

**WE
SPEAK
MULTI-
FAMILY**



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www.sterling-partners.com

OUR FOCUS

Sterling invests in multi-family properties in high growth geographic regions where we believe the market and the trends in such areas will yield compelling returns on a risk-adjusted basis. Based on Sterling's collective experience from many real estate cycles, we find stability and value in affordable Class B workforce housing (as compared to the high cost of build Class A housing).

Employing a defensive strategy with calculated upside, Sterling believes the existing rent differential between Class A and Class B multi-family

investments provide protection in an economic downturn. We employ a fundamental value-oriented approach to investing, and a granular, hands on focus on asset management, in order to enhance investments which are under-managed and under-capitalized.

Using prudent leverage and pursuing off market transactions, Sterling is targeting gross IRRs ranging from 16-22%. Typical single asset acquisitions have a total capitalization between \$5 million and \$35 million.

\$285M

TRANSACTION
VOL SINCE 2012

28% HISTORICAL
IRR

OVER 4 YEARS

3,428

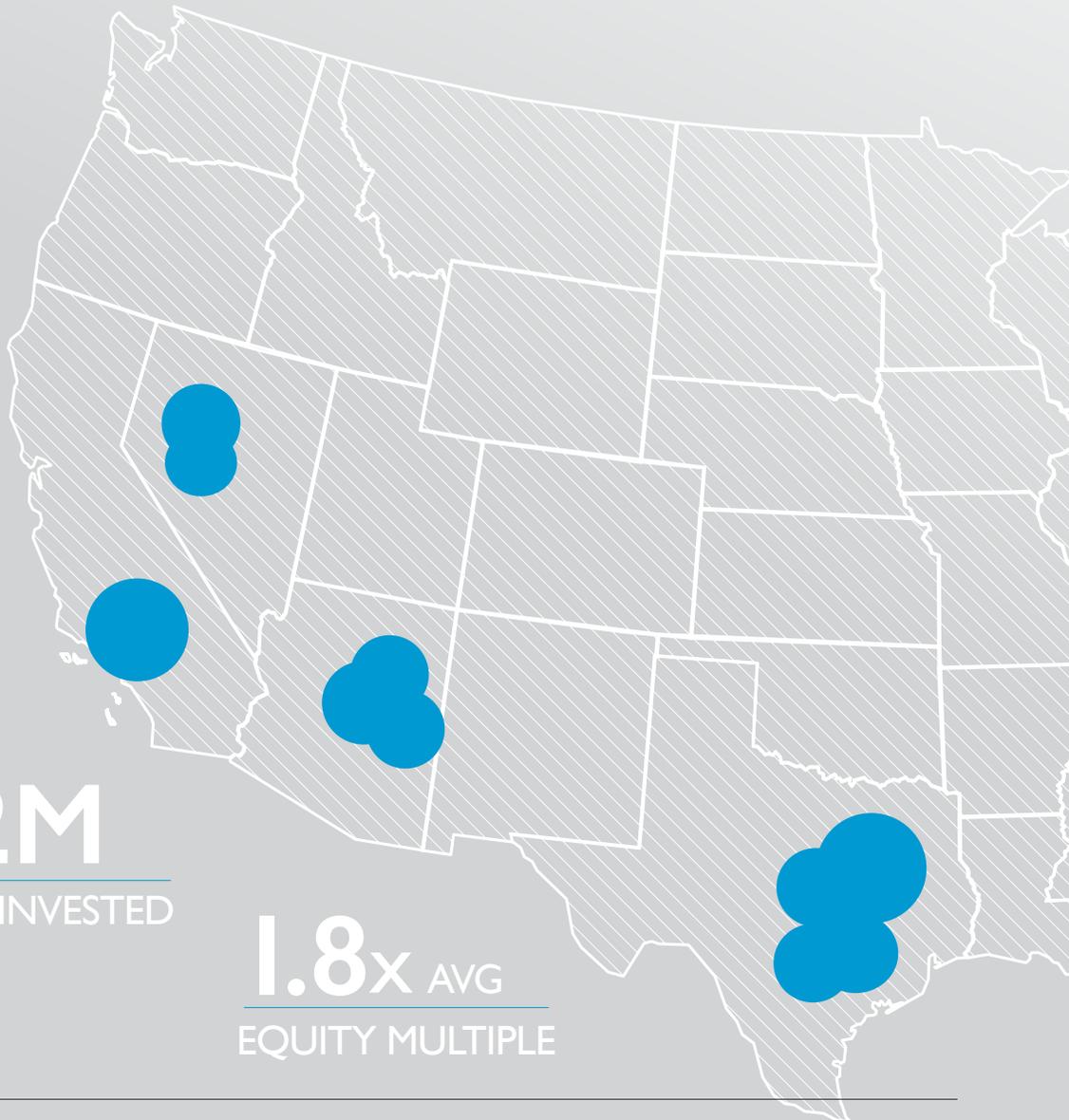
UNIT COUNT

\$92M

EQUITY INVESTED

1.8x AVG

EQUITY MULTIPLE



OUR ADVANTAGE

Vertically Integrated

Managing our own assets allows Sterling to provide the highest level of service, tailored to meet the individual needs of our residents, employees, and partners. We can reduce long-term business costs for the stakeholders while maximizing the resident experience. Streamlined decision making and clear communication allows for timely execution of the business plan and other management services and initiatives that directly impact the investment.

Strong Reputation

Strong relationships and reputation for integrity, reliability, creative problem-solving and performing under limited time constraints help generate attractive and consistent deal flow of off-market opportunities.

Alignment of Interests

The principals and employees invest at least 25% of the sponsor equity in each investment and broadly share the promoted interest among the professional staff. In house property management ensures the corporate and site staff are working on a common goal and success of the property.



INVESTMENT STRATEGY



Fundamental Value Approach

We pursue investments at discounted values relative to stabilized cash flows, market comparables and replacement cost. Investments are also underwritten on an unleveraged basis and then capital structures are optimized to maximize risk-adjusted returns.

Target Investment Characteristics

Opportunities to add value at the asset level through revenue enhancement initiatives, improvements to operating efficiency and the implementation of capital expenditure programs to upgrade or reposition under-utilized assets including:

- Significant discounts to replacement cost and attractive stabilized cash yields

- Partnership distress and other complex situations

- Opportunity to generate attractive returns using conservative underwriting

Geographical And Property Type Focus

Primary focus on high growth, rent-to-own imbalance, and supply-constrained markets in western and southwestern United States. Assess opportunities across all multifamily properties, with an emphasis on value-add Class B and Class C assets.

OUR PROCESS

VALUE-ADD STRATEGY

1

Capture the spread between stabilized return on cost and exit cap rates.

2

Pursue re-financings that will produce tax-deferred distributions.

3

Balanced approach between IRR and Equity Multiple.

4

Take advantage of the high demand for multi-family investments.

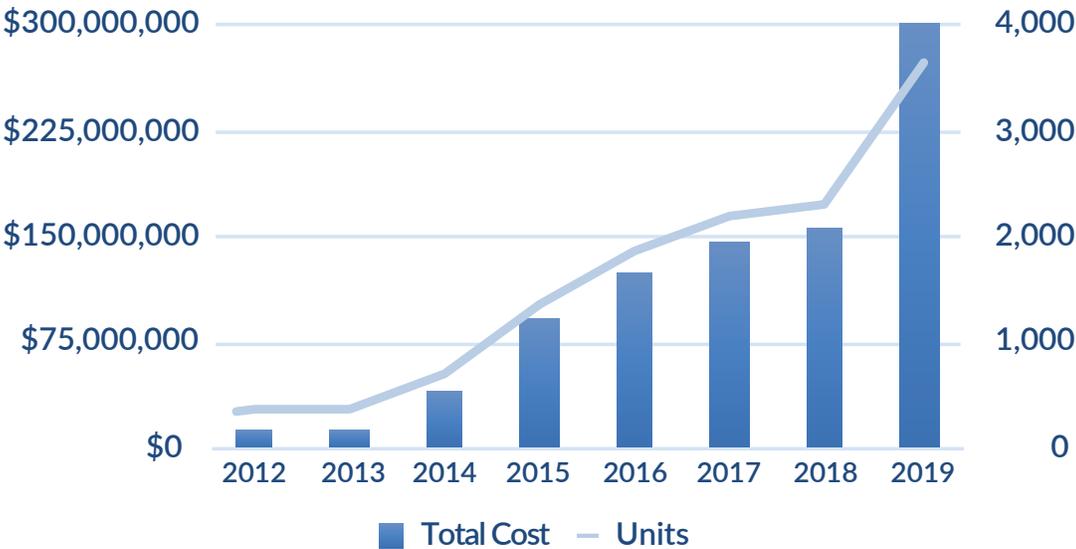
5

Disciplined philosophy to sell at the appropriate time.

6

In house analytics and marketing to maximize social media and internet search advertising

STERLING INVESTMENTS



WE ARE PROFESSIONALS



DAVID ZEFF
PRESIDENT



LEA ANN SCOFIELD
PARTNER / DIRECTOR OF
ASSET MANAGEMENT



GREGORY KHODARA
MANAGING DIRECTOR,
CAPITAL MARKETS



CHRIS BADE
ACQUISITIONS /
PROJECT MANAGEMENT



WENDY PARR-LODIEN
DIRECTOR OF
ACCOUNTING



KYLIE HUTSON
MARKETING /
OPERATIONS ANALYST



About Sterling Real Estate Partners

Sterling Real Estate Partners is a fully integrated real estate investment and management company focused on value-add Multi-Family investments. Sterling's success is a direct result of implementing difficult repositioning strategies and maximizing financing structures to create value for our partners.

Sterling-Partners.com