

LSCRE

  
PRESERVE  
AT COPPERLEAF

# Preserve at Copperleaf

Q3 2025 | Quarterly Report

## Performance

- In early Q3, Preserve successfully executed a 45% cash out refinance, transitioning from a bridge loan to a permanent fixed-rate loan at 5.48% with full-term interest-only payments.
- In addition to favorable loan terms, Preserve continues to benefit from the property tax exemption that commenced in January 2025 (see variance report for additional details).
- Operationally, the property remains stable, maintaining strong occupancy and a focus on revenue optimization and expense control. Looking ahead, continued rent growth within the submarket will enable Preserve to drive incremental value.

## Outlook

- Looking ahead, our strategy is to maintain Preserve in a stabilized state while continuing to identify opportunities to increase revenue and drive operational efficiencies.

### Investment Summary

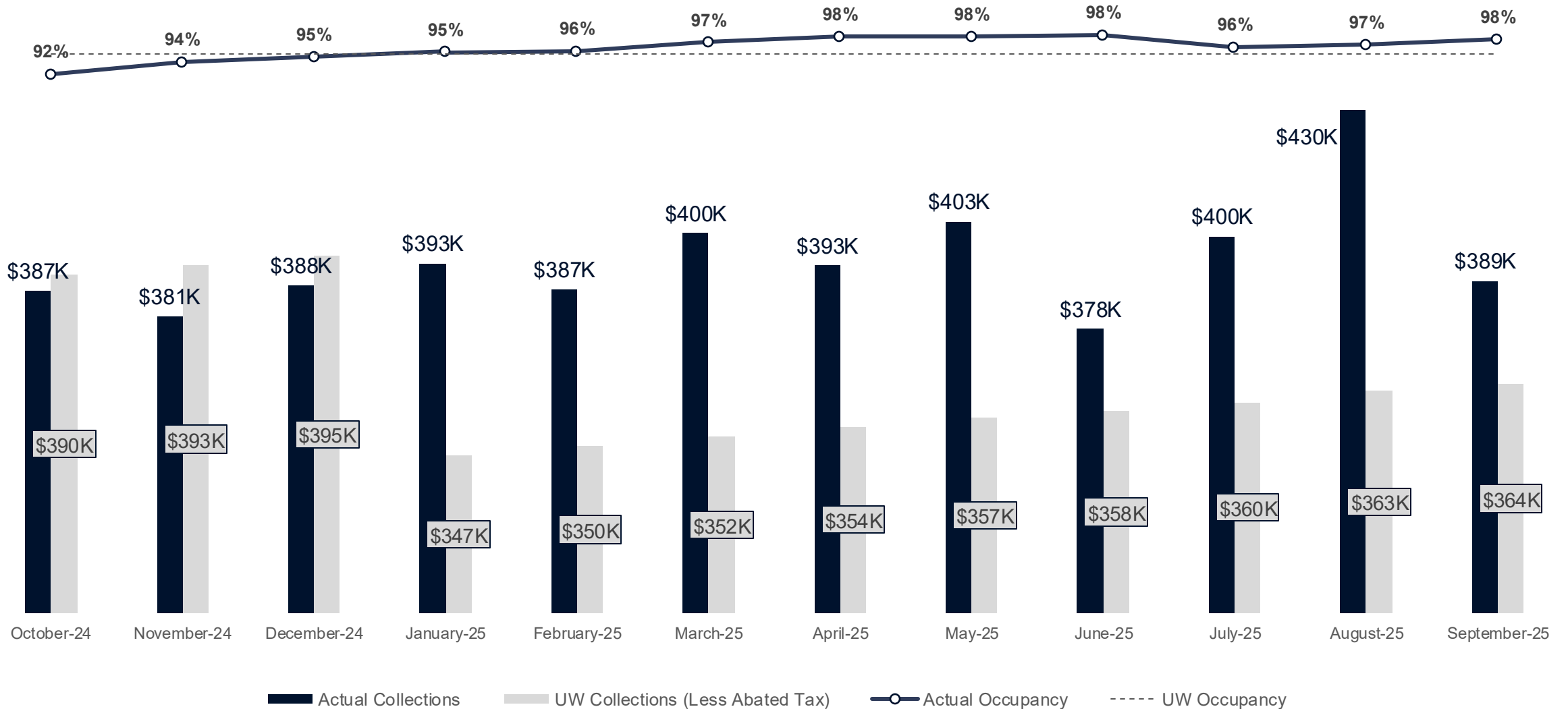
<b>Unit Count</b>	240
<b>Year Built</b>	2003
<b>Acquisition Date</b>	May 9, 2024
<b>Purchase Price</b>	\$34,250,000 (\$142.7k / unit)
<b>Equity Invested</b>	\$12,000,000
<b>ITD Distributions</b>	9.9% (4.5% UW)
<b>T12 Distributions</b>	11.2% (5.0% UW)
<b>Starting / Current Reserves</b>	\$1,049,992 / \$1,049,992
<b>T6 Renewal Rate</b>	57%

### Loan Details

<b>Lender</b>	Greystone
<b>Loan Amount</b>	\$34,905,000
<b>Term</b>	7 yr
<b>Rate</b>	5.48%
<b>I/O Period</b>	Full Term
<b>Prepay Penalty</b>	6.5 Yr Yield Maintenance
<b>Origination Date</b>	July 9, 2025

# Occupancy & Collections

LSCRE





Left and top right: Back to school event for our wonderful students at Preserve!

Bottom right: Our outstanding maintenance team doing an HVAC repair.

# Variance Report

LSCRE

	T12 UW	UW / Unit	T12 Actual	Actual / Unit	Variance
<b>INCOME</b>					
Net Potential Rent	\$4,616,642	\$51,296	\$4,385,891	\$48,732	-5.0%
Vacancy Loss <sup>1</sup>	(\$239,695)	5.2%	(\$223,099)	5.1%	-6.9%
Concessions/Non-Rev	(\$44,366)	1.0%	(\$95,296)	2.2%	114.8%
Bad Debt <sup>2</sup>	(\$116,124)	2.5%	(\$14,784)	0.3%	-87.3%
Reimbursements	\$132,815	\$1,476	\$146,036	\$1,623	10.0%
Other Income <sup>3</sup>	\$485,609	\$5,396	\$430,832	\$4,787	-11.3%
<b>EFFECTIVE GROSS INCOME</b>	<b>\$4,834,881</b>	<b>\$58,167</b>	<b>\$4,629,580</b>	<b>\$55,142</b>	<b>-4.2%</b>
<b>EXPENSES</b>					
Payroll <sup>4</sup>	\$403,260	\$4,481	\$417,033	\$4,634	3.4%
Contract Services	\$124,389	\$1,382	\$161,031	\$1,789	29.5%
Repairs & Maintenance <sup>5</sup>	\$168,527	\$1,873	\$103,716	\$1,152	-38.5%
Utilities	\$228,516	\$2,539	\$286,428	\$3,183	25.3%
Administrative	\$184,577	\$2,051	\$162,533	\$1,806	-11.9%
Insurance	\$337,054	\$3,745	\$280,379	\$3,115	-16.8%
Management Fee	\$145,046	\$1,612	\$141,549	\$1,573	-2.4%
Property Taxes <sup>6</sup>	\$707,127	\$7,857	\$263,663	\$2,930	-62.7%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,298,496</b>	<b>\$25,539</b>	<b>\$1,816,332</b>	<b>\$20,181</b>	<b>-21.0%</b>
<b>NET OPERATING INCOME</b>	<b>\$2,536,385</b>	<b>\$32,629</b>	<b>\$2,813,248</b>	<b>\$34,960</b>	<b>10.9%</b>
Debt Service <sup>7</sup>	\$1,692,371	1.50x	\$2,273,728	1.24x	34.4%

## Comments

1. Very strong Vacancy Loss, as Preserve has averaged 97.5% occupancy over the past two quarters.
2. Preserve has only had three evictions in the last two quarters.
3. 6% increase in actuals QoQ, marking continued streamlining of operations.
4. 8% decrease in actuals QoQ, moving closer to UW expectations on Payroll
5. Tax exemption coming into effect throughout 2025.
6. Rate Cap payment and bridge loan creating large delta. Refinance occurred early July.



## Eli Lilly

Eli Lilly has confirmed it will build a \$6.5 billion manufacturing facility in Houston's Generation Park to produce active pharmaceutical ingredients, including its next-generation oral GLP-1 weight-loss drug, orforglipron. ([KHOU](#))

The project is expected to generate roughly 615 permanent high-skilled jobs plus 4,000 construction roles, and positions Houston as a major node in the U.S. push toward onshoring biopharmaceutical manufacturing.

[Full Article](#)



## Houston launches local film incentive to attract production

Houston is rolling out a 10% rebate (capped at \$100K per project) on in-city spending to lure film and media productions, backed by a \$400K annual budget.

This initiative builds momentum for Houston as a creative and entertainment hub, diversifies economic drivers, and increases demand for ancillary real estate (studios, studios support, housing).

[Full Article](#)



LSCRE

Monthly cash flow and peace of mind for long-term investors through tax-advantaged multifamily real estate



(917) 765-3160



[ir@lscre.com](mailto:ir@lscre.com)



One World Trade Center, Suite 47A  
New York, NY 10007



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



Scan QR code or click [here](#)  
to access your investor portal.