



Preserve at Copperleaf

14811 West Road | Houston, TX 77095

ACQUISITION & REFINANCE CASE STUDY

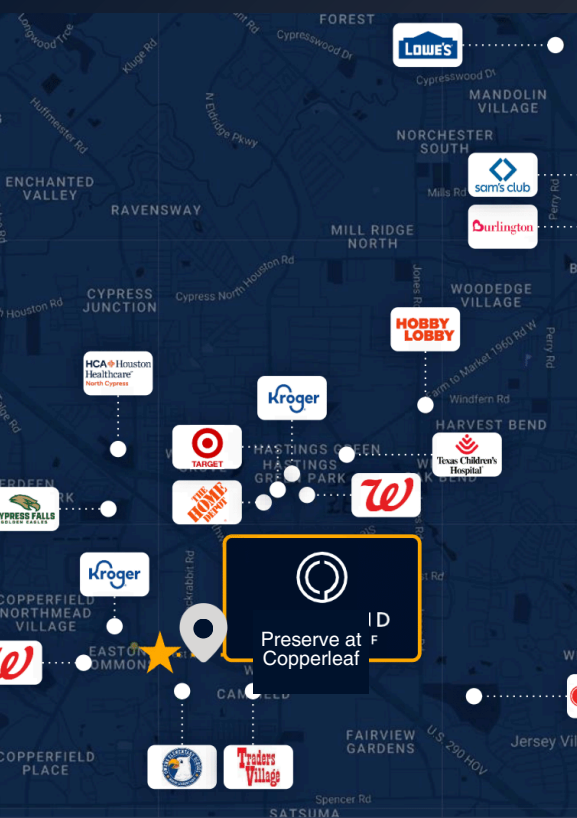
LSCRE

Preserve at Copperleaf - 45% Cash Out

INVESTMENT SUMMARY		RETURNS SUMMARY	PROJECTED
Purchase Price	\$34,250,000	Return of Equity	45%
Total Capitalization	\$39,900,000	New Cash on Cash	8%
Acquisition Debt	\$27,500,000	Permanent Loan	\$34,905,000
Equity Check	\$12,400,000	Hold Duration to Refinancing	13 months

Property Overview

240 Units
2003 Vintage
2024 Year Acquired



ACQUISITION / DEAL ANALYSIS

In May 2024, market sentiment was sour as raising debt and equity became increasingly difficult. While others stepped back, LSCRE leaned in, drawing on Warren Buffett's timeless principle: "Be greedy when others are fearful." LSCRE purchased Preserve at Copperleaf, a 2003-vintage multifamily property for \$142,708/unit vs market comparable pricing of \$194,390/unit. This pricing represented a ~27% discount to market comps, underscoring LSCRE's disciplined investment approach and ability to act decisively when strong opportunities arise

Importantly, this acquisition complemented LSCRE's existing operational footprint, with 900 units owned within a 10-mile radius. Economies of scale enabled LSCRE to optimize operations and capitalize on expense savings.

MARKET OVERVIEW

Located in Houston's Copperfield submarket, Preserve at Copperleaf is anchored by robust demographics and employment drivers. The U.S. Census Bureau reported a 9.4% five-year population increase in Cypress-Fairbanks from 2016 to 2021, with over \$1B in healthcare infrastructure development scheduled through 2025. The asset is situated within Cypress-Fairbanks ISD – ranked the #1 school district for athletes and #6 overall in the Houston metro – enhancing its appeal to stable, long-term residents.

At acquisition, rent growth was projected to continue at 3.3% annually through 2028, and occupancy levels were forecasted to remain steady above 93% (given LSCRE's management expertise, the property has averaged 97% since acquisition). Median home sales prices of ~\$350k provide a healthy affordability gap in favor of rentals.

Business Plan / Value-Add

To further enhance returns for investors, LSCRE partnered with the Houston Housing Authority (HHA) to receive an 85% property tax exemption in exchange for partial rent restrictions. The combination of the property tax exemption, controllable expense cuts, and improved collections resulted in a 30%+ increase in net operating income.

The property was acquired with bridge financing to provide flexibility to close with HHA in December 2024 after purchasing the property in May. During this time LSCRE distributed 8% monthly to investors. Preserve was refinanced with a \$34.905M loan in July 2025 to cement permanent, 7 year, fixed-rate, full IO debt. The refinance resulted in a 45.0% cash out and sets the investment up to distribute 8.0%+.



OPERATIONAL SUCCESS

- ✓ Improved seller's NOI by 30%+
- ✓ Minor amenity improvements have been made such as replacing exterior light fixtures and updated curb appeal.
- ✓ Beat bad debt underwriting by ~\$100k due to diligent collections by on-site team
- ✓ Remained stabilized throughout year one by remaining competitive in the submarket and adjusting prices / specials dynamically.
- ✓ Repairs and maintenance costs are 40% below underwriting due to diligent in-house management and construction. Payroll expense cut by 25%.
- ✓ Managed wifi was installed in each unit, generating \$30/mo in additional profit.



About LSCRE

Founded in 2018, LSCRE has helped thousands of investors build long-term wealth through over \$750 million of multifamily investments in Texas.

We're multifamily investing experts – this is all we do. Our mission is to help you sleep well at night, knowing your capital is working hard in high-quality properties located in stable, growing markets, delivering consistent monthly distributions and long-term appreciation.


We've delivered 32% average annual returns on sold assets and currently manage a portfolio of over 5,000 apartment homes. Through our vertically integrated operations – including in-house property, asset, and construction management – we offer greater transparency, better execution, and risk under control.

We also provide the opportunity to 1031 exchange upon sale, enabling investors to maximize depreciation benefits, compound wealth, and avoid the headaches of re-investment decisions and timing risk.

Most of all, we're built on service. Our goal is to give you peace of mind through proactive communication, clear reporting, and an unwavering commitment to your success – so you can invest confidently with us for life.

For further information about LSCRE, or our investment opportunities, please contact us.

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