



Michael's Place Apartments

Muncie City Council Meeting

A Ground Up LIHTC Development

Private & Confidential

JANUARY 9th, 2023

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Firm Overview



Real estate developer with an impressive track record in the southeast region. Horizon is a leader in the multifamily industry, and our goal is to continue using our expertise and industry-leading approach to meet the growing housing needs for all Americans.



Founded in 2004, Horizon Companies is a forward-thinking, vertically integrated privately held real estate investment, development, and management company that has an exclusive focus on the acquisition and renovation of apartment communities. in the affordable housing market development (LIHTC) space.

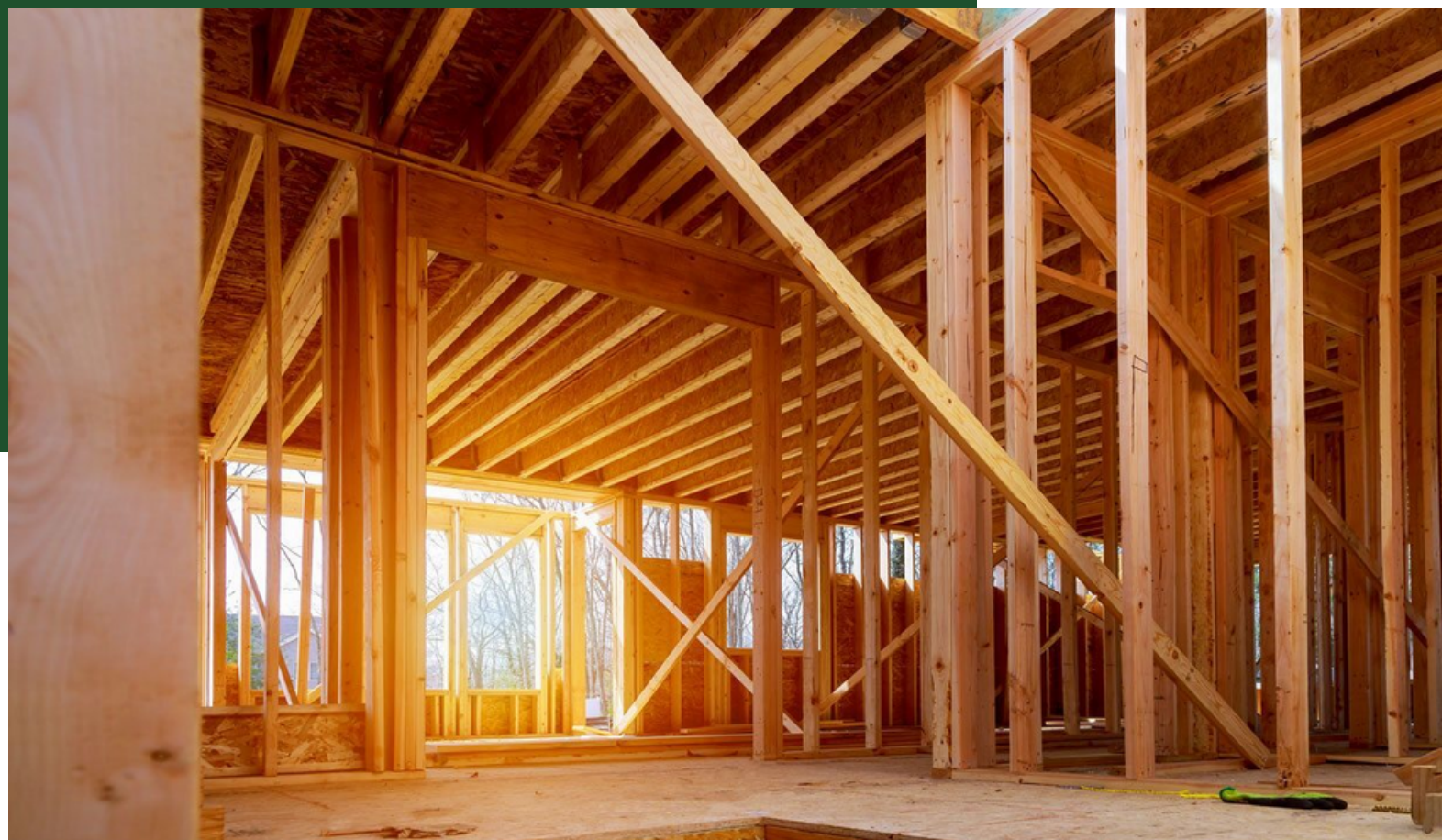


We strive to acquire off-market, opportunistic land sites in up-and-coming areas; building them from the ground up with modern amenities creating attractive communities for residents to live

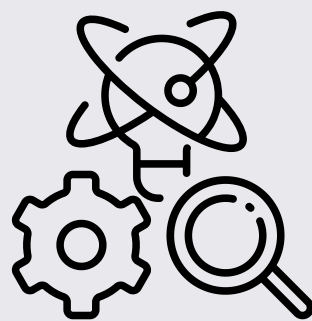


Our history of success is directly related to our commitment to quality and our strong development team. Our investors are confident in our ability to research the market and deliver quality housing with long-term sustainability.

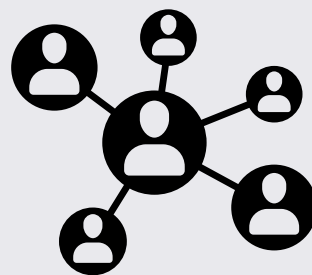
About Horizon Companies



The Horizon standard represents the affordable housing market's benchmark for value creation, integrity, service, and quality for all clients.



Horizon Companies is an innovative player operating in the real estate industry.



The company relies on a strong team of talented and enthusiastic professionals that provide technical, legal, and financial know-how.



The Horizon standard represents the affordable housing market's benchmark for value creation, integrity, service, and quality for all clients.

Historical Performance



The cumulative performance of the Horizon Companies portfolio.

Horizon Companies is focused on presenting a diverse array of high-quality real estate investments that have passed rigorous screening and due diligence.

We are committed to transparency. Our Track Record is regularly updated to show the aggregate performance of the Horizon Companies portfolio.

\$1.6B

***Total Assets
Under
Management***

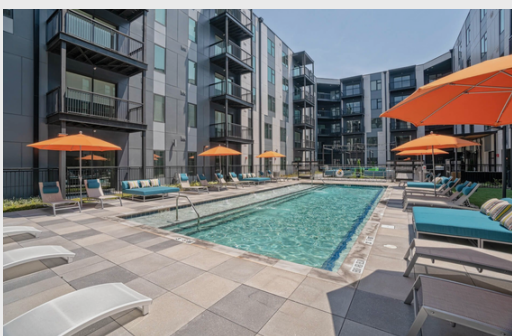
6,000

***Total Units
Under
Development***

47

***Total Properties
Developed***

Development Expertise



Past Development Projects*

Eagles Landing Apartments

Location: Memphis, TN
Number of units: 96 units

April Wood Apartments

Location: Memphis, TN
Number of units: 117 units

Lamar Crossing Apartments

Location: Memphis, TN
Number of units: 120 units

Orchard Heights

Location: Ruston, LA
Number of units: 126 units

Eagles Landing Apartments II

Location: Memphis, TN
Number of units: 104 units

Harmony Woods

Location: Memphis, TN
Number of units: 80 units

Northern Heights

Location: Shreveport, LA
Number of units: 232 units

Chenal Pointe Apartments

Location: Little Rock, AR
Number of units: 260 units

Lafayette Place

Location: Oxford, MS
Number of units: 234 units

Willard at Preston Crossing

Location: Louisville, KY
Number of units: 166 units

Cottages at Emerald Cove

Location: Savannah, GA
Number of units: 290 units

Velocity in the Gulch

Location: Nashville, TN
Number of units: 264 units

**Sampling Portfolio*

Multifamily in Muncie, Indiana



Economic Climate Improving

- The US economy grew an annualized 3.2% in Q3 2022, better than 2.9% in the second estimate, and rebounded from two straight quarters of contraction.
 - Sources: CoStar & U.S. Census Bureau of Economic Analysis

Demographics and Employee Mobility

- Millennials aged 25- 40 years old represented the largest demographic segment of the U S population in 2021.
- Increase of 10 million new renters over the past decade.
- Urban migration is causing states with more affordability and lower state personal tax rates to increase in workforce and population.
- Single-family home prices appreciated 13.2% YOY while multifamily rents grew 2% during the same time frame.

Rent vs. Buy

- First-time home buyers rising to 36 (2020) versus age 29 (1981).
- Many households do not have the necessary down payment to purchase a home, which could lead to an increased demand for residential rental properties.
- 500k new renters annually but only 300k units are being built annually.

Demand Outpacing Supply

- While the risk premium for owning multifamily may decrease in 2022 and beyond, forcing appreciation (adding value) of assets will remain the dominant strategy for delivering above-market returns.



Aerial Map



2901 W Memorial Drive Address

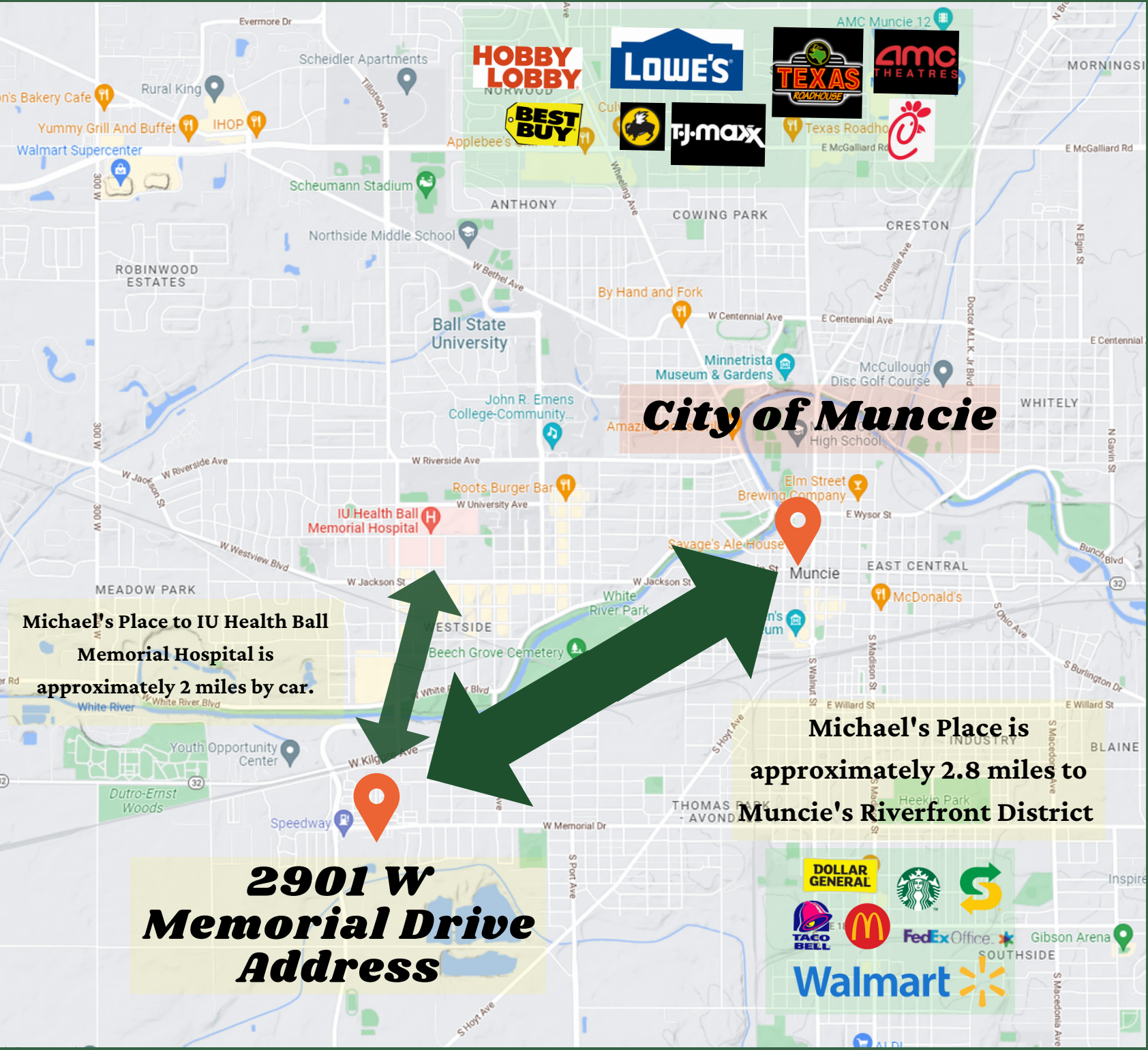
Type A Buildings - 5	1BR	2BR	3BR	4BR	Total
Level 1	2		6	2	150
Level 2	2		6	2	
Level 3	2		6	2	
	30	0	90	30	
Type B Buildings - 7					
Level 1		4		2	126
Level 2		4		2	
Level 3		4		2	
	0	84	0	42	
Complex Total	30	84	90	72	276



Location



Michael's Place Apartments



Market Snapshots



Overview

Muncie Multi-Family

<u>12 MO. DELIVERED UNITS</u>	<u>MEDIAN HOUSEHOLD INCOME</u>	<u>UNDER CONSTRUCTION UNITS IN LAST 12 MO.</u>	<u>12 MO. VACANCY RATE</u>
7	\$53,504	0	4.7%

Major Employers in Muncie, IN

Employers	Company	Industry
3,379	Ball State University	Education
2,613	IU Health Ball Memorial and Physician Practices Team Members	Medical Services
650	Muncie Community Schools	Education

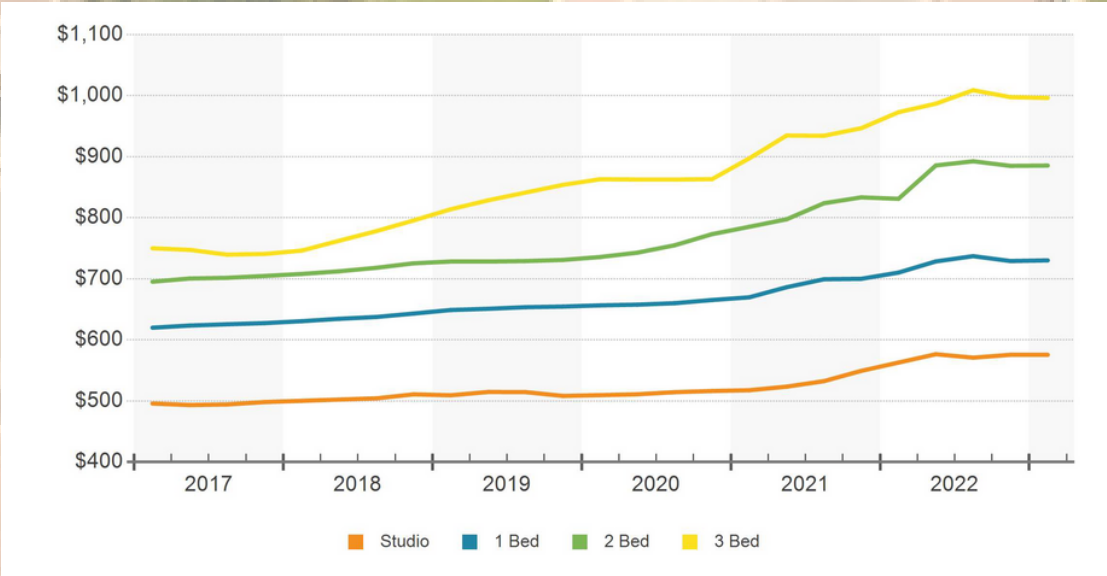
Apartment rents in the Muncie Market were rising at a 5.4% annual rate at the beginning of Q'23, and have posted an average annual gain of 5.3% over the past three years.

While 81 units have delivered over the past three years (a cumulative inventory expansion of 2.8%), nothing is currently underway. Vacancies in the metro were somewhat below the 10-year average as of 2023Q1, but were essentially flat over the past four quarters

Source: Costar, 2023

Rent

Muncie Multi-Family



Michael's Place Apartments Animation Video



Horizon Planning & Development Team



Preston Byrd, Managing Partner



**Donald Smart, Executive Vice President,
& Chief Compliance Officer**



**Terry Spicer, President of Affordable Housing Division,
& Senior Vice President of Business Development**



**Candace Spicer, Director of Planning
and Urban Development**



Raj Valluri, Vice President of Development



Athena Kiapos, Investor Relations Director