

CALIFORNIA
PRIVATE CAPITAL GROUP

DYERSDALE VILLAGE

144 APARTMENT UNITS COMMUNITY

9700 Mesa Drive Houston, TX 77078. Garden-style property located in northeast Houston on Mesa Rd. near Tidwell Rd. 32 units are HAP subsidized. Blue-collar tenancy.



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CONFIDENTIALITY AGREEMENT

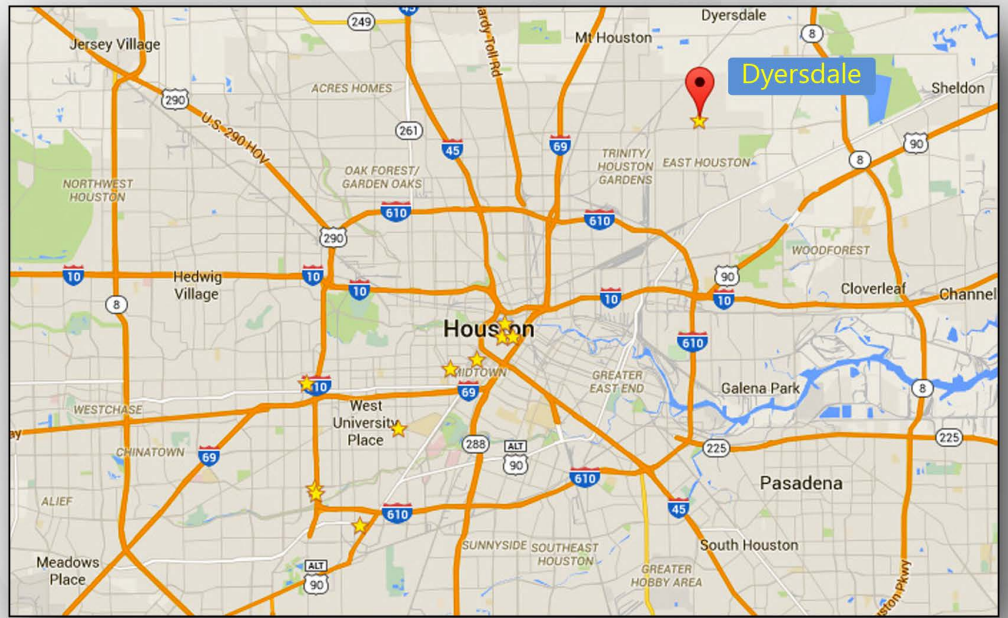
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North east Houston Market

In 2016, average effective rent growth in Houston is projected to be 4.5 percent \$1,060 per month.

Investment Highlights

- ✓ Outstanding Cash-Flow Opportunity Built in 1979
- ✓ Pitched Roofs and Individual HVAC's. Central Boiler.
- ✓ 8.8% Cap Rate/12%+ Cash-on-Cash Return (Pro Forma)
- ✓ Located in Houston, fourth largest Major City
- ✓ No competition in surrounding area
- ✓ Stable and performing, always maintained high occupancy
- ✓ 32 units HAP subsidized thru 2020
- ✓ Substantial Upside Through Improving operations



Dyersdale Village is a 144 unit, garden style apartment complex situated on the corner of Mesa Road and Sterlingshire - There are new houses being built across the street on Mesa and also on Sterlingshire. Mesa is a major street in Northeast Houston - Shopping, Schools, and Churches are close by.

Built in 1979, the subject is comprised of 2 story well constructed buildings consisting of stucco veneer, wood frames & pitched roofs. The majority of the units within the complex are two bedroom, a desirable trait in this submarket considering the large number of families living in the area who are not in the renter by choice category. The property has all of the standard amenities for a C-class apartment complex including a swimming pool, on-site management & two laundry facilities.

The property is located close to major redevelopment, Generation Park, considered the largest new commercial development in North America.

Property presents an incredible opportunity for a new owner to acquire a large multifamily property in a major market, add substantial NOI and value and enjoy a steady cash flow and long term appreciation. Lack of competition in the area and the favorable rental market conditions make it the ideal place in which to successfully execute such a strategy.

TRUE VALUE ADD OPPORATUNITY

CASH FLOW AND VALUE ADD OPPORTUNITY

Dyersdale Village is a 144 unit, two-story garden style apartment complex situated on 6.07 AC. Built in 1979, the subject is comprised of 2 story well-constructed buildings consisting of stucco veneer, wood frames and pitched roofs.

The property was acquired in 2012 by a large group of foreign investors who later on engaged our Company, California Private Capital Group, to assist in restructuring and sponsoring a new mortgage debt and general management of the property. The property is being managed by California Private Capital Group since 2013. The high number of foreign individuals with each investing a fairly small amount of equity thus having only little ownership interest in a property located abroad, created an opportunity to trade this asset, allowing a new buyer to purchase the asset for a good price, lower than market value, and enjoy an immediate cash flow and long term upside potential.

This is a Classic class C Property, located in a developing area in Houston. It has a secured HUD program for the next 5 years which essentially secures almost 25% of its rental revenues. To qualify for such a program, property has to be maintained well at higher standards. Dyersdale has always been very highly occupied, currently at 97%. The lack of almost any competition in the area together with well-maintained property are making Dyersdale in high demand in that area. The property does require a new fresh exterior paint, certain roof repairs and few other minor items, estimated all together at around \$200,000.

Property has always been very nicely performing and cash flowing and always fully occupied. The asset that can be acquired with NEW low cost financing; while additionally offering the opportunity to continue to push rental rates and reduce expenses.

This is a True Cash Flow and Add-Value Opportunity Property located in a very solid location with no competition and secured income!

A new owner has the opportunity to continue and increase the cash flow of the property by pushing rental rates higher, reducing operating costs and implementing a value-add program. Cost effective upgrades would increase the quality of life in the community and attract tenants willing to pay a premium for additional amenities. . This Property presents an opportunity for a strong, hands-on buyer to purchase an excellent asset for lower then its stabilized Market Value.

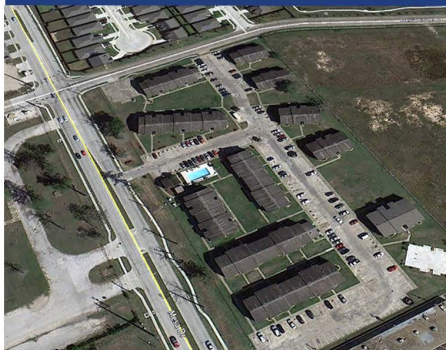
Our goal is to add value in two phases -

1. Making certain immediate repairs -
2. Increasing rent to market level -

DEC 2016
JULY 2017



PROPERTY SUMMARY



Address: 9700 Mesa dr. Houston, TX 77078

Total Units: 144

Bldg. Sq. Ft: 102,976 SF

Land Acres: 6.70 AC

Market: Houston

Sub Market: North east

Year Built: 1979

Class: C

Zoning: Multi-family District 1

Type: MFR Apartments

Washer/Dryer: Hookups in select units

HVAC: Individual Units

Fire Sprinkler: No

Cable Tv: Yes

No. of Stories: 2

Transaction Summary



TRANSACTION VARIABLES:			
Projected Time Line (yrs)			3
PURCHASE PRICE		\$	4,500,000
INSPECTIONS & ORIGATION FEES			239,375
REPAIR & UPGRADE COSTS			200,000
RESERVES			150,000
UTILITY DEPOSITS + OTHER PREPAID			90,256
		\$	5,179,631
INVESTMENT EQUITY	35%	\$	1,804,631
MORTGAGE LOAN	65%		3,375,000
	100%	\$	5,179,631
PROJECT PROFITS			
	CAP RATE:		8.00%
GROSS SALES PROCEEDS			\$6,126,781
ACCUMULATED CASH FLOWS			599,946
MORTGAGE PAY OFF			(3,204,042)
SELLING EXPENSES			(122,536)
			\$3,400,149
INVESTORS RETURN OF ORIGINAL EQUITY INVESTMENT			(1,804,631)
			1,595,518
INVESTORS PREFERRED RETURN (8% PER YEAR)			399,787
			\$1,195,731
INVESTORS - SHARE IN PROFITS (80%)			\$956,585
CAPCG - SHARE IN PROFITS (20%)			239,146
			\$1,195,731
Internal rate of Return (IRR)			23.20%
Est. Gross Cash on Cash Return to Partner:			13.60%

Transaction Variables



TRANSACTION VARIABLES:		
	Price Per door/Unit	MARKET
Projected Purchase price	\$31,250	\$ 4,500,000
Seller repair allowance		
	\$31,250	\$ 4,500,000
Immediate repairs/Deferred maintenance required		200,000
	\$32,639	\$ 4,700,000
CLOSING COSTS		
Lender Legal:		15,000
Partnership Legal:		10,000
Lender application Fee		10,000
Survey, Enviro, PCA, Appraisal:		10,000
Title Insurance:		10,000
Tax Escrow:		-
Insurance Escrow:		-
Lender Loan Fee		33,750
Mortgage Banking (Debt/Equity):		50,625
Lender Rate Cap:		-
Other:		10,000
CAPCG - Syndication Fee - 2%		90,000
Total Cost	\$34,301	\$ 4,939,375
Financing		
% Down Payment		28%
Down Payment		\$ 1,125,000
Debt Structure (Loan to Cost):		
Acquisition Mortgage Loan		72%
		\$ 3,375,000
Renovation Loan		
Total Mortgage		\$ 3,375,000
Payment Schedule		
Due in		10 years
Mortgage yearly Interest Rate		4.50%
Annual debt service (P&I)		205,208
Annual debt service (Interest Only for 1 yr)		150,761
Capital required		
Escrow Deposit		\$ 25,000
Down Payment		1,100,000
Inspections and appraisals -		65,000
Lender's and Broker Fees -		84,375
CAPCG - Syndication Fee - 2%		90,000
Immediate repairs/Deferred maintenance required		200,000
Interior and exterior repairs		
Reserves Cap Ex (Roof, Plumbing, Foundation, Equipment, HVAC)		150,000
		\$ 1,714,375
Prepayments & prorations at closing		
Insurance - 1 yr		\$ 45,600
Property Tax for 1 month		
Prepaid Interest for 1st month		\$ 12,656
Utilities deposits		\$ 32,000
		\$ 90,256
Total Investment		\$ 1,804,631

PROFORMA

Operating Performance																										
Year 1 Proforma			Going in Year 1																							
Scheduled Mid Year 5:			Year 1																							
Total SQF:			120,000																							
Stabilized NOI (Year 5):			144																							
			T12 Thru Dec-2015		Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10		Year 11	
			(Unaudited)		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025	

PROFORMA

<u>Sale Assumption</u>		Scenario I	Scenario II	Scenario III
	Cap Rate	8.50%	8.00%	7.50%
	Per unit/Door	\$40,044	\$42,547	\$45,384
Gross sale proceeds		\$5,766,382	6,126,781	\$6,535,233
Mortgage payoff		(3,204,042)	(3,204,042)	(3,204,042)
Selling Expenses+commissions (2%)		(115,328)	(122,536)	(130,705)
		2,447,012	2,800,203	3,200,486

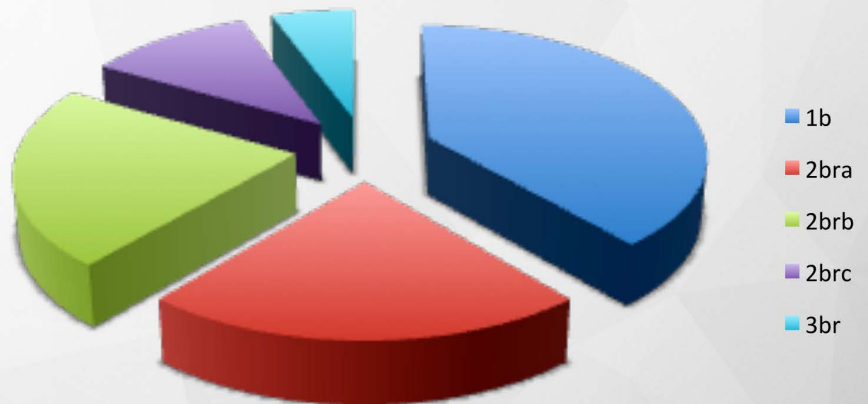
<u>Refinance Assumption</u>		Scenario I	Scenario II	Scenario III
	Cap Rate	8.50%	8.00%	7.50%
New Gross loan proceeds		\$4,324,786	4,595,086	\$4,901,425
Existing Mortgage payoff		(3,204,042)	(3,204,042)	(3,204,042)
New Mortgage loan costs (2%)		(86,496)	(91,902)	(98,028)
		1,034,249	1,299,142	1,599,354



Unit Mix Information



	Number	Average SQF	Total SQF	Market rent	Actual rent	\$/sqf
1b	56	587	32,872	\$540	\$474	0.81
2bra	32	760	24,320	750	669	0.88
2brb	32	760	24,320	610	558	0.73
2brc	16	851	13,616	655	588	0.69
3br	8	981	7,848	760	739	0.75
Grand Total	144	715	102,976	\$627	\$563	0.79





YahavDinai

Asset Management

Mr. Dinai is the founder and managing partner of California Private Capital Group. Mr. Dinai is in charge of the group's operations in the US, investor relations, assets management and ties to the Jewish community in the Silicon Valley.

Mr. Dinai brings over 10 years of experience in private equity, commercial real estate and asset management as well as many years of experience in public accounting, financial management, strategic planning and execution for technology firms while holding a variety of leadership roles in Pricewaterhousecoopers and Ernst & Young, two of the world's largest accounting firms.

Prior to founding California Private Capital Group, Mr. Dinai was also a founder and regional partner at SOAProjects, an accounting and IT risk advisory services firm, rated 6th largest CPA firm in the Silicon Valley, California.

Mr. Dinai is a Certified Public Accountant (CPA), he received his graduate's degree in economics and accounting from the Tel Aviv University, Israel and his master degree in law (LLM) from the Bar-Ilan University, Israel.



David Shaffer

Acquisitions and Strategy

With 15 plus solid years of experience in commercial real estate Mr. Shaffer is in charge of Acquisitions and Strategy at California Private Capital Group. He is also indirectly in charge of managing more than 3,500 units in the DFW region.

Mr. Shaffer began his career by working for a local residential developer in Texas and quickly started his own business as a sub-contractor in real estate development. Worked also for few years for Ed Berrong Real Estate, focusing on both commercial and multifamily sales. Upon entering the Dallas/Fort Worth MSA at Marcus & Millichap, working as a commercial multi-family broker, Mr. Shaffer exceeded expectations and was recognized as the "top producer" in 2001 for the Dallas office. He continued his success there for four years before being approached by GVA Cawley and asked to head up the investment sales team. Mr. Shaffer continued to prove himself as a "top producer" while managing a sales team during his advancement with the company.

Based on a proven track record in performing and closing complex real estate transactions. Mr. Shaffer went on to establish Wellington Realty in 2005 where he currently serves as a Managing Partner. In Mr. Shaffer's 15+ years in commercial real estate, he has closed over \$700 Million in transactions.

Mr. Shaffer holds a Bachelors of Business in Administration Finance, Graduate Finance Certificate and Masters in Entrepreneurship from SMU, Cox School of Business.

Professional Affiliations:

Certified Commercial Investment Member - CCIM Texas Real Estate Council - TREC
North Texas Commercial Association of Realtors -
NTCAR National Multi-Housing Council - NMHC International Council of Shopping Centers - ICSC



Mark Nusbaum

Operations

Mr. Nusbaum is in charge of Operations and Property Management at California Private Capital Group, currently in charge of managing more than 3,500 units in the DFW region.

Mr. Nusbaum has 13+ years of property management and ownership experience. As former CEO and manager of Texas Family Mortgage, Mr. Nusbaum led an effort to have successfully purchased, managed, and sold numerous properties in both the DFW area and South Florida region.

Mark brings a hands-on approach, playing an integral role in the day-to-day operations of each property managed by him. Having witnessed the demise of many properties because of poorly chosen management teams, Mark set forth to create the type of Management Company that would impress any multi-family owner.

Mark has led a team, which has instituted the systems, personnel, and metrics needed to maximize operational efficiency and asset values. Property managers, assistant managers, leasing agents, and maintenance personnel are educated, trained, and developed within a very proactive system of protocols and procedures to deliver superior operation results and are held accountable to these results.

Mark formulates all budgets; using variance analysis reports, he breaks down the reasons for successes and failures of each property and then institutes the right course of action. He reviews all costs and expenses and works with his specialized marketing team to drive rents high through detailed Market Rent Analysis.

Mr. Nusbaum holds a Bachelors of Business in Accounting from the University of North Texas

Affiliations & Certifications:

Apartment Association of Greater Dallas (AAGD)
Apartment Association of Tarrant County



Danit Neeman

Finance

Bringing more than 15 years of real estate and telecom financial industry experience Mrs. Neeman is responsible for the global corporate Finance and Administration Property Management functions, including financial planning and execution of budgets, processes and efficiencies, as well as Human Resources. She currently serves also as VP Finance & Accounting at Actelis Networks, a Networking Company in the Silicon Valley.

During her career, Mrs. Neeman was also a worldwide controller at Sheer Networks Inc., a networking company. Previous experience also includes managerial positions at PricewaterhouseCoopers and Ernst & Young.

Over the years, Mrs. Neeman has been actively involved as a principal in the acquisition, financing, marketing and management of residential and commercial real estate. Mrs. Neeman is a certified public accountant (CPA) in Israel and in the U.S. She holds a BA in accounting and economics from Tel-Aviv University and an LL.M. in Law from Bar-Ilan University in Israel.

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