**THE STREAM GROUP PROPERTY ACQUISITIONS**

**QUALIFYING CRITERIA**

# 1. Development Funds/Properties

• Property Types:

* Raw Land
* Annexed/Entitled Land
* New Build Multifamily
* New Build Assisted Living and Age-Targeted Housing
* New Build and Infill
* Mixed-use Residential Developments

# 2. Core Asset Funds/Properties

* Property Types:
  + Class A Multifamily
  + Core Stabilized Assets
* Market Types:
  + Primary Markets
  + Secondary Markets
  + Multifamily with 100+ units in new markets
  + Multifamily with 50+ units in existing markets
* In-Place Cash Flow
* Strong Historical occupancy with near market rents

# 3. Tertiary Markets Funds/Properties

* Multifamily with 100+ units in new markets
* Multifamily with 50+ units in existing markets
* Cap Rates of 6.00%+

# 4. Value-Add Asset Funds/Properties

* Property Types:
  + Class B & C Multifamily
  + Retail shopping centers
  + Student Housing
* Stabilized Assets and Assets
* Cap Rates of 5.00% for B Class and +/6.00%+ for C Class
* Minimum Occupancy 80% with the exception of properties that require heavier renovation
* Opportunities to add value through:
  + Physical improvements
  + Curing of deferred maintenance
  + Opportunities to improve management efficiency

# 5. Value-Add Asset Funds/Properties (Continued)

* Ability to increase rental rates by:
  + Improving the property
  + Providing professional property management
  + Additional amenities and services to the tenants
* Opportunity to reposition asset by renovating existing structure, re-branding asset and driving rental rates and/or vacancy

# 6. Opportunistic Asset Funds/Properties

* Property Types:
  + Class C & C- Multifamily
  + May be within our Reposition opportunities fund
* Value Add Focus
* Distressed/High Occupancy are eligible
* Properties priced well below replacement cost
* Mismanaged due to self-management or negligent third-party
* Potential High Yield Income Streams
* Occupancy – 70-80%, or lower occupancy of 50% on properties that require major renovation if the properties are well located and present value enhancement opportunities.

# 7. MSA’s Interests (see previous)

• At least a population of 500K with a focus on the following markets:

* Atlanta
* Carolinas - Charlotte
* Chattanooga
* Cincinnati
* Columbus
* Dallas / Fort Worth
* Denver
* Houston
* Jacksonville
* Kansas City
* Louisville
* Nashville
* Oklahoma City
* Orlando
* Tampa/Fort Myers

# 8. MSA’s Interests (see previous)

* Markets with job and population growth or compelling story
* Garden, Mid-Rise and High Rise
* Primary and secondary cities throughout the Midwest and the Sunbelt that maintain growth
* Market Cap Rates
* We ARE doing development for Multifamily

# 9. Preferred Property Attributes

* Multi-family residential apartments
* Zero to limited rent control
* Target Property Size -100 units or larger
* Cash Equity
* “All Cash” preferred, but will also consider the assumption of existing mortgages
* Age - Prefer properties constructed in the mid-1980s and newer, but will consider others on a case-by-case basis
* Pitched roof construction preferred, we will consider a flat roof based on price, age and location
* Individually metered utilities preferred
* Minimum Occupancy of 80%. However, we will consider reposition opportunities if the properties are well-located and present value enhancement opportunities
* 1031 Exchanges are acceptable

**10. What we aren’t interested in:**

* Rent Controlled Markets
* Scattered parcel sites
* Fractured condo deals
* Markets on the West Coast or the North East