

**WE
SPEAK
MULTI-
FAMILY**



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OUR FOCUS

Sterling invests in multi-family properties in high growth, low tax and business friendly geographic regions where we believe the market and demographic trends will support compelling returns on a risk-adjusted basis. Based on Sterling's experience over many real estate cycles, opportunities can be found in all economic environments from distressed investments, to Class A properties with current yield and minimal capital risk, to new development when existing assets are trading above replacement cost, to contrarian investing when others are not.

We employ a fundamental value-add approach to investing and a granular, hands on focus to property management to maximize value through cash flow and appreciation.

Using prudent leverage and pursuing off market transactions, Sterling is targeting gross IRRs ranging from 16-24%. Typical single asset acquisitions have a total capitalization between \$10 million and \$100 million and portfolios valued up to \$200M+.

\$378M

ACQUISITION
VOL SINCE 2010

52% HISTORICAL
IRR

4,452

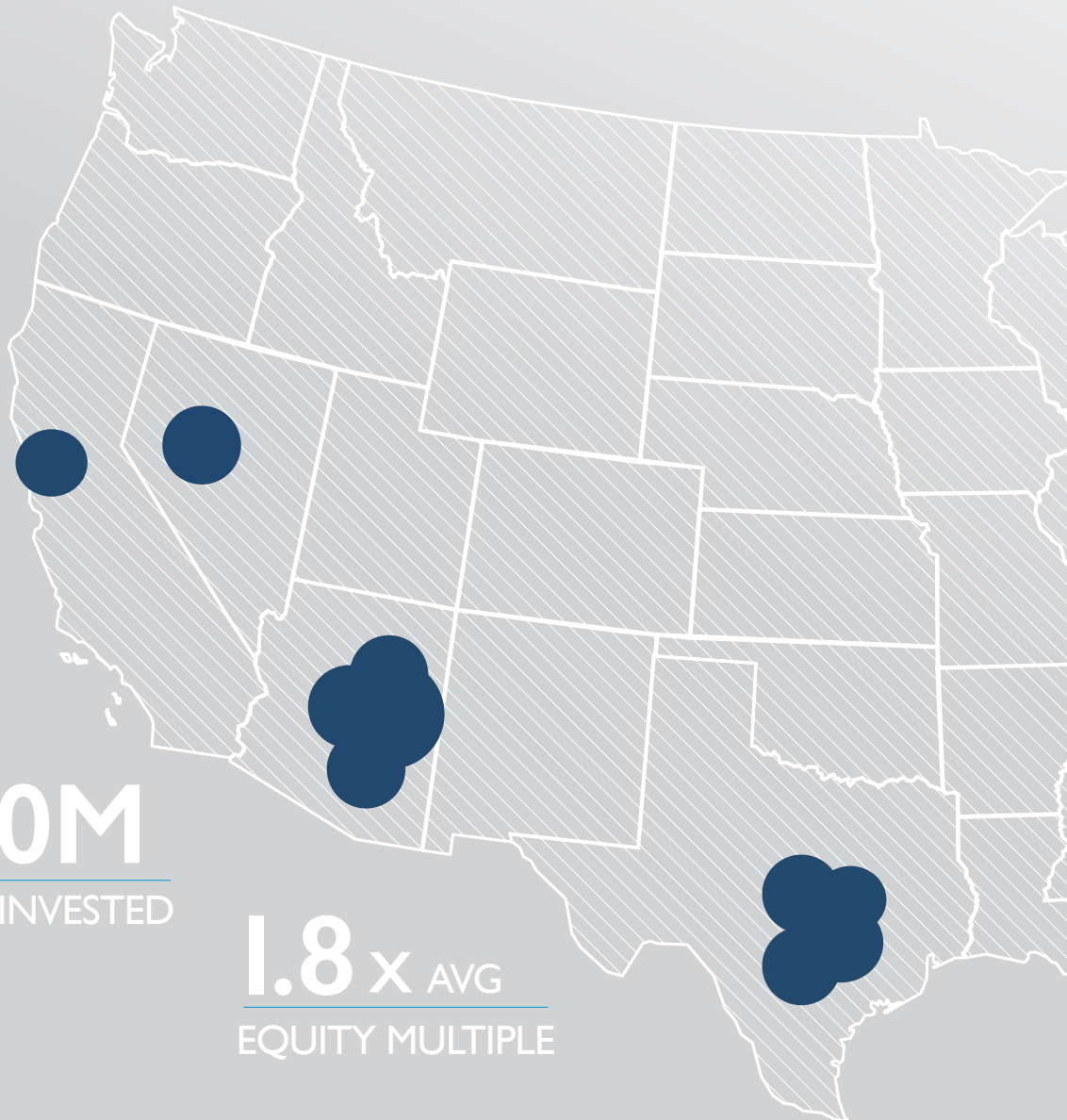
UNIT COUNT

\$140M

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 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 STRATEGIES



Value Add

- Capture the spread between stabilized Return on Cost and Exit Cap Rates.
- Calculated property improvements to generate maximum return on investment.
- Balanced approach between IRR and Equity Multiple.

Adaptive Reuse

- Capture arbitrage between hotel price and stabilized apartment value.
- Strategically reconfigure the property to maximize Net Operating Income.
- Mitigate development risk by utilizing a rezoning contingency.

Development

- Build when existing assets are trading above replacement cost.
- Purchase undervalued land in the path of growth.
- Pursue refincancings to return investor capital and provide long-term stabilized cash flow.

OUR PROCESS



Evaluate all types of multifamily opportunities.



Focus on high growth, low tax, rent-to-own imbalance, and supply constrained markets.



Pursue discounted investments relative to comparables.



Capital structures are optimized to maximize risk-adjusted returns.

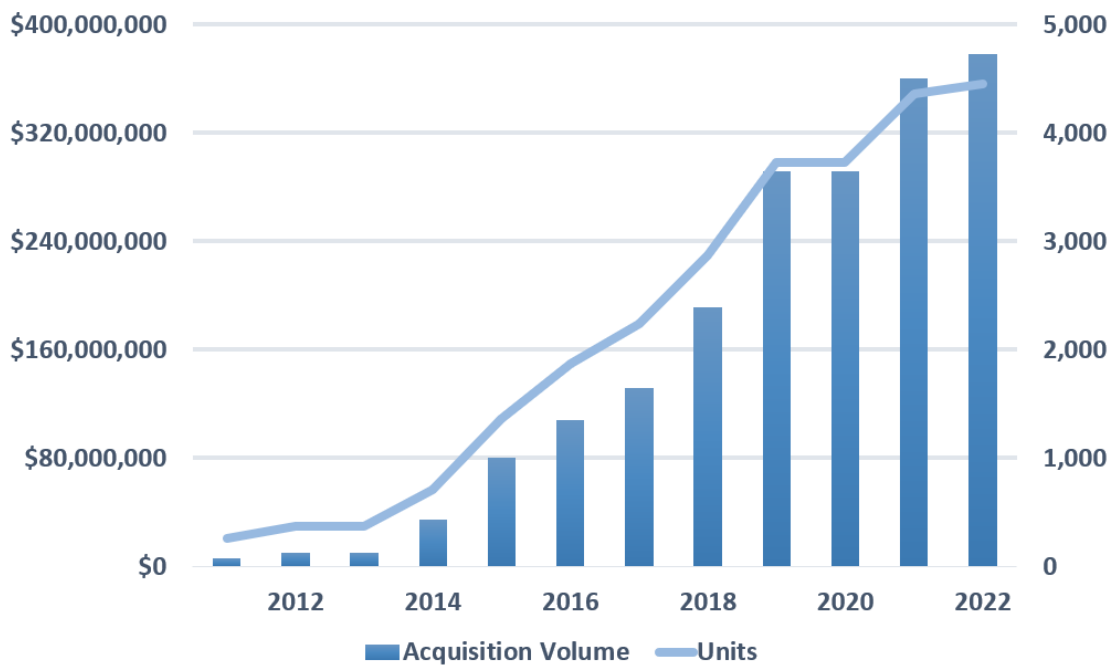


Capital improvements selected to maximize return on investment.



Internal property management streamlines operations and increases NOI.

Sterling Investments





ABOUT STERLING REAL ESTATE PARTNERS

Sterling Real Estate Partners is a vertically integrated real estate investment company that specializes in multifamily value-add, development, and adaptive reuse projects throughout the Southwestern United States. Sterling capitalizes on repositioning opportunities and strategic capital structures to maximize value for its partners.



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