




**MARINER GROVE**  
LUXURY APARTMENTS

MARINER GROVE LUXURY APARTMENTS | 2010 E. PRESIDENT STREET | SAVANNAH, GA 31404

## THE PROPERTY

- 320-unit Class A garden-style apartment community built in 2016. The property is on approximately 16 acres and offers a diverse mix of studio, 1 and 2-bedroom units.
- Community amenities include resort style salt water pool with a sun deck, clubhouse, fitness center, outdoor playing pavilion/grilling area, bocce-ball court, dog park and detached garages and storage units.
- Unit amenities include fully-equipped kitchens including stainless-steel appliances, granite countertops, ceramic tile flooring, 9ft ceilings and private patio/balcony in select units.

## THE INVESTMENT OPPORTUNITY

- Mariner Grove represents a rare, newly constructed asset near downtown Savannah's Historic District, with high barriers to entry due to the abundance of historical structures and stringent building/entitlement processes with the city.
- Savannah's economy is mainly driven by the Port of Savannah, tourism, manufacturing, and the Army's Fort Stewart in nearby Bryan County. The Port of Savannah is the second-busiest port on the Eastern Seaboard and is the nation's fastest growing container port.
- Recently named "A World's Best City for United States & Canada" by Travel and Leisure and "Top 10 U.S. Cities to Visit" by Conde Nast Traveler, Savannah's tourism industry continues to grow and support the overall economy.
- Savannah River Landing, a \$500m+ mixed-use development project 1.5 miles from Mariner Grove is set to begin in Spring 2018 and will include retail, office, hotels and residences, further enhancing the immediate area.
- Mariner Grove offers more affordable rents than downtown yet is close to all major employers and thoroughfares; the average household income of the current residents is over \$130,000.

This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential private placement memorandum. Reference is made to the memorandum for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the memorandum. All potential investors must read the memorandum and no person may invest without acknowledging receipt and complete review of the memorandum. v121717



## BUSINESS STRATEGY

The operational strategy for Mariner Grove is to maximize financial performance by taking advantage of a multifamily housing shortage available in the downtown Savannah housing market. The Property represents an opportunity to acquire a core asset adjacent to the apartment constrained Historic District of downtown Savannah where less than 4% of the supply is classified as mid-rise with large-scale multifamily construction seldom permitted in the highly desirable downtown area which the Property competes against. This limits the number of sites in the metro that could achieve a significant premium for high quality construction like Mariner Grove.

The Community is approximately 3 miles from downtown Savannah and is located in the growth corridor as Savannah is on the verge of expanding its riverfront area eastward towards the Project and the beach. Due to the abundance of densely built colonial era homes and the strict building and entitlement process which regulates new construction development, there is a shortage of readily available apartments in the downtown and downtown adjacent areas. Currently, the downtown housing market offers smaller units with amenity packages which in the Trust Manager's opinion are inferior to the Property, limited parking and significantly higher prices. The marketing will focus on an abundance of amenities that defines first class, luxury apartment living with uniquely designed high-end finishes throughout.

Mariner Grove also has several distinct advantages over the downtown market including unit size, ample parking and a first class amenity package. In addition, the Property has a multitude of the majestic old oak trees with hanging moss that creates an ambience making the Project a unique setting in terms of its old south beauty and modern design.

## PROMOTE LOCATION

Mariner Grove will develop an aggressive marketing campaign to target the centralized location and the population and job growth related to major employers by establishing preferred employer programs at major area firms.

The Community is located in close proximity to the following employment, shopping and entertainment destinations:

- The Port of Savannah
- SCAD & The SCAD Museum of Art
- The Savannah International Trade and Convention Center
- Planned Savannah River Landing Development
- Savannah River Street
- Gulfstream, Inc.

## MAXIMIZE PERFORMANCE

- The Master Tenant will install a state-of-the-art computerized revenue management program that collates market and submarket data and establishes daily pricing for all units based on a number of primary factors including inventory, days on market, move-in date and location. This type of computerized revenue enhancement system is gaining wide acceptance in the multifamily management industry as being a cost effective software program that will manage pricing in an effort to increase the financial performance of the Property.
- Introduce and monitor more aggressive increases in other income items to maximize recovery of utility costs and other income fees relating to administrative fees, application fees, transfer fees, pest control fees, valet trash fees, pet deposits and rent, and trash removal fees.



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## IMPROVE NEW LEASE CLOSING RATIOS AND RESIDENT RETENTION

- Hire a nationally recognized third-party property management company to oversee an on-site management team of experienced and enthusiastic professionals.
- Install a lease management system that targets the number of monthly lease expirations to approximately 10% of the units.
- Install a reputation management system that enhances the Community’s on-line rating scores on industry rating sites as well as multiple search engine rating sites. In today’s technology driven market, a property’s on line rating scores are critical search components for prospective residents.
- Conduct regular meetings between the Master Tenant’s asset manager(s) and the regional third-party staff reviewing performance reports including, but not limited to, new leasing activity, retention activity, pricing matrix, marketing programs and capital projects.
- Hold regular resident functions to foster a sense of community thereby increasing tenant retention.

## IMPLEMENT ASSET MANAGEMENT PROGRAMS

- Leverage “economy of scale” cost effective pricing structure on contractor and vendor services, insurance and maintenance supply inventory.
- Perform annual competitive bidding of contracts and services.

- Implement an annual property tax review and appeal program utilizing recognized national and/or local area tax consultants.
- Implement an annual property insurance review utilizing recognized national insurance agencies.

## RISKS

All real estate investments have risks. There is no assurance that some or all of these objectives will be met. There are substantial risks in any Investment Program. See “Risk Factors” in the accompanying Private Placement Memorandum for a discussion of the risk relevant to this offering.

### SAVANNAH MSA TOP 15 EMPLOYERS

Rank	Employer	Employees
1	Gulfstream Aerospace Corp.	9,878
2	Hunter Army Airfield	6,700
3	Memorial Health University Medical Center	5,000
4	St. Joseph’s/Candler	3,304
5	Wal-Mart Stores Inc.	2,935
6	Savannah College of Art and Design	1,750
7	Momentum Resources II Inc.	1,703
8	Georgia Pacific Corp.	1,200
9	Fred Meyer Stores	1,070
10	StaffCo	1,000
11	Georgia Port Authority	1,600
12	International Paper	661
13	Armstrong Atlantic State University	602
14	SouthCoast Medical Group	601
15	U.S. Army Corps of Engineers	600

Source: Moody’s Analytics Précis U.S. Metro Report – July 2017





## THE MARKET

Savannah, GA is in the northern portion of Chatham County along the shore of northeast GA and is separated from South Carolina by the Savannah River. The current population of the Savannah MSA is 388,564. Nicknamed “the Forest City,” Savannah is known for its beautiful arching live oak trees swathed with drapes of Spanish moss. USA Weekend Magazine named Savannah one of the “Top 10 Most Beautiful Places in America.” The New York Times named Savannah one of the “World’s Top Ten Trendy Travel Hot Spots.” Conde Nast Traveler named the city as a “Top 10 U.S. City to Visit.” Southern Living ranked Savannah as second on its “Best Southern City” list. And, Outlook Magazine called the city one of the “Top 25 Places to Live and Work.” According to the Savannah Chamber of Commerce, “Savannah exudes a beauty and charm that few, if any, destinations can match. Savannah’s tourism and hospitality industry continues to be one of the largest economic drivers of Savannah.

Another economic driver is the Port of Savannah. Georgia’s deep-water ports and inland barge terminals support more than 369,000 jobs throughout the state annually and contribute \$20.4 billion in income, \$84.1 billion in sales and \$1.3 billion in state and local taxes to Georgia’s economy. The Port of Savannah is the largest single container terminal in the United States and is located approximately 8 miles from Mariner Grove.

The military, aerospace and medical sectors are among the leading employers in Savannah. Fort Stewart and Hunter Army Field are located just outside of the Savannah MSA and together are one of Coastal Georgia’s largest employers. Gulfstream Aerospace Corporation’s world headquarters is approximately 11 miles from Mariner Grove and operates the largest factory-owned service network in the business aviation industry. Memorial University Medical Center is approximately 4 miles from the property. The hospital is part of the award-winning Memorial Health system and employs nearly 5000 people in the region.

Two major e-commerce players plan to move into the Savannah market, creating 150 jobs and adding nearly 1 million square feet to the area’s industrial footprint. Noble House, a national furniture supplier, will build a 630,000 square-foot facility to serve the eastern half of the U.S., while home accessories company Best Choice will build 345,000 square feet.

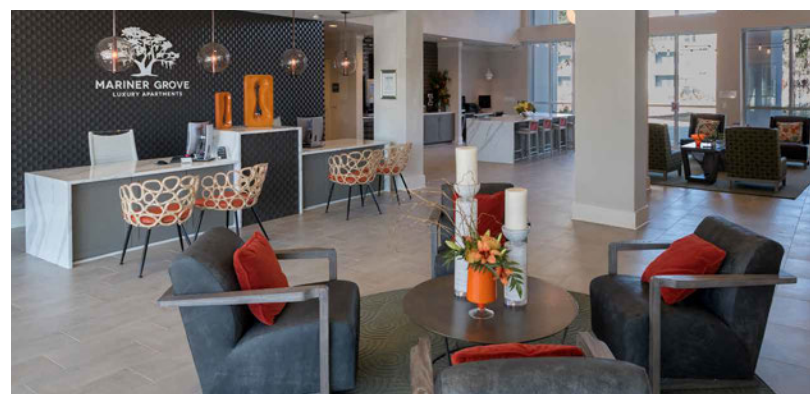
## THE SUB-MARKET

Mariner Grove is located just outside the central business district of Savannah and is near major thoroughfares such as Harry S. Truman Parkway, Interstate 16 and Interstate 95, giving residents easy access to employment centers and historic downtown Savannah.

The Historic District of Savannah (approximately 2.9 miles from Mariner Grove) is the heart of one of the most beautiful cities in the world, with cobblestone streets, manicured gardens and oak-shaded parks drizzling with silvery Spanish Moss. As the largest National Historic Landmark District in the U.S., Savannah is recognized for its distinctive grid plan as well as its 18th and 19th century architecture. The district encompasses the original town plan laid out in 1733 by General James Oglethorpe, founder of the British colony of Georgia. The Savannah Historical District is virtually 100% built out, with very little vacant land available for new development.

Savannah College of Art & Design (SCAD) has been a driving force in the redevelopment and renaissance of the Historic District. Being an urban school, the administrative, classroom and student housing buildings are located throughout the downtown area. SCAD currently has 11 resident buildings located around the campus. The resident buildings house approximately 3,900 students. The remainder of the students live primarily in local apartments, or commute from home.

Savannah River Landing, approximately 1.5 miles from the property, is a mixed-use development that is expected to include retail and office space along with hotels and residences. The cost to complete Savannah River Landing is expected to be upwards of \$500 million and will take approximately 8 years to complete with construction set to start in Spring 2018.





## DEMOGRAPHICS

	Savannah MSA	1-Mile	3-Mile	5-Mile
2010 – 2017 Population Growth	11.78%	16.44%	5.63%	5.37%
2017 – 2022 Population Growth	7.10%	6.70%	4.47%	4.31%
2017 Estimated Population	388,564	4,957	52,390	104,932
Average Age	37.40	36.50	36.70	37.40
% of Age 25+ w/ College Deg.	36.88%	19.74%	33.69%	33.44%
Prime Rental Age 18-34	25.99%	25.94%	31.27%	29.91%
Average Household Income	\$74,297	\$41,835	\$54,668	\$58,593
% of Households > \$100K Income	23.20%	4.60%	13.68%	15.12%
Median Home Value (Own-Occ)	\$181,184	\$92,435	\$149,567	\$153,182

Source: Claritas

## UNIT MIX

UNIT TYPE	%	UNITS	TOTAL SF	SF PER UNIT
STUDIO	8.2%	26	17,670	676-682
STUDIO	2.7%	9	6,603	713-752
1 BR / 1 BA	23.4%	75	58,350	778
1 BR / 1 BA	33.5%	107	90,009	835-888
2 BR / 2 BA	10.4%	33	35,739	1,083
2 BR / 1 BA	11.5%	37	42,725	1,153-1,185
2 BR / 2 BA	10.3%	33	40,680	1,202-1,293
Total / Average	100%	320	291,776	912 Average

## AMENITIES

### COMMUNITY AMENITIES INCLUDE:

- Resort style saltwater pool with a sun deck
- Outdoor pavilion/grilling area
- Clubroom
- Fitness center
- Bocce ball court
- Dog park
- Storage units

### UNIT AMENITIES:

- Electric range/oven
- Built-in microwave oven
- Frost-free refrigerator with icemaker
- Wood cabinets with granite countertops
- Vinyl-wood tile flooring in the living area
- Bathrooms feature:
  - combination tub/shower with ceramic tile
  - wood cabinet with granite counter and built-in porcelain sink
  - wall-mounted medicine cabinet
  - ceramic tile flooring
- 9' ceilings
- Washer/dryer combinations
- Private patio or balcony area\*

\*In select units

## FLOOR PLAN SAMPLES



Studio | One Bath



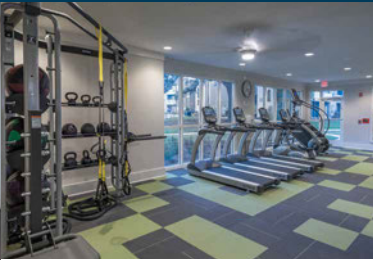
One Bedroom | Two Bath



Two Bedroom | Two Bath



# MARINER GROVE LUXURY APARTMENTS



- 1 Leasing Center
- 2 Fitness Center
- 3 Clubhouse
- 4 Pool
- 5 Pavilion
- 6 Dog Park
- 7 Trash & Recycling
- 8 Bocce Court
- 9 Grilling Area

The Memorandum contains more complete information regarding the investment including the following risk factors:

- There will be no public market for the Interests.
- There is no specified time that the investment will be liquidated.
- Delaware Statutory Trusts are a relatively new vehicle for real estate investment and are inflexible vehicles to own real property.
- Investors will have no voting rights and will have no control over management of the Trust or the Project.
- There is no guarantee that investors will receive any return.
- Distributions may be derived from sources other than earnings.
- The Project will be subject to a Master Lease with an Affiliate of the Sponsor.
- The Project will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions and other real estate related risks.
- The Project will be leveraged.
- The Manager, the Master Tenant and their Affiliates will receive substantial compensation in connection with the Offering and in connection with the ongoing management and operation of the Project.
- The Manager, the Trust, the Master Tenant and their Affiliates will be subject to certain conflicts of interest.
- An investment in the Interests involves certain tax risks.

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