

Waterford Grove Apartments

Houston Texas



WEBINAR AGENDA



1. Introduction to General Partners & Asset Management Team
2. Investment Overview of Waterford Grove 584-Unit Apartment
 - Overview of the Property
 - Property Management Team
 - Financial Targets
 - Investment Opportunity
3. Next Steps

Fund Managers and General Partners



MARIA ZONDERVAN



Maria Zondervan, CEO of Blue Vikings Capital, has been actively investing in real estate since 1996. She has a bachelor's degree from University of Florida & a master's degree from the University of Lund in Sweden. She manages a personal multi-million-dollar real estate portfolio and is a General Partner or Fund Manager for over 1,500 multifamily units.

By pooling investor funds into carefully vetted deals and investing her own money, she secures returns typically reserved for the ultra-wealthy. To ensure a stable future for her autistic son, Maria founded Valhalla Villas, a non-profit providing housing for autistic adults. She offers investment opportunities in these communities, ideal for those seeking “forever hold” assets to pass on to their heirs, especially special needs parents securing their children's futures.



MIKE JACOBSON



Mike Jacobson is a seasoned real estate investor and former aerospace engineer with a proven track record in multifamily and mobile home park investments. He is a partner at Attune Investments LLC, where he collaborates with industry veteran Harland Merriam on multifamily syndications.

Mike has held leadership roles as President of the Georgia Real Estate Investor Association (GREIA) and with the Central Florida Realty Investors Association (CFRI), one of the largest REIAs in the U.S. A Navy veteran with an MBA, Mike is passionate about teaching financial literacy and helping investors build long-term wealth through real estate. His disciplined, strategic approach to investing makes him a trusted partner for high-value opportunities.



HARLAND MERRIAM



Harland Merriam has 40 years of experience as a real estate investor, including as a managing partner with a 128-unit apartment complex, from purchase to sale. He and Mike Jacobson are partners in Attune Investments. They serve both the residents with safe, clean, affordable housing and their investment partners with better returns.

His professional life has been serving as a Pastor, Army Chaplain, and University Chaplain. He graduated from Stetson University with a degree in math/physics and from Princeton and Union Seminaries with post-graduate degrees. He lives with his wife, Barbara, in DeLand, Florida. They have two sons and three grandchildren.



TIM BRATZ



- ❖ **Founder of Legacy Wealth Holdings, a commercial real estate investment company, with internal construction management, property management, and asset management.**
- ❖ **Currently owns over \$345M of commercial real estate, consisting of 3,028 rental units across eight states.**
- ❖ **In the real estate industry since 2005, with experience in single family, multifamily, office, retail, storage, short-term rentals, and development. Primary business today is to purchase and improve commercial properties, increasing their financial performance, and then hold to build long-term wealth.**
- ❖ **Through Legacy Family Mastermind, Tim educates and empowers entrepreneurs on achieving financial freedom and long-term wealth through scaling their rental portfolio and passive real estate investments.**



ASSET MANAGEMENT



Investment Overview



WATERFORD GROVE

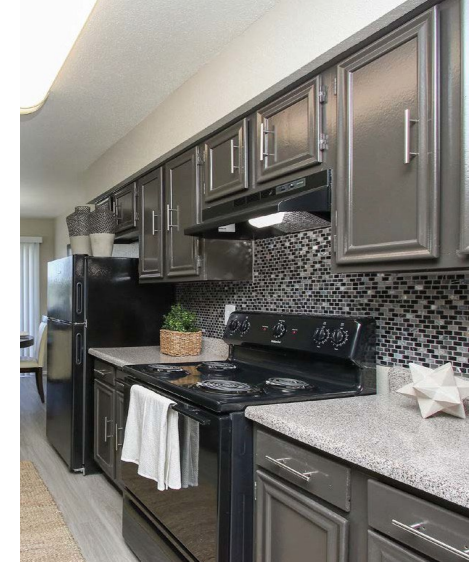


Property Specs

- Houston TX
- 584 Units
- 27 Acres
- B-Class Location

Amenities

- On-site Management
- On-site Leasing
- On-site Maintenance
- Billed-Back Utilities
- Laundry Facilities
- Gated Parking
- Swimming Pool
- Splash Pad
- Two Playgrounds
- Picnic Pavilion
- Pet Park



PROPERTY MANAGEMENT



Q10 Property Advisors is a full-service property management, consulting and management training company based in Houston, Texas



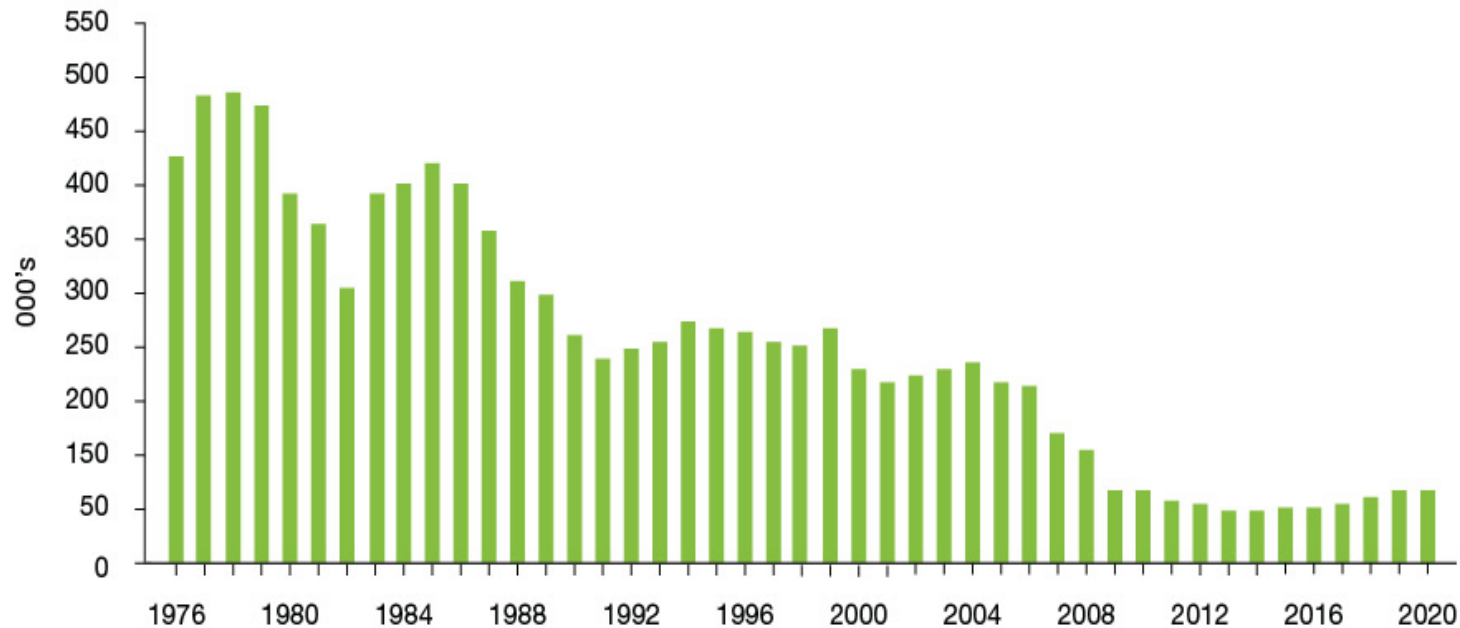
HOUSING MARKET DATA



EXHIBIT 2

Number of new homes constructed below 1,400 square feet

Entry-Level home construction collapsed after the Great Recession and never recovered



Source: U.S. Census Bureau.

Key Points

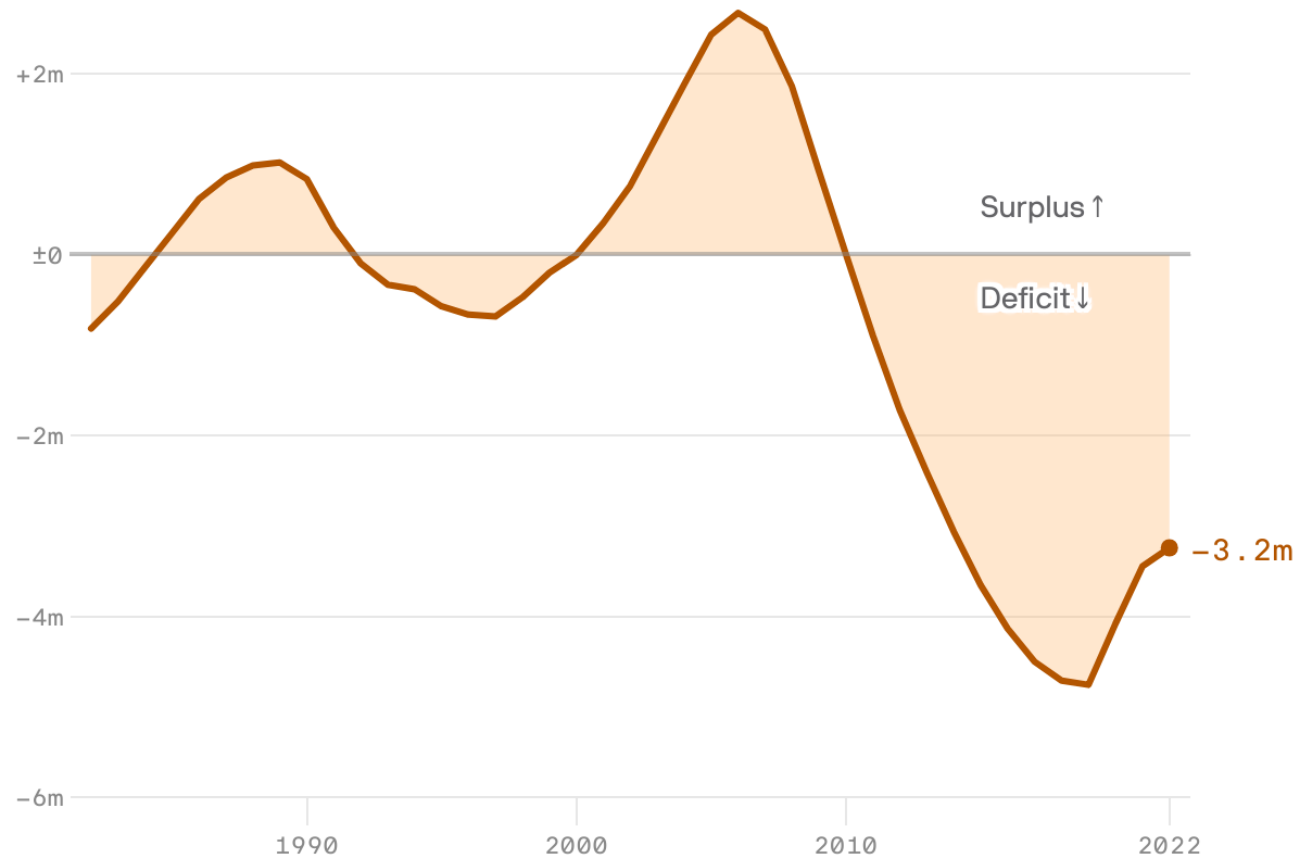
- America is 3.2M units short
- America needs 1M+ units per year
- Housing product is coming online in 2024 & 2025
- Builders are pencils down
- Construction costs are too high
- No margin for profit except in high end
- No housing product under \$300k
- Average Home Price is \$495,100
- Average Household Income is \$74,580
- Desperate need for affordable housing

HOUSING MARKET DATA



Existing housing units relative to population demand in the U.S.

Annually; 1982-2022



Key Points

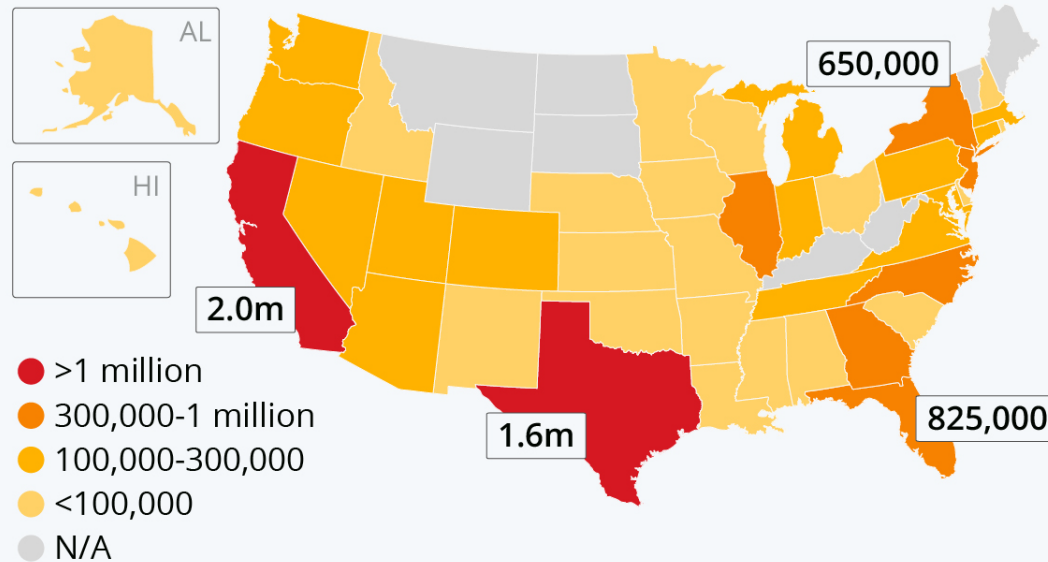
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HOUSING MARKET DATA



Where Undocumented Immigrants Live in the U.S.

Size of the undocumented immigrant population by U.S. state (2017 estimates)



Key Points

- America is 3.2M units short
- America needs 1M+ units per year
- Housing product is coming online in 2024 & 2025
- Builders are pencils down
- Construction costs are too high
- No margin for profit except in high end
- No housing product under \$300k
- Average Home Price is \$495,100
- Average Household Income is \$74,580
- Desperate need for affordable housing
- Exacerbated by Undocumented Immigration



WATERFORD GROVE – Houston TX

584-Unit Apartment Building

Marcus & Millichap Capital Corporation

Operating/Loan Analysis

Waterford Grove

Houston, TX

November 18, 2024

Units:	584	Actual	Annualized		Current	
		T12 Sep '24	T3 Oct '24	T1 Oct '24	Proforma	\$1,372 \$/Unit
Income:						
Gross Potential Rent		\$ 9,323,256	\$ 9,523,872	\$ 9,566,712	\$ 9,615,708	\$ 16,465
Utility Income		854,235	1,045,637	1,176,836	1,045,600	1,790
Other Income		986,793	1,205,618	1,311,455	1,155,000	1,978
Less: Vacancy		(1,848,207)	(993,340)	(1,068,204)	(1,057,728)	(1,811)
Less: Vacancy (Down)		(140,961)	(165,372)	(165,372)	(208,908)	(358)
Less: Concessions		(371,701)	(318,108)	(253,416)	(240,393)	(412)
Less: Bad Debt		(187,519)	(215,216)	(297,758)	(240,393)	(412)
Effective Gross Income		\$ 8,615,896	\$ 10,083,091	\$ 10,270,253	\$ 10,068,887	\$ 17,241
Less: Vacancy		-10.8%	-10.4%	-11.2%	-11.0%	
Less: Vacancy (Down)		-1.5%	-1.7%	-1.7%	-2.2%	
Less: Concessions		-4.0%	-3.3%	-2.6%	-2.5%	
Less: Bad Debt		-2.0%	-2.3%	-3.1%	-2.5%	
Collections %		72.7%	82.2%	81.3%	81.8%	
Operating Expenses:						
Management Fee	3.0%	\$ 243,721			\$ 302,067	\$ 517
Real Estate Taxes		793,368			n/a	-
HA Lease Payments		n/a			114,842	197
Compliance Fee		n/a			87,600	150
Insurance		809,123			567,830	972
Payroll		936,497			694,516	1,189
Repairs & Maintenance		461,139			496,400	850
Electric		537,596			700,800	1,200
Gas		90,820			87,600	150
Water & Sewer		505,225			540,200	925
Legal & Professional		33,438			29,200	50
General & Administrative		296,425			175,200	300
Structural Reserve	\$250	n/a			146,000	250
Total Operating Expenses		\$ 4,707,353			\$ 3,942,255	\$ 6,750
Total Operating Expenses %		54.0%			39.2%	
Net Operating Income		\$ 3,908,544			\$ 6,126,632	\$ 10,491

Loan Analysis		Proforma	\$/Unit
Capitalization Rate			
Valuation			

HFC Program			
2025	\$1,372 \$/Unit		
\$ 9,615,708	\$ 16,465		
1,097,880	1,880		
1,212,750	2,077		
(721,178)	(1,235)		
(208,908)	(358)		
(192,314)	(329)		
(192,314)	(329)		
\$ 10,611,624	\$ 18,171		
-7.5%			
-2.2%			
-2.0%			
-2.0%			
-2.0%			
80.3%			
\$ 318,349	\$ 545		
n/a	-		
118,287	203		
90,228	155		
584,865	1,001		
715,351	1,225		
511,292	876		
721,824	1,236		
90,228	155		
556,406	953		
30,076	52		
180,456	309		
150,380	258		
\$ 4,067,742	\$ 6,965		
38.3%			
\$ 6,543,881	\$ 11,205		

Valuation	\$/Unit
6.25%	
\$ 104,700,000	\$ 179,300

HFC Program			
2026	\$1,441 \$/Unit		
\$ 10,096,493	\$ 17,289		
930,859	1,594		
1,138,838	1,950		
(656,272)	(1,124)		
(219,353)	(376)		
(100,965)	(173)		
(50,482)	(86)		
\$ 11,139,117	\$ 19,074		
-6.5%			
-2.2%			
-1.0%			
-0.5%			
80.8%			
\$ 334,174	\$ 572		
n/a	-		
121,836	209		
92,935	159		
602,411	1,032		
736,812	1,262		
526,631	902		
743,479	1,273		
92,935	159		
573,098	981		
30,978	53		
185,870	318		
154,891	265		
\$ 4,196,049	\$ 7,185		
37.7%			
\$ 6,943,068	\$ 11,889		

Valuation	\$/Unit
6.25%	
\$ 111,090,000	\$ 190,200

HFC Program			
2027	\$1,513 \$/Unit		
\$ 10,601,318	\$ 18,153		
1,045,600	1,790		
1,155,000	1,978		
(689,086)	(1,180)		
(230,321)	(394)		
(106,013)	(182)		
(53,007)	(91)		
\$ 11,723,492	\$ 20,074		
-6.5%			
-2.2%			
-1.0%			
-0.5%			
80.8%			
\$ 351,705	\$ 602		
n/a	-		
125,491	215		
95,723	164		
620,483	1,062		
758,916	1,300		
542,430	929		
765,783	1,311		
95,723	164		
590,291	1,011		
31,908	55		
191,446	328		
159,538	273		
\$ 4,329,437	\$ 7,413		
30.9%			
\$ 7,394,055	\$ 12,661		

Valuation	\$/Unit
6.25%	
\$ 118,300,000	\$ 202,600

HFC Program			
2028	\$1,588 \$/Unit		
\$ 11,131,384	\$ 19,061		
1,097,880	1,880		
1,212,750	2,077		
(723,540)	(1,239)		
(241,837)	(414)		
(111,314)	(191)		
(55,657)	(95)		
\$ 12,309,666	\$ 21,078		
-6.5%			
-2.2%			
-1.0%			
-0.5%			
80.8%			
\$ 369,290	\$ 632		
n/a	-		
129,255	221		
98,595	169		
639,098	1,094		
781,684	1,338		
558,703	957		
788,757	1,351		
98,595	169		
608,000	1,041		
32,865	56		
197,189	338		
164,324	281		
\$ 4,466,353	\$ 7,648		
30.3%			
\$ 7,843,313	\$ 13,430		

Valuation	\$/Unit
6.25%	
\$ 125,490,000	\$ 214,900

WATERFORD GROVE – Houston TX

584-Unit Apartment Building

Current

- **All In - \$91,170,000**
 - Cost Basis - \$88,520,000
 - Refi Closing Costs - \$2,650,000
 - HFC Tax Exemption - \$1,260,000

Exit (36-60 Months)

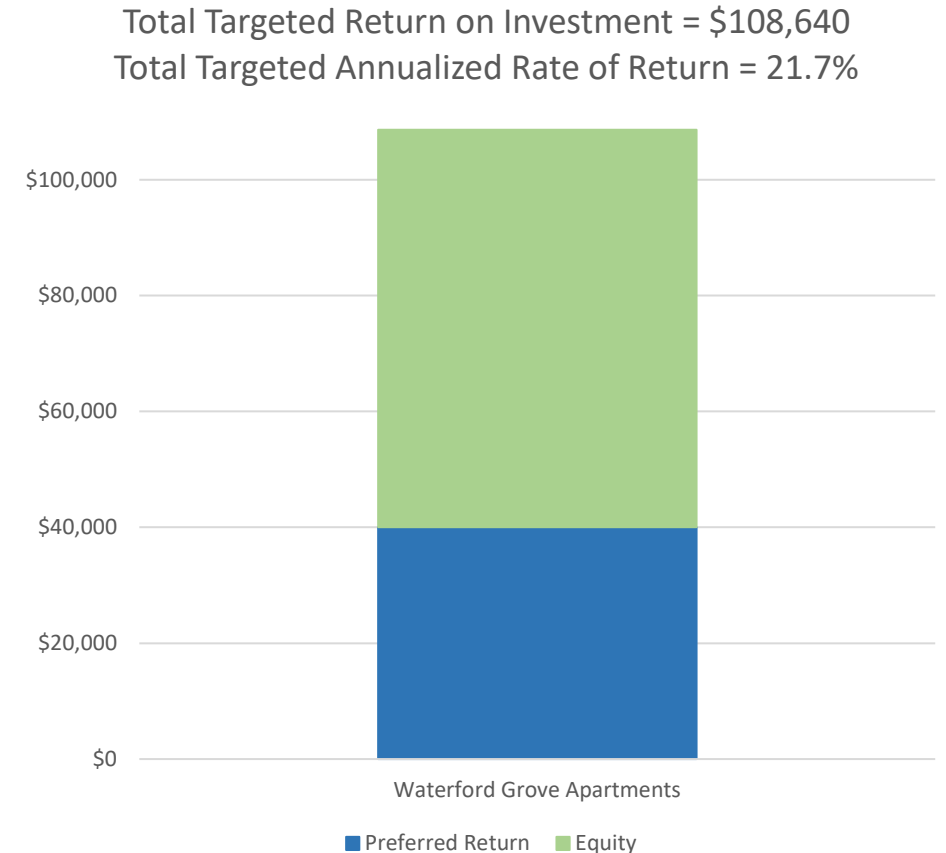
- **Stabilized Value - \$125,490,000**
 - NOI - \$7,843,313
 - Equity Created - \$34,320,000

WATERFORD GROVE – Houston TX

584-Unit Apartment Building – Class D (Depreciation)

Targeted Investor Returns for each \$100k Unit over 60 Month Term

- ❖ Preferred Return of 8%
 - Earns \$8,000 in Preferred Return Annually
 - Taxed at sale at long-term capital gains rate
 - Will pay approx 50% in Year 1, with balance accruing until revenue increases to achieve full pref payments in 2026-2027
- ❖ Perpetual Equity of .2%
 - Equity Valued at \$68,640
 - Taxed at sale at long-term capital gains rate
- ❖ Depreciation
 - Depreciation of \$100,000 for 2024
 - Standard depreciation in 2025 & beyond

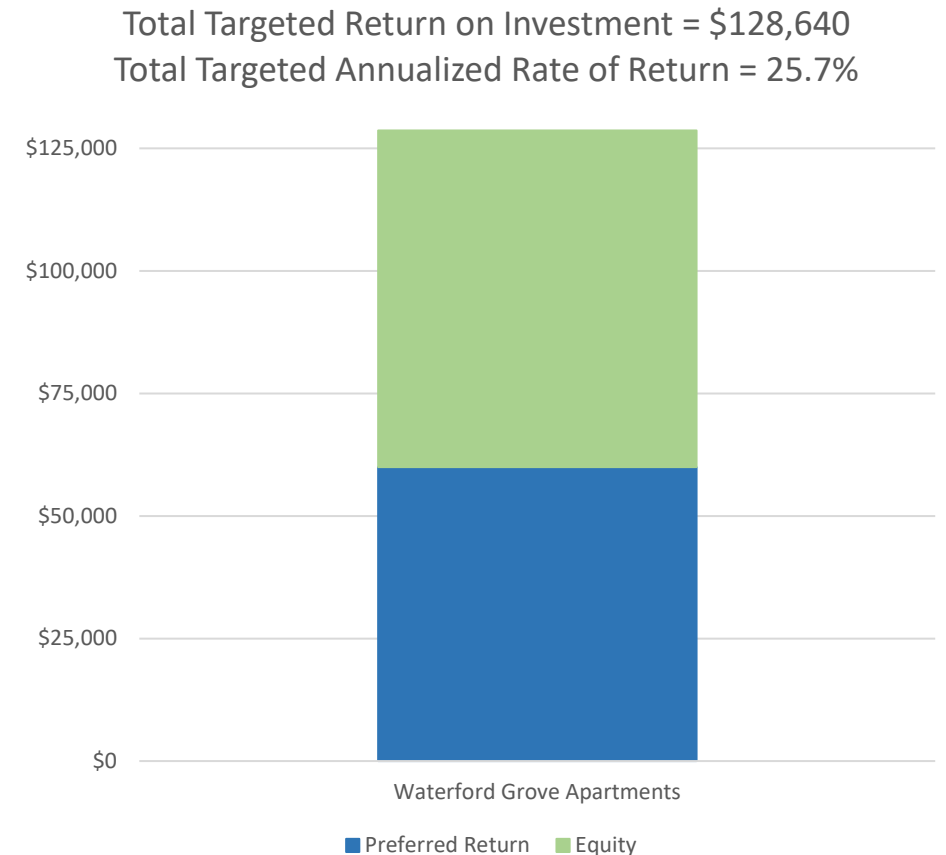


WATERFORD GROVE – Houston TX

584-Unit Apartment Building – Class E (No Depreciation)

Targeted Investor Returns for each \$100k Unit over 60 Month Term

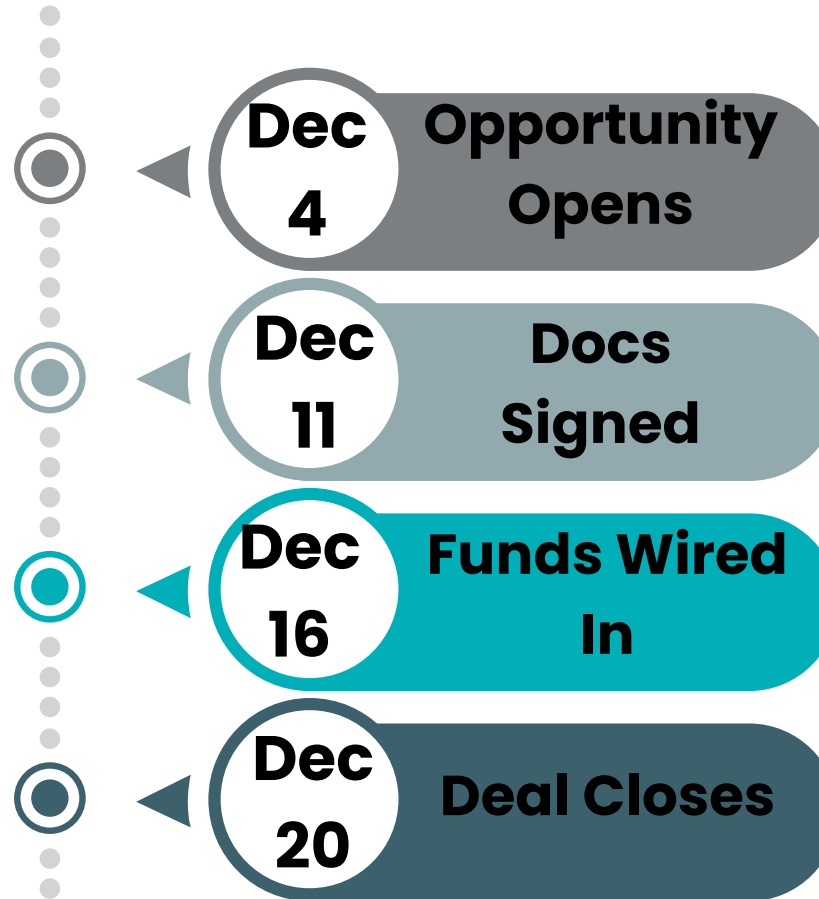
- ❖ Preferred Return of 12%
 - Earns \$12,000 in Preferred Return Annually
 - Taxed at sale at long-term capital gains rate
 - Will pay approx 50% in Year 1, with balance accruing until revenue increases to achieve full pref payments in 2026-2027
- ❖ Perpetual Equity of .2%
 - Equity Valued at \$68,640
 - Taxed at sale at long-term capital gains rate
- ❖ Depreciation
 - No Depreciation for 2024
 - Standard depreciation in 2025 & beyond



Next Steps



INVESTMENT TIMELINE



READY TO INVEST?

Scan QR Code & Submit your info in less than 5 minutes



<https://bit.ly/WaterfordGroves>

CONNECT WITH OUR TEAM



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