



# PENINSULA ALTERNATIVE REAL ESTATE

*Senior Housing & Student Housing  
Investments in the United States*

## Investment Teaser



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# EXECUTIVE SUMMARY

## Resilient sectors with low correlation with economic cycles

- Most resilient real estate sectors during 2007-2009 global crisis
- Needs-based nature of asset classes leads to resiliency and low correlation
- Seniors housing outperformed all other traditional real estate sectors for the last 10 years

## Strong demographics for Students & Senior Housing

- Over 900,000 Americans will turn 75 each year for the next 15 years
- Enrollment in postsecondary institutions expected to increase by 14% to 23 million until 2024
- Need for new facilities adequate for today's lifestyles

## Institutional investors looking for stabilized assets

- Stability of cash flows attracts institutional buyers (domestic and foreign)
- Student & senior housing sectors experienced in excess of \$17B in transactions in 2016

## Experienced Strategic Developers

- PARE partners with specialized student & senior housing developers
- Developer partners bring decades of corporate and executive experience to niche sectors

Opportunity to provide equity & debt to finance early stages of projects

Peninsula Alternative Real Estate ("PARE") is a specialized real estate private equity firm that provides GP equity and mezzanine financing to leading developer-operators in the student and senior housing space following institutional quality processes developed over the last decade

# WHY INVEST WITH PENINSULA ALTERNATIVE REAL ESTATE (“PARE”)

## ATTRACTIVE RISK-ADJUSTED USD RETURNS

- GP equity returns: 18-22%+ gross IRR
- Mezzanine returns: 14-15%+ gross IRR
- Consolidated estimated project returns: 16-19% gross IRR



## QUARTERLY DISTRIBUTIONS

- Mezzanine interest income distributed quarterly
- Rental income distributed quarterly upon property completion



## PROJECT DIVERSIFICATION/SOURCING FOCUS

- Senior housing focused primarily on the Southeast where the team has strong origination capabilities
- Student housing focused on universities with more than 15,000 students



## EXPERIENCED TEAM

- Highly experienced team
- Senior team managing jointly real estate funds for over 12 years



## SPECIALIZED DEVELOPERS

- Developers with significant sector experience
- Track record of superior returns
- Proven record of delivering projects on time/on budget



## INVEST ALONG INDUSTRY LEADERS

- Institutional investors represent bulk of equity in each project
- Experienced capital with high levels of control and governance



## INSTITUTIONAL ASSETS

- Opportunity to invest in an asset class typically available only for institutional capital



## INSTITUTIONAL PROCESSES

- Leverage sourcing, diligence and reporting processes developed over the last decade and vetted with world-class institutional investors
- Institutional investor reporting and fund structuring

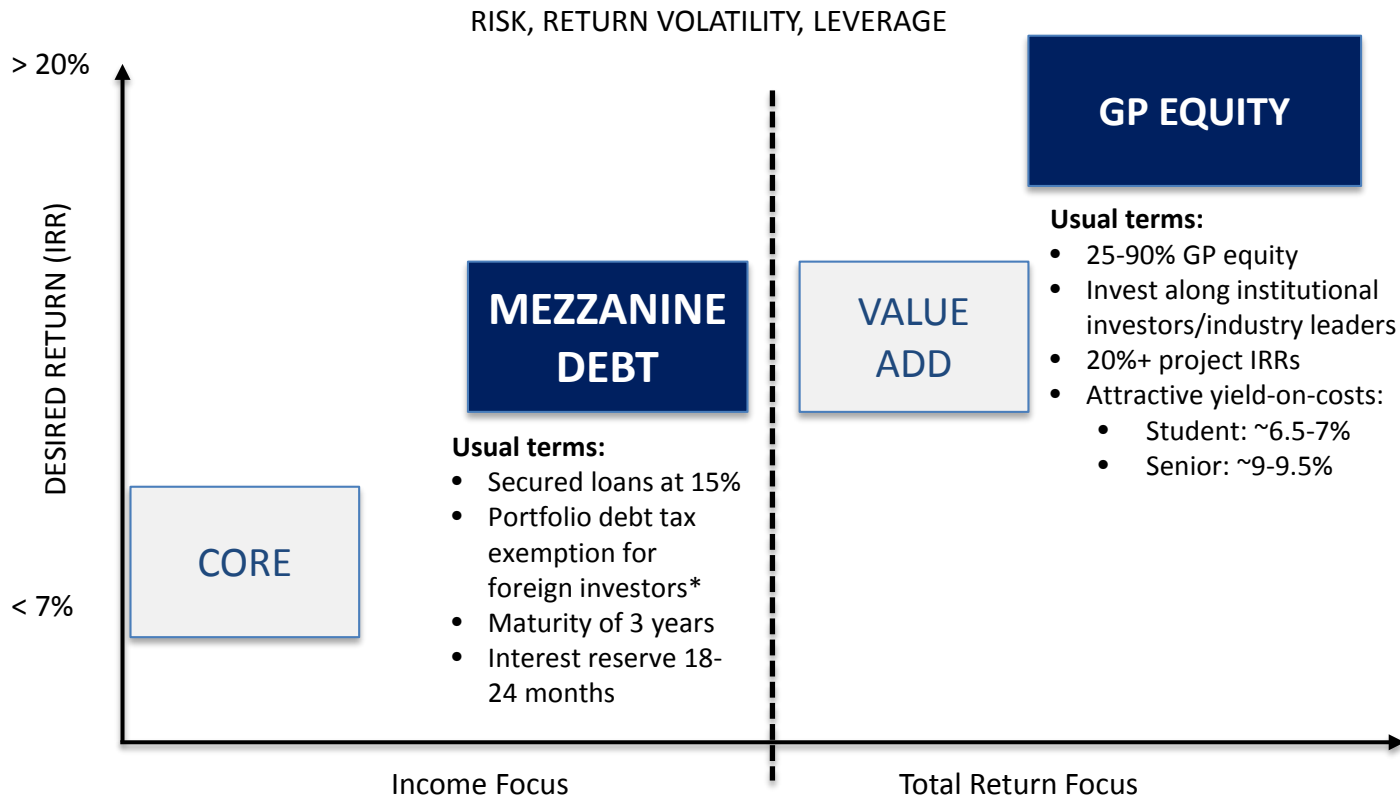


## GENERAL PARTNER COMMITMENT

- PARE'S principals committed \$10 million to PARE Fund I



# THE INVESTMENT OPPORTUNITY



Peninsula Alternative Real Estate will invest in student & senior housing by providing mezzanine debt and GP equity to specialized developers, achieving attractive risk adjusted returns while providing quarterly liquidity primarily from interest income

\* Nonresident alien individuals and foreign corporations may benefit from portfolio interest exemption on interest earned on loans made to US senior housing developers – prospective investors should consult their tax and legal advisors

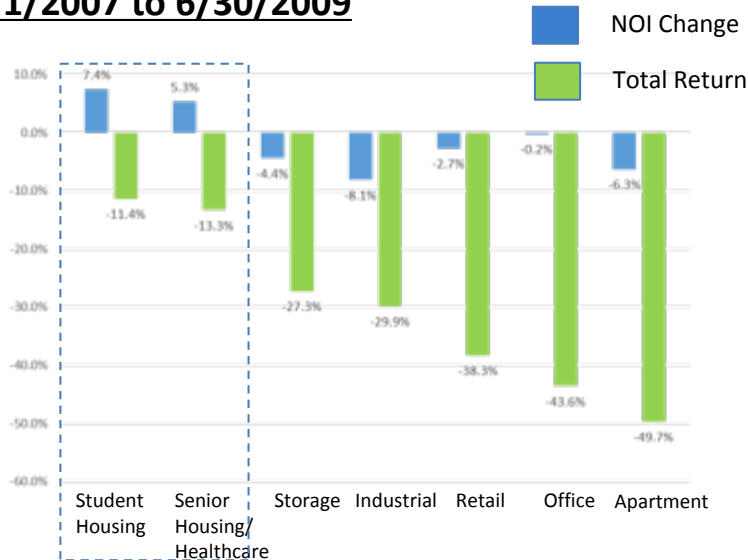
# WHY STUDENT & SENIOR HOUSING?



Student & Senior Housing are particularly attractive given that they were the most resilient Real Estate sectors during the last recession; they also allow for diversification and synergies

## Peak-to-trough: NOI change and total returns

1/1/2007 to 6/30/2009



- Student & Senior housing were the only sectors to show positive NOI growth over the last recession, and the values of REITs
- Values of REITs focused on these sectors declined the least during this period
- Seniors housing outperformed all other traditional real estate sectors for the last 10 years



### Common factors

- Strong demographics
- High occupancy rates
- Attractive yields
- Recession resilient
- Limited supply
- Fragmented markets
- Inflation protection
- Co-living opportunities
- Institutional investors do not take pre-development risk

### Same institutional investors

HARRISON STREET | Real Estate Capital

THE CARLYLE GROUP

Kayne Anderson

Capital Advisors, L.P.

Blackstone

WAYPOINT RESIDENTIAL

Goldman Sachs

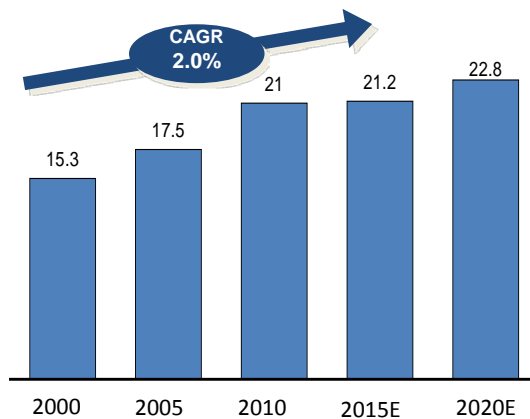


# STUDENT HOUSING - MARKET OVERVIEW

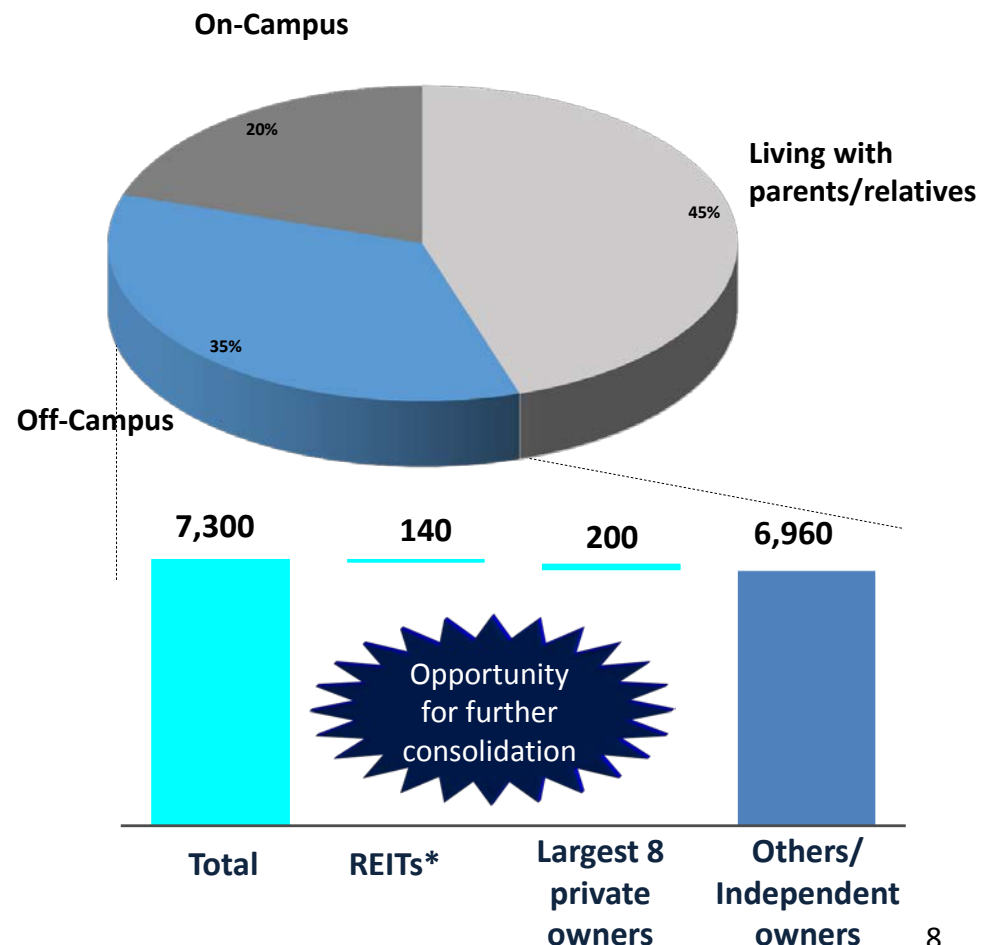
The demand for Student Housing in the US has been growing steadily, while the supply is insufficient and highly fragmented

## US Total Enrollment in Post-Secondary institutions

Millions of students

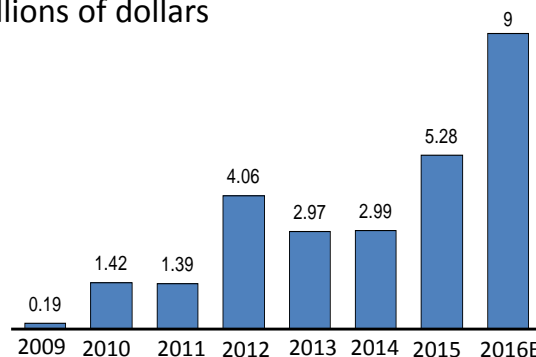


## Number of students in US post-Secondary Institutions: 21 million (2014)



## Total Transactions in Student Housing\*

Billions of dollars



\* Total sales of student housing properties in the United States

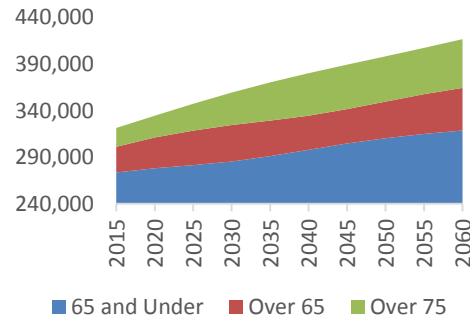


# SENIOR HOUSING - MARKET OVERVIEW

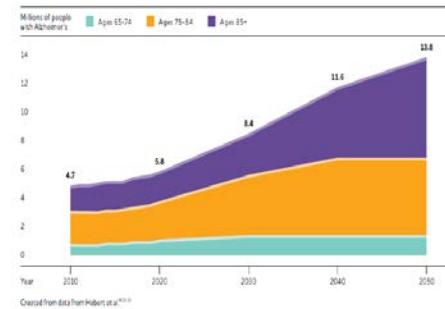
The demand in senior housing is being driven by the aging population and the rapid increase in Alzheimer's, and supply hasn't kept up with the pace

## Demand:

Total Population (in thousands)



Alzheimer's population (in millions)



- US seniors are the fastest growing segment of the population
- Over 900,000 Americans will turn 75 each year for the next 15 years
- Alzheimer's and dementia related diseases are growing very rapidly
- In 2016, over 450,000 Americans age 65 or older will develop Alzheimer's disease
- Alzheimer's is the only top-ten cause of death in the US that cannot be prevented, slowed or cured

## Supply:

Demand of Senior Housing units (in thousands)



- The estimated number of Senior Housing units in the US is approximately 1.5 million
- Current penetration rate of senior housing is ~7.4%
- Assuming same penetration rate, 77,000 units would need to be added per year for the next 20 years to satisfy demand
- A 1% increase in the penetration rate during the next 20 years would require an additional 20,000 units to be added per year
- Net supply of Seniors Housing units has been growing at just 25,000 units per year over the past 5 years (a 1.7% CAGR)

# PARE HAS A STRATEGIC RELATIONSHIP WITH KEY INDUSTRY PLAYERS

## Student Housing:



[www.ca-ventures.com](http://www.ca-ventures.com)

**HARRISON STREET**

[www.harrisonst.com](http://www.harrisonst.com)

Relationships with  
Student Housing  
developers, operators &  
investors in the US

## Senior Housing:



[www.watercrestslg.com](http://www.watercrestslg.com)



[www.contemporarycapital.com](http://www.contemporarycapital.com)

**BRIDGE  
INVESTMENT  
GROUP**

[www.bridgeig.com](http://www.bridgeig.com)

**HARRISON STREET**

[www.harrisonst.com](http://www.harrisonst.com)

Relationships with  
Senior Housing  
developers, operators,  
investors and debt  
providers in the US

# HOW DOES A STUDENT HOUSING PROJECT LOOK LIKE?

## Value Proposition

### For students:

- Highly-amenitized apartments with ensuite bathrooms
- Fully furnished accommodations
- Proximity to campus
- Study areas
- Balance between privacy and fun

### For families:

- Safe and high quality facilities close to campus
- Pricing inclusive of furniture, utilities, TV and internet
- Mix of rooms from studios to 4-bedrooms to better match diverse budgets



Courtesy of CA Ventures

# HOW DOES A SENIOR HOUSING PROJECT LOOK LIKE?

## Value Proposition

### For Seniors:

- World-class service and amenities
- Licensed nurses in properties 24/7
- Resort-style dining
- Active health and fitness calendar
- Daily programs that keep residents engaged

### For families:

- Peace of mind knowing loved parents are taken care of by experienced professionals
- Best-in-class facilities provide superior comfort
- High employee-to-resident ratio (0.8+) ensure



# PARE'S STRATEGIC PARTNERS HAVE SIGNIFICANT EXPERIENCE AND TRACK RECORD



- Third largest developer of student housing in the US, with 17 properties and over **25,000 beds** in development until 2021
- Fast growing senior housing developer, with 9 existing properties and 16 under development, representing over **3,100 beds**
- Over **US\$7.5B** of assets under management, over **\$2.8B in realized** transactions with a **47% realized IRR**
- Specialized, vertically integrated senior housing operator developer based in Florida with operations in the Southeast
- Operates 6 assisted living and memory care properties and has 9 additional projects under development, representing over **1,700 beds**
- Management team previously ran competing group with 17 communities and over **1,400 beds**
- Specialized mezzanine lender for senior housing industry with over **16 years of experience**
- Originated over \$1B in loans in 7 funds, and over **\$300M in mezzanine loans** in over 150 transactions
- **127 realized transactions**, with **gross IRR of 16.1%**
- **\$0 losses** in company's history

Deep sectoral experience of strategic partners is complemented by proven institutional-quality processes developed over the last decade by Peninsula

# PROVIDE GP EQUITY AND MEZZANINE DEBT TO SPECIALIZED STUDENT & SENIOR HOUSING DEVELOPERS

 PARE's opportunity

NON EXHAUSTIVE



## Key Activities

- Opportunistically finance entitlement expenses (A&E, legal, land deposit, survey, geotech)
- No zoning risk
- Advance plans, submit and obtain permits
- Secure construction debt and institutional investor
- Acquire land

## Key Players

## REITs/ Institutional

## Private Equity

- Complete development as planned
- Start pre-lease

- Lease up and operate building



Recent Entrants



Recent Entrants

HARRISON STREET



Kayne Anderson  
Capital Advisors, L.P.



THE CARLYLE GROUP

HARRISON STREET



BLACKROCK

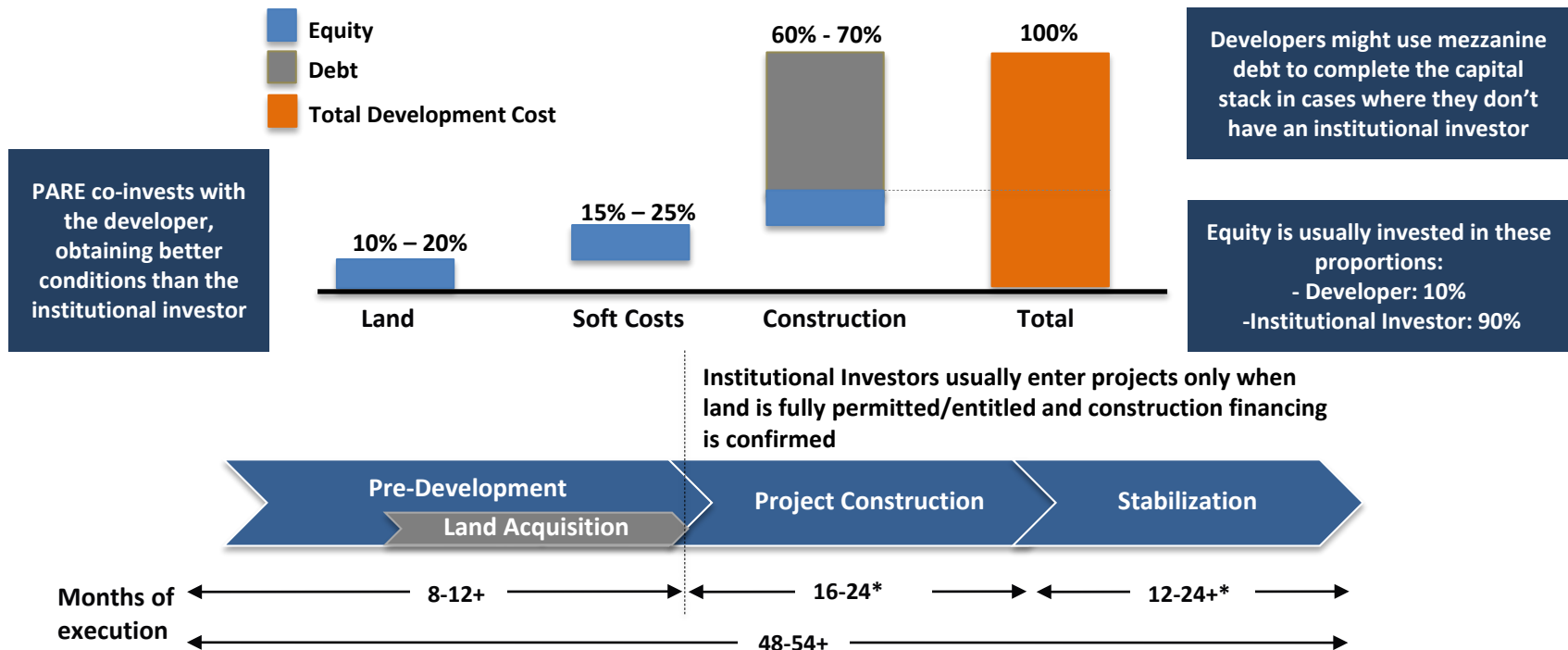
Land acquisition

Completion of Building

# VALUE PROPOSITION TO DEVELOPERS – GP EQUITY INVESTMENTS

- Developers are required to cover 100% of pre-development expenses and usually acquire land prior to institutional investor committing funds to project
- Developers have constrained balance sheets and usually require **GP co-investors** or **mezzanine** debt to complete capital stack
- By aligning itself with specialized developers and institutional investors, that have reviewed and vetted the deal prior to PARE investing, PARE mitigates the pre-development risks to a great extent

## Uses of Funds *(as % of total development costs— approximate, for illustrative purposes)*



\* A typical student housing project will take 18-24 months to build and 12 months to stabilize

# INSTITUTIONAL 3-TIERED PROCESS TO ASSESS INVESTMENT OPPORTUNITIES



Focus

- KPIs
- Strategic fit
- Team
- Values

- Site selection
- Yield-on-cost
- Operational income
- Construction costs

- Supply/demand in micro-market
- Yield-on-cost
- Operational income
- Construction costs

Experience

- Over 12 years reviewing RE investment projects
- Partnered with over 14 developers in 6 countries

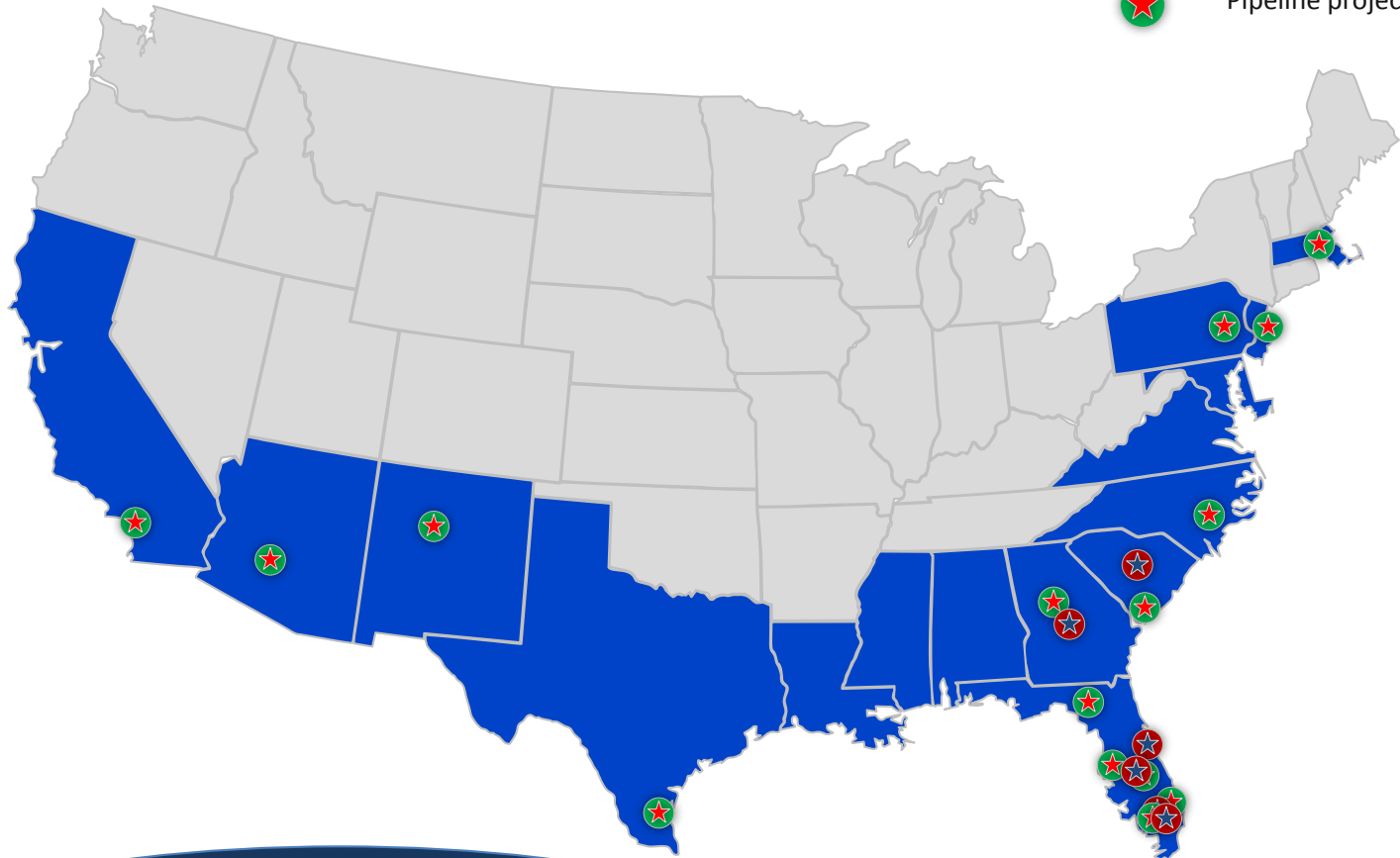
- Specialized developer/operators with more than 10 years of experience
- Strong track record of on-time, under-budget developments
- Superior risk-adjusted returns on realized investments

- Specialized LP investors and construction lenders in sectors
- Superior risk-adjusted returns on realized investments

- Thorough underwriting by industry specialists
- Projects are looked at with three lenses: PARE, developer and limited partner prior to PARE committing funds

# PARE'S GEOGRAPHIC FOCUS

- Primary target markets
- Current projects
- Pipeline projects



- PARE focuses primarily on senior housing projects in the South/Southeast, as well as on universities with more than 15,000 students
- PARE's presence and strong connections in the Southeast are expected to generate a larger number of projects in the region

# CLASSES OF SHARES AVAILABLE



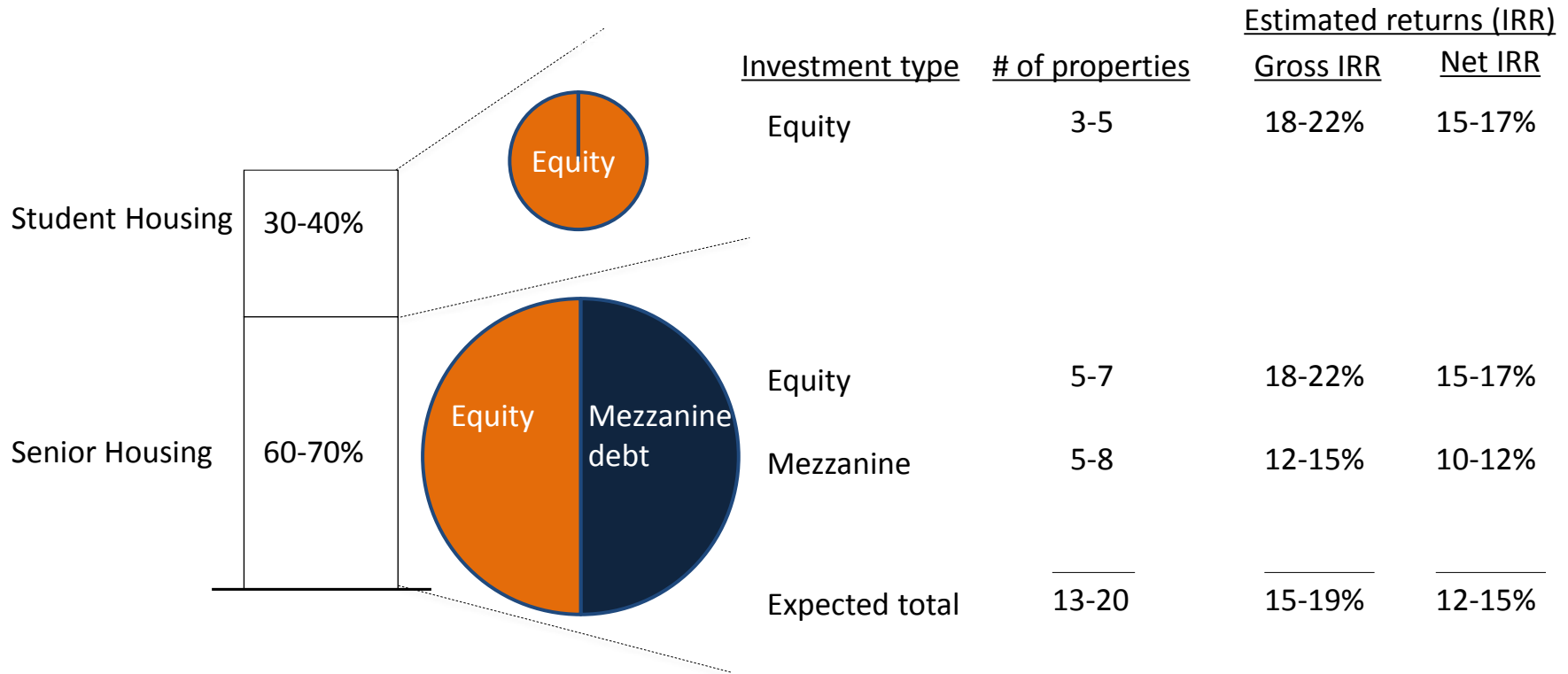
Share Classes	Description
PARE Fund I	
Class A Shares	<ul style="list-style-type: none"><li>▪ Investments in both equity and mezzanine debt</li><li>▪ Annual management fee of 2%</li><li>▪ Reduced management fee of 1.5% in co-investments</li><li>▪ 60% participation on mezzanine transactions</li></ul>
Class B Shares	<ul style="list-style-type: none"><li>▪ 100% investment in mezzanine debt*</li><li>▪ Annual management fee of 2%</li><li>▪ 40% participation on mezzanine transactions</li></ul>

Based on investor feedback, Peninsula Alternative Real Estate Fund I will have 2 types of shares available for investment. Investors will have the option to invest in equity and mezzanine debt together, or individually in mezzanine debt

\* Nonresident alien individuals and foreign corporations may benefit from portfolio interest exemption on interest earned on loans made to US senior housing developers – prospective investors should consult their tax and legal advisors

# PROJECTED ASSET ALLOCATION

PARE will make equity & mezzanine debt investments, in order to obtain ongoing income as well as equity appreciation for Class A share investors. Class B share investors will be focused in mezzanine debt



- PARE seeks to diversify the portfolio across 15+ properties in both Student & Senior housing
- The estimated blended gross IRR is estimated to yield 15-19%, and net IRR of 12-15%

# CURRENT PORTFOLIO & PIPELINE OF PROJECTS

CLOSED PROJECTS							
Sector	Developer	Location	# Of Beds	PARE Investment	Total Equity	Total Project Cost	IRR
Senior	Watercrest	Palm Coast, Florida	64	\$ 500,000	\$ 6,000,000	\$ 16,700,000	15%
Senior	Watercrest	Newnan, Georgia	107	\$ 1,000,000	\$ 10,000,000	\$ 30,000,000	25%
Senior	Watercrest	Columbia, South Carolina	107	\$ 1,000,000	\$ 10,000,000	\$ 29,000,000	25%
Senior	Watercrest	Winter Park, Florida	107	\$ 2,000,000	\$ 12,000,000	\$ 34,000,000	24%
Senior	TL Management	South Beach, FL	230	\$ 1,800,000	\$ 3,800,000	\$ 37,600,000	15%
Student	CA Ventures	Miami, Florida	625	\$ 1,000,000	\$ 33,000,000	\$ 84,000,000	20%
			<b>1,240</b>	<b>\$ 7,300,000</b>	<b>\$ 74,800,000</b>	<b>\$ 231,300,000</b>	<b>21%</b>

CONFIRMED / UNDER CONTRACT PROJECTS							
Sector	Developer	Location	# Of Beds	PARE Investment	Total Equity	Total Project Cost	IRR
Student	CA Ventures	Miami, Florida	~790	\$ 7,500,000	\$ 55,000,000	\$ 135,000,000	20%
Senior	Watercrest	Bluffton, South Carolina	128	\$ 1,500,000	\$ 12,000,000	\$ 35,000,000	21%
Senior	Watercrest	Richmond, Virginia	107	\$ 1,500,000	\$ 10,000,000	\$ 29,200,000	24%
Student	CA Ventures	Orlando, FL	~450/900 *	\$ 4,000,000	\$ 49,000,000	\$ 140,000,000	20%
			<b>1,925</b>	<b>\$ 14,500,000</b>	<b>\$ 126,000,000</b>	<b>\$ 339,200,000</b>	<b>21%</b>

PIPELINE OF PROJECTS							
Sector	Developer	Location	# Of Beds	PARE Investment	Total Equity	Total Project Cost	IRR
Senior	CA Ventures	Tequesta, FL	124	\$ 2,000,000	\$ 17,000,000	\$ 47,000,000	25%
Student	Confidential	Boston, MA	~265/440 *	\$ 3,700,000	\$ 34,000,000	\$ 112,000,000	18%
Senior	Confidential	Sarasota Bay, FL	160	\$ 4,750,000	\$ 9,500,000	\$ 76,000,000	15%
Senior	CA Ventures	South Miami, FL	135	\$ 2,000,000	\$ 20,000,000	\$ 60,000,000	22%
Senior	CA Ventures	Pompano Beach, FL	150	\$ 2,200,000	\$ 22,000,000	\$ 65,000,000	22%
Senior	Confidential	Miami Beach, FL	75	\$ 3,000,000	\$ 30,000,000	\$ 90,000,000	20%
Senior	Confidential	Temecula, CA	317	\$ 5,000,000	\$ 21,000,000	\$ 112,000,000	15%
Senior	Watercrest	State College, PA	112	\$ 2,000,000	\$ 10,000,000	\$ 30,000,000	21%
Senior	Watercrest	Myrtle Beach, SC	112	\$ 2,000,000	\$ 10,000,000	\$ 30,000,000	21%
Senior	Confidential	Harlingen, TX	50	\$ 1,000,000	\$ 5,400,000	\$ 17,400,000	15%
Senior	Confidential	Avondale, Phoenix	50	\$ 1,000,000	\$ 5,400,000	\$ 17,400,000	15%
Senior	Confidential	Santa Fe, NM	50	\$ 1,000,000	\$ 5,400,000	\$ 17,400,000	15%
Student	Confidential	Brooklyn, NY	750	\$ 1,700,000	\$ 32,000,000	\$ 109,000,000	18%
			<b>2,850</b>	<b>\$ 31,350,000</b>	<b>\$ 221,700,000</b>	<b>\$ 783,200,000</b>	<b>18%</b>

TOTAL PROJECTS INCLUDING PIPELINE							
Sector	Developer	Location	# Of Beds	PARE Investment	Total Equity	Total Project Cost	IRR
			<b>6,015</b>	<b>\$ 53,150,000</b>	<b>\$ 422,500,000</b>	<b>\$ 1,353,700,000</b>	<b>19%</b>

\* Units / beds

# EXAMPLES OF REALIZED INVESTMENTS

PARE realized 3 investments during 2017, achieving gross IRRs of 24.4% and a multiple of 1.28x

1

Equity: \$4.9M investment –  
107 Tower at FIU (student)



- Purchased lot on March 2016; completed entitlement and permitting process
- Sold investment to JV with CA Ventures on Dec 2017
- Gross IRR: 25.7% / Multiple: 1.37x
- Total PARE investment: \$4.9M

2

Mezz debt: \$1M loan –  
Watercrest at Newnan (senior)



- Lent funds gradually from March until August 2017
- Loan repaid on Dec 2017
- Gross IRR: 20.9%
- Total PARE investment: \$1M

3

Mezz debt: \$1.2M loan –  
Market Street at Palm Coast (senior)



- Lent funds on June 2017 to acquire land
- Loan repaid on Dec 2017 upon closing with institutional investor and construction lender
- Gross IRR: 10%
- Lent funds at 10% as part of expected 25% IRR GP equity investment in project
- Total PARE investment: \$1.2M

**Combined gross IRR: 24.4%**  
**Gross multiple: 1.28x**

# REALIZED EXAMPLE #1: STUDENT HOUSING GP EQUITY



## Identity at FIU - Student Housing in Miami, Florida



- PARE identified market need, analyzed FIU market, sourced land, acquired lot, completed entitlement process and brought specialized developer to complement skills
- Rise at FIU is been co-developed with CA Ventures, third largest student housing developer in the US, with over 25,000 beds under management in 17 projects across the US by 2021
- Lot located 3 blocks north from Florida International University, the 4<sup>th</sup> largest university in the United States
- Mixed-use project with 625 beds in 187 units in a 15-story tower:
  - Units will range from 43 m<sup>2</sup> to 159 m<sup>2</sup> and will have an average rental price of \$33.7/m<sup>2</sup>
  - Includes 508 m<sup>2</sup> of retail space in the lobby
- Quadreal (large Canadian pension fund) is institutional investor
- Total Square footage: 44,100 m<sup>2</sup>
- Total land size: 4,572 m<sup>2</sup>
- Projected IRR: 20%+
- Projected multiple: 2.0x
- Total project cost: \$84.1M
- PARE contributed 25% of the GP required equity

# REALIZED EXAMPLE #2: SENIOR HOUSING MEZZANINE

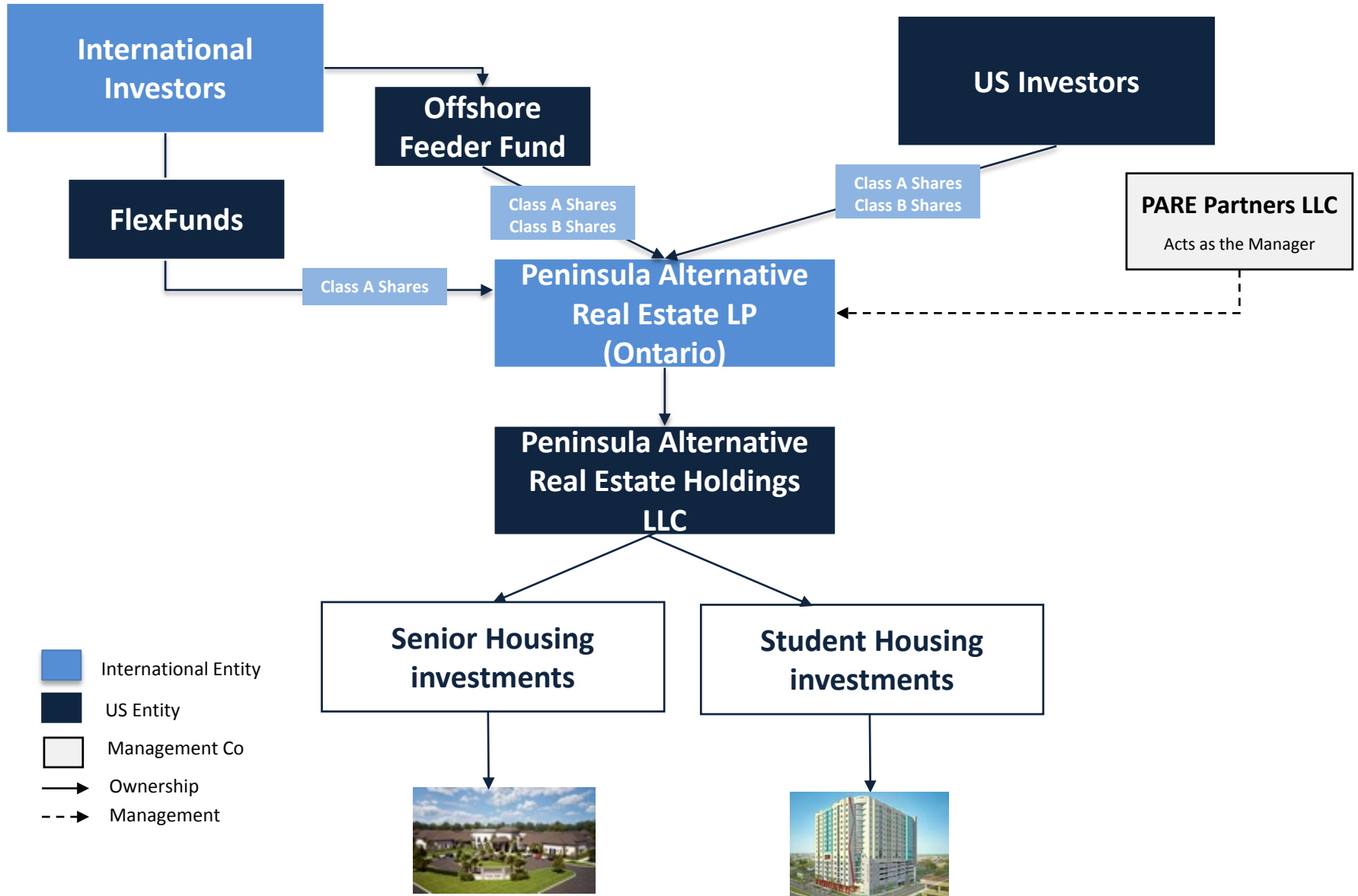


## Market Street – Senior Housing in Palm Coast, Florida



- PARE scanned market to identify key developer operators in Southeast
- Structured strategic joint venture with Watercrest Senior Living Group to develop 2-3 properties per year
- Provided mezzanine loan in participation agreement with specialized healthcare mezzanine provider
- Property been developed by Watercrest
- Watercrest is a specialized operator developer, which operates 6 assisted living and memory care facilities in Florida, and is developing 9 more in the Southeast
- 100% Memory Care facility with 64 beds in 64 units
- Total building size: 4,250 m<sup>2</sup>.
- Total land size: 13,557 m<sup>2</sup>
- Projected IRR: 15%
- Projected multiple: 1.3x (payable in 24 months)
- Total project cost: \$16.1M
- Institutional investor is Index International
- Construction financing provided by United Community Bank
- PARE contributed 17% of the mezzanine loan

# PROPOSED DEAL STRUCTURE

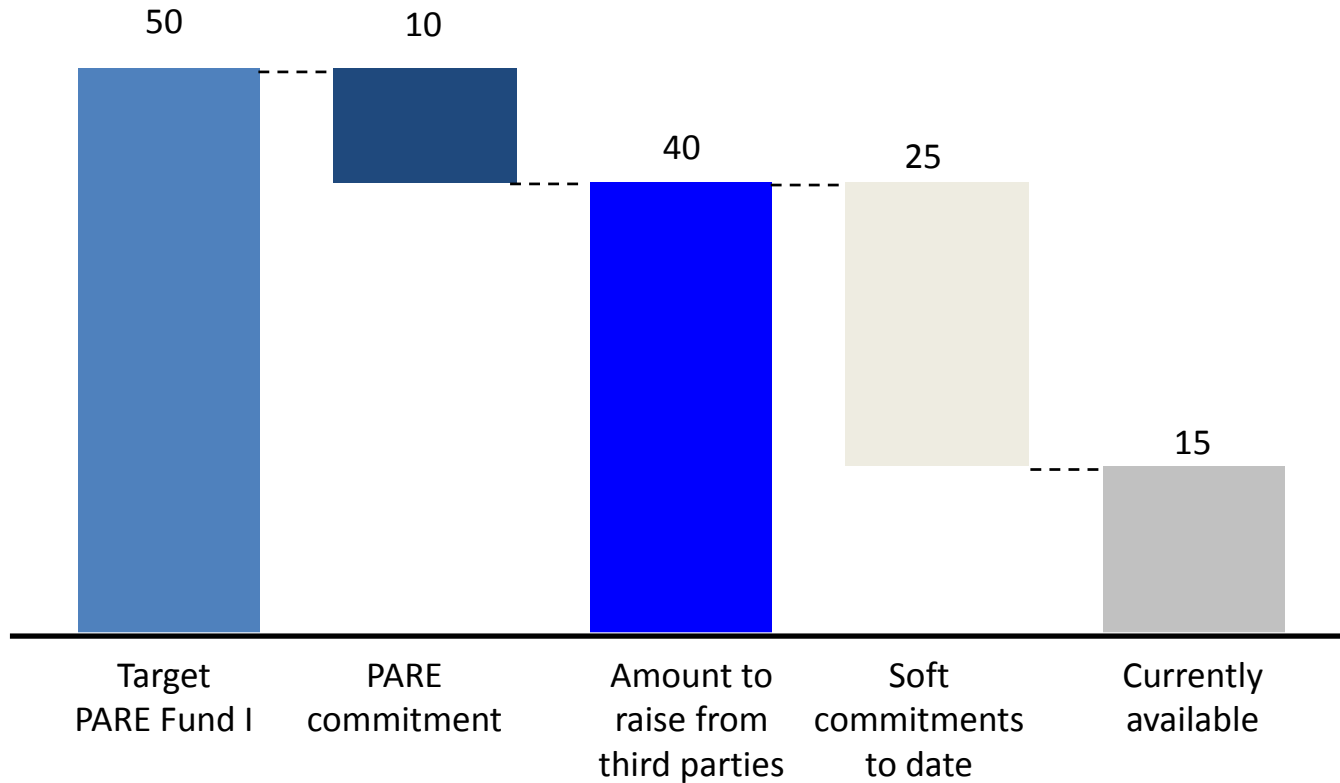


# CURRENT FUNDRAISING STATUS

PARE committed USD10 million dollars to this strategy, has received soft commitments of USD25 million and is seeking USD15 million to close PARE Fund I

## PARE Fund I fundraising

Millions of dollars



## TERMS FOR PARE FUND I

<b>Investment Vehicle</b>	Ontario LP (US investors) / Offshore Feeder LP or FlexFunds (offshore investors)
<b>General Partner</b>	Peninsula Alternative Real Estate Partners LLC ("PARE Partners")
<b>Investment Sought</b>	Up to USD50 million in total: <ul style="list-style-type: none"><li>- USD10 million contributed by General Partner</li><li>- Up to USD40 million to be raised from third parties</li></ul>
<b>Minimum Investment</b>	USD1 million (may be waived by the Manager)
<b>Management Fee</b>	2% annually of committed capital during investment period; 2% annually of net invested capital thereafter
<b>Reinvestment</b>	Realized investments will be reinvested during investment period
<b>Preferred Return</b>	8% per annum cumulative
<b>Promote Fee</b>	20% above Preferred Return
<b>Distributions</b>	Distribution Waterfall: <ol style="list-style-type: none"><li>1. Pro-rata to all Investors until 100% of investment has been returned</li><li>2. Preferred return to the Investors of 8%</li><li>3. 100% to PARE Partners until it has received 20% of the Preferred Return</li><li>4. Thereafter 80% Investors / 20% PARE Partners</li></ol>
<b>Capital Calls</b>	Interested investors should be ready to send capital in a 15-day period after receiving project specific information
<b>Auditor</b>	Deloitte

# PARE'S INVESTMENT COMMITTEE PROFILE

Juan Fernando  
Valdivieso  
**Managing  
Director**

Based in: Miami, USA

- Managing Director/Investment Committee Member
- Managing Partner/Founder at Dubai Equity Partners and Abu Dhabi Equity Partners
- Actively involved in real estate investment since 2005
- Partner at Park Street Advisors
- Junior Partner at McKinsey & Company
- US citizen who has lived and worked in the US since 1989
- MBA from MIT Sloan School of Management.
- Bachelor of Arts degrees from Lafayette College, Summa Cum Lauda, in Economics, Business and International Affairs
- Awarded the Wall Street Journal Achievement Award in Economics

Mauricio  
Levitin  
**Investment  
Committee**

Based in: Montevideo, Uruguay

- Investment Committee Member
- Managing Director and Founder of Peninsula Investments Group
- Responsible for leading the Fund's investment efforts in South America, south of Colombia, as well as managing investor relations and portfolio allocation.
- Actively involved in real estate investment since 1996
- Management consultant with McKinsey & Co. for seven years
- Lehman Brothers in London as a Summer Associate
- MBA from the MIT Sloan School of Management
- BBA from the Goizueta Business School of Emory University.

Josef  
Preschel  
**Investment  
Committee**

Based in: Miami, USA

- Investment Committee Member
- Managing Director and Founder of Peninsula Investments Group
- Responsible for overseeing investments, portfolio allocation in Mexico, Panama and Colombia
- Actively involved in real estate investment since 2003
- President of Rain Forest Tram Ltd.
- Manager of New Business Development for Patagon
- Assistant Brand Manager for Procter & Gamble
- MBA from the MIT Sloan School of Management
- industrial Engineering degree from the Universidad Catolica Andres Bello of Caracas.

# About Peninsula

# PENINSULA INTRODUCTION

## Top-tier manager of Real Estate investments & development across the Americas

- Initially, the primary focus on investments was in middle-income for-sale residential developments across selected markets in Latin America
- Then, the strategy incorporated mix-use and multi-family projects in Latam
- In the US, Peninsula invested in the Student & Senior Housing space through its affiliate, Peninsula Alternative Real Estate (“PARE”)
- Consistent execution of the same strategy for 12 years with more than 25 proven developer partners
- Managing capital from leading institutions, development agencies and family offices
- Peninsula is distinguished from competitors:
  - 100% self-owned and aligned; MDs have known each other since 1999
  - Highly experienced team from leading universities & multinational companies
  - Established institutional fiduciary: systems, reporting, management
  - Substantial realized projects and capital returned to date
- Local market presence with offices in Brazil, Colombia, Mexico, Peru, Panama, Uruguay and Miami
- Maintain control of key decisions on all projects and stay highly involved in order to enhance returns



# PENINSULA INVESTMENTS GROUP

## Mission

We are a world-class asset management firm that seeks to deliver exceptional long-term value to our investors, while positively impacting our clients, partners, teams and local communities.

## Vision

To be a leading real estate management firm in the Americas, delivering superior risk adjusted returns to our investors, by identifying attractive investment opportunities, adjusting asset allocation, tropicalizing deal structures and hands-on & local execution with top performing teams.

## Our Values

Investor First

Trust & Integrity

Excellence &  
Continuous Improvement

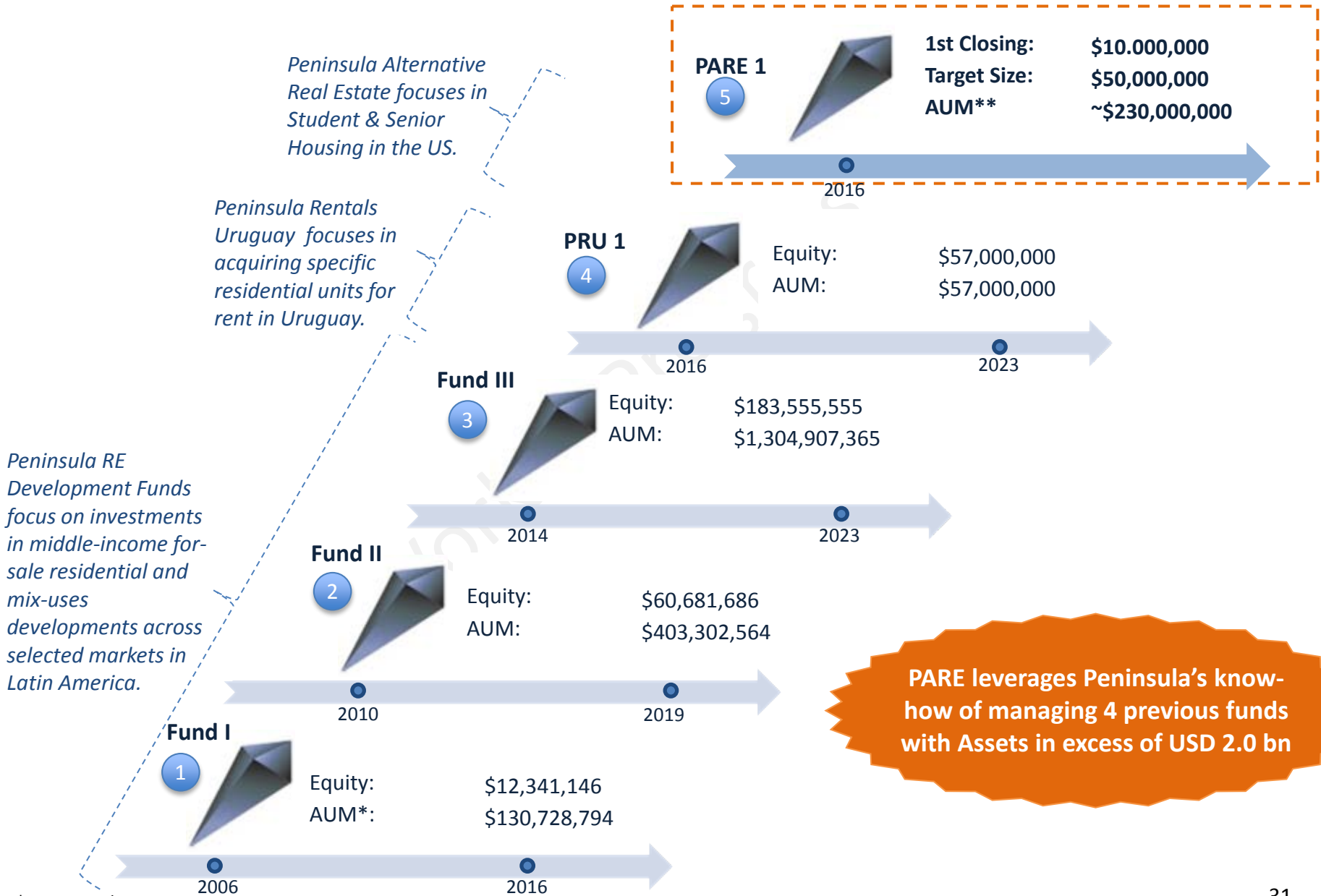
Innovation,  
Dynamism & Flexibility

Teamwork &  
Commitment

Professional & Personal  
Growth



# EVOLUTION OF PENINSULA INVESTMENTS GROUP'S FUNDS



\* Assets under management

\*\* Includes first 6 projects

# Closed Investments

# UNDER CONSTRUCTION: IDENTITY 107-FIU (EQUITY)



## Student Housing in Miami, Florida

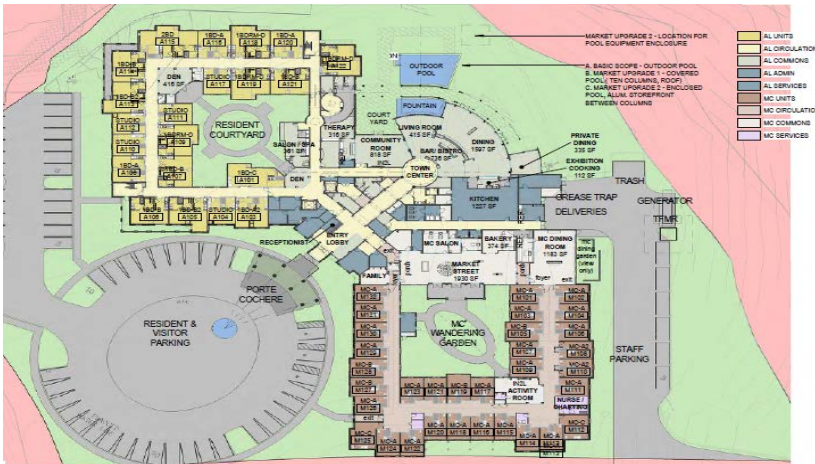


- Co-developing with third largest student housing developer in the US, with over 25,000 beds under management in 17 projects across the US by 2021
- Lot located 3 blocks north from Florida International University, the 4<sup>th</sup> largest university in the United States
- Mixed-use project with 625 beds in 187 units in a 15-story tower:
  - Units will range from 43 m<sup>2</sup> to 159 m<sup>2</sup> and will have an average rental price of \$33.7/m<sup>2</sup>
  - Includes 508 m<sup>2</sup> of retail space in the lobby
- Quadreal (large Canadian pension fund) is institutional investor
- Total Square footage: 44,100 m<sup>2</sup>
- Total land size: 4,572 m<sup>2</sup>
- Projected IRR: 20%+
- Projected multiple: 2.0x
- Total project cost: \$84.1M
- PARE contributed 25% of the GP required equity

# UNDER CONSTRUCTION: WATERCREST NEWNAN (EQUITY)



## Senior Housing in Newnan, Georgia



- Co-developing with joint venture partner, specialized operator developer Watercrest Senior Living Group
- Watercrest operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units
- Total building size: 8,407 m<sup>2</sup>
- Total land size: 35,207 m<sup>2</sup>
- Projected IRR: 25%+
- Projected multiple: 2.1x
- PARE contributed 90% of the required GP capital and 100% of the land cost
- Total project cost: \$29.4M
- Institutional investor is Waypoint Residential
- Construction financing to be provided by Rensasant Bank
- PARE contributed 90% of the GP required equity

# UNDER CONSTRUCTION: WATERCREST COLUMBIA (EQUITY)



## Senior Housing in Columbia, South Carolina



- Co-developing with joint venture partner, specialized operator developer Watercrest Senior Living Group
- Watercrest operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units
- Total building size: 8,407 m<sup>2</sup>
- Total land size: 23,472 m<sup>2</sup>
- Projected IRR: 25%+
- Projected multiple: 2.2x
- PARE contributed 90% of the required GP capital and 100% of the land cost
- Total project cost: \$29.1M
- Institutional investor is Titan Real Estate Investment Fund
- Construction financing to be provided by Bank of Texas
- PARE contributed 90% of the GP required equity

# UNDER CONSTRUCTION: PALM COAST (MEZZANINE)



## Senior Housing in Palm Coast, Florida



- Provided mezzanine loan in participation agreement with specialized healthcare mezzanine provider
- Property been developed by joint venture partner, Watercrest Senior Living Group
- Watercrest is a specialized operator developer, which operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- 100% Memory Care facility with 64 beds in 64 units
- Total building size: 4,250 m<sup>2</sup>.
- Total land size: 13,557 m<sup>2</sup>
- Projected IRR: 15%
- Projected multiple: 1.2x (payable in 10 months)
- PARE contributed 50% of the required mezzanine debt
- Total project cost: \$16.1M
- Institutional investor is Index International
- Construction financing provided by United Community Bank
- PARE contributed 17% of the mezzanine loan

# CLOSED: WATERCREST WINTER PARK (EQUITY)



## Senior Housing in Winter Park, Florida



- Co-developing with joint venture partner, specialized operator developer Watercrest Senior Living Group
- Watercrest operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units
- Total building size: 9,126 m<sup>2</sup>
- Total land size: 13,152 m<sup>2</sup>
- Projected IRR: 21%+
- Projected multiple: 2.0x
- Total project cost: \$32.8M
- Institutional investor to be confirmed
- Watercrest will provide guarantees to secure construction financing
- PARE to contribute 90% of the GP required equity, Watercrest to contribute 10%



# CLOSED: SOUTHPOINTE - SOUTH BEACH SNF (MEZZANINE)

## Skilled Nursing Facility in South Beach, Florida



- Co-participant in mezzanine loan with Contemporary Healthcare Capital (CHC)
- Mezzanine loan was used to finance acquisition of Skilled Nursing Facility licensed for 246 beds (230 beds operational), located on 42 Collins Avenue
- Sponsors own over 100 SNFs, 12,500 beds in 11 states
- Total building size: 5,830 m<sup>2</sup>
- Total land size: 3,020 m<sup>2</sup>
- Mezzanine Interest Rate: 30-Day Libor + 1,335 bps
- Maturity: 5 years
- Projected multiple: 1.75x
- Total project cost: \$36.8M
- Valley National Bank provided acquisition financing and obtained first mortgage
- Mezzanine loan is secured by second mortgage and personal guarantee of Sponsors
- PARE's participation of \$1.8M represents 47.8% of the total mezzanine loan extended by CHC

# UNDER CONTRACT: UNIV. OF MIAMI (EQUITY)



## Student Housing in Miami, Florida



- Co-developing with third largest student housing developer in the US, with over 25,000 beds under management in 17 projects across the US by 2021
- Secured lot on July 2017. Lot is located 1 block from University of Miami, the top private university in Florida
- Project is expected to have 708 beds in 208 units
- Total building size: 47,000 m<sup>2</sup>
- Total land size: 21,800 m<sup>2</sup>
- Projected IRR: 20%+
- Projected multiple: 1.86x
- PARE committed 25% of the GP required equity / CA Ventures committed 75%
- Quadreal (large Canadian pension fund) or Harrison Street Real Estate Capital expected to be institutional investor in project
- CA Ventures will provide guarantees to secure construction financing of 60-65% LTC
- PARE to contribute 25% of the GP required equity

# CONFIRMED: BLUFFTON (EQUITY)



## Senior Housing in Bluffton, South Carolina



- Co-developing with joint venture partner, specialized operator developer Watercrest Senior Living Group
- Watercrest operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units
- Total building size: 8,407 m<sup>2</sup>
- Total land size: 35,207 m<sup>2</sup>
- Projected IRR: 21%+
- Projected multiple: 2.0x
- PARE committed 90% of the required GP capital and 100% of the land cost
- Total project cost: \$27.2M
- Institutional investor to be confirmed
- Watercrest will provide guarantees to secure construction financing
- PARE to contribute 90% of the GP required equity

# CONFIRMED: RICHMOND (EQUITY)



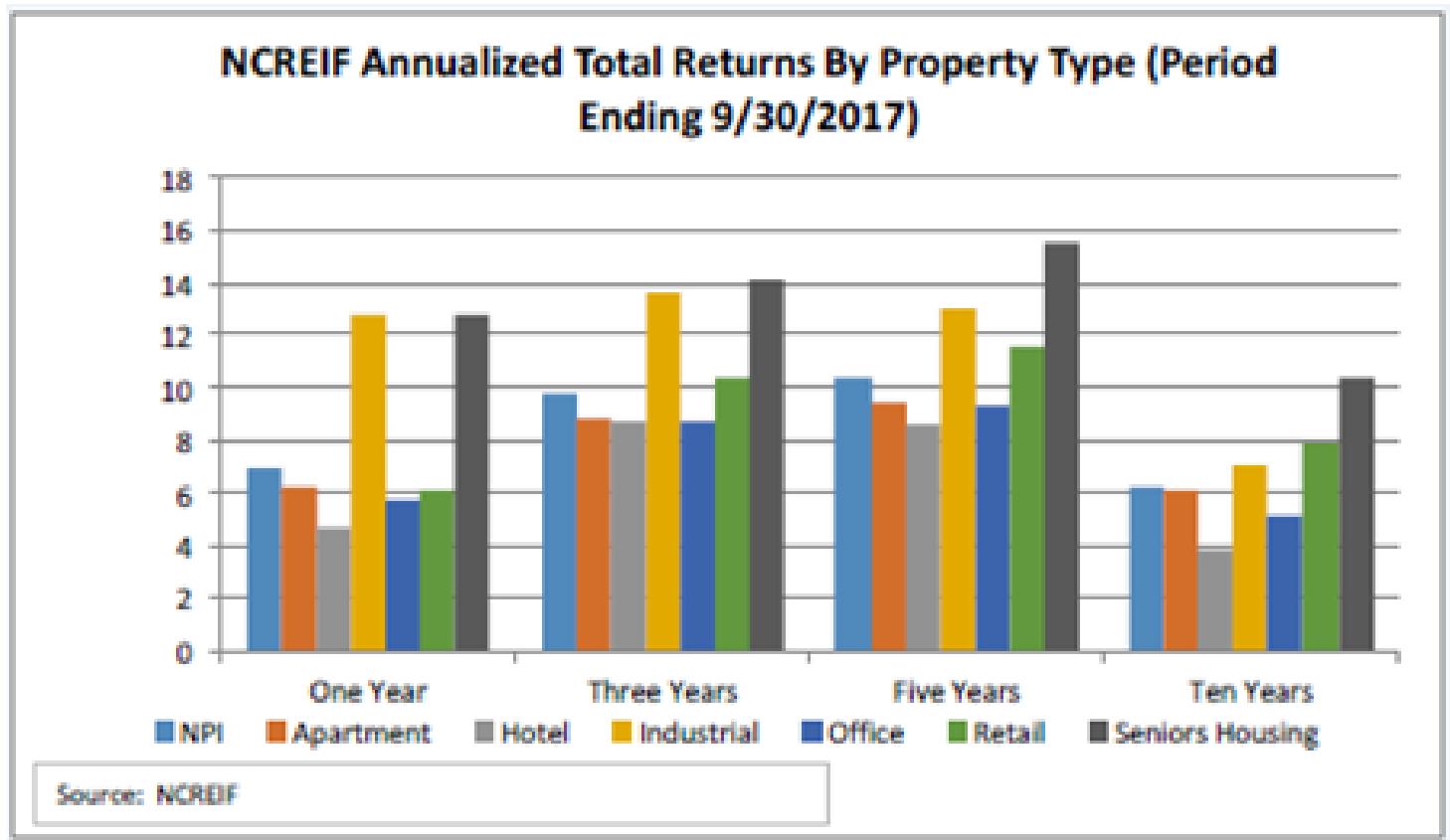
## Senior Housing in Richmond, Virginia



- Co-developing with joint venture partner, specialized operator developer Watercrest Senior Living Group
- Watercrest operates 4 assisted living and memory care facilities in Florida, and is developing 6 more in the Southeast
- A mixed Assisted Living and Memory Care facility, with 75 assisted living units and 32 memory care units
- Total building size: 8,407 m<sup>2</sup>
- Total land size: 35,207 m<sup>2</sup>
- Projected IRR: 24%+
- Projected multiple: 2.1x
- PARE committed 90% of the required GP capital and 100% of the land cost
- Total project cost: \$29.2M
- Institutional investor to be confirmed
- Watercrest will provide guarantees to secure construction financing
- PARE to contribute 90% of the GP required equity

**Backup**

# SENIOR HOUSING HAS OUTPERFORMED ALL OTHER REAL ESTATE SECTORS FOR THE PAST 10 YEARS



# STUDENT HOUSING HAS ATTRACTED SIGNIFICANT INSTITUTIONAL ATTENTION IN RECENT YEARS, INCLUDING FOREIGN CAPITAL



Sovereign wealth funds quadruple investment in student housing

February 11, 2018

## THE WALL STREET JOURNAL.

Foreign Investors Pile Into U.S. Student Housing

February 27, 2018

## The New York Times

*A Rush to Meet Rising Demand, and Expectations, for Student Housing*

February 28, 2017