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## INVESTMENT SUMMARY

# HORIZON APARTMENTS

204-Unit Apartment Community | San Antonio, TX

506C For Accredited investors only



# Agenda

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- 1 Executive Summary
- 2 Sponsor Team
- 3 Property & Market Overview
- 4 Business Plan
- 5 Underwriting
- 6 How To Invest With Us

presented by



# Disclaimer

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# SPONSOR TEAM

Horizon Apartments



# Sponsors: Texas Valley Group and Massive Capital



**Jose Ignacio Merino**

- Managing partner with Texas Valley Group
- Co-sponsored 600+ units across San Antonio, McAllen, and Houston since 2021
- Graduated in Business administration with Bachelor in Finance and a Senior Management Program, Jose has focused most of his career on Real Estate development, creating more than US\$45 million in revenue in several projects.
- 17 years of experience both as a general partner and as an investor in different Real Estate asset classes.



**Sanjay Aggarwal**

- Principal at Massive Capital with 6+ years as active investor across asset classes (Land/SFR/Commercial/Multifamily).
- Co Sponsored 1000+ units across Texas with exit of 800+ units.
- 10+ Years in Fortune 50 Companies (Capital One/ Barclays) with numerous leadership roles in Portfolio and Strategy and Vendor Relationship.
- MBA from Booth School of Business (University of Chicago) and Masters in Mechanical Engineering from University of Central Florida



**Jose Pablo Martinez**

- Managing partner with Texas Valley Group with 6+ years of experience as active investor and developer across asset classes (Industrial, Multifamily, Residential)
- Co-sponsored 600+ units across San Antonio, McAllen, and Houston since 2021
- 10+ years in large infrastructure projects with a track record of more than \$5B in secured financing, as well as residential development and construction in Mexico and the USA with 10+ successful exits.
- Bachelor in Finance from the Universidad Iberoamericana in Mexico City



**Shahriar Khan**

- Principal at Massive Capital with 4+ years as active investor purchasing over 180+ properties across asset classes (Land/SFR/Commercial/Multifamily).
- Co-Sponsor for 262 Units across 3 properties in Q1 2022.
- 13+ years in Fortune 10 Company (Royal Dutch Shell) with numerous leadership roles in Engineering, Corporate Planning, Portfolio Strategy and Business Unit Finance Manager (CFO) looking over XX bln of Portfolio value.
- MBA from Jones School of Business (Rice University) and Undergraduate in Electrical Engineering from Prairie View A&M University



**Vinicius Ramos**

- Managing partner with Texas Valley Group
- Co-sponsored 600+ units across San Antonio, McAllen, and Houston since 2021
- He has focused his experience on scaling operations using digital transformation and go-to-market distribution strategies and has managed operations of US\$45M+ year revenue.
- Graduated in Business Administration and with 16 years of experience in several industries, he has held positions in Brazil, Mexico, and the USA as Country Manager, New Business, and Managing director for large corporations.



**Mike Bailey**

- Principal at Massive Capital with 20+ years as Active Investor across asset classes (Land/SFR/Commercial/Multifamily).
- Co-Sponsored 300+ units across in Houston and Dallas market since 2021
- 30+ years in Fortune 10 Company (Conoco Phillips) with numerous leadership roles in Upstream Engineering managing project across multiple counties, Corporate Capital Strategy and Vendor Relationship.
- Bachelor of Science in Petroleum Engineering from University of Oklahoma

# Sponsor Team's Track Record



Jose Merino



Tom Petreca



Sanjay Aggarwal



Jose Martinez



Janae Rapps



Shahriar Khan



Vinicius Ramos



Amber Lackey



Michael Bailey

## Track Record



**20 Deals Completed to Date**



**7 Full Cycle Deals Completed to Date**



**3,169 Units Under Management**



**\$552M+ Assets Under Management**



**Assets Owned in CO, GA, NC, & TX**

## Co-Sponsors

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Liz Guenthner & Barbie Boen



Ronald & Mary Jane Lou



Tarek & Roushel Eid



# EXECUTIVE SUMMARY

Horizon Apartments



# Why We Love This Deal

## 1 Strong Market & Sub-Market

- San Antonio ranked #8 in Forbes's Cities of the Future, and brought in the #18 ranking for highest forecasted multifamily rent growth. It's ranked 3rd Fastest Growing city in the nation.

## 2 Exceptional Buy Basis w/ Assumable Loan

- Our purchase price on this property is ~82K/door (~32% below the \$120K/door average sale price for this submarket) and existing Fannie Mae loan @ 3.78% fixed rate and 2032 maturity date.

## 3 Value Add Opportunity

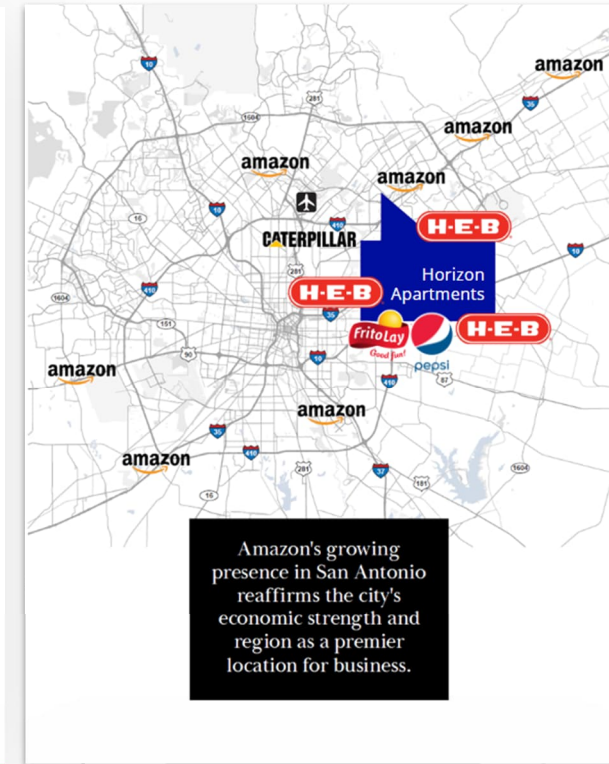
- We will be utilizing a classic value add model; upgrading interiors and exterior with small rent bumps to follow.

## 4 Experienced Sponsorship Team

- Strong sponsor team with skin in the game, ample liquidity, and experience as a GP, KP, and LP. Seasoned property manager based locally specializing in similar assets to execute business plan.

## 5 Within Minutes of Major Employers

- HEB Distribution Center, Frito Lay, Amazon, Caterpillar, Pepsi and others.



You are investing to improve the quality of workforce housing with tremendous investment upside.

# Extremely Well Positioned Asset In High Growth San Antonio Market at \$82k/door And Assumable Loan at 3.78% Fixed Rate With 2032 Maturity!

## Horizon Apartments (204 units)

**\$16,900,000**  
Purchase Price

Class C Building,  
Class C+ Location  
Asset Class

**\$82,843**  
Price / Unit

**\$95.19**  
Price /SQFT

**\$6,600,000**  
Equity Required

**7-8%**  
Projected Avg. CoC

**18%+**  
Projected IRR

**2.11 X**  
Equity Multiple

**5 Years**  
Hold Period

**\$50,000**  
Min. Investment





**GOLDEN RATIO**  
CAPITAL GROUP

# PROPERTY OVERVIEW

Horizon Apartments



PROPERTY OVERVIEW

# Horizon Apartments: Class C Building, Class C+ Location, Strong Demand



**204 Units / 177,786**

Total SQFT

**Garden Style Multifamily**

Type

**\$16.9M (\$82.8k/unit)**

Sale Price

**Northeast San Antonio, TX just off I-35**

Location

**1974**

Construction

**96.6%**

Occupancy

## Desirable Northeast San Antonio Location

- Great Accessibility via major highways
- Surround by Major Employers
- Proximity to San Antonio International Airport, Hospitals and Retails



# Value-Add Opportunity

Following value-add opportunities that will increase rents and Net Operating Income.

## Interior Upgrades

The upgrades to the kitchen and floors will provide the most visual impact and return on investment:

- ✓ Potential to convert space above office to new unit
- ✓ Convert a clubhouse space to a new unit
- ✓ Implement Water Conservation Program throughout
- ✓ Renovate 28 remaining classic units
  - ✓ Modern brushed nickel hardware & light fixtures
  - ✓ New basic stainless-steel appliances
  - ✓ Low flow toilets, faucets and showerheads
  - ✓ Fresh paint entire apartment
  - ✓ Other low cost, high impact cosmetic improvements

## Exterior Upgrades

The structures are solid, but could use touch ups to align with upgraded interiors:

- ✓ Roof, siding, patio and balcony repairs
- ✓ Parking lot and concrete sidewalk repairs
- ✓ Exterior lighting with LED
- ✓ Landscape and curbside appeal
- ✓ Playground cover
- ✓ Parcel lockers installation
- ✓ Add storage units for rental\*
- ✓ Property fencing repairs
- ✓ New signages for building and office location

\* Pending upon construction permit by the city.

# Interior

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Units already have tile flooring, we will clean and install new blinds, led lighting and ceiling fans.



Upgrade kitchen appliances to black/stainless steel appliances, install hardware, and paint cabinets



Provide fresh paint for entire apartment and replace wall plates.



Upgrade bathrooms with new shower head, rehabbed vanities, toilets and resurface bathtubs.



## Other Potential Revenue Streams



Building exterior mini-storage for tenants use



Installing a package locker unit for easy package management



Spectrum Technology Package (Cable + Internet)

TEXT TO PAY

TEXT  
?????  
TO 210-405-0885  
OR VISIT  
PARKPASS.IO

ALL VEHICLES MUST PAY TO PARK



UNAUTHORIZED VEHICLES MAY BE CITED, TOWED, OR BOOTED AT OWNER'S EXPENSE



QR Parking for paid overnight stays



# BUSINESS PLAN

Horizon Apartments



# Strategies for Success

## Implement Professional Property Management

- Enhance Marketing
- Professional property management for efficiencies
- Once monthly tenant appreciation events.



## Revenue Initiatives

- Incremental rent increases.
- Add storage units.
- Install package lockers.
- Tech package (Cable + Internet)
- QR Parking for overnight stays.



## Reduce Utilities Expenses

- Water Conservation Program
- Quick maintenance turns with onsite staff
- LEDs exterior lighting
- Electricity contract negotiation.



## Enhance curb appeal with rehab/amenities

- Clean/paint/rehab exteriors.
- Enhanced landscaping.
- Change signage and launch local marketing plan

## Rehab and turn remaining units

- Increase rents on remaining 28 classic units.
- Goal is to have property fully stabilized by month 12.



## Convert units to increase revenue

- Utilize clubhouse space and convert into a 1BR unit.
- Convert storage space into two 1 BR units.



## Determine optimal time for property sale

- Continuously monitor NOI and cap rate metrics to determine optimal sale period.
- Flexibility to sell early or hold up to 7 years.



# UNDERWRITING

Horizon Apartments



## Projected Investor Return

**7%**

Preferred Return

**18%+**

Partnership IRR

**7-8%**

Avg. Cash Flow

**2.11 X**

Equity Multiple

**22-23%**

Annualized  
Return

**70/30%**

Limited/ General  
Partner Split

**6.5%**

Purchase Cap Rate

**6.0%**

Exit Cap Rate

**\$6,600,000**

Equity Raise

**5 Years**

Hold Period

Projected Returns on \$100k investment	Y-0	Y-1	Y-2	Y-3	Y-4	Y-5
Beginning Equity Partner Capital		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Distributions from Operating Cash Flow	(\$100,000)	\$5,381	\$7,530	\$8,442	\$8,706	\$9,317
Cash on Cash Return		5.38%	7.53%	8.44%	8.71%	9.32%
Profits from Sale						\$71,416
Total Return on Investment		\$5,381	\$7,530	\$8,442	\$8,706	\$80,733
Cumulative Total Return						\$210,791

We have “Investor First” approach with a simple split of 70/30 and 7% preferred return to investors.

# Fee Disclosure

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	Category	% Fee	Details
1	<b>Sponsor Carry</b>	30%	<ul style="list-style-type: none"><li>• Cash Flows - After the Class A annual preferred returns are paid, Sponsors receive 30% of all remaining distributed cash flow.</li><li>• At Sale - After the Class A preferred annual returns are paid and 100% of the investors' capital are returned, Sponsors receive 30% of all remaining proceeds from sale</li></ul>
2	<b>Asset Management Fee</b>	2.0%	<ul style="list-style-type: none"><li>• The sponsors receive 2% of gross income for actively managing the asset.</li></ul>
3	<b>Acquisition Fee</b>	2.0%	<ul style="list-style-type: none"><li>• Acquisition Fee 2% one-time fee to sponsors for sourcing and structuring the deal.</li></ul>
4	<b>Disposition Fee</b>	1.5%	<ul style="list-style-type: none"><li>• We are incentivized and compensated based on the equity capture of a successful exit in full alignment with our investors</li></ul>
5	<b>CapEx Project Management*</b>	5%	<ul style="list-style-type: none"><li>• If required, a project management fee may be charged accordingly to a major CapEx project.</li></ul>

## Sources & Uses and Loan Assumption

Investment Summary	
Purchase Price	\$16,900,000
Loan Down Payment*	4,175,500
Capital Improvement Budget	\$1,164,663
Closing Costs & Acquisition Fees Capital	\$591,500
Operating Reserves	\$668,337
Total Capitalization	\$6,600,000

Financing Terms		
Loan Assumption		Supplemental
Loan Type	Fannie Mae	Fannie Mae
Amortization	30 years (from 2020)	30 years (from 2020)
Loan	75% LTV	\$2,574,000
Interest Rate	3.78%	8.24%
Interest Only	None	None
Loan Term	8 years remaining	8 years remaining

\* Excludes pre-approved supplemental loan by Wells Fargo for \$2,574,000

# 5- year Pro Forma

	T-12	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Rent Escalator		6.0%	5.0%	3.0%	3.0%	3.0%
Annual Expense Escalator		3.0%	2.0%	2.0%	2.0%	2.0%
						SALE!
<b>INCOME</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Avg Mo Rent	\$ 1,123	\$ 1,190	\$ 1,250	\$ 1,287	\$ 1,326	\$ 1,366
Rent Increase \$		\$ 67	\$ 60	\$ 37	\$ 39	\$ 40
Avg Rent per Sq/Ft \$	\$ 1.29	\$ 1.37	\$ 1.44	\$ 1.48	\$ 1.52	\$ 1.57
Gross Potential Income	\$ 2,713,100	\$ 2,913,898	\$ 3,059,592	\$ 3,151,380	\$ 3,245,922	\$ 3,343,299
- Vacancy	\$ (171,843)	\$ (174,834)	\$ (152,980)	\$ (157,569)	\$ (162,296)	\$ (167,165)
- Concessions, Loss to Lease, Bad Debt	\$ (243,335)	\$ (174,834)	\$ (122,384)	\$ (126,055)	\$ (129,837)	\$ (133,732)
Total Vacancy	\$ (415,178)	\$ (349,668)	\$ (275,363)	\$ (283,624)	\$ (292,133)	\$ (300,897)
Effective Gross Income	\$ 2,297,922	\$ 2,564,230	\$ 2,784,229	\$ 2,867,756	\$ 2,953,789	\$ 3,042,402
Other Income	\$ 180,180	\$ 200,000	\$ 220,000	\$ 242,000	\$ 246,840	\$ 251,777
<b>Total Net Income</b>	<b>\$ 2,478,102</b>	<b>\$ 2,764,230</b>	<b>\$ 3,004,229</b>	<b>\$ 3,109,756</b>	<b>\$ 3,200,629</b>	<b>\$ 3,294,179</b>
<b>EXPENSES</b>						
Real Estate Taxes	\$ 301,185	\$ 415,740	\$ 424,055	\$ 432,536	\$ 441,187	\$ 450,010
Insurance	\$ 161,723	\$ 101,885	\$ 161,723	\$ 164,957	\$ 168,257	\$ 171,622
Contract Services	\$ 15,032	\$ 25,554	\$ 26,065	\$ 26,586	\$ 27,118	\$ 27,660
Trash Removal	\$ 28,350	\$ 29,201	\$ 29,785	\$ 30,380	\$ 30,988	\$ 31,608
Electric	\$ 272,756	\$ 245,480	\$ 250,390	\$ 255,397	\$ 260,505	\$ 265,716
Water and Sewer	\$ 178,136	\$ 142,509	\$ 145,359	\$ 148,266	\$ 151,232	\$ 154,256
Legal	\$ 13,300	\$ 13,698	\$ 13,972	\$ 14,252	\$ 14,537	\$ 14,828
Management Fee	\$ 74,885	\$ 82,927	\$ 90,127	\$ 93,293	\$ 96,019	\$ 98,825
Repairs and Maintenance/ Turns	\$ 64,572	\$ 127,852	\$ 130,409	\$ 133,018	\$ 135,678	\$ 138,391
General/Admin	\$ 24,850	\$ 34,790	\$ 35,486	\$ 36,196	\$ 36,920	\$ 37,658
Payroll	\$ 227,218	\$ 249,940	\$ 254,938	\$ 260,037	\$ 265,238	\$ 270,543
Advertising	\$ 7,500	\$ 20,250	\$ 20,655	\$ 21,068	\$ 21,489	\$ 21,919
Grounds Management	\$ 10,192	\$ 10,497	\$ 10,707	\$ 10,921	\$ 11,140	\$ 11,363
<b>Total Expenses</b>	<b>\$ 1,379,698</b>	<b>\$ 1,500,324</b>	<b>\$ 1,593,672</b>	<b>\$ 1,626,908</b>	<b>\$ 1,660,307</b>	<b>\$ 1,694,399</b>
<b>Expense Per Unit</b>	<b>\$ 6,763</b>	<b>\$ 7,355</b>	<b>\$ 7,812</b>	<b>\$ 7,975</b>	<b>\$ 8,139</b>	<b>\$ 8,306</b>
<b>Net Operating Income (NOI)</b>	<b>\$ 1,098,403</b>	<b>\$ 1,263,906</b>	<b>\$ 1,410,557</b>	<b>\$ 1,482,848</b>	<b>\$ 1,540,322</b>	<b>\$ 1,599,780</b>

## Rent Growth and Vacancy

- Proforma considers avg. rents at \$1,190, \$1,250 and \$1,287 for years 1-3; market rent growth conservatively at 3% from year 3-5.
- Vacancy: avg. 12% for Years 1 and 2 to account for renovation downtime; combined 9% vacancy/bad debt for years 2-5
- Conservative other income increase through storage rental, parking, and rolling out Tech Package program.

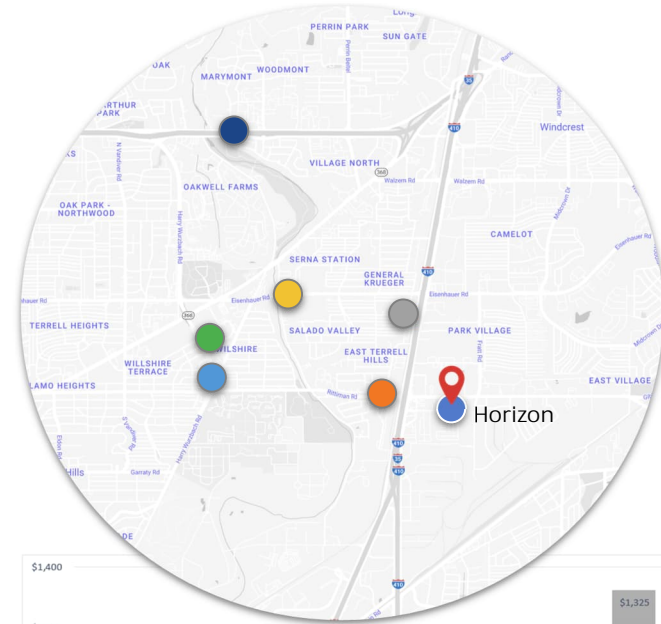
## Expenses

- Property Tax to increase to \$415k after acquisition.
- Savings programs in water and electricity to reduce utilities expense.
- We will bump advertising expense to reach a broader number of prospects.
- Conservative operating leverage to decrease expense margin from 54.3% to 51.4%

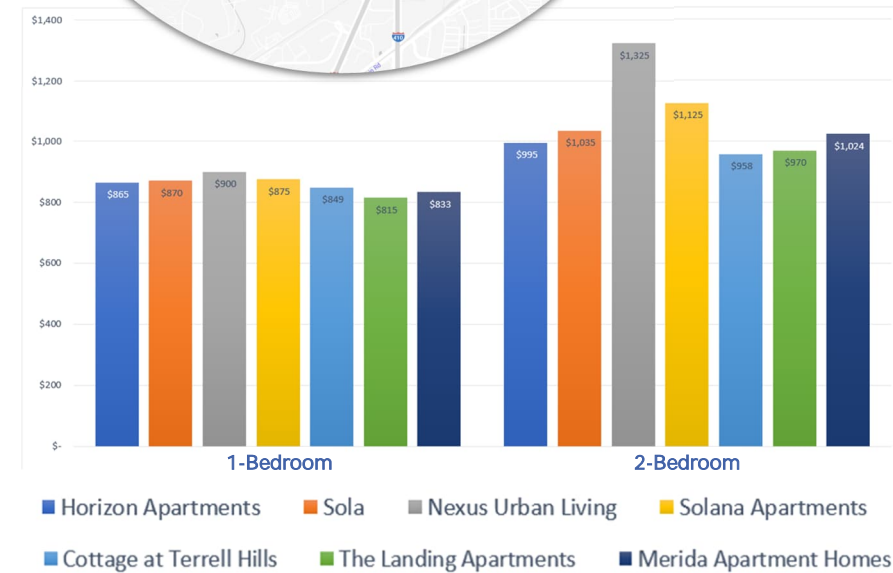
# Rent Comparables

## Shortage of housing inventory to accommodate the rapidly growing workforce in the region

- Horizon is currently 96% occupied.
- There are only 2 properties with less than mile from Horizon and the average distance for comparable apartment rents is 1.5 miles.
- Horizon is experiencing lower rental rates compared to its nearby rent comparables.
- Class C absorption highlight economic drivers of population growth in the region.
- There are no 3-bedroom comps nearby, what makes Horizon a great option for families.



Asset Name	Built	Units	Distance	1-Bedroom			2-Bedroom		
				1-Bedroom	Size SF	\$ / sq ft	2-Bedroom	Size SF	\$ / sq ft
<b>Horizon Apartments</b>	<b>1974</b>	<b>204</b>	<b>-</b>	<b>\$ 865</b>	<b>630</b>	<b>\$ 1.29</b>	<b>\$ 995</b>	<b>930</b>	<b>\$ 1.09</b>
Sola	1969	90	0.55 mi	\$ 870	598	\$ 1.45	\$ 1,035	868	\$ 1.19
Nexus Urban Living	1964	75	0.82 mi	\$ 900	600	\$ 1.50	\$ 1,325	1,100	\$ 1.20
Solana Apartments	1968	118	1.63 mi	\$ 875	650	\$ 1.35	\$ 1,125	913	\$ 1.23
Cottags at Terrell Hills	1966	142	2.04 mi	\$ 849	750	\$ 1.13	\$ 958	967	\$ 0.99
The Landing Apartments	1982	216	2.09 mi	\$ 815	625	\$ 1.30	\$ 970	950	\$ 1.02
Merida Apartment Homes	1974	246	2.90 mi	\$ 833	681	\$ 1.22	\$ 1,024	1,011	\$ 1.01



\*Rent comps are average market rents

\*\*Horizon is All-Utilities included, we discounted utilities costs to compare market rents

# Exit Strategy



1

## Exit in 5 Years

- The fixed rate financing with 7-year term provides runway to position for market cycle and leverage post stabilization cash-on-cash returns.
- Trigger to sale : NOI is >\$1.59M/year and cap rate is at or below 6.0%

2

## Exit Early

- If interest rates start to decrease or stabilized valuation justifies early exit of significant investor capital return.

**We will constantly monitor the markets to optimize exit timing and maximize investor's returns**

Sale End of Year		5
Net Operating Income NOI		\$1,599,780
Cap Rate at Sale		6.00%
<b>Sale Price</b>		<b>\$26,663,001</b>
Sale Price per Door		\$130,701
Sale Costs less Reserves/Escrow		(\$1,333,150)
Outstanding Loan Balance		(\$11,596,441)
Total Sale Proceeds		\$13,733,410
Remaining Equity Basis		(\$6,600,000)
Capital Transaction Fee to Mgr		(\$399,945) 1.5%
<b>Remaining proceeds available</b>		<b>\$6,733,465</b>
Net Proceeds Paid to Class A Members / LP		\$4,713,426 70%
Net Proceeds Paid to Class B Mgr Share / GP		\$2,020,040 30%

Valuation at Exit	Year 3	Year 4	Year 5
Cap Rate / NOI	<b>\$1,482,848</b>	<b>\$1,540,322</b>	<b>\$1,599,780</b>
5.75%	\$25,788,655	\$26,788,206	\$27,822,261
<b>6.00%</b>	<b>\$24,714,128</b>	<b>\$25,672,031</b>	<b>\$26,663,001</b>
6.25%	\$23,725,563	\$24,645,149	\$25,596,480
6.50%	\$22,813,041	\$23,697,259	\$24,612,000

# Closing Timeline

## Important Dates



### LOI & PSA

- **PSA is in place** after negotiations with current owners of the property.
- **Legal paperwork** is in progress.



### Due Diligence

- **Physical Due Diligence** to be completed and remaining units to be inspected.
- **Lease and Contracts Audit** to be completed.



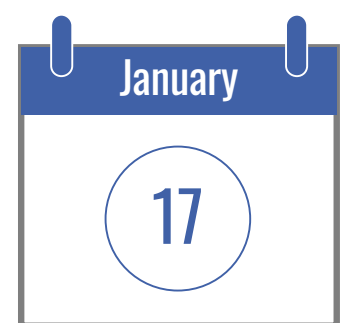
### 506B Final Call

- **All documents must be signed and countersigned by that date**
- **No accredited documents required during this time**



### 506C Launch

- **Open for accredited investors only**



### Closing

- **Closing In January**



# THANK YOU

Horizon Apartments



# Extremely Well Positioned Asset In High Growth San Antonio Market at \$82k/door And Assumable Loan at 3.78% Fixed Rate With 2032 Maturity!

## Horizon Apartments (204 units)

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Projected Avg. CoC

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Projected IRR

**2.11 X**  
Equity Multiple

**5 Years**  
Hold Period

**\$50,000**  
Min. Investment



## ADVISORY TEAM

# We Partner With Industry Leaders



### Asset Management & Investor Relations

Texas Valley Group is a private investment firm that owns and operates assets with great care for tenants and investor return.



### Property Management

United Apartment Group is a leading property management company local to San Antonio, TX with 20+ years of experience that currently manages properties in Texas and other seven states (AR, FL, GA, LA, MI, SC, and TN).



### Real Estate Attorney

We collaborate with Sergio Chavez-Moreno, Esq. LL.M., Managing Partner of Nextshore Partners PLLC, specializing in US-Mexico legal affairs and government relations, for general corporate formation matters and transaction structuring.



### Syndication Attorney

Massive Capital has a prior working relationship with Legal Team who are well know within Syndication Community for SEC Documentation, PPM and OA.



### Financing

Wells Fargo provides packaging, structuring and placing multifamily loans across the country.



### Certified Public Accountant

We have been working with Bill Pilkington as CPAs to manage booking keeping, reporting, and taxes for properties and sponsor entity.



### Property Tax Litigation

We have working relationship with Property Tax Litigation team and we are confident to keep tax appraisal basis lower compare to purchase price.



### Cost Segregation

We plan to perform a cost segregation study and elect year 1 bonus depreciation for 2022. The year 1 bonus depreciation estimate is 70%+ of every \$100k investment.

# Unit Mix and Floor Plan Layout

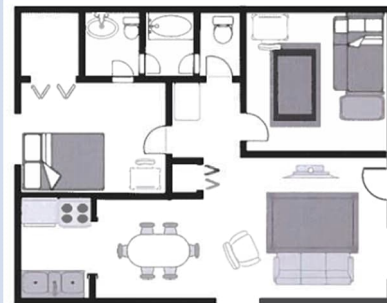
## One Bedroom



1 Bedroom 1 Bath  
630 SQFT

**44 units**  
**630 sq.ft.**

## Two Bedroom



2 Bedroom 1.5 Bath (large)  
930 SQFT

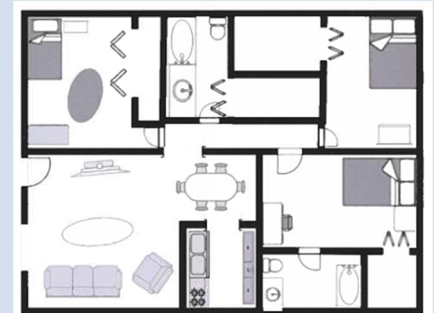
**64 units**  
**930 sq.ft.**



2 Bedroom 1.5 Bath (small)  
860 SQFT

**74 units**  
**860 sq.ft.**

## Three Bedroom



3 Bedroom 2 Bath  
1180 SQFT

**22 units**  
**1180 sq.ft.**

Of the 204 units 44 are 1 bed / 1 bath, 138 are 2 bed / 1.5 bath and 22 are 3 bed / 2 bath.



# MARKET OVERVIEW

Horizon Apartments  
San Antonio, Texas



# Proximity to Entertainment and Business Centers

A nighttime photograph of a city skyline reflected in a river. The river is in the foreground, with a concrete wall on the right side. The city lights are reflected in the water. In the background, there are several buildings, including a tall one with a pointed top. The sky is dark, and the trees in the foreground are illuminated by the city lights.

- San Antonio, the seventh-largest city in the US, draws over 26 million visitors annually with its world-class theme parks, vibrant nightlife, and rich Tejano culture.
- Major corporations like Toyota, Caterpillar, Microsoft, and Citibank have established significant operations here, creating promising job prospects for locals and a strong demand for rental housing.
- San Antonio International Airport provides excellent connectivity, attracting business travelers and enhancing the city's economic vitality.

Workforce Demand Driver: Strategically located between land, air and sea transportation nodes and corridors

# Proximity to Major Employers

Retailing

## H-E-B to open new \$43M plant on East Side

The project is scheduled to be completed in December 2023.



### Amazon announces plans for 3 new facilities, 1,500 jobs in San Antonio

2 new fulfillment centers and a delivery station



HEB - This Nov. 30, 2014 file photo shows an Amazon's distribution center in Tracy, Calif. (AP Photo/Mark Balle, FBI) Copyright 2020 The Associated Press. All rights reserved.

**SAN ANTONIO** - Amazon announced plans on Tuesday to open two new fulfillment centers and a delivery station in San Antonio that will bring more than 1,500 new full-time jobs to the area.



Amazon's growing presence in San Antonio reaffirms the city's economic strength and region as a premier location for business.

Zoning change approved for 55-acre, 141K SF warehouse site; removed to end up a last-mile distribution center



NOV 2020

Confirms plans for two new fulfillment centers (1.75M SF total) and delivery station (350K SF); opening in 2021/2022 creating 1,500 new jobs



DEC 2020

JAN 2021

FEB 2021

MAR 2021

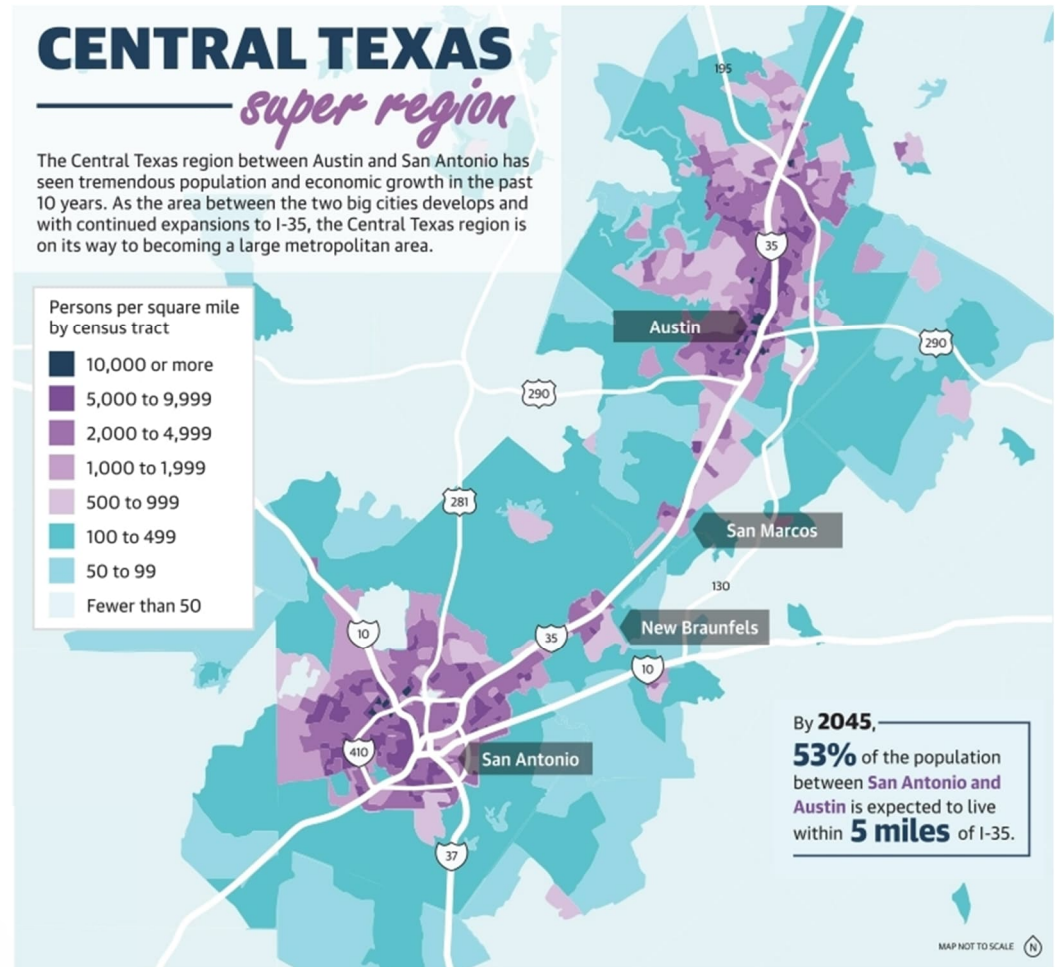
APR 2021

Confirms plans to build three additional delivery stations; opening in 2021/2022 creating hundreds of new jobs



## Proximity to Economic Drivers

- Between 100,000 and 150,000 vehicles use the section of I-35 between San Antonio and Austin every day.
- By 2045, 53% of the population between San Antonio and Austin is expected to live within 5 miles of I-35, according to a 2019 study by the Capital Area Metropolitan Planning Organization and the Alamo Area Metropolitan Planning Organization.
- Austin is the single largest source of San Antonio in-migration, accounting for roughly 20% of San Antonio's new residents.



The Austin-San Antonio Corridor is currently home to 4.5 million people and expected to grow to 6-7 million people by 2030.

# Cost Segregation Strategy - Tax Benefits

Investing in real estate offers several tax benefits that can help investors minimize their tax liability and maximize their returns.

Some of the key tax benefits of investing in real estate includes:

- **Depreciation** is a tax deduction that allows real estate investors to deduct the cost of their investment property over a period of time.
- **Cost Segregation Study** is a process that looks at each element of a property, splits them into different categories, and allows you to benefit from an accelerated depreciation timeline for some of those building components.
- **Accelerated Depreciation** means accelerating the depreciation of the asset faster in the early years of ownership than the straight-line method, which can result in significant tax savings.
- **Bonus Depreciation** is a tax deduction “bonus” that allows businesses to immediately deduct a large percentage of the purchase price on Year-1. 2023 max bonus allowed is 80%.

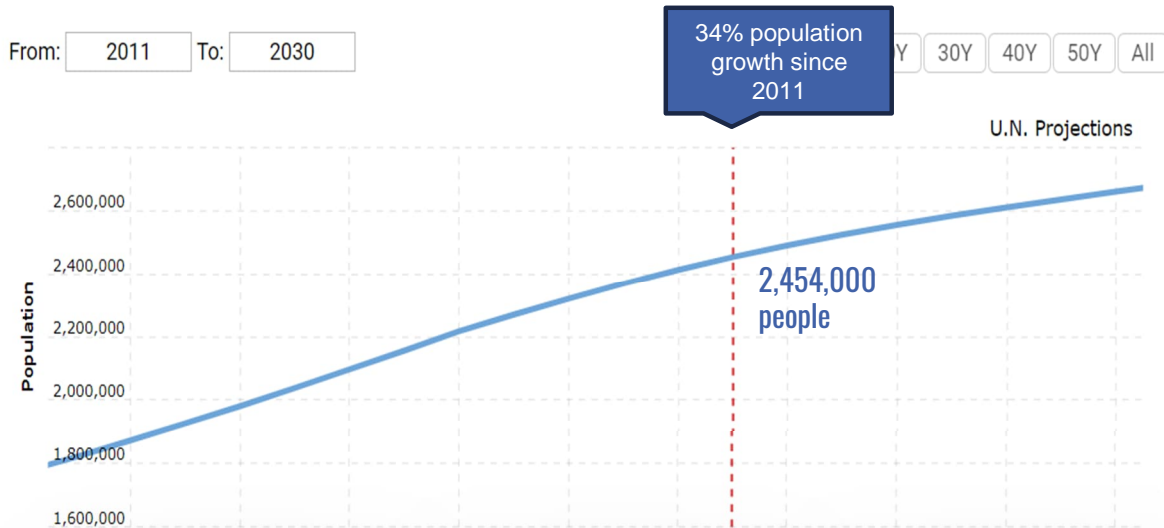
Cost Segregation + Bonus Depreciation	
Purchase Price	\$16,900,000
Total Depreciable Value: (net of Land)	\$15,834,420
Year 2023 Cost Segregation + Bonus Dep.	<b>43%</b> \$2,853,416
Year 2024-2028 Cost Segregation + Bonus Dep.	<b>42%</b> 2,807,038
Total Tax Benefit Depreciation during Ownership (5-6 Years)	<b>85%</b> \$5,660,454
*Numbers are based on an estimate from the vendor; and not a final number yet. The actual cost seg will be done after we close.	

Example: \$100K investment nets \$43K+ in 2023 tax depreciation, and \$42K+ spread out over 5-6 years!

LOCATION OVERVIEW

# Demographics / Unemployment Rate

## Population Growth



**\$51K**

Median Household Income

**\$151K**

Median Home Value

**71%**

Workforce Age (20-Over)

Sources:  
[Large Southern Cities Lead Nation in Population Growth \(census.gov\)](#)  
[Labor Market Data - Workforce Solutions Alamo](#)  
[CoStar Report 09/12/2023](#)  
[San Antonio Metro Area Population 1950-2023 | MacroTrends](#)

**SAN ANTONIO-NEW  
BRAUNFELS METRO 4.3  
UNEMPLOYMENT RATE IS  
LOWER THAN 4.5 REPORTED  
FOR THE STATE AND RANKS  
2<sup>nd</sup> HIGHEST AMONG THE  
LARGE METRO AREAS**

9/15/23

