

**Windsor by Galleria**

13290 Noel Rd.  
Dallas, TX

|                      |              |
|----------------------|--------------|
| Units:               | 321          |
| Rentable SF:         | 270,598      |
| Average Unit Size:   | 843          |
| Commercial SF:       | 0            |
| Date Acquired:       | 10/1/2018    |
| Year Built:          | 2018         |
| Occupancy 4/30/2019: | 90.7%        |
| GAV 3/31/2019:       | \$66,000,000 |
| Value Per Unit:      | \$205,607    |
| Debt Balance:        | \$33,300,000 |
| NAV:                 | \$32,700,000 |



The Property is centrally located at the intersection of the Dallas North Tollway and the LBJ Freeway, the entire metro is easily accessible. The 321-unit community consists of a five-story wrap building with 410 garage parking spaces. Unit amenities include 9' ceilings, wood plank style flooring, Whirlpool stainless steel appliances, designer backsplashes, quartz countertops, and full sized washer/dryers. Community amenities include a swimming pool, courtyard with BBQ area, two-story clubhouse with social kitchen, business center, fitness center, and dog park.

| Property Trends | Budget  | Actual      | FY 2019 (1) v. FY 2019 |            | Budget  | 2020 Budget v. 2019 Actual |            |
|-----------------|---------|-------------|------------------------|------------|---------|----------------------------|------------|
|                 | FY 2019 | FY 2019 (1) | Variance               | Variance % | FY 2020 | Variance                   | Variance % |
| Occupancy       | 92.2%   | 95.0%       | 280 bps                | 2.80%      | 95.0%   | 0 bps                      | 0.00%      |
| NER Per Unit    | \$1,045 | \$1,078     | \$32                   | 3.10%      | \$1,471 | \$393                      | 36.45%     |
| NER Per SF      | \$1.24  | \$1.28      | \$0.04                 | 3.10%      | \$1.74  | \$0.47                     | 36.45%     |
| NOI (000's)     | \$1,598 | \$1,767     | \$169                  | 10.57%     | \$2,556 | \$789                      | 44.64%     |

(1) FY 2019 Actual consists of July 2018 - April 2019 Actual and May 2019 - June 2019 Updated Budget.

**FINANCIAL VARIANCE REPORT**

- Windsor by Galleria was acquired 10/1/2018 from the developer (Mill Creek Residential) as part of the 5 property "Elite Portfolio".
- The property was at 90% occupancy at takeover and is currently 95% occupied and 97% leased.
- Both income and expenses for FY 2019 have performed as anticipated and NOI is nominally ahead of budget.
- Capital Expenditures to date were identified during due diligence and budgeted for completion, including bringing balcony railings to code, balcony door repairs and LED retrofits.

**FY 2020 BUSINESS PLAN OBJECTIVES**

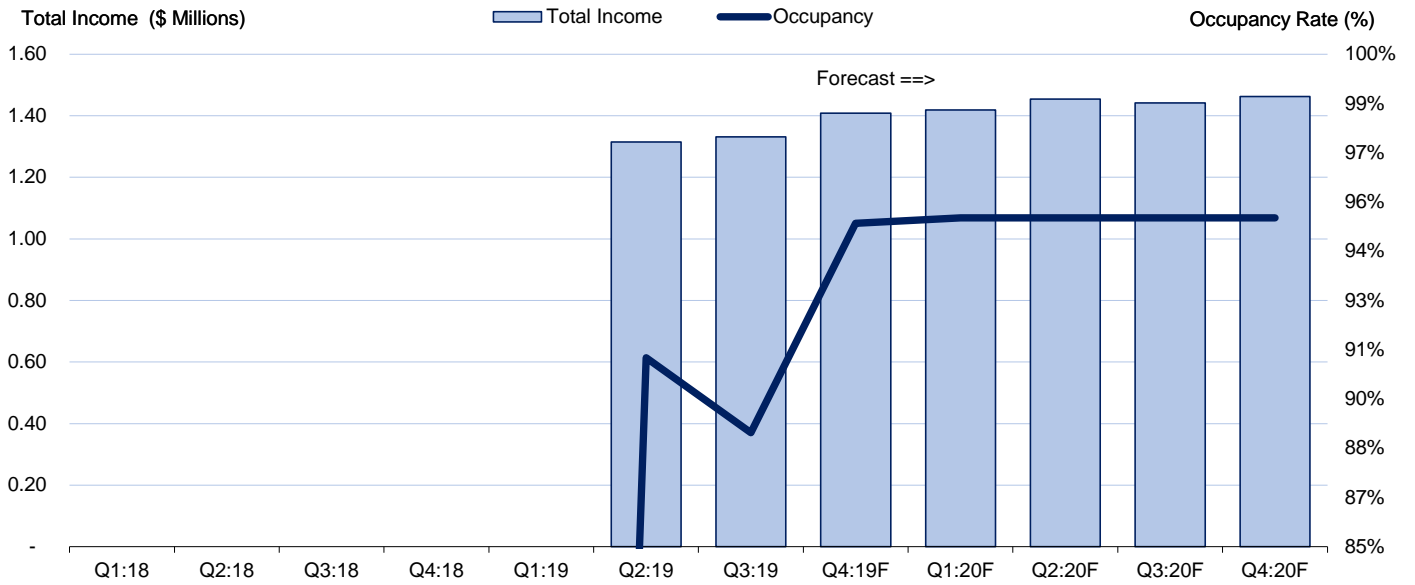
- The property is anticipated to maintain stabilized occupancy, with top line rent growth of 4.1% for FY 2020. Rent Concessions are still prevalent in the market and will average 5%. Rent concessions and Loss to Lease will mute Net Effective Rent growth in FY 2020 (up 0.4%). Total Income is projected to be 1.5% ahead of Proforma.
- Total Expenses are projected to be at proforma for FY 2020.
- NOI is anticipated to be \$2.55MM for FY 2020, which is 3.5% ahead of the acquisition proforma.
- Capital Expenditures for FY 2020 total \$497M with \$105M for hallway painting and \$150M to refurbish the 5th floor conference area into a co-work space.

**HOLD SELL RECOMMENDATION**

- We recommend holding Windsor by Galleria as it is well located in the North Dallas employment corridor and operating performance continues as planned. Dallas is also one of the top MSA's for employment and population growth.

**Quarterly Property Trends**

**Income/Occupancy (FY)**



**Net Effective Monthly Rent (FY)**

