

Comparison Of Liquidity In Smaller Assets + Markets



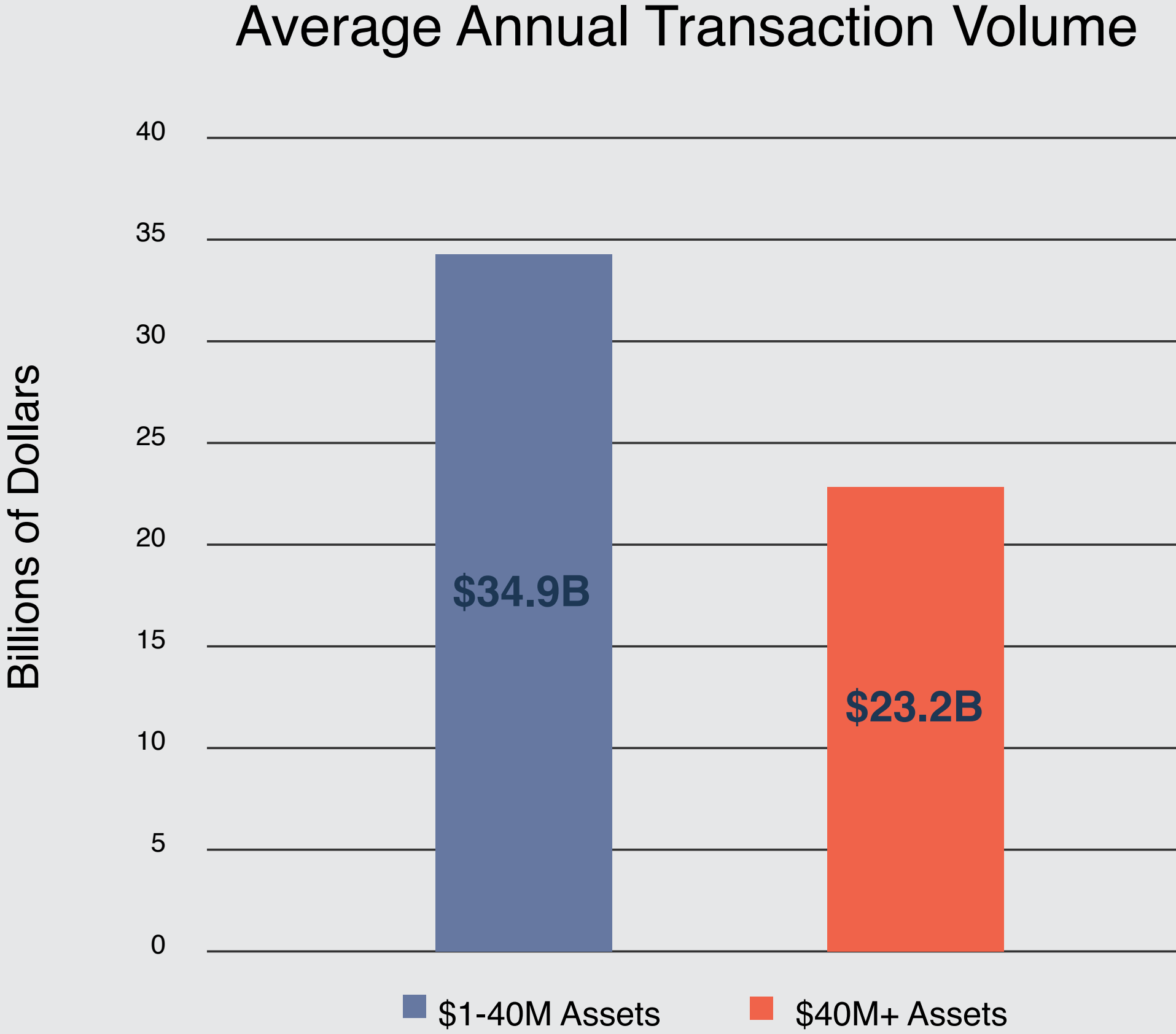
KEY OBSERVATIONS

- 1** Green Street released a report in early 2024 highlighting the continued resiliency of sales activity of smaller assets outperforming disposition rates of larger assets over multiple cycles, as well as 2023.
- 2** Graceada Partners has experienced smaller asset sales being more liquid than larger asset sales over the 16 years of its existence.
- 3** In utilizing CoStar data from 1Q 2006 - 1Q2024, Graceada measured the liquidity of smaller (\$1-40M) and larger (\$40M+) asset sales during the GFC, Pandemic, and recent rate hike environment in the Western United States.
- 4** Liquidity metrics utilized were:
 - Average Annual Transaction Volume (p. 3)
 - Volatility in Transaction Volume (p. 4)
 - Peak to trough percentage decline (p. 5)
- 5** Analysis results demonstrate greater liquidity in smaller assets sales, attributed primarily to larger buyer pools available (private and institutional investors) and the fact that private capital seller & buyer motivations are often external to market timing and price optimization.

Appendix - Data for just secondary and tertiary markets in the Western United States analyzed the same metrics with very similar results.

AVERAGE ANNUAL TRANSACTION VOLUME

Western United States



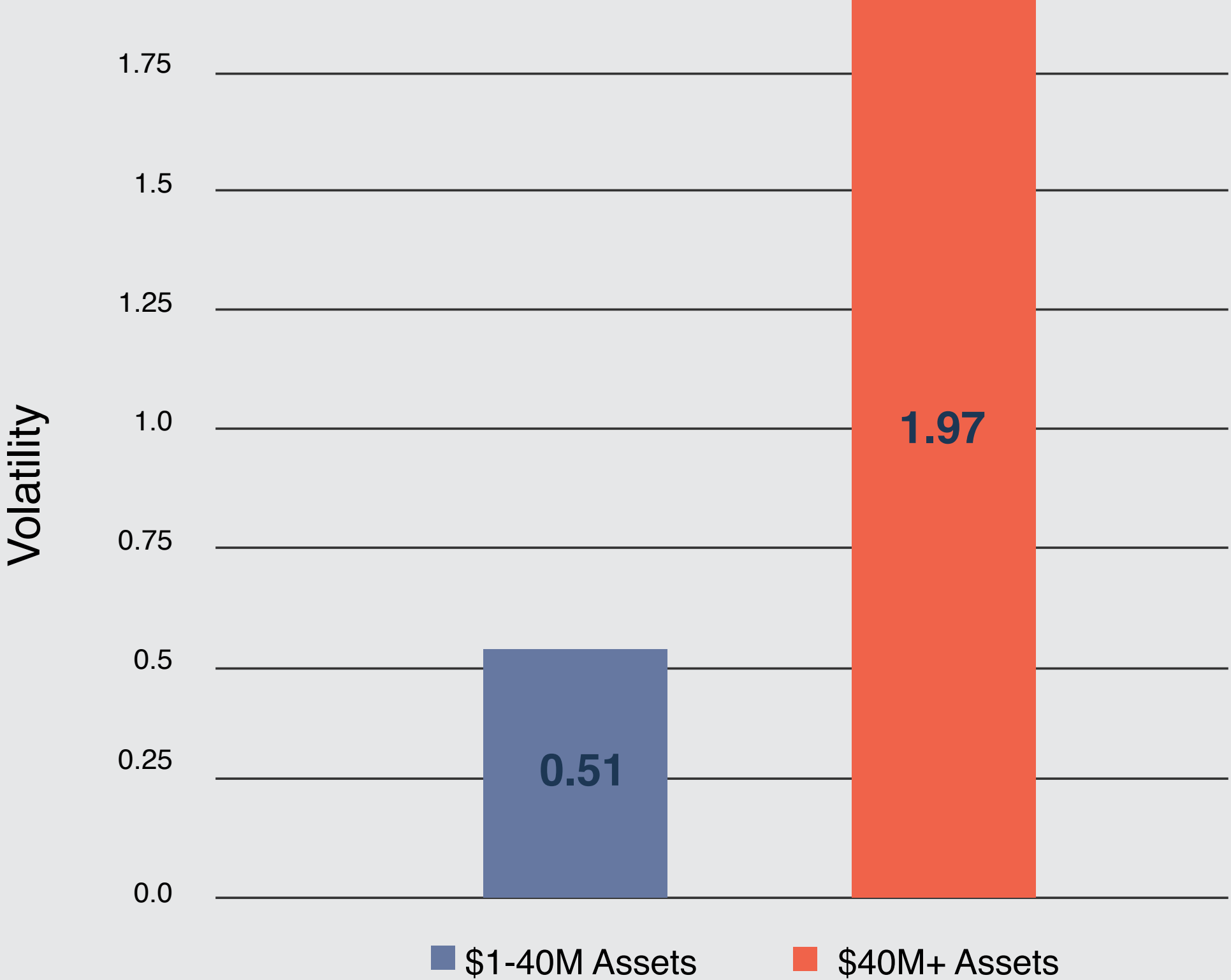
2006 to present, source: Costar

Asset Size	Average Annual Transaction Volume
\$1-40M	\$34.9B
\$40M+	\$23.2B

VOLATILITY IN TRANSACTION VOLUME

Western United States

Volatility in Transaction Volume



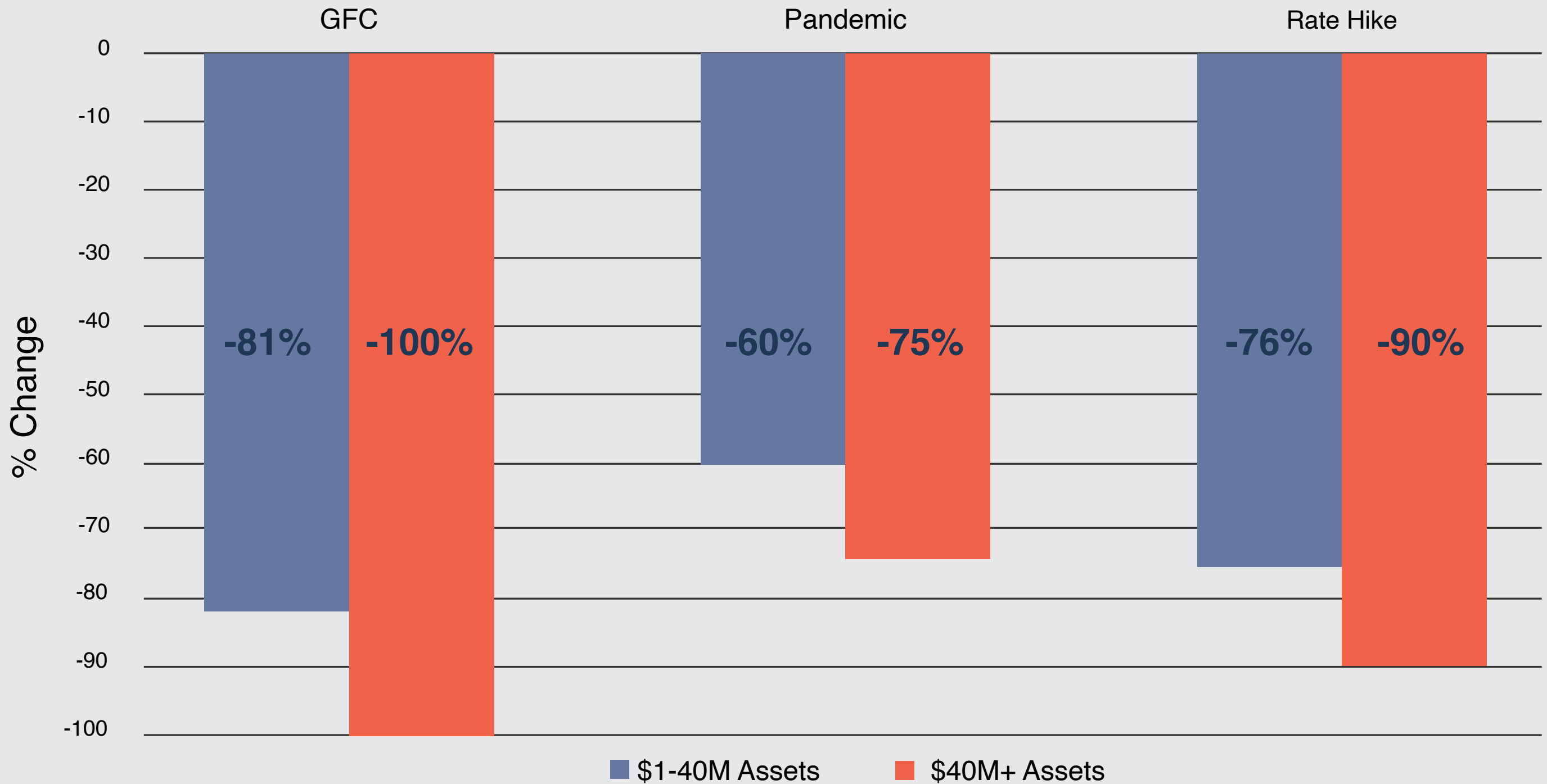
Standard deviation, 2006 to present, source: Costar

Asset Size	Volatility in Transaction Volume
\$1-40M	0.51
\$40M+	1.97

PEAK TO TROUGH % DECLINE

Western United States

Peak to Trough Decline in Quarterly Transaction Volume



2006 to present, source: Costar

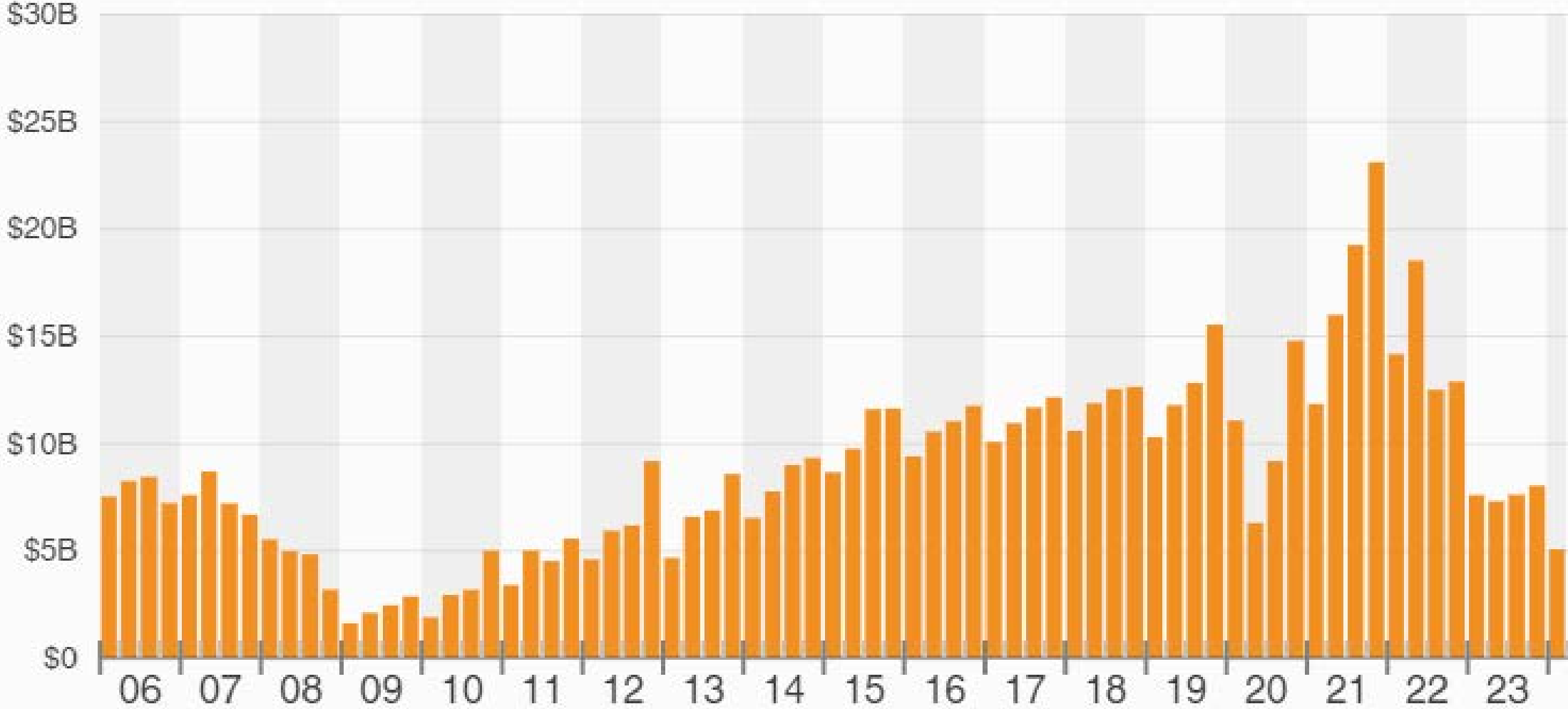
Peak to Trough Decline in Quarterly Transaction Volume

Asset Size	GFC	Pandemic	Rate Hike
\$1-40M	-81%	-60%	-76%
\$40M+	-100%	-75%	-90%

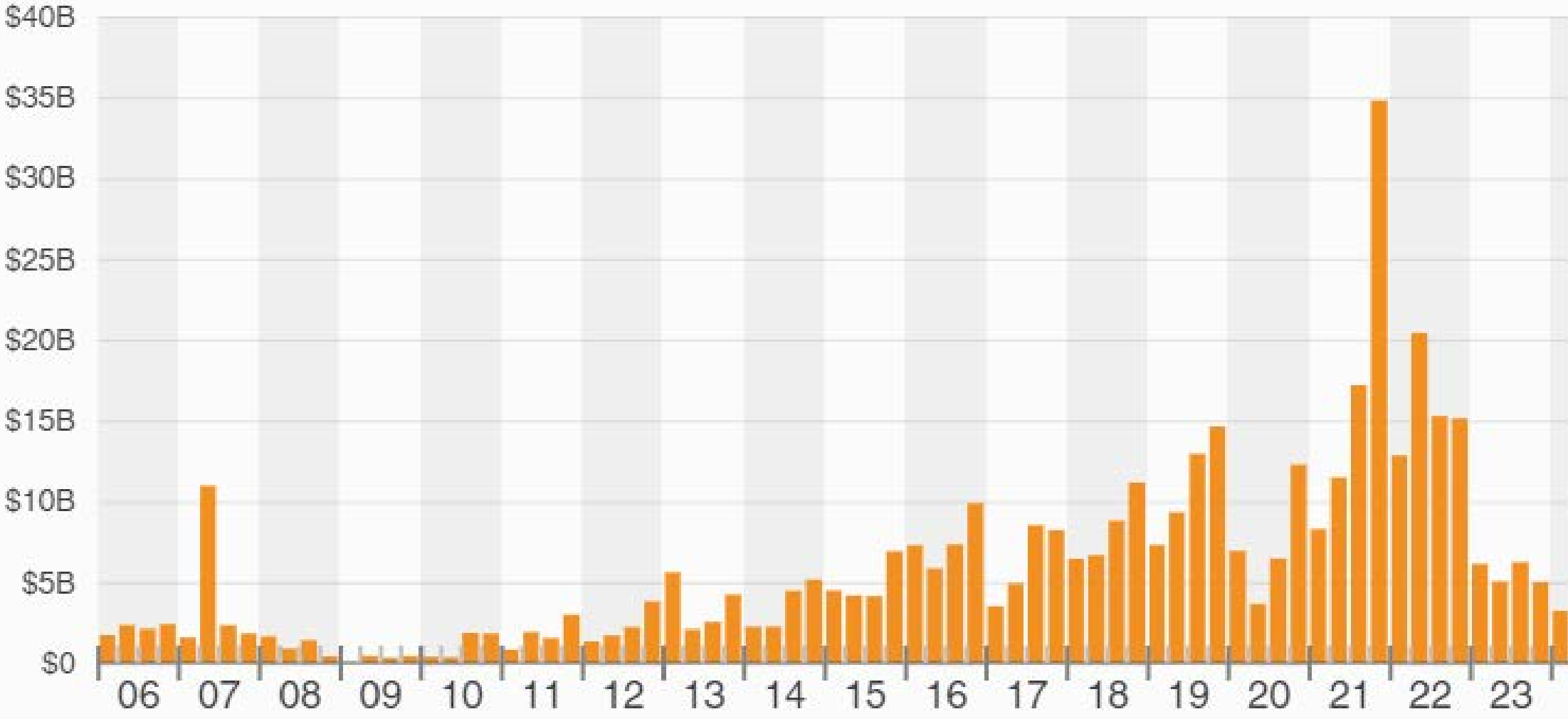


COMPARISON OF LIQUIDITY IN SMALLER ASSETS + MARKETS

Western United States



Sales Volume
\$1-40M Assets
Source: CoStar



Sales Volume
\$40M+ Assets
Source: CoStar

**GRACEADA
PARTNERS**

Market Liquidity Case Study 2023



OVERVIEW

Graceada, which invests in deal sizes in its markets in the \$10M-\$50M range, experienced robust sales efforts with its two dispositions in 2023, consistent with its previous years' experience. Minimum Gross Returns of 26% IRR and 1.7x Equity multiple were realized for investors.

Additional information for these dispositions, including a full list of buyers who entered the data room, as well as institutional and private equity owners in these specific markets, are noted in the following pages.

Summary information of dispositions

The Edge • Multifamily • Tertiary Market

104

Buyers
accessed the
data room

46%

Institutional/
syndicators

54%

Private

12

Total offers

5

“Best and Final”
with even mix of
buyer types

915 B Street • Multitenant Industrial • Secondary Market

49

Buyers
accessed the
data room

92%

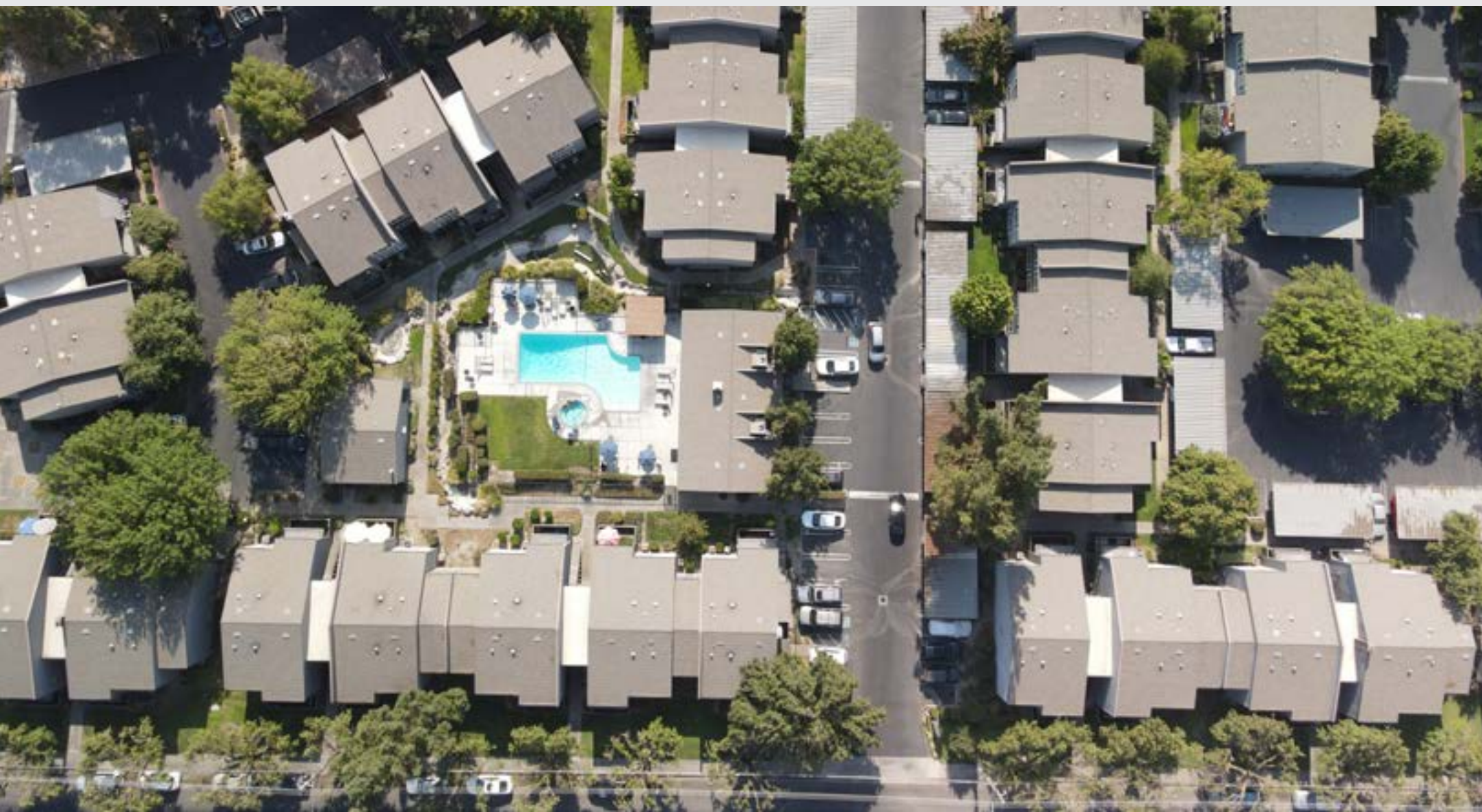
Institutional/
syndicators

6

Total offers

4

“Best and Final”
all institutional/
syndicators

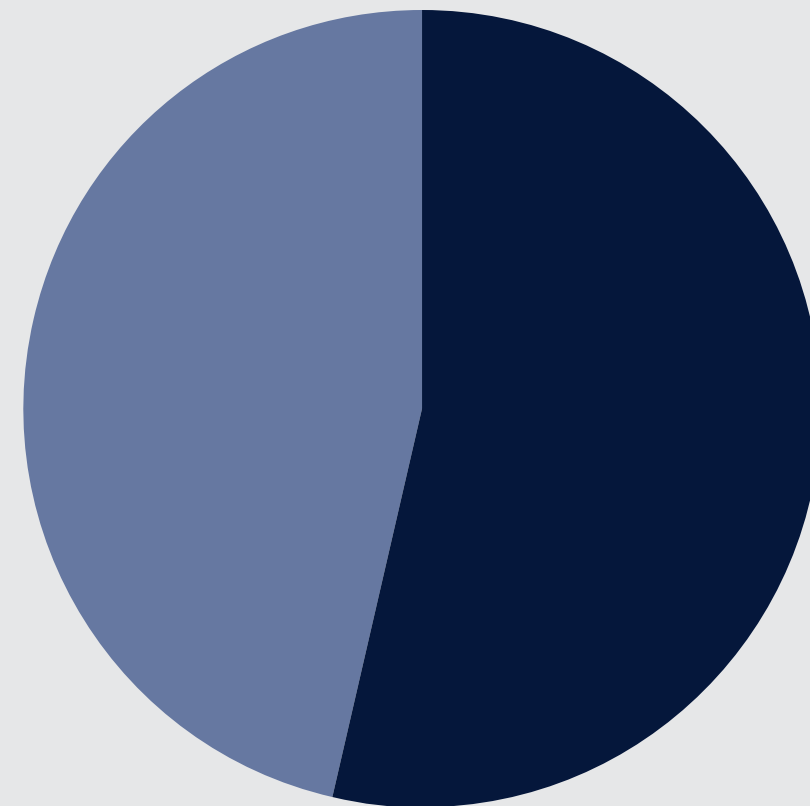




 Modesto, CA

THE EDGE AT LAKEWOOD

- 196 multifamily units
- Sold December 2023
- Sales price of \$42.7 million
- Gross IRR of 26%/Equity Multiple of 1.78x



104 buyers accessed the data room

46% were institutional/syndicators

54% were high net worth individuals/families

Partial list of buyers who accessed the data room

- JRK Property Holdings
- Ascenda Capital
- Winn Companies
- Grupe Company
- The Bascom Group
- Abacus Capital Group
- Cahill Realty
- Post Investment Group
- Conam Investment Group
- Afton Properties
- FPA Multifamily
- IDEAL Capital Group
- The Lighthouse Group
- Clear Capital LLC
- Livcor
- KH Equities
- GSF Properties Inc
- Lincoln Avenue Capital
- Valiance Capital
- Tesseract Capital Group
- Tilden Properties
- The Connected Companies
- American Community Developers Inc
- GHC Housing Partners
- Essex Property Trust
- American Hospitality Services
- Magma Equities
- Horizon Realty Advisors
- Glencrest Realty Group
- American Capital Group
- Sack Properties
- Realty Mogul
- Concord Real Estate Services
- Brixton Capital
- Rockview Capital
- Palma Capital Investments
- Stratford Partners
- Vital-Housing
- Allmark Inc
- Hudson Capital Management
- Stafford partners
- Bldg Partners
- Brickwell
- Rio Company
- Post Investments
- Catalyst Housing
- Redhill Realty
- MBK Homes

THE EDGE AT LAKEWOOD

Buyers who offered (Best & Final Offers Highlighted)

Buyer	Buyer Type
KDF Properties - E. Kopple	Private
Nut Farmers - N. Ichaki	Private
FPA Multifamily - D. Aschbacher	Syndicator
The Bascom Group LLC - J. Singleton	Syndicator
Afton Holdings Acquisitions LLC - R. Gradon	Private
American Capital Group - K. Lim	Institutional
Archimedes Asset Management Inc - L. Myers III	Private
Diamond Court - P. Mayer	Private
Orca Capital - J. Unger	Private
Glencrest Realty - J. Adair	Institutional
TMP Properties - T. Patrick III	Private
Archway Equities - S. Moghavam	Syndicator

Institutional/Private Equity Owners in the Market

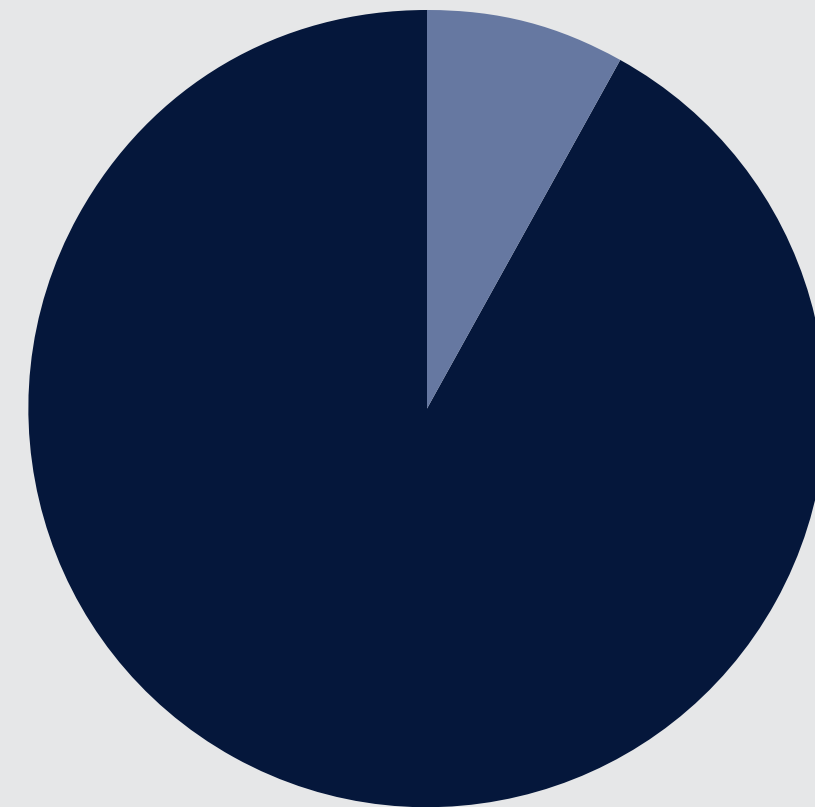
Company	HQ Location
JRK Property Holdings	Los Angeles, CA
Ascenda Capital	Los Angeles, CA
Winn Companies	Boston, MA
Grupe Company	Stockton, CA
The Bascom Group	Irvine, CA
Abacus Capital Group	Los Angeles, CA
Cahill Realty	Los Angeles, CA
Post Investment Group	Los Angeles, CA
Conam Investment Group	Fresno, CA
Afton Properties	Los Angeles, CA
FPA Multifamily	San Francisco, CA
IDEAL Capital Group	Clovis, CA
The Lighthouse Group	Los Angeles, CA
Clear Capital LLC	Los Angeles, CA
Livcor	Chicago, CA
KH Equities	Los Angeles, CA
GSF Properties Inc	Fresno, CA
Lincoln Avenue Capital	New York, NY
Valiance Capital	Berkeley, CA
Tesseract Capital Group	San Francisco, CA
Tilden Properties	Walnut Creek, CA



Sacramento, CA

915 B STREET

- 108,960 SF industrial property
- Sold May 2023
- Sales price of \$12.5 million
- Gross IRR of 33%/Equity Multiple of 1.70x



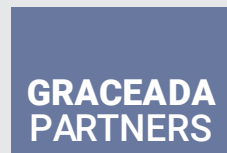
49 buyers accessed the data room

92% were institutional/syndicators

8% were high net worth individuals/families

Partial list of buyers who accessed the data room

- AD Realty Advisors, Inc.
- Dornin Investment Group
- Dunleer
- Dylan Investments
- Jewell Capital, LLC
- Seagate Properties
- Soma Capital Partners
- Commercial Parks
- Meadows Asset Management, LLC
- Metropolis Partners Inc
- Transtar Commercial
- Brennan Investment Group
- Cruzan
- Greenlaw Acquisitions Two, LLC
- JADE Enterprises LLC
- Kennedy Wilson
- Kingsbarn Realty Capital
- LDK Ventures
- Maxxam Enterprises
- Milan Capital Management, Inc.
- Miramar Capital
- Orton Development
- PCCP
- Rising Realty Partners
- Riverside Capital Realty
- ScanlanKemperBard Companies LLC
- Sutter Capital Group
- TA Realty
- The Bendetti Company
- The Koll Company
- Tidewater Capital
- Ares
- Crosse Partners
- EQT Exeter
- Four Column Investment LLC
- Kader Investments, Inc
- Saber Realty Advisors
- The Roxborough Group
- Urban West Ventures
- Eberle Company
- MacLaughlin and Company
- Rubicon Point Partners



Graceada Partners

915 B STREET

Buyers who offered (Best & Final Offers Highlighted)

Buyer	Buyer Type
Jewell Capital	Syndication
Soma Capital Partners	Institutional
Seagate Properties	Institutional
Dornin Investment Group	Institutional
Dylan Investments	Private
STG Asset Management	Institutional

Institutional/Private Equity Owners in the Market

Company	HQ Location
Westcore	San Diego, CA
Pacific Properties Group	Los Angeles, CA
LBA Logistics	Irvine, CA
Seagate Properties	San Rafael, CA
SOMA Capital Partners	San Francisco, CA
Fortress Investment Group	New York, NY
Panattoni	Irvine, CA
Bayside Properties	Laguna Beach, CA
Berkeley Partners	Oakland, CA

GRACEADA
PARTNERS

Appendix

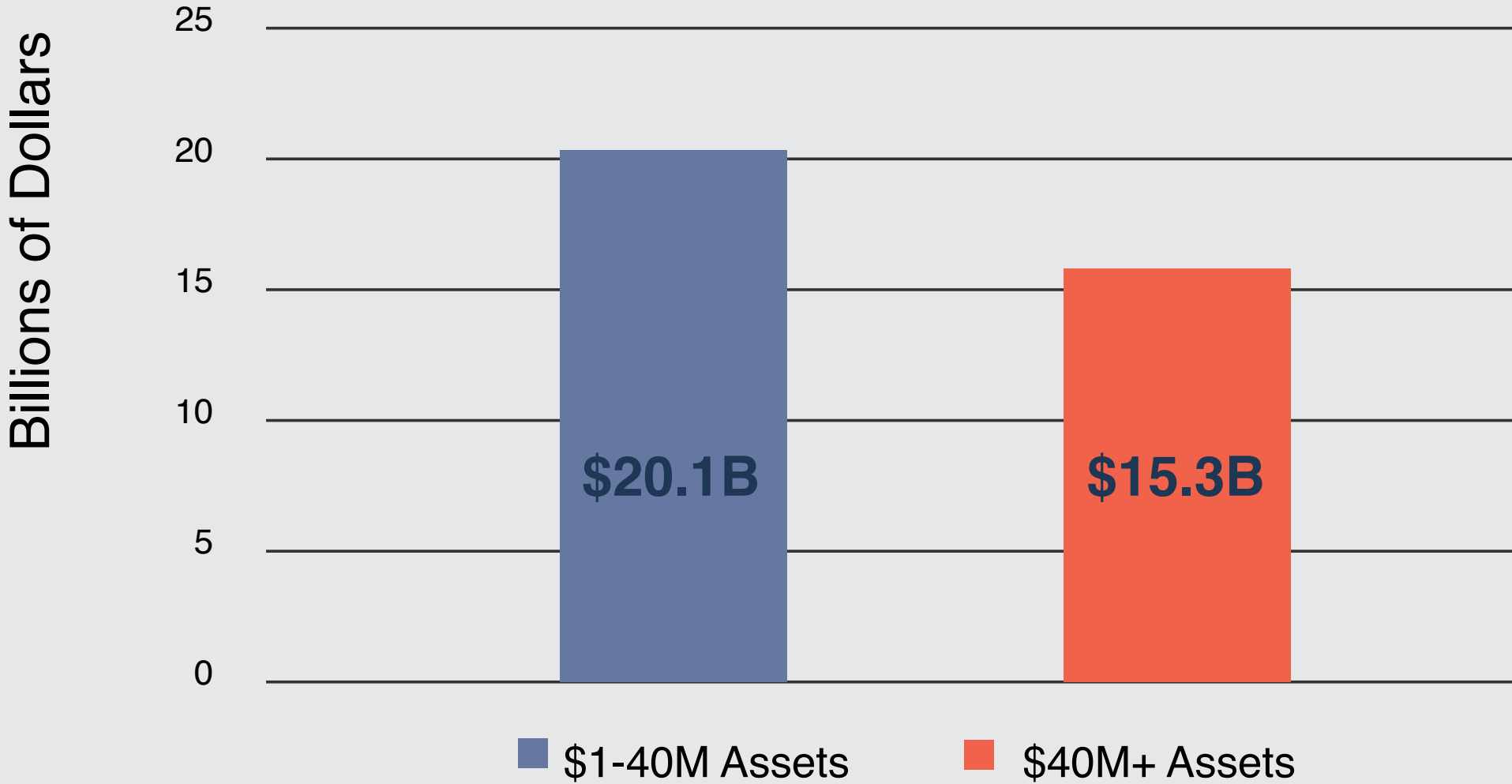
Data for only secondary and tertiary
markets in the Western United States



AVERAGE ANNUAL TRANSACTION VOLUME

Western United States
Secondary & Tertiary Markets

Average Annual Transaction Volume



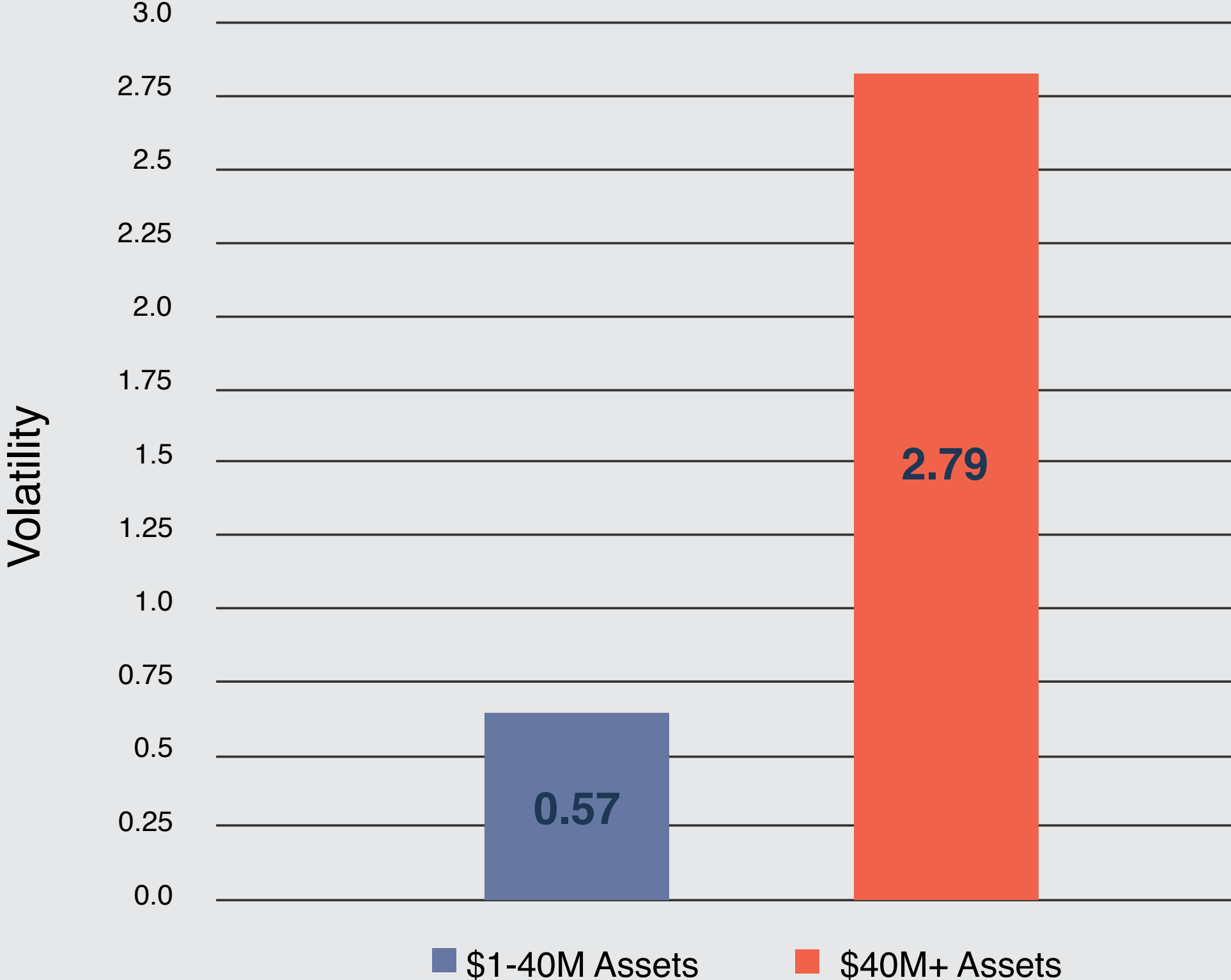
2006 to present, source: Costar

Asset Size	Average Annual Transaction Volume
\$1-40M	\$20.1B
\$40M+	\$15.3B

VOLATILITY IN TRANSACTION VOLUME

Western United States
Secondary & Tertiary Markets

Volatility in Transaction Volume



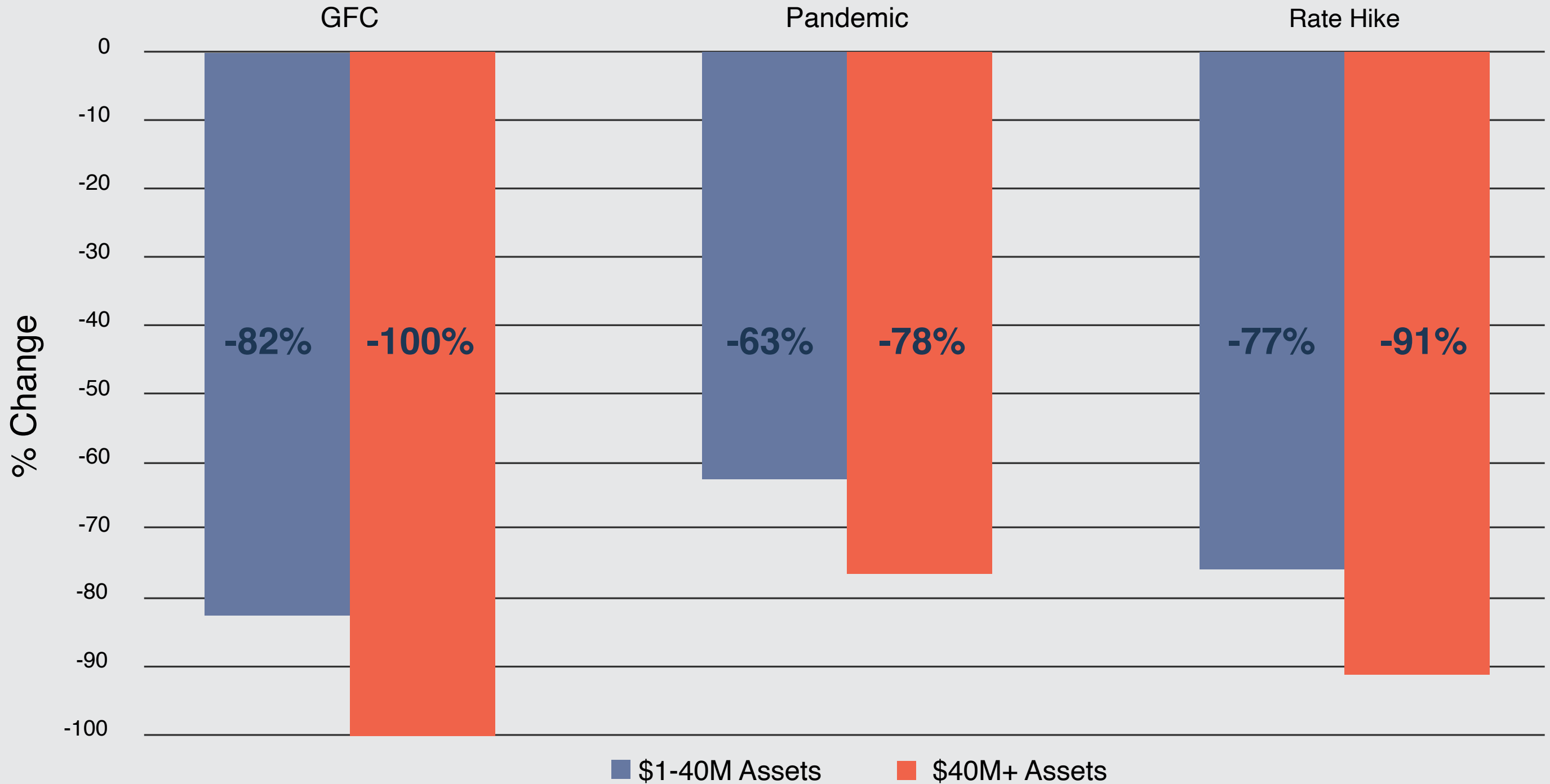
Standard deviation, 2006 to present, source: Costar

Asset Size	Volatility in Transaction Volume
\$1-40M	0.57
\$40M+	2.79

PEAK TO TROUGH % DECLINE

Western United States Secondary & Tertiary Markets

Peak to Trough Decline in Quarterly
Transaction Volume



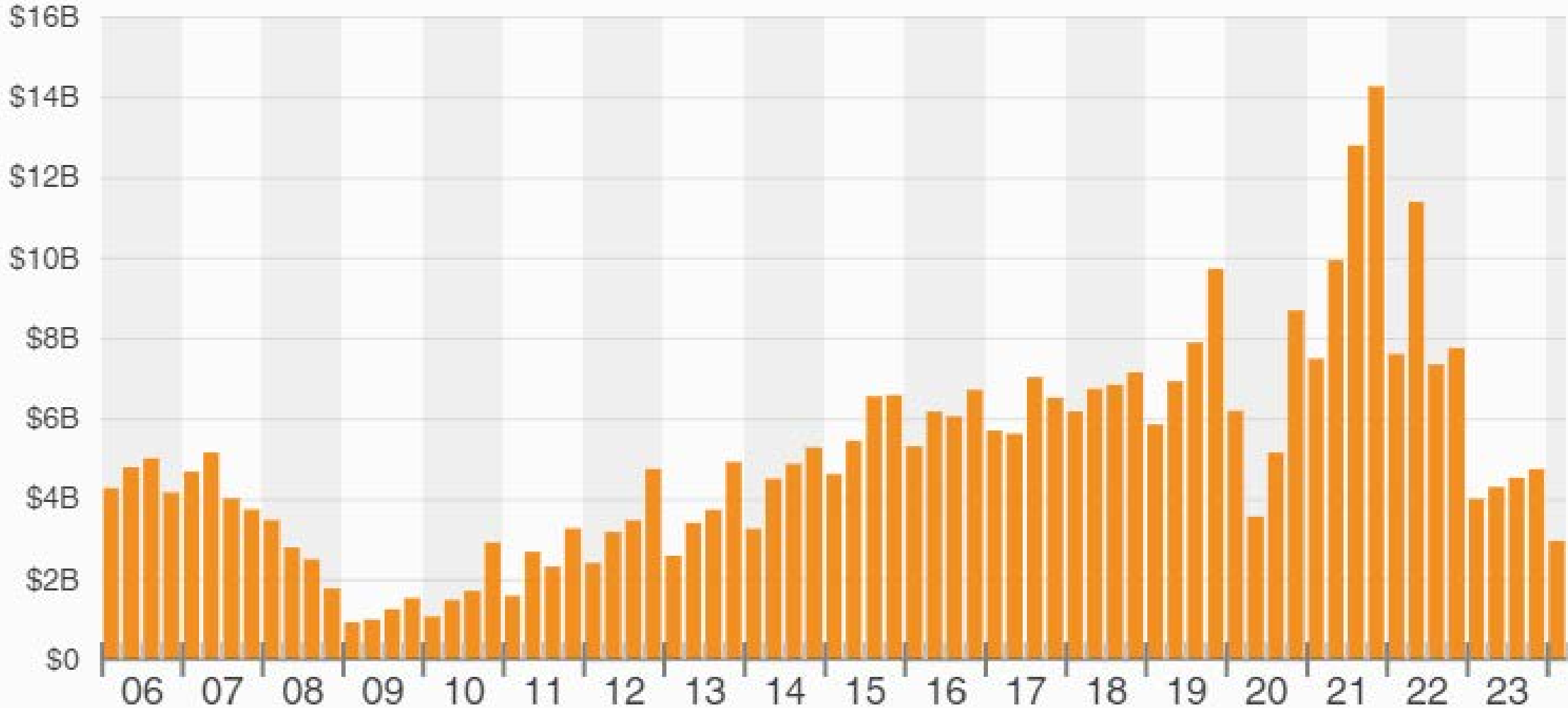
2006 to present, source: Costar

Peak to Trough Decline in Quarterly
Transaction Volume

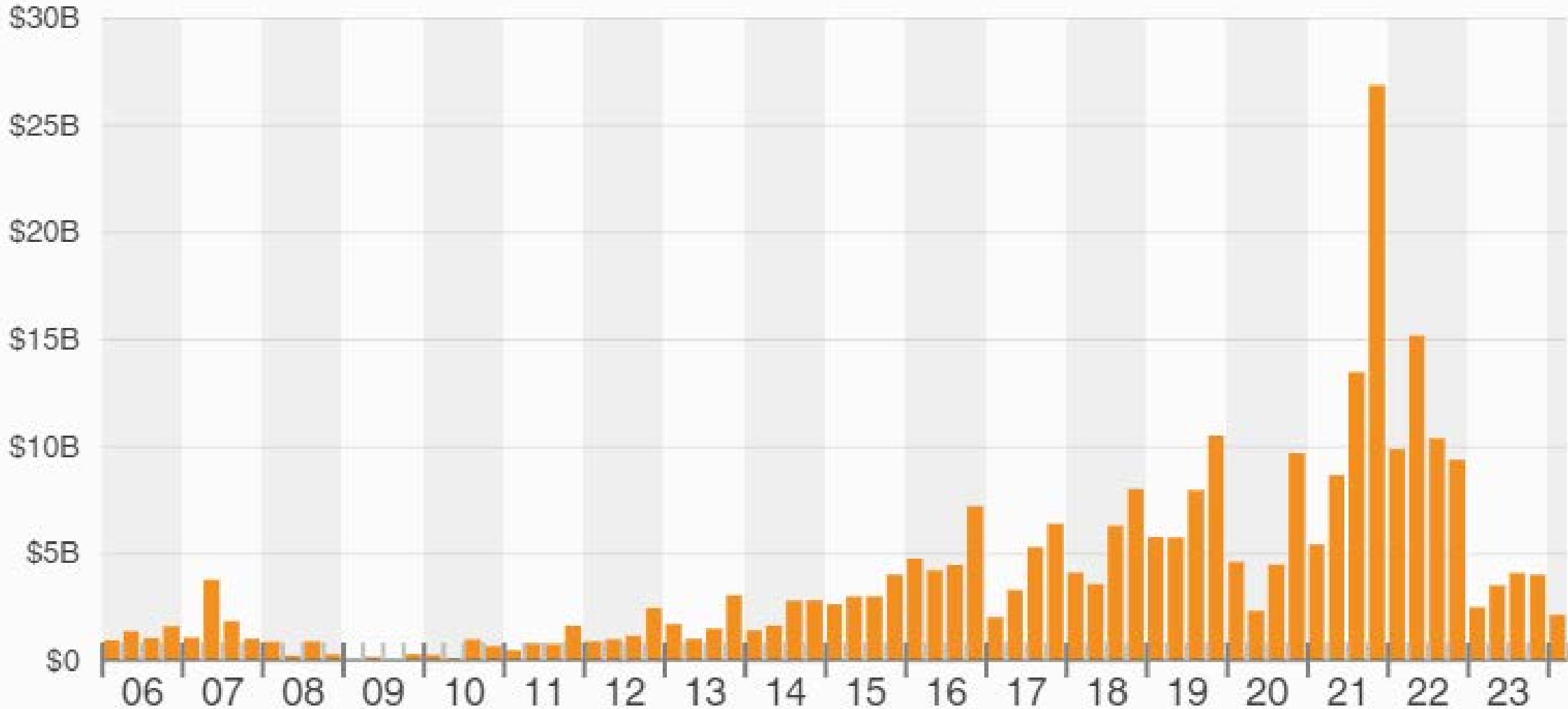
Asset Size	GFC	Pandemic	Rate Hike
\$1-40M	-82%	-63%	-77%
\$40M+	-100%	-78%	-91%

COMPARISON OF LIQUIDITY IN SMALLER ASSETS + MARKETS

Western United States Secondary & Tertiary Markets



Sales Volume
\$1-40M Assets
Source: CoStar



Sales Volume
\$40M+ Assets
Source: CoStar