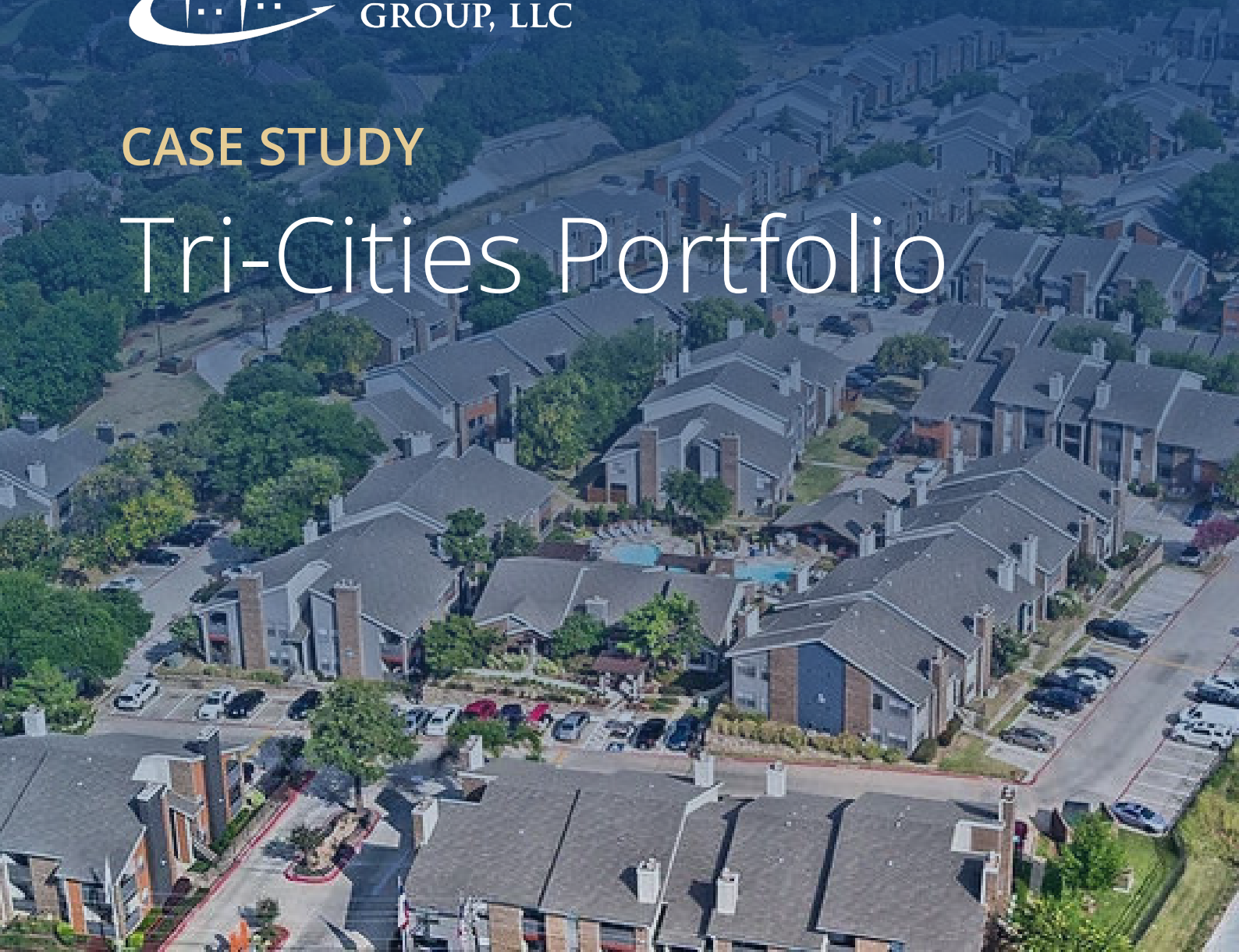




CASE STUDY

Tri-Cities Portfolio



Tri-Cities Portfolio

The “Tri-Cities” Portfolio initially consisted of 4 assets: Allandale Falls, Brandy Mill, Cross Creek, and Landings on Silverlake. These properties make up 925 units, all located within 13 miles of each other in the Tri-Cities region of Tennessee. The properties are “B” and “C” class assets for the area. ValCap purchased these four properties in 2014 and has since more than doubled the value of the each property.

ValCap discovered a niche market in Kingsport, TN and executed greatly at implementing a value-add business plan. The entire portfolio was brought up to ValCap standards within 18 months of ownership on both the physical and operational models. ValCap has refinanced the initial equity out of the deal twice over during the 9 year hold period, and the portfolio still generates double digit cash-on-cash annualized returns for its investors today.

ValCap increased it’s stake in the region by adding Willow Run, Promise Landing, Bradley Hills Apartments and a 10 acre piece of land across the street from Bradley Hills for a 228-unit development.

These acquisitions were made throughout 2021 and 2022. Bradley Hills has already experienced a full cash-out refinance in less than 18 months of ownership. The construction across the street is set to break ground in October, 2023.



Acquisition

Purchase Date:	May 2014
Purchase Price:	\$ 42,000,000
Equity:	\$ 7,560,000
NOI at Purchase ^(a) :	\$ 3,292,915

Valuation (current)

Current NOI ^(b) :	\$6,360,148
Current Value ^(c) :	\$106,002,468

- a. August 2012 T12
- b. June 2023 T12
- c. At a 6.0% cap rate





BRANDY MILL
apartment homes

Allandale
Falls
APARTMENT HOMES

CROSSCREEK
APARTMENT HOMES

THE LANDINGS
ON SILVER LAKE
-APARTMENT HOMES-