

WESTPLAN 2020



WESTPLAN INVESTORS

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CONTENTS

Our strategy	7
Introduction	8
US multifamily market	11
Track record Westplan Investors	15
Sold in 2019	21
Featured project	33
Under construction in 2020	39
New investments	51
About Westplan Investors	55
Contact	69



The goal of Westplan Investors is simple and unwavering: to maximize the return for our investors and shareholders while identifying and mitigating risk to the greatest extent possible.

FROM THE PARTNERS



Left to right: Rob Carter, Ewoud Swaak, Brad Johnson

Who are we? A question that can be answered as follows: Westplan is an independent real estate developer that focuses on building apartments. No vacation homes, no student housing, but regular rental housing for ordinary people.

As soon as the apartments are built and fully leased by tenants, we sell the complexes to an end investor. The buyers of our complexes are largely institutional parties, such as real estate funds and insurance companies. Our area of focus is the southeastern United States. This market offers substantial opportunities to build housing in terms of population growth and economic development.

We are currently constructing 1.308 apartment units in the cities of Charleston, Athens, Nashville and Atlanta that will be delivered and leased up this year. Two new projects, with a total of 540 apartment units, have just started construction in the cities of Nashville and Charlotte.

Our current project pipeline for new investment opportunities is healthy. We expect that we can start three new projects this year with a total of 900 apartment units.

Since the origin of our company lies in the Netherlands, the majority of our equity for our investments is funded by Dutch investors. In 2019, we began funding a portion of our equity with US investors as well. Westplan is one of the few investors that offers the possibility for Dutch investors to invest directly in the development of apartments in the United States.

We should therefore not be confused with a syndicator that raises money and invests with third parties or an investment fund such as a REIT. At Westplan, you invest together with the developer in new construction apartments. Because we develop ourselves and always invest in our projects ourselves, we are optimally involved in all aspects of the investment. This is only possible if you are permanently represented in the US and the team consists mainly of Americans.

Westplan has further developed the "Build, Fill & Sell" strategy. Our investments are structured in such a way that if necessary, a complex can also be held longer if it is not in our investors best interest to sell in certain market conditions.

The rental income generated from the property is enough for investors to wait in peace for better times.

The growing economy of the southeastern United States as well as the structure of our investments and our own contribution are, in our opinion, the basic ingredients of our success.

If you want to know more about our projects and also about our mistakes that we have made in the past and will therefore no longer make, please contact us in the US or in the Netherlands.

Kind regards,

Rob Carter
Robert Klok
Brad Johnson
Ewoud Swaak
Taco Ulrich



US MULTIFAMILY MARKET 2020



FACTORS THAT INFLUENCE MULTIFAMILY MARKET IN 2020

- Apartment rent growth expected to average 2.75% in 2020 with average occupancy remaining at 95%.
- Supply of new Class A apartment units expected to increase over 2019 but should be relatively balanced with demand.
- Secondary and tertiary markets forecasted to outperform due to higher yields than urban markets.
- Development costs continue to rise as land prices and construction hard costs are accelerating.
- Affordability of gross rents will be a concern for the more expensive, newly built, high-rise urban apartments.
- Migration of renters to homeownership to be constrained by rising home prices, lack of new entry-level homes and tight mortgage underwriting.



TRACKRECORD WESTPLAN INVESTORS



PORTFOLIO MULTIFAMILY

	Exited	Current portfolio	Since inception
Number of projects	52	11*	63
Number of units	14,278	2,765*	17,043
Total equity returned to investors	\$555,556,406		
Cash on cash returned	1.70		
Avg. IRR	17%		
Avg. IRR of exited project started in last 10 years	26%		
Avg. IRR of exited project started in last 5 years	25%		
Total equity invested	\$326,457,622	\$163,126,022	\$489,583,644
Total \$ invested	\$1,335,647,617	\$387,921,392	\$1,723,569,009

* including apartments that are under construction

INCEPTION

1994

AVERAGE TIME PERIOD MANAGEMENT TEAM HAS WORKED TOGETHER

> 14 YEAR

NUMBER OF TEAM MEMBERS

15





**SOLD IN 2019:
900
APARTMENTS**

A total of 900 apartment units were sold to institutional and investors in 2019.

The Ellis apartment community was completed ahead of schedule and sold sooner than forecasted. The West Midtown complex was sold, but has not ended for investors due to damage, leaving the final result to be determined later.

Project	Location	# units	IRR	Cash-on-cash return
The Ellis	Savannah, Georgia	235	28%	147%
Accent Waterworks	Atlanta, Georgia	181	-	-
Cortland Portfolio Apartments	Multiple locations	1,435*	16%	172%
Newport on the Lake	Houston, Texas	234		
Harbor View	Houston, Texas	250		
Total		900		

* Original number of units, does not count for total number of units sold in 2019.



THE ELLIS SAVANNAH, GEORGIA

Investment details

- Status: sold
- Development Costs: \$34,800,000
- Sales price: \$48,200,000 (\$205,000/unit)
- Number of units: 235
- IRR: 28%
- Cash-on-cash return: 147%



NEWPORT ON THE LAKE, HOUSTON TEXAS

Investment details

- Status: sold
- Development Costs: \$31,188,000
- Sales price: \$37,400,000 (\$160,000/unit)
- Number of units: 234
- This project is part of Cortland Portfolio Apartments, for returns see page 23.



HARBOR VIEW HOUSTON, TEXAS

Investment details

- Status: sold
- Development Costs: \$25,000,000
- Sales price: \$34,800,000 (\$139,000/unit)
- Number of units: 250
- This project is part of Cortland Portfolio Apartments, for returns see page 23.



ACCENT WATERWORKS ATLANTA, GEORGIA

Investment details

- Status: sold, completion is pending
- Development Costs: \$28,284,913
- Sales price: \$38,000,000 (\$210,000/unit)
- Number of units: 181
- Class A: 10% preferred return
- Class B IRR: determine after insurance compensation
- Projected cash-on-cash return: 150%

The project has been sold, but Westplan and a portion of investors are still involved. Once the damage has been alleviated, we can determine what the final result will be. Investors have their deposits back with a 15% surcharge.



FEATURED PROJECT



ACCENT CHESHIRE BRIDGE ATLANTA, GEORGIA

Locations

Addresses: 1989 Cheshire Bridge Road NE, Atlanta, GA 30324 and 2050 Cheshire Bridge Road NE, Atlanta, GA 30324.

Development

Westplan Cheshire Bridge Apartments includes the development of two Class A apartment complexes: Accent Morningside and Accent 2050. The complexes are situated diagonally opposite from each other on Cheshire Bridge Road in Atlanta, Georgia. There is a total of 437 units. Cheshire Bridge is a transitioning area that lies between two popular and economically strong business districts.

Key data

Developer:	Westplan Investors
Investment date:	December 29, 2016
Foundation costs:	\$ 76.8M
Financing:	\$ 26.7M Wells Fargo \$ 21.8M Renasant Bank
Equity invested:	\$ 28.3M
Original return:	14.5% IRR
Original duration:	3 years



Challenges

- Remediation
- Brownfield program/tax restructuring scheme
- Relocation of tenants, including restaurants and places to go out
- Redevelopment and separate sale of business premises
- Zoning plan changes with a lot of neighborhood consultation
- Financing banks (2x)

Result

The Accent Morningside project has since been completed and fully leased. After about 3 years, the complex was sold for more than \$ 54 million, representing a selling price per home of \$230K. At the start of the investment, we assumed a selling price of \$214K per home. As soon as the Accent 2050 complex is leased up, it will also be sold as well. The return forecast is on schedule.



**UNDER
DEVELOPMENT
IN 2020:
1,308
APARTMENTS**



ACCENT WOODLAWN PARK CHARLOTTE, NORTH CAROLINA

Investment details

- Status: development is expected to be completed in March 2020
- # Class A multifamily units: 304
- Equity: \$17,000,000
- Projected Returns:
 - Class A: 8% preferred return
 - Class B: approx. 14.5% IRR



ACCENT NOLENSVILLE PIKE NASHVILLE, TENNESSEE

Investment details

- Status: start development in March 2020
- # Class A multifamily units: 236
- Equity: \$16,900,000
- Projected Returns:
 - Class A: 7% preferred return
 - Class B: approx. 13% IRR



ACCENT DANIEL ISLAND CHARLESTON, SOUTH CAROLINA

Investment details

- Status: development is expected to be completed in September 2021
- # Class A multifamily units: 283
- Equity: \$19,100,000
- Projected Returns:
 - Class A: 7.5% preferred return
 - Class B: between 11% and 15% IRR



ACCENT LAKEWOOD ATHENS, GEORGIA

Investment details

- Status: development is expected to be completed in April 2020
- # Class A multifamily units: 200
- Equity: \$10,050,000
- Projected Returns:
 - Class A: 8% preferred return
 - Class B: approx. 14% IRR

ACCENT METROCENTER NASHVILLE, TENNESSEE

Investment details

- Status: first completion in May 2020
- # Class A multifamily units: 282
- Equity: \$17,875,000
- Projected Returns:
 - Class A: 8% preferred return
 - Class B: approx. 14.6% IRR





NEW INVESTMENTS

Westplan is continuously working on new apartment investments across the southeastern United States. Each of these projects are in different phases of the development process. Currently there is 6 projects in our pipeline, we expect to introduce 2 to 3 in 2020. The other investment will follow in 2021.

New projects in the pipeline

State	# units
Canton (GA)	263
Duluth (GA)	320
Charlotte (NC)	200 + 190
Raleigh (NC)	220
Savannah (GA)	250
Acworth (GA)	250



ABOUT WESTPLAN INVESTORS



Westplan has invested in more than \$2 Billion since its inception in 1994 with a primary focus on apartments. We have dedicated ourselves to excellence in providing and managing equity investment products for our clients in commercial and residential U.S. real estate. We are proud of our proven track record in managing our clients' assets and the trusted reputation that has earned us.

Our goal is simple and unwavering: to maximize the return for our investors and shareholders while identifying and mitigating risk to the greatest extent possible. The primary venue for achieving that end is by creating and managing closed end real estate investment funds with transparency and integrity. We limit our focus primarily to multifamily rental housing in metropolitan markets in the Southern United States where our principals have decades of experience.

WESTPLAN, EXPERTS AT PROVIDING EQUITY INVESTMENT PRODUCTS FOR OUR CLIENTS IN RESIDENTIAL REAL ESTATE



Our core values
are not just hollow words.
We behave accordingly,
day in and day out.

Keep our Commitments and Do Not Delay

We do what we say, and we say what we do. Delivering with unwavering conviction. Procrastination is not a Virtue.

Consistent and Reliable in every effort

Our reputation is built and sustained through these two disciplines. The markets, our clients and our partners do not like surprises.

Honesty and Transparency in every Relationship

Deals and relationships should be beneficial to all parties. No Games. Nothing is hidden and nothing is misleading.

Collaboration and Cooperation over Litigation - Partners, not Opponents

We work for and with people, not against them. Litigation is a Last Resort.

We work with a stable
and motivated core team
based in our offices in Atlanta
and Valkenburg (Netherlands).



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Partner
Office USA



Brad Johnson
Partner
Office USA



Robert Klok
Partner and
Chief Financial Officer
Office Nederland



Rob Carter
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