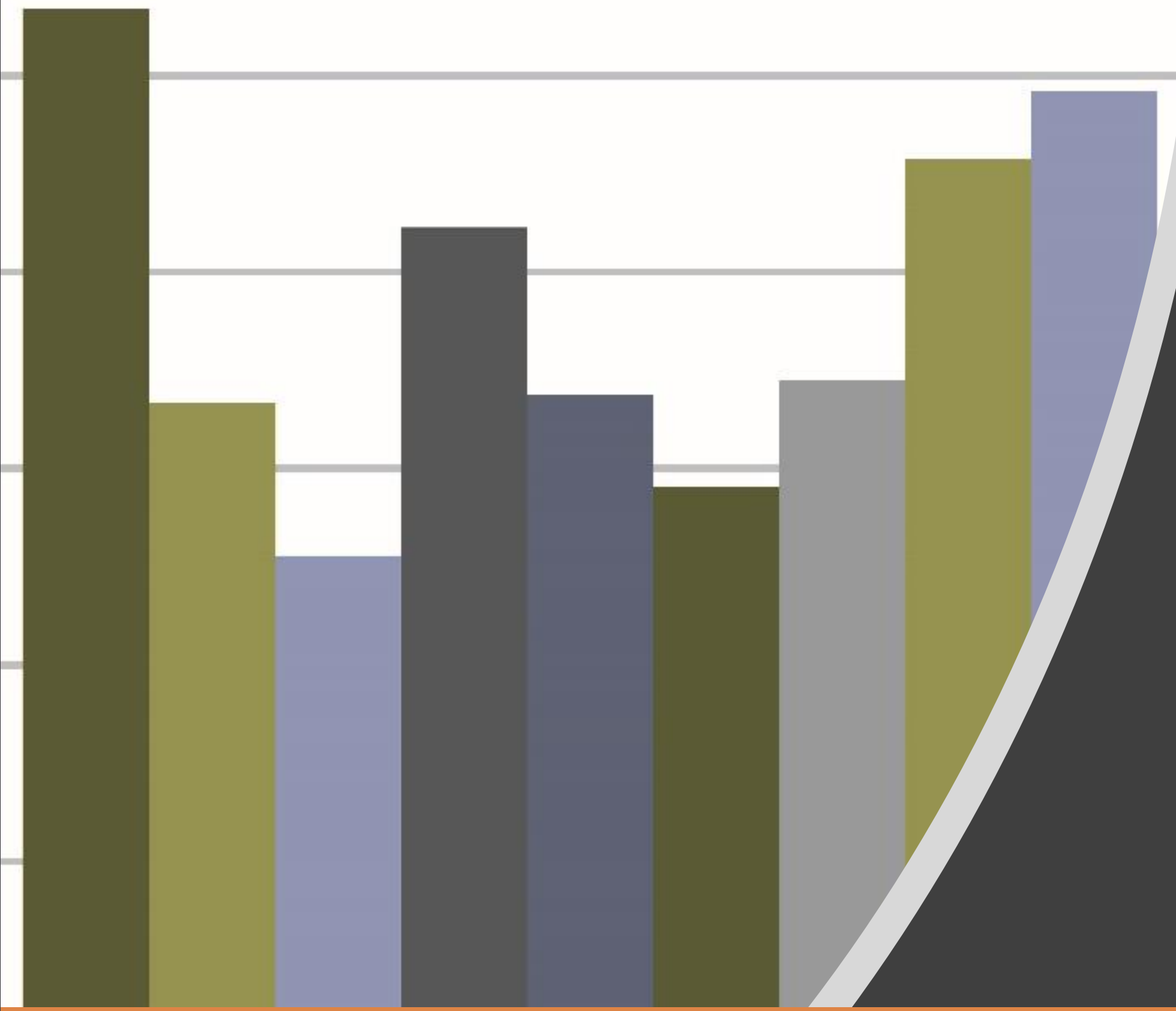




MULTIFAMILY NW
The Association Promoting Quality Rental Housing



Welcome
Farhan Mahmood,
Director
Trion Properties

 **THE** Apartment Report

T R I O N

P R O P E R T I E S

J O I N T V E N T U R E O P P O R T U N I T Y



ABOUT US
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TARGET MARKETS

Trion targets **urban infill** neighborhoods in **major West Coast real estate markets**

KEY MARKETS

- Los Angeles
- SF Bay area
- Portland area
- San Diego area



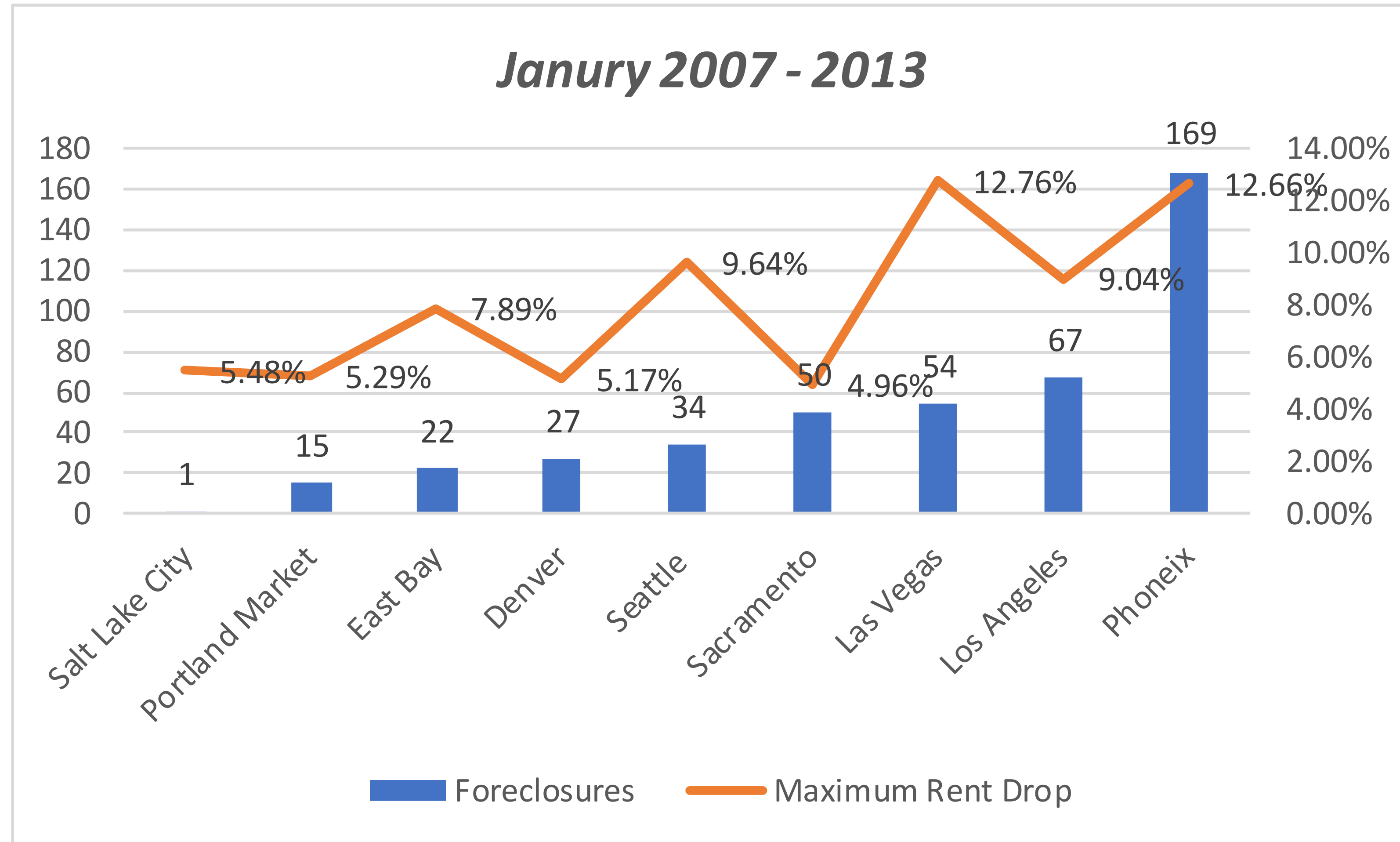
Our decision to enter the Portland market was a **DEFENSIVE ONE**, we were hopeful the market had good downside protection if/when there were a correction.

MARKET REQUIREMENTS

1. **RECESSION PERFORMANCE:** The market did not get killed in the last recession
2. **CASH FLOW:** Market will produce suitable cash-on-cash returns for our investors in a long term hold scenario
3. **ECONOMIC DIVERSITY:** The market doesn't depend on a singular company or a singular industry
4. **LONG TERM GROWTH POTENTIAL:** Fundamentals are trending towards long term growth
5. **ROI ON CAPITAL EXPENDITURES:** At least a 20% ROI on capital expenditure investment
6. **QUALITATIVE TEST:** This is a place where people want to live

RECESSION PERFORMANCE

Market Comparison



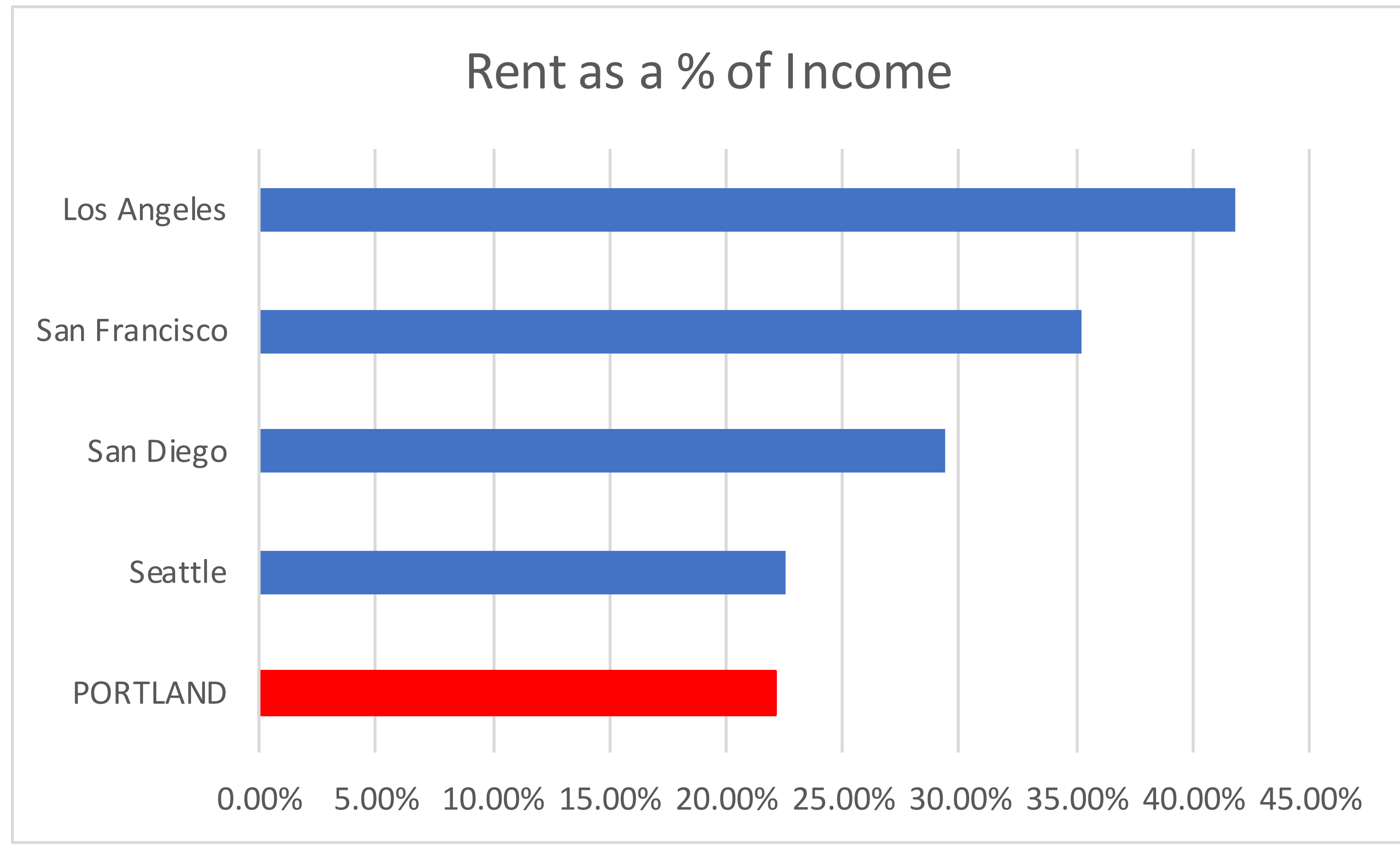
CASH FLOW

Market Comparison

	CLASS B & C VALUE-ADD	
	RETURN-ON-COST	CASH-ON-CASH
San Francisco	4.25% - 4.75%	4.50%
Orange County	4.25% - 4.75%	4.50%
San Jose	4.50% - 5.00%	5.06%
Los Angeles	4.50% - 5.00%	5.06%
Seattle	4.75% - 5.25%	5.61%
San Diego	5.00% - 5.25%	5.88%
Inland Empire	5.25% - 5.75%	7.00%
Denver	5.25% - 5.75%	7.00%
Portland	5.25% - 5.75%	7.00%
East Bay	5.25% - 5.75%	7.00%
Salt Lake City	5.50% - 6.00%	7.00%
Sacramento	5.50% - 6.00%	7.63%
Phoenix	5.50% - 6.00%	7.63%

LONG TERM GROWTH POTENTIAL

A f f o r d a b i l i t y

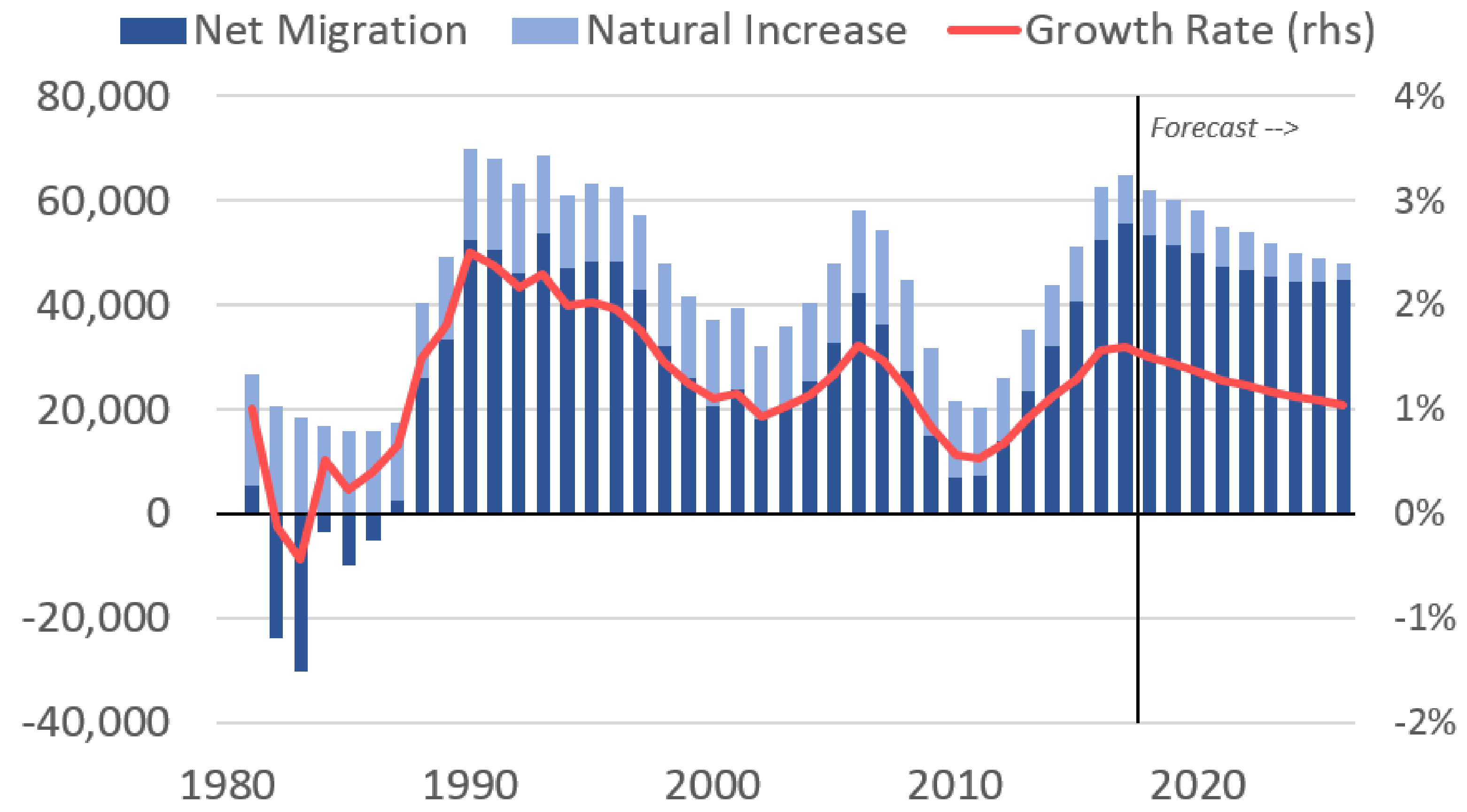


**Source: Axiometrics 2018*

LONG TERM GROWTH POTENTIAL

Population Growth

Oregon Population Growth



Last Actual: 2017 | Source: Census, Portland State University, Oregon Office of Economic Analysis

QUALITATIVE

Is this somewhere people want to live?

PORTLAND



TRION PROPERTIES





ZIPPER

DREAMERS



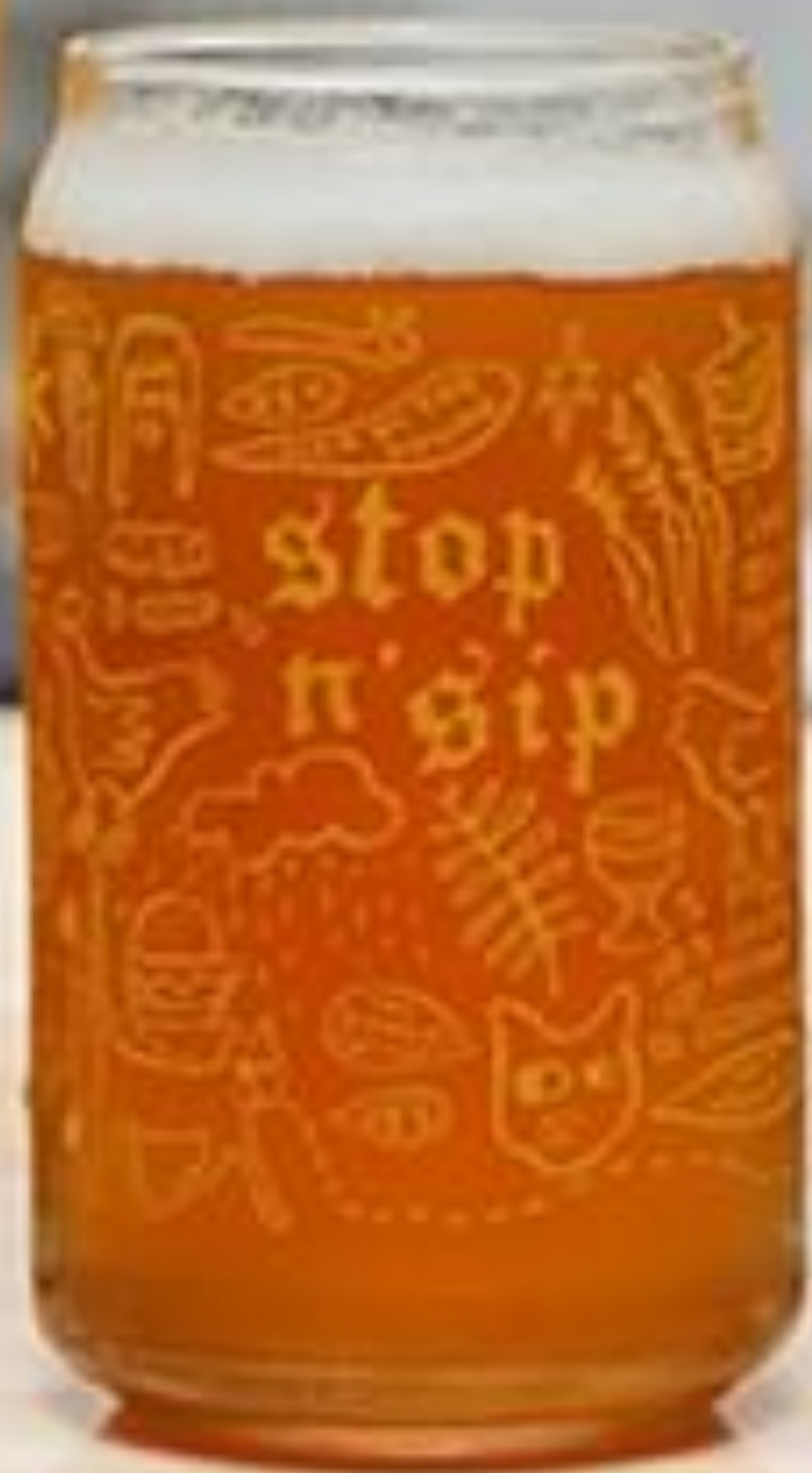
COFFEE ROASTERS

COFFEE BAR
OPEN

OPEN
COFFEE
& BAGELS







P O R T L A N D M E T R O S A L E S (O V E R 2 0 U N I T S , S I N C E 2 0 1 5)

Company Name	# Sales	Sales Value	State
Trion Properties	10	\$105,833,100	CA
Kennedy-Wilson Properties, Ltd.	6	\$587,390,000	CA
Aukum Group	6	\$109,800,000	CA
Home Forward	6	\$58,437,184	OR
TruAmerica Multifamily, Inc.	5	\$492,850,000	CA
Jackson Square Properties	5	\$176,900,000	CA
Daniel E Casey	5	\$45,600,000	OR
Westland Apartment Brokers LLC	5	\$31,475,000	OR
The Blackstone Group LP	4	\$3,665,000,000	NY
MG Properties Group	4	\$297,350,000	CA
Security Properties, Inc.	4	\$291,500,000	WA
NBP Capital	4	\$129,495,000	OR
Hamilton Zanze & Company	4	\$80,900,000	CA
Investment Property Group	4	\$69,522,000	CA
John L. Evilsizor	4	\$34,800,000	CA
Stark Firs Management	4	\$16,800,000	OR

* Source: CoStar Group, www.costar.com

I n v e s t m e n t S t r a t e g y

P o r t l a n d M e t r o

Location: Within a 10-Mile Radius of Downtown Portland, with a focus on the West Side.

Asset: Generally mismanaged, typically 1960 – 1990 construction

Strategy: Fix up properties that need major updating, curing deferred maintenance and utilizing creative design techniques to bring value to renters. Pro-forma rents are well below new construction but still provide a return on investment.

Minimum Stabilized Yield on Cost: 6%

Minimum Target Cash-on-Cash: 7%

Minimum Project Level IRR: 16% (1.50x equity multiple)

Maximum LTV: 65% LTC

Hold Period: 3 -7 Years



Twenty Two Twenty Two







WORK

HARD.

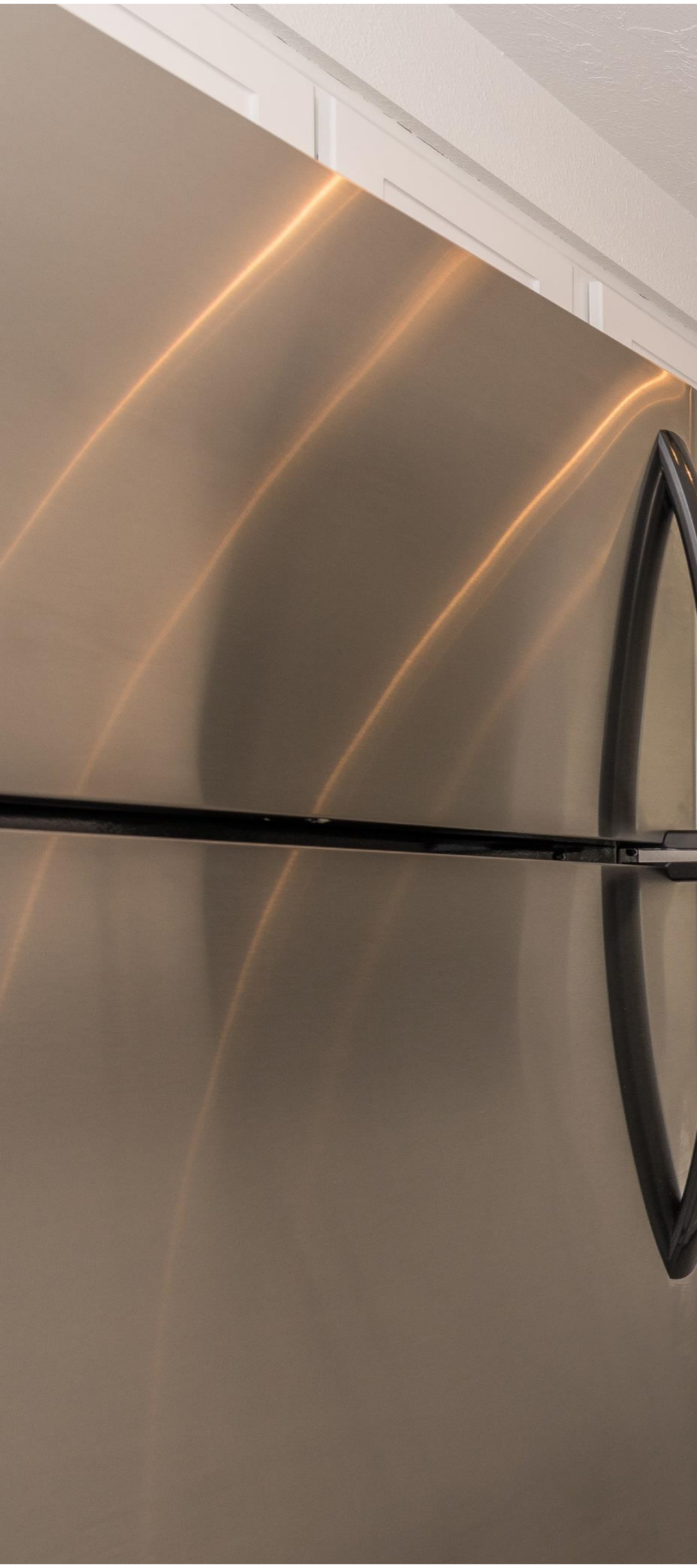
HARD.





HALLWOOD
APTS.

7415-7575 SW HALL BLVD



CASE STUDY: TIGARD APARTMENTS

Updating properties that NEED significant rehabilitation











TIGARDVILLE APARTMENTS
T
OREGON

11255

NOW LEASING
CALL





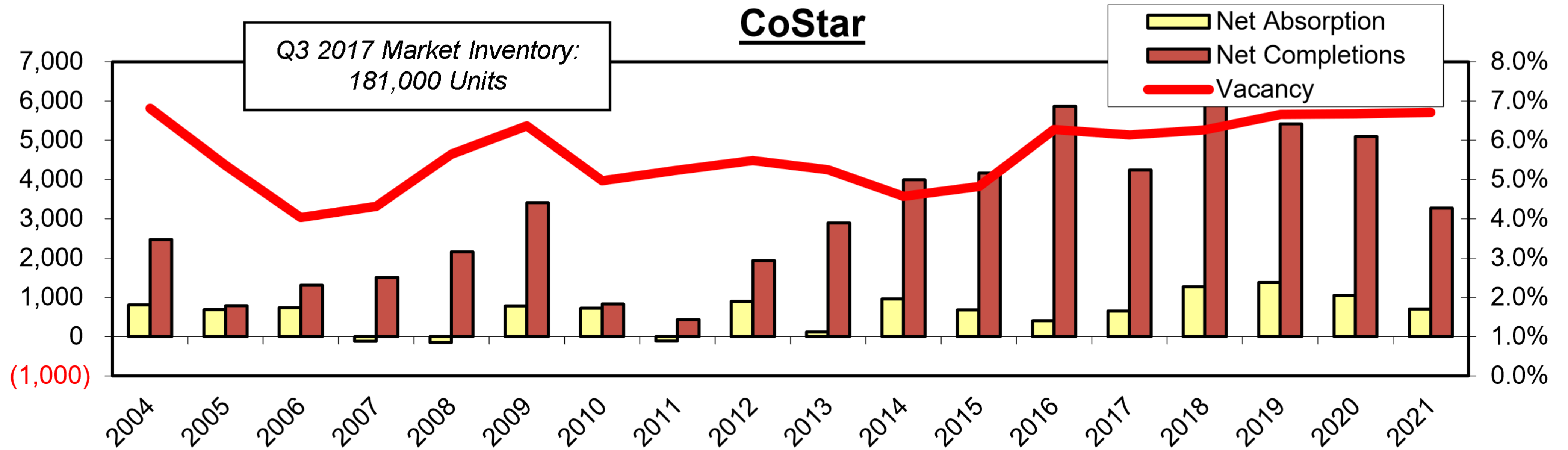
G o i n g F o r w a r d

Supply: The supply is going to inhibit growth over the next two years, most likely in all Portland metro submarkets.

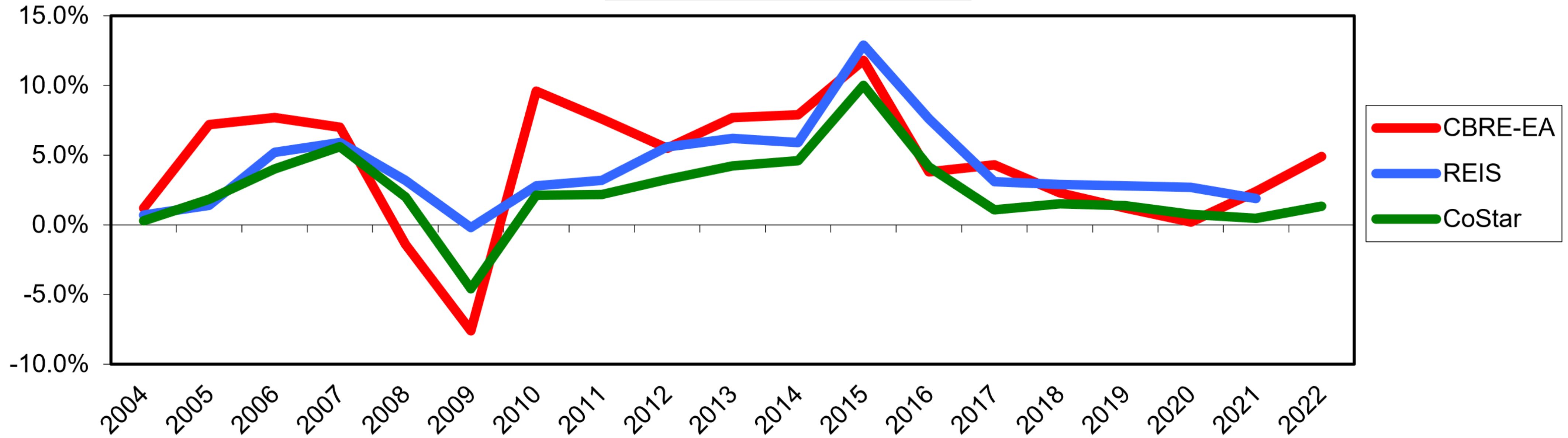
Suburban Growth: We are excited for the Portland suburbs that are becoming walkable to retail, close to jobs and transit oriented, and believe the suburbs will have long term growth, especially Hillsboro, Beaverton, Tigard and Milwaukie.

Tech Growth: We believe the highly educated population, the Portland lifestyle, the West Coast location close to Silicon Valley and the market's affordability will ultimately lead to significant tech growth. We haven't seen it in a significant way yet.

P O R T L A N D S U P P L Y C H A L L E N G E S



Annual Rent Growth



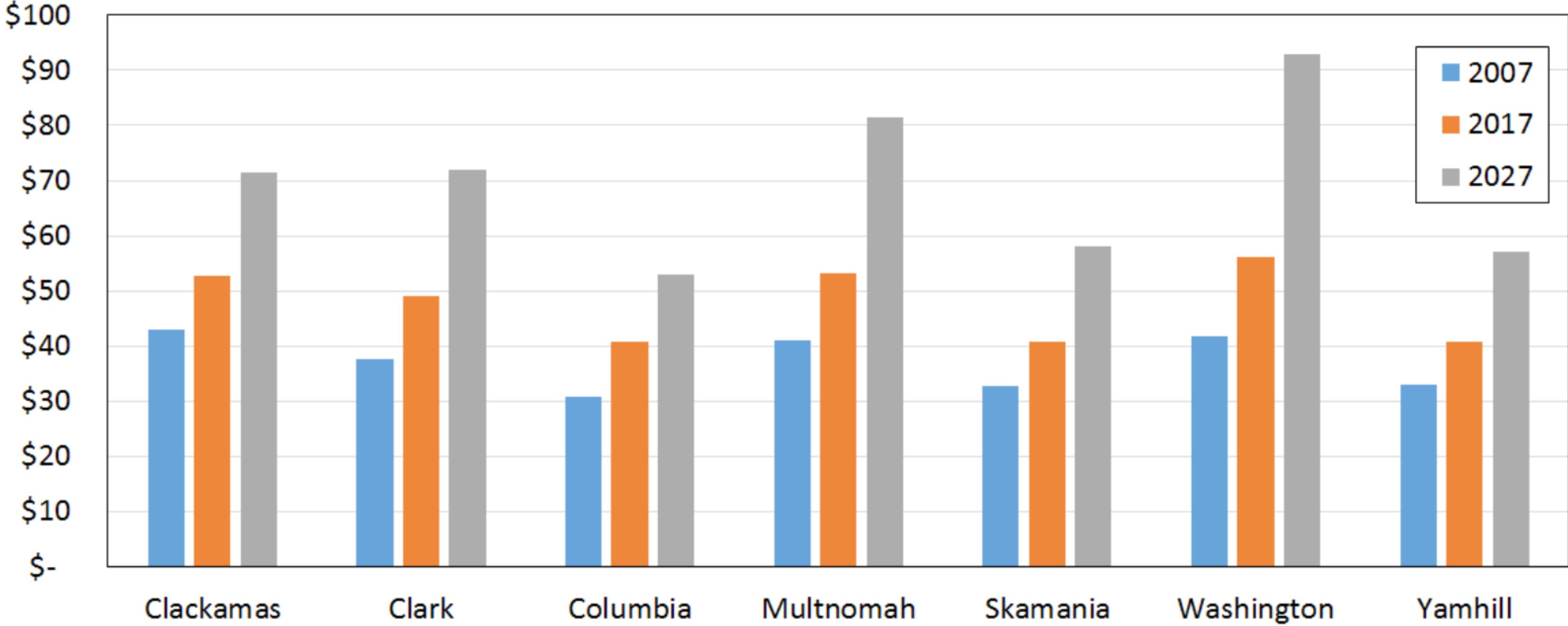
“People may be moving towards cities, but most will not end up in their centres. Few cities are getting more crowded downtown...” – A Planet of Suburbs, Economist 2017





Portland MSA Economic Outlook by County 2007 - 2027

HISTORIC AND FORECAST INCOME PER CAPITA (THOUSANDS OF DOLLARS)



*Source: Portland State University "Portland MSA Economic & Population Outlook April 2018"

TRIMET Frequent Service

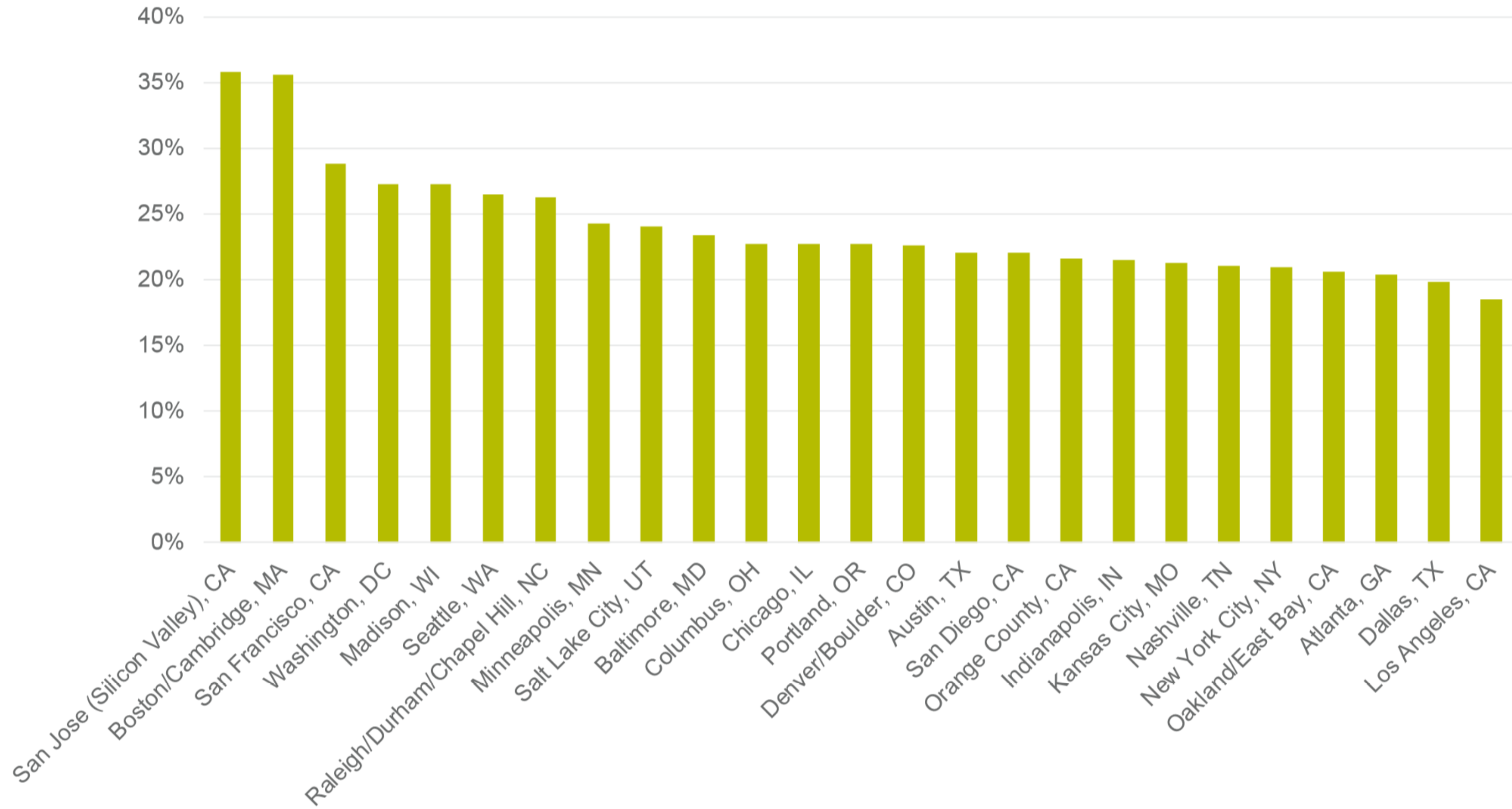


TriMet's Frequent Service bus lines and MAX Light Rail run every 15 minutes or better most of the day, every day.

Portland Technology

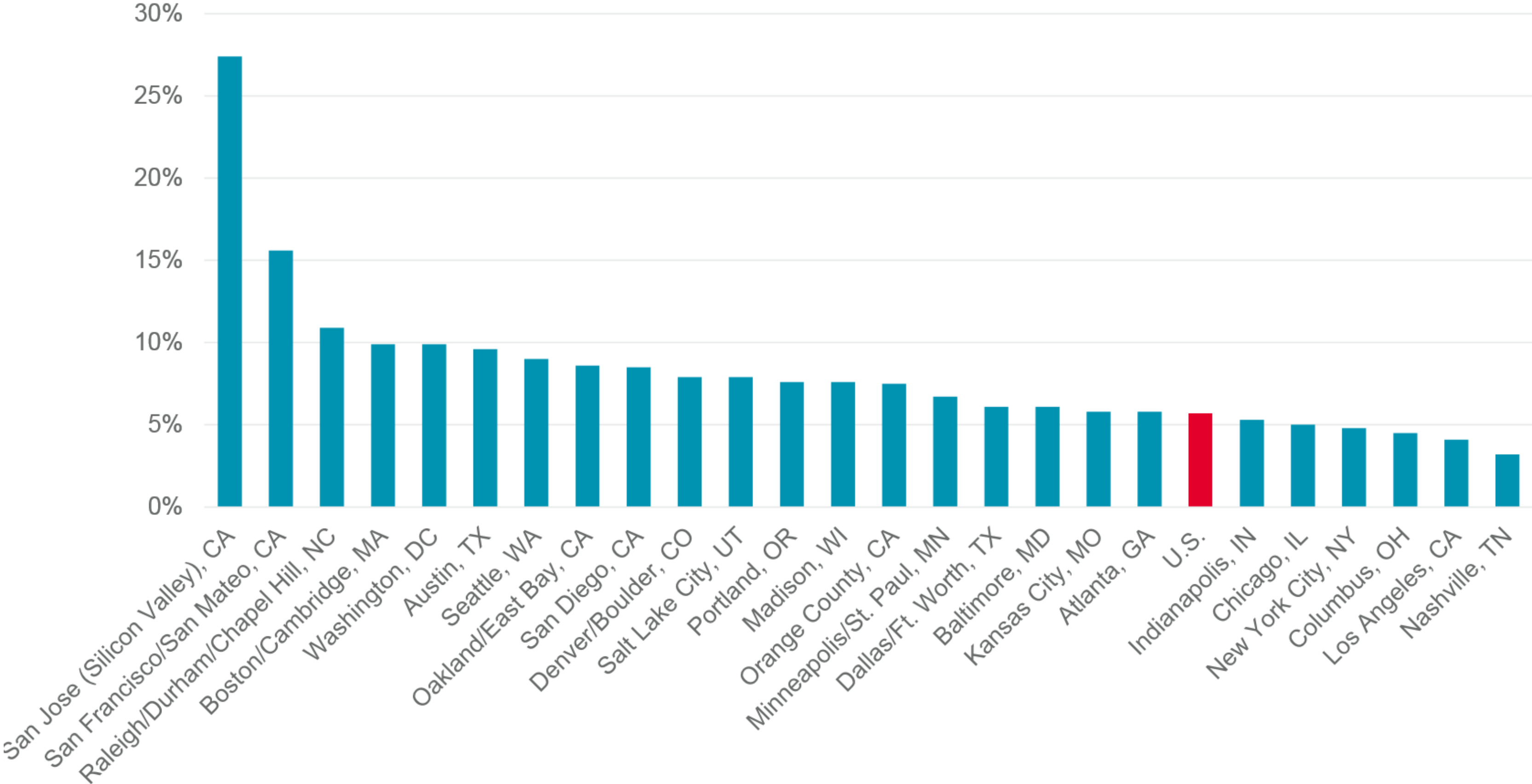
SHARE OF WORKFORCE IN KNOWLEDGE OCCUPATIONS

Source: U.S. Bureau of Labor Statistics



MARKETS BY PERCENTAGE OF TECH WORKERS

Source: BLS, Moody's Analytics



T R I O N

P R O P E R T I E S