



**MIDFIELD**  
**INVESTMENTS**  
REAL ESTATE

# Strategy

## Strategic Focus

Emphasis is directed towards Class B and C multifamily value-add garden style apartments, alongside discounted Class A and B assets.

Commitment to maintaining a strong presence in Texas while strategically expanding across the thriving Sunbelt.

## Approach Involves:

- Thorough market analysis
- Trend monitoring
- Proactive engagement with industry influencers
- Integrating historical data-driven insights

*Midfield leverages their extensive network and local expertise to uncover off-market opportunities with substantial upside potential.*

## Asset Criteria

### Purchase Price

\$5,000,000-\$50,000,000

### Hold Period

5-7 Years (Based on Market Conditions)

### Targeted Returns

7% Preferred Return Annually;  
70% Profit Participation (up to 15% IRR);  
50% Profit Participation Thereafter;  
Project-level Hurdle of 2x Equity Multiple

### Units

50-500

### Risk Class

Value-add; Light to Moderate Renovation Scope

### Vintage

1975-1995

### Construction Type

Low-rise, Walk-up and Garden

### Occupancy

90%+



# Approach

**Unlock Cost Efficiency:** Though economies of scale. As we grow, costs decrease, ensuring optimal efficiency and enhanced returns for investors. Experience a competitive advantage with our commitment to streamlined operations and minimized expenses.

**Diversification:** By spreading risk across various assets, we offer stability and resilience in ever-changing markets. Experience the advantage of a well-balanced investment for consistent returns.

**Innovation in Renovation:** Highlighting a comprehensive renovation plan distinguishes our properties by showcasing innovation in design and functionality, exceeding the standard upgrades offered by competitors.

**Operational Excellence:** Streamlined management processes and cost-saving measures, ability to maximize efficiency and profitability over our competitors.

**Strategic Rent Increases:** Clearly articulating the potential for rent increases through modernized living spaces sets us apart by illustrating a thoughtful strategy for optimizing returns.

**Responsive to Market Trends:** Addressing the current market demand for upgraded multifamily units positions our investments as responsive to trends, meeting the preferences of tenants and investors alike.



## Value-Centric Focus

We prioritize investments showcasing value-add and long-term cash flow growth potential. Our approach involves meticulous analysis of financial statements, market trends, and competitive landscapes.



## Interior Renovations

Upgrading unit interiors with modern finishes and amenities to attract higher-paying tenants.



## Exterior Enhancements

Improving curb appeal, landscaping, and common areas to create a more inviting community.



## Energy-Efficiency Upgrades

Implementing sustainable and cost-effective improvements to reduce operational expenses.



## Technology Integration

Enhancing resident experience through technology, such as smart home features, online leasing, and streamlined property management systems.



## Community Amenities

Adding or upgrading amenities that cater to the needs and preferences of the target demographic, such as fitness centers, communal spaces, and pet-friendly facilities.

# About



## **Evan McLeish** Acquisitions / Operations

Evan McLeish stands out as a distinguished Acquisitions expert with a versatile skill set spanning market research, capital markets, deal negotiations, construction management, lead generation, debt allocation, and crafting strategic game plans for value-add potential success. Evan has played a pivotal role in overseeing all facets of transactions, from initiating small deals to completing large projects. With over a decade of industry immersion, he has evaluated a multitude of opportunities across various countries.



## **Pavel Portelles Rivas** Construction Management / Capital Sourcing

Pavel's Real Estate Journey With over a decade of entrepreneurial experience, Pavel is a results-driven leader in real estate. As the owner of Maxcon Construction Company, overseeing 150 employees, Pavel navigates profitable transactions with a focus on innovation and market analysis. His expertise spans strategic planning, project management, team leadership, conflict resolution, and extensive construction management. Pavel's proven track record in cash and contract management showcases his versatility and commitment to excellence in the dynamic real estate landscape.



## **Raymond Lord** Sponsor

As an investment property and commercial property specialist with SVN OAK Realty Advisors, in Oklahoma, Kansas and Arkansas, Raymond's primarily focus on investment and multi-family properties since 1987 and the acquisitions and dispositions for individual clients as well as Institutional Investors. In addition he has an extensive background in the disposition of assets for FNMA, FDIC and in the past the RTC and various institutional investors, and banking assignments throughout the Midwest and Southwest region of the U.S. Raymond has transacted over \$3.5 billion of transactions.



# Value Creation

## Vertical Integration with Exit Optionality



A tenured track record of successful execution strengthen the flywheel of Midfield's value creation.

### Deal Sourcing

A niche focus in the market puts Midfield at the top of broker's minds when shopping around an investment opportunity.

- A defined geographic focus creates compounding relationships that help Midfield get deals awarded.
- Leveraging Midfield's executive teams market presence and boots on the ground dialed in on a narrow geography allows for better terms with vendors and third-parties who will take part in operational initiatives.

### Renovation

The principals of Midfield's experience and vertical integration within construction allows them to value-engineer and renovate higher quality product for less.

- Experienced construction management team makes data driven decisions during the acquisition, bidding and renovation process.
- Programmatically building comparable assets allows Midfield to have negotiating power with vendors and other third-parties who will be critical to the operational successes.

### Asset / Property Management

Midfield's asset and property management integrations allow the firm to have a strong pulse on the health of each asset and removes the long feedback loop of relying on a manager who might not be as familiar with the respective submarkets.

- Controls costs
- Develop strong relationships with tenants and reduce aggregate vacancy
- Leverage economies of scale for purchasing power
- Quick decision making with each division working in unison

### Value Creation

By taking the asset through bidding and renovations, Midfield value-engineers the project to achieve an attractive, below market basis with optionality to favorable short-term holds and potential exits to realize value creation, when the debt and equity market warrants.

- A quick exit yields a high annualized net IRR to investors
- The realization of created equity offers an exceptional risk adjusted return
- Quick distributions allow Midfield investors to redeploy their gains in new opportunities

### Long Term Hold

Through aggregating a portfolio in the greater Texas Triangle arenas, economies of scale for purchasing power and the ability to realize real estate's tax advantages.

- A low basis in a high barrier to entry market allows Midfield to benefit from the long-term appreciation of assets that have been derisked and possess a strategic capital stack.
- The close proximity of the assets allows for the opportunity of a portfolio exit and benefits of cap rate compression to an institution looking to gain scale in a supply constrained market

# Risk Management

## Risk Management

Maintaining a disciplined approach to risk by diversifying portfolios, conducting thorough due diligence, and continuously monitoring market conditions to preserve capital and generate returns.

## Risk Mitigation

While pursuing value-add opportunities, we prioritize risk mitigation through thorough due diligence, market analysis, and strategic planning. This includes assessing the local regulatory environment, understanding the competitive landscape, and conducting comprehensive property inspections.

**Midfield manages risk by diversifying their portfolio, adopting conservative leverage practices, and conducting meticulous due diligence for all potential acquisitions.**

## Numbered Risks and Mitigations

1

### General Economic Conditions

- Diversify Investments
- Monitor Economic Indicators

2

### Local Conditions

- Conduct Thorough Market Research
- Establish Local Partnerships

3

### Government Regulation

- Leverage Legal Expertise
- Foster Community Relations

4

### Capital Intensity and Interest Rates

- Financial Contingency Planning
- Long-Term Financing Strategies

5

### Renovation and Updating Risks

- Comprehensive Due Diligence
- Engage Experienced Contractors
- Develop Scenario Planning



# Investor Experience

Midfield strives to provide investment opportunities that create lasting value and above average returns for our investors. Midfield is driven by total transparency and continue to invest time and money continue to invest resources to optimize the investor experience as much as possible.



## Deal-by-Deal Optionality

Investors are given the opportunity to invest on a deal-by-deal basis.



## Monthly Updates

Monthly updates throughout the ownership cycle.



## Best-in-Class Investor Management

Appfolio is our hosted platform and acts as our investment management interface. Once you've created an account and are enrolled to updates, an investor can subscribe to a deal in a matter of minutes.



## Quarterly Reporting

Investor distributions on a monthly basis, subject to asset performance and waterfall metric.



## Refinancing

The aim is to effectively return capital to our investors, capturing the utmost value by further stabilizing the asset and refinancing at an opportune time to capture value creation while also repositioning for longer-term trajectories and deploying of new objectives, bolstered by the submarket growth they operate within.



## Length of Ownership

Unconstrained from mandates on length of ownership, allows free flowing liquidity and optionality to exit or refinance most opportune, preserving and further prospering their investor base and owned assets.



# The Texas Triangle

Houston

Dallas / Fort Worth

Austin

San Antonio





# Texas Triangle

## Economic Engine of the Southwest U.S.

No region has seen more dramatic and steadier economic and demographic growth than the Texas Triangle, formed by the Dallas-Fort Worth metro at its northern point in North Texas; the Houston metro at its southeastern edge on the Gulf Coast; and Austin-San Antonio at its western tip in Central Texas.

The growth of these areas has transformed Texas from a largely agricultural and commodities-producing state into a highly urbanized and economically sophisticated place.

## Combined Metropolitan Areas

**18M**

Total Residents

**66%**

Of State Population

**77%**

State GDP Contribution

## The top 10 fastest-growing large metro areas by 2028 are:

|   |   |  |   |   |
|---|---|--|---|---|
| <b>#1</b><br>Austin-Round Rock-Georgetown       | <b>#2</b><br>Houston-The Woodlands-Sugar Land | <b>#3</b><br>Nashville-Davidson-Murfreesboro-Franklin, Tennessee       | <b>#4</b><br>Raleigh-Durham, North Carolina | <b>#5</b><br>Dallas-Fort Worth-Arlington          |
| <b>#6</b><br>Orlando-Kissimmee-Sanford, Florida | <b>#7</b><br>Salt Lake City, Utah             | <b>#8</b><br>Charlotte-Concord-Castonia, North Carolina-South Carolina | <b>#9</b><br>Jacksonville, Florida          | <b>#10</b><br>Seattle-Tacoma-Bellevue, Washington |

## Houston

Acknowledged energy capital of the world with its complex of energy headquarters, financing institutions, research centers, and petroleum processing and transportation facilities. Its medical center houses more clinical institutions and life sciences research facilities than any other medical complex in the world.

## Dallas / Fort Worth

An established financial center, telecommunications pioneer, and its two airports are the hubs of flights connecting the Southwestern U.S. to the nation and to the world. It has become a favored location for corporate expansions and relocations for both domestic and foreign companies.

## Austin (& San Antonio)

Connected by 75 miles of continuous urbanization, including the vital region around San Marcos and a string of the fastest growing small cities in the nation. Austin is home to world-class companies, particularly in technology, the University of Texas, and also is home to the government of the nation's second largest state. San Antonio is home to the nation's second largest concentration of cybersecurity companies, to three major Armed Forces commands, to an international automotive manufacturing hub centered on Toyota, and to the most visited destinations in the state, the Alamo and the Riverwalk.

Source: Praxis Group, Culture Map, Austin Capital Advisors



# Why Texas?

**#9**

Largest Economy in the World

**#1**

US Energy Producer  
(Crude, Nat. Gas, Electricity, Wind, Solar)

**5.5%**

Annualized GDP Growth  
(Real Estate, 2018-2023)

**#1**

State Exporter  
(20<sup>th</sup> year in a row)

**#3 & #4**

World Producer  
(Nat. Gas, Crude)

**2.9%**

Job Growth (2023)

**\$375B**

Texas Exports (2021)

**\$50B**

High-Tech Exports  
(Leads US 9th year in a row)

**\$1.9T**

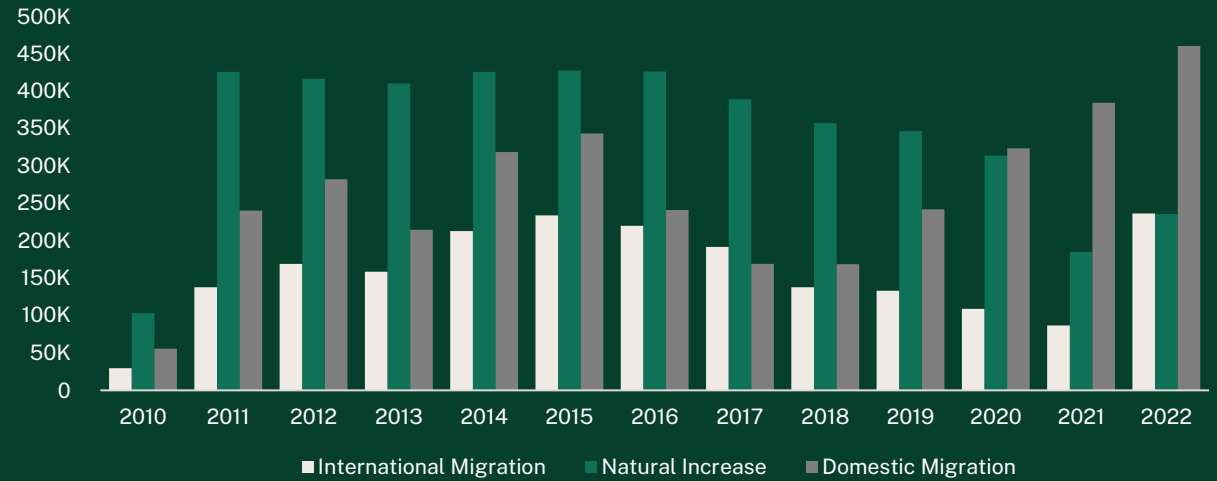
2023 GDP  
(28.6% YoY Increase)



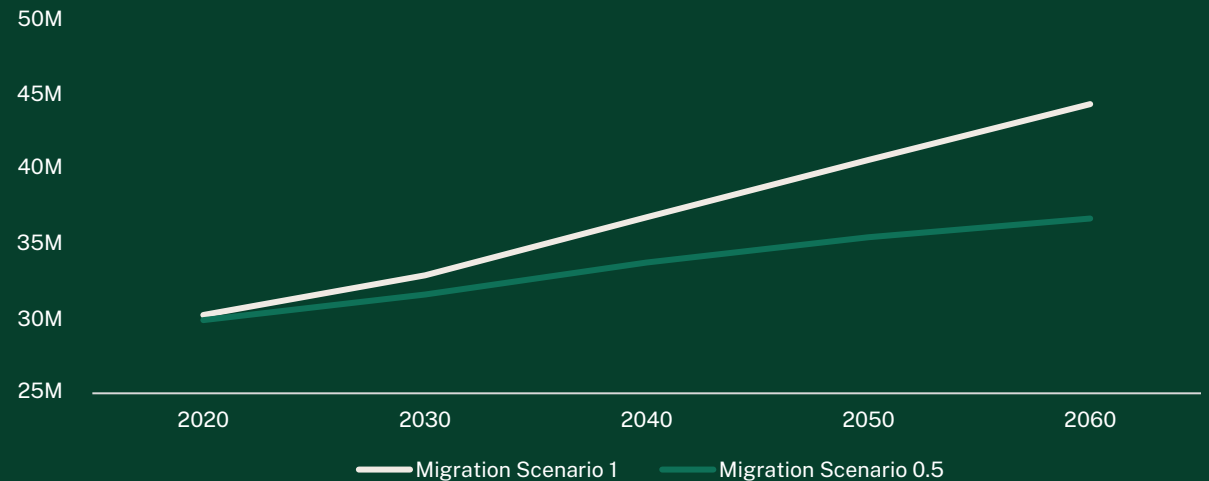
# Population Growth

Based on current trends, Texas is expected to gain between 3-5 million people by our bicentennial in 2036. By 2060, Texas will be home to anywhere between 36 and 44 million people.

### Historical Population Migration Trends of Texas, 2010-2022



### Texas Total Population Projections, 2023-2060

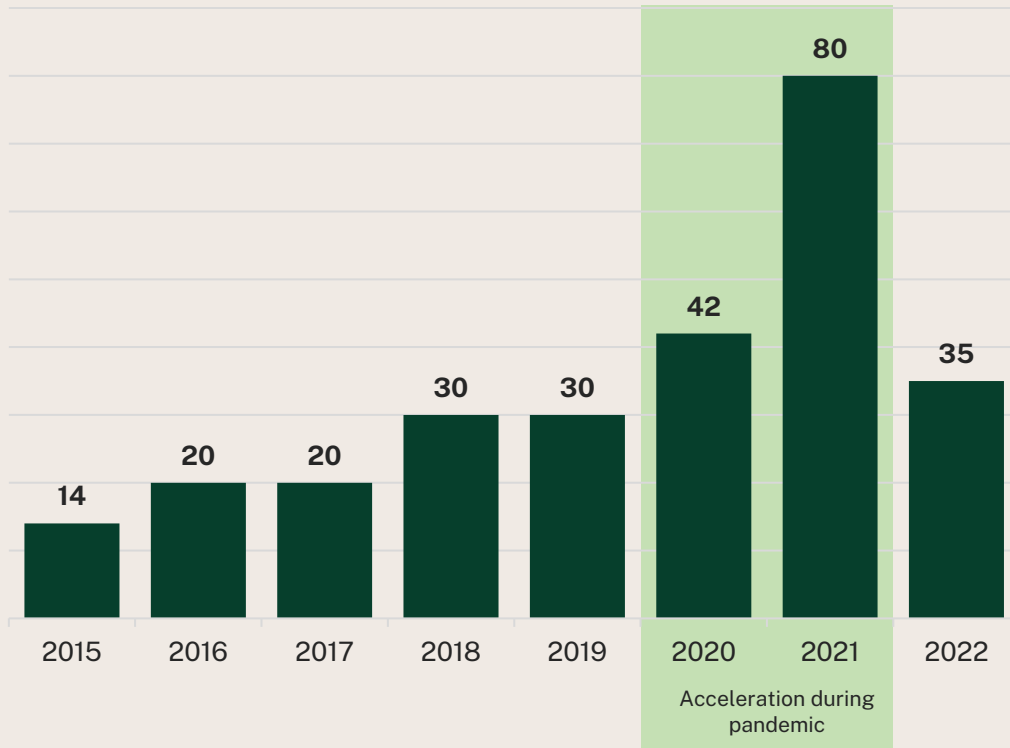


Source: Texas 2036 Organization



# Texas Relocations

**Total HQ relocations to Texas**  
(Announced 2015-2022)



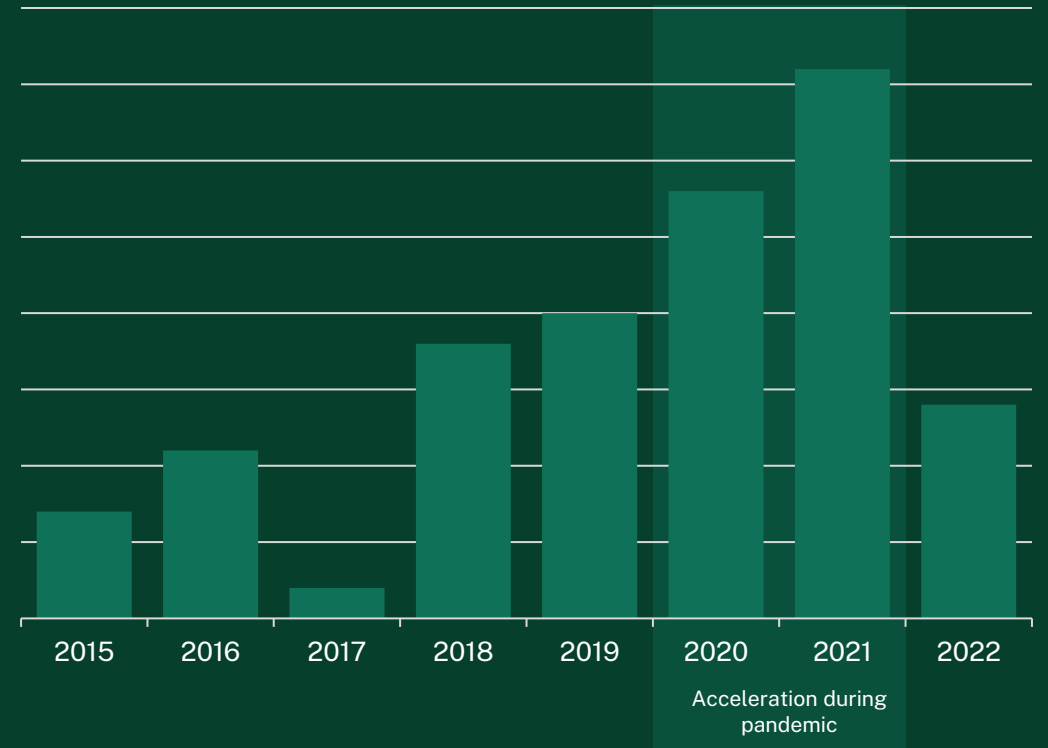
**271**

Total HQ Relocations

**6,420+**

Total new jobs announced

**Total HQ relocations to Texas**  
(Announced 2015-2022)



**136**

California HQ Relocations

**3,255+**

New jobs announced by California companies



# Infrastructure

Texas is the gateway to global trade for the nation. Texas' central location and state-of-the-art transportation networks provide timely access to domestic and global markets via air, land and sea. With more miles of public roadways, state highways, freight railways, airports and Foreign Trade Zones than any other state, it's no surprise that Texas has led the nation in exports for the last two decades.

In 2022, Site Selection Magazine named Texas the #1 state on its Global Groundwork Index, which recognizes states where infrastructure projects and corporate investment are aligning for the future.

Texas offers international companies approximately 31 ports of entry and 34 Foreign Trade Zones. And the state's transportation network continues to get stronger. The state of Texas continues to invest in its infrastructure, including a 10-year, \$83 billion commitment to new state roadway projects.

## Texas is Built for Global Trade



Air

**380+ airports throughout Texas**

including six heliports, 26 commercial airports and two intermodal facilities)

Texas is home to six of the busiest airports in the country, the corporate headquarters for two international airlines and a major hub for a third.



Land

**314,600 miles of public roads**

**10,500 miles of freight rail**

more than any other state.

Texas is also home to the #1 inland port along the U.S.-Mexico border — the Port of Laredo.



Sea

**With 19 seaports**

**11 deepwater ports**

The largest Gulf Coast container port, the Port of Houston, has led the nation in waterborne foreign trade, allowing the Lone Star State to continue leading the nation in shipment value.

Source: Texas Economic Development



# San Antonio

**3rd**

Fastest Growing City in US  
2021-2022

**1st**

Fastest Growing City in US  
March 2020-June 2022

**3.5%**

Job Growth  
2022-2023

**59.6%**

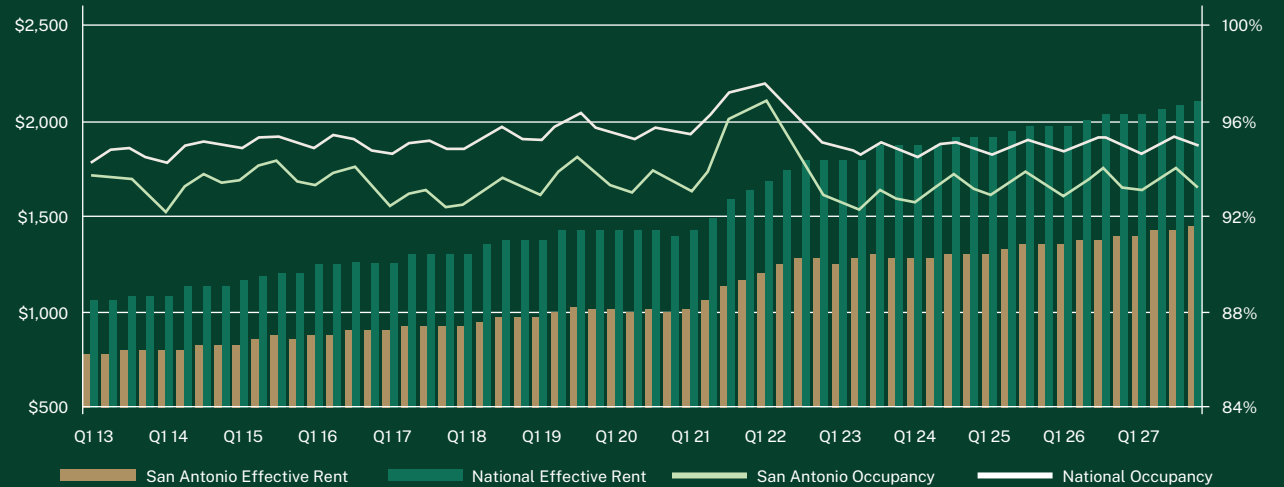
Projected Growth  
2023-2050

**San Antonio has a diverse economy with key sectors related to healthcare, military, logistics, and hospitality. San Antonio's leisure and hospitality sector both recovered from pandemic job losses and expanded during this time, at 2x pace in comparison to any other sector.**

Top contributors to sector growth include Methodist Healthcare, the largest private health employer, who is building a new's West Side hospital that will create 280 jobs and Baptist Health System, who is also expanding into the Northwest San Antonio with a hospital that is estimated to create 500 jobs. The need for hospitals in the northwest part of the region was exacerbated by pandemic population growth.

Source: Berkadia, Culture Map, TPR, Texas Tribune

## San Antonio vs. National Effective Rent & Occupancy



## Submarket Performance

| Submarket Name                       | Q2 2023 Occupancy | Q2 2023 Effective Rent | YoY   |
|--------------------------------------|-------------------|------------------------|-------|
| Airport Area                         | 91.9%             | \$1,120                | 1.2%  |
| Alamo Heights                        | 92.4%             | \$1,493                | 2.6%  |
| Central San Antonio                  | 93.5%             | \$1,518                | 1.2%  |
| Far North Central San Antonio        | 93.6%             | \$1,487                | 1.1%  |
| Far Northwest San Antonio            | 92.6%             | \$1,485                | -1.2% |
| Far West San Antonio                 | 92.5%             | \$1,306                | -0.5% |
| Medical Center                       | 91.4%             | \$1,165                | 1.7%  |
| New Braunfels/Schertz/Universal City | 92.7%             | \$1,347                | 1.4%  |
| North Central San Antonio            | 92.9%             | \$1,289                | 1.3%  |
| Northeast San Antonio                | 92.2%             | \$1,141                | 5.9%  |
| Northwest San Antonio                | 92.1%             | \$1,182                | 0.1%  |
| South San Antonio                    | 91.5%             | \$1,107                | 4.1%  |
| Southwest San Antonio                | 90.5%             | \$1,107                | 2.6%  |
| West San Antonio                     | 92.0%             | \$1,030                | 4.0%  |



# Austin

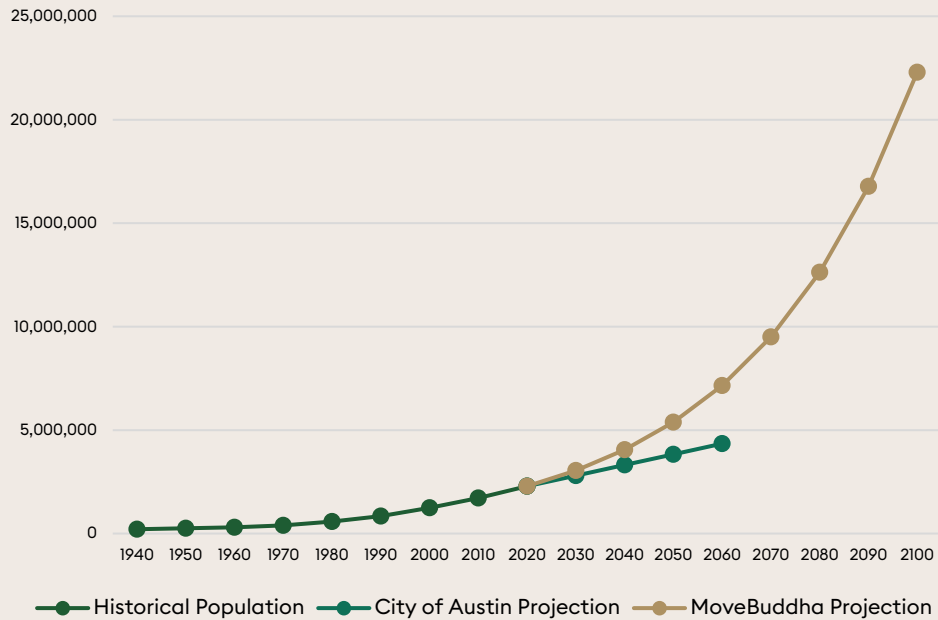
**4.5%**

Projected Annual GDP  
2023-2030

**70.3%**

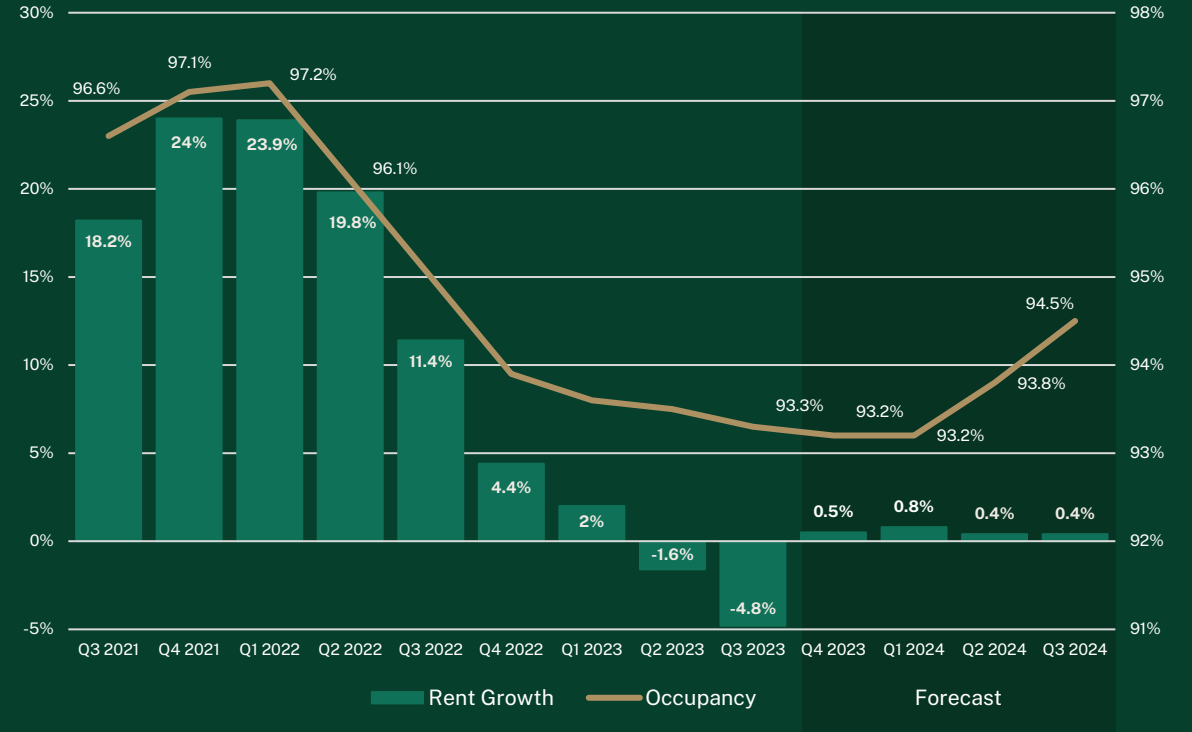
Population Increase  
2000-2020

## Population Projections



Source: MMGREA

## Rent vs Occupancy



**\$1,650**  
Avg. Rent

**93.3%**  
Avg. Occupancy

**-4.8%**  
YoY Change

**\$1.8B**  
YTD Sales Volume



# Dallas / Fort Worth (DFW)

**+205k**

**Jobs**  
12-months (Ending 6/23)

**5%**

**Annual Growth Rate**  
Outpacing TX & US at 4.1% and 2.5%, respectively

This trajectory has paralleled strong population growth in North Texas, with DFW adding the most residents of any other U.S. metro area between 2021 and 2022, at 170,396.

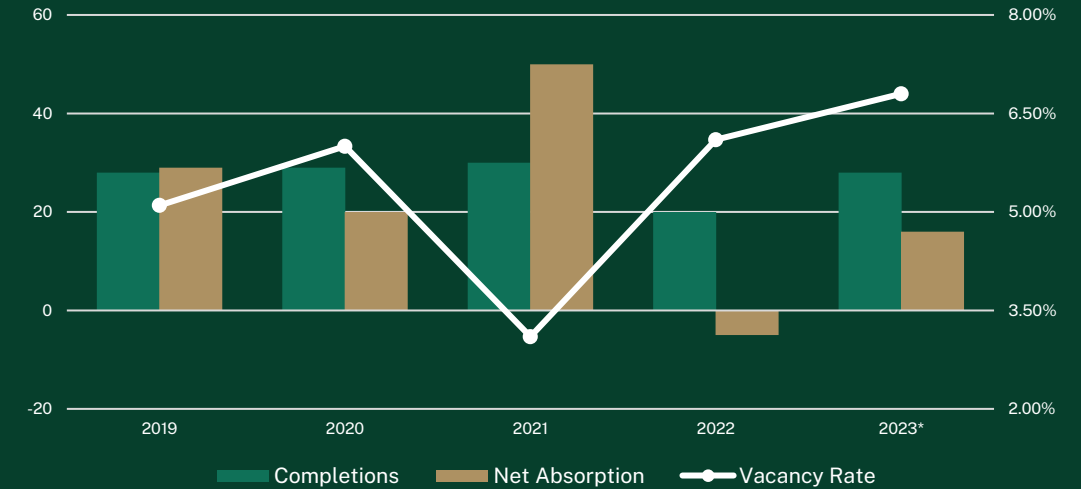
The City of Fort Worth led the country with the largest numeric increase in population for the 12 months ending July 2022 (+19,170), with Frisco at #15 on that list (+8,506). The city of Little Elm was the fifth fastest-growing large city in the country across the same time period, with an annual growth rate of 8.0%.

## Highlights

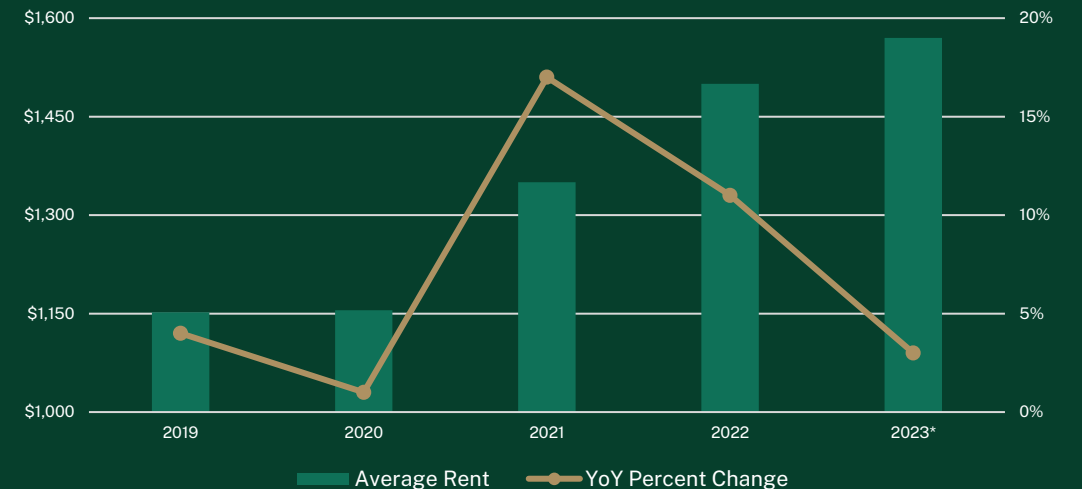
- DFW led the country in multifamily investment volume over the previous rolling four quarters with \$12.1 billion in sales, which accounted for 6.6% of the national total.
- Rents unchanged over the quarter and have stabilized at a 2.4% annual growth rate, down from 5.1% annual rent growth the year prior.

Source: U.S. Census Bureau, Marcus & Millichap Q3 2023

## Supply and Demand



## Rent Trends





# Houston

**+1.4M**

**Population (10'-23')**  
Second only to DFW

**23.4%**

**Growth Rate**  
2010-2023

The multifamily sector has benefitted from Houston's tremendous population and job growth. Despite economic headwinds, the Houston labor market remains relatively strong. The market has added 124,000 nonfarm jobs through June, year-over-year, at a rate greater than the U.S.

**Oxford Economics projects Houston to rank #1 in percent population growth for large markets and #2 of all metros in net migration over the next five years.**

**7.3M**

**2023 Population**

**8M**

**2028 Projected Population**

**9.62%**

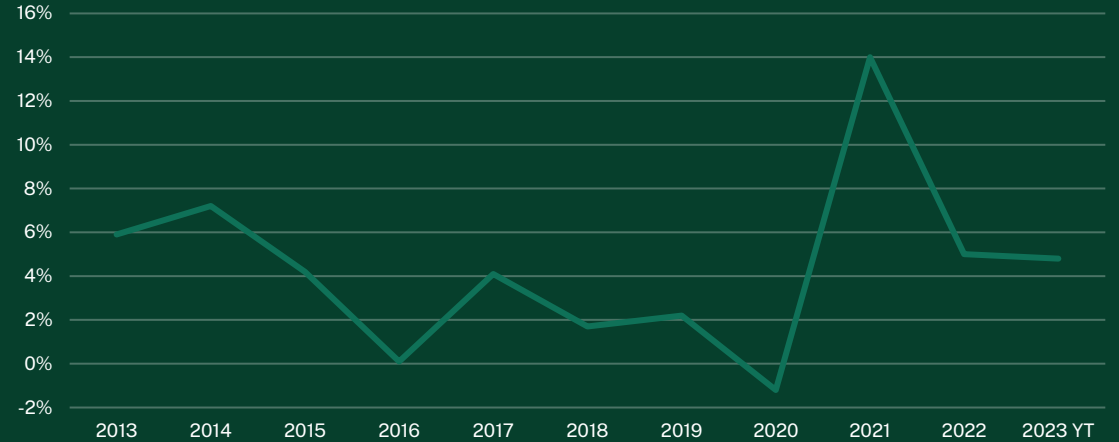
**Projected Increase**

## Population Drivers

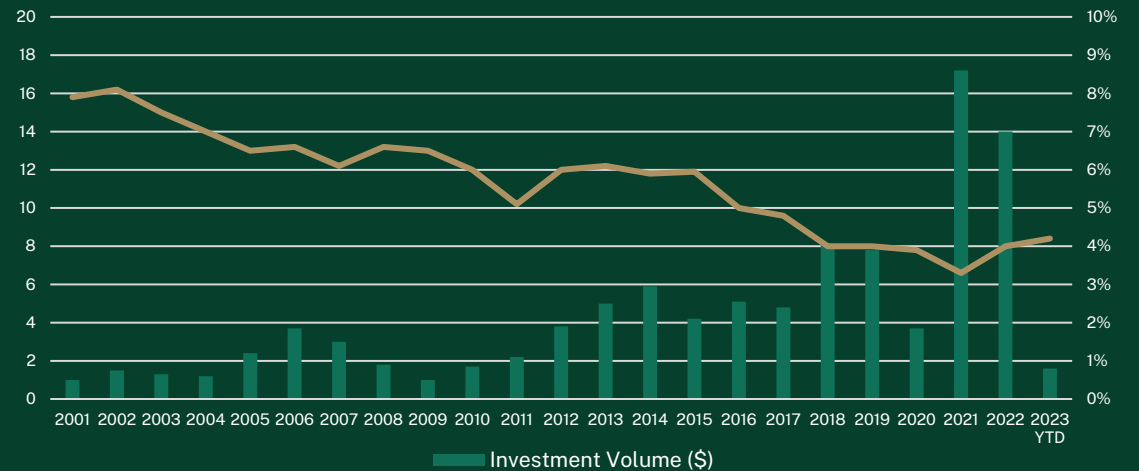
- Favorable cost of living
- Quality universities
- No state income tax
- Warm climate
- World-class hospitals
- Diverse population

Source: U.S. Census Bureau, Marcus & Millichap Q3 2023

## Historical Average Annual Rent



## Investment Sales Volume and Average Cap Rate



# Southeastern Growth Spurt

**Bloomberg**

“A \$100 Billion Wealth Migration Tilts US Economy’s Center of Gravity South”

**DFW & Austin**

**#1 & #2**

CBRE Investor Survey (2023)  
Most Sought-After Markets

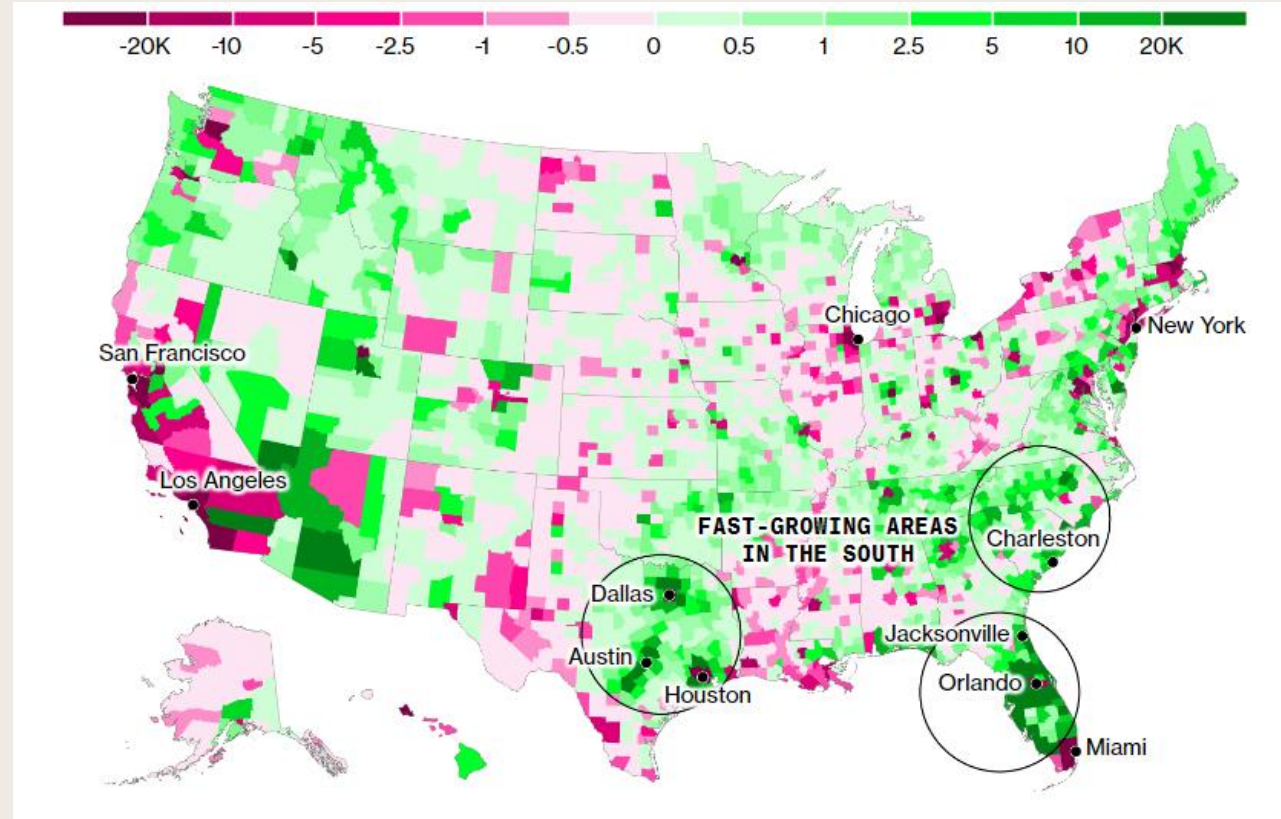
**Texas Triangle**

**#5**

Strongest Regional Economy in the US (2)

Source: CBRE, Richard Florida, Bloomberg

**Sun Belt Leads Largest Population Growth In US**  
Net Domestic Migration, cumulative change from April 1, 2020 to July 1, 2022



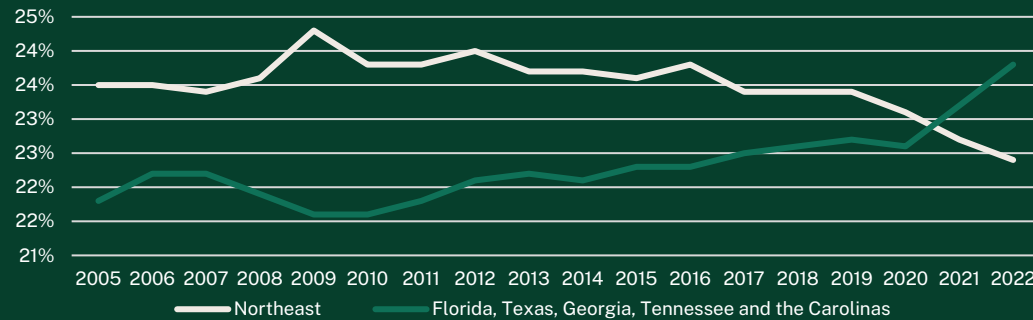
# Southeastern Growth Spurt

## The US's Four Dominant High-Growth Regions are in the South



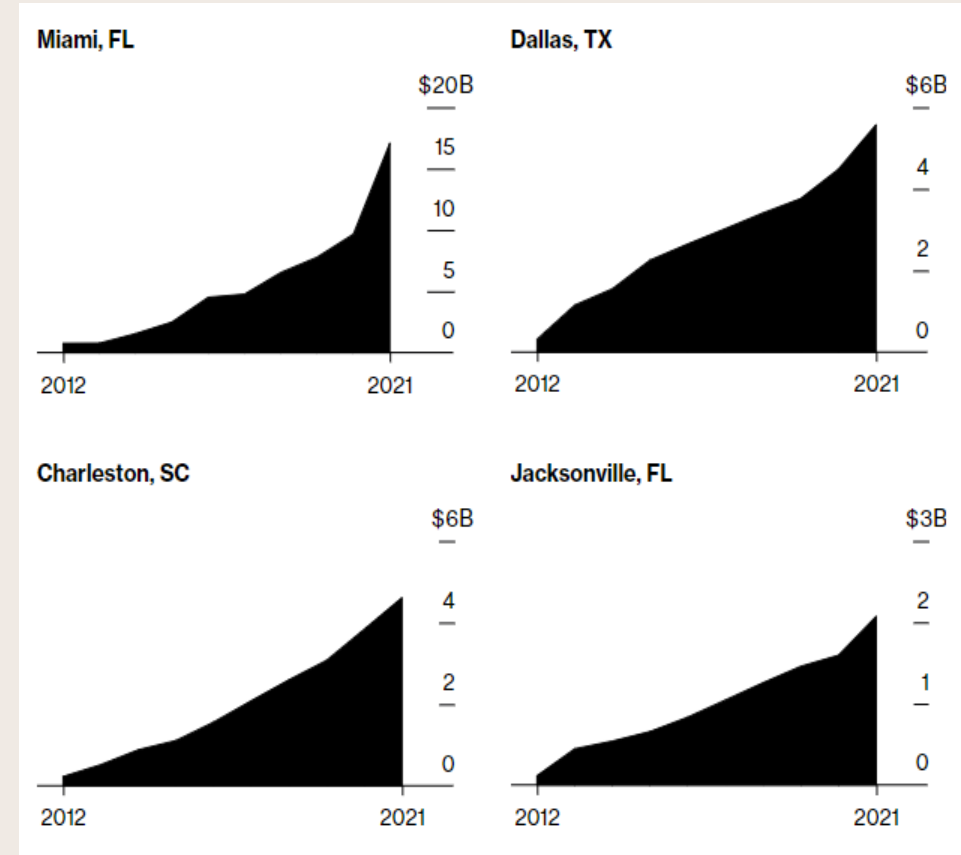
Source: Economic Innovation Group Analysis of US Census Bureau data. Note: Change from April 2020 to July 2022; Southern Triangle is area anchored by Atlanta, Nashville, and the Research Triangle of North Carolina. South Atlantic extends from Wilmington, NC, to Jacksonville, FL

## US South Economic Power on the Rise



Source: US Bureau of Economic Analysis Note: GDP as a share of US total; data as of fourth quarters of each year. Northeast includes: Connecticut, Massachusetts, Rhode Island, New Hampshire, Vermont, Maine, D.C., Maryland, Delaware, Pennsylvania, New Jersey and New York

## Billions Have Flown Into US Southern Cities



Source: Internal Revenue Service. Note: Data is for the relevant county of each city



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