticipated. These factors and assumptions should be considered carefully by readers. Readers are cautioned not to place undue reliance on the forward-looking statements or financial outlook or the assumptions on which the forward-looking statements and financial outlook are based on. Investors are further cautioned that the foregoing list of factors and assumptions is not exhaustive. In addition, information regarding targeted returns is based on the following principles and assumptions: the Partnership will maintain a consistent level of cash flow and indebtedness and will not materially incur additional indebtedness, other than with respect to ordinary operating costs or as disclosed herein; the consumer price index, property taxes, operating expense growth, and market rent growth will be as anticipated; existing tenants will fulfill their current contractual lease obligations and remain in occupancy and pay rent for the term of their leases; upon expiry of their leases, the number of retained tenants will meet historical retention experience; and the Partnership will maintain cash reserves as anticipated.

Although we believe that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to it on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking statements. We will not update any forward-looking information except as, and to the extent, required by applicable securities laws. The forward-looking statements contained herein, and all subsequent written and oral forward-looking statements attributable to the Partnership, or persons acting on any of their behalf, are expressly qualified in their entirety by this cautionary statement. Market data and certain industry statistics used throughout this executive summary were obtained from market research, informational and marketing materials provided to CPI Capital, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. No representation or warranty is made by the Partnership as to the accuracy or completeness of any of the information contained herein. No securities commission or similar regulatory authority has passed on the merits of the securities referred to hereunder and any representation to the contrary is an offence. In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Partnership will achieve comparable results.

# WHY WE LOVE THIS DEAL



**Off-Market Property:** An attractive acquisition basis of **\$123,000 per unit**, significantly lower than the recent average sales price of comparable properties of **\$180,000 per unit**, a +30% discount



**Desirable Location:** Positioned in South **St. Petersburg** which is experiencing robust growth and appreciation, and just minutes away from attractions and beaches.



**Value Add: \$175 month/unit rent increase** upside forcing an increase in value by **\$4.7m dollars** as well as additional income, operational efficiency and instant equity from a lower basis for a total value increase of **\$13m dollars**.



**Attractive Debt:** Lower Loan to Value (LTV) ratio of **55%**, safeguards investor equity and **maximizes cash-on-cash returns**, while securing **full-term interest-only** financing for the **5-year duration**.

\* Based on Sales Comp research from Costar. Data provided on Slide 66.





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# EXECUTIVE SUMMARY

- ✓ Investment Summary
- ✓ Equity Investment Overview



# INVESTMENT SUMMARY

## Opportunity

CPI Capital (the "Sponsor") is seeking to raise approximately **\$11 million** of equity to acquire Atlas at Bay Point (formerly Villas at Flagler Pointe) (the "Property"), a 136-unit multifamily community located in St. Petersburg, Florida. The total purchase price for the Property is **\$16.85 million**, presenting investors with an opportunity to acquire a well-positioned asset in a high-demand market.

## Property Highlights:

Diverse Unit Layouts: The Atlas at Bay Point offers a range of unit layouts, including 1BD/1BA, 2BD/1BA, and 2BD/2BA units, with an average size of 787 sq. ft. This diversity appeals to a wide range of tenants, enhancing the Property's marketability and revenue potential.

Key Amenities: Residents enjoy access to various amenities, including a swimming pool, fitness center, clubhouse, and picnic areas. These amenities contribute to a desirable living experience and support tenant retention.

## Strategic Plan for Opportunistic Returns

The strategic plan for the Atlas at Bay Point encompasses a comprehensive approach to maximize returns for investors. Through interior and exterior renovations, including the addition of washer/dryer connections, ceiling fans, LED flat panel lights, and modernized amenities, we aim to enhance tenant satisfaction and increase rental premiums. Concurrently, the development of new property branding and signage will strengthen the property's identity in the market, attracting discerning tenants seeking a modern living environment. These initiatives will be supported by optimized financing strategies, utilizing fixed-rate agency debt with favorable loan-to-value ratios, to ensure the successful execution of the investment thesis and drive long-term value appreciation for investors.

## Regional Advantages

Situated in South St. Petersburg, the Atlas at Bay Point boasts a strategic location just minutes away from Downtown St. Petersburg and the Skyway Marina District. Its proximity to major transportation routes, Universities, Hospitals and popular attractions enhances its appeal to prospective tenants, ensuring sustained demand and steady rental income.

South St. Petersburg is experiencing rapid growth and development, with favorable occupancy rates and rent growth projections. Atlas at Bay Point is poised to capitalize on this growth, offering investors the opportunity to achieve attractive risk-adjusted returns in a thriving multifamily market.

## Compliance

For Canadian Investors this offering is open to accredited investors, and eligible investors via 45-106. For US investors this offering is a Reg-D 506C offering and is open only to accredited investors. A US accredited investor has either a net worth of \$1 million, not including their primary residence or an annual income of \$200,000 (or \$300,000 if married) for the last two years and you have a reasonable expectation that it will continue.

# EQUITY INVESTMENT OVERVIEW

Total Offering	\$11,000,000
Investment Type	Garden-Style Multi-Family Value-Add
Location	2150 62nd Terrace S, St. Petersburg, FL 33712
Purchase Price	\$16,850,000
Price Per Unit	\$123,897
Year of Construction	1972
Total Units	136
Parcel Size	8.6 Acres
Total Buildings	7
Average Rent	\$1,376
Proforma Rent	\$1,550
Current Occupancy	94.9%
Purchase Cap	6.63%
Assumed Exit Cap	6.0%
Debt Leverage	55% LTV
Investment Vehicles	Limited Partnership (Canadian), Limited Partnership (U.S.)
Expected Hold Period	5 years
Minimum investment	\$50,000
LP IRR*	17.36%
LP Averaged Annualized Returns*	21.04%
LP Average Cash on Cash Return*	7.76%
LP Equity Multiple*	2.05x

\* Projected Limited Partner (LP) Class A Shares.





# PORTFOLIO & CASE STUDIES

- ✓ General Partnership/ CPI Capital
- ✓ CPI Capital Multifamily Portfolio
- ✓ Whitestone Capital Multifamily Portfolio
- ✓ Property Management

# GENERAL PARTNERSHIP / CPI CAPITAL



**AUGUST BINIAZ**

Chief Investment  
Officer



**AVA BENESOCKY**

Chief Executive Officer



**SETH FERGUSON**

Chief Operating Officer



**PAUL HOPKINS, P.Eng**

Director of Acquisitions



**DAN DRAGONETTI,  
MBA, BCOMM, BGNST, PMP**

Director of Asset Management



**KULLY PAWA**

Dealing Representative

Featured in



**Forbes**



# CPI MULTIFAMILY PORTFOLIO

PROPERTY	MARKET	BUILT	DATE ACQUIRED	VALUATION	UNITS
Parc at Champion Forest	Houston, TX	2000	February, '22	\$30,500,000	232
Bluewater at Bolton's Landing	Charleston, SC	2019	September, '21	\$85,850,000	350
Braxton Waterleigh	Orlando, FL	2021	July, '21	\$91,600,000	354
Richmond Apartment Homes	Richmond, BC	2024	Oct, '18	\$8,700,000	19
<b>TOTAL</b>				<b>\$216,650,000</b>	<b>995</b>

# CPI CAPITAL MULTIFAMILY PORTFOLIO



## BRAXTON WATERLEIGH

Property closed July 2021. Projected annual CoC returns of 9% (class a) and 7.1% (class b) and an IRR of 19.1% (class b) over a 5-year hold.

PROPERTY DETAILS	
CLASS	A
CONSTRUCTED	2021
LOCATION	Orlando, FL
UNITS	354
PURCHASE PRICE	\$91,600,000
STRUCTURE	CO-GP

This asset is located in the rapidly growing Horizon West community of Winter Garden, which boasts stellar demographics and is home to notable white-collar employers and medical jobs. The Orlando MSA was one of the top investment markets prior to the COVID-19 pandemic and is rapidly making its way back to the top with strong job gains and overall population growth that ranked #3 in the country for 2020. Ascend Waterleigh is a thoughtfully designed, low density community complete with spacious one-, two-, and three-bedroom apartments with convenient access to white-collar employment and major Orlando thoroughfares.

# CPI CAPITAL MULTIFAMILY PORTFOLIO



## BLUEWATER AT BOLTON'S LANDING

Property closed September 2021. Projected annual CoC returns of 9% (class a) and 7.3% (class b) and an IRR of 18.4% (class b) over a 5-year hold.

PROPERTY DETAILS	
CLASS	A
CONSTRUCTED	2019
LOCATION	Charleston, SC
UNITS	350
PURCHASE PRICE	\$85,850,000
STRUCTURE	Lead KP/GP

This asset is located in the highly sought-after west Ashley submarket of the Charleston MSA. Completed in 2019, this true, Class A community was thoughtfully designed with stately architecture quality floor plans and serene landscape making it one of the premier communities in Charleston. Bluewater at Bolton's Landing is situated in the heart of West Ashley which boasts stellar demographics and is in close proximity to major employers and medical jobs. The property also is minutes from the excitement of downtown Charleston and Folly Beach, James island, Johns island, and Kiawah islands.

# CPI CAPITAL MULTIFAMILY PORTFOLIO



## PARC AT CHAMPION FOREST

Property closed February 2022. Projected annual CoC 7% and an IRR of 16.7% (class a) and 17.7% (class b) over a 3-year hold.

PROPERTY DETAILS	
CLASS	B
CONSTRUCTED	2000
LOCATION	Houston, TX
UNITS	232
PURCHASE PRICE	\$30,500,000
STRUCTURE	CO-GP

The asset is a 232-unit, Class B multifamily value-add investment opportunity in fast-growing Northwest Houston, TX. Completed in 2000, this beautiful property was thoughtfully designed with stately architecture, quality floor plans and a serene landscape making it one of the most attractive communities in the area. Parc at Champion Forest is conveniently located along FM-1960 about halfway between I-45 and SH 249, 2 minutes from Walmart and Home Depot, and a short drive to major employers, including Amazon distribution centers HOU2 and HOU7, and Hospitals HCA Houston Healthcare Northwest and Houston Methodist at Willow brook.

# CPI CAPITAL MULTIFAMILY PORTFOLIO



## THE RICHMOND APARTMENTS

**Property closed in 2018. Projected is currently under development.**

PROPERTY DETAILS	
CLASS	A
CONSTRUCTED	2024
LOCATION	Richmond, BC
UNITS	19
PURCHASE PRICE	\$8,700,000
STRUCTURE	Structure Joint Venture

Ideally located in Richmond's family-oriented area of No 4 Road and Steveston Highway. This project offers easy access to Vancouver, Delta and the US border. With a lot size of 41,169 square feet and sellable area of over 27,000 square feet, the average square feet per unit is 1400 per unit. This 19- unit townhome development features a large spacious family style living.



# Full-Service Property Management

WPG is the property management division of Whitestone Capital US, created to address the lack of quality 3rd-party management for Class B/C properties in Florida.

We are property management reimagined, and we plan to be the number one choice for property management in the U.S according to both investors and residents.



# MARKET & SUBMARKET PROFILE

- ✓ Market Overview
- ✓ Site Location Overview
- ✓ Location Highlights

# WHY WE BUY IN TAMPA AND FLORIDA



## Population Growth

- Tampa's Population: 3.25 million, with a 1.1% growth rate.
- Florida's Migration: Ranked #1 in total net migration, gaining 444,500 residents from July 2021-July 2022, a year-over-year gain of 185,000, reaching over 22.2 million in total population.



## Rent Growth

- Landlord friendly state
- Affordability is much greater than states like New York & California (Business Insider, May 2021)
- 3.5% projected 5-Year average annual rent growth for immediate submarket



## Median Household Income Growth

- Tampa's Median Household Income has grown over 84% over the last 21 years
- Tampa-St. Petersburg hourly wages have risen by 3.8% year over year according to Bureau of Labor Statistics



## Low in Crime, High in education

- Tampa is home to a total of 15 colleges, including 11 private colleges and universities, 3 public colleges and universities, and 1 community college offering 2-year degrees, providing a diverse array of educational opportunities.
- Tampa ranked 14th overall for the lowest violent crime rate out of 59 major U.S. cities in 2022.



## Median House Growth

- Zillow predicts home prices will increase in the Tampa area throughout 2024. The typical home value in the Tampa area is still up nearly 18% year over year, compared to 11% across the country



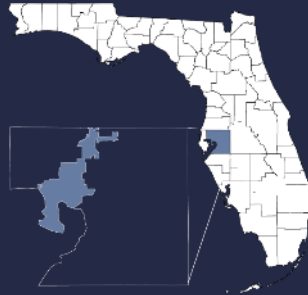
## Job Growth and Diversity

- No state income tax and low sales tax
- 3.1% Unemployment Rate
- Tampa employment expanded 3.1% in the 12 months ending in October 2023, or 41,500 net jobs

Sources: US Bureau of Labor Statistics and City-Data.com.

# MARKET OVERVIEW

## Why Tampa?



Tampa has become a top choice for companies seeking an advantageous location to set up shop. Its strategic position on Florida's Gulf Coast offers easy access to domestic and international markets through key transportation hubs like Tampa International Airport and the Port of Tampa.

The city's business-friendly environment, coupled with no state income tax, is a significant attraction for both companies and their employees. Tampa's diverse economy spanning finance, healthcare, technology, and more provides a range of business prospects, reducing risk through economic diversity.

Tampa also boasts reputable educational institutions, cultivating a skilled workforce ready to serve various industries. Its pleasant climate, cultural richness, and recreational amenities enhance the quality of life, ensuring employee satisfaction and talent retention. Additionally, Tampa's robust tourism sector, ongoing infrastructure investments, and diverse commercial real estate options create a nurturing business environment. With a supportive ecosystem and ample networking opportunities, Tampa is a compelling destination for companies looking to establish a successful presence.

people in the  
Tampa MSA

**3.25M**

submarket  
occupancy rate

**90.4%**

Corporate HQ

**20**

jobs

**1,812K**

medical beds  
within 25 minutes

**4,204**

Fortune 500  
Company  
Headquarters

**5**

**#10 Hottest  
Housing  
Market of  
2024**

(Zillow, 2024)

**#5 Top Cities  
Where  
People Want  
to Move**

(Redfin, 2022)

**#6 Fastest  
Growing  
Economy in  
the US**

(Orlando Business  
Journal, 2023)

**#1 Ranked  
Large  
Airport In  
Country**

(JD Power, 2023)

**#1 Best  
Place to  
Live in  
Florida**

(Forbes, 2024)

**#2 Best City  
in the  
Country to  
Find a Job**

(WalletHub, 2024)

# TAMPA'S DIVERSE ECONOMY

Tampa Employment Share by Sector		Current	Employment
Employment Sector		Number of Jobs (in thousands)	% Share
Trade, Transportation and Utilities		361	19.9%
Professional and Business Services		340	18.8%
Education and Health Services		293	16.2%
Leisure and Hospitality		188	10.4%
Government		184	10.2%
Financial Activities		152	8.4%
Mining, Logging and Construction		110	6.1%
Manufacturing		97	5.4%
Other Services		57	3.1%
Information		30	1.7%
<b>Total</b>		<b>1,812</b>	<b>100%</b>

Sources: Yardi Matrix, US Bureau of Labor Statistics

# PINELLAS COUNTY | DEMOS & EMPLOYMENT



## Demographics

**496,714**  
Regional Employees

**971,875**  
Total Population (+0.44%)

**48.5**  
Median age

**50,968**  
Total Businesses

**\$113,119**  
Average Household Income

**85.9%**  
Occupied Housing Units

## Major Employers

Industry Type	Employees	Location
Raymond James	4,000+	St. Pete
Home Shopping Network (HSN)	2,000+	St. Pete
Tech Data Corp	2,000+	Largo
Spectrum	2,000+	St. Pete
Fidelity Info. Services (FIS)	1,500+	St. Pete
The Nielson Company	1,500+	Oldsmar
Jabil Circuit	1,500+	St. Pete
Honeywell Aerospace	1,500+	Clearwater
Valpak	1,500+	St. Pete
Marine Max	1,000+	Clearwater

## New to Market



## Planned Expansions



# ST. PETERSBURG DEVELOPMENT GROWTH



## **CENTRAL PARK** | *5-Story Food Hall*

### **CENTRAL ST PETE FOOD HALL**

Construction is near completion on Central Park St. Pete, a five level, 27,700 sq. ft. food hall that includes a basement speakeasy and a full-service modern Asian rooftop restaurant/bar.



## **ASCENT ST PETE** | *Mixed-Use Development*

### **ASCENT ST PETE | ST PETE'S NEWS HIGH-RISE**

Ascent St. Pete is a mixed-use development by Greystar Real Estate Partners on 1st Ave N. The 36-story building has 354 units, along with a 172-key AC Hotel by Marriott hotel, and 8,200 sq. ft. of retail space



## **BAYCARE HEALTH** | *EXPANSION*

### **BAYFRONT HEALTH**

Bayfront Health is currently under construction for its new state-of the-art, \$37 million Health Emergency Room and Women's Pavilion. They also announced a new 132K sq. ft. Medical Pavilion – Institute Square, a technologically advanced facility for Cancer and Orthopedic



## **TROPICANA FIELD** | *Major Redevelopment*

### **TROPICANA FIELD REDEVELOPMENT**

St. Pete's 86-acre Tropicana Field site is one of the largest contiguous urban infill sites in the U.S. The mayor recently selected Hines and the Tampa Bay Rays as Master Developer for the massive project.



# LOGISTICS & TRANSPORTATION



## Sea

Port Tampa Bay – Florida's largest port by size and tonnage contributes **\$17B in economic impact** supporting **more than 85k jobs**.

Port St. Pete – **Only mega yacht marina** on Florida's Gulf Coast.

Seaport Manatee – One of Florida's largest and **fastest-growing deep water seaports**. The closest U.S. deep water cargo seaport to the **expanded Panama Canal**.



## Sky

**2 international airports** – nearly 25M passengers per year.

Tampa International Airport (TPA) will begin the final phase of its Master Plan in 2024, adding **16 new gates**. TPA is the **#1 large airport** in J.D. Power's North American Airport Satisfaction Survey.

St. Petersburg – Clearwater International Airport



## Rail

After connecting South FL to Orlando, the high-speed Brightline rail will **expand west to Tampa**.

Tampa Bay offers 500 miles of active railroad and siding track.



## Land

Interstate-**4**, Interstate-**75**, Interstate-**275**.

**More than 35M consumers** live within an 8-hr drive of Tampa Bay.

Source: Cushman & Wakefield | Why Tampa Bay

# WORK LIFE BALANCE



THE TAMPA RIVERWALK

**Number 2 of  
America's  
Top 10 Riverwalks**

USA Today



TOP BEER CITY

**60+ Craft Breweries in  
the Tampa Bay  
Region**

Source: Cushman & Wakefield | Why Tampa Bay

## Four Professional Sports Teams



**Tampa Bay  
Buccaneers**

2021 SUPER BOWL  
CHAMPIONS



**Tampa Bay  
Lightning**

2020 & 2021  
STANLEY  
CUP CHAMPIONS



**Tampa Bay  
Rays**

BASEBALL



**Tampa Bay  
Rowdies**

SOCCER



**83°**

Average annual  
Temperature

**15  
Beaches**

Including  
St. Pete Beach

TRIPADVISOR'S #1  
RANKED  
BEACH IN THE US



**5M  
Visitors**

PER YEAR

### OUTDOOR ACTIVITIES



Golfing



Fishing



Boating

# MARKET OVERVIEW

Tampa's Ranks #3 on the Marcus and Millichap's National Multifamily Index (NMI) Ranking for 2024: Powerful Rent Growth and Market Forecast

## NMI Rank

3

Tampa exhibits the strongest rent gains relative to the year-end 2019 rate, bolstering its upper-level ranking in the 2023 NMI.

## Employment up 1.1%



Roughly 20 percent of the jobs created in 2024 are expected to be white-collar roles, aiding demand for Class A and B units. Overall, Tampa's workforce expands by 1.1 percent.

## Construction 7,900 units



Delivery volume surpasses the 6,000-unit mark for a fourth straight year. Local completions account for nearly 20 percent of the doors added across Florida's six major rental markets.

## Vacancy up 10 bps



Higher-paying job creation and an inflow of new residents nearly offset the impact of a record supply wave. A moderate rise in vacancy is the result, placing the year-end rate at 6.8 percent.

## Rent up 3.2%



A historically strong year for net absorption elevates the mean effective rent to \$1,920 per month. This rate represents a discount of at least \$580 when compared to Southeast Florida markets.

## Investment



The presence of the University of South Florida and a sizable medical district may draw investors to Uptown and nearby areas, attracted to the in-place renter pool of students and health professionals.

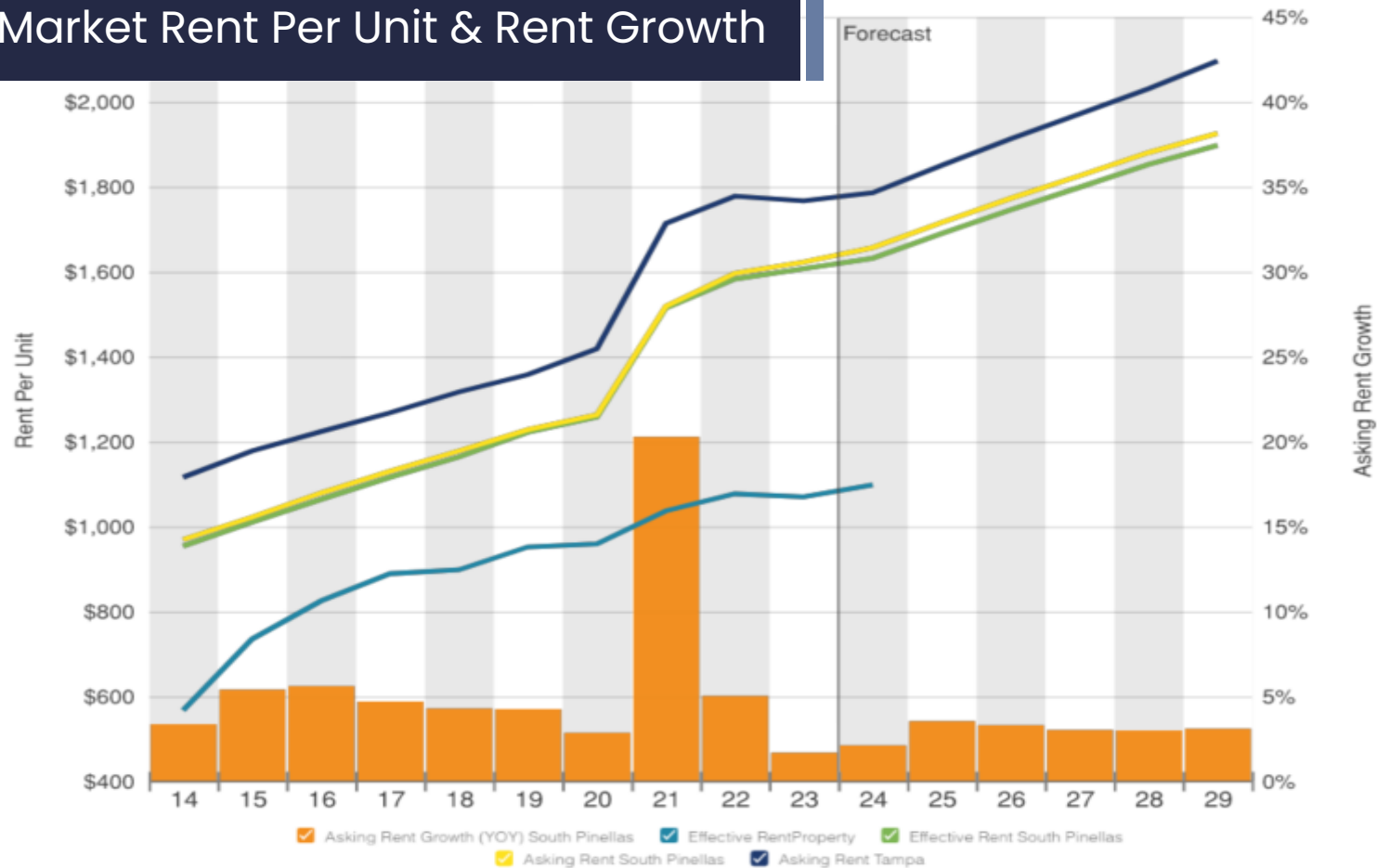
# MARKET OVERVIEW: COSTAR RENT GROWTH

Rent growth has been normalizing over the past year and is now down to a far more sustainable pace after hitting a peak of 22% in 21Q4. While that represents a steep decline over recent record highs, it remains well ahead of the wider Tampa market annual growth rate.

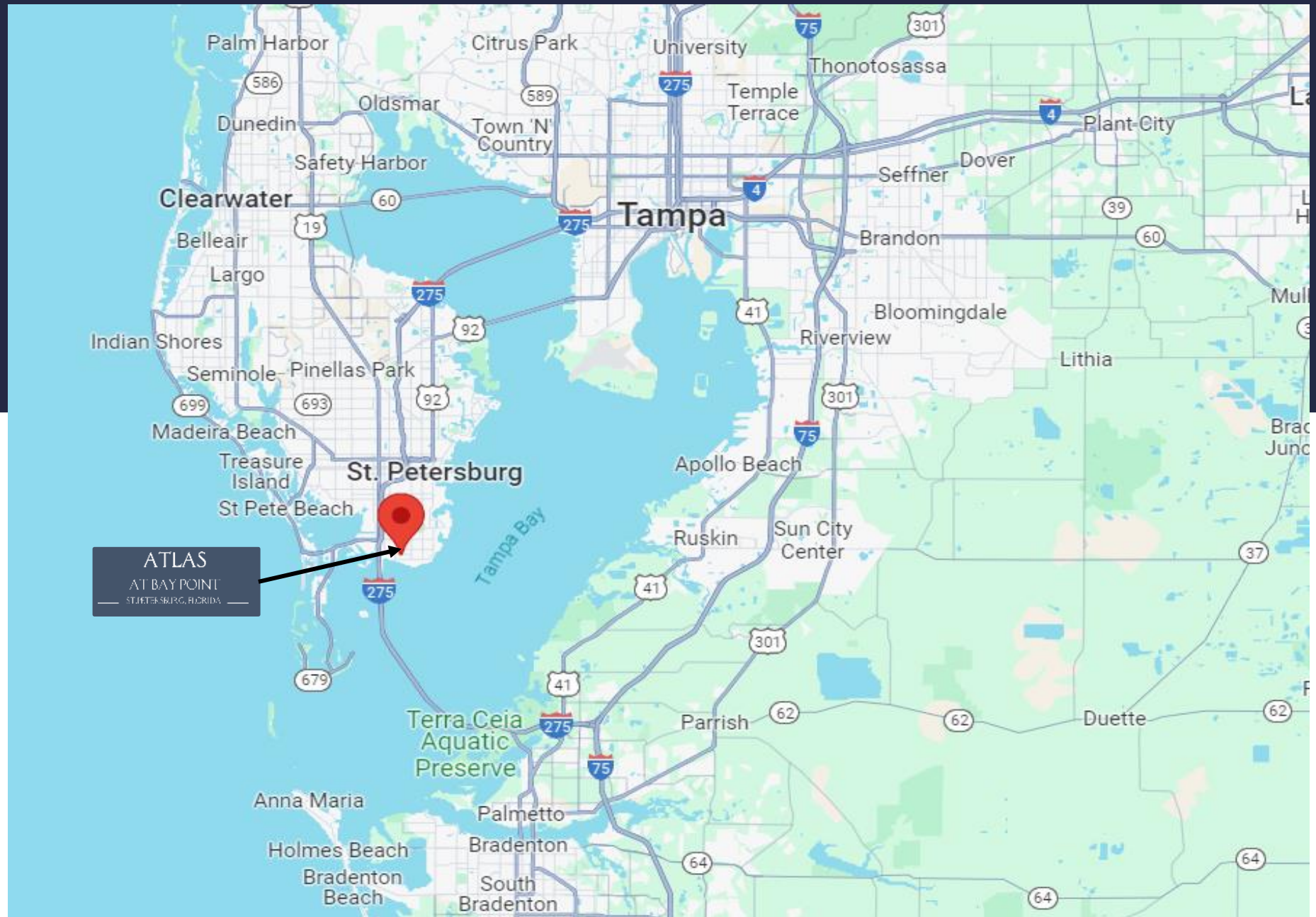
The average rent of \$1,630/month in South Pinellas represents a significant value when compared to the broader market where rents are currently averaging \$1,770/month. Average Rents at Atlas at Bay Point is currently at \$1,376/month showing an opportunity to grow rents, while maintaining an attraction for lower cost of living.



## Market Rent Per Unit & Rent Growth



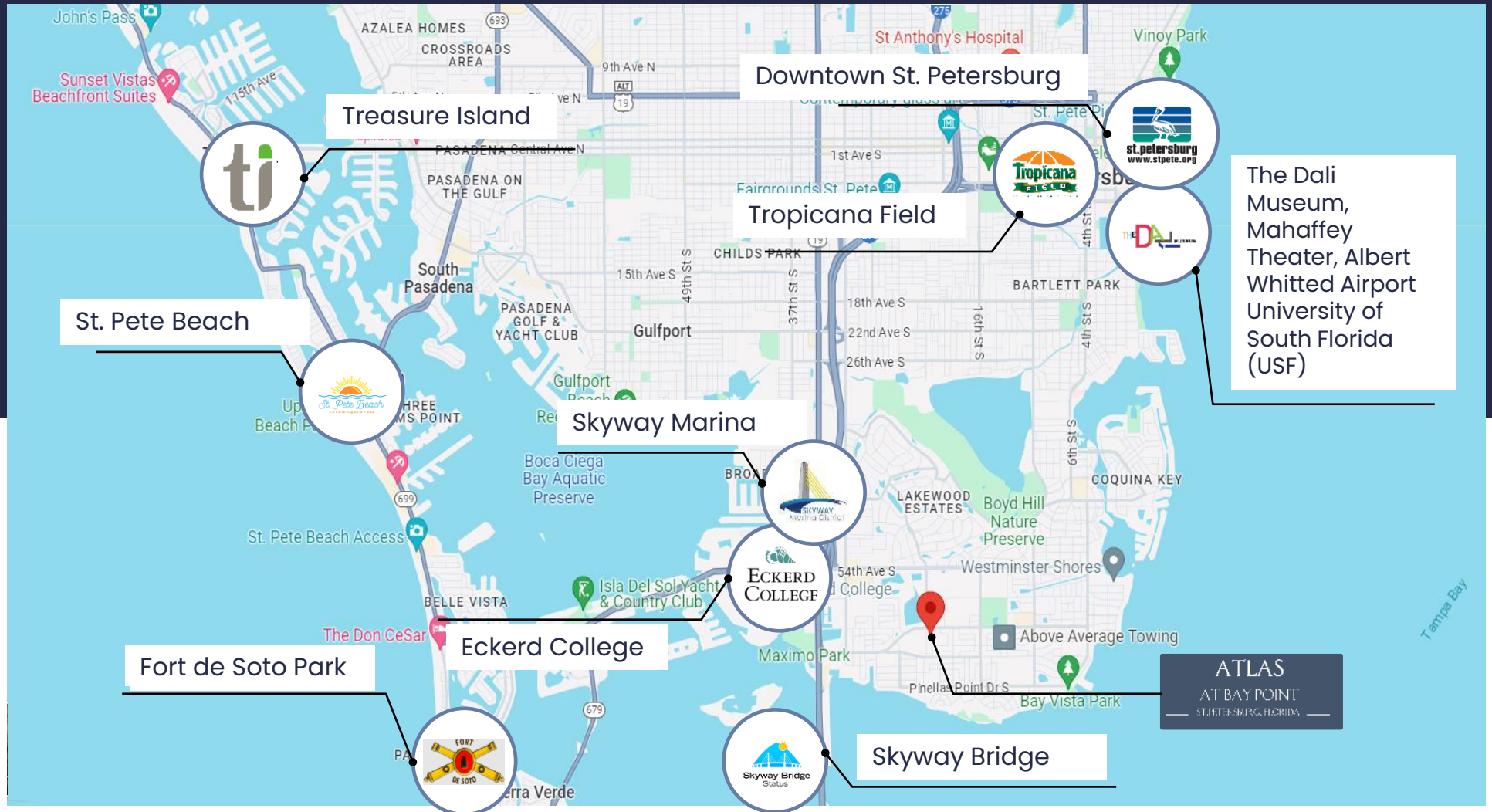
# SITE LOCATION OVERVIEW



# SITE LOCATION OVERVIEW – EMPLOYERS



# SITE LOCATION OVERVIEW – ATTRACTIONS



# LOOKING SOUTH

## Skyway Bridge

- The Flagship bridge of Florida
- Longest cable stayed concrete bridge in the world



## Fort de Soto

- Pinellas county's largest park system
- Top ranked beaches in Florida (2.7M+ annual visitors)

Tampa Bay

 **61,575 AAdT**

ATLAS  
AT BAY POINT  
— ST. PETERSBURG, FLORIDA —

**62nd Ave S 7,600 AAdT**

# LOOKING NORTH

## Tropicana Field

- Home to the MLB Tampa Bay Rays
- 86-Acre Masterplan Development Site awarded to Hines

## Downtown ST. Petersburg

- 35,000 Employees
- 3,000 Businesses
- 2.1M SF of office

LAKEWOOD  
HIGH SCHOOL

BAY POINT  
ELEMENTARY SCHOOL

BAY POINT  
MIDDLE SCHOOL

ATLAS  
AT BAY POINT  
— ST. PETERSBURG, FLORIDA —

62nd Ave S 7,600 AAdT

22nd ST S 5,800 AAdT

# LOCATION HIGHLIGHTS

📍 Atlas at Bay Point is **10 Minutes** to St. Pete Beach which ranks **#1** Beach Destination in the U.S. and **#5** Beach Destination in the World by TripAdvisor

📍 **15 Minutes** to Downtown St. Petersburg

📍 **30 Minutes** to Downtown Tampa

📍 **30 Minutes** to Tampa International Airport

📍 **45 Minutes** to Downton Sarasota

📍 **15 Minutes** to University of South Florida – St. Petersburg

📍 **5 Minutes** to Eckerd College



# LOCATION HIGHLIGHTS

-  **Tropicana Field Site:** Mayor chose Hines and Tampa Bay Rays for development.
-  **First Whole Foods in St. Petersburg:** Opening soon on 203 38th Avenue North.
-  **ARK Investment Management and Tampa Bay Innovation Center:** Collaborating on a new facility with event center, labs, studios, classrooms, and coworking space.
-  **EDGE District Development:** Anchored by a 163-key Moxy Hotel by Marriott.
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# PROJECT & INVESTMENT DETAILS

- ✓ Investment Offering
- ✓ Acquisition Summary
- ✓ Capital Stack
- ✓ Projected Returns
- ✓ Timeline

# INVESTMENT OFFERING

Opportunity to invest in the acquisition and extensive repositioning of an 8.6-acre 136-unit, garden-style apartment asset located south St. Petersburg, with an expected closing date of June 2024.

The property is being purchased for \$16,850,000 (\$123,897 per apartment unit) at a capitalization rate 'CAP rate' of 6.63%, which represents a per square foot ('PSF') price of \$157 PSF for the net rentable area ('NRA'). The expected exit price of \$274 PSF for the net leasable area, is below the estimated replacement cost of \$285 PSF.

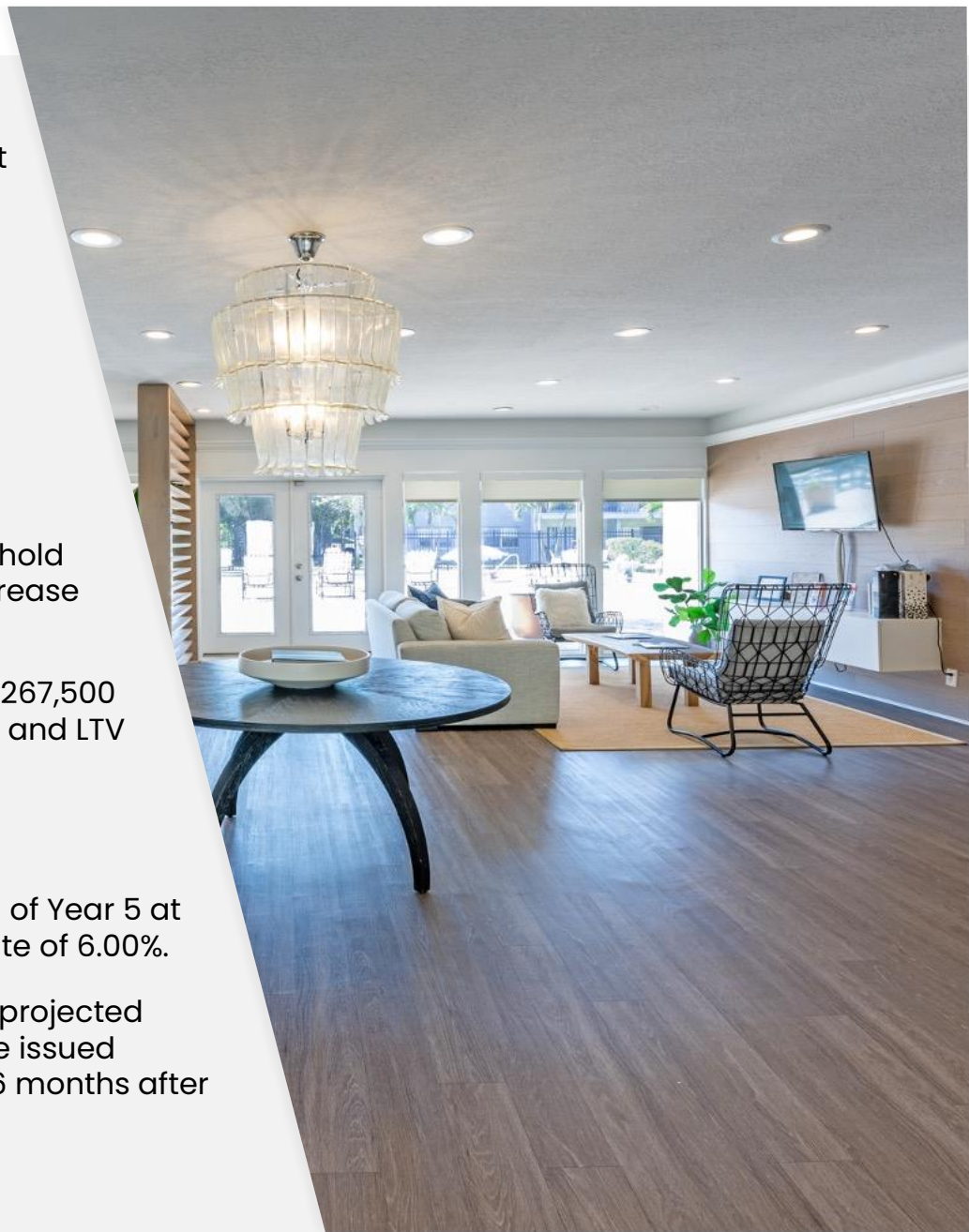
CPI intends to reposition the asset over a projected five-year hold period by executing a value-add program to significantly increase the asset's gross and net operating income ('NOI').

The debt financing includes a Freddie Mac Agency loan of \$9,267,500 at a fixed 6% interest rate with a full-term Interest Only period and LTV of 55%.

All capex will be funded from the total equity raise.

Management expects to position the asset for sale at the end of Year 5 at the end of the loan term of 5 years at an assumed exit CAP rate of 6.00%.

The expected average annualized returns of 21.04% include a projected average cash-on-cash return of 7.76%, with distributions to be issued quarterly. Management expects to issue the first distribution 6 months after closing.



# ACQUISITION SUMMARY

ATLAS AT BAY POINT	
Project Type	Garden-Style Multifamily
Strategy	Value-Add
Units	136
Year of Construction	1972
Purchase Price	\$16,850,000
Purchase Price/ Unit	\$123,897
Purchase Price/ SF	\$157
Current Avg Monthly Rent/ Unit	\$1,376
Average SF/ Unit	787
Current Occupancy	94.9%
Current NOI (T12)	\$922,855
Purchase Cap (T12)	5.89%
Assumed Cap at Exit	6.00%
Expected Closing Date	6/11/2024

EXPECTED DEBT STRUCTURE	
Loan Type	Agency
Loan Proceeds	\$9,267,500
Loan to Value	55%
Interest Rate	5.81%
Term	60 months
Fixed or Variable	Fixed

PROJECTED/ TARGET INVESTOR RETURN ON INVESTMENT	
Expected Hold Period	5 years
IRR*	17.36%
Average Cash-on-Cash*	7.76%
Average Annualized Returns*	21.04%
Equity Multiple*	2.05x
Peak Capital	\$10,513,502
Net Profit	\$11,059,872

\* Projected Limited Partner (LP) Class A Shares.

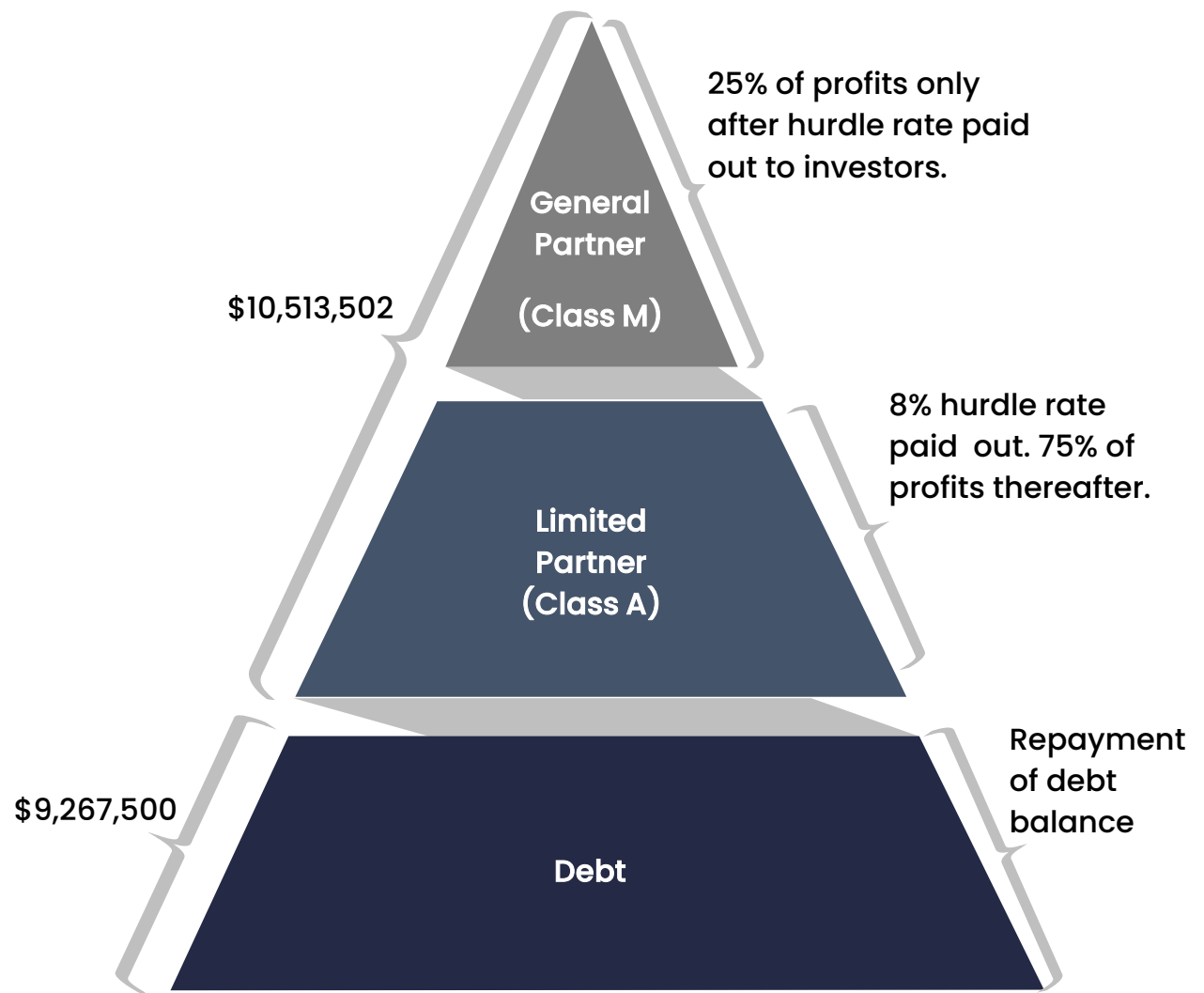
# CAPITAL STACK

## Limited Partner Class A:

In the capital stack diagram, Class A investors hold a subordinate position only to the debt.

Operational cash flow will be distributed quarterly to Class A investors until they have received an 8% cumulative hurdle rate (preferred Return).

Any profits thereafter are shared on a 75/25 basis in favor of the Limited Partners (LP).



# PROJECTED INVESTOR RETURNS



	CLASS A
LP / GP Split	75% / 25%
Hurdle Rate (Preferred Return)	8%
Equity Multiple <i>*Targeted</i>	2.05x
Average Annual Return <i>*Targeted</i>	21.04%
Internal Rate of Return (IRR) <i>*Targeted</i>	17.36%

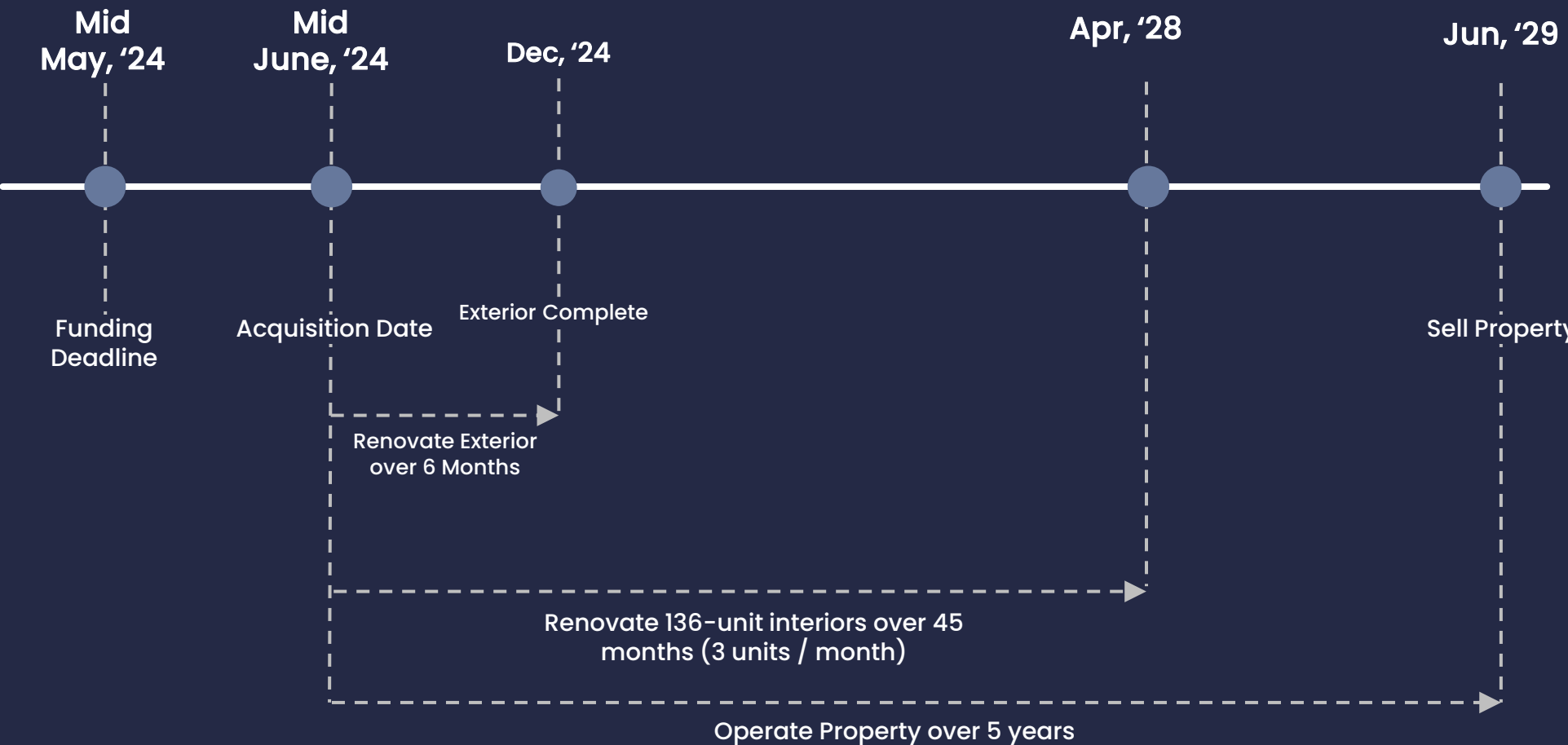
## CASH FLOW ASSUMPTIONS BASED ON \$100,000 INVESTMENT (NET OF FEES)

INVESTOR RETURNS BASED ON \$100,000 INVESTMENT FOR A LIMITED PARTNER CLASS A							
	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investor Annual Percent Return <i>*Targeted</i>		4.7%	7.1%	8.3%	9.5%	9.8%	
Cash Flow <i>*Targeted</i>	-\$100,000	\$4,725	\$7,118	\$8,389	\$9,518	\$9,753	<b>\$39,504</b>
Return from Disposition <i>*Targeted</i>		\$0	\$0	\$0	\$0	\$165,693	<b>\$165,693</b>
<b>Total Return – Limited Partner*</b> <i>*Targeted</i>	<b>-\$100,000</b>	<b>\$4,725</b>	<b>\$7,118</b>	<b>\$8,389</b>	<b>\$9,518</b>	<b>\$175,446</b>	<b>\$205,197</b>

*\*Note:*

- Limited Partner (LP) Class A Shares.
- Preferred returns are cumulative and compounding
- The EM, AAR, IRR, Cash flow & Total Return mentioned above are targeted returns
- A total hold period of 60 months based on the debt term

# ATLAS AT BAY POINT VALUE-ADD PROCESS TIMELINE



*Note: The projected timeline shown constitutes forward-looking information*





# PROPERTY PROFILE

- ✓ Property Overview
- ✓ Property Specifications
- ✓ Unit mix and Amenities
- ✓ Site Plan
- ✓ CPI Wealth Creation Value Add System

# PROPERTY OVERVIEW



## **Prime Location:**

Strategically positioned in South St. Petersburg, providing immediate access to major roadways and key economic hubs and attractions.



## **Unit Composition:**

Concrete block community featuring 136 units, offering diverse one and two-bedroom layouts with an average size of 787 sq. ft.



## **Amenities:**

Well-appointed with a swimming pool, fitness center, clubhouse, playground, and picnic grilling areas, enhancing resident lifestyle.

## **Strategic Business Plan:**

- Currently 95% occupied, showcasing high demand in the market.
- Current rent at \$1,376/unit, with a proforma renovated rent projected at \$1,551/unit, reflecting a 12% increase or a \$175 rent premium.
- Value-add opportunity: Phased renovation plan covering both interior and exterior enhancements to drive Net Operating Income and justify a substantial rental increase.
- Property is meticulously maintained, but replacing the roofs and knee wall for a modern railing along with new paint, landscaping and lighting

## **Additional Features:**

- Private patios available for select units, enhancing resident privacy and comfort.
- Adding Washer Dryer connections and machines to all 2-bedroom units
- Additional Storage Units added to unused maintenance rooms
- Improvement of revenue-enhancing initiatives such as valet trash, internet packages, and insurance programs to further optimize income streams.

*Atlas at Bay Point is not only an attractive investment opportunity with substantial value-add potential and low acquisition basis but also a strategically positioned property with a solid plan for growth and operational improvement.*

# PROPERTY SPECIFICATIONS

## Atlas at Bay Point Garden-Style Multifamily

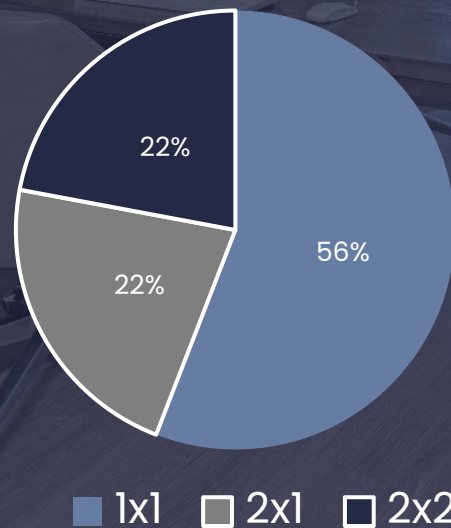
Address	2150 62nd Terrace S, St. Petersburg, FL 33712
Property Name	Atlas at Bay Point (Formerly Villas at Flagler Pointe)
Number of Units	136 units, offering diverse 76 one-bedroom and 60 two-bedroom units
Net Rentable Area	787 square feet on average / 107,048 total rentable square feet
Year of Construction	1972
Land Area	~8.6 acres
Total Building	7
Exterior Walls	Stucco
Foundation	Concrete slab
Framing	Concrete Block
Wiring/ Plumbing/ HVAC	Copper/ PVC and Cast Iron Drainage/ Individual Split Units
Parking	232 total parking space for a parking ratio of 1.71
Project Amenities	swimming pool, fitness center, clubhouse and picnic grilling areas
Unit Amenities & Features	New flooring, Stainless steel appliances, Upgraded fixtures, Contemporary paint scheme, private patio or balcony

# UNIT MIX

Atlas at Bay Point is a 136-unit Garden-Style Multifamily Community

Summary of Unit Mix: Averages			In Place Rent	
Type	Unit Count	SqFt	Average	\$/Sqft
1x1	76	653	\$1,250	\$1.91
2x1	30	927	\$1,480	\$1.60
2x2	30	987	\$1,589	\$1.61
<b>Total/ Average</b>	<b>136</b>	<b>787</b>	<b>\$1,376</b>	<b>\$1.75</b>

Unit Mix



## Unit Features

129 (98%) have Simply Modern Finishes

- LVP and Carpet Flooring
- Full Cabinet Box Replacement
- Replaced Countertops
- Stainless Steel Appliances
- Some Hardware replacements

# AMENITIES



Tranquil Garden



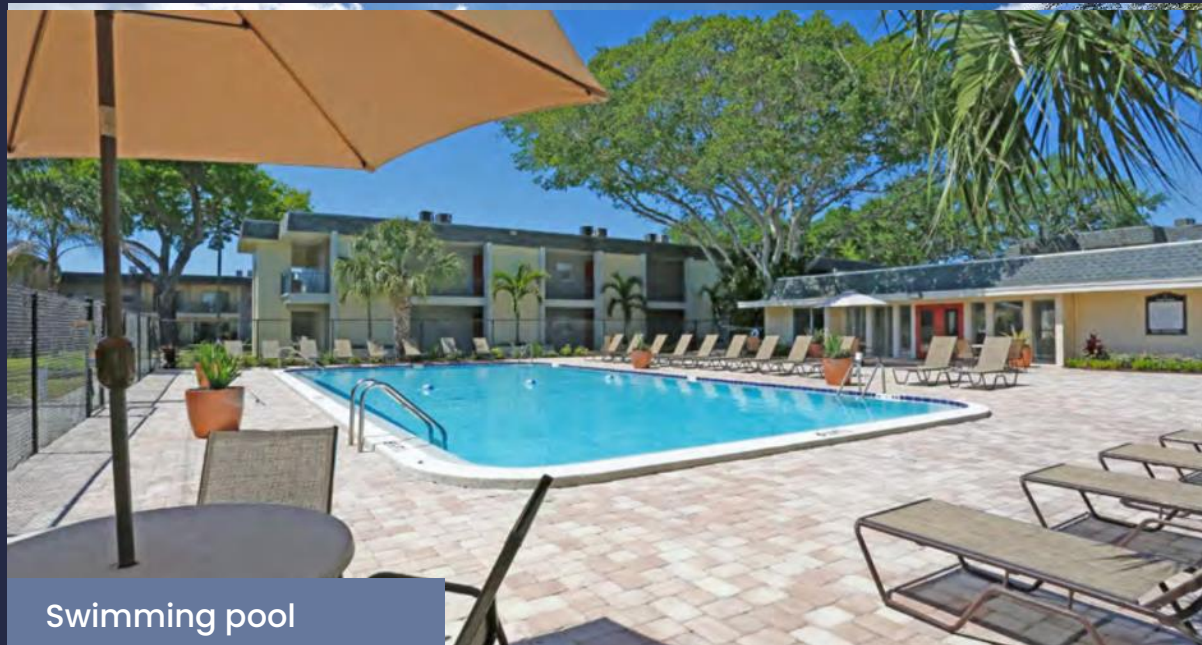
Community Central Leasing Office



Private Patio or Balcony

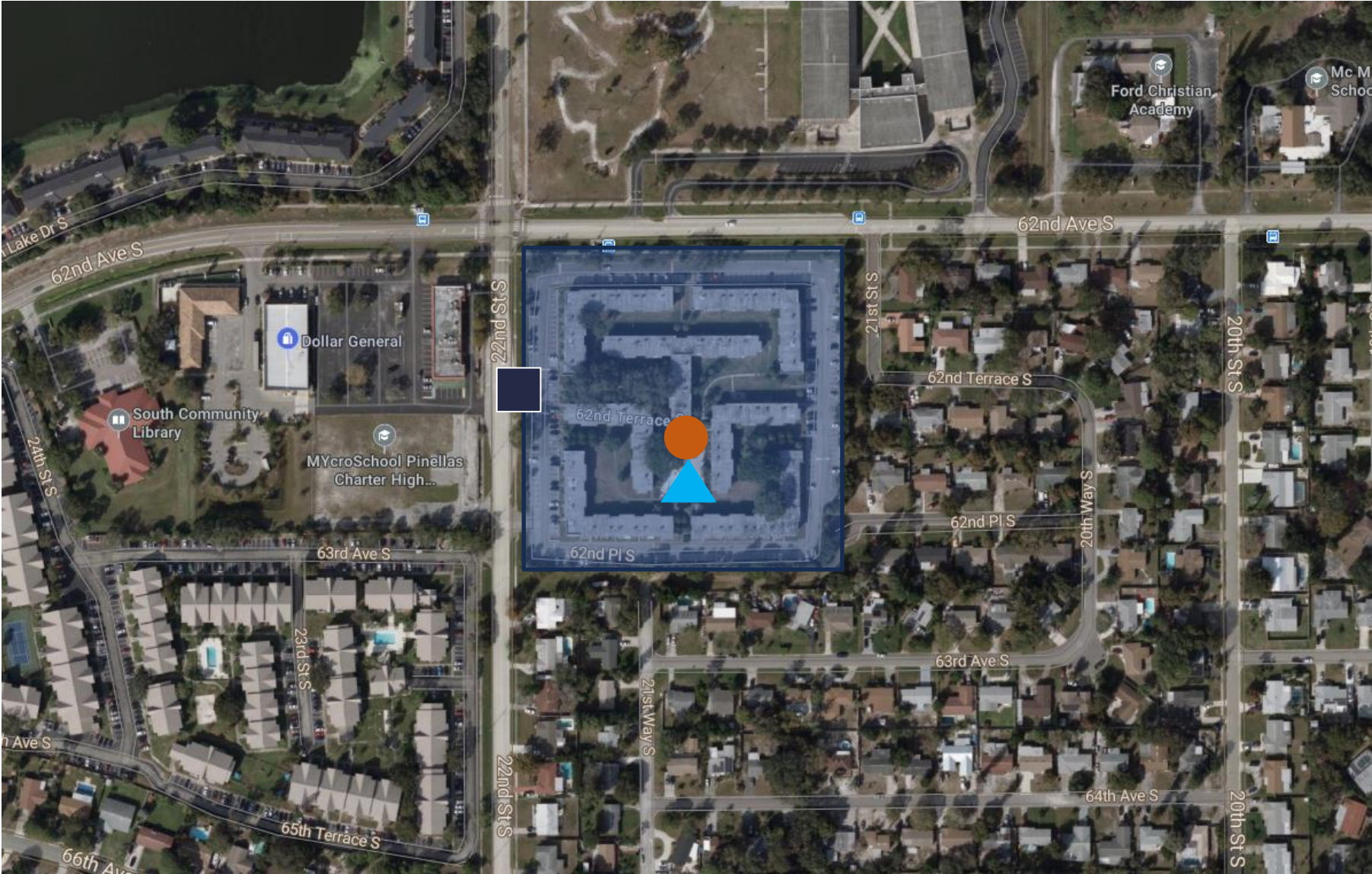


Fitness room



Swimming pool

# SITE PLAN



Entrance



Leasing office/ Gym



Pool

# CPI CAPITAL WEALTH CREATION VALUE ADD SYSTEM

## Proven, Value Add Opportunity

Comparable properties in the market are achieving rent premiums of an average of \$175 across all units, or an average of \$300 premium on the 2-bedrooms greater than at Atlas at Bay Point, providing upside for our ownership.

### OUR PLANNED INTERIOR UPGRADES INCLUDE:

- Installing Ceiling Fans in all bedrooms
- Install Kitchen Backsplash
- Upgrade lighting to LED flat panels in Kitchen, Hallways and Living Rooms
- All new doors and hardware
- All 2-bedroom units will add Washer/Dryer connections and equipment
- Electrical and Plumbing fixtures will be updated

We intend to allocate a modest upgrade budget of \$3,862 per unit for the 136 units, considering their already favorable condition. Anticipating that these enhanced units will command a \$175 rent premium, we expect to contribute a significant added value of \$4,760,000 to the property.

Simply Modern Units



Simply Modern Units



# CPI CAPITAL WEALTH CREATION VALUE ADD SYSTEM

Current Exterior



## Amenity Upgrades

In addition to upgrading the interior of the units at Atlas at Bay Point, we plan to spend **\$1.1 million** on capital project to improve and modernize the amenities and exterior. These include:

- Exterior Paint
- Landscaping improvements
- Monument Signs and rebranding
- Additional Exterior Lighting
- Roof Replacement
- Knee Wall/ Mansard Roof Replacement
- Pool Furniture and additional BBQ Area
- Optimize Laundry Rooms

Exterior Rendition replacing knee wall and added lighting and paint



# CPI CAPITAL WEALTH CREATION VALUE ADD SYSTEM

## Amenity Upgrades

Presently, the property features 7 buildings, each equipped with laundry facilities every floor, totaling 14 laundry rooms. Adjacent to each second-floor laundry room lies an idle maintenance shop, approximately 20' x 12', ripe for conversion into storage space.

With plans to integrate washer dryer connections into all 2-bedroom units, we aim to reconfigure the existing laundry rooms to either expand storage capacity or enhance current facilities.

This additional income stream, not factored into our initial projections, promises to augment cash-on-cash returns and overall property value.

**Optimize the 14 Laundry Rooms**



**Optimize the 7 empty maintenance shops into Storage Units**



# CPI CAPITAL WEALTH CREATION VALUE ADD SYSTEM

## Interior Unit Upgrades

+\$175/unit/month rent premium, Average spend: \$3,862/unit, Budget for 136 units

## Value Add Calculation

$(\$175 * 136 \text{ units} * 12 \text{ mo}) / 6.0\% \text{ cap rate} = \text{\$4,760,000 Added Value!}^*$

## Amenity Enhancements

Capex budget of \$1.1 million for deferred maintenance and amenity enhancements, will complement interior upgrades, further supporting rent increases and enhancing tenant satisfaction. No specific revenue allocation however it supports the overall rent increases specified in interior unit upgrades above.

## Total Value Created from Renovations

**\$4,760,000**

## Other Income Improved over 12 months

- Changing Water & Sewer RUBS to a Utility Fee: \$60 for 1BD, \$80 for 2BD/ unit/ month premium
- Self Storage Units added to the 7 vacant maintenance shop rooms (income not projected in original underwriting)

## Expenses and Operational Improvement over 12 months

- Reducing expenses \$198k/ year

## Value Add Calculation

\$200,000+ additional revenue added

$\$200,000 / 6.0\% \text{ cap rate} = \text{\$3,300,000 Added Value!}^*$

## Total Value Created

**\$8,060,000**

\*Estimated based on assumed exit cap



# FINANCIAL ANALYSIS

- ✓ Debt Financing
- ✓ Sources and Uses
- ✓ Pro Forma Financials
- ✓ Rent Comparables
- ✓ Sales Comparables
- ✓ Occupancy Sensitivity Analysis
- ✓ Cost Segregation
- ✓ Tax Strategy

# DEBT FINANCING

## KEY TERMS FOR DEBT

Loan Type	Agency
Loan Proceeds	\$9,350,000
Index	10-Year Treasury
Index Floor	4.31%
Spread	1.50%
All-In Rate	5.81%
Term	5
Interest Only	60
Amortization	30
Fixed/Floating	Fixed
Prepayment Penalty	YM
Supplemental Financing	Yes
Origination Fee	1.0%
Max LTV/LTC	55%
Min DSCR	1.55x
Replacement Reserves	\$250/u/Year
Amortized Debt Service	\$658,766

CPI Capital is strategically opting for a lower Loan to Value (LTV) ratio of 55% for the acquisition of the Atlas at Bay Point, a decision aligned with our commitment to safeguarding investor capital and maximizing returns.

This conservative approach offers several advantages over higher leverage options.

Firstly, it shields investors' equity capital from market volatility, providing a secure foundation for long-term investment growth.

Secondly, by utilizing the lower LTV, we secure full-term interest-only financing for the 5-year duration, enhancing cash-on-cash returns by deferring principal payments. This not only bolsters investor income streams but also mitigates risk during the holding period.

Moreover, the lower leverage allows for better terms from lenders, including a reduced interest rate spread over the 10-year treasury, further enhancing overall investment performance.

While higher leverage options may offer speculative potential for increased Internal Rate of Return (IRR) and Averaged Annualized Returns (AAR), the emphasis here is on safeguarding investor equity and maximizing cash-on-cash returns.

By prioritizing capital protection and sustainable income generation, we present an attractive investment opportunity at the Atlas at Bay Point, offering investors a compelling blend of stability, income, and long-term growth potential.

# SOURCES AND USES

## Sources of Cash

Senior Debt	\$9,267,500	46.9%
GP Equity	\$1,051,350	5.3%
LP Equity	\$9,462,152	47.8%
<b>Total</b>	<b>\$19,781,002</b>	<b>100.0%</b>

## Uses of Cash

Purchase Price	\$16,850,000	85.2%
Financing Fee	\$92,675	0.5%
Closing Costs	\$421,250	2.1%
Acquisition Fee	\$337,000	1.7%
Interior Capex	\$525,195	2.7%
Exterior & Other Capex	\$1,143,100	5.8%
Cash Reserves - 4 months of Opex	\$411,782	2.1%
<b>Total</b>	<b>\$19,781,002</b>	<b>100.0%</b>

# PRO FORMA FINANCIALS – GROWTH ASSUMPTIONS

Economic Loss – Percentage of GPR						
	T12	Year 1	Year 2	Year 3	Year 4	Year 5
Loss to Lease	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Physical Vacancy	4.0%	6.7%	7.0%	5.8%	5.8%	5.8%
Renovation Vacancy		2.0%	2.1%	2.0%	1.7%	0.0%
Concessions	0.2%	0.7%	0.7%	0.7%	0.7%	0.7%
Non-Revenue Units	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection Loss	3.7%	0.5%	0.5%	0.5%	0.5%	0.5%
<b>Total Economic Loss</b>	<b>3.7%</b>	<b>9.9%</b>	<b>10.3%</b>	<b>9.1%</b>	<b>8.7%</b>	<b>7.0%</b>

Income & Expenses						
		Year 1	Year 2	Year 3	Year 4	Year 5
Income & Expenses	Organic Rent Growth	1.5%	3.0%	3.0%	3.0%	3.0%
	Other Income	2.0%	2.0%	2.0%	2.0%	2.0%
	Expenses	0.0%	2.5%	2.5%	2.5%	2.5%
	Repair & Maintenance	0.0%	2.5%	2.5%	2.5%	2.5%
	Payroll	0.0%	2.5%	2.5%	2.5%	2.5%
	Insurance	0.0%	2.5%	2.5%	2.5%	2.5%
	Real Estate Taxes	0.0%	5.0%	5.0%	5.0%	5.0%

# PRO FORMA FINANCIALS – PROFORMA & INCOME

Other Income Per Unit						
	T12	Year 1	Year 2	Year 3	Year 4	Year 5
Misc and Fee Income	818	122	125	127	130	132
Valet Trash Income	350	379	387	395	403	411
Internet	414	612	624	637	649	662
Utility (RUBS) Income	659					
Flat Fee 1 Bed Utility - \$60		337	749	764	779	795
Flat Fee 2 Bed Utility - \$80		449	999	1019	1039	1060
Pet Rent	77	24	25	25	26	26
Pest Control		61	62	64	65	66
W/D Units - incl in rent		0	0	0	0	0
Laundry	76	36	36	37	38	39
<b>Total Other Income</b>	<b>2,394</b>	<b>2,021</b>	<b>3,008</b>	<b>3,068</b>	<b>3,129</b>	<b>3,192</b>
<b>YoY % Change</b>		<b>-18%</b>	<b>33%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>
<b>Percentage of GPR</b>	<b>15%</b>	<b>12%</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>15%</b>

Pro Forma Summary						
	T12	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Gross Potential Rent</b>	<b>2,182,593</b>	<b>2,307,929</b>	<b>2,455,731</b>	<b>2,610,891</b>	<b>2,772,761</b>	<b>2,891,164</b>
YoY % Increase		5%	6%	6%	6%	4%
Economic Loss	(81,294)	(229,548)	(253,994)	(236,983)	(241,465)	(201,977)
Other Income	325,636	274,804	409,060	417,242	425,586	434,098
<b>Effective Gross Income</b>	<b>2,426,935</b>	<b>2,353,185</b>	<b>2,610,798</b>	<b>2,791,149</b>	<b>2,956,883</b>	<b>3,123,285</b>
YoY % Increase		-3%	10%	6%	6%	5%
Controllable Operating Expenses	(512,035)	(447,032)	(458,208)	(469,663)	(481,405)	(493,440)
Uncontrollable Operating Expenses	(922,045)	(788,315)	(775,374)	(805,237)	(835,625)	(867,038)
<b>Net Operating Income</b>	<b>992,855</b>	<b>1,117,838</b>	<b>1,377,216</b>	<b>1,516,249</b>	<b>1,639,853</b>	<b>1,762,808</b>
YoY % Increase		11%	19%	9%	8%	7%
<b>Total CapEx</b>		(1,270,537)	(139,022)	(139,022)	(119,714)	0

# PRO FORMA FINANCIALS – EXPENSES

Operating Expenses Per Unit						
	T12	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Controllable</b>						
Repair & Maintenance	401	425	436	447	458	469
Contract Services	364	455	466	478	490	502
Turnover / Make-Ready	327	150	154	158	162	166
Landscaping / Grounds	208	0	0	0	0	0
Payroll	1,617	1,676	1,718	1,761	1,805	1,850
Marketing / Advertising	226	370	379	389	398	408
Leasing Commissions	0	0	0	0	0	0
General & Administrative	621	211	216	222	227	233
<b>Uncontrollable</b>						
Electricity	250	201	206	211	216	222
Water & Sewer	1,012	969	993	1,018	1,044	1,070
Other Utilities	802	314	322	330	338	347
Property Management Fee	630	519	576	616	652	689
Insurance	2,491	1,825	1,538	1,576	1,615	1,656
Real Estate Taxes	1,596	1,968	2,067	2,170	2,279	2,393
<b>Total Operating Expenses</b>	<b>10,545</b>	<b>9,083</b>	<b>9,070</b>	<b>9,374</b>	<b>9,684</b>	<b>10,004</b>
<b>YoY % Change</b>		<b>-16%</b>	<b>0%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
<b>Operating Expense Ratio</b>	<b>59%</b>	<b>52%</b>	<b>47%</b>	<b>46%</b>	<b>45%</b>	<b>44%</b>

# PRO FORMA FINANCIALS – NOI & LEVERAGE

Net Operating Income					
	Year 1	Year 2	Year 3	Year 4	Year 5
NOI	1,117,838	1,377,216	1,516,249	1,639,853	1,762,808
Per Unit	8,219	10,127	11,149	12,058	12,962
Cap Rate at Purchase Price	6.63%	8.17%	9.00%	9.73%	10.46%
Cap Rate Valuation Value	20,324,330	24,593,149	26,600,861	28,273,326	29,878,094
<b>10 BPS/Yr Escalator</b>	<b>5.50%</b>	5.60%	5.70%	5.80%	5.90%
<b>Value at 5.00% Cap Rate</b>	22,356,763	27,544,327	30,324,981	32,797,058	35,256,151
<b>Value at 6.00% Cap Rate</b>	18,630,636	22,953,606	25,270,818	27,330,882	29,380,126
<b>Value at 7.00% Cap Rate</b>	15,969,117	19,674,519	21,660,701	23,426,470	25,182,965

Leverage					
	Year 1	Year 2	Year 3	Year 4	Year 5
Senior Loan	550,490	550,490	550,490	550,490	550,490
Asset Management Fee	70,596	78,324	83,734	88,706	85,890
Levered Cash Flow	496,753	748,403	882,025	1,000,657	20,744,126
Levered Cash on Cash Return	4.72%	7.12%	8.39%	9.52%	10.71%

Performance Metrics					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cap Rate on Purchase Price	6.63%	8.17%	9.00%	9.73%	10.46%
Senior Loan – DSCR	2.03x	2.50x	2.75x	2.98x	3.20x
Senior – Debt Yield	12.2%	15.0%	16.5%	17.9%	19.2%
Yield on Cost	5.65%	6.96%	7.67%	8.29%	8.91%
Gross Rent Multiplier	7.30	6.86	6.45	6.08	5.83
Development Spread	0.15%	1.46%	2.17%	2.79%	3.41%
Breakeven Occupancy Rate	79%	71%	68%	66%	64%

# RENT COMPARABLES- 1- & 2-BEDROOM APARTMENTS

1 Bedroom								
Property Name	Finish Level	Occupancy	Year Built	Units	Distance	SQ FT	Rent	Rent/SQ FT
Flagler Point Apartments	simply modern	90.2%	1973/2019	125	0.50	720	1,537	2.13
Flagler Point Apartments	simply modern	90.2%	1973/2019	129	0.50	525	1,475	2.81
Flagler Point Apartments	unrenovated	90.2%	1973/2019	125	0.50	720	1,475	2.05
Osprey Pointe	renovated	91.6%	1971/2000	214	0.90	764	1,400	1.83
Atlas at Bay Point	Market Rent	93.4%	1972/1999	76		653	1,350	2.07
St. Charles Row	Average asking	98.6%	1970/2016	71	1.20	702	1,345	1.92
The Morgan	Average asking	87.5%	1972/2015	48	1.10	680	1,330	1.96
The Morgan	Average asking	88.3%	1972/2015	60	1.10	663	1,325	2.00
Osprey Pointe	simply modern	91.6%	1971/2000	214	0.90	764	1,325	1.73
Atlas at Bay Point	last 90 days leases	93.4%	1972/1999	76		653	1,315	2.01
St. Charles Row	Average asking	98.5%	1970/2016	67	1.20	623	1,280	2.05
Flagler Point Apartments	unrenovated	90.2%	1973/2019	129	0.50	525	1,275	2.43
Enclave at Sabal Pointe	Average asking	94.6%	1973	93	0.54	870	1,270	1.46
Atlas at Bay Point	Average in place	93.4%	1972/1999	76		653	1,250	1.91
St. Charles Row	Average asking	98.5%	1970/2016	67	1.20	662	1,250	1.89
Osprey Pointe	unrenovated	91.6%	1971/2000	214	0.90	764	1,250	1.64
Reserve at Lake Point	Average asking	95.3%	1983/2015	275	0.90	790	1,195	1.51
Average		92.8%	1973	121	0.85	690	1,332	1.97
Atlas at Bay Point Proforma		93.4%	1972	76	-	653	1,350	2.07
Atlas at Bay Point In-Place		93.4%	1972	76	-	653	1,250	1.91

2 Bedroom								
Property Name	Finish Level	Occupancy	Year Built	Units	Distance	SQ FT	Rent	Rent/SQ FT
Flagler Point Apartments	simply modern	95.4%	1973/2019	104	0.50	975	1,950	2.00
Atlas at Bay Point	Market Rent	96.7%	1972/1999	60		987	1,950	1.98
The Morgan	Average asking	95.4%	1972/2015	88	1.10	1302	1,875	1.44
Atlas at Bay Point	Market Rent	96.7%	1972/1999	60		927	1,825	1.97
Enclave at Sabal Pointe	simply modern	89.2%	1973	111	0.60	1400	1,795	1.28
Enclave at Sabal Pointe	simply modern	89.2%	1973	111	0.60	1200	1,755	1.46
Flagler Point Apartments	unrenovated	95.4%	1973/2019	104	0.50	975	1,750	1.79
Reserve at Lake Point	Average asking	94.6%	1983/2015	481	0.90	1250	1,735	1.39
The Morgan	Average asking	95.8%	1972/2015	24	1.10	1200	1,675	1.40
Enclave at Sabal Pointe	unrenovated	89.2%	1973	111	0.60	1200	1,625	1.35
St. Charles Row	Average asking	98.3%	1970/2016	59	1.20	906	1,625	1.79
The Morgan	Average asking	100.0%	1972/2015	18	1.10	1062	1,600	1.51
Atlas at Bay Point	average in place	96.7%	1972/1999	60		987	1,589	1.61
Atlas at Bay Point	last 90 day leases	96.7%	1972/1999	60		987	1,577	1.60
St. Charles Row	Average asking	98.0%	1970/2016	51	1.20	802	1,525	1.90
Osprey Pointe	renovated	91.8%	1971/2000	244	0.90	1017	1,515	1.49
Atlas at Bay Point	average in place	96.7%	1972/1999	60		927	1,480	1.60
Osprey Pointe	unrenovated	91.8%	1971/2000	244	0.90	1017	1,415	1.39
Atlas at Bay Point	last 90 day leases	96.7%	1972/1999	60		927	1,413	1.52
Average		95.0%	1973	111	0.86	1055	1,667	1.60
Atlas at Bay Point Proforma		96.7%	1972	60	-	957	1,805	1.89
Atlas at Bay Point In-Place		96.7%	1972	60	-	957	1,535	1.60

# RENT GROWTH AND AFFORDABILITY

The Property's proforma rents represent a \$175/month premium to the current in-place rents, or a 12.7% increase.  
Washer Dryer Premiums included in the 2-bedroom monthly rent

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6			
<b>AVG \$ / SF</b>	\$1.80	\$1.91	\$2.03	\$2.16	\$2.25	\$2.32			
<b>AVG Effective Rent (132 Units)</b>	\$1,414	\$1,505	\$1,600	\$1,699	\$1,772	\$1,825			

## Unit Mix Summary

Bed	Bath	Units	SF	In-Place \$	\$/SF	Market	Δ Market	Proforma	\$/SF	Δ In-Place	Rent Premium
1	1	2	653	1	\$1.88	1,202	-2.0%	\$1,350	\$2.07	10.07%	\$124
1	1	74	653	1	1.91	1,267	1.3%	\$1,350	\$2.07	7.96%	\$100
2	1	3	927	2	1.60	1,558	4.7%	\$1,775	\$1.91	19.61%	\$291
2	1	27	927	2	1.60	1,655	10.6%	\$1,775	\$1.91	19.94%	\$295
2	2	2	987	2	1.48	1,636	11.0%	\$1,835	\$1.86	26.03%	\$379
2	2	28	987	2	1.62	1,724	7.3%	\$1,835	\$1.86	14.76%	\$236
<b>Total/AVG</b>		<b>136</b>	<b>787</b>	<b>Total/AVG</b>	<b>\$1.75</b>		<b>\$1.449</b>	<b>\$1,551</b>	<b>\$1.97</b>	<b>12.73%</b>	<b>\$175</b>

## Affordability Test

1-Mile Median HH Income	<b>\$57,469</b>
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Affordability Test	33.00%	Rent / Income Ratio
	Max Rent	
	\$1,580	3.0x
Average In-Place Lease Rent	\$1,376	3.5x
Average Pro Forma Rent	\$1,551	3.1x
Average Rent in Year 3	\$1,600	3.0x
Average Rent in Year 5	\$1,772	2.7x

# SALE COMPARABLES

Sale Comps								
Property Name	Submarket	Year Built	Costar Rating	Units	Distance	Sale Date	Sale Price	Price/Unit
Aaron Lake Apartments	Bradenton	1986	3	100	17.51	May 2022	23,014,870	230,149
Landings at Crystal Grove	Bradenton	1971	3	234	17.74	Jun 2022	24,175,200	103,313
The Boulevard	Bradenton	1975	3	92	18.07	Jun 2022	17,400,000	189,130
The Monarch	South Clearwater	1966	3	68	18.13	Jun 2022	12,350,000	181,618
Clear Bay Terrace Apartments	North Clearwater	1983	2	100	20.43	Jun 2022	13,580,000	135,800
Cortez Plaza	Bradenton	1973	2	84	18.31	Jul 2022	12,500,000	148,810
VillaDova Apartments	Fossil Park	1970	2	88	9.10	Sep 2022	12,034,000	136,750
Preserve at Manatee Bay	Bradenton	1985	3	152	16.41	Sep 2022	33,500,000	220,395
Sand Cove Apartments	St Pete Beach	1973	2	72	4.67	Sep 2022	22,000,000	305,556
Arbor Flats Apartments	Sun Bay South	1983	3	80	14.38	Apr 2023	17,090,400	213,630
Manhattan Flats	Beach Park	1967	3	78	18.39	Apr 2023	16,663,100	213,629
The Oaks at Ellenton	Palmetto/Ellenton	1996	3	168	15.03	Apr 2023	25,914,031	154,250
Flagler Pointe Apartments	St Pete Beach	1973	3	416	0.1	Nov 2023	70,300,000	168,990
Lofts at Rivers Edge	Riverfront	1964	2	135	20.60	Jan 2024	23,049,900	170,740
Oasis at Bayside East	Inner Central Peninsula	1984	3	104	13.48	Mar 2024	17,500,000	168,269
Average		1973	3	131	15		22,738,100	182,735
Atlas at Bay Point		1972	3	136			16,850,000	123,897

# SENSITIVITY ANALYSIS

AAR is projected at 21.0% over a 5-year hold period at an exit cap of 6% with a downturn scenario of 10.7% with short hold period and expanded exit cap rate pricing, to a potential upside of 25.7% with longer hold period and high valuation environment.

If rent growth is constant year over year, the bottom table represents the Average annual return showing a weak growth rate of 1% YoY and expanded exit cap rate pricing to a potential upside of 39.06% with strong rent growth and high valuation environment.

Limited Partner – IRR / AAR/ EM / CoC											
Hold Period – Months											
		36		48		60		72		84	
Exit Cap Rate	5.00%	26.0% / 30.9% /6.5% / 1.9x		23.5% / 29.8% /7.0% / 2.2x		21.9% / 29.3% /7.8% / 2.5x		19.9% / 27.2% /8.1% / 2.6x		18.4% / 25.7% /8.4% / 2.8x	
	5.50%	21.5% / 24.5% /6.5% / 1.7x		20.4% / 24.6% /7.0% / 2.0x		19.5% / 24.8% /7.8% / 2.2x		18.0% / 23.3% /8.1% / 2.4x		16.8% / 22.3% /8.4% / 2.6x	
	6.00%	17.5% / 19.1% /6.5% / 1.6x		17.5% / 20.2% /7.0% / 1.8x		17.4% / 21.0% /7.8% / 2.1x		16.3% / 20.1% /8.1% / 2.2x		15.4% / 19.5% /8.4% / 2.4x	
	6.50%	13.8% / 14.6% /6.5% / 1.4x		14.9% / 16.6% /7.0% / 1.7x		15.4% / 17.9% /7.8% / 1.9x		14.7% / 17.4% /8.1% / 2.0x		14.2% / 17.1% /8.4% / 2.2x	
	7.00%	10.5% / 10.7% /6.5% / 1.3x		12.6% / 13.4% /7.0% / 1.5x		13.6% / 15.2% /7.8% / 1.8x		13.3% / 15.1% /8.1% / 1.9x		13.0% / 15.1% /8.4% / 2.1x	

Limited partner AAR						
Rent Growth Year over Year						
Exit Cap Rate		1.00%	2.00%	3.00%	4.00%	5.00%
	5.00%	22.68%	26.54%	30.56%	34.73%	39.06%
	5.50%	18.73%	22.29%	25.98%	29.82%	33.80%
	6.00%	15.44%	18.74%	22.17%	25.72%	29.41%
	6.50%	12.66%	15.74%	18.94%	22.25%	25.70%
	7.00%	10.27%	13.17%	16.17%	19.28%	22.52%

NOI Stress					
	Worst Case	Suboptimal	Base Scenario	Optimal	Best Case
NOI at Sale	991,579	1,322,106	1,762,808	2,203,509	2,754,387
Exit Cap Rate	6.00%	6.00%	6.00%	6.00%	6.00%
Sale Price	16,526,321	22,035,095	29,380,126	36,725,158	45,906,447

# COST SEGREGATION

Property Type	1-3 Story Apartment Building
Purchase Price	\$16,850,000
Placed in Service Date	6/28/2024
Depreciable Years	27.5
Total Depreciable Value: (Net of Land)	
\$14,322,500	



## Without Cost Segregation

With the standard method, you claim an even amount of depreciation annually over the depreciable life of the property, offering you just a small benefit yearly.

First year savings:  
**\$282,153**

Total 6-year savings:  
**\$2,885,984**



## 1-6 Year Method

Cost-seg gives you the option to collect your depreciation over a shorter period of time for select assets. Instead of waiting the total depreciable time, you claim it as a deduction over the first 6 years.

First year savings:  
**\$582,239**

Total 6-year savings:  
**\$5,562,049**



## First-Year 60% Method

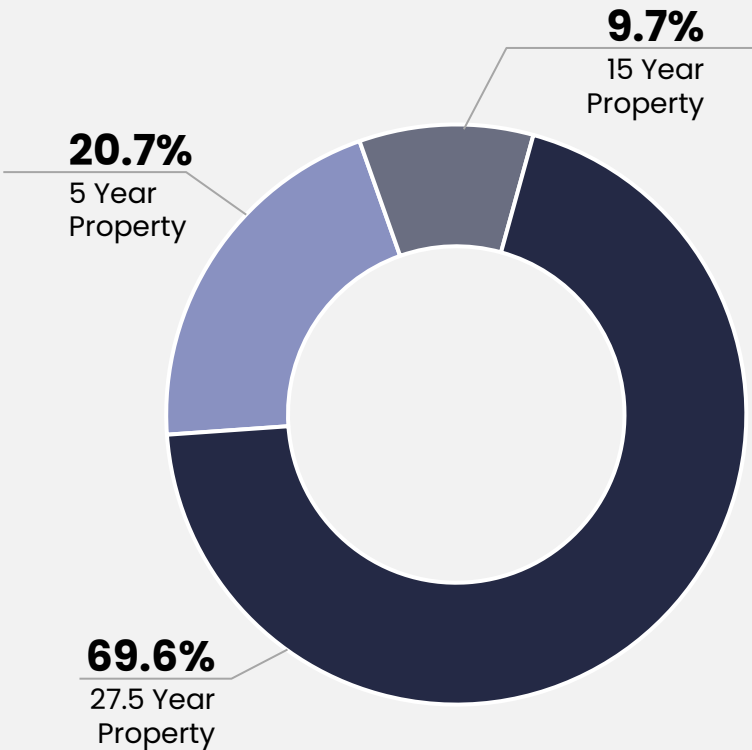
For many, the best way to maximize cash flow is to use the first-year Bonus method: claim 60% of your depreciation for select assets in the first year, allowing all unused depreciation to carry forward to following years.

First year savings:  
**\$2,960,946**

Total 6-year savings:  
**\$6,040,638**

BONUS METHOD

Your Assets which can be Reclassified for Cost Segregation:



# PROPERTY TAX STRATEGY

In Florida where only real property is subject to transfer tax, a strategic approach is employed to separate taxable and non-taxable assets in compliance with IRS, FASB, SEC, and state law regulations. This ensures that only the real property component of an asset is taxed during a sale. By implementing this strategy before closing, the deed is not "over stamped," leading to cost savings for the seller. The benefits extend to the buyer, who gains a stepped-down basis for property tax assessments going forward. This strategy, seamlessly integrated into the normal transaction process, reduces pass-through expenses, enhances leasing, increases cash flow certainty, and minimizes investment risk. The impact is particularly significant in states where intangibles are not taxable.

Property Tax Forecast						
Traditional Underwriting	2024	2025	2026	2027	2028	2029
Assessment	\$11,300,000	\$14,251,865	\$15,249,496	\$16,316,961	\$17,459,148	\$18,681,288
Tax Rate (Millage)	0.01986366	0.01986863	0.01987360	0.01987857	0.01988354	0.01988851
Ad Valorem Tax	\$224,459	\$283,165	\$303,062	\$324,358	\$347,150	\$371,543
RealAdvice Strategy	2024	2025	2026	2027	2028	2029
Assessment	\$11,300,000	\$11,184,300	\$11,967,201	\$12,804,905	\$13,701,248	14660335
Tax Rate (Millage)	0.01986366	0.01986863	0.0198736	0.01987857	0.01988354	0.01988851
Ad Valorem Tax	\$224,459	\$222,217	\$237,831	\$254,543	\$272,429	\$291,572
<b>Estimated Tax Savings*</b>		<b>\$60,948</b>	<b>\$65,231</b>	<b>\$69,815</b>	<b>\$74,720</b>	<b>\$79,971</b>
					<b>NPV of Estimated Savings</b>	<b>\$350,685</b>
					<b>Implied Year 1 Asset Value Enhancement</b>	<b>\$649,765</b>

Limited Partner Returns**	Without Strategy (Current Underwriting)	With Strategy
IRR	17.36%	18.3%
Average Cash-on-Cash	7.8%	8.29%
Average Annualized Returns	21.04%	22.14%
Equity Multiple	2.05x	2.11x

\*Preliminary estimates, final appraisal values may change each year.

\*\*Projected Limited Partner (LP) Class A Shares.



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# REAL ESTATE TERMS & DEFINITIONS

**Capitalization Rate (Cap Rate)** – A rate of return on a real estate investment property based on the expected income that the property will generate. Capitalization rate is used to estimate the investor's potential return on his or her investment. This is done by dividing the income the property will generate (after fixed costs and variable costs) by the total value of the property.

When acquiring income property, the higher the capitalization rate ("Cap Rate"), the better.

When selling income property, the lower the Cap Rate the better.

A higher cap rate implies a lower price, a lower cap rate implies a higher price.

**Cash Flow** – Cash generated from the operations of a company, generally defined as revenues less all operating expenses.

**Cash-on-Cash** – A rate of return often used in real estate transactions. The calculation determines the cash income on the cash invested. Calculated as:  $\text{Annual Dollar Income Return} / \text{Total Equity Invested} = \text{Cash-on-Cash}$

**Debt Service Coverage Ratio (DSCR)** – It is the multiples of cash flow available to meet annual interest and principal payments on debt. This ratio should ideally be over 1. That would mean the property is generating enough income to pay its debt obligations.

**Hurdle rate** – also known as a preferred return, is the minimum rate of return that investors, especially limited partners, expect to receive before the general partners can share in the profits of an investment. It serves as a benchmark to ensure that investors receive a predetermined level of return on their investment before additional profits are distributed.

**Investor Average Annual Return, excluding disposition** – The average return per year during the investment hold. This calculation does not include the return of invested capital.

**Investor Average Annual Return, including disposition** – The average return per year including profits from disposition.

**Internal Rate of Return (IRR)** – The rate of return that would make the present value of future cash flows plus the final market value of an investment opportunity equal the current market price of the investment or opportunity. The higher a project's internal rate of return, the more desirable it is to undertake the project.

**Return on Equity (ROE)** – The amount of net income returned as a percentage of shareholders equity. ROE is expressed as a percentage and calculated as:  $\text{Return on Equity} = \text{Net Income} / \text{Shareholder's Equity}$



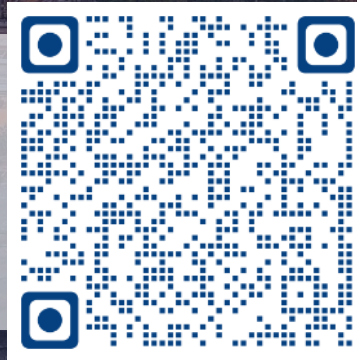
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