



**Inland**  
Private Capital Corporation

## Executive Overview

# Florida Multifamily Portfolio DST

### **CONFIDENTIAL**

This material is neither an offer to sell, nor the solicitation of an offer to buy any security, which can be made only by a Private Placement Memorandum (the Memorandum), and sold only by broker dealers and registered investment advisors authorized to do so. All potential investors must read the Memorandum, and no person may invest without acknowledging receipt and complete review of the Memorandum. Investments are suitable for accredited investors only. **Please see back of this Executive Overview for important disclosures.**





The Riverview Property

## OFFERING HIGHLIGHTS

Beneficial Interests:	<b>\$36,472,643</b>
Loan Proceeds:	<b>\$40,024,000</b>
Offering Price:	<b>\$76,496,643</b>
Loan-to-Offering Price Ratio:	<b>52.32%</b>
Minimum Purchase (1031):	<b>\$100,000</b>
Minimum Purchase (cash):	<b>\$25,000</b>
Current Cash Flow:	<b>5.00%</b>

## > Florida Multifamily Portfolio DST

### Two multifamily properties located in the Jacksonville and Tampa Metro Areas of Florida

Florida Multifamily Portfolio DST, also known as the Parent Trust, is a newly formed Delaware statutory trust and an affiliate of Inland Private Capital Corporation (IPC).

The Parent Trust indirectly owns a portfolio of two multifamily properties located in Orange Park and Riverview, Florida:

1. Orange Park Multifamily DST (Orange Park Trust) owns Cypress Pointe Apartments (the Orange Park Property)
2. Riverview Multifamily DST (Riverview Trust) owns Rivertree Apartment Homes (the Riverview Property)

The Orange Park Property and the Riverview Property are together referred to herein as the Properties, and each may be referred to as a Property.

**You should read the Private Placement Memorandum (the Memorandum) in its entirety before making an investment decision.** Capitalized terms used in pages 1 through 11 but not defined herein shall have the meanings set forth in the Memorandum.

**Inland Celebrates Its  
50<sup>th</sup> Anniversary**



## > Investment Highlights

**Inland Private Capital Corporation believes that an investment in the Parent Trust offers the following benefits:**



- Strong locations in two large Florida metropolitan areas: Jacksonville and Tampa
- The Properties provide easy access to employment centers and major interstates
- Value-add potential with planned unit upgrades at both Properties to grow rental income



- Inland has extensive property management expertise
- Experience in all aspects of acquiring, owning, managing and financing multifamily properties



- Each Property is, or will be, financed with a separate loan with no cross-collateralization
- Each Loan has, or will have, a 10-year term, with fixed interest rates and amortizing principal

## > Investment Strategy

The market dynamics are anticipated to be sustainable throughout the hold period, providing the Property Manager the opportunity to maintain or increase occupancy and to increase rental rates at the Properties. In conjunction with rental growth, the operational strategy includes monitoring and controlling expenses, and utilizing reserves effectively. To maximize property performance, a state-of-the-art computerized revenue management program will be instituted to analyze market and submarket data and establish optimal unit pricing based on a number of factors including inventory, days on market, move-in date and location.

In addition, the Property Manager intends to introduce, and/or monitor the recovery of, other income and fees, such as utility costs, trash removal fees, administrative fees, application fees and pet rent. In an effort to retain residents, the Property Manager intends to implement a lease management system that seeks to limit the number of monthly lease expirations to approximately 10 percent of the Apartment Units. Programs will also be put in place to enhance the online rating scores on apartment rental sites as well as multiple search engines, which are critical in today's technology-driven market.

Regular meetings will be held between the Asset Managers and Property Managers to review performance, discuss new leasing activity, and improve tenant retention as well as other topics. The Property Manager also expects to host regular Resident functions to foster a sense of community and help to increase tenant retention.

An annual property tax review and appeal program will be put in place and annual property insurance reviews will be conducted. Finally, the Asset Managers will leverage economies of scale in order to provide the most cost-effective pricing structure on contractor and vendor services.



The Riverview Property

## > The Offering

The Parent Trust is offering (the Offering) to sell to qualified, accredited investors pursuant to this Memorandum, 100 percent of the beneficial interests in the Parent Trust. The Offering is designed for accredited investors seeking to participate in a tax-deferred exchange as well as those seeking a quality, multiple-owner real estate investment. Only accredited investors may purchase interests in this Offering. For more information, see “*Summary of the Offering*” and “*The Offering*” in the Memorandum.

## > The Financing

Each Property is, or will be, separately financed with a first mortgage loan (each, a Loan and together, the Loans), as described below. Investors should note that the financing terms for the Riverview Loan have not been finalized as of the date of the Memorandum, and remain subject to change.

Borrower	Principal Loan Amount	Lender	Annual Interest Rate	Term
Orange Park Trust	\$17,824,000	KeyBank National Association	4.22%	10 years
Riverview Trust	\$22,200,000	KeyBank National Association	4.15%	10 years

Each of the Loans is, or will be, made under the Freddie Mac Capital Markets Execution Multifamily Standard Rate Lock Loan Program. For the first five years of each Loan term, the borrower is, or will be, required to make monthly, interest-only payments, and for the final five years of each Loan term, the borrower is, or will be, required to make monthly payments of principal and interest, with principal amortizing on a 30-year schedule.

Each Loan is, or is expected to be, secured by a mortgage on the respective Property. The Loans are not, and will not be, cross-collateralized or cross-defaulted, meaning a default under one of the Loans will allow the lender to recover against only the particular Property securing the particular Loan and will not trigger a default under the other Loan.





## > Description of the Properties

Property & Address	Year Built	Total Units	Studio Units	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units
<b>Orange Park Property</b> Cypress Pointe Apartments 25 Knight Boxx Road Orange Park, FL 32065	2007	194	N/A	36 (909 Avg. Sq. Ft./Unit)	110 (1,205 Avg. Sq. Ft./Unit)	48 (1,310 Avg. Sq. Ft./Unit)
<b>Riverview Property</b> Rivertree Apartment Homes 5959 Bandera Springs Circle Riverview, FL 33578	2003-2004	251	30 (600 Avg. Sq. Ft./Unit)	89 (812 Avg. Sq. Ft./Unit)	106 (1,048 Avg. Sq. Ft./Unit)	26 (1,453 Avg. Sq. Ft./Unit)

N/A – Not Applicable

See “*The Properties*” in the Memorandum for additional detail. Also see “*Risk Factors – Risks Related to the Properties*” in the Memorandum.

# > About Florida and the Markets

Florida is well known for its miles of sandy beaches and crystal-clear waters, making it an attractive place for tourists. In fact, tourism is one of the biggest contributors to Florida's economy, which is expected to hit the \$1 trillion mark in 2018<sup>1</sup>. The state is likely to create 180,000 new jobs in 2018, a pace that would exceed the national economy's job growth for the eighth straight year. Florida is one of the fastest growing states in America<sup>2</sup>, ranking third out of the 50 states in terms of population, with 21.5 million people.<sup>3</sup> Florida is home to many of the top amusement parks and water parks in the nation, including Walt Disney World, which is the largest single-site employer in the nation, with over 66,000 employees.<sup>4</sup>

## Jacksonville Metro Area

Jacksonville is the largest city in Florida, and the largest city in land area within the continental United States, encompassing 875 square miles.<sup>5</sup> Jacksonville was recognized as Forbes' fifth fastest growing city in the United States in 2017, with 2.59 percent job growth and 7.77 percent wage growth in 2016.<sup>6</sup> Many large employers have moved to the area recently, including Amazon, which opened two one-million-square-foot distribution centers in 2017, collectively employing over 2,500 people.<sup>7</sup> Jacksonville is also home to one of only three Mayo Clinics in the nation<sup>8</sup>, which was voted the number one hospital in the nation and has the largest transplant program in the United States.<sup>9</sup>

## Tampa Metro Area

Tampa, Florida is part of the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA), which is the largest in Florida and 18th largest in the United States.<sup>4</sup> The Tampa Metro area's population of 3.1 million is expected to grow to 3.3 million in the next five years.<sup>4</sup> Unemployment in the Tampa MSA is currently at 3.4 percent<sup>4</sup>, which is slightly lower than the state's average and well below the nation's average of 4.1 percent. Major employers include University of South Florida, and world-class medical facilities such as the Moffitt Cancer Center, All Children's Hospital and Tampa General Hospital, all of which continue to attract the highest quality medical professionals in the area.

### Top 5 Employers in Jacksonville<sup>10</sup>

1. Naval Air Station Jacksonville
2. Baptist Health
3. Mayport Naval Station
4. Bank of America Merrill Lynch
5. Florida Blue

### Top 5 Employers in Tampa<sup>10</sup>

1. Publix Super Markets Inc.
2. BayCare Health System
3. HCA Holdings
4. MacDill Air Force Base
5. Verizon Communications

<sup>1</sup> Florida projected to have \$1 trillion economy in 2018. Tampa Bay Times. April 4, 2018.

<sup>2</sup> Big Metro Areas in Florida Keep Getting Bigger. Forbes. March 23, 2018.

<sup>3</sup> Cushman & Wakefield Florida Population Report. February 22, 2018.

<sup>4</sup> Florida's Economy: The 6 Industries Driving GDP Growth. Investopedia. January 13, 2016.

<sup>5</sup> <https://www.visitjacksonville.com/about-us/jax-facts/>

<sup>6</sup> America's 25 Fastest Growing Cities 2017. Forbes. February 10, 2017.

<sup>7</sup> Jacksonville's second Amazon center expected to open next week. Jacksonville.com. September 28, 2017.

<sup>8</sup> JAXusa.org/tools-resources/stats-facts/

<sup>9</sup> U.S. News Announces 2017-18 Best Hospitals. U.S. News. August 8, 2017.

<sup>10</sup> Appraisal Report from CBRE, Inc.





## > The Orange Park Property

Cypress Pointe Apartments is a 194-unit, garden apartment community located in Orange Park, Florida, just 25 miles south of Jacksonville, directly off State Road 21. Orange Park is located in Clay County, which is a highly sought-after area due to the highly rated schools and friendly environment. The Orange Park Property is situated in a peaceful, wooded setting, with walking trails and a large veranda. The amenity package includes a large resident clubhouse with community kitchen, sparkling swimming pool with outdoor kitchen, and fully-equipped fitness center.

Potential Unit Upgrades	Community Features
<p>The Asset Manager intends to make upgrades to 169 apartment units at the Orange Park Property in an effort to grow rental income. Specifically, wood-style flooring will be installed in all 169 units, and 141 of such units will be further upgraded as follows:</p> <ul style="list-style-type: none"> <li>✓ Replacing or refinishing countertops</li> <li>✓ Upgrading fixtures, hardware and lighting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Resident clubhouse with community kitchen</li> <li>✓ Swimming pool</li> <li>✓ Outdoor grilling area</li> <li>✓ Fitness center</li> <li>✓ Playground</li> <li>✓ Detached garages</li> </ul>





### Area Demographics

	1 Mile Radius	3 Mile Radius	5 Mile Radius
2017 Average Household Income <sup>11</sup>	\$62,368	\$75,120	\$83,921
Median Housing Values <sup>12</sup>	\$127,209	\$161,584	\$190,309
2017 Estimated Population <sup>11</sup>	7,532	40,513	106,408
2022 Projected Population <sup>11</sup>	7,962	42,834	115,119
Estimated Population Growth (2017-2022) <sup>11</sup>	1.12%	1.12%	1.59%
Estimated Renters (%) <sup>12</sup>	32.58%	22.75%	21.07%



<sup>11</sup> Appraisal Report from CBRE, Inc.

<sup>12</sup> Claritas Demographic Snapshot





## > The Riverview Property

Rivertree Apartment Homes is a 251-unit multifamily community located just 12 miles from downtown Tampa in metro area. Originally constructed in 2003-2004, more than \$1.5 million in capital improvements have been made since August 2015, including an expansive clubhouse with a resort-style pool, state-of-the-art fitness center, resident lounge and billiards room. Situated in the desirable Brandon area, the Riverview Property is adjacent to Interstate 75, the Selmon Expressway, and U.S. Highway 301, providing access to many large employment centers including Downtown Tampa, MacDill Air Force Base, the Westshore Business District and the business and industrial parks along the I-75 corridor.

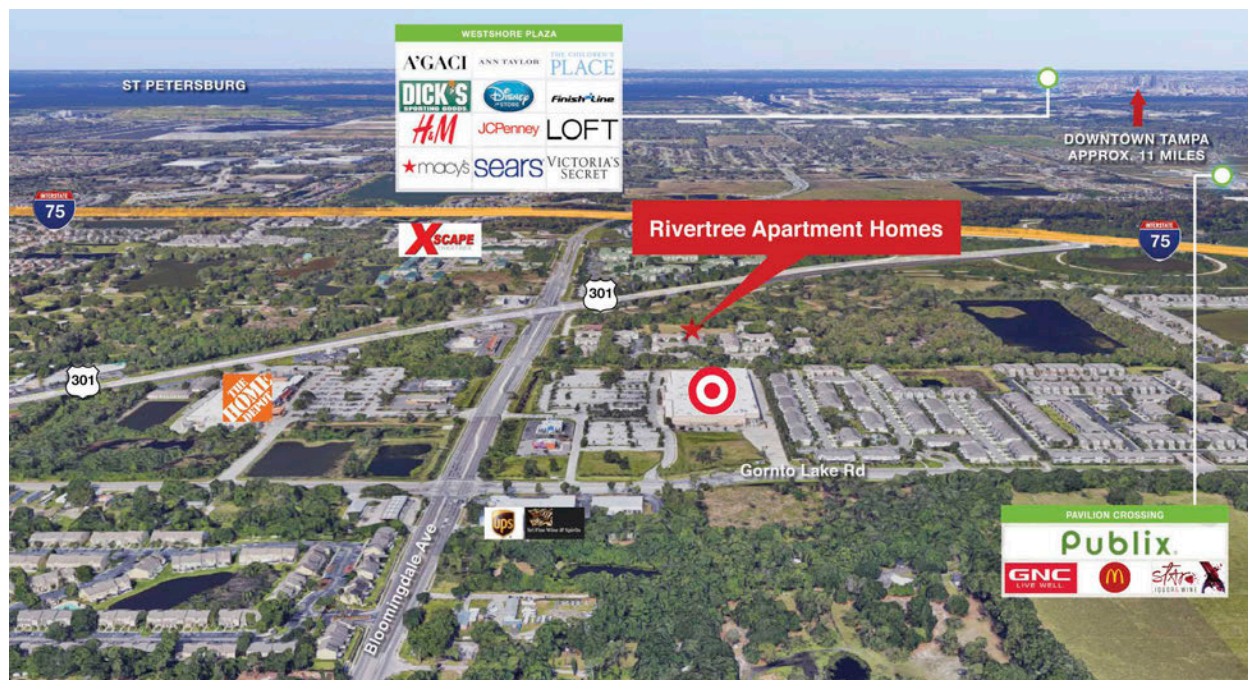
Potential Unit Upgrades	Community Features
<p>The Asset Manager intends to make upgrades to 102 apartment units at the Riverview Property in an effort to grow rental income. Upgrades will include:</p> <ul style="list-style-type: none"> <li>✓ New appliance package</li> <li>✓ Refinishing countertops</li> <li>✓ Installing tile backsplashes</li> <li>✓ Installing wood-style flooring</li> <li>✓ Replacing or refinishing cabinets</li> <li>✓ Upgrading fixtures, hardware and lighting</li> </ul>	<ul style="list-style-type: none"> <li>✓ Renovated clubhouse with resident lounge</li> <li>✓ Billiards room</li> <li>✓ Resort-style swimming pool</li> <li>✓ Outdoor summer kitchen</li> <li>✓ Business center and conference room</li> <li>✓ Laundry facility</li> <li>✓ BBQ/picnic areas</li> <li>✓ Detached garages</li> </ul>





## Area Demographics

	1 Mile Radius	3 Mile Radius	5 Mile Radius
<b>2017 Average Household Income<sup>13</sup></b>	\$72,328	\$67,740	\$70,895
<b>Median Housing Values<sup>14</sup></b>	\$164,552	\$171,898	\$178,031
<b>2017 Estimated Population<sup>13</sup></b>	11,977	85,547	178,055
<b>2022 Projected Population<sup>13</sup></b>	13,380	95,041	194,967
<b>Estimated Population Growth (2017-2022)<sup>13</sup></b>	2.24%	2.13%	1.83%
<b>Estimated Renters (%)<sup>14</sup></b>	48.64%	47.48%	39.94%



<sup>13</sup> Appraisal Report from CBRE, Inc.

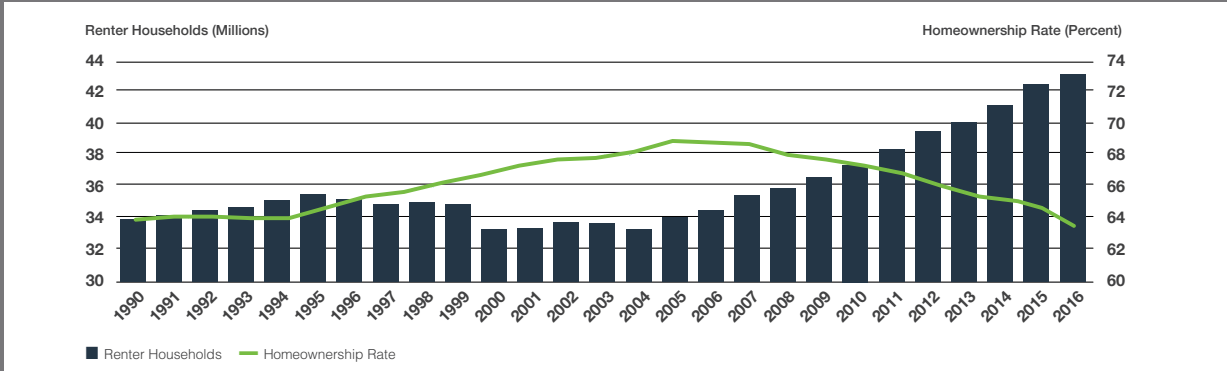
<sup>14</sup> Claritas Demographic Snapshot



Snapshot

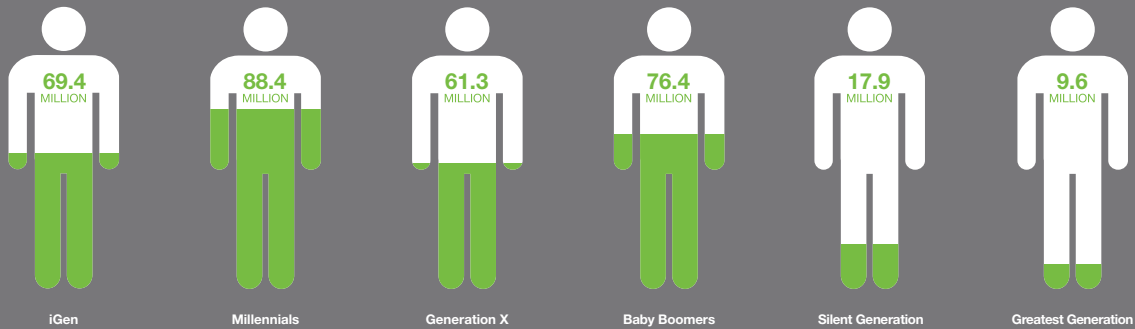
# Multifamily Sector

Over the past 10 years, U.S. renter household growth has surged while home ownership has dropped. As the rate of homeownership continues to decrease, the rate of apartment living continues to increase.



Note: Data as of 1Q 2017  
Source: U.S. Census Bureau, Housing Vacancy Surveys

The population of the United States is expected to grow by 45 million people over the next 20 years. Both multifamily and single family housing supply remain well below long-term averages that are not nearly enough to house the number of people needing homes.<sup>15</sup>



## Generation

Source: U.S. Census Bureau 2016 Population Estimates

Preferences of the two largest generations in the United States, the Millennials and Baby Boomers, are driving this growing trend of renting – and creating significant demand for multifamily apartments.

Millennials...		Baby Boomers...	
<p><b>Love of Amenities</b> Including electric car charging ports, gyms and cellphone reception in all areas</p>	<p><b>Love of Community</b> Including community and shared spaces and proximity to culture and nightlife</p>	<p><b>Love of Activity</b> Including walkability and easy transportation to jobs and activities they love</p>	<p><b>Love of Luxury</b> Apartments offer a more luxurious place to live with high-end amenities often not affordable with owning a home</p>
<p><b>Love of Flexibility</b> Being able to terminate lease or choose not to renew for any reason, especially career reasons</p>	<p><b>Love of Convenience</b> Keeping home maintenance and yard work out of budgets, and out of weekend to-do lists</p>	<p><b>Love of Savings</b> Renting saves thousands of dollars a year to enjoy life, travel and spend time with family versus the upkeep required for homes</p>	<p><b>Love of Convenience</b> No responsibility for maintenance, which is a lifestyle perk that apartments offer</p>

<sup>15</sup> CoStar. Midyear Multifamily Update. Too Much Apartment Construction, or Not Enough. August 10, 2017.



# > About Inland Private Capital Corporation

The Inland Real Estate Group of Companies, Inc. (Inland) is one of the nation's largest commercial real estate and finance groups, representing nearly 50 years of expertise and integrity in the industry. As a business incubator, Inland specializes in creating, developing and supporting member companies that provide real estate-related investment funds – including limited partnerships, institutional funds and nonlisted real estate investment trusts (REITs) – and real estate services for both third parties and Inland-member companies.

In March 2001, Inland Private Capital Corporation was formed to provide replacement properties for investors wishing to complete a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, as well as investors seeking a quality, multiple-owner real estate investment. The programs sponsored by IPC offer securities to accredited investors on a private placement basis.

## Track Record Since Inception

(Through December 31, 2017)



## Program Dispositions

(As of December 31, 2017)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Cumulative Sales Price	\$529,713,911	\$233,509,165	\$185,766,108	\$118,170,041
Weighted Avg. Total Return*	133.06%	121.34%	136.90%	133.38%
Weighted Avg. ARR**	7.53%	4.13%	13.11%	5.96%
Number of Programs	37	8	4	7



Inland Private Capital Corporation  
**2X RECIPIENT**

### Metrics for Program Dispositions

\* **Weighted Average Total Return** is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the sale proceeds returned to the investors, by such investors' capital invested in the program inclusive of all fees and expenses. To determine the weighted average, the total return for each program is multiplied by the capital invested in that program, divided by total capital invested in all programs represented in the analysis.

\*\* **Weighted Average Annualized Rate of Return (ARR)** is calculated as the sum of total cash flows distributed during the term of the investment plus any profit or loss on the initial offering price, divided by the investment period. To determine the weighted average, the ARR for each program is multiplied by the capital invested in that program, divided by the total capital invested in all programs represented in this analysis.

The Weighted Average Total Return and Weighted Average ARR metrics presented above apply to those programs in which the property owned by such program was sold. Please note that this analysis does not include programs in which the subject property was in foreclosure. In such situations, IPC has negotiated with the applicable lender and advanced funds to the investors to allow the investors to exchange their beneficial interests in the original program for a proportional beneficial interest in a new program, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities.

## Summary Risk Factors

An investment in the Interests of the Parent Trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum captioned “*Risk Factors*.” The risks involved with an investment in the Parent Trust include, but are not limited to:

- The Interests may be sold only to accredited investors, who, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors will have limited control over the Trusts.
- The Trustees will have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- The Parent Trust will depend on the Operating Trusts for revenue, the Operating Trusts will depend on the Master Tenants for revenue and the Master Tenants will depend on the Residents under the Residential Leases, and any default by the Master Tenants or the Residents will adversely affect the Parent Trusts’ and Operating Trusts’ operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trusts.
- The Properties are located in a Hurricane Susceptible Region (as described in each Property’s Assessment), which could result in damage to the Properties.
- The Loans will reduce the funds available for distribution and increase the risk of loss.
- The prepayment provisions associated with the Loans may negatively affect the Parent Trust’s exit strategies.
- If the Operating Trusts are unable to sell or otherwise dispose of the Properties before the maturity dates of the respective Loans, they may be unable to repay the Loans and may have to cause a Transfer Distribution.
- The Loan Documents contain, or are expected to each contain, various restrictive covenants, and if the Operating Trusts fail to satisfy or violate these covenants, the Lenders may declare the applicable Loans in default.
- The terms of the Riverview Loan may be different than what is discussed herein in the Memorandum.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Parent Trust is not providing any prospective Investor with separate legal, accounting or business advice or representation.
- There are various tax risks, including the risk that an acquisition of an Interest may not qualify as a Section 1031 Exchange.

## IMPORTANT NOTES

The Inland name and logo are registered trademarks being used under license. “Inland” refers to some or all of the entities that are part of The Inland Real Estate Group of Companies, Inc. which is comprised of a group of independent legal entities some of which may be affiliates, share some common ownership or have been sponsored and managed by subsidiaries of Inland Real Estate Investment Corporation.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.

This material has been distributed by Inland Securities Corporation, member FINRA/SIPC, placement agent for Inland Private Capital Corporation.



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