

Acquisition - October 2015

Lost Creek was the second acquisition for Lighthouse Partners, LLC



Acquisition Highlights

65 units built in 2004

Infill location just South of DFW Airport and adjacent to the Great Southwest Industrial Park

Prior owner completed an exterior renovation program and proved out the interior upgrade premium on 10% of the units.

Diverse resident employment base created stability at the property and no major dependence on one industry/employer

Lack of new construction in the Grand Prairie submarket reduced pressure on occupancy

Acquisition price represented a significant discount to both construction cost and recent comparable sales

Lighthouse assumed the existing fixed-rate Fannie may financing, but amortization will limit distributions

Disposition - December 2018

Lost Creek sold in December 2018 and exceeded our underwritten returns



Performance Highlights

Completed approximately \$200,000 in value-add improvements including 42 interior renovations with an average rent increase of \$173

Installed a new pet park, outdoor kitchen and four private yards

Increased Revenue 23.14% and Net Operating Income by 17.02%. Overall Operating Expenses were reduced compared to prior owner, with the exception of Real Estate Taxes, which increased.

Consistently achieved some of the highest rents in the submarket, even though the majority of our competition were large, institutional properties

Disposed of asset after 3 years

Realized a 23.28% XIRR and a 1.91 Multiple of Capital.

13.80% of investor capital returned through distributions and amortization