



## Real Estate Opportunities Fund IV, LLC

CTC Capital Management, LLC

Dear Investor:

The multifamily real estate sector continued the Q4 trends of lower transaction volumes and pricing uncertainty. The recent regional bank turmoil will undoubtedly lead to stricter lending requirements. Banks will tighten their underwriting standards for multifamily deals, subjecting potential business plans, operators, submarkets and principals to added scrutiny. Our team remains firm on our conservative underwriting standards, and we are seeing sellers reprice to more attractive levels. In addition to analyzing over 125 investment opportunities in Q1, we secured a new programmatic relationship with an operator based in the Denver area. This firm has extensive experience in the Mountain West and Midwest regions, and our new Co-GP joint venture relationship will provide added returns to Real Estate Opportunities Fund IV, LLC [REIV] through a negotiated share of property-level fees and exit promote income.

CTC Capital Management's relationship with our new partner began in 2021 when we invested in an Oklahoma City, OK project through Real Estate Opportunities Fund III, LLC. This firm's geographic centered focus allows it to see off-market, unique opportunities.

We are excited to announce through this new joint venture we secured our first acquisition for REIV, Wilshire Valley Apartments. ([wilshirevalleyapts.com](http://wilshirevalleyapts.com)).

This is our operator's fifth acquisition in the Oklahoma City market. This property has an attractive cost basis relative to area sale comps and a lack of strong property management, resulting in the property operating below its full potential. Approximate closing capital summary:

PROPERTY SUMMARY		CAPITAL BREAKDOWN	
Address:	701 E Wilshire Blvd, Oklahoma City, OK 73105		
Acquisition Price:	\$ 8,600,000	Debt:	\$7,519,190 67.4%
Price Per unit	\$ 59,722	Equity:	\$3,632,304 32.6%
Total Renovation Capital and Reserves	\$ 2,116,303	Real Estate Opportunities Fund IV/CO-GP	\$2,100,000
Closing Costs	\$ 306,191	Other Limited Partners	\$1,532,304
Acquisition Fee	\$ 129,000	<b>Total:</b>	<b>\$11,151,494 100.0%</b>
Total Investment	\$ 11,151,494		

The seller of this property purchased too many properties in the last several years and lacked the resources to properly maintain and manage them, as evidenced by the 27% vacancy rate observed during our due diligence of the property.

The property is near the affluent Nichols Hills submarket and city of Edmond. Additionally, significant development activity near this property further strengthens the need for affordable housing.

After the property receives \$1.755MM of capital improvements allocated between deferred maintenance and exterior improvements (\$335k) and interior improvements (an average of \$9,863 for each of its 144 units totaling \$1.42MM), rents are projected to increase from an average of \$705 to \$904/month. A new property manager, with a strong local presence, will be brought in to run the day-to-day management of the property. These rents are attainable given the area's household incomes and diverse economic base.



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We expect this to be a five-year hold with the operator's project IRR north of REIV's target mid-teens IRR for a value-add project.

We will issue our first capital call for REIV for approximately 5%-8% of commitments in late May to early June. We will send a separate notice, so there is no need to submit funds until the official notice is sent to investors.

Please email or call if you have any questions about this operator, property, or other REIV questions.

We are also excited to announce a new addition to our team! Preston Hartsell will join us on June 1, focusing on underwriting and growing our real estate company. Preston previously worked at Northmarq as an analyst focusing on multifamily deals and at Essex Property Trust as an intern in their Data Analytics department. He will be relocating from California and will be joining us in the Chicago office.

Mark and Joe