

Case Study- Metro 7000

Asset Overview

- In March 2018, Edison Equity purchased a \$32.5MM 2-property multifamily portfolio totaling 462 units. The portfolio included Metro7000, a 206-unit workforce housing property located in Fort Worth, Tx for \$14.2 million (total cost of \$17.4MM).
- Edison Equity acquired the property from long term ownership at an attractive basis of \$68K/unit. The property was performing below the submarket comps based on occupancy (90% vs 95%) and rents (~10% lower than renovated properties).
- Strategy included a \$2MM Value-Add Plan to Rebrand, Improve Amenities, and Upgrade the Unit Interiors.
- Edison Equity's renovation transitioned the property from a Class C to a solid B status achieving average rent premiums of \$95 on upgraded units generating a ROC of 16%.

Business Plan

The repositioning of the asset encompassed several major improvements to the asset, including:

- Exterior painting, carpentry repairs to the siding, trim balconies, and stairs
 - Rebranding and new signage throughout the property.
 - Clubhouse upgrade with new furniture
 - Fully renovating ~ 63% of the interior units with new paint, cabinet fronts, faux wood flooring, appliances, resurfaced countertops, lighting, fixtures, hardware, and 2" Wood Blinds
 - Pool Improvements, furniture, and outdoor kitchen addition
 - Tennis Court conversion to a sport court with soccer goals and workout stations
 - Exit Strategy
- ✓ Edison Equity utilized an "off-market" process with a local broker who represented an out of state buyer with an existing DFW portfolio presence.
- ✓ Sales price of \$19.5MM exceeded proforma by 13%, 1 year ahead of plan.

Metro 7000 - Value Add



Property Investment Summary

Location	Fort Worth, TX
Units	206
Investment Type	Equity
Acquisition Date	03/30/2018
Sales Price	\$19.5MM
Sale Date	05/06/2021
Gross IRR	23.1%
Equity Multiple	1.80x

