PIA

RESIDENTIAL

PIA Residential Fund I

SUNDANCE CREEK TOWNHOMES

ATLANTA (MCDONOUGH), GA

VALUE-ADD INVESTMENT

EXECUTIVE SUMMARY

Sundance Creek, built in 2004 and comprising of 232 townhome units, is an attractive Class B, residential community in the McDonough suburb of Atlanta, Georgia.

Sundance Creek is unique in the immediate market for exclusively offering townhome-style living, creating a distinct residential experience. Additionally, all units present untapped potential for value-add upgrades, given that they currently maintain their original condition, making this an ideal candidate for a comprehensive renovation strategy. Sundance Creek is well located and priced relatively affordable, and there currently is no meaningful supply pipeline under construction or in the planning phase in the submarket. McDonough lies within Atlanta's major logistics growth corridor that connects the Atlanta airport to the port of Savannah, the fourth largest in the nation, and provides convenient access to more than 400,000 jobs.

At a purchase price of $45.5 million, the property will cost $196,121 per unit, representing an approximate 5.7% cap rate based on projected Year 1 net operating income. The total capitalization for this acquisition is estimated at $50.8 million, which includes the purchase price, projected capital improvements, fees, and closing costs. PIA Residential expects to finance the investment through the assumption of a fixed-rate Freddie Mac loan of $22.8 million (at a rate of 3.55%), a new supplemental loan of approximately $7.0 million (at a projected rate of 7.50%), and approximately $20.9 million in equity.

The renovation program is expected to produce an average return on investment of 30%. The proposed upscale renovation program is set to establish Sundance Creek as the premier luxury townhome community in the area.

Purchase Price	$45,500,000
Per Unit	$196,121
Equity Required	$20,877,280
Going-in Cap Rate[(1)]	5.7%
Target Hold Period	5 Years

Levered Returns	Gross (project level)	Net[(2)] (after fees and expenses)
Projected Average Cash-on-Cash	8.3%	7.9%
Projected IRR	21.3%	15.6%
Projected Multiple	2.5x	1.9x

(1) Based on Year1 NOI
(2) Estimated Net Returns after allocation of average fund fees, expenses, and carry

Executive Summary

INVESTMENT HIGHLIGHTS

Unique Product Type

Sundance Creek is the only community with townhome units within the immediate market; a product that offers a higher degree of privacy compared to traditional garden-style apartment units and is usually preferred by tenants.

Renovation Potential

Approximately 40% of the units are unrenovated units ("Classic Units"), with the remainder having received only modest upgrades ("Partially Renovated Units"). There is significant opportunity to improve and modernize these units and create rent growth.

Strategic Location

McDonough lies within the Henry/Clayton submarket and epitomizes the charm of suburban living with its close proximity to Atlanta. It offers a unique mix of diversity, history, and economic vitality and serves as an attractive multifamily location for the telecommuting workforce. The Henry/Clayton submarket has undergone significant infrastructure improvements, creating a harmonious integration of suburban serenity and urban connectivity. This has led to substantial investments in key sectors like advanced manufacturing and logistics, which are expected to generate thousands of jobs. In the past six years alone, the submarket has seen over $1.8 billion in new investments, 36 new projects and developments, and the creation of more than 7,700 new jobs according to the local Chamber of Commerce.

Limited New Supply & Strong Demand

Henry County's multifamily landscape will see the addition of 1,194 units over the next year. These account for 6% of the total anticipated construction across the broader Atlanta metropolitan area. Despite this seemingly modest increment, the strong absorption rates forecasted for the Atlanta market suggest that the new supply will likely be outpaced by demand. REIS forecasts indicate that from 2024 to 2028, Henry County can expect a rent increase from $1,411 to $1,677 per unit, culminating in a notable 18.9% growth. Vacancy rates are also expected to compress from 4.5% to 3.8% during this period. This contraction in vacancy, alongside the anticipated rent hikes, points to a robust demand that is set to absorb the new supply.

Accretive Financing

The acquisition entails the assumption of a fixed-rate Freddie Mac loan of $22.8 million (at a rate of 3.55%), and a new supplemental loan of approximately $7.0 million (at a projected rate of 7.50%). The blended interest rate on the combined loan is projected to be 4.50%, which is highly accretive, especially in the current high interest rate environment. The debt has approximately 5.5 years (August 2029) remaining in term, which coincides with the projected hold period. The debt will remain fixed throughout the term of the loan.

Sale Comparables in McDonough

Sundance Creek's purchase price per unit at $196,121 presents a compelling value when compared to the average sale price of $264,686 per unit in McDonough's recent transactions. This gap reflects the investment's potential for growth, as nearby developments like Icon Bridges, Carmel Vista, and Halston South Point have achieved higher sale prices. With strategic enhancements, Sundance Creek is well-placed to improve its market position and realize increased value, mirroring the upward trends of neighboring properties.

Conclusion & Forward Strategy

The strength of the submarket combined with the accretive renovation plan of this unique townhouse project positions Sundance Creek as an attractive investment opportunity with significant potential for value appreciation over the projected hold period.

PROPERTY INFORMATION

Location	575 McDonough Pkwy, McDonough, GA 30253
Unit Mix	(see table below)
Unit Type	Two-story townhomes
Lot Size	34.27 Acres
Net Rentable Area	220,906 SF
Year Built	2004
Site & Construction	**Buildings:** 26 Residential, 1 Clubhouse, 1 Maintenance **Parking Spaces:** 449 Regular Spaces / 6 Handicap / 24 Detached Garages **Pool:** One swimming pool **Exterior:** The construction components include wood stud construction with brick veneer and hardiplank siding. **Roof:** wood truss roofing covered with composite shingles on felt sheathing.
Amenities	Two-story townhome floorplans with private backyards Resort inspired pool with sundeck 24-hr gym with cardio equipment & strength training Outdoor grilling station Private off-leash dog park with agility equipment Internet lounge Gated community 24-hr emergency maintenance

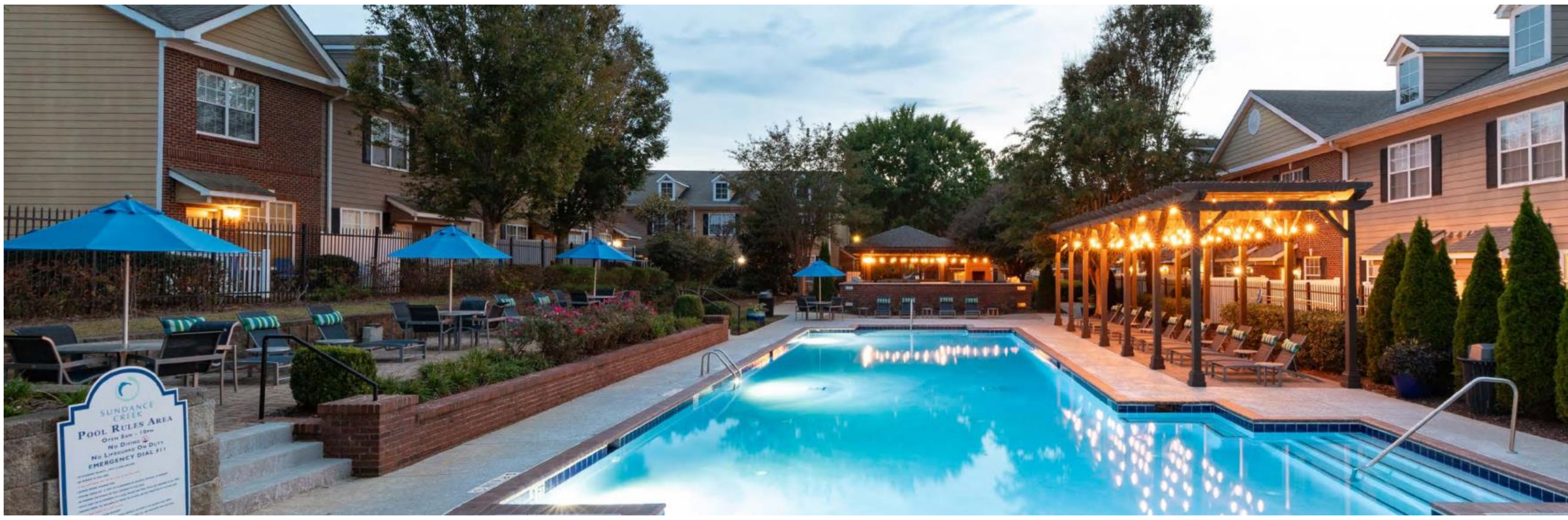
Unit Mix

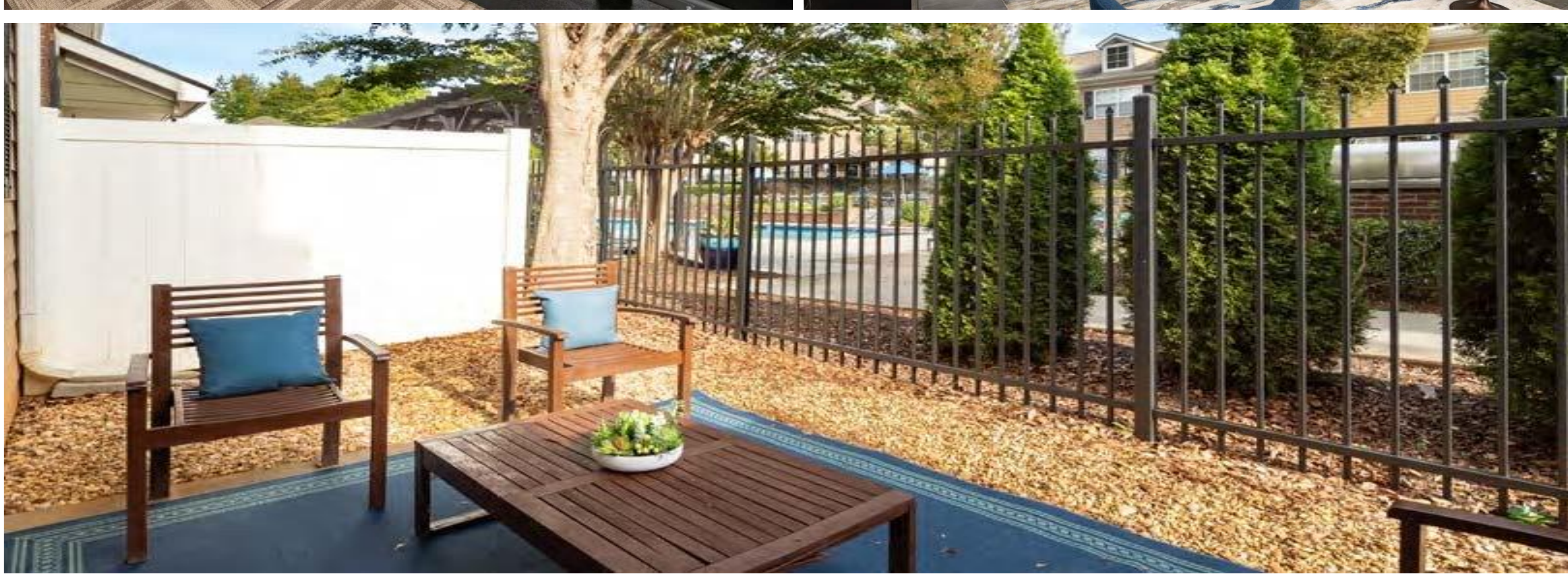
Unit Type	Units	% of Total	Avg Size	Total Rentable SF
1 Bed - Classic	41	17.7%	796	32,640
1 Bed - Partial Upgrade	75	32.3%	794	59,520
1 Bed - Total	**116**	**50.0%**	**794**	**92,160**
2 Bed - Classic	50	21.6%	1,109	55,466
2 Bed - Partial Upgrade	66	28.4%	1,110	73,280
2 Bed – Total	**116**	**50.0%**	**1,110**	**128,746**
Total	**232**	**100.0%**	**952**	**220,906**

AERIAL VIEW

Leasing Office
Mail Center
Dog Park
Car Care Center
Pool
Cabana
Garages: E-J
Storage Rooms: A-D & K-N
K-N JIHGFE A-D
McDonough Pkwy
Bridges Rd

COMMUNITY AMENITIES

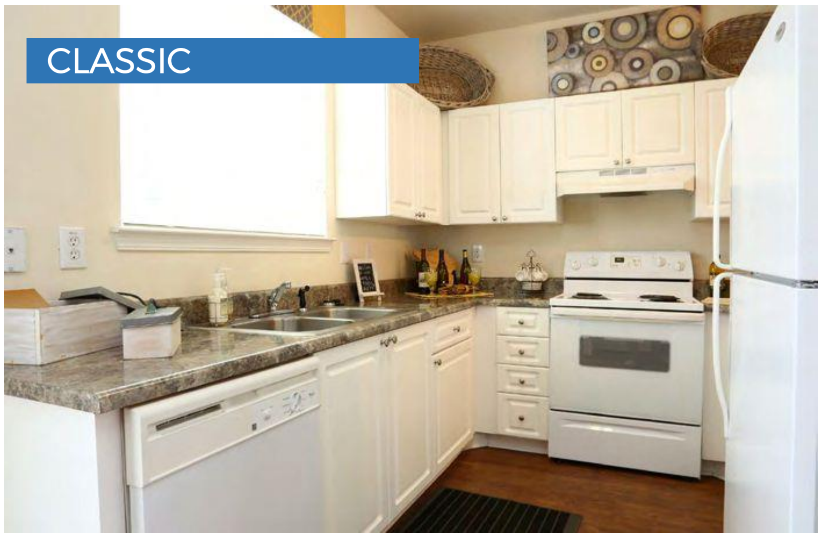




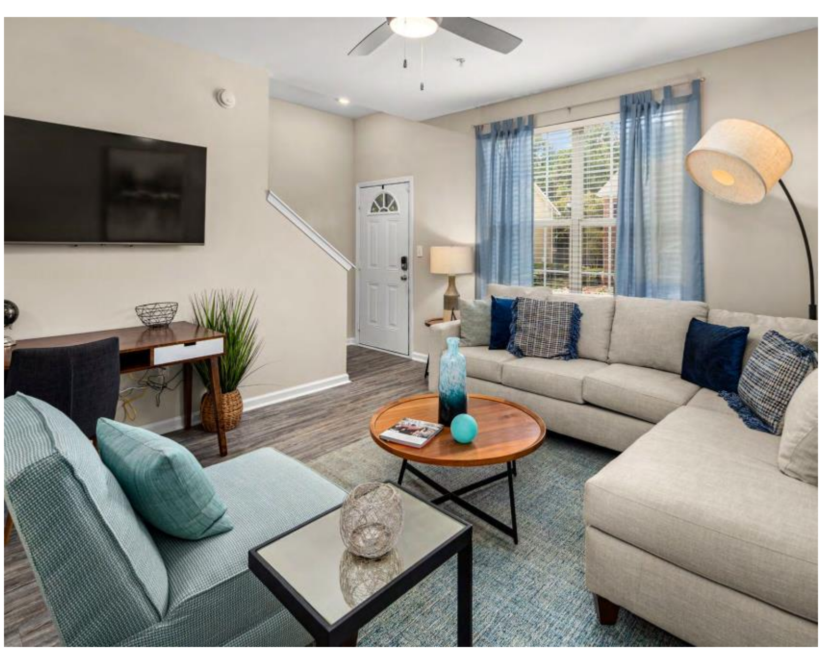
*Townhouse Backyard

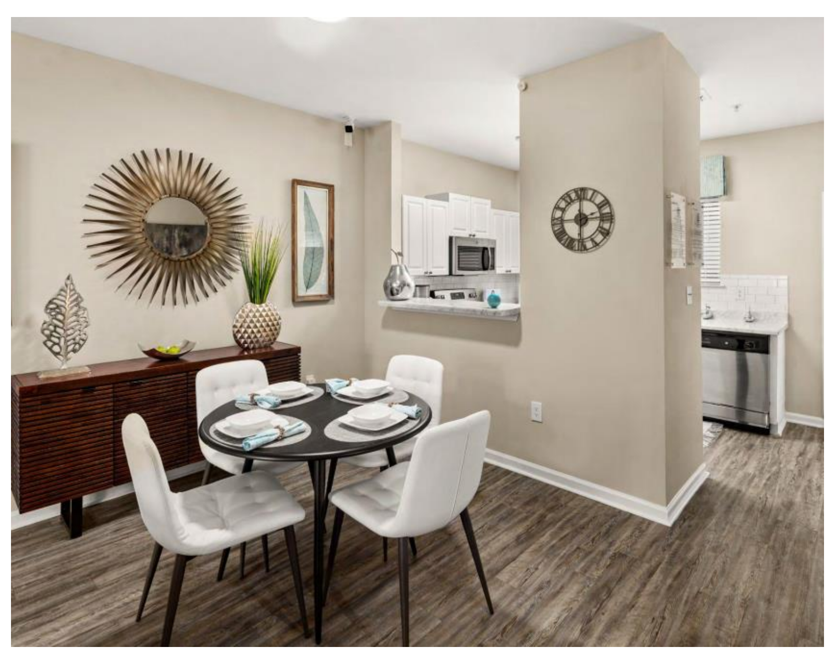
Community Amenities

INTERIOR PHOTOS


CLASSIC


PARTIAL UPGRADE





BUSINESS PLAN

Objective

PIA Residential's strategic approach to acquiring Sundance Creek revolves around securing a well-positioned asset within a thriving and expanding sub-market, all while achieving a cost basis below replacement value. This attractive entry point is further enhanced by the opportunity to renovate all of the units to capture an embedded rent spread versus other multifamily offerings in the market. In addition, the business plan also includes the enhancement of selected common areas, aimed at elevating the property's overall value and curb appeal.

Value-Add Renovation Program

The renovation strategy aims to enhance appeal of all units, projected to realize rent increases of 13.9% on the one-bedroom units (average $199 monthly increase per unit), and 8.8% on the two-bedroom units (average $155 monthly increase per unit). The renovation is expected to yield an overall return on investment of 30%, with one-bedroom units projected to achieve a 36% return and two-bedroom units estimated at 25%. This upside is showcased within the competitive set, which is already achieving rents in excess of these projections.

Unit Upgrades

Approximately 40% of the units (Classic) will receive major upgrades, including new cabinetry, faux granite countertops, vinyl wood flooring, modern lighting, and stainless-steel appliances, to ensure a superior living experience. The remaining 60% already have partial upgrades and will be brought to a similar standard as the fully upgraded units.

- Classic Units have original cabinetry, white appliances, original laminate countertops.
- Partial Upgrade Units have original cabinetry, stainless steel appliances, new faux marble laminate countertops, and white subway tile backsplash. Select units have in-unit washer and dryers, and vinyl flooring throughout.

Unit Mix											
	In-Place Rents						Renovation Premium		Post-Renovation Rents		
	Units	% of Total	Avg Size	Effective Rent	Eff. Rent PSF	Gross Potential Monthly Rent	Premium	Premium PSF	Effective Rent	Eff. Rent PSF	Gross Potential Monthly Rent
1 Bed - Total	116	50.0%	794	$1,433	$1.80	$166,251	$199	$0.25	$1,633	$2.06	$189,392
2 Bed - Total	116	50.0%	1,110	$1,760	$1.59	$204,216	$155	$0.14	$1,916	$1.73	$222,238
Total	**232**	**100.0%**	**952**	**$1,597**	**$1.68**	**$370,467**	**$177**	**$0.19**	**$1,774**	**$1.86**	**$411,629**

1-Bed Units

- **Classic 1-Bed Units (41 Units, 768 SF avg):** Budget of $12,500 per unit for comprehensive upgrades. Anticipated rent increase post-renovation reflect the added value and modernization.
- **Partial Upgrade 1-Bed Units (75 Units, 768 SF avg):** Moderate upgrades budgeted at $3,500 per unit, enhancing unit features while maintaining competitiveness in the market.

2-Bed Units

- **Classic 2-Bed Units (50 Units, 1,110 SF avg):** Designated $12,500 per unit for extensive improvements, with the expectation that the enhancements will justify a corresponding rise in rental rates after the enhancements.
- **Partial Upgrade 2-Bed Units (66 Units, 1,110 SF avg):** Planned minor enhancements at $3,500 per unit, focusing on cost-effective improvements that yield optimal rental value.

BUSINESS PLAN

Market Dynamics & Positioning[1]

The city is witnessing a surge in impactful projects such as The Cubes at Locust Grove and the advanced distribution facility by NewCold, which are set to inject vitality into the job market. These developments, along with a notable 9.4% of the workforce engaging in telecommuting—a figure that stands out nationally—forecast McDonough's increasing appeal for knowledge-based professionals and investment potential.

Experiencing an 88% surge in population over the past two decades, Henry County stands as one of the fastest-growing areas in the Southeast, exerting significant pressure on the housing supply. Sundance Creek enjoys a competitive edge in a market with limited new supply, where demand for quality upgraded units like those planned for Sundance Creek remains strong.

Attractive Assumable Debt

An essential element of the business plan is the assumption of favorable existing debt terms, which are below the prevailing market rates. The current assumable loan from Freddie Mac, has an interest rate of 3.5% that is fixed throughout its remaining term. The existing 5.5-year loan (expiring in August 2029) will be supplemented by a loan of approximately $7.0 million at a projected interest rate of 7.5%, bringing the leverage to a 65% loan-to-value ratio. The weighted average rate of the all-in debt will result in an attractive rate of approximately 4.5% fixed throughout the duration of the loan term which is well below market rates in today's interest rate environment.

Below Replacement Cost[2]

The development of new properties in McDonough is relatively expensive. Land values are estimated at $30,000 per unit, while construction costs average $200 per square foot for a typical 1,000 square foot unit. Soft costs generally average an additional 18% of hard costs or approximately $36 per square foot. Sundance's units are 952 square feet on average. Using the estimates provided, it would cost approximately $254,715 per unit for new construction. Sundance Creek's acquisition price is anticipated to be around $196,000 per unit, with the projected all-inclusive cost after renovations at $220,000 per unit. This acquisition strategy offers a competitive advantage in terms of investment outlay and the prospect of long-term returns.

Experienced Property Manager

PIA expects to retain RADCO Residential to provide property management services to Sundance Creek. RADCO Residential, a multifamily real estate management company, boasts over two decades of experience, emphasizing value creation through strategic property improvements and robust operational systems. With a portfolio of approximately 33,000 units across numerous markets, RADCO is recognized for its expertise in overseeing properties from acquisition to value enhancement and eventual disposition. RADCO promotes a culture of adaptability and creativity, contributing to their sustained profitability and market leadership. RADCO's approach is data-driven and culturally aware, ensuring high-performance management services for a diverse and evolving real estate portfolio.

(1) Data per REIS / Notes from The Atlanta Journal Constitution, Henry Herald, and Henry County Development Authority

(2) Data from Cushman & Wakefield research reports

LOCATION

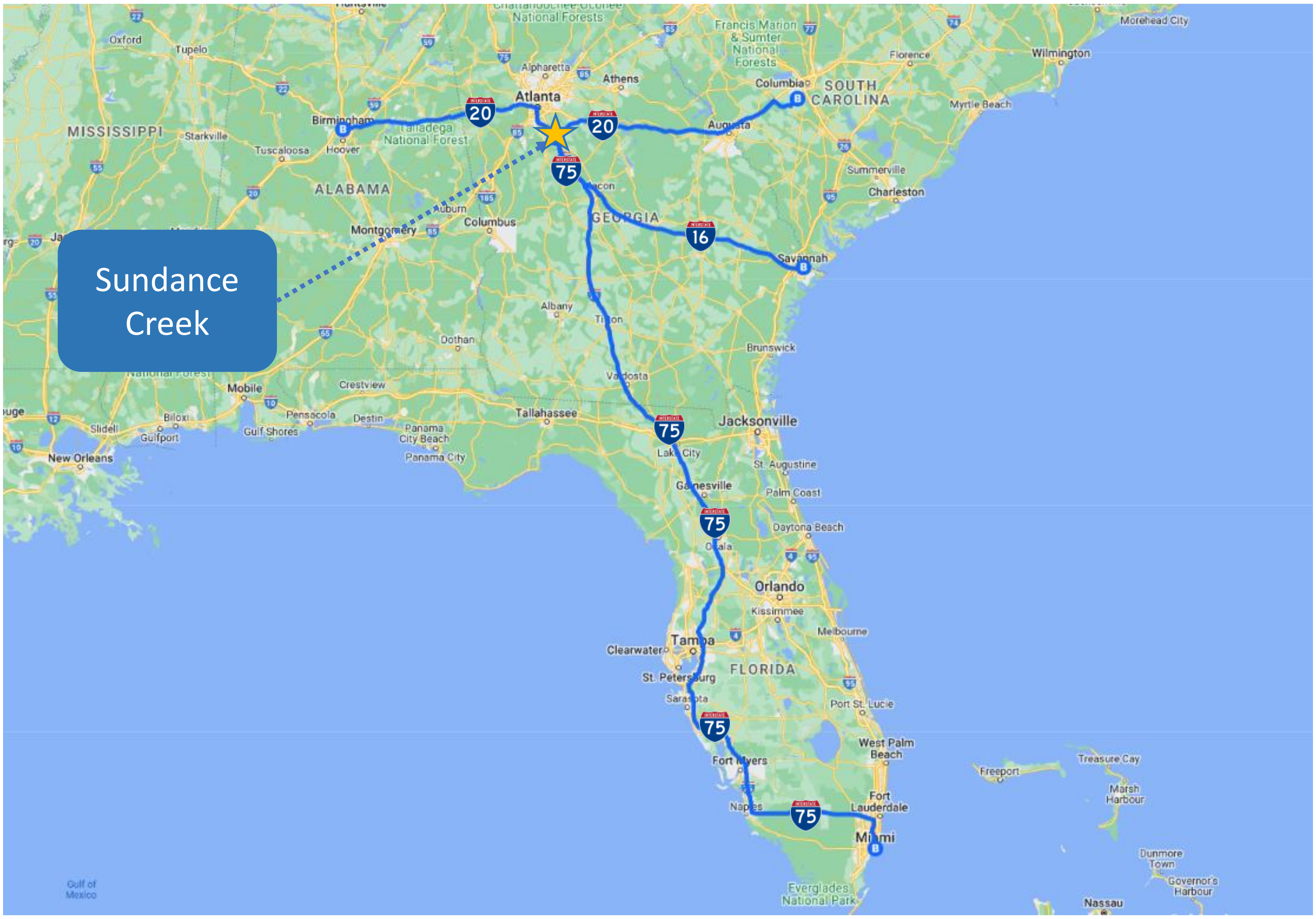
Sundance Creek is conveniently located within a 5-minute drive from McDonough's city center. McDonough, situated 30 minutes south of Atlanta via I-75 is home to approximately 30,000 residents and combines the appeal and affordability of suburban living with proximity to a major metropolitan area. The city is characterized by its diverse community, historic downtown and growing economic landscape. The city center, while retaining its traditional small-town charm, hosts a variety of retail shops and dining establishments and maintains a year-round calendar of events The central town square, a hub for local festivities, regularly features events such as music concerts, movie nights, seasonal festivals, and automotive exhibitions.

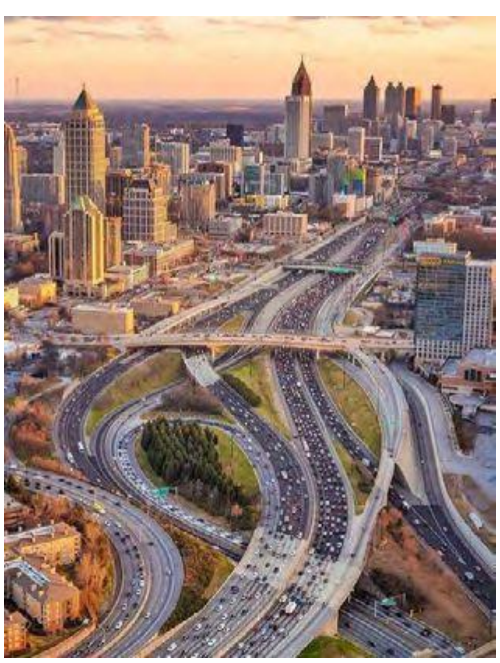
- **Accessibility and Infrastructure:** With major highways running through it, McDonough offers excellent connectivity to Atlanta and the Hartsfield-Jackson Atlanta International Airport which is located approximately 25 miles northwest of the Sundance Creek. The city's infrastructure supports its expanding population and economic activities. Henry County has focused on expanding the roadways to include four lanes instead of two, highlighting its commitment to bolstering growth and enhancing its standing as a corporate hub.

- **Community and Lifestyle:** A variety of community events, such as the Geranium Festival and Taste of Henry, are held in McDonough, reflecting a strong sense of local culture and engagement. The city's recreational parks, golf courses, and shopping centers contribute to a high quality of life.

- **Workforce Trends:** McDonough stands out with a relatively high telecommuting population of almost 10% of the workforce, which is indicative of the city's adaptability and appeal to knowledge-based professionals. This trend aligns with broader shifts towards remote work, positioning McDonough as a community that supports modern work lifestyles.

LOCATION





INTERSTATE-75 CORRIDOR CONNECTIVITY

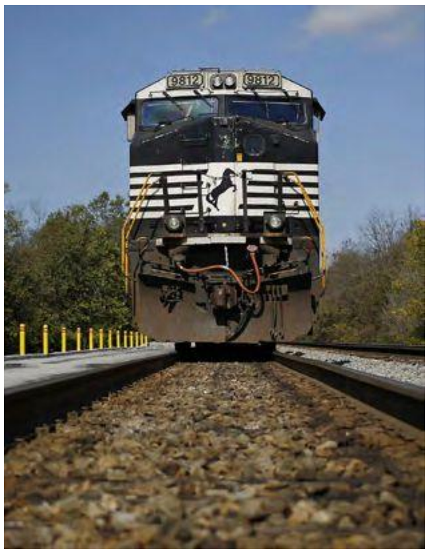
SOUTHEAST'S DEFINING FREIGHT DISTRIBUTION & LOGISTICS CORRIDOR

LOCATION

- Best-of-market location within a 53 million square feet logistics and E-Commerce corridor that leads the Southeast.
- Access to the world's busiest airport with several multibillion-dollar developments underway.
- Over 400,000 jobs between McDonough and its quick Atlanta Downtown and Midtown commutes.

GEORGIA PORTS AUTHORITY – PORT OF SAVANNAH

HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT



EXTENSIVE FREIGHT RAIL SYSTEM

METRO ANALYSIS: ATLANTA, GEORGIA

Overview: Atlanta, the thriving heart of the Southeast, is a metropolis that balances rapid growth with a rich tapestry of culture, innovation, and history. It is a city where tradition meets modernity, boasting a diverse economy that includes everything from global corporations to cutting-edge startups. With a metro population of over 6 million, Atlanta is a bustling hub known for its welcoming spirit, world-class amenities, and a strong sense of community.

Key Market Drivers

- **Connectivity and Global Reach:** Atlanta's Hartsfield-Jackson International Airport, less than 25 minutes from McDonough, is the world's busiest airport, ensuring unparalleled global and domestic connectivity. The city is also a major transportation hub, with extensive highway, rail, and transit systems that fuel business and tourism.

- **Economic Powerhouse:** Home to the headquarters of dozens of Fortune 500 companies, Atlanta's economy is diverse and robust, spanning sectors such as media, healthcare, logistics, and technology. Recent developments in electric vehicle manufacturing and tech expansion speak to its status as a forward-looking city poised for future growth. The metro Atlanta region has seen a surge in corporate investment and headquarters relocations in 2023, with significant job creation across supply chain/infrastructure, financial technology, advanced manufacturing, life sciences, and cleantech industries.

  - **Fortune 500 Companies located in Atlanta:** Home Depot, UPS, Delta Air Lines, Coca-Cola, Southern, Genuine Parts, WestRock, PulteGroup, Asbury Automotive Group, Norfolk Southern, AGCO, Assurant, Intercontinental Exchange, Newell Brands, Graphic Packaging Holding, Global Payments, and NCR.

- **Education and Innovation:** Atlanta is a center for higher learning, with prestigious institutions like Georgia Tech and Emory University driving innovation. The city's educational ecosystem fosters a skilled workforce, making it a magnet for research and development across various industries.

- **Healthcare Hub:** The city's healthcare sector is formidable, with over 100 hospitals and a healthcare ecosystem that not only provides excellent care but also contributes significantly to the local and state economy.

- **Cultural Capital / Film Industry:** Atlanta is also a cultural hub, with a vibrant arts scene, major sporting events, and a plethora of festivals that celebrate the city's diversity and artistic spirit. Additionally, the City has become a central hub for the film industry, often referred to as the "Hollywood of the South" with substantial direct investment from various productions, which has led to the establishment of major studio equipment companies and the expansion of soundstage facilities.

- **Investment Appeal:** Atlanta's blend of accessibility, economic vitality, educational excellence, and cultural richness, positions it as a premier location for those seeking a dynamic and prosperous urban lifestyle, making it an ideal complement to the suburban charms of McDonough.

HENRY/CLAYTON SUBMARKET OUTLOOK

Economic Growth

The Henry/Clayton submarket's location is advantageous for businesses, evidenced by the presence of major distribution centers and a growing retail sector. The submarket is primed for expansion in key industries such as advanced manufacturing, healthcare services, logistics, and professional solutions, signaling a diversified and robust economic development.

Interstate 75 Corridor –Freight Distributions and Logistics Corridor

The Henry/Clayton submarket is part of the I-75 Corridor between the world's busiest airport of Atlanta and the expanding Port of Savannah. This provides a strategic location for large distribution centers and convenient access to more than 400,000 jobs. The submarket's status as a logistics hub draws from some key differentiators:

- Relatively lower land costs versus Atlanta infill locations
- Immediate access to I-75 with connections to 80% of the US populations in less than a two-day drive
- Close proximity to Atlanta airport, rail infrastructure and connectivity to five of the East Coast's largest ports
- A rapidly expanding e-commerce industry

The following recent investments have been announced in and around the Henry/Clayton submarket:

- **Windows Manufacturing Facility:** Anderson Corporation announced a $420 million investment in Henry County, which is expected to create 900 new jobs and is noted as the largest single business investment in the county's history. The facility will be Andersen's first manufacturing facility in Georgia and is located at The Cubes at Locust Grove, with operations starting in 2025.

- **NVH Korea EV Parts Plant:** NVH Korea's plans to invest $72 million in an electric vehicle parts plant in Henry County, which is projected to create more than 160 jobs. The facility will be located in Locust Grove and will supply battery parts for EV manufacturers including Hyundai Motor Group and Kia Georgia.

- *NewCold Advanced Distribution Facility:* NewCold is investing over $333 million in a new distribution facility in Henry County. This project is projected to create 170 new jobs and is noted as the second largest single business investment in the county's history. The automated storage and cold chain logistics facility will be situated at the Midland Industrial Park in McDonough.

- **General Manufacturing Growth:** General manufacturing growth has been significant, with over 8,200 new jobs since 2018 due to corporate investments totaling $1.82 billion from companies such as Zinus USA, Purple Mattress, and Dole Foods.

Data Source: REIS, offered by Moody's Analytics

HENRY/CLAYTON EMPLOYERS

Logistics
Henry County stands as a key logistics and e-commerce hub in the Southeastern U.S., strategically chosen for its advantageous location. The county offers optimal access to both the Port of Savannah and Hartsfield-Jackson Atlanta International Airport, further reinforced by tax incentives that specifically benefit logistics operations.

Healthcare Services
Henry County offers robust healthcare services, notably from Piedmont Henry Hospital, a 215-bed community hospital. This major non-government employer has over 400 doctors and 500 nurses, offering comprehensive medical care and contributing significantly to the local economy.

Professional Solutions
The county is advancing in service and knowledge-based industries, with a focus on customer care, business services, and information technology, reflecting broader economic trends in the U.S.

Advanced Manufacturing
With access to a large workforce and proximity to Atlanta and its international airport, Henry County is a preferred location for manufacturing firms, serving as a strategic operation point within the Atlanta metro area and the Southeast.

NOTABLE SUBMARKET EMPLOYERS

COMPANY	NO. OF EMPLOYEES
Atlanta CBD	225,000
McDonough Logistics Market	75,000
Atlanta Hartsfield International Airport	63,000
Delta Global Headquarters	34,000
Trilith Studios Atlanta	7,000
Blackhall Studios	5,900
Georgia Power Company	4,050
Piedmont Henry Hospital	1,600
Southern Regional Medical Center	1,550
Chick-Fil-A Global Headquarters	1,200
Porsche North American Headquarters	500
Kaiser Permanente Henry Medical Center	500

NOTABLE PROJECTS

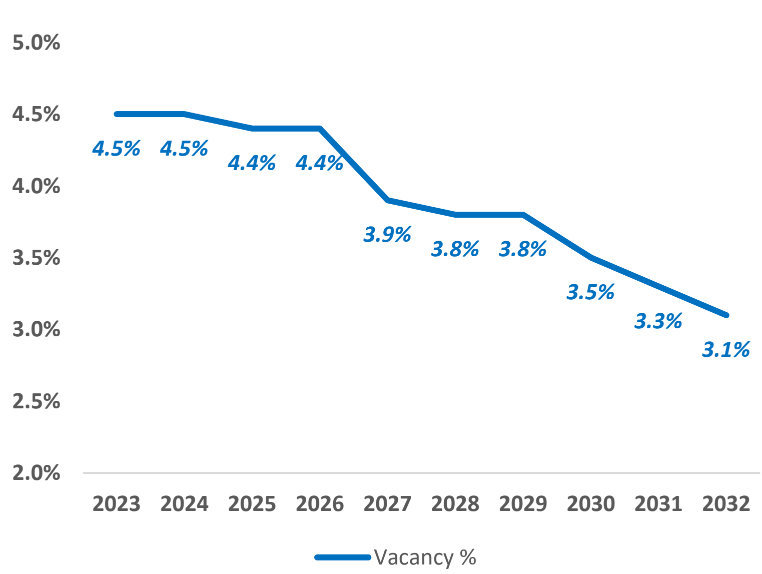
COMPANY	INVESTMENTS	JOBS	SQUARE FOOTAGE
Andersen	$420,000,000	900	1,000,000
NewCold	$333,000,000	170	N/A
The Home Depot	$96,700,000	600	657,600
Purple Innovation	N/A	500	325,000
Feit Electric	$25,000,000	120	268,940
Ferrero USA	N/A	250	728,000
Love's Travel Stop	$16,000,000	55	200,000
Radial	$40,000,000	345	761,000
Ken's Food Inc.	$103,000,000	70	343,625
Purple Innovation	$21,000,000	360	520,000
Zinus USA	$108,000,000	804	972,350
Pregis LLC	$14,000,000	150	298,000
Incora	$13,000,000	70	250,000
Dole Packaged Foods	N/A	100	63,000

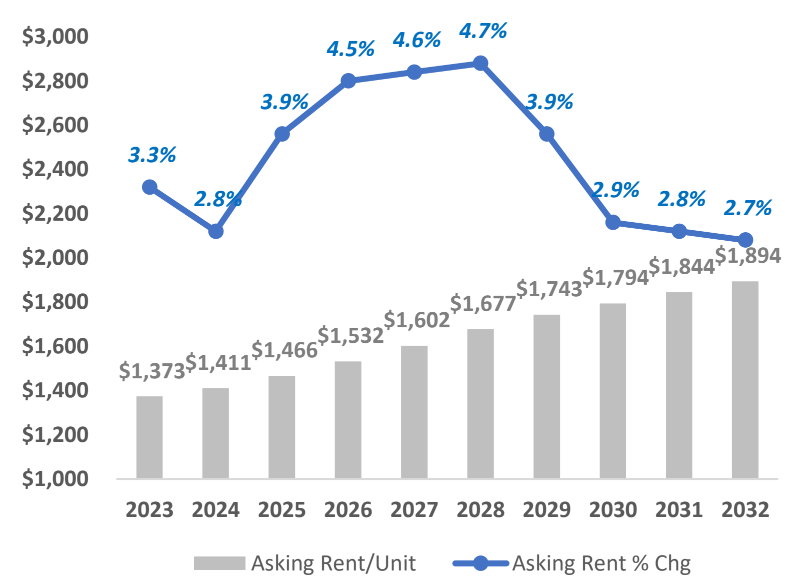
HENRY/CLAYTON MULTIFAMILY MARKET

Vacancy & Rents

According to data from REIS, The Henry County multifamily submarket from 2023 to 2032 is forecasted to achieve high rent growth and low vacancy. The forecast indicates a decline in vacancy rates, from 4.5% at the end of 2023 tapering to 3.1% by 2032, representing a total contraction of 140 basis points over the ten-year period. This trend suggests a tightening market with increasing demand for rental units. Much of this tightening is due to demand outpacing projected supply of rental units, partially due to the high percentage of telecommuters who value the comfort and convenience of home-based work settings. It reflects one of the highest telecommuting rates in the country at almost 10%. Such trends may boost demand for higher-quality rental units, as seen in areas like Silicon Valley.

In terms of rental rates, the market is expected to experience steady growth. Asking rents per unit, are projected to achieve a cumulative increase of 37.9% over the decade, averaging an annual rent growth of approximately 3.4%. Focusing on the five-year hold period from 2024 through 2028, the data suggests a consistent upward trajectory in rents. Starting at $1,411 in 2024, average asking rents in our submarket are anticipated to reach $1,677 by the end of the hold period in 2028, representing an increase of 18.9% equivalent to an average annual rate of 4.1%, reflecting the market's sustained potential for rental increases. During this time, vacancy rates are expected to decrease from 4.5% to 3.8%, underscoring a steady absorption of multifamily units.





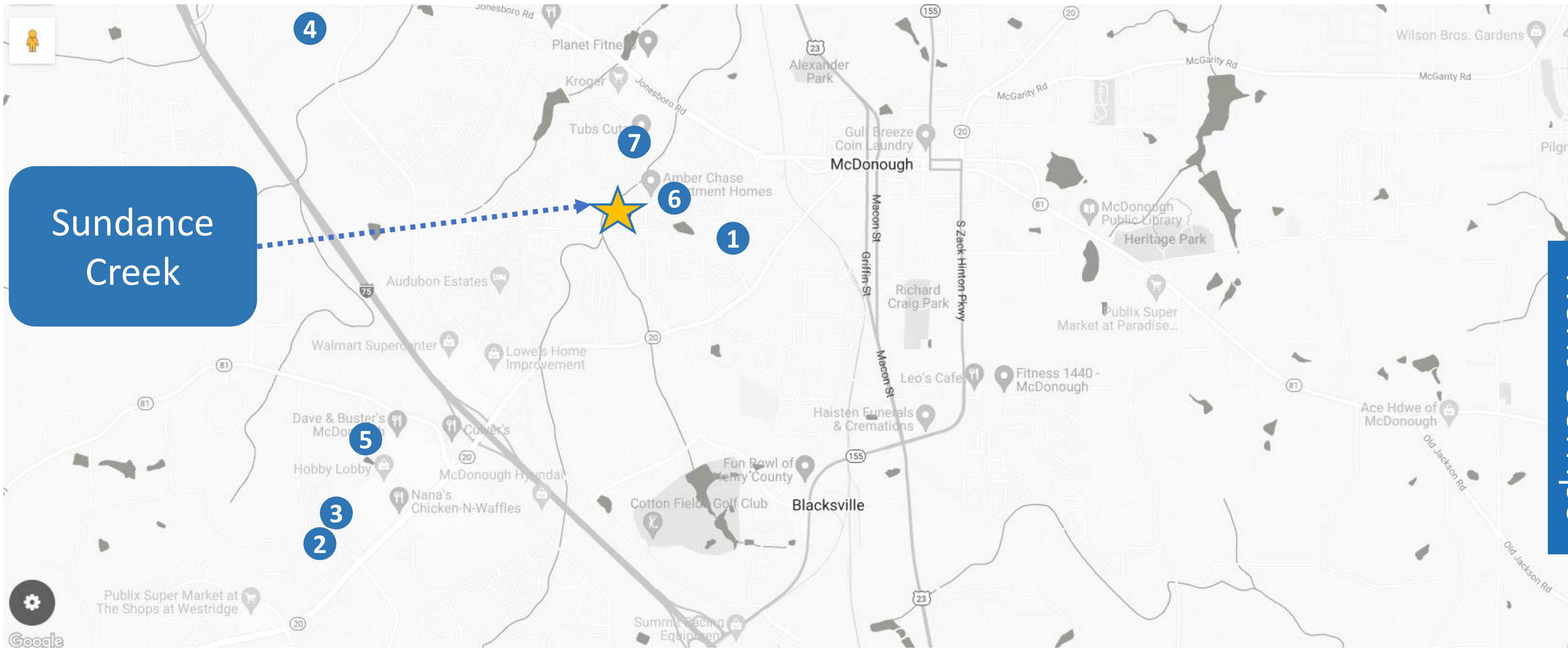
Construction Pipeline

The Henry/Clayton submarket is known for controlled development and high barriers to entry and has recently added further stringent regulations addressing specific development standards for new projects. The submarket added a modest 7,000 new units over the last two decades, despite a population growth of 120,000 people over that same period. This 88% rise in population during these twenty years makes it one of the fastest-growing submarkets in the Southeast, with a consequential strain on the available housing supply.

There are currently four projects totaling 1,194 units under construction in the submarket. None of these projects include townhome units, however they are similar to other recently completed developments in the market.

Data Source: REIS, offered by Moody's Analytics

RENT COMPARABLES SUMMARY

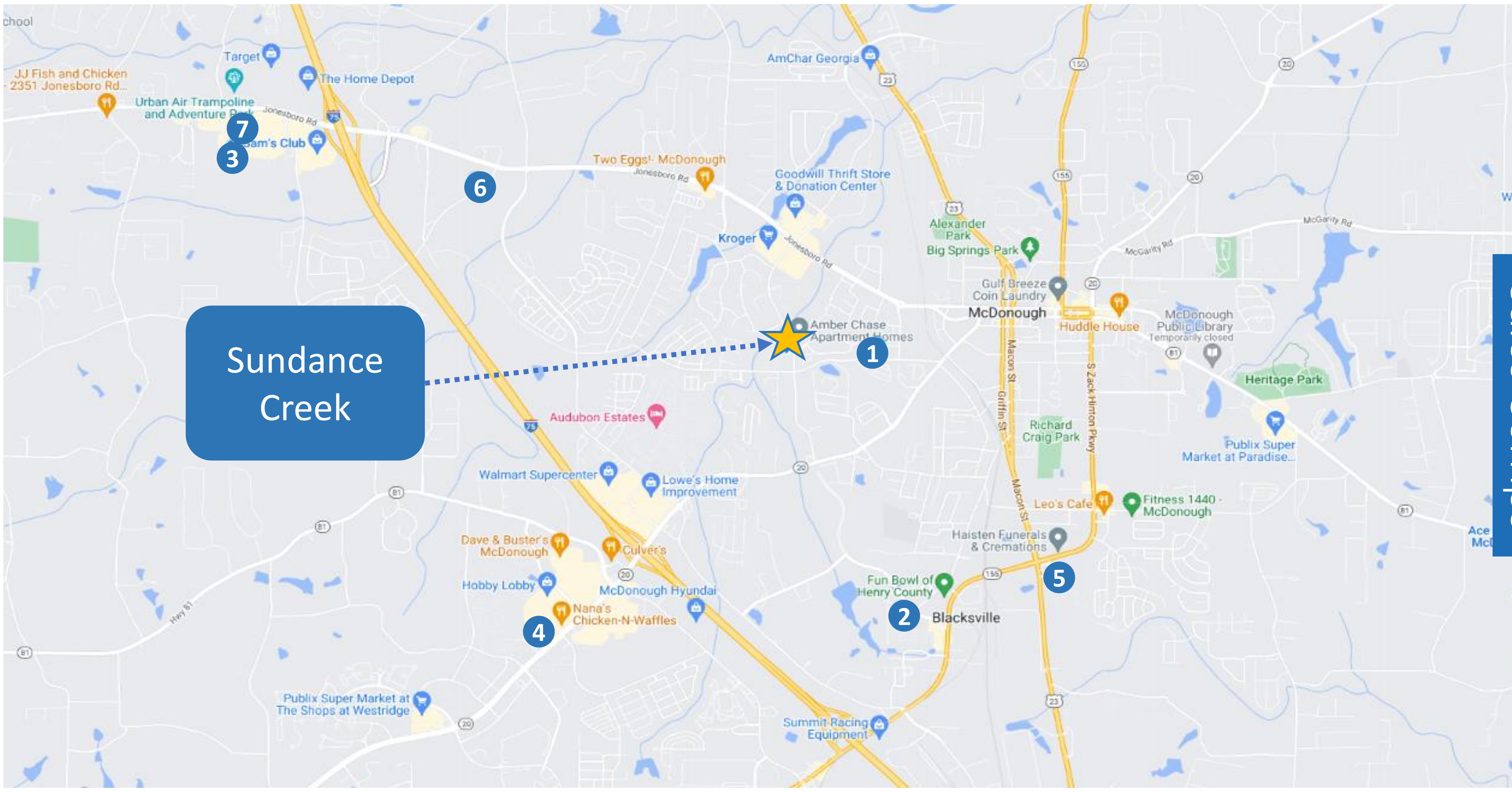


1 Bedroom Rent Comparables								
Property Name	**Map**	**Year Built**	**# of Units**	**Avg. Unit Size**	**Market Rent**	**Prem./ Disc. to Avg.**	**Avg. Mkt Rent PSF**	**Prem./ Disc. to Avg.**
Icon Bridges	1	2022	128	746	$1,801	5.6%	$2.41	16.2%
Estates at McDonough	2	2013	83	848	$1,585	-7.1%	$1.87	-9.9%
Halston South Point	3	2006	104	831	$1,904	11.7%	$2.29	10.5%
Carmel Vista	4	2021	116	781	$1,790	5.0%	$2.29	10.5%
Springs at McDonough	5	2017	96	852	$1,660	-2.7%	$1.95	-6.2%
Amber Chase	6	2000	80	850	$1,406	-17.5%	$1.65	-20.3%
Echelon Park	7	1997	66	914	$1,640	-3.9%	$1.79	-13.6%
Totals and Averages			**96**	**822**	**$1,705**	**0.0%**	**$2.08**	**0.0%**
In-Place								
Sundance Creek		**2004**	**116**	**794**	**$1,532**	**-10.2%**	**$1.93**	**-7.1%**
Post-Renovation								
Sundance Creek		**2004**	**116**	**794**	**$1,732**	**1.5%**	**$2.18**	**5.0%**

2 Bedroom Rent Comparables								
Property Name	**Map**	**Year Built**	**# of Units**	**Avg. Unit Size**	**Market Rent**	**Prem./ Disc. to Avg.**	**Avg. Mkt Rent PSF**	**Prem./ Disc. to Avg.**
Icon Bridges	1	2022	128	1,258	$2,198	12.9%	$1.75	7.5%
Estates at McDonough	2	2013	113	1,199	$1,960	0.6%	$1.64	0.6%
Halston South Point	3	2006	128	1,196	$2,032	4.3%	$1.70	4.5%
Carmel Vista	4	2021	92	1,151	$2,110	8.3%	$1.83	12.7%
Springs at McDonough	5	2017	110	1,152	$2,053	5.4%	$1.78	9.6%
Amber Chase	6	2000	232	1,192	$1,784	-8.4%	$1.50	-8.0%
Echelon Park	7	1997	145	1,220	$1,723	-11.5%	$1.41	-13.1%
Totals and Averages			**135**	**1,198**	**$1,948**	**0.0%**	**$1.63**	**0.0%**
In-Place								
Sundance Creek		**2004**	**116**	**1,110**	**$1,859**	**-4.5%**	**$1.68**	**3.0%**
Post-Renovation								
Sundance Creek		**2004**	**116**	**1,110**	**$2,015**	**3.4%**	**$1.82**	**11.6%**

Market Rents are adjusted to include ancillary income

SALES COMPS



Name	Map	City	Units	Year Built	Sale Date	Buyer	Seller	Sale Price	Per Unit
McDonough: Sales Comparables									
Icon Bridges	1	McDonough	250	2023	Oct-23	Sterling Group	Wood Partners	$58,000,000	$232,000
Crossings at McDonough	2	McDonough	252	2005/2006	Mar-23	RADCO	Viking Capital	$57,250,000	$227,183
Mandalay Villas	3	McDonough	300	2008	Sep-22	Laramar Group	Rockworth	$81,500,000	$271,667
Halston South Point *(aka. Villas at South Point)*	4	McDonough	284	2006	Jun-22	Ashcroft	Atlantic Pacific	$84,916,000	$299,000
Carrington Green	5	McDonough	264	2004	Jun-22	Ashcroft	Atlantic Pacific	$71,808,000	$272,000
Carmel Vista	6	McDonough	228	2021	Nov-21	Equus Capital Partners	Vista Realty Partners	$63,250,000	$277,412
Canyon Springs	7	McDonough	223	2021	Sep-21	Clark Ventures LLC	Adler Properties	$61,000,000	$273,543
Average			**257**					**$68,246,286**	**$264,686**

The purchase price of Sundance Creek at $196,121 per unit is substantiated by a thorough analysis of recent sales comparables within McDonough, indicating an average sale price of $264,686 per unit across various properties in the area.

A closer examination of the comparables reveals that properties such as Icon Bridges, Carmel Vista, and Halston South Point, all situated near Sundance Creek, serve as direct benchmarks in the rental comps analysis. Icon Bridges, a new development completed in 2023, achieved a sale price of $232,000 per unit. Meanwhile, Carmel Vista, built in 2021, commanded a sale price of $277,412 per unit, and Halston South Point, which traded hands in 2022, secured a sale price of $299,000 per unit. These figures not only exhibit the premium nature of these properties but also establish a clear baseline for expected market performance. As Sundance Creek undergoes strategic enhancements, it is poised to close the rental gap with these comparables, elevating its standing in the market.

It is important to note again the distinctive feature of Sundance Creek: it is the only project in the market and within this comparative set that exclusively offers townhouse-style units. Each unit provides a direct entrance and the absence of neighbors above, emulating the privacy and ambiance of a single-family home. This unique design is a significant differentiator from other projects in the area and is a compelling attribute that could command a premium in the market. The strategic renovation program at Sundance Creek is expected to further leverage this unique townhouse layout, enhancing its market position and investment appeal amidst a diverse array of multi-family offerings in McDonough.

TRANSACTION SUMMARY

ASSUMPTIONS:

- $45.5M purchase price
- Loan 65% LTV at 4.5% fixed for 5.5 years (Assumption of Senior Loan + Supplemental Loan)
- $3.1M CAPEX including $1.63M in unit renovations
- Sale in Year 5 at a valuation of $66.2M at an 5.85% Cap Rate
- Equity Required: $20.8M

Property Level Cash Flow	Hold Period	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income	$16,160,686	$2,606,026	$3,000,288	$3,328,054	$3,510,753	$3,715,565
Total CapEx	($3,056,130)	($930,127)	($1,594,503)	($531,501)	$0	$0
PIA Asset Management Fees / Fund Expenses	($750,000)	($150,000)	($150,000)	($150,000)	($150,000)	($150,000)
Unlevered Cash Flow	**$12,354,556**	**$1,525,900**	**$1,255,785**	**$2,646,553**	**$3,360,753**	**$3,565,565**
Total Debt Balance	$29,865,000	$29,865,000	$29,785,851	$29,298,380	$28,788,638	$28,255,607
Interest Expense	($6,575,172)	($1,336,708)	($1,336,560)	($1,323,246)	($1,300,974)	($1,277,685)
Principal Amortization	($1,609,393)	$0	($79,149)	($487,471)	($509,742)	($533,031)
Total Debt Service	**($8,184,565)**	**($1,336,708)**	**($1,415,709)**	**($1,810,716)**	**($1,810,716)**	**($1,810,716)**
Net Cash Flow (Levered)	**$4,169,990**	**$189,192**	**($159,924)**	**$835,837**	**$1,550,037**	**$1,754,848**
DSCR	1.97x	1.95x	2.12x	1.84x	1.94x	2.05x

Levered Returns Analysis	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Total Equity	($17,071,150)	($1,080,127)	($1,744,503)	($681,501)	($150,000)	($150,000)
Purchase Price	($45,500,000)					
Total Loan Proceeds	$29,865,000	$0	$0	$0	$0	$0
Net Cash Flow		$189,192	($159,924)	$835,837	$1,550,037	$1,754,848
Principal Repayment						($28,255,607)
Gross Sales Proceeds						$66,159,669
Deferred PIA AM Fee[1]						($1,145,752)
PIA Acquisitions Fee	($455,000)					
Closing Costs	($981,150)					($992,395)
Total Levered Cash Flow	**($17,071,150)**	**$189,192**	**($159,924)**	**$835,837**	**$1,550,037**	**$37,520,764**

Property Level Levered Net Returns[1]	Hold Period	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Average Cash-on-Cash	7.9%	7.0%	8.0%	7.4%	8.2%	9.1%
Projected IRR	15.6%					
Projected Multiple	1.9x					

Debt Summary	Senior	Supplemental	Total
Loan Proceeds	$22,865,000	$7,000,000	$29,865,000
LTC (% of Cost)	45.1%	13.8%	58.9%
LTV (% of PP)	50.3%	15.4%	65.6%
Interest Rate	3.6%	7.5%	4.5%
Financing Fees + Loan Costs			$298,650

(1) Estimated Net Returns after allocation of average fund fees, expenses, and carry

PRO FORMA / SOURCES & USES

Annual Cash Flows	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028
Revenue					
Gross Potential Income	**$4,589,447**	**$5,079,192**	**$5,449,429**	**$5,677,612**	**$5,927,152**
Loss to Lease	(27,920)	0	0	0	0
Gross Scheduled Income	**$4,561,527**	**$5,079,192**	**$5,449,429**	**$5,677,612**	**$5,927,152**
Growth	*NR*	*11.3%*	*7.3%*	*4.2%*	*4.4%*
Vacancy	(319,307)	(330,147)	(326,966)	(312,269)	(296,358)
Concessions	0	0	0	0	0
Non-Revenue Units	(19,662)	(21,893)	(23,489)	(24,472)	(25,548)
Bad Debt Loss	(136,846)	(126,980)	(108,989)	(113,552)	(118,543)
Net Rental Income	**$4,085,713**	**$4,600,171**	**$4,989,985**	**$5,227,318**	**$5,486,704**
Other Income	660,108	679,912	700,309	721,318	742,958
Effective Income	**$4,745,821**	**$5,280,083**	**$5,690,294**	**$5,948,636**	**$6,229,661**
Growth	*NR*	*11.3%*	*7.8%*	*4.5%*	*4.7%*
Controllable Expenses					
Payroll	(424,355)	(437,086)	(450,199)	(463,705)	(477,616)
Administrative	(64,832)	(66,777)	(68,780)	(70,844)	(72,969)
Utilities	(341,842)	(352,097)	(362,660)	(373,540)	(384,746)
Apartment Turnover	(111,983)	(115,342)	(118,802)	(122,366)	(126,037)
Repairs and Maintenance	(70,726)	(72,848)	(75,033)	(77,284)	(79,603)
Marketing & Advertising	(47,151)	(48,565)	(50,022)	(51,523)	(53,068)
Contract Services	(147,346)	(151,766)	(156,319)	(161,009)	(165,839)
Total Controllable	**($1,208,234)**	**($1,244,481)**	**($1,281,815)**	**($1,320,270)**	**($1,359,878)**
Non-Controllable Expenses					
Taxes	(523,392)	(584,098)	(601,621)	(619,669)	(638,259)
Insurance	(198,736)	(223,856)	(237,069)	(246,328)	(253,718)
Management Fee	(142,375)	(158,402)	(170,709)	(178,459)	(186,890)
Reserves	(58,938)	(60,706)	(62,528)	(64,403)	(66,336)
Total Non-Controllable	**($931,561)**	**($1,035,314)**	**($1,080,425)**	**($1,117,613)**	**($1,154,219)**
Total Expenses	**($2,139,795)**	**($2,279,795)**	**($2,362,241)**	**($2,437,883)**	**($2,514,097)**
NOI	**$2,606,026**	**$3,000,288**	**$3,328,054**	**$3,510,753**	**$3,715,565**
NOI Growth	*NR*	*15.1%*	*10.9%*	*5.5%*	*5.8%*

Sources & Uses

Sources	**Total**	**% of Total**	**Per SF**	**Per Unit**
Equity	$20,877,280	41.1%	$94.51	$89,988
Debt	29,865,000	58.9%	$135.19	$128,728
Total Sources	**$50,742,280**	**100.0%**	**$229.70**	**$218,717**

Uses	**Total**	**% of Total**	**Per SF**	**Per Unit**
Acquistion Costs	$45,500,000	89.7%	$205.97	$196,121
Closing Costs	$682,500	1.3%	$3.09	$2,942
Capital Expenditure	3,056,130	6.0%	$13.83	$13,173
PIA Acquisition Fee	455,000	0.9%	$2.06	$1,961
PIA Asset Management Fee(1)	500,000	1.0%	$2.26	$2,155
PIA Fund Expenses	250,000	0.5%	$1.13	$1,078
Financing / Debt Placement Fees	298,650	0.6%	$1.35	$1,287
Total Uses	**$50,742,280**	**100.0%**	**$229.70**	**$218,717**

(1) Asset Management Fees to be paid $100K current per year, with remainder paid out at sale

FINAL THOUGHTS

Strategic Acquisition in a Thriving Market

Sundance Creek, built in 2004 with 232 townhome units in McDonough, a suburb of Atlanta, Georgia, represents a attractive investment opportunity in a market experiencing considerable growth. The property offers significant upside potential, as the units are in original state with 40% of units ripe for extensive updates and the remaining 60% eligible for moderate enhancements. The asset also has an assumable loan and proposed supplemental loan with a potential blended rate of 4.5%, which is highly accretive to the projected net returns.

Financial Overview and Upside Potential

The property, purchased at $45.5 million or $196,121 per unit, has a Year 1 implied cap rate of 5.7%, making for a total capitalization of approximately $50.8 million. The renovation program is projected to yield an average ROI of 30%, significantly elevating Sundance Creek's status as a luxury community. The highly accretive renovation initiative aims to standardize unit quality, which positions Sundance Creek favorably within its competitive set, which is already achieving higher rents.

Market Dynamics and Growth Projections

The Henry County submarket, part of the Atlanta metropolitan area, is poised for strong growth in the coming years due to a healthy absorption rate outpacing new deliveries. This growth aligns with the strategic vision for Sundance Creek, anticipating increased revenue and asset appreciation due to projected rent growth and an accretive renovation program. Additionally, Henry County, known for its controlled development and high barriers to entry, has recorded substantial population growth. This trend, coupled with increasing household incomes, suggests a sustained demand for rental units and the ability to support higher rents over time.

Exceptional Location and Accessibility

Sundance Creek benefits from its proximity to McDonough's city center and Atlanta's airport, offering residents easy access to numerous amenities and employment opportunities. Atlanta's vibrant economy, cultural richness, and status as an educational and healthcare hub bolster the property's appeal.

Financials and Exit Strategy

The project's in-place cap rate stands at 5.7% based on Year 1 projected NOI. The projected average cash-on-cash yield is 7.9%, with a projected levered IRR of 15.6%, and multiple of 1.9x after accounting for average fund fees, expenses, and carry. These figures fall within the projected cash-on-cash yield, IRR and multiple targets of the fund.

In summary, Sundance Creek presents a robust investment opportunity, strategically positioned to leverage market dynamics and growth potential in a thriving suburban area of Atlanta. The combination of a value-add renovation strategy, favorable market conditions, and strong financial projections positions Sundance Creek as an attractive investment for PIA Residential Fund I.

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