

## DDELTA REAL ESTATE INVESTMENTS QUARTERLY UPDATE - Q4 2023

Hello,

As we start 2024, we extend warm New Year wishes and look forward to reconnecting with you. Notably, our acquisition strategies at [DDelta REI](#) are gaining momentum, fueled by the current market conditions characterized by expanded cap rates and potential opportunities below replacement costs. Concurrently, we're evaluating selective development deals aligning with a strong value proposition, aiming to optimize the \$150 million target for the new Multifamily Acquisitions and Development Fund VII.

Your continued support remains crucial as we navigate and seek to capitalize on these market dynamics.

All my best,  
**Gerardo Gutierrez**  
CEO DDelta REI

*“Growing demand for rental housing continues to be driven by it being a basic need, home acquisition challenges, generational demand, and enduring product resilience”.*

### Quarterly Highlights

- The inaugural FVI project Lenox Sienna is nearing completion, showcasing outdoor fire pits, a resort-style pool, and a sundeck for our residents to enjoy. Explore the latest updates [here](#).
- Rental rates for properties delivering new units consistently surpass our initial expectations, averaging 10% higher.
- A significant milestone was reached as 506 units from four different properties were successfully delivered across two high-growth target markets: Houston and Austin, TX.

### Company Update

- DDelta REI has successfully achieved registration as a Registered Investment Adviser with the SEC, showcasing our commitment to regulatory compliance and financial experience\*.
- Setting ambitious targets, the company has laid out a comprehensive roadmap to seek to accomplish a diverse range of Environmental, Social, and Governance (ESG) goals over the next 5 years, emphasizing our dedication to sustainable and responsible business practices. See more [here](#).
- Throughout 2023, we closely monitored a multibillion-dollar pipeline\*\*, encompassing 500+ multifamily development and acquisition deals. Heading into

2024, we seek to persistently source off-market opportunities to meticulously select compelling opportunities.

## Insights

- Anticipate a favorable investment climate in 2024, with several obstacles that disrupted the market in the previous year now resolved.
- The resurgence of investments could be propelled by a robust economy, decreasing rates supporting increased deal flow, and a significant capital pool of approximately \$240 billion ready for deployment.
- The optimistic overall outlook is poised to alleviate uncertainty and temper caution levels among investors, playing a pivotal role in facilitating market recovery.

*\*Registration with the SEC as an Investment Adviser does not imply a certain level of skill or training.*

*\*\*There is no assurance that any pipeline transactions will be consummated.*

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