

SVN | SFR CAPITAL MANAGEMENT



BUILD-FOR-RENT AGGREGATION & ASSET MANAGEMENT PLATFORM

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SVN | SFR CAPITAL MANAGEMENT

SVN INTERNATIONAL CORP.

SVN | SFR Capital Management and its investors benefit from the affiliation and support of SVN International Corp. (“SVNIC”). This partnership augments the efforts of our team in identifying and acquiring Single-Family Rental (“SFR”) and Build-for-Rent (“BFR”) portfolios.

The SVN Brand was founded in 1987 out of a desire to improve the commercial real estate industry for all stakeholders through cooperation and organized competition.

- **+2,000 Advisors and staff across the US and 7 countries**
- **Supports +500 submarkets within the US through +250 offices**
- **Provides sales, leasing and property management services to +5,500 clients globally**
- **#1 SFR/BFR national platform**
- **Named as 6th Most Powerful Brokerage Firm (2020, *Commercial Property Executive and Multi-Housing News*) and ranked as 7th Commercial Real Estate Global Brand (*Lipsey’s 2020 Top 25 Commercial Real Estate Brand Survey*)**

SVN HISTORY OF GROWTH AND INNOVATION

1987-2000



COMPENSATED
COOPERATION

Founded in Southern California as an investment sales firm practicing compensated cooperation.

2001-2007



VIRTUAL BROKERAGE
OPERATIONS

Develops virtual brokerages and online tracking system.
Adds 125 offices and 1,000 Advisors.

2008-2012



TRANSFORMATIVE
BUSINESS MODEL

Completes transformation to franchise operation.
Expands into leasing, property management and corporate services.
Grows to 170 offices.

2015-PRESENT



SHARED VALUE

Changes name to SVN International Corp.
Expands globally with 200+ offices in 8 countries and has 1600+ Advisors and Staff.
Expands through inclusive Shared Value Network®.

BFR PLATFORM COLLABORATION OVERVIEW

SVN | SFR Capital Management possesses deep commercial real estate, development and construction experience And source product through its affiliated business units which are all **leaders in the SFR/BFR segment.**

SVN | SFR CAPITAL MANAGEMENT

- **Depth and breath of long-term BFR relationships** that leads to exceptionally strong investment opportunities
- **BFR infrastructure** that decreases investor cost outlays and allows for timely capital deployment
- **Acquisition and operating expertise** that drives entry at attractive cap rates and NOI optimization
- A BFR operating model centered on **acquisition at Certificate of Occupancy** to eliminate numerous development risks
- Experience that drives **lease-up optimization, reduced concessions** and **higher renewals**
- Benefits of scale that lead to **cap rate compression at disposition** and better investor outcomes

SVN | SFRHUB ADVISORS

- **Only dedicated SFR/BFR brokerage firm** in the county.
- Reviewed, underwritten and marketed **+900 SFR/BFR portfolios** of homes, with an aggregate value **+\$41 billion** across **~200,000 homes**.
- Currently managing a **pipeline of ~\$1.5 billion** in SFR/BFR portfolios across **~40 states**, making use of **SFRhub.com's proprietary valuation technology** for investment rental homes

SFRHUB.COM

- Provides a **data and research for SFR/BFR investment** portfolios in the US
- **Advanced BFR Pro Forma™** underwriting model provides complete, clean and verified data, market research, and valuations for homes
- SFRhub's **automated valuation model ("AVM")** demonstrates a managed variance in comparison to other data sources, including MLS, Zillow and other national data providers
- **Nation's first-to-market CRE digital platform** and largest single-source SFR/BFR online brokerage
- Represents **technology differentiation** for SVN

HIGH IMPACT PLATFORM DEFFERENTIATION

- Acquisition NOI Optimization & Cost Advantage (+IRR)
- Operating Profitability Management (+ROI)
- Disposition Cap Rate Compression (+IRR)
- Capital Efficiency and Great Scalability
- ESG* INVESTMENT & INCREASED PROFITABILITY (+IRR)

PROVEN TEAM & ROBUST BFR MODEL

- Decades of residential development and construction experience
- Three staged design, development, and operating optimization
- Extensive capital market experience as principals
- LARGEST NATIONAL BFR PLATFORM

*SELECT COMMUNITIES MAY QUALIFY FOR ESG BENEFITS

SVN | SFR IS FOCUSED ON NEW BUILD-FOR-RENT ASSETS, DUE TO SEVERAL IMPORTANT FACTORS...

A Large Addressable Market Benefits a Build-for-Rent Strategy

**PURCHASE-PRICE ARBITRAGE DUE TO ELIMINATION OF BUILDER
MARKETING TIME AND EXPENSE**

MINIMUM-TO-NO CAPEX FOR 7-10 YEARS

FASTER LEASE-UP & HIGHER OCCUPANCY LEVELS

NO IMPROVEMENT/REPOSITIONING REQUIRED

HIGHER SALES VALUE & RENT-GROWTH APPRECIATION

**LONGER-TERM TENANT OCCUPANCY – REDUCING TENANT TURN
EXPENSE**

**LOWER OPERATING EXPENSES – INCLUDING FROM ENERGY
EFFICIENCY (ESG COMPLIANT)**

**HIGHER DEMAND AND CAP RATE COMPRESSION AT EXIT FROM
INSTITUTIONAL INVESTORS**

LOWER OVERHEAD AND INFRASTRUCTURE REQUIREMENTS

**OPPORTUNITY TO SCALE OPERATING PLATFORM MORE QUICKLY
THROUGH LARGER PURCHASES**

THE PANDEMIC'S IMPACT ON SFR RENT GROWTH

The COVID experience has been a positive for SFR rent growth

SPACE CONSIDERATIONS

- COVID has fueled the need for extra space and yard

POPULATION SHIFT

- COVID is accelerating the shift to affordable and less dense markets with diverse economies

FORECLOSURES

- Odds of a foreclosure wave are low, due to forbearance relief
- Most homes in forbearance have meaningful equity

OCCUPANCY RATES

- High occupancy rates heading into the pandemic, reflecting strong demand

RENTER BEHAVIOR

- No material increase in renters moving out to buy homes, despite 3% mortgage rates

UNEMPLOYMENT EXPOSURE

- Less tenant exposure to income bands hit hardest by the pandemic vs. apartment renters

CORE COVENANTS



A company's core values provide clarity on what is truly important for organizational success, personal and professional conduct and what to expect from each other. At SVN® our *Core Covenants* personify our values and culture and differentiate us from the competition.

AS MEMBERS OF THE SVN SHARED VALUE NETWORK®, WE EACH COMMIT TO DO THE FOLLOWING:

- 1 Create amazing value with my clients, colleagues and communities.
- 2 Cooperate proactively and place my clients' best interests above my own.
- 3 Include, respect and support all members of commercial real estate industry.
- 4 Honor my commitments.
- 5 Personify and uphold the SVN® brand.
- 6 Resolve conflicts quickly, positively and effectively.
- 7 Take personal responsibility for achieving my own potential.
- 8 Excel in my market area and specialty.
- 9 Focus on the positive and the possible.
- 10 Nurture my career while valuing the importance of family health and community.



THANK YOU

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