VOLUME 3, *ISSUE 1*

STRATEGIC PROPERTY INVESTMENT QUARTERLY

A QUARTERLY NEWSLETTER FROM SPI ADVISORY, LLC

THIS QUARTER'S NEWS AND UPDATES:

STATE OF THE MARKET:
"BEYOND THE HORIZON"
MICHAEL BECKER
SPI PRINCIPAL & CO-FOUNDER

MAIN STREET LOFTS *PRESS RELEASE*

INDUSTRY SPOTLIGHT:
JP CONKLIN, ***PRESIDENT & FOUNDER***
PENSFORD FINANCIAL GROUP
& LOANBOSS, INC.

2023 AT A GLANCE

2023 PERFORMANCE

2023 MILESTONES

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

FOREWORD FROM SPI PRINCIPAL, MICHAEL BECKER

"Successful investing is anticipating the anticipation of others."
– John Maynard Keynes

Those of you who have heard me speak over the last 9+ months would know that my view is that new multifamily supply will begin to fall *dramatically* starting approximately Q2 of 2025. I believe this will be followed by a few years of an undersupplied market, putting upward pressure on rents.

At SPI Advisory, we have been investing with conviction ahead of the curve based on the belief that the best of returns will come from the deals purchased before the greater market shares our philosophy.

Michael Becker,
CO-FOUNDER & PRINCIPAL

SPI STRATEGIC PROPERTY INVESTMENT

"BEYOND THE HORIZON "

Written by SPI Co-founder & Principal, Michael Becker

HI, MICHAEL BECKER HERE...

In this newsletter, I'd like to speak on my current view of the market, particularly regarding investment sales activity. So far this year, I've attended several conferences, meeting primarily with potential private equity and family office investors. Between late Q4 of last year and today, I've had approximately 50 meetings, and below are my major takeaways.

Throughout 2023 to date, there has been a dramatic decline in both properties listed for sale as well as actual transactions in the multifamily space. Sales volume is off at least 70% compared to 2022. Values have dropped approximately 20-25% from the peak in Q1 2022 for Class A and A- deals, and even more for workforce housing deals, ranging from 25-35% depending on the asset's location, vintage, and physical characteristics.

Currently, anything for sale on the market is receiving considerable attention, with high tour counts *(40-50 tours being common compared to the typical 20-30)* and 20+ offers in many cases. Current listings have skewed more towards the newer vintage side with less workforce housing on the market. Recent pricing isn't consistently meeting seller expectations or requirements to transact, but there are deals closing on a regular basis. I would say today's cap rates *(Q1 2024)* have somewhat of a scarcity premium priced in due to the lack of inventory. As more inventory hits the market, this scarcity premium should get priced out to some extent. However, property operations may also improve over the spring and summer as a result of higher income and lower property taxes boosting Net Operating Incomes *("NOIs")*. Time will tell how that plays out exactly and results will vary by market and ownership group.

Based on my numerous conversations with equity investors, owners, and sales brokers, here are my takeaways on current market demand:

- There is *some* money looking for Core and Core-Plus projects *(new construction in downtown or suburbs)*, with sufficient liquidity to transact to the extent that you can capture an owner or developer's attention at today's values, which are below current replacement cost.
- Some investors are seeking 1980s vintage 8-foot ceiling value-add properties in decent submarkets, and an even larger subset is interested in 1990s 9-foot ceiling assets. However, there's far less available apartment stock of the 90s vintage than the 80s because there simply wasn't much built in Texas from 1987 to about 1995 following the building boom that took place in the first half of the 1980s.
- As for the 1960s and 1970s vintage deals, I won't say *"No Bid,"* but to clear the market with that vintage, generally speaking, the disparity between the price a buyer is currently willing to pay is still too far from what a seller can or is willing to accept. To me, this

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

segment feels largely frozen with just a few trades recently. The most challenging *(if not next to impossible)* assets to sell in this subset today are larger unit count properties with unattractive characteristics like being located in unfavorable, high-crime neighborhoods and having a chiller system, or aluminum wiring, for example. Moreover, smaller assets tend to be more liquid than larger properties since the equity check required on smaller deals is more attainable today compared to a few years ago.

- The segment most sought-after is the 2000 to, say, 2016 vintage properties – Class A/A- with 9-foot ceilings and a first- or second-generation value-add opportunity available. This subset is the meat of the bell curve and attracts an abundance of capital because it allows a buyer to execute some level of renovations to justify pushing rents while avoiding undesirable physical *(or structural)* attributes that older buildings have. This segment is currently seeing the highest level of "Scarcity Premium" attached to it with the tightest cap rates in the multifamily space. I see cap rates starting with a 4 in some cases. It is the most liquid subset of the multifamily space today, as most everyone wants this.

My read of the current market is that:

- 10-15% of capital is targeting the Core/Core+ segments and the 1980s segment.
- 70%+ is focused on the 2000s and newer Class A/A- with a light value-add play.
- <10% of equity is interested in the 1970s segment or older.

To me, it seems like private and family office money is ready to invest and take advantage of today's relatively attractive values compared to 2+ years ago to some extent, but most are likely to be cautious in the deployment of that capital since the market hasn't flashed the "*all-clear"* just yet. Essentially, a deal has to "check" most of the *proverbial boxes* to get them to buy today.

Institutional capital remains largely sidelined but is getting ready to deploy. This should be closer to the typical herd mentality – when the first one goes, the rest will follow suit. My crystal ball says that, upon the first rate cut by the Federal Reserve, they will feel the coast is clear and start to deploy capital.

With all that said, **SPI Advisory was among the largest buyers in Texas in 2023 with 5 Acquisitions** *(I believe we were Top 3 or 4 in the state)*. Although every situation and deal is unique, and certain circumstances may warrant focus on de-risking a deal via refinance, returning capital through disposition, or otherwise, for 2024 we unequivocally plan to be net Buyers. We will continue to selectively lean in and buy assets that align with our investment criteria at today's values. As soon as the institutions see the *"all-clear"* sign flashing, we believe values should increase 5-10% effectively overnight and proceed higher from there. In

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

our estimation, **now is the time to buy ahead of the curve**. Especially when coupled with the dramatic drop in supply relative to forecasted demand in 2025-onward in Texas, I think tactical buyers in 2024 will look very smart in 2-3 years. I am confident we will be rewarded for continuing to buy high-quality assets in strong locations and submarkets that we believe in with foundational long-term demand drivers.

Right now, we are primarily focused on both the Core+ new construction assets in addition to the 2000s and newer, light value-add assets, which make up the bulk of our portfolio today and we still believe are the better part of the market for now. If and when more owners of older vintage assets are forced to sell and meet today's more realistic market valuations, we will likely dip our toes back into that space *(specifically the 1980s vintage assets)*. It feels that this inflection point is getting near as we are seeing the leading edges of distress in the workforce housing segment hit the market. It appears gravity is starting to set in and, once a few more deals trade at lower values, the velocity of transactions in the workforce housing space should increase and spell the beginning of the end for the *"Pretend and Extend"* game the workforce housing market has been playing for a while now.

A good indicator for SPI that the time is right to go downstream is when we can qualify for an Agency loan on a 1980s deal at 75% or higher leverage *(with their conservative underwriting standards)*. I'm not necessarily saying that we would take that much leverage, but it is a good rule of thumb that suggests pricing is better in line with the realities of capital markets and current interest rates. I keep thinking that time is right around the corner, but we haven't seen it just yet. My current thinking is that Q4 2024 into 2025 is when we might see these conditions materialize market-wide. We will likely see one-off deals qualify for 75%+ LTV agency loans sooner.

CHEERS,

CO-FOUNDER & PRINCIPAL

READ IT ON THE BLOG

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

PRESS RELEASE — *DECEMBER 2023*

SPI ADVISORY ACQUIRES CLASS A, 266-UNIT APARTMENT COMMUNITY IN MANSFIELD, TX:

MAIN STREET LOFTS

715 N. MAIN ST, MANSFIELD, TX 76063

AS COVERED BY:

BISNOW | The Dallas Morning News | REBUSINESS ONLINE | WHAT NOW DALLAS | DALLAS BUSINESS JOURNAL | culturemap FORT WORTH | REjournals | YIELDPRO | CoStar

READ MORE

ON DECEMBER 13TH, 2023,

SPI Advisory *("SPI")* & its partners finalized the acquisition of *Main Street Lofts*, a 266-unit, Class A institutional-quality apartment community built in 2022 & located in Mansfield, TX.

Main Street Lofts provides residents proximity to a robust economy housing Fortune 500 companies in industries like Healthcare, Finance, Manufacturing, Aerospace, & BioTech.

CLASS A | 266-UNITS

2022 CONSTRUCTION

READ THE PRESS RELEASE

spiadvisory.com

INDUSTRY SPOTLIGHT

JP CONKLIN

Written by Michael Becker, Principal & Lily Turner, Marketing Manager

JP CONKLIN
FOUNDER & PRESIDENT
PENSFORD FINANCIAL & LOANBOSS

JP CONKLIN is the Founder and President of Pensford Financial Group, the esteemed commercial real estate interest rate advisory firm, and the equally notable commercial real estate debt management software company, LoanBoss, Inc. JP obtained his Bachelor's degree in Economics from the University of North Carolina at Chapel Hill. Not only is JP a commercial real estate market expert and respected independent financial services strategist, but he's also a US Army veteran and father of five. JP's professional background is in interest rate derivatives aimed primarily at commercial and multifamily real estate. He works with brokers and borrowers looking at financing and wanting to manage their interest rate exposure on hedging strategies, which usually involve caps, swaps, and defeasances. SPI last interviewed JP in 2022 when the Federal Reserve first began hiking interest rates.

On March 22nd, SPI Co-Founder and Principal, Michael Becker ("MB") sat down with JP to catch up and gain insight into his takeaways from the recent Fed meeting on March 20th and learn more about how he predicts this will impact the current and near-future state of capital markets.

MB: "JP, WHAT'S ON YOUR MIND FOLLOWING THE RECENT FED MEETING?"

JP: "The most important takeaway from the recent Fed meeting was confirmation that interest rate cuts will start this year… [Jerome] Powell drove home that The Fed decided to overlook January and February's high inflation data. Interestingly enough, February's inflation data wasn't nearly as bad as January's, which makes January feel like even more of an outlier. And, if you go back to last year, the same thing played out – January and February signaled high inflation, then it came down considerably throughout the rest of the year. I think the previous two months of data certainly put them on alert, but essentially they said, *'Let's just see how March and April play out,'* therefore their plan to cut rates hasn't changed. If this data didn't spook them to the point where they felt they needed to take rate cuts off the table, I'm not sure much will… So, this has allowed the market to exhale and say, *'Okay, we're on a good trajectory here. We will see cuts coming this year, no matter what.'* I think the three cuts Powell promised is a reasonable number to expect. We should expect them sooner rather than later."

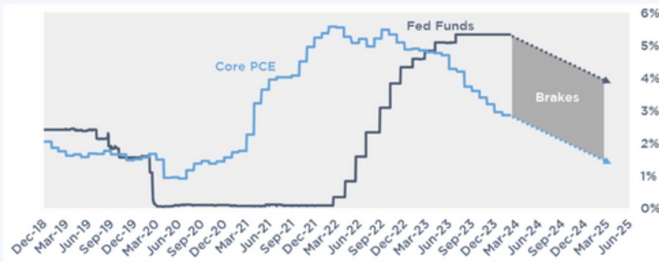
MB: "WHAT IS YOUR RESPONSE TO PEOPLE SAYING THAT THE FED IS NOT GOING TO CUT THIS YEAR BECAUSE INFLATION HASN'T COME DOWN AS MUCH AS THEY WANT?"

JP: "It is just not true. The Fed can ride inflation down and still apply the same amount of braking action. Powell said we are in *'sufficiently restrictive territory.'* So, they will cut rates to ensure not to *'apply the brakes'* too hard. It doesn't mean that they're pushing on the gas pedal, just that they're easing off the brake to touch – that's it. And we will likely have positive rates for years, which is still braking action. The Fed knows that if they keep rates at current levels, they risk *'slamming on the brakes'* and the economy coming to a dead stop."

READ IT ON THE BLOG

*Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.

THE FED'S BRAKING ACTION



Source: JP Conklin, Pensford Financial Group

MB: "SHOULD WE RELY SPECIFICALLY ON THREE CUTS IN 2024? OR, DO YOU EXPECT MORE OR LESS?"

JP: "I think it will end up being more than three, but three is a reasonable number. If I were setting the *'over-under,'* I would probably wager at three and a half; however, because the Fed has historically underestimated the amount of cuts, I think it could be as many as five. However, from now until the end of 2025, I expect around six to eight total."

MB: "ARE THERE ANY FACTORS THAT COULD CONSIDERABLY IMPACT THE NUMBER OF EXPECTED CUTS?"

JP: "My biggest concern regarding the number of cuts we can expect The Fed to make this year relates to the labor market… According to their index, the labor market appears as if it is doing well – three million jobs were added last year, unemployment is still below 4%, and job openings are twice the number of unemployed Americans. However, the numbers in the labor market are not as strong as they suggest, especially when you dig into the composition of the quality of job gains. Moreover, once the labor market breaks, it breaks very quickly – It is a nonlinear event that our brains are not equipped to handle…We can go from 4% to 5% to 6% unemployment rapidly, and no one is pricing for that outcome. Everyone believes, *'Oh, it will be this slow, gradual climb in unemployment rate.'* Well, it has never done that before, so why do we assume that is what will happen this time? Powell repeatedly stated that while we are not currently seeing signs of this, any unexpected weakening of the labor market would cause us to cut sooner and/or more than expected… The fact he went out of his way to bring this up indicates that it is something they're monitoring more closely. Because they underestimate the number of cuts in addition to their prediction that we end 2024 with unemployment at 4.0-4.1% and we're already currently at 3.9%, I think it is reasonable to project around four or five cuts. Only time will tell."

MB: "WHEN DO YOU FORESEE THE FIRST CUT?"

JP: "I am confident June is when we will see the first cut. A year ago, the market was pricing in a near 100% chance of a cut at this recent meeting; however, I have been on the *'June train'* for a while and for a couple of reasons… First of all, it seems as if the market has given The Fed permission to delay cuts as long as possible, so even if they could cut in March, why would they? Secondly, even though every meeting is technically considered *'live'* these days because they hold a press conference following, they tend to enact significant policy shifts at the *'on'* meetings, in which they update the forecast. That happens every other meeting; June is one of those meetings… It just feels more likely that such a monumental shift will also be paired with an update to their economic projections. Additionally, they cannot wait too long due to the optics of interfering with the election. They think, *'We have to set this into motion before too long,'* and June seems like the most reasonable time to do so."

MB: "IF WE DO SEE THE FIRST CUT IN JUNE, WHAT DO YOU PREDICT THE SCHEDULE OF CUTS TO FOLLOW FROM THEN TO THE END OF THE YEAR?"

JP: "I could see them arguing that, following the first cut, additional cuts will be on *'autopilot,'* again aligning with the philosophy of *'setting this in motion.'* If they were to cut every meeting consecutively from June through year-end, that would be five. I could also see an argument for cutting every other meeting, which would be three, and result in us being 75 basis points lower at year-end."

MB: "INTEREST RATES ARE CURRENTLY RESTING AROUND 5.25-5.50%. WITH CUTS EXPECTED TO START IN JUNE, WHERE DO YOU FORESEE THEM LANDING BY THE END OF 2024? 2025?"

JP: "I think we will end this year around 4.25-4.50%. Essentially, one point lower than where we are now. By the end of 2025, I think we will probably land at around 3.50%."

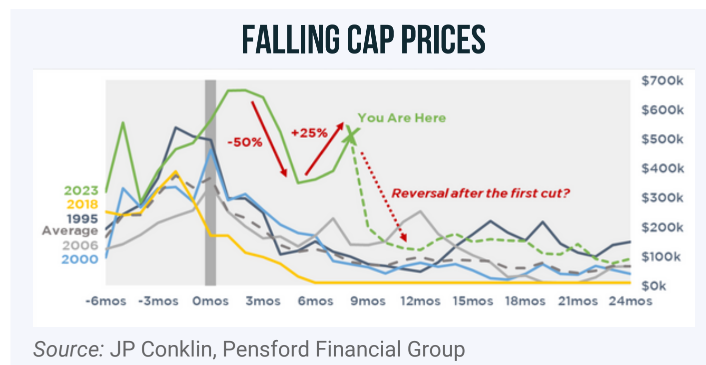
**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

MB: "WHAT ABOUT FOR THE 10-YEAR TREASURY?"

JP: "It just depends on the economy. If we experience a mild slowdown, I do not know that it arrives at anything below 3.50%. The historical spread between Fed funds and the 10-Year Treasury is around 1.25%. So, if we think Fed funds will end up at 3.25-3.50%, 3.75% is not an unreasonable 10-Year Treasury to expect. If I were a fixed rate borrower, I would be cautious in thinking that the 10-year will land around 3.00%. I am not confident that is likely, absent the economy slowing dramatically."

MB: "WHAT ARE YOUR THOUGHTS ON HOW CAP PRICES WILL BE IMPACTED ONCE RATE CUTS BEGIN? AND, HAVE WE SEEN ANY REACTION FROM THE RECENT DECISION?"

JP: "Minimal. From March of 2022 until now, it has been a roller coaster. The recent peak in cap costs was at the end of October 2023, following the first pause from The Fed's series of hikes. In December of 2023 and January of this year, once it was clear additional hikes were unlikely, we saw a plunge in cap prices; however, they have since rebounded about 25%...Once we get the first cut and we can measure its quantity, I expect to see cap costs come down again."



Source: JP Conklin, Pensford Financial Group

MB: "WHAT IS YOUR ADVICE TO A BORROWER PROJECTING TO PURCHASE A CAP IN JULY? WOULD YOU SUGGEST BUYING A ONE-YEAR CAP? OR, A TWO-YEAR?"

JP: "If I have to buy a cap in July, I would say, *'I am holding off.'* I think it is highly likely that The Fed will be cutting rates by that time frame. Your risk in that scenario is either after the first cut The Fed says *'You know what? We are cutting once, but not three.'* At that point, you might as well just wait and see what happens.

With what we know right now, I would purchase a one-year cap because I think they will end up cutting more than it is priced in next year. The Fed's been hiking for two years, and Fed funds have been over 5% for a much shorter time than we have been applying the brakes on the economy...It seems like it has not hit the system yet – People are very optimistic right now, even though they have not dealt with these interest rate levels for too long. I believe they will cut more than expected in 2025, so I would hold off on purchasing a two-year cap. It might be 50% less expensive if you can wait another year."

MB: "WHAT ABOUT IN DECEMBER?"

JP: "I would still wait because we will continue to see the economy slow. By December, we will be on the far side of the election, and I think that The Fed will be willing to be more proactive about cuts at that point than they will be before the election. So, I can envision a scenario where year-end 2025 is identical, regardless of how many cuts they make this year – they will just make up for it next year. So, if they do fewer cuts this year, we should expect more next year. If they enact five cuts this year, it should be relatively level in terms of cuts next year. Once we pass the election, The Fed will be more willing to cut aggressively and say, *'You know what? The President has been decided. We can go back to work and get more aggressive if needed.'*"

MB: "DO YOU THINK THERE IS A POSSIBILITY THAT WE SEE INFLATION RE-ACCELERATE?"

JP: "It is possible. I could see inflation leveling off higher than we experienced for the last 10 years; however, I am not too concerned about it just re-accelerating. Maybe it will land around 2.5% to 3.0% instead of The Fed's target of 2.0%. The wheels are not falling off the economy at that level. So, it is not going back to 5.0% or 6.0%."

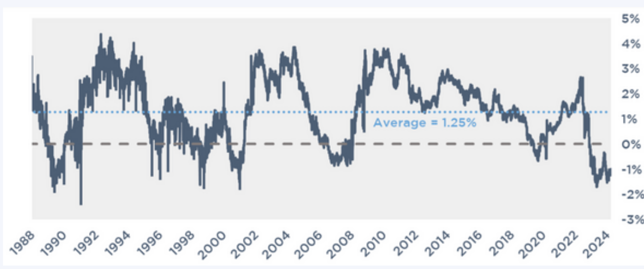
MB: "HOW DO YOU EXPECT FLUCTUATIONS IN THE 10-YEAR TREASURY RATE TO IMPACT BORROWERS?"

JP: "We strongly suggest to our fixed rate borrowers that 10- and 5-Year Treasuries always move before The Fed and then wait for The Fed to catch up. So, when a borrower

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

sees a point drop in the 10-Year Treasury, that is their window to execute because now it is just a waiting game. Rates recalibrate based on its changing expectations for Fed policy. When the Fed does start cutting, do not expect another one-for-one drop from here – The move has already happened, and now it is just waiting to catch up. A 10-Year Treasury rate of 4.25-4.30% is probably too high. I think right now, 4%-ish probably feels nice. I would not be surprised if the economic data continues to weaken like I think it will, and I would not be surprised to see it run to 3.5%, but 3.0% feels unrealistic with where we are today. 3.0% on the 10-year Treasury only happens if the wheels fall off of the economy in the next year or so. If that happens, then the 10-Year will absolutely fall further."

10-YEAR TREASURY VS. FED FUNDS



Source: JP Conklin, Pensford Financial Group

MB: "SAY YOU SEE THE 10-YEAR TREASURY HOVERING AROUND 3.5%, DO YOU SEE THAT AS A GOOD OPPORTUNITY TO CONVERT A FLOATING RATE LOAN TO A FIXED?"

JP: "Absolutely, yeah. The only reason I would not in that scenario is if it is obvious the wheels are falling off the economy, and therefore, The Fed will have to cut way more than we currently think. If three cuts become ten, you do not need to lock. Your floating rate is about to come screaming down."

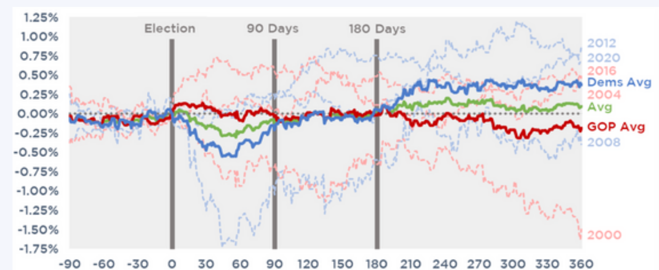
MB: "WHAT DO YOU CONSIDER A GOOD INDICATOR THAT THE 'WHEELS ARE FALLING OFF THE ECONOMY'?"

JP: "Typically the best indicator is that unemployment is surging. If it is clear we are losing jobs each month, that would be, to me, the clearest indication."

MB: "DO YOU FORESEE THE ELECTION IMPACTING INTEREST RATES?"

JP: "Historical trends suggest that 90 days after the election overall, interest rates are unchanged, regardless of who wins. There tends to be a one-month bump when a Republican wins, and it pops 20-25 basis points, but it then quickly diminishes, and we are back to identical rates within those 90 days. Essentially, the election does not significantly impact interest rates, so I do not put too much stock in it. What I do think it will have an impact on is transactions in the second half of this year. People tend to go into *'wait and see'* mode during an election year because they just want to know what rules to adhere to."

10-YEAR TREASURY TRENDS DURING AN ELECTION YEAR



Source: JP Conklin, Pensford Financial Group

MB: "DO YOU EXPECT TRANSACTION VOLUME TO SLOW AS WE NEAR THE ELECTION? IF SO, BY HOW MUCH?"

JP: "Yes, definitely. In 2012, our transaction volume plunged to zero. Around July/August or September, I had lunch with a client and asked him, *'Obama has already been in office. Why are people this nervous about him getting reelected?'* He responded, *'It's not that... We just need to know what rules to play by.'* A presidential election is certainly a threat to the rules. My client continued, *'Once we get on the other side of this election, it does not matter who wins. We will all go back to business.'* And he was right – We took off for the next three years. However, I think we will see the acceleration of transactions due to rates coming down, but it will be dampened because of the offsetting counter-effect of an election. Then, I think in 2025, it will be *'off to the races.'*

READ IT ON THE BLOG

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

2023 AT A GLANCE

$227MM+ ACQUISITIONS

$79MM+ DISPOSITIONS

$451MM+ TOTAL TRANSACTIONS

2023 ACQUISITIONS

MAY 2023

THE BRADFORD *Buda, TX* — 264 UNITS

JUNE 2023

IVY URBAN LIVING *Dallas, TX* — 228 UNITS

AUGUST 2023

PARKVIEW TERRACES *Austin, TX* — 244 UNITS

SEPTEMBER 2023

RIVERBEND APARTMENTS *New Braunfels, TX* — 164 UNITS

DECEMBER 2023

MAIN STREET LOFTS *Mansfield, TX* — 266 UNITS

2023 REFINANCES

FEBRUARY 2023

NORTHPOINT VILLAS *Fort Worth, TX* — 276 UNITS

FEBRUARY 2023

STRAND APARTMENTS *Kyle, TX* — 160 UNITS

APRIL 2023

ELLA PARKSIDE *Austin, TX* — 309 UNITS

APRIL 2023

RIVERSIDE PARK *Farmers Branch, TX* — 136 UNITS

AUGUST 2023

BIRWOOD HEIGHTS *San Antonio, TX* — 312 UNITS

2023 DISPOSITIONS

FEBRUARY 2023

WOOD MEADOW APARTMENTS *North Richland Hills, TX* — 222 UNITS

MARCH 2023

CANOPY AT SOUTH LAKES *Denton, TX* — 240 UNITS

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*

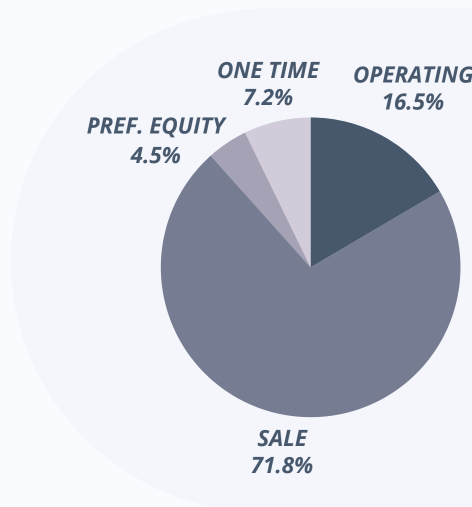
2023 PERFORMANCE

2023 DISTRIBUTIONS	Q1	Q2	Q3	Q4	TOTAL
OPERATING DISTRIBUTIONS	$3,183,500+	$2,866,500+	$2,839,500+	$3,800,000+	**$12,689,500+**
CAPITAL DISTRIBUTIONS	$32,371,000+	$0+	$0+	$0+	**$32,371,000+**
TOTAL DISTRIBUTIONS	**$35,554,500+**	**$2,866,500+**	**$2,839,500+**	**$3,800,000+**	**$45,060,500+**

2023 DISTRIBUTIONS

$32.37MM+ IN TOTAL CAPITAL DISTRIBUTIONS

$45.06MM+ IN TOTAL DISTRIBUTIONS



DIST. TYPE	AMOUNT
OPERATING	$ 7.45MM+
SALE	$ 32.37MM+
PREF EQUITY	$ 1.99MM+
ONE TIME	$ 3.25MM+
TOTAL	**$45.06MM+**

7,900+ UNITS MANAGED

Q3 2023 UNITS: 7,636
- DISPOSED UNITS: 0
+ ACQUIRED UNITS: 266

= Q4 2023 UNITS: 7,902

3.1% INCREASE
In Net Rental Income
2022 v. 2023

7.0% INCREASE
In Net Operating Income
2022 v. 2023

JOIN OUR DATABASE

Unaudited. For Internal Use Only.

*Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.

2023 MILESTONES

[NEW] INVESTOR DATABASE

JANUARY – SPI launched its ***[NEW] Investor Database***, which provided investors increased functionality & accessibility along with syndication process efficiency.

TEAM EXPANSION

OCTOBER-DECEMBER – SPI's team saw significant growth with the addition of ***Katrina Keys*** *– HR Manager (Houston),* ***Isabelle Thompson*** *– Project Analyst (Dallas),* ***Martika Tiggs-McDougal*** *– Transaction Coordinator (Austin),* ***Tamia Ballet*** *– Administrative Assistant (Dallas),* *&* ***Tracy Minor*** *– Administrative Assistant (Dallas).*

6TH ANNUAL INVESTOR PARTY

NOVEMBER – SPI Advisory, LLC held its **6th Annual Investor Party** at *The Henry* in Downtown Dallas, TX.

The SPI team & its investors, new & old, came together to celebrate 2023 with hors d'œuvres, cocktails, good company, & a toast from SPI Principals ***Michael Becker, Sean Mabarak,*** & ***Jennifer Warder***.

$30K+ RAISED TO SUPPORT

NOVEMBER – For the third year in a row, SPI raised funds during its *Annual Investor Party* to support [#SPICares partner, Vogel](), the non-profit providing refuge & rehabilitation services to DFW families & children overcoming homelessness.

At the event, ***Greg Brinkley*** *(CDO) &* ***Karen Hughes*** *(President)* spoke to inform event attendees of the impact of Vogel's mission on our direct community. *By the end of the event,* [SPI & its investors raised $30,281.00 to support Vogel]().

SPI & Vogel's partnership is ongoing. Read more about SPI's commitment to Vogel [here]() & donate [here]().

#SPICARES ABOUT VOGEL

From 2021-2023, SPI's raised $90K+ for Vogel

Over the past three years, with the help of investors like you, SPI's raised $90K+ to support Vogel.

LEARN MORE

ABOUT SPI ADVISORY, LLC

SPI ADVISORY, LLC is a Dallas-based private equity firm that has been a principal investor in over $2 Billion worth of multifamily real estate, with $1.6 Billion in current Assets Under Management.

SPI is transforming the way high-net-worth investors identify, assess, secure & sell high-yield, tax-efficient multifamily real estate investments.

SPI offers tailored joint venture partnership and advisory services as well as passive investing opportunities in institutional quality multifamily assets to our increasingly diverse client base.

KNOW A FRIEND OR FAMILY MEMBER WHO MIGHT INTERESTED IN JOINT VENTURE OR PASSIVE INVESTING OPPORTUNITIES WITH SPI?

Share the Wealth!

The best compliment is a referral.

REFER A FRIEND

JOIN OUR DATABASE

CONTACT US

FOLLOW SPI

ON SOCIAL MEDIA

SUBMIT A TESTIMONIAL

LEAVE FEEDBACK

**Nothing in this newsletter constitutes an offering. Offerings are only completed through a Private Placement Memorandum (PPM). Past results are no guarantee of future results.*