

CENTER CREEK
CAPITAL GROUP

A New Approach to Affordable Housing

Press Package – June 23, 2022

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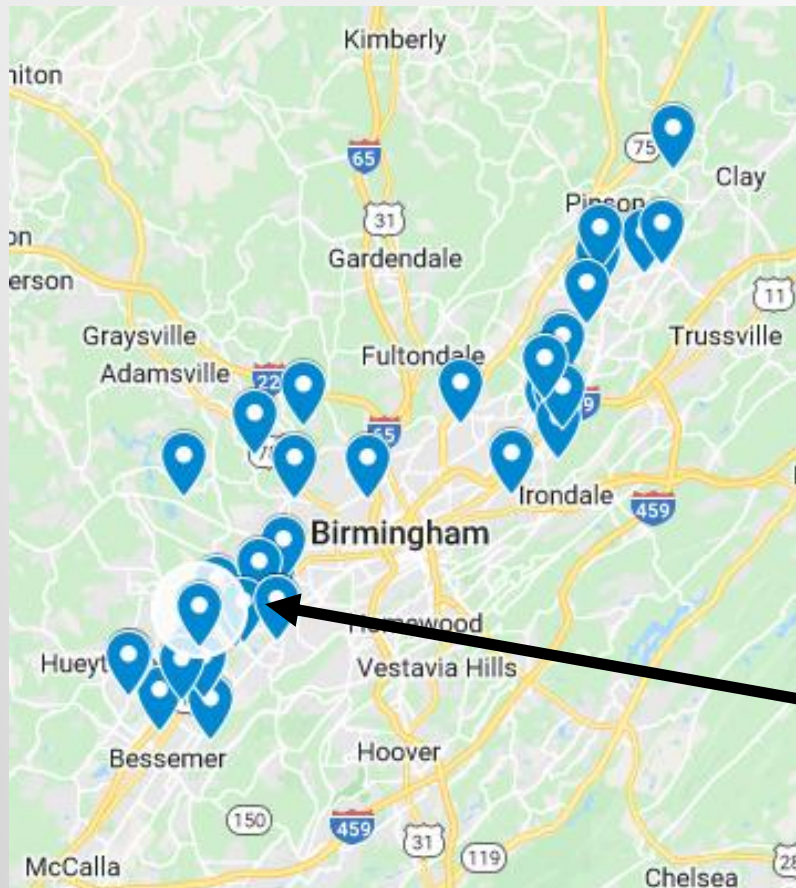
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Center Creek Housing Fund Summary

- Center Creek Housing Fund III buys distressed single family properties, renovates them to create quality rentals
- 90%+ of rentals are affordable to low/moderate income residents at 80% of the Area Median Income (AMI).
- Center Creek currently owns 43 homes in Birmingham and has invested over \$4.9m in underserved communities
 - Plan to continue investing in Birmingham and acquire 100+ homes
- Average income in our active neighborhoods is 67% of AMI
- Average minority population is 77%

Center Creek's Commitment to Birmingham



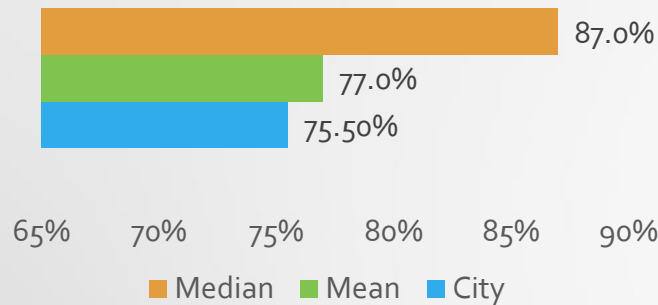
Number of Center Creek Properties:	43
Affordable at/below 80% of AMI:	98%
Average Rent:	\$1048
Average Income by census tract as a % of MSA AMI:	67%
Average Census Tract Minority Percentage:	77%
Amount Invested in Renovating Houses:	\$1.3 million
Total Amount Invested:	\$4.9 million

Today's featured property:

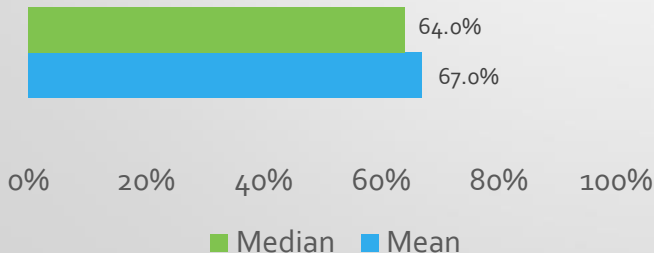
506 Westfield Dr
3BD/2BA, 1548 Sq Ft

Center Creek Invests in Majority-Minority and Low/Mod Income Census Tracts in Birmingham

Minority Population in Center Creek Birmingham Census Tracts



Tract Median Family Income as a % of MSA Average Family Income



- We looked at minority population and tract median family income in our portfolio by census tract using 2021 FFIEC data
- Almost all of Center Creek Housing Fund III houses are in majority-minority neighborhoods
- We are active in neighborhoods that have a higher percentage of minorities than the Birmingham average
- In Birmingham, Center Creek invests in areas where the median minority percentage is 87%, compared to market average of 77%
- Center Creek is active in census tracts where the median family income is 64%, compared to Birmingham mean of 67%
- These neighborhoods are traditionally underserved in terms of investment as well as housing opportunities for residents

Center Creek Property Highlight: 506 Westfield Dr, Fairfield, AL 35064

506 Westfield Dr, Fairfield, AL 35064



3BD/2BA, 1548 Sq Ft

Purchase Date:	January 28, 2022
Purchase/Closing:	\$88,900
Total Cost Invested:	\$41,375
Estimated Rent:	\$1170
Affordable at/below 80% of AMI:	Yes
Census Tract Median Family Income % of AMI:	81.7%
Census Tract Minority %:	91.3%

Rehabilitation Strategy:

Interior: Installed new kitchen appliances, installed new kitchen countertops, replaced toilets, replaced bathroom mirrors, replaced bathroom sinks, repaired windows, installed new lighting, replaced bathroom flooring, repaired drywall, installed new flooring throughout the unit, conducted full interior paint

Exterior: Removed failing deck, repaired roof, power-washed exterior, installed new door, performed select landscaping, full exterior paint

Systems: Installed new lighting, repaired plumbing, replaced HVAC and water heater

506 Westfield, Fairfield, AL: Exterior



Before



After

506 Westfield, Fairfield, AL : Kitchen (1)



Before



After

506 Westfield, Fairfield, AL : Kitchen (2)

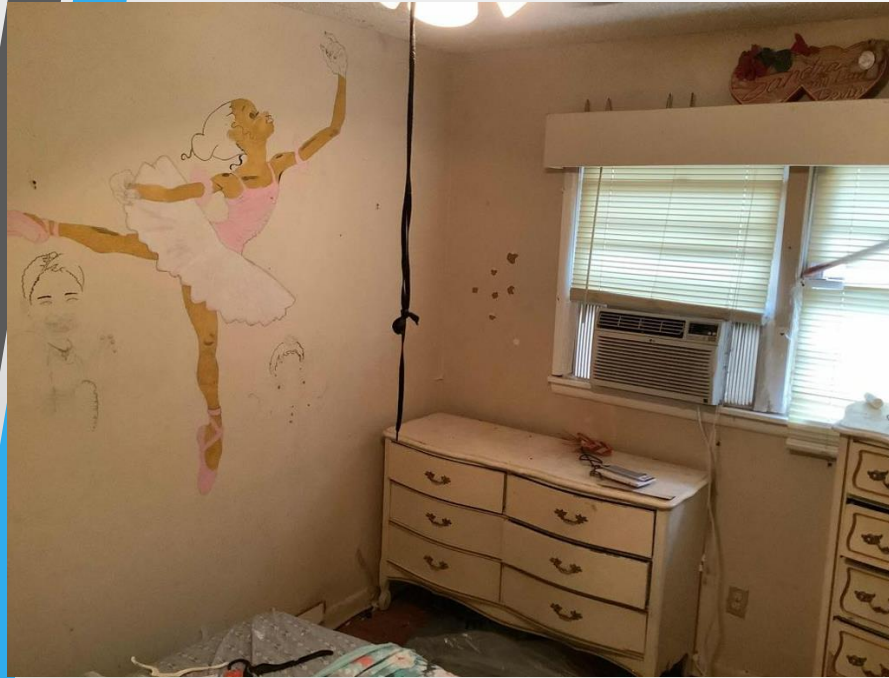


Before



After

506 Westfield Dr, Fairfield, AL: Bedroom



Before



After

506 Westfield, Fairfield, AL: Bathroom



Before

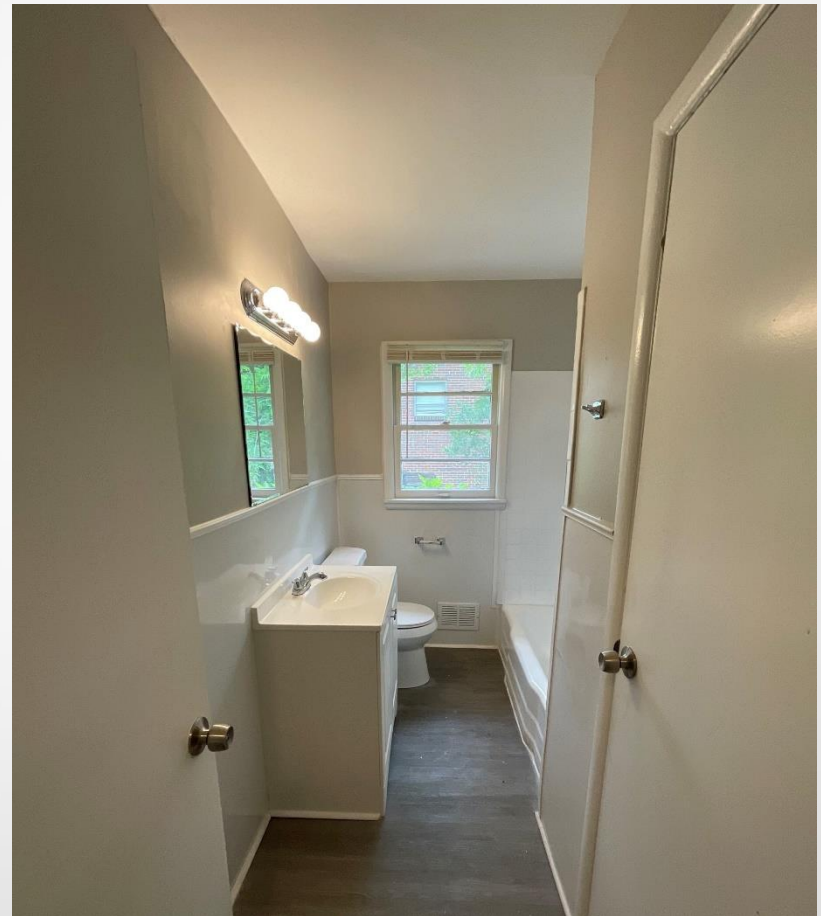


After

506 Westfield, Fairfield, AL: Bathroom



Before



After

506 Westfield, Fairfield, AL: New Kitchen Appliances



506 Westfield, Fairfield, AL: Exterior



Before



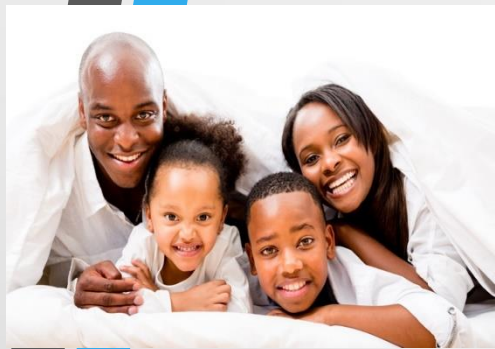
After

506 Westfield, Fairfield, AL: System Replacements



About Center Creek: Affordable Single-Family Rental (SFR) Platform

Innovative, Market-Driven Solution to Affordable Housing Offers Scalable Housing Solution



The Center Creek Value Proposition:

Attracting private capital via profitable investments in SFR provides a scalable solution to the affordable housing crisis

The Investment Case and the Mission Case

- Generate returns to investors through cash yields, housing price appreciation (HPA), leverage, and cap rate compression
- Invest the majority of our capital into census tracts where the median income is at or below 80% of AMI and are also majority-minority tracts.
- By providing a quality affordable living to our residents we decrease turnover, which reduces vacancy and the costs associated with turnover
- Our resident services also help us attract tenants who stay longer and maintain the houses better



Compelling Investment Addresses a Pressing Community Need

Mission-oriented investment firm renovates distressed homes to create affordable single-family rentals



The Biggest Secret Hiding in Plain Sight

- Severe nationwide shortage of affordable housing
- Most housing advocates think that “Affordable Housing” = apartments
- Yet, 55% of all rentals in the US are single family dwellings
- Solving the crisis: Cannot ignore 1/2 the addressable market

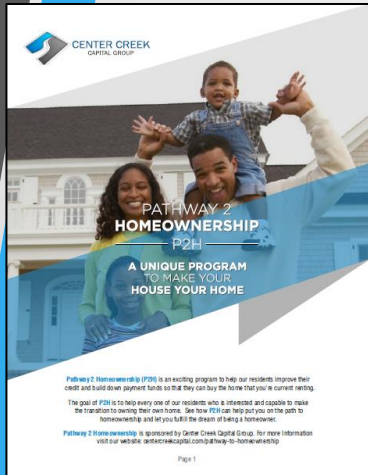
Center Creek Solution: Affordable Single-Family Rentals (SFR)

- Center Creek’s avg SFR: 3.3 bedrooms, 2.0 bathrooms and ~1500 sq ft
- Extra bedrooms, living space, parking, central AC, and yards
- Not just a rental but a home
- Win-win: stability to residents and lower turnover/operating costs for investors



Housing: Delivery Mechanism for Economic Inclusion and Racial Equity

- **Affordable Housing:** CCHFIII provides quality housing to low/moderate income working families – 90% of our units are affordable below 80% of AMI
- Housing offers the foundation of stability to improve residents' lives



- **Racial Equity & Inclusion:** Center Creek focuses on underserved neighborhoods and more than 90% of its residents are Black or Latino
- Center Creek's Pathway 2 Home Ownership program helps residents to purchase their rental homes and build generational wealth
- Center Creek Internet Connections offers internet connectivity and a device to each residence that cannot otherwise get online

- **Environmental Impact:** Reclaiming distressed housing stock has a far smaller environmental impact than new construction
- Center Creek's renovations also reduce the home's environmental footprint and lower ongoing utility costs for residents



Focus on Underserved Neighborhoods, 90%+ of our Residents are Black or Latino

Pathway to Homeownership (P2H): Economic Inclusion Program



PATHWAY 2 HOMEOWNERSHIP — P2H —

**A UNIQUE PROGRAM
TO MAKE YOUR
HOUSE YOUR HOME**

Pathway 2 Homeownership (P2H) is an exciting program to help our residents improve their credit and build down payment funds so that they can buy the home that you're current renting.

The goal of P2H is to help every one of our residents who is interested and capable to make the transition to owning their own home. See how P2H can help put you on the path to homeownership and let you fulfill the dream of being a homeowner.

Pathway 2 Homeownership is sponsored by Center Creek Capital Group. For more information visit our website: centercreekcapital.com/pathway-to-homeownership

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Pathway to Homeownership

- CCHF II's Pathway to Homeownership will help residents save for a down payment and improve their credit score so they can buy their house
- Keeps residents in the property that they current rent– supports social stability and continuity in their neighborhood, local schools, etc.
- Freddie Mac has agreed to fund savings match and credit counseling for Center Creek residents

Benefits to Resident

- All-in mortgage payment may be lower than their rent payment, reducing the resident's costs
- Innovative way to strengthen the resident's financial/credit position so they can begin homeownership and build assets over time
- See our Resident marketing video here <https://centercreekcapital.com/pathway-to-homeownership/>

Benefits to Investors

- Providing opportunity to residents to purchase their home can reduce turnover and vacancy rates – key drivers of portfolio profitability
- Selling to residents can provide 6-8% higher sales execution – reducing costs and liquidity discount needed to sell to yield focused investors

Unique program is win-win for residents and investors

Center Creek Internet Connections



- Center Creek is committed to making sure each of our households has internet access
- Bridging the digital divide is even more critical given COVID-related remote schooling
- We are connecting our residents to existing programs offered by school districts offering broadband access and laptops/tablets
- For those without public school aged students or who otherwise don't qualify, we created the Center Creek Internet Connections
 - Center Creek provides broadband connections and either a laptop or tablet to each household
- Program includes:
 - 12-months of internet service funded by Center Creek
 - Center Creek supplied laptop/tablet is the resident's to keep forever

Experienced Management Team



Dan Magder
Managing Partner



Greg Shron
EVP & COO



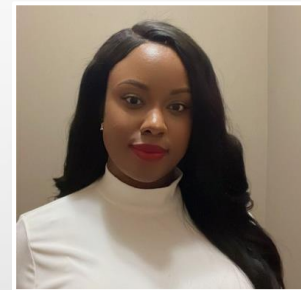
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