

RESIA

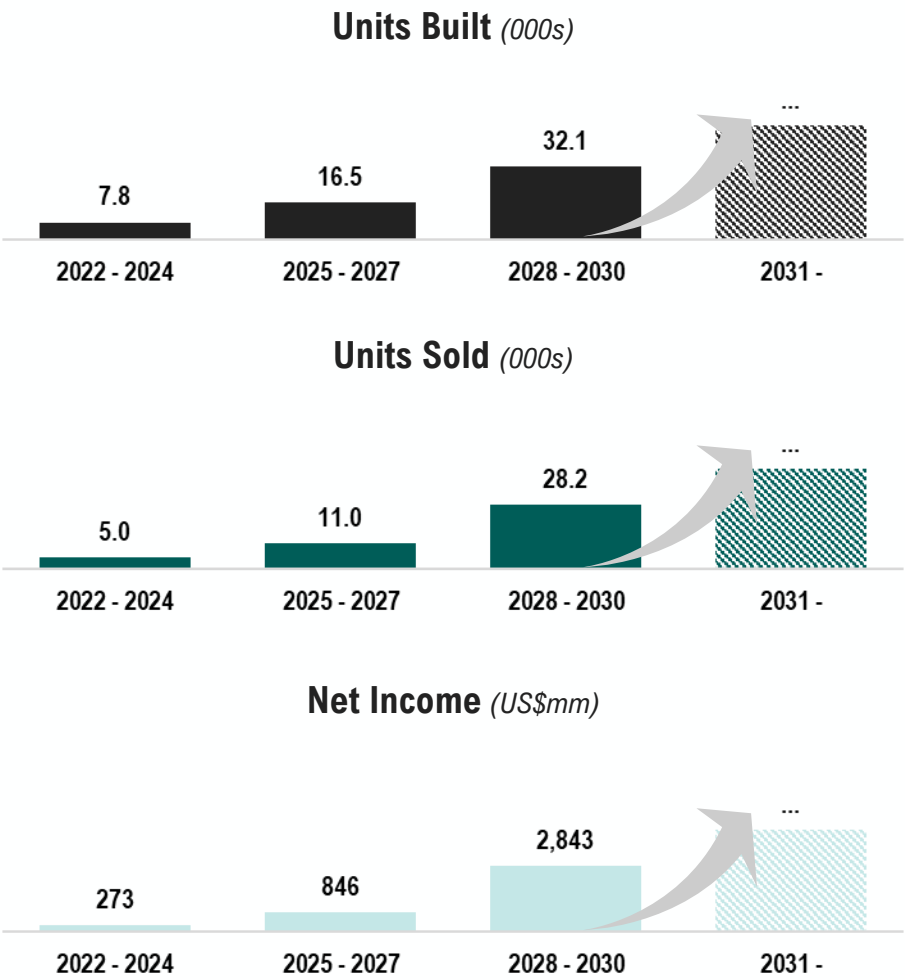


Resia's Funding Breakdown

October 2022

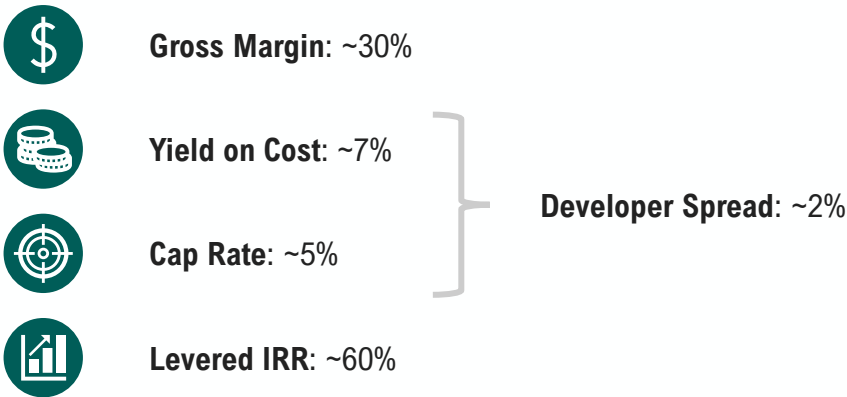
Resia's Business Plan Outlook

Growth Plan

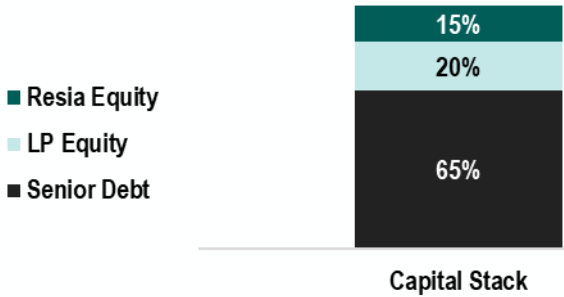


Standard Project

Project Results



Leverage Structure



Standard Project Assumptions

The typical Resia project has ~300 units, a 31-month development cycle, a Yield on Cost of ~7% and a Gross Margin of ~30%

ASSUMPTIONS	
Number of Units	300
Average Rent	2,000
Vacancy + Delinquency	5.0%
OpEx	38%
Land Cost / Unit	21,700
Soft Cost / Unit	19,150
Hard Cost / Unit	170,000
Permitting Period	8 months
Construction Period	15 months
Lease-up Period	8 months

FINANCIAL RESULTS	
Sale Value	95,370,085
Gross Profit at Sale	27,868,874
Gross Margin from Sale (%)	29.2%
Yield on Cost (%)	7.1%
Exit Cap Rate	5.0%
Developer Spread	2.1%
Unlevered IRR (%)	27.4%

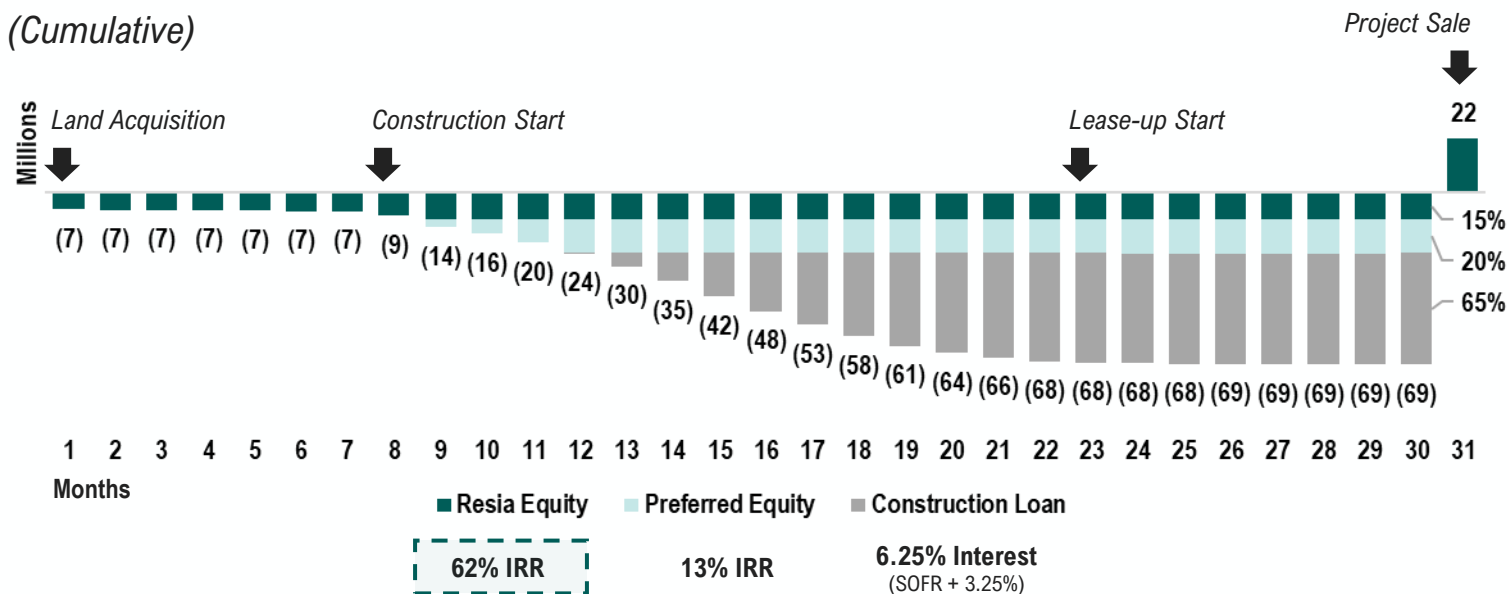
Resia's standard capital stack considers the project is funded by 15% Resia Equity, 20% Limited Partner Equity, and 65% Construction Loan

PROJECT BUDGET	
Resia Equity	15%
LP Equity	20%
Construction Loan	65%
Resia Equity	10,596,918
LP Equity	13,700,000
Construction Loan	44,497,045
Total Project Budget	68,793,963

Standard Project Funding Breakdown

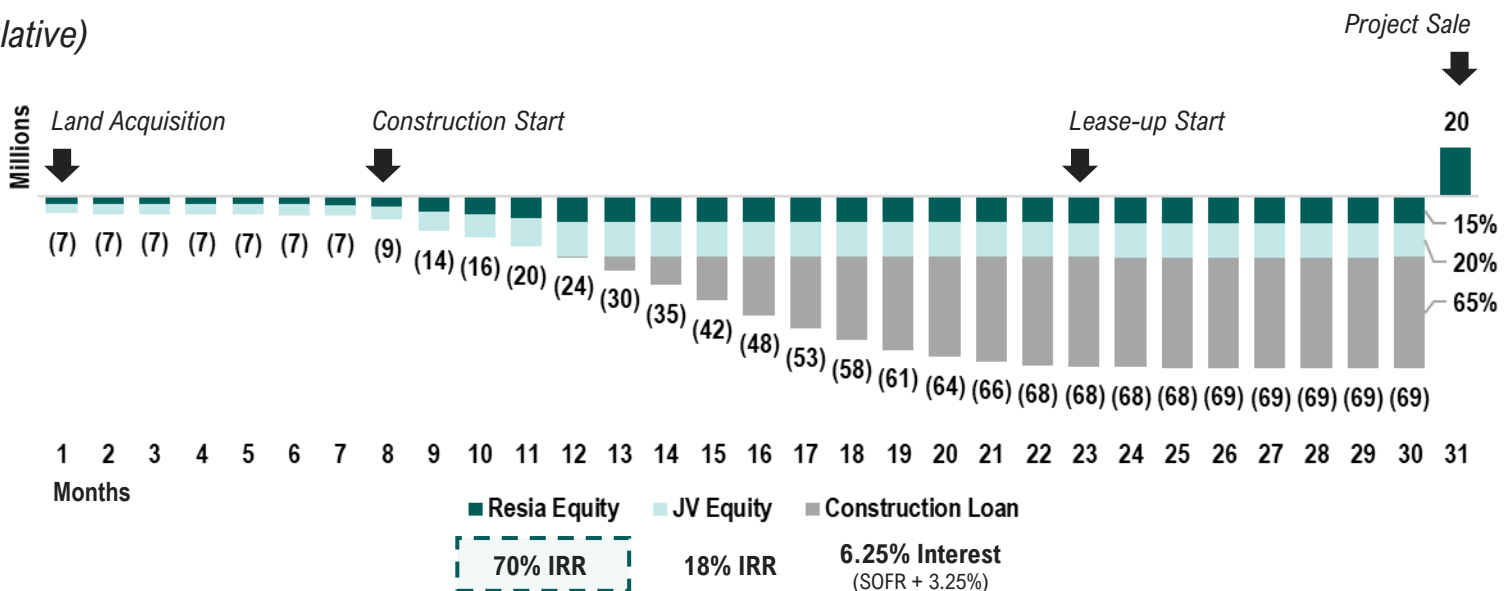
Capital Lifecycle for a Standard Project with Preferred Equity (Cumulative)

Cash Flows (US\$MM)	Y1	Y2	Y3
(-) Land Acquisition	(6.5)	-	-
(-) Soft Costs	(4.2)	(1.7)	-
(-) Hard Costs	(5.1)	(48.1)	-
(+) Net Operating Income	-	-	1.0
(+) Net Sale Revenue	-	-	93.5
(=) Operational Cash Flow	(15.8)	(49.8)	94.5
(-) Interest and Bank Fees	(0.7)	(1.2)	(2.0)
(+/-) Debt Funding / Amortization	-	43.5	(43.5)
(+/-) LP Equity Inflows / Outflows	6.0	7.5	(16.8)
(=) Resia Equity Cash Flow	(10.4)	(0.0)	32.2



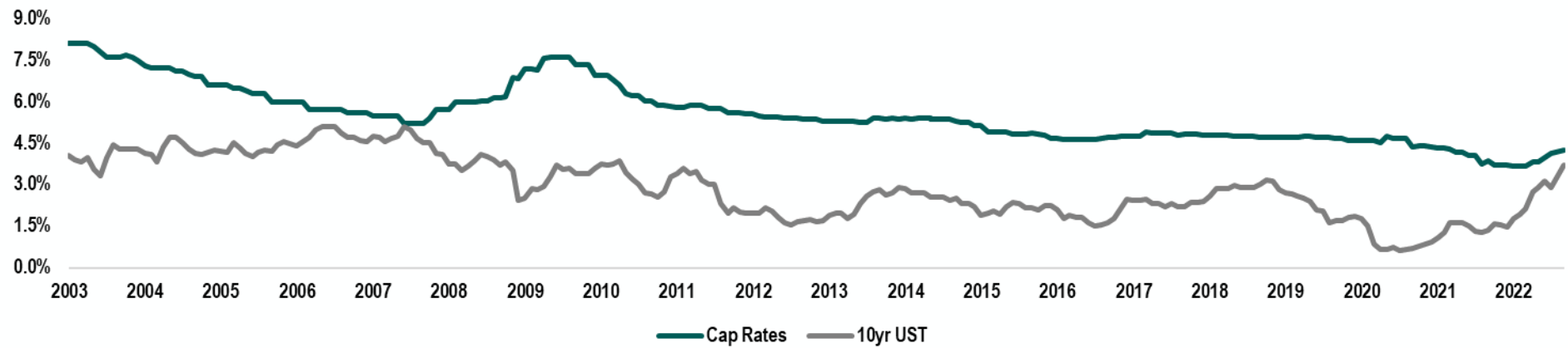
Capital Lifecycle for a Standard Project with JV Equity (Cumulative)

Cash Flows (US\$MM)	Y1	Y2	Y3
(-) Land Acquisition	(6.5)	-	-
(-) Soft Costs	(4.2)	(1.7)	-
(-) Hard Costs	(5.1)	(48.1)	-
(+) Net Operating Income	-	-	1.0
(+) Net Sale Revenue	-	-	93.5
(=) Operational Cash Flow	(15.8)	(49.8)	94.5
(-) Interest and Bank Fees	(0.7)	(1.2)	(2.0)
(+/-) Debt Funding / Amortization	-	43.5	(43.5)
(+/-) LP Equity Inflows / Outflows	9.4	4.3	(19.0)
(=) Resia Equity Cash Flow	(7.1)	(3.2)	29.9

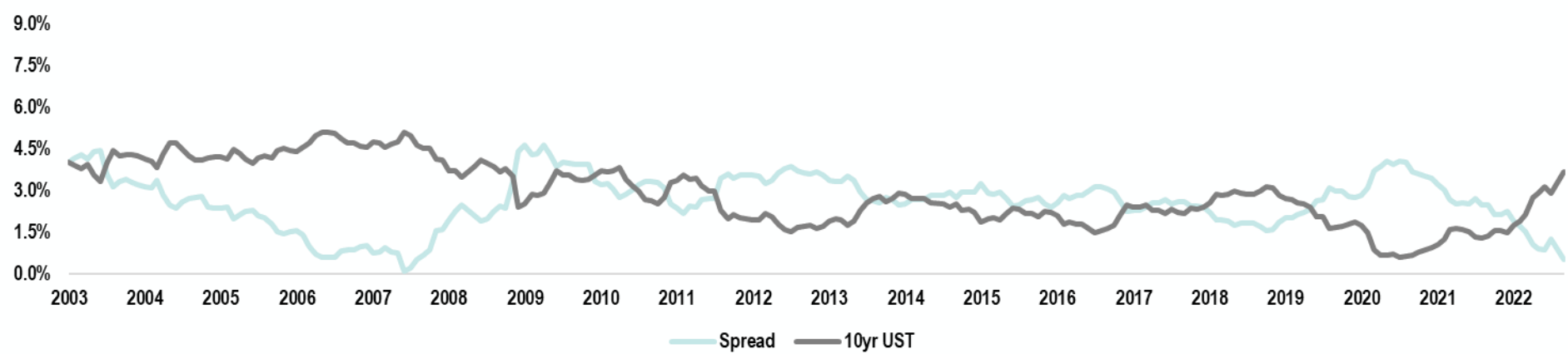


Variance of Multifamily Cap Rates and 10yr Treasury Yield

Historical data indicates that transitory **Interest Rate hikes do not directly lead to increases in Cap Rates**. Continued increases in interest rates, however, will eventually lead to adjustments in market Cap Rates.



Over 2021-2022, **Multifamily Cap Rates** have been on **average 75-100bps lower** than other CRE sectors such as Office, Retail and Industrial



Permanent Loan Effective Interest Rates and 10yr Treasury Yield

Spreads between Permanent Loan interest rates and the 10yr Treasury have historically been at around ~2%. Despite recent increases, **Resia's ~7% Yield on Cost allows the projects to fully sustain the debt service.**

