



Bellevue West | Nashville, TN



Highlands at the Lake | Nashville, TN



The Madison | Mesa, AZ

FUND OVERVIEW

The Domus IV Fund (Domus IV) is a 7 year closed-end real estate fund which will own 3 large-scale US multifamily assets comprising 910 individual apartments. The assets are:

Bellevue West, Nashville, TN – 556 units	US\$94M
Highlands at the Lake, Nashville, TN – 258 units	US\$41M
The Madison, Mesa, AZ – 96 units	US\$23M

Geringer Capital, the sponsor of the Domus IV Fund, has contracted to purchase these multifamily assets for US\$158M with an in-place NOI of US\$8.52M and an average cap rate of 5.4%. The transaction is scheduled to close mid-to-late January 2021.

ABOUT THE SPONSOR

Based in Los Angeles, Geringer Capital has extensive experience in the acquisition, development, financing and management of large scale, institutional quality, US multifamily real estate.

The launch of Domus IV will increase total assets under management held in Geringer Capital's Domus series of Funds to over US\$500M.

INVESTMENT HIGHLIGHTS

- ▲ Assets located in high-growth, secondary markets underpinned by a rising working age population, expanding employment opportunities, lower cost of living, and "better quality of life" than major US cities
- ▲ Exposure to the accelerating urban-to-suburban shift in US residential real estate
- ▲ Forecast strong and stable cash-on-cash investor returns averaging 8.2% – 9.6% per annum
- ▲ Forecast IRR of 16.5% – 19.5% over the 7 year fund term and an equity return multiple of 2.5x to 2.8x
- ▲ Long term fixed rate, non-recourse, no covenant loans at historically low interest rates. (A HUD loan at 2.25% fixed for 35 years has been recently secured by Geringer Capital for similar assets.)
- ▲ Value-add program of light touch interior renovations on all 3 assets which will lift rents and values
- ▲ Preferred return to equity investors of 8.0% with performance hurdles before profit share with the sponsor – 30.0% over 8.0%, 40.0% over 10.0% and 50.0% over 15.0%

INVESTMENT STRATEGY

Geringer Capital will implement the following strategy for Domus IV which is broadly similar to its other Domus Funds.

- ▲ Acquire the assets using short term acquisition loans and/or agency loans - maximum of 80% LVR
- ▲ Improve operations to increase rents to market rates
- ▲ Undertake predominantly light value-add improvements to boost rental income and asset value
- ▲ At Highlands at the Lake asset undertake a top tier refurbishment program which would include construction of an additional 20 apartments
- ▲ Re-financing the assets to low fixed-rate, long term (up to 35 yr.), non-recourse US Government guaranteed debt under the HUD Program or other similar debt
- ▲ At the end of the fund term roll-over into a Domus open ended fund, IPO or sale to a third party

DOMUS IV FUND – CAPITALIZATION

Equity Raise (maximum)	US\$26.00M
Target Equity Raise	US\$22.87M
Acquisition Financing	US\$150.50M
Maximum Total Capital	US\$176.50M

PROJECTED DOMUS IV RETURNS TO EQUITY INVESTORS

IRR (net of fees)	16.5% – 19.5%
Average Annual Cash Yield (paid quarterly)	8.2% – 9.6%
Equity Multiple	2.5x – 2.8x

FUNDING SOURCES & USES

Sources:

Acquisition Financing	US\$150.50M
Equity	US\$22.87M
Total Sources	US\$173.37M

Uses:

Purchase Price	US\$158.00M
CapEx	US\$10.46M
Transaction Costs	US\$3.66M
Working Capital	US\$1.25M
Total Uses	US\$173.37M

PROJECTED INVESTOR DISTRIBUTIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Cash on Cash Returns	9.0%	9.1%	11.6%	8.3%	10.3%	9.2%	228.1% ¹

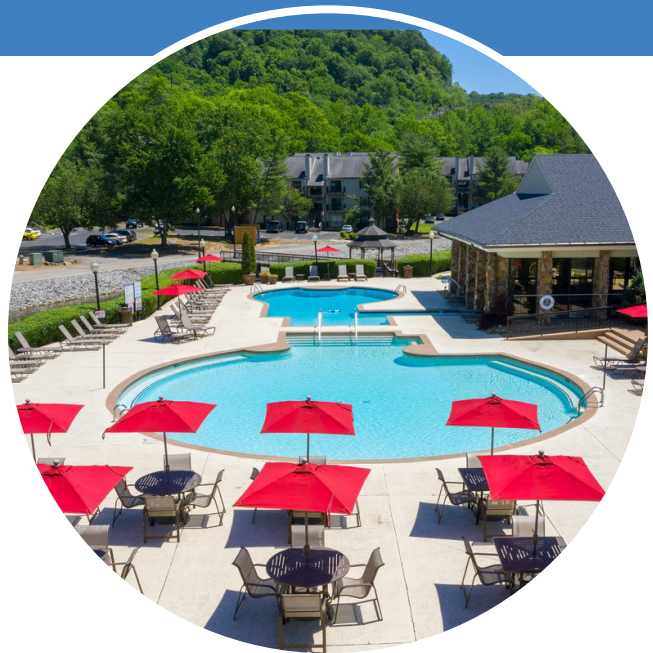
1. Sale of assets to a Domus open ended fund, an IPO or a third party in year 7

DOMUS IV ASSETS

Bellevue West | Nashville, Tennessee

- ▲ “Behemoth” asset – 57 buildings containing 136 classic and 420 partially renovated apartments along with expansive community facilities and lush, landscaped grounds on 65 acres
- ▲ Opportunity to add value in the short term through an upgrade program and related increase in rents
- ▲ Located within one of Nashville’s most desirable and dynamic suburbs 10 miles southwest of Downtown Nashville

Number of Apartments	556 (57 buildings)
Build Date	1986
Net Rentable Area	471,371 square feet
Occupancy	94.70%



Highlands at the Lake | Nashville, Tennessee

- ▲ Well-maintained, large scale, 258 apartment asset situated on a 19.5 acre site
- ▲ Located 15 minutes east of Downtown Nashville and less than 10 minutes from the International Airport
- ▲ Top tier renovation and construction of 20 new apartments
- ▲ The surrounding area has strong growth demographics and a shift-to-rent trend as house prices have risen steeply in recent years

Number of Apartments	258 (17 buildings)
Build Date	1986
Net Rentable Area	247,439 square feet
Occupancy	93.00%



The Madison | Mesa, Arizona

- ▲ A boutique garden style community with 96 oversized apartments situated on 6 acres
- ▲ 54 apartments have been renovated, resulting in a monthly rental premium of US\$186-US\$362
- ▲ The clubhouse and leasing center recently underwent a US\$1.1M renovation
- ▲ Premier East Phoenix location, located one mile north of the Downtown Mesa district, home to over 7,000 employees as well as dining and shopping hubs

Number of Apartments	96 (7 buildings)
Build Date	2000
Net Rentable Area	109,906 square feet
Occupancy	94.00%





MANAGEMENT TEAM

Robert Geringer – CEO and President

Licensed attorney with more than 30 years experience in real estate development, finance, construction, taxation and syndications. Approved developer by US Department of Housing and Urban Development. Experienced in the development and operation of large scale multifamily residential projects.

Andrew Feola – Chief Operating Officer

More than 30 years real estate experience. Expertise in acquisitions and operations. 14 years with Geringer Capital.

Zach Karr – Director of Acquisitions

Experienced in private market real estate acquisitions and investments. Involved in equity raisings for over 40 commercial and large scale residential real estate assets.

TIMELINE

Jan 2021	Close acquisition of the assets
2021–2022	Complete renovations and construction
2021–2023	Refinance with fixed rate HUD loans (35 yrs)
2021–2027	Maximize NOI and Investor Distributions
2028	Sell or otherwise dispose of the assets



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