

UNIVERSITY LINQ NORTH & SOUTH

UNIVERSITY OF SOUTH FLORIDA



Legacy Capital Partners (“Legacy”) has created LAC Campus Club LLC (“Company”) to provide accredited investors the opportunity to invest in University LinQ (formerly known as Campus Club), a two-property, 612-bed (156-unit) purpose-built student housing complex serving the University of South Florida in Tampa, FL. (“University LinQ”). University LinQ represents an opportunity to invest in a well-located and well-occupied (97.55%) student housing property that will provide stable in-place cash flow and value appreciation through increased rental rates tied to operational improvements and minor common area renovations.

Legacy entered into a joint venture with CF Real Estate Services (“CFRES”) to acquire University LinQ on May 1, 2018. This represents the eighth joint venture between Legacy and CFRES. The purchase price was \$31,000,000 and the total cost, including \$3,250,000 for renovations, contingencies and closing costs, was \$34,250,000. This represents a purchase price of \$50,600 / bed and a total cost of \$55,964 /bed which compares favorably to recent comparable sales in the market. The acquisition and renovation were capitalized with a loan in the amount of \$23,850,000 and equity in the amount of \$10,400,000. Legacy invested \$8,320,000 and CFRES and its affiliates invested the remaining \$2,080,000.

The investment strategy is to aggressively manage the operations and lease renewals for the 2018-2019 academic year. After closing, while pre-leasing continues, funds have been capitalized into the budget to make meaningful improvements to the clubhouse and amenities including enhancements to the pool areas, both clubhouses (including furniture, gym equipment, study areas and adding a dog wash station). With the exception of curing deferred maintenance items and installing low flow toilets in each bathroom, there are very few improvements planned for the unit interiors at this time. These common area amenity improvements and more experienced management should allow University LinQ to achieve the underwritten 3.0% annual rent increase. As increased, University LinQ’s rents will remain measurably below the new and newer properties in the market while offering comparable amenities and floorplans with slightly inferior interiors. We expect CFRES’ operational expertise, combined with steady enrollment levels, to allow the joint venture to achieve the modest underwritten rent increases during the investment period. During the initial two academic years, rents are projected to be increased by \$18/bed and \$19/bed, respectively. The planned renovations and operating improvements should allow University LinQ to compete with comparable properties and generate the projected financial performance.

The Company is offering 67,728 Membership Units for an aggregate purchase price of \$3,386,400, or \$50,000 per Membership Unit. The minimum investment will be two (2) Membership Units for an aggregate purchase price of \$100,000 and the maximum investment will be seven (7) Membership Units for an aggregate purchase price of \$350,000. However, the Manager may, in its sole discretion, accept investments for less than two (2) Membership Units or great than seven (7) Membership Units. Investors will receive an 8.0% preferred return on their invested capital paid from net cash flow, refinance proceeds and/or sale proceeds. After the preferred return is paid current, investors will receive 80% of excess net cash flow. Once the preferred return is paid current and 100% of the investors’ capital has been returned, the investors will receive 80% of excess refinance and/or sale proceeds.

To request a Private Placement Memorandum please contact us at legacy@LCP1.com or 216-381-2303.

RETURNS

The returns below assume a 5 year investment period and a sale at \$63,880 per bed.

- The average annual cash yield is projected to be approximately 8.5%
- An initial investment of \$100,000 is projected to generate a total return of \$165,000
- 65% of the return on investment is projected to be derived from cash flow



HIGHLIGHTS

- Well located and fully amenitized purpose-built student housing community with midmarket rents
- Strong historical performance despite poor onsite management and a growing need for capital expenditures
- Well located one half mile from campus (20-minute walk/10-minute bike ride to the student center located in the center of campus)
- Strong in-place cash flows with upside
- Experienced Joint Venture partner and student housing management company