ARGUS UNIVERSITY CHALLENGE 2022

THE BIG LONG

ARGUS

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CONTENTS

LIST OF ABBREVIATIONS

BIM	Building Information Modelling
CAPEX	Capital Expenses
CDO	Collateralized Debt Obligation
CDS	Credit Default Swap
CF	Cash Flow
CMBS	Commercial Mortgage Backed Security
FOMC	Federal Open Market Committee
GC	Greenfield Capital
GDP	Gross Domestic Product
GLA	Gross Leasable Area
GP	General Partner
IoT	Internet of Things
HVAC	Heating, Ventilation & Air Conditioning
LP	Limited Partner (Investor)
L.P.	Limited Partnership (Corporate Form)
MBS	Mortgage Backed Security
MSA	Metropolitan Statistical Area
NRA	Net rentable area
NGO	Non-Governmental Organisation
NOI	Net Operating Income
OPEX	Operating Expenses
p.a.	per annum, per year
RE	Real Estate
RMBS	Residential Mortgage Backed Security
SSUT	Spring State University of Technology
TI	Tenant Incentive
QoQ	Quarter on Quarter
WLD	Waterland Dollar
WALT	Weighted Average Lease Term
YoY	Year on year

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The Pine Mall becomes THE PULSE

Greenfield Capital finishes Forestville mall refurbishment

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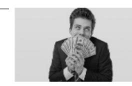
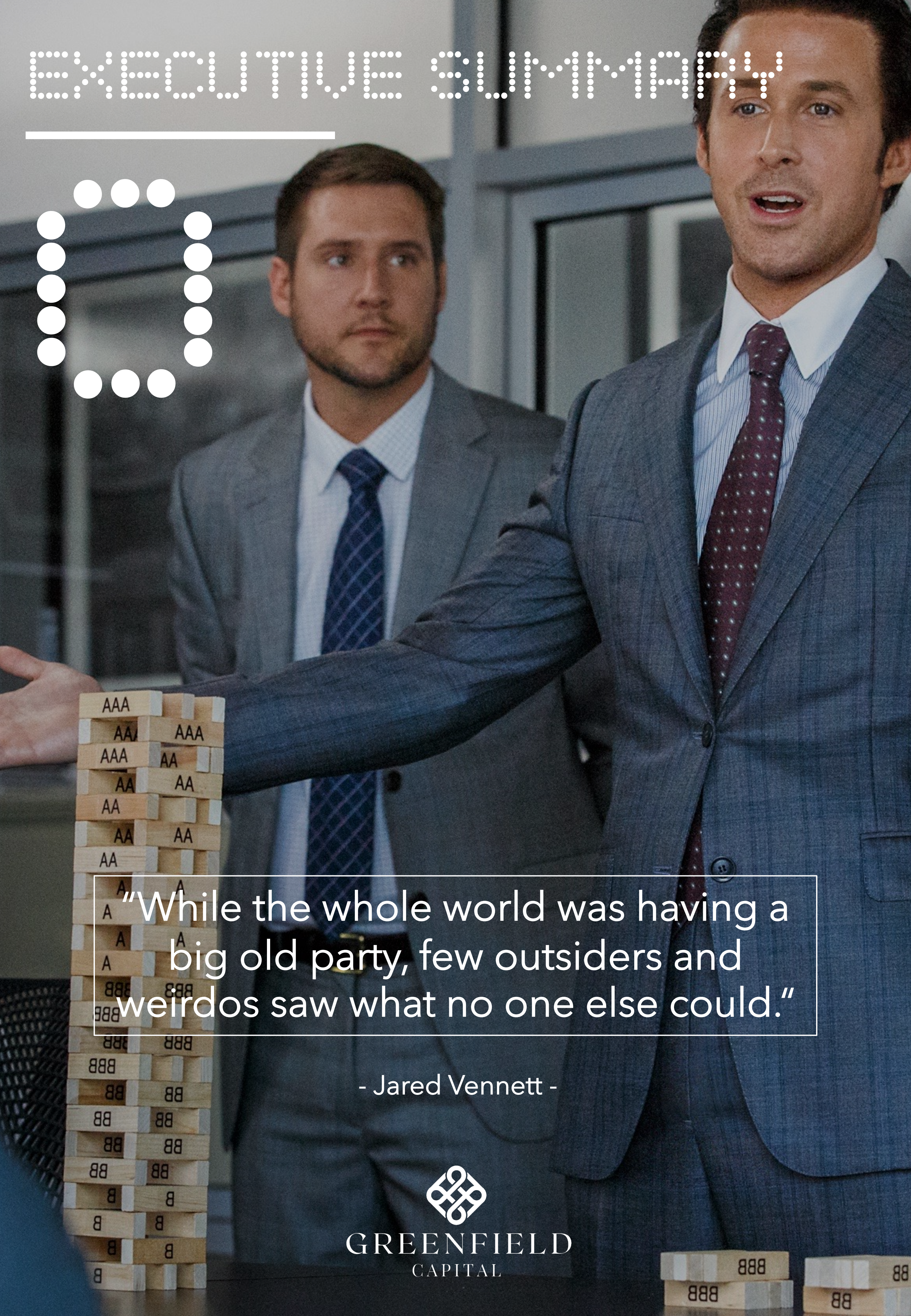


Forestville, wpa • Spring State's Garden City Forestville finally has its heart back: The former Pine Mall will reopen under new ownership in April 2023 with a novel retail concept under the brand "THE PULSE". Real estate developer Greenfield Capital creates refreshingly new shopping and entertainment experiences that make you feel the heartbeat of Forestville, says the form co-CEO Mark Baum. He also convinced Spring State University of Technology (SSUT) to move into the property, attracting young customers.

Soon an office refurbishment will start upstairs, Baum states and gives some hints on THE PULSE's next steps: A vibrant rooftop event zone with food and drinks for the young city and a large-scale repositioning of the car park, adding missing pieces like student housing, a medical care center, data storage and an urban logistics hub to Forestville's real estate landscape. Cutting parking lot numbers in more than half will make people use green alternatives, Baum is convinced.

Forestville is still struggling to ensure water supply following its 2018 water scandal and has seen businesses withdraw their plans to move to the city in view of the problems. Asked about weak growth perspectives, Baum just smiles. We approached the city with a few ideas, he answers and adds, Forestville is about to bloom!

Next Article >>



EXECUTIVE SUMMARY

0

"While the whole world was having a big old party, few outsiders and weirdos saw what no one else could."

- Jared Vennett -

GREENFIELD
CAPITAL

0. Executive Summary

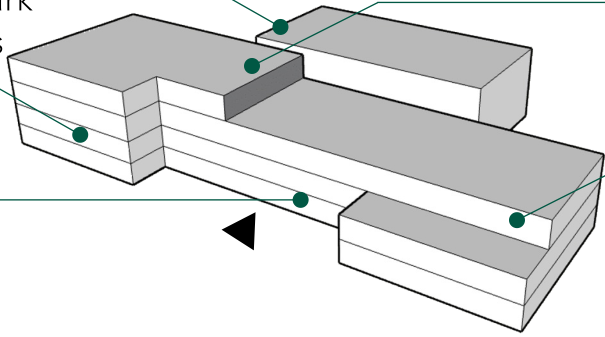
PROPERTY OVERVIEW

Pine Mall, 1 Pine Avenue, Forestville, Spring State, Waterland

Multistorey Car Park
1,200 parking lots

2nd floor – Retail
10,250 m^2

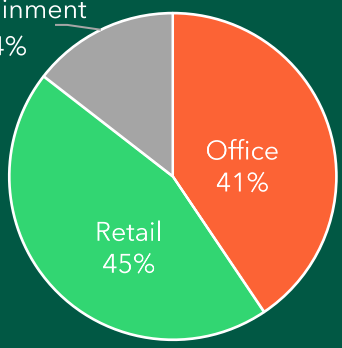
1st floor – Retail
10,250 m^2



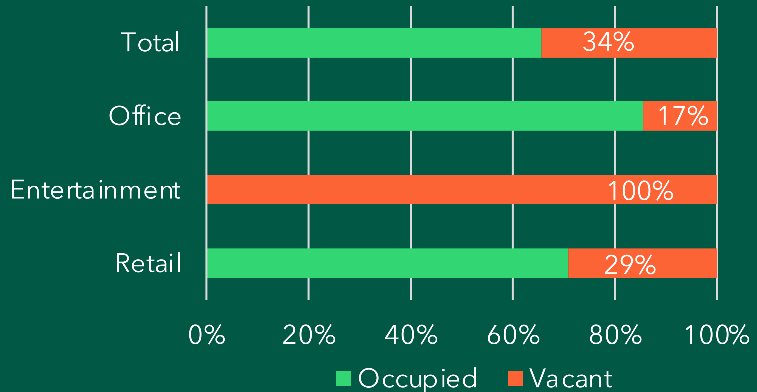
4th floor – Office
4,648 m^2

3rd floor – Officel
9,352 m^2

Tenant mix by use type
(incl. vacant spaces)



Occupation levels by type of use



FACT SHEET

USE TYPES	**RETAIL, OFFICE, PARKING**
YEAR	**2014**
NRA	**34,500 M^2**
PARKING LOTS	**1,200**
OCCUPANCY	**66 %**
GOI	**$9,440,384**
NOI	**$6,111,892**
TENANTS	**34**
WALT	**8.3 YEARS**
FAIR VALUE	**$ 139.1 M**

SCENARIO CHOICE

1 LEAVE AS IS & SELL

$ 134.8 M NET SALES PRICE

6.70 % CAP RATE

$ 131.7 M PRESENT VALUE

9 MONTHS HOLDING PERIOD

★☆☆ STRATEGY FIT

REPE FUND TARGET BUYER

Rejected strategy: The property is sold as soon as possible without any changes.

2 MANAGE & SELL

$ 162.4 M NET SALES PRICE

5,80 % CAP RATE

$ 139.6 M PRESENT VALUE

4 YEARS 7 MONTHS HOLDING PERIOD

★★☆ STRATEGY FIT

REIT TARGET BUYER

Rejected strategy: The property is sold at full occupancy after minor measures.

3 REDEVELOP & SELL

$ 256.6 M NET SALES PRICE

5.25 % CAP RATE

$ 156.2 M PRESENT VALUE

5 YEARS 2 MONTHS HOLDING PERIOD

★★★ STRATEGY FIT

PENSION FUND TARGET BUYER

Recommended strategy: The property is sold after full refurbishment.

3+ IMPROVE THE CITY & SELL

$ 264.0 M NET SALES PRICE

5.00 % CAP RATE

$ 164.5 M PRESENT VALUE

5 YEARS 2 MONTHS HOLDING PERIOD

★★★ STRATEGY FIT

MUTUAL FUND TARGET BUYER

Recommended strategy: Measures for city improvement are proposed.

RECOMMENDED SCENARIOS: 3 AND 3+

A brief insight: Pine Mall becomes THE PULSE

In this scenario the Pine Mall is turned into a community lifestyle center rebranded THE PULSE. Greenfield Capital ensures a future-proof repositioning through a full-scale refurbishment. Retail tenants will be rearranged, and new ones will be added to strengthen synergies and increase revenue. The car park is redeveloped to hold various use types creating a complementary, resilient tenant mix. THE ROOF as a roof-top event location is a major feature of the scheme and a new highlight of the city. However, without Forestville growing and functioning as a city, the maximal value can not be realized. Greenfield Capital proposes plans for a sustainable urban development for the City of Forestville. Because only a functioning city can unveil THE PULSE's full potential, this is a win-win situation.

Key Rationale Drivers

- Utilize untapped space
- Mixed-use adds resilience & flexibility
- Risk profile improvement
- Future-proof office & retail spaces

Key Success Factors

- Successful reletting of former cinema
- Identifying new trends
- Development on time & budget
- Financial engineering to maximize profits

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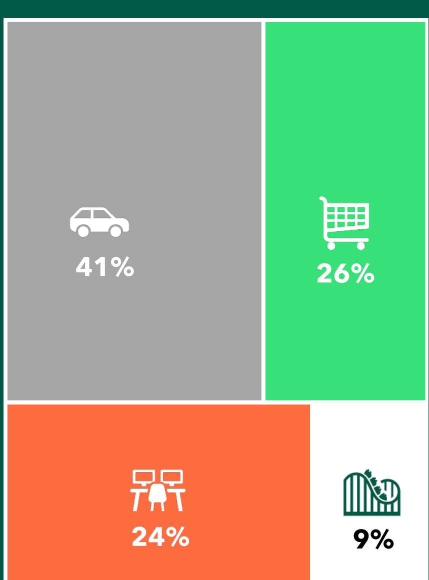
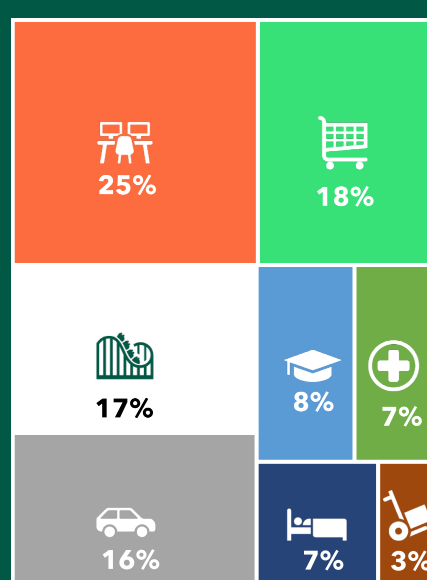
Current Tenant Mix 2022



- Parking
- Leisure
- Retail
- Office
- Education
- Medical Care
- Living concepts
- City logistics & Data center

Future-Proof Tenant Mix 2026



INTRODUCTION

"It is not for us to forecast the future, but to shape it."

- Antoine de Saint-Exupery -

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REPOSSESSION OF THE PINE MALL

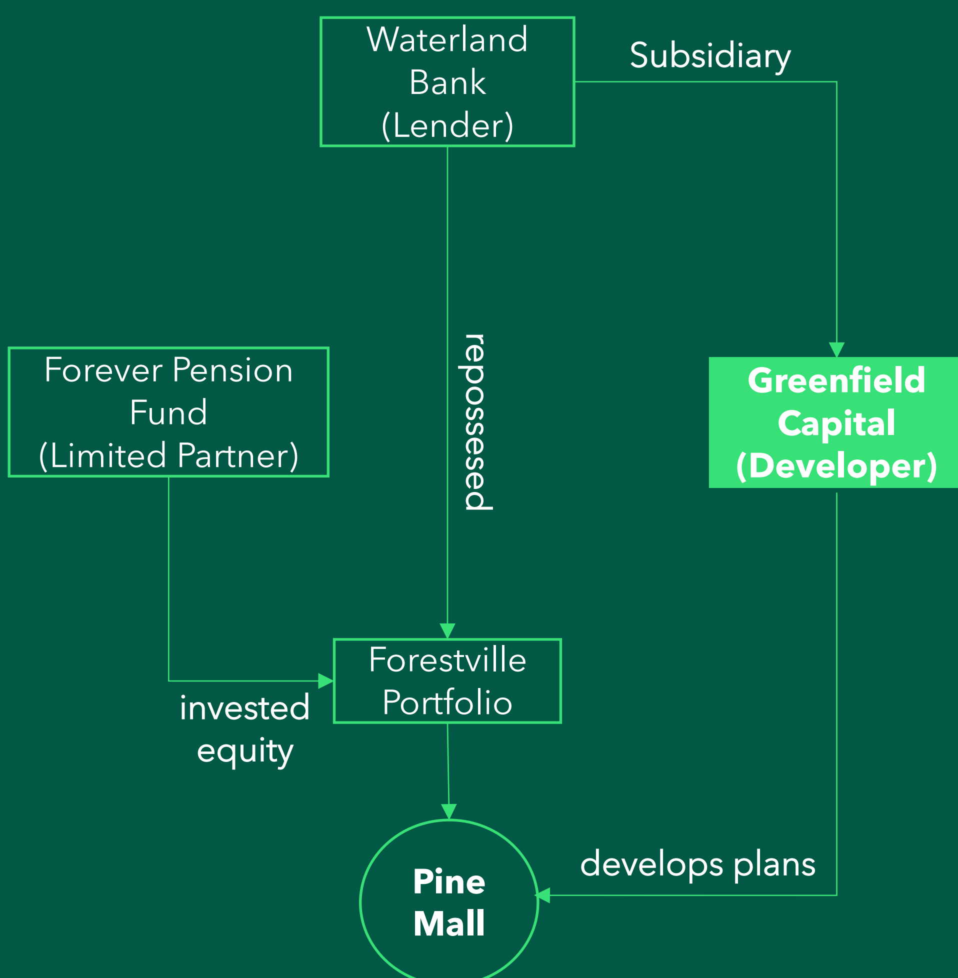
How it all started

From the beginning in 2000, Forestville's city development was hit by negative economic events several times. The global financial crisis, a water scandal and the Covid pandemic resulted in major setbacks and the bankruptcy of several developing companies and investors along the way.

The major lender of the Forestville Portfolio, Waterland Bank repossessed the assets in 2020, after the developer EcoAngels went bankrupt in the same year. Forever Pension Fund, an equity partner to the Forestville project since 2017, convinced Waterland Bank to not simply sell the assets, but to complete them as sustainable landmark projects and realize a profit.

Waterland Bank delegated the issue to its real estate investment and development subsidiary Greenfield Capital to offer sustainable and profitable solutions for the Pine Mall in Forestville.

Structure Chart as of 2022



ABOUT GREENFIELD CAPITAL

GREENFIELD
CAPITAL

OVERVIEW

Greenfield Capital (GC) is a Waterland based real estate development and investment firm under the roof of Waterland Bank. GC targets investment opportunities nationwide in Waterland. GC emerged from hedge fund Front Point Partners in 2008 after internal strategic disagreements and abandoned trading asset-backed derivatives after the crash. Greenfield Capital's staff has been consistent for decades, led by risk expert Kathy Tao and veteran investment manager Mark Baum and their trusted team. Over the years, GC has carried out numerous transactions and holds a current AuM of $ 2.5 Billion, profiting from Waterland Bank's capital acquisition capabilities.

INVESTMENT APPROACH

When entering the real estate investment and development sector, Greenfield Capital decided to make direct investments only. Initially GC focused on cashflow-oriented core and core+ assets with long-term holding periods. Over the years GC gained experience also in the fields of handling distressed assets or asset classes, value-adding refurbishments and active management strategies. In 2015 GC updated its strategy to sustainable assets to contribute to the combat against climate change. The firm's climate strategy will be addressed in detail below.

Greenfield Capital believes that core assets of the future are to be ecologically and socially responsible to guarantee steady user demand. GC generates value growth by refurbishing and actively managing non-performing assets and adapting to climate change early. Buyers can expect a well-positioned future-proof asset while investors receive a 10+% IRR over a holding period of 7 to 10 years.

ABOUT GREENFIELD CAPITAL

Greenfield Capital's core business is the acquisition of suboptimal assets, value-adding and risk-lowering refurbishment and profitable resale after stabilization. GC's competitive advantages in acquisition are a broad experience across the asset class range and a wide geographic focus beyond Waterland's metropolitan areas. The two dominant driving forces in refurbishment are sustainability as a matter of future risk reduction and the generation of rental revenue to boost market value.

GC has a profound skillset in public infrastructure planning, zoning law and socio-political aspects. This allows GC to optimize assets holistically as part of their urban environment, tapping extra value potential. As an affiliate to Waterland Bank, Greenfield Capital has access to capital markets worldwide and profits from the bank's financial structuring expertise.

CORE STRENGTHS

BUSINESS MODEL

VALUE CREATION DRIVER	DEVELOP-TO-GREEN
STRATEGY	SUSTAINABILITY / ACTIVE AM / REFURBISHMENT / DEVELOPMENT
RISK CLASS	VALUE ADD / OPPORTUNISTIC
TARGET RETURN	>10 % LEVERED IRR
HOLDING PERIOD	7 - 10 YEARS
TARGET BUYERS	REITs, INSTITUTIONAL INVESTORS WITH CORE / CORE+ FOCUS

ESG STRATEGY

Reasons for becoming an ESG pioneer

Greenfield Capital focuses on climate protection since 2015 and has incorporated further environmental, social and governance aspects into its strategy until today. GC is concerned that outdated assets will experience lower tenant demand, resulting in higher vacancy risks, lower rental revenues and lower market values. Although the federal government of Waterland has not yet established substantial sustainability rules for the real estate sector, GC is convinced that it will in the near future to catch up with worldwide trends. In this case, assets non-compliant with regulation are likely to experience considerable discounts, while assets already prepared for regulation are expected to receive a green premium.

Greenfield's choice

Minium ESG

Main aim is to **reduce compliance issues** and **reputational damage**

ESG-Adopter

Clearly defined **ESG strategy** with measures

ESG-Pioneer

Early adopter of ESG trends and **setting the industry standard**

Greenfield's ESG goals:

E	▪ Build up climate-neutral portfolio by 2035 ▪ Develop all future projects to net-zero energy operation ▪ Actively protect scarce resources in every project's individual environment ▪ Prepare all assets for climate-neutral mobility
S	▪ Create built environments that promote social interaction and engage with the communities around ▪ Ensure developed spaces promote health and wellbeing of its users
G	▪ Establish ESG as central part of risk management on executive level and provide adequate staffing ▪ Actively promote diversity, equity and inclusion in company culture and leadership

ESG STRATEGY

GC´s 2035 climate plan

To reach the E part of its ESG goals, Greenfield Capital has developed the 2035 climate plan to make its real estate portfolio carbon-neutral. Its mother company Waterland Bank plans to be net-zero in carbon emissions by 2050. However, GC is convinced that faster action is necessary to both combat the climate crisis and realize green first-mover advantages in the real estate industry. Therefore, the catalogue of measures shown below is implemented as a mandatory part into project GC's planning and construction process. To distance itself from any greenwashing, GC transparently outlines specific, concrete measures centering around the reduction of energy and water usage. Smart technologies are added when providing a net advantage. We work towards an even energy balance by reducing a building's energy consumption and installing on-site production of electric power. Especially in dry regions, we save and recycle water wherever possible. Within our capabilities, we encourage sustainable mobility by installing the necessary infrastructure.

2035 Climate Plan

Energy

- Lower energy consumption through insulation improvements, efficient lighting, HVAC
- On-site energy production
- Pursue internationally-acclaimed building certification

Water

- Reduce water consumption
- Provide rainwater reserve for collection
- Use waste water for irrigation

Mobility

- Integrate bicycle storage and electric vehicle charging into asset
- Promote public transport around property

Smart Building

- Optimize energy usage through data-gathering sensors and automatic smart HVAC steering
- Avoid water waste through smart sanitary equipment

ESG STRATEGY

ESG in the building lifecycle

Buildings are responsible for almost 40% of global CO_2 emissions during their lifecycle. Greenfield Capital addresses these issues as follows:

Demolition

- Use built-structures as long as possible
- Resource mapping
- Circular material use (Urban Mining)

Operation

- Smart metering and HVAC control
- Easy data access for on the ground facility management
- Negotiate green leases

Planning

- Consider total energy accounting
- Plan in accordance with certification

Construction

- Avoid harmful materials and material waste
- Reduce transport emissions by short distances

GC´s agenda for social governance

To reach the S and G part of its ESG goals, Greenfield Capital puts a similar effort into its social governance plan. Socially, GC provides high-quality spaces both for its employees and tenants that are used as a platform for people to interact. In the planning process of all projects, GC actively involves the community around and asks for contribution on measures and design. Especially in office or residential spaces where people spend a lot of time, GC uses inside architecture incorporating wellbeing standards.

On management level, ESG is integrated into the risk management department led by Katie Tao and equipped with veto power for all major project decisions. GC is convinced that a successful ESG strategy has to be carried by committed executive team. Greenfield Capital promotes a diverse and inclusive company culture by offering leadership classes, flat hierarchies and an anonymized application process to ensure equity.

ECONOMIC OUTLOOK

2

"I'm thinking."

\- Ben Rickert -

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INTRO

Waterland – based on the United States of America

The following section uses the United States of America as a basis for examining Waterland's economic outlook. The U.S.A. is the world's largest economy and has substantial global influence with its currency, the U.S. dollar. Thus, the economic trend inside the USA has a considerable impact on the economies of almost all other countries in the world. With globalization, economic and financial trends are increasingly interconnected. Consequently, an analysis of the U.S. economic situation is a particularly suitable benchmark and reference for most economies on the globe, just like Waterland.

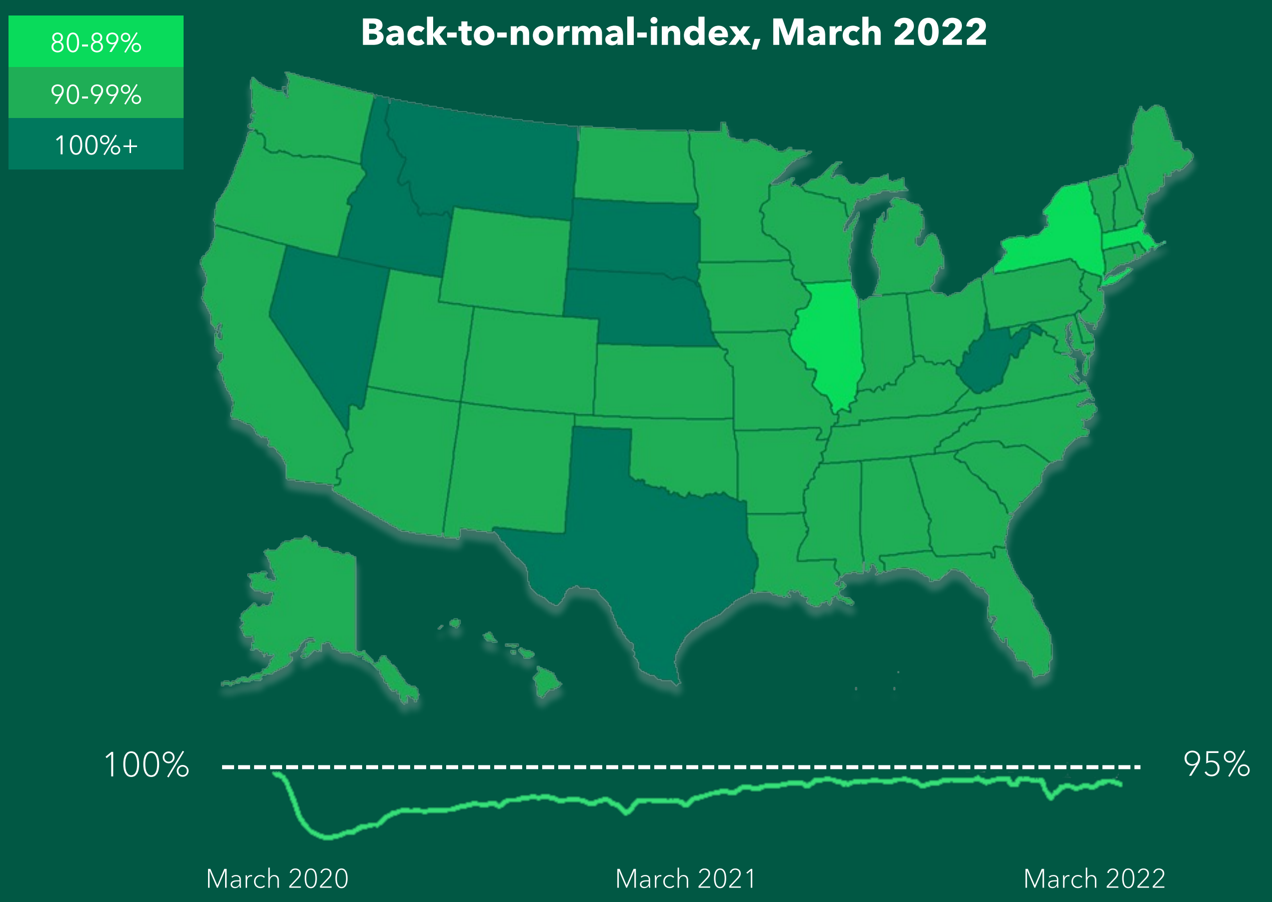
Although Waterland is entirely fictitious, it resembles the U.S. in many ways: a federal system with relatively independent states, growing metropolitan areas and planned communities shapes urban policy. The booming technology industry among other sectors, and also various economic and environmental difficulties such as the financial crisis in 2007/08, a pandemic-induced slowdown in 2020 or regions with insufficient water supply, all form the playing field of economic policy. Overall, the U.S. provides solid ground for our research in a real-world country.

Numerous similarities between the USA and Waterland

U.S. economy - everything back to normal?

Following the sharp economic decline caused by the Covid-19 pandemic, the U.S. economy bounced back rapidly during 2021. After enormous fiscal interventions in the markets during a period of crisis, the government's challenge now is to control the various after-effects and lead them in the right direction. To actually build back a stable economy, it is necessary to determine regulatory, fiscal and monetary policies that function sustainably. A low interest rate environment combined with extensive fiscal stimulation have proven very effective against recession. However, inflation and a rising bubble risk in asset markets are the unwanted counterparts to quantitative easing. Controlling inflation without inhibiting growth in GDP and jobs is now the Fed's primary objective.

Looking at America's daily-life, the situation has calmed down: According to the "back-to-normal index" by CNN and Moody's the U.S. is already almost back to pre-pandemic levels in numerous aspects considering, among other data, real-time information on job, economic and tourism markets.



Source: CNN and Moody's Analytics, 2022

ECONOMIC GROWTH

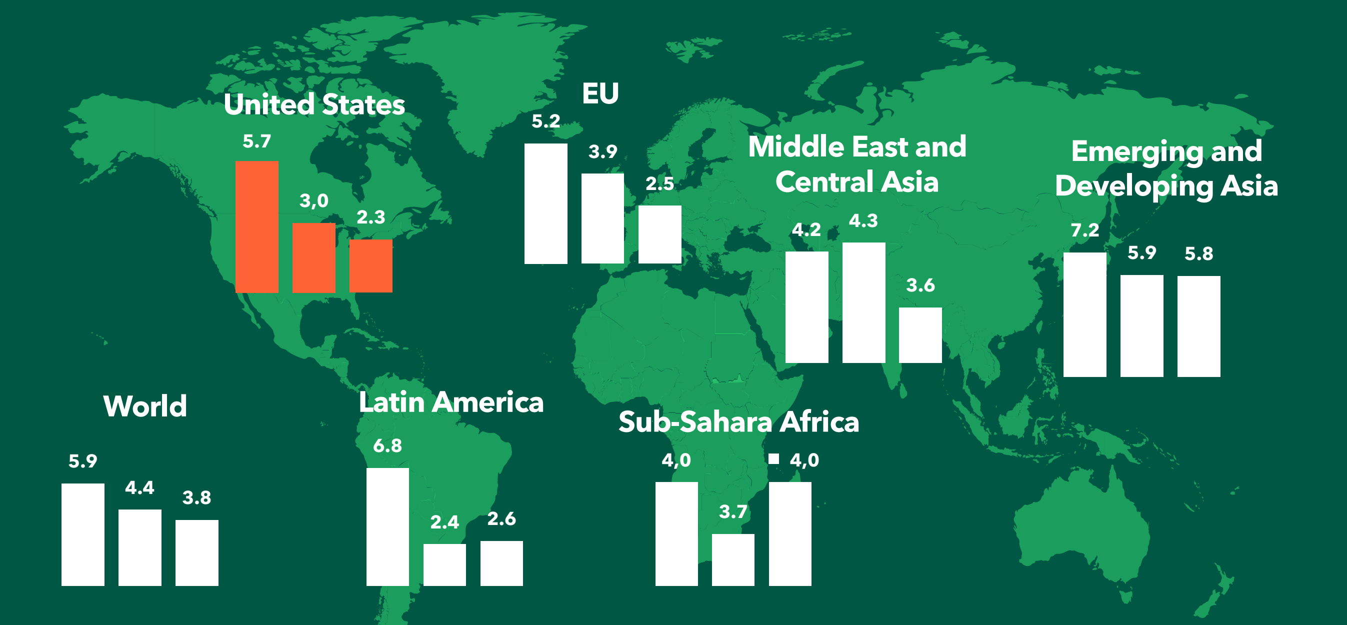
Gross domestic product

Following the pandemic-induced recession in 2020, US output bounced back rapidly in late 2021. For Q4/2021 we have seen a 6.9% increase in GDP (QoQ), helping to boost overall 2021 growth performance to 5.6% (YoY). But recent forecasts predict a slowdown in GDP growth to 3.0% (YoY) in 2022 and to 2.3 % (YoY) in 2023.

- ▲ Extensive government spending has led to a GDP growth by 5.6% in 2021
- ▼ Future GDP expected to slow down to 3.0% in 2022 and 2.3% in 2023

During 2020 and 2021, extensive government spending propelled the economy though the crisis. Along with the ongoing loose monetary policy by the Fed that allows businesses and individuals to take out cheap loans, trillions of public dollars built a safe haven for workers and corporates. Both approaches combined, empowered a fast recovery after the lockdown and many hope for the momentum to continue. Some observers, however, are more pessimistic about future GDP growth, as government debt and price levels rise and counteraction becomes inevitable. Relevant unknown factors for further GDP development are the impacts of the upcoming fiscal spending, the swing in monetary policy and foreign trade issues and conflicts like the Ukraine war. Given the comparatively high uncertainty, U.S. forecasted GDP growth is slightly lower than the worldwide average.

2021-2023 GDP Growth Forecast*



Please note: Numbers for 2022, 2023 are forecasted values

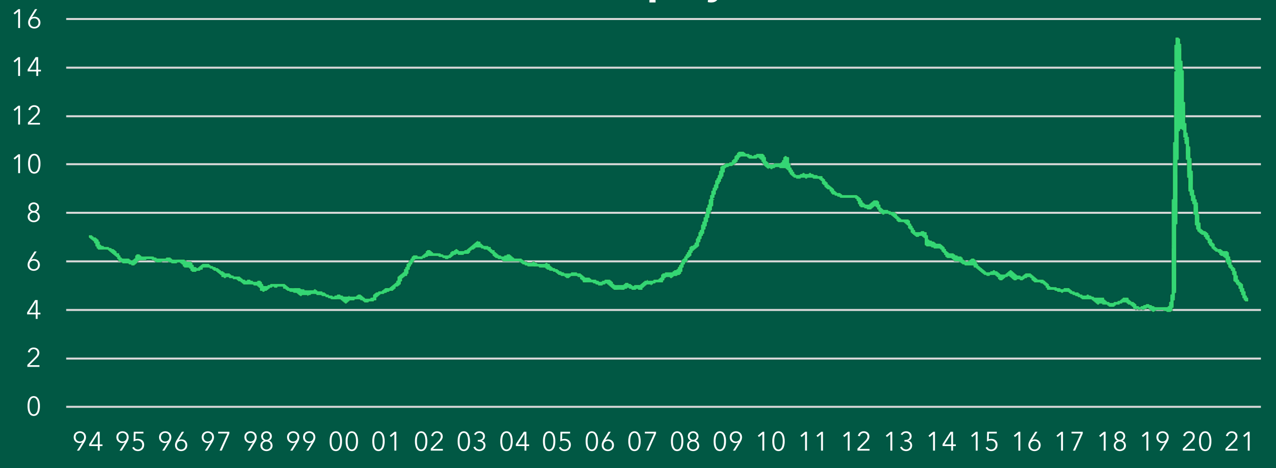
US Data: Conference Board, US Economic Forecast, March 2022
World Data: IMF, World Economic Outlook, January 2022

JOB MARKET RECOVERY

Labor market and demographics

After reaching critical highs with around 14% during the peak of the pandemic-induced slowdown, unemployment has fallen back to roughly 4% by 2022. This has been powered by active labour market policies implemented during the downturn in 2020, and the recent economic recovery is still pushing job numbers up by thousands every week. Average hourly wages rose by a strong 5.6% (YoY) in January 2022, yet lagging behind the surging inflation.

U.S. – Official Unemployment Rate (%)



Source: Bureau of Labour Statistics, 2022

The thrive for full employment is only offset by a shortage of qualified labour, in part caused by low workforce participation rates after the lockdown. Being comparatively regulated, U.S. labour markets suffer from barriers in qualification and worker mobility. The economic transition which is necessary in terms of adapting to climate change in the ensuing decades will force the workforce to learn new skills to stay competitive, and removing friction along the way is considered a key feature.

A long-term issue is the aging of the working population in the future: By 2019, about 16.5% of the population was 65 or older, and this share is expected to reach 22% by 2050. Americans might be forced to work longer than today, unless contrary effects like immigration, which is expected to rise rather than fall during the upcoming years, make up for this trend.

22%
of population 65 or older in 2050

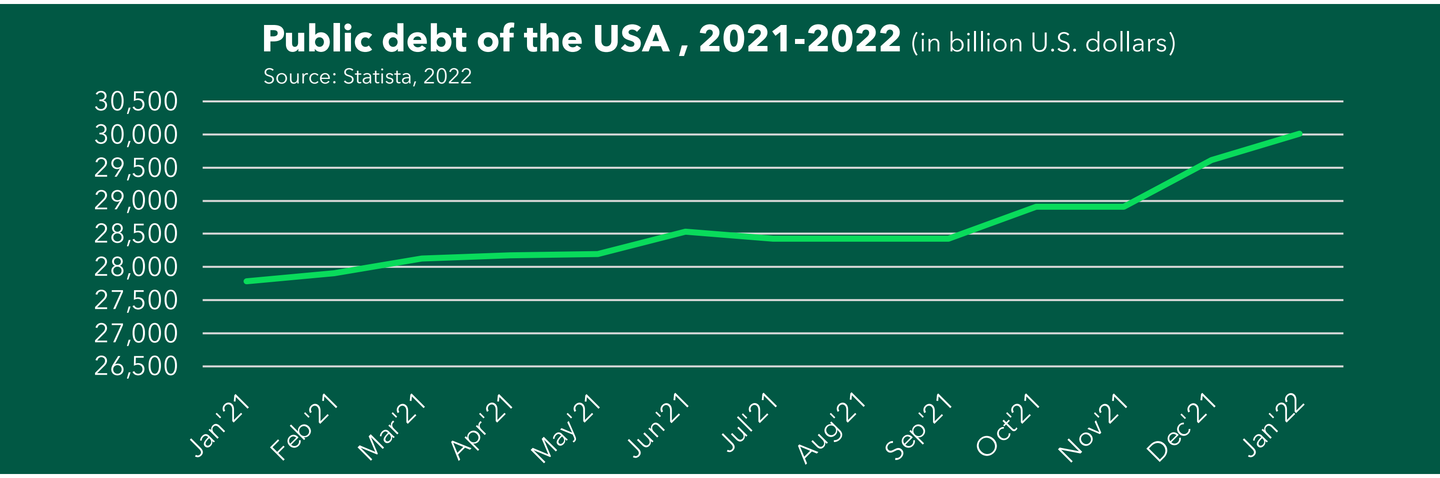
15%
Working remotely

In January of this year, roughly 15% of the American workforce are working remote. Grown sharply during the lockdown in 2020, the home office share remains very unclear, but in the future will certainly influence office demand.

GOVERNMENT DEBT

Towards the next government shutdown?

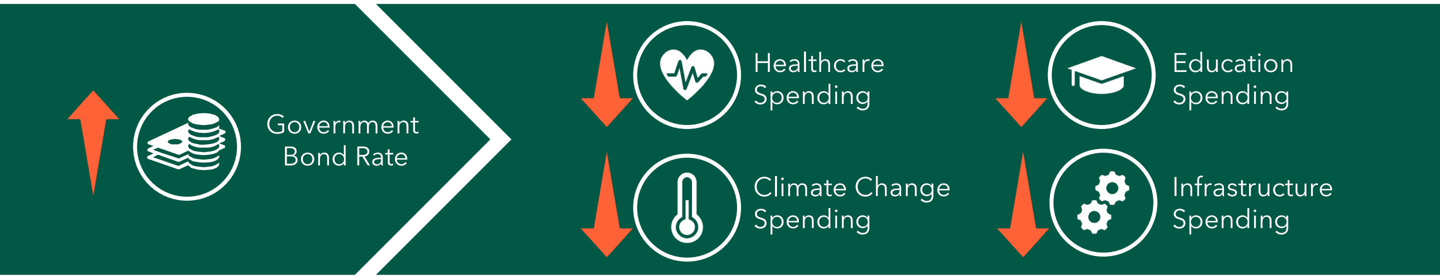
While we see a broader resilience of the economy to the pandemic as a whole, other disturbing factors are entering the stage: Government debt is expected to reach new record-highs, following the deficit caused by massive fiscal stimulus of the pandemic era. In January 2022, it stands at roughly $30 trillion, accounting for about 130% of the country's GDP.



Debt burden rising

Sky-high debt raises questions about potential negative consequences in the long run. Although public debt may not be as affected by rising interest rates as private loans or mortgages, the amount of interest paid on government bonds is already substantial. Currently being subject to an average 1.5% interest rate, the U.S. Treasury pays roughly $450 billion in interest OVER WHAT PERIOD?. With the Fed raising the federal funds rate in March 2022, a process which is to be continued as projected later this year, this figure might improve rapidly. With an assumed average government bond rate of 2%, for example, the amount of interest would rise to roughly $600 billion, putting other expenditure under substantial downward pressure.

Important issues like infrastructure, healthcare, education or the battle against climate change could then be pushed down the priority list and receive less public financing. In our age of new challenges emerging unexpectedly, the vital ability to react fast and adapt fiscally to any issues cannot be understated.

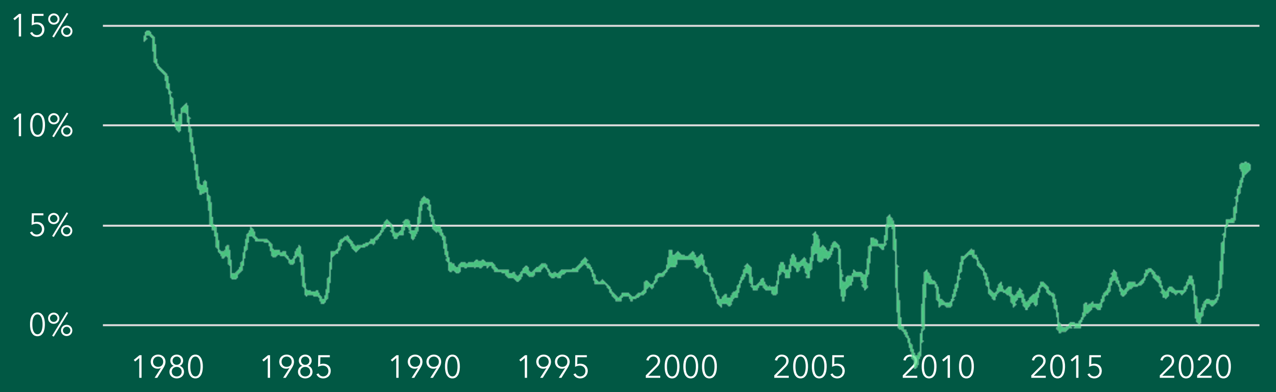


INFLATION

What is my money worth?

Strong post-pandemic growth also impacted prices - inflation skyrocketed. The consumer price index as a reference shows a 7.0% change (YoY) in December 2021 and an even larger leap of 7.9% (YoY) in February this year, displaying the steepest upward movement in 40 years. Even excluding the volatile energy and food prices by observing core consumer prices alone, we see a 5.5% increase (YoY) in December 2021 and a 6.4% increase (YoY) in February, outperforming every change since 1982.

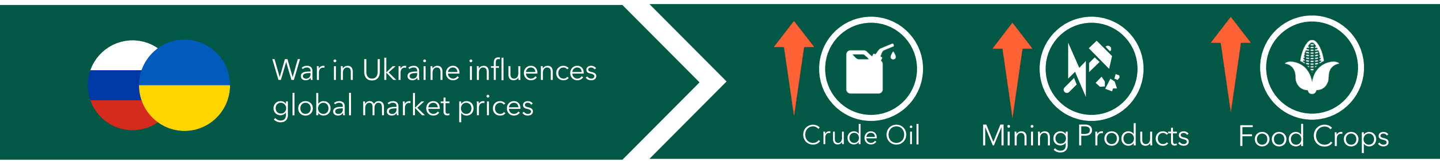
Consumer price index, %-change (YoY)



Source: Federal Reserve, 2022

Global trade showcasing global dependencies

Along with lockdown-induced supply chain vulnerability worldwide, the most important factor has been a widespread inventory restocking in 2021, boosting demand around the U.S. and subsequently also in Europe. In 2022, global supply chains are expected to run smoothly again, especially in the natural resources and production sectors. Yet, the outbreak of the Ukraine war has created an extra volatility risk in the context of commodity prices, especially regarding fossil fuels, mining and agricultural products from Russia, Belarus and the Ukraine, all highly relevant for worldwide trade, production and consumption.



Recent price developments have triggered fears of an overheating economy. Not only in consumer goods prices, but also on asset markets like those of equities or even housing, there has been a considerable jump. If not fundamentally justified, asset market prices like those of real estate may be under pressure when rising interest rates now turn into reality.

SPOTLIGHT: MONETARY POLICY

Federal Reserve starts incremental rate increases to fight inflation

The Federal Open Market Committee (FOMC) is already preparing its toolbox to combat inflation by more and earlier federal funds-rate hikes this year. Starting from between 0.00 and 0.25%, the first upward move of 25 basis points was announced on March 16 and will set the federal funds rate between 0.25 and 0.50%. Committee members expect follow-up action of at least five or even six more rate hikes of 25 base points in 2022. Summing up, the federal funds rate could settle somewhere between 1.50 and 1.75% by the end of the year.

The Federal Reserve's Mandate

Maximum employment
Long-term unemployment of around 4,5% acceptable

Price stability
Average inflation of 2% measured by change in personal consumption expenses price index

Moderate long-term interest rates

„The U.S. economy is strong enough to stomach rate hikes and keep healing"

- Fed Chair Jerome Powell *(March 16th, 2022)*

Economic effects of contractionary monetary policy

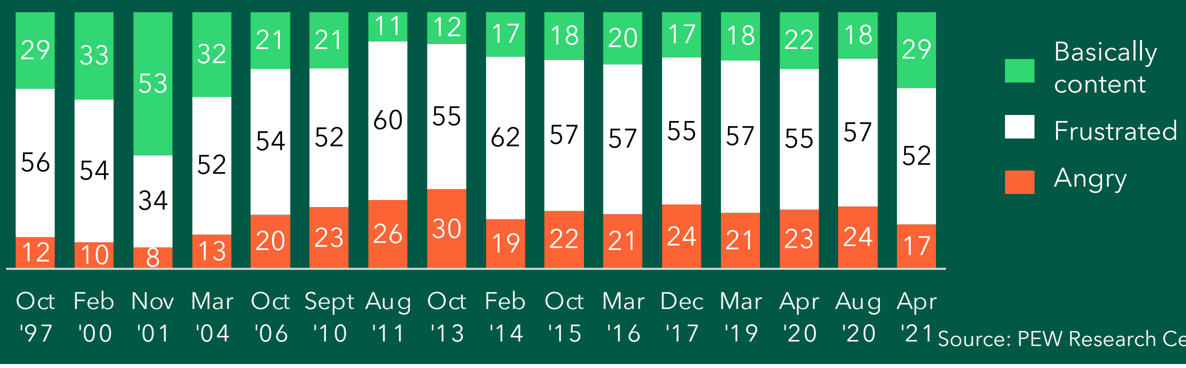
The first move up in rates represents a policy swing from a year-long expansionary to a contractionary monetary policy that might have considerable effects on the whole economy. Although slashing some GDP growth expectations for 2022, Fed chair Jerome Powell is convinced that the economic rehabilitation will continue despite credit conditions worsening. However, capital markets might be heavily affected, considering a change in the risk-return profile of many assets. Consumers and businesses nationwide will face immediate adaption to the change and therefore, higher interest rates on the part of mortgage lenders. Some observers fear that an excessive base rate hiking campaign might choke the economy and spark a new recession in its efforts to bring inflation down.

POLITICAL ISSUES

The Biden administration under pressure

With mid-term elections coming up in November 2022, the Biden Administration faces its next political challenge, right before entering the 2024 presidential race in November. Voters expect the government to provide solutions to the country's most pressing problems.

American Satisfaction with Federal Government



Source: PEW Research Center, 2021

Challenges at home

Handling inflation is considered the most critical issue to be faced by U.S. politics in 2022, according to polls and political observers. Contrary to originally being called a transitory phenomenon, high prices and continuous price increases now seem here to stay at least until 2023. Containing the ongoing inflation is closely related to the base rate set by the Fed. Ongoing quantitative easing, combined with extensive fiscal stimulation pumped trillions of dollars into the markets that are now pushing prices higher. President Biden's $ 3 trillion infrastructure efforts planned over the next years are the largest federal investment plan in decades and will contribute further to inflation. Even if executed in a fiscally balanced way, it will be necessary to control both inflation and government debt and remain capable of action in the future.

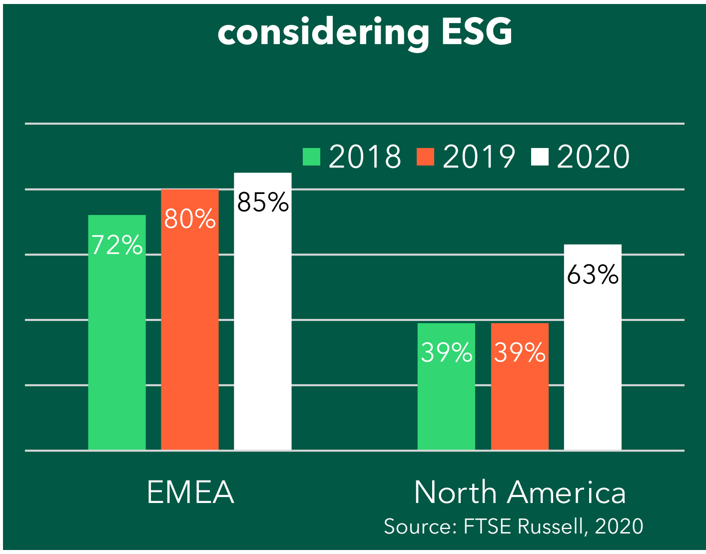
Challenges abroad

While reshaping the domestic economy is challenging in itself, issues overseas have not become easier recently either. In addition to the ongoing economic and trade competition with long-time rival China, the Russian war in Ukraine has resulted in tough sanctions against Russia and causes severe disruptions in the worldwide economy. While the impacts of the war depress stock markets in continental Europe, shortages or boycotts of export goods from the affected region – mainly energy, mining and agricultural products – will contribute to rising prices worldwide and are likely to affect the U.S. as well. U.S. oil and gas exports might even profit from increased European demand as countries try to replace Russian supplies.

POLITICS ON ESG

USA catching up on ESG

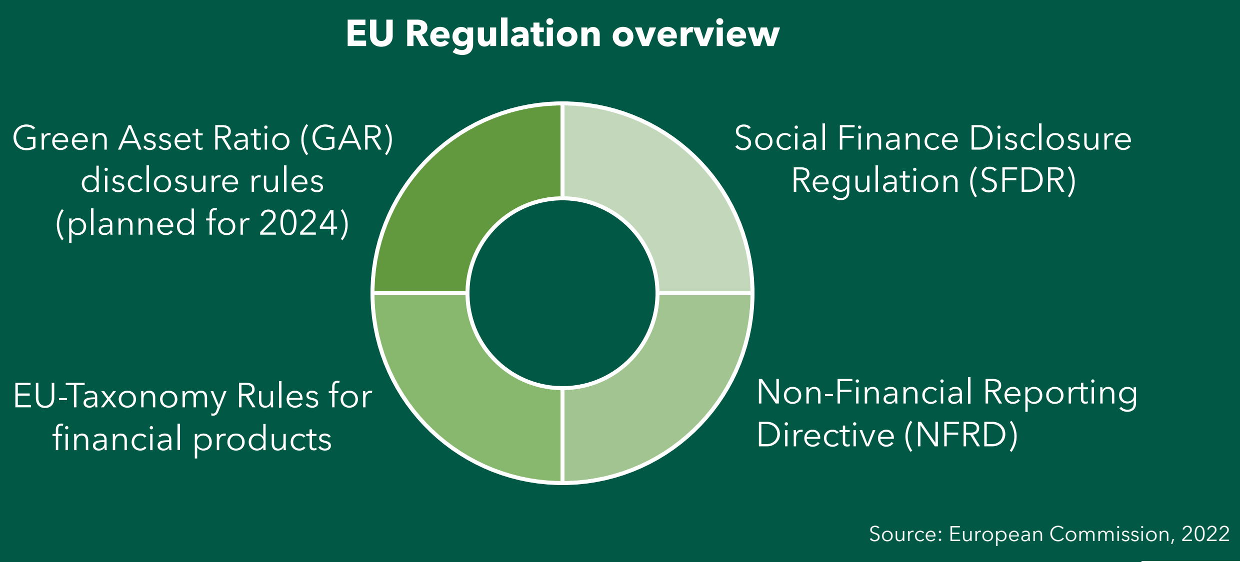
In terms of implementing environmentally sustainable investment strategies, North America is still lagging far behind Europe and other regions. Unlike the United States, Europe has already undertaken a major initiative in ESG regulation and policy. Institutional and regulatory impulses in Europe have greatly accelerated the development of responsible financial solutions in recent years. With President Biden in office, the U.S. are finally about to meet the challenge.



"It's the number one issue facing humanity. And it's the number one issue for me"
- President J. Biden

President Biden's ESG initiative

Hours after taking over the oval office, the U.S. under Biden's administration rejoined the Paris climate accord. Higher transparency obligations with regard to ESG are coming from the SEC. In light of Biden's infrastructure plan, new ESG regulation for the property sector might also be on the horizon. The EU has introduced an ESG-taxonomy for the financial sector in 2022 that could function as a blueprint. US investors should expect similar regulation.

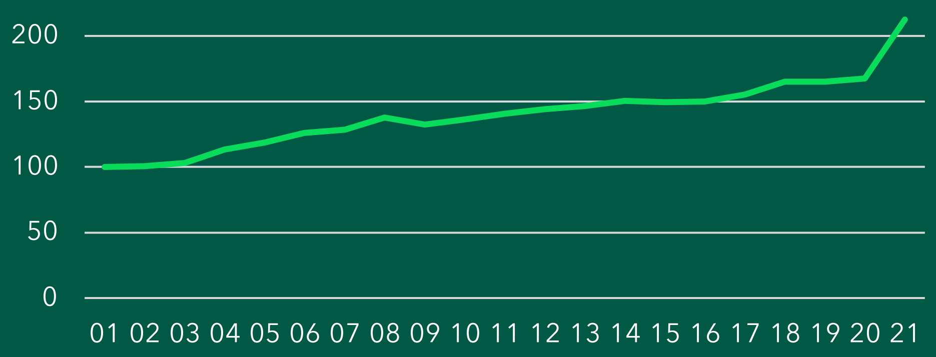


IMPLICATIONS FOR REAL ESTATE MARKETS

Inflation and construction costs

With inflation reaching record highs month by month, real estate developers need to closely follow construction prince changes. According to U.S. Census Bureau data, construction prices rose by 7.4% (YoY) on average in 2021. Contractors blame this on input parameters like materials, wages or fuels becoming more expensive. In fact, materials like steel, lumber, gypsum or some plastic products face particularly problematic supply chain situations. The result is highly volatile day prices due to fast-changing demand and supply constraints that make construction more expensive and, most of all, less plannable.

Construction Materials Index (100 = 2001)



Source: Federal Reserve Economic Data, 2021

Contractionary monetary policy and project developments

Rising base rates have two major effects on real estate projects, specifically less favourable borrowing conditions and, in a highly leveraged market like real estate, falling asset prices. Both for home-buyers and professional investors, the purchase price or the project cost of a built asset will be paid using equity and debt in varying proportions. In general, the interest rate on the debt will quickly reflect any rise in the base rate, worsening the conditions for building or buying a capital-intensive asset like real estate. Higher debt service costs at constant rental cashflows will lower NOIs and put asset prices under pressure. Meanwhile, higher base rates promise higher bond yields, making the competition in capital acquisition tougher for real estate. To balance the equation, the prices of real estate are likely to fall in the medium-term.

Mortgage rates expected to rise

Property prices expected to fall

IMPLICATIONS FOR REAL ESTATE MARKETS

Demographics and real estate markets

American society is changing – it is getting older, the workforce is shrinking, work and life have become more mobile and more flexible. Even with modern technology, construction is still a labor-intensive industry. Maintaining a sufficiently large, qualified workforce is key to succeeding as a contractor. Immigration may help, but in the short term, rising wages will be the consequence of a mismatch between vacancies and applicants. Commercial real estate needs to follow its customers; the next generation will work, shop, consume and travel very differently than before, and the industry is being asked to provide the appropriate space for this scenario.

Government debt influencing future funding and taxation

The U.S. government offers a variety of funding programs to the real estate industry, e.g. grants for home-buyers or owners in need of an urgent repairs on their property, as well as favourable tax conditions for professional investors. Mortgage interest rates, depreciation and other expenses can be deducted from the taxable income, creating incentives to invest in real estate as an asset. In total, billions of dollars are channelled into the support of property investment every year. All these measures cost the government money, in giveaways or in taxes not collected. A government budget constrained by high interest payments on its debt have to reconsider the situation and eventually terminate at least some of the favourable rules and raise the burden on real estate owners one way or the other.

Key Implications for commercial real estate markets

- **Inflation** ↗
- **Federal funds rate** ↗
- **Unemployment rate** ↘
- **Government debt** ↗

- **Mortgage rates** ↗
  Due to swing in monetary policy
- **Property prices** ↘
  Due to less favourable financing conditions
- **Construction costs** ↗
  Due to material scarcity and rising wages
- **Fiscal burden** ↘
  Due to fewer funding and expected tax increases

KEY TAKEAWAYS

COVID-19

The U.S. is almost back to pre-pandemic levels in terms of jobs, economy and tourism. Fiscal stimulus to combat the economic downturn has resulted in high government debt and rising prices.

GDP

Extensive government spending has led to a GDP growth by 5.6% in 2021. Future GDP growth is expected to slow down to 3.0% in 2022 and 2.3% in 2023. Decisive factors here are fiscal spendings and announced rate hikes.

LABOUR MARKET

The critical labor market situation in 2020 with an unemployment rate of 14% was reduced to 4% through active labor market policy measures. In fields like construction, labor shortage stays a problem and raises wages.

DEBT

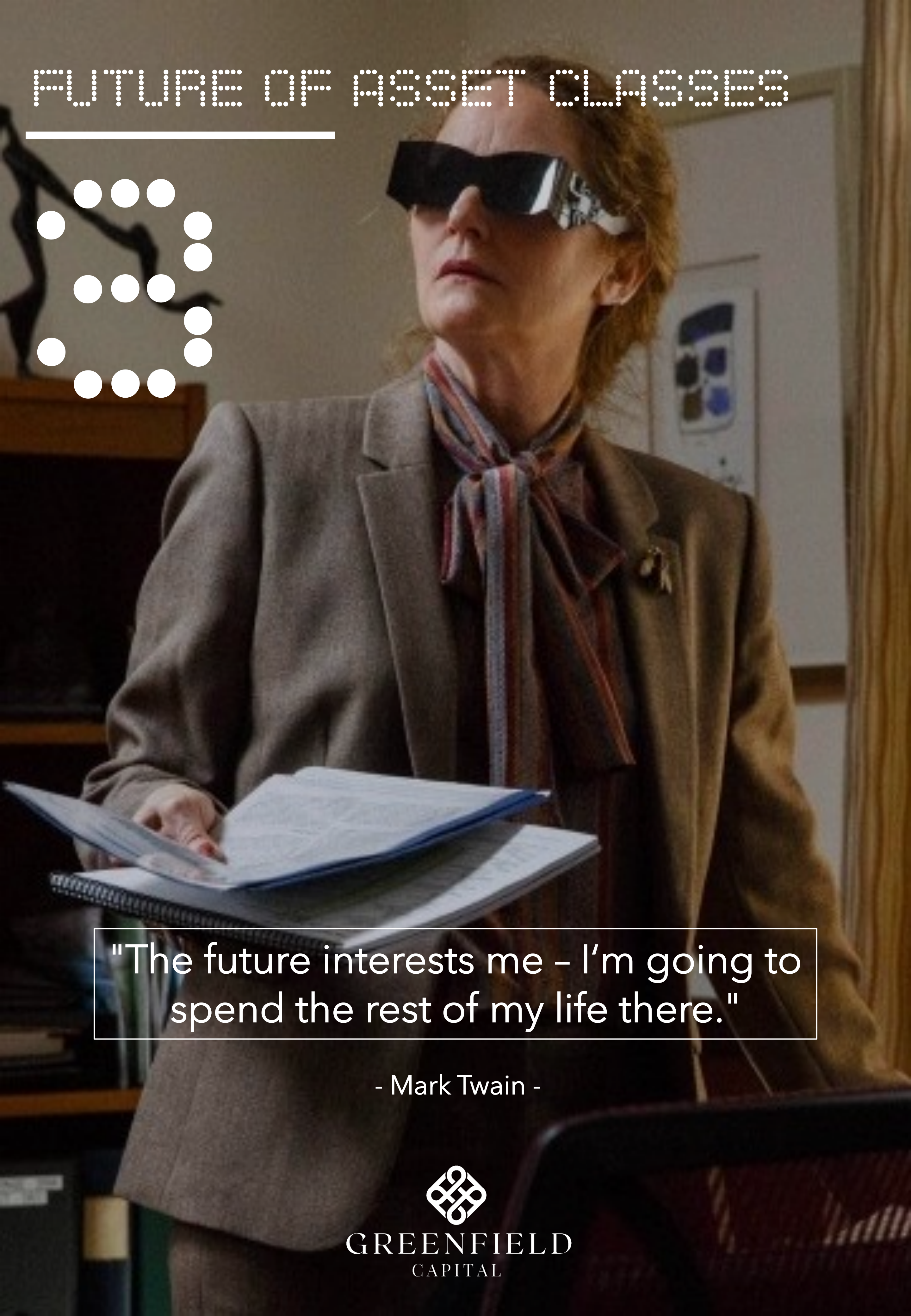
Government debt is expected to reach new record highs in 2022. Currently, it stands at roughly $ 30 trillion accounting for about 130% of the country's GDP. Higher federal debt service poses a risk to other spending being cut, e.g. for climate protection.

INFLATION

Reaching a 40-year high with 7.9% (YoY) in February 2022, inflation is powered by ongoing stimulus and supply chain disruptions in the post-Covid recovery. Construction prices are showing an ever higher 17.5% (YoY) increase in 2021, troubling property developers.

POLITICAL ISSUES

With mid-term elections coming up in November 2022, voters expect solutions to the surging inflation but also demand the promised infrastructure packages to be realised. Overseas, the handling of the Ukraine war will be the dominant issue this year.



FUTURE OF ASSET CLASSES

3

"The future interests me – I'm going to spend the rest of my life there."

- Mark Twain -

GREENFIELD
CAPITAL

MALL OF THE PAST

A concept established in the 1950s

Malls came up in order to offer suburban people a place to spend their afternoon. Malls were community centers for shopping, cultural activities and social interactions.

The first type of malls were supermarkets that served as a magnet for a strip of smaller stores. In 1956 the first enclosed mall was built in Minneapolis by Victor Gruen.

Southdale Center, Minneapolis, opened 1956

Tax Incentives paving the way

Soon the American fascination with malls began to start. Over the years, an extensive amount of malls and shopping centers were built. The catalyst was an accelerated depreciation law passed in 1954 to stimulate investment in the manufacturing sector. However, mall developers were able to recoup investment costs quickly as well, creating a development incentive and promoting the construction of new malls rather than maintaining existing ones. Nowadays, malls are usually owned and operated as an investment good.

Brief history of malls in the US

1920's Birth of mall in California

1956 First enclosed mall in Minneapolis

1960 4,500 malls accounting for 14% of retail sales

1975 16,400 malls accounting for 33% of retail sales

1987 30,000 malls accounting for 50% of retail sales

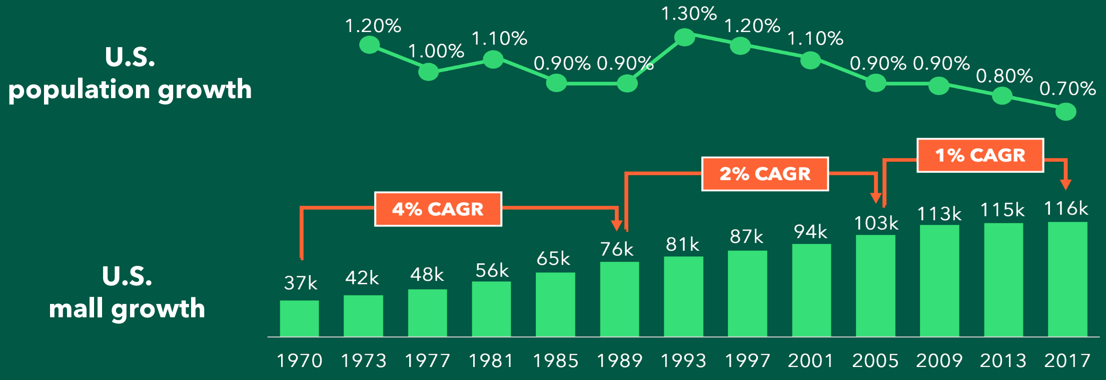
2017 116,000 malls

2022 Credit Suisse estimates that one in four malls would close by 2022

Death or rebirth?

MALL OF THE PAST

U.S. mall growth outpacing population growth



Source: U.S. Census Bureau; A.T. Kearney analysis, 2017

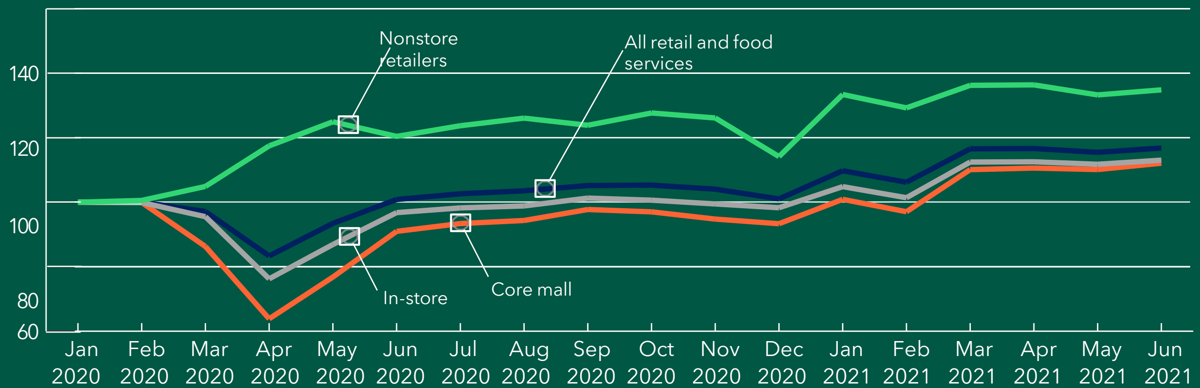
What's next for malls?

The growth rate of malls rose faster than the population for the past 50 years. An oversupply of retail space has built up in the US, which now has one of the highest per capita ratios of retail space in the world. During the Covid pandemic, closures slowed down brick-and-mortar retail while accelerating structural change and digitization. This trend is expected to continue, putting pressure on retail and retail real estate.

Post-pandemic forecasts for the retail real estate sector appear to be negative: Green Street Advisors estimate 50% of department stores in malls will close by next year. Cushman & Wakefield expects up to 2.4 billion square feet of retail vacancy by the end of 2022. US investment manager CenterSquare even expects up to 90% vacancy in shopping centers in the future. Moody's Analytics indicates vacancy rates of 10.3% for regional and superregional malls in the fourth quarter 2021.

Deloitte on the other hand imply a more nuanced picture: Malls are definitely challenged and need to reinvent themselves to survive. Customer's shopping preferences and expectations may have changed, but a physical magnet for people to meet and interact is still desired.

Retail Sales



Source: U.S. Census Bureau, Nelson Economics, 2021

MALL OF THE FUTURE

In the quest to make and keep mall future-proof, owners need to focus on changing conditions and transforming consumer behaviors. The most pressuring question is: How can physical retail space remain relevant in a world where digital retail is rapidly expanding? Here's eight approaches and ideas worth looking at:

1. New store formats
2. Food is the new anchor
3. Brick & Mortar goes digital
4. Beyond shopping
5. Omnichannel presence
6. New leasing models
7. Safety & convenience
8. Mall Design & Shop Arrangement

MALL OF THE FUTURE

1. New store formats

The best of both worlds

The way stores look defines their shopping experience. Both tenants and owners need to rethink and redefine existing store formats and sizes. Some tenants might downsize to compensate the lower demand in times of increasing online shopping. In turn, retailers can make use of innovative store formats such as showrooms, pop-up shops and micro-retailing with a focus on experience-driven shopping. These new kind of stores allow to reduce space, rent and necessary inventory. By mixing offline and online shopping dimensions, aisles have no physical limitations while a personal interaction of the customer with the brand and its employees and products is still possible.

Best Practice:
Lululemon's cozy store concept

By integrating workout spaces and cafés to their stores, customers are incentivized to return more often - beyond shopping clothes.

Best Practice:
Nordstrom's boutique concept

Shifting from larger and traditional department stores to smaller and inventory-less stores, that offer different services like online order pickup and return or style advice.

MALL OF THE FUTURE

Food is the new anchor 2.

Increase dwelling time

Food tenants are successively replacing fashion tenants as the primary attraction towing in customers. Eating with friends is a social event and cannot be replaced online. Finding the right types of food concept is crucial: Food courts lining up one international fast food chain next to the other do not satisfy customers' demand for experience. Cultivated food halls featuring more sophisticated restaurants or rising chefs attract constant foot traffic. Each place is embedded in the overall design concept to create a holistic look and feel. A large variety of restaurants positively influences the duration and frequency of visits in the mall and increases customer value for other tenants.

Cross-Marketing: Events and groceries to go

A successful food concept makes the mall a destination even without actually shopping. Once established with customers, events like cooking classes, chef's competitions and glass-door kitchen shows further increase customer attraction. In addition to in-seat dining, food halls and restaurant offer delicacies and fresh seasonal staples for take-away, emphasizing the link between gastronomy services and stationary retail.

Best Practice: Ponce City Market's food hall in Atlanta, GA

In 2014 Atlanta's long vacant historic sears building was turned into a mixed use concept with a strong retail and food hall core. The food hall follows a unique design concept where local food concepts offer their dishes.

MALL OF THE FUTURE

3. Brick & Mortar goes digital

Consumer-facing digitalization

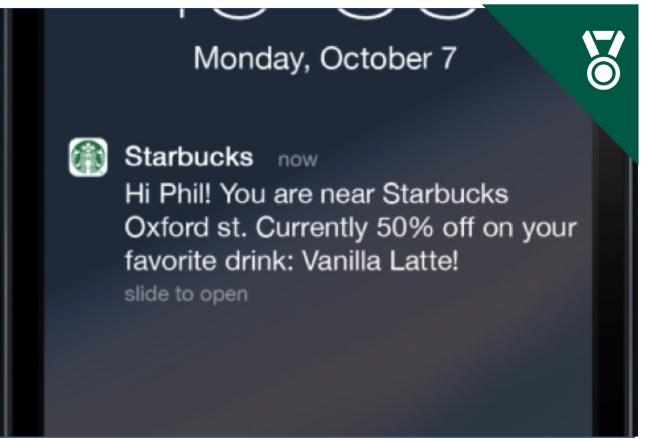
Mall-related apps with personal customer accounts allow cash-free payments and the collection and analysis of data on consumer preferences and behavior for personalized advertising. Further possibilities are virtual shopping and employee consultation as well as testing out products via augmented reality. In the mall, digital wayfinding can facilitate a convenient shopping experience. Besides digital technology, physical high-tech devices such as information or package-carrying robots help to elevate the experience and be memorized by customers.

Proptechs help managing the mall behind the scenes

Operating a mall is complex and can be addressed systematically using artificial intelligence. In tenant management, utility optimization and maintenance, collecting and processing real-time data helps ensuring the mall's economic success. Business intelligence also measures the effects of marketing strategies or product renewals and includes exogenous factors such as time, day or weather conditions into the analysis.

Best Practice:
Starbuck's targeted messaging

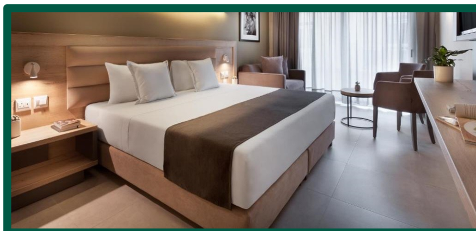
When a customer is near a Starbuck's store targeted messages via geofencing are send out promoting special offers and deals based on the customer's preferences.



MALL OF THE FUTURE

Beyond shopping 4.

Become a destination



Landlords are not in the shopping business but in the space business: There are alternatives to retail. Depending only on one tenant group, mall owners have exposed themselves to a sector risk. With retail fading as the population's most popular magnet in town and demand for inner-city retail space declining malls need to think beyond shopping to diversify in the future. What makes customers leave their home when almost every product is available online, is experience and social interaction. Non-retail tenants offering exactly those two things can take up vacant space and re-increase attraction. Malls can be redeveloped into working spaces, education facilities, hotels, housing, health care or distribution centers. Entertainment is probably the most essential to establish content as an anchor: Movies, sports, events, nightlife – the list goes on.

The mall is the town square

What matters most for malls in the future is to provide a fitting mix of entertainment, dining, education, shopping, living and working to stay a destination where people go and gather to satisfy their needs of human interaction. Especially in rural areas, smaller cities or suburbs, the revitalization of well-maintained and inviting public spaces helps to serve the community as well. Future-proof malls may be a mixed-use city inside a city – a new interpretation of an old town's square.

Best Practice: Simon Fraser University's campus in a mall in Surrey, Canada

Simon Fraser University's Surrey campus opened inside the Surrey Central City mall in 2006. Shoppers, office workers and students all share the same lobby and can mingle together. The university has its faculties, computing labs, classrooms and library on top and inside of the mall. The college students use the food court as their cafeteria and shop after class. Spectators note that Central City mall is constructed like a traditional village with different uses closely-connected to each other and enabling a circular people flow.

5. Omnichannel presence

Attract the customer at the beginning of their journey

With competition by E-Commerce increasing, brick-and-mortar retailers with integrated omnichannel capabilities have an advantage in terms of same-day services. Omnichannel can provide a consistent, coordinated customer experience across all possible sales channels, using all data available. In most cases the customer's journey starts online and customer's come to the store to test a product or seek advice. Sales assistant need to become „trusted adivsors" that is well versed in the product.

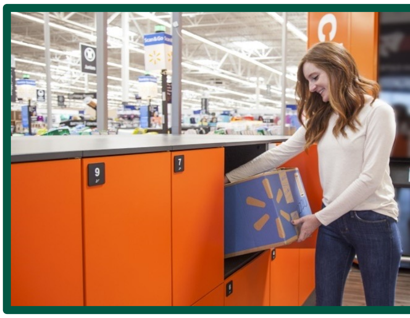
Best Practice:
ECE's omnichannel strategy

European mall giant ECE introduced the "digital mall" offering online product search and availability check. The customer then has the possibility to pick it up in-store at 65 of ECE's malls. Delivery from the mall is on the horizon as well.

Central fulfilment services offer new revenue potential

To support a tenant's omnichannel strategy, malls establish centralised fulfilment services to enhance customer convenience and provide retailers a shared, effective parcel storage area. Centralised services like this create an upside potential for new revenue streams with tenants paying for handling the logistics and warehousing of their omnichannel operations. These include the following types and variants that malls can implement into their concept:

BOPIS	Buy online	Pick up in store	
BOPIL	Buy online	Pick up in locker	
BORIS	Buy online	Return in store	
BOSFS	Buy online	Ship from store	



New leasing models 6.

Adjusting hybrid rent models to reflect omnichannel reality

In times of crisis and competition, fixed lease terms put retailers under pressure. Hybrid rent models including a fixed and a variable component lead to more flexibility for tenants and thereby improve tenant retention. However, landlords will share both risk and return of retail store they have no direct control over. A frequent point of conflict is also the handling of omnichannel sales in turnover rents, as tenants prefer to keep non-store revenue to themselves.

Landlords as partners of retailers

Retailers and landlords find themselves on the same side in the ambition to rebuild consumer traffic after the pandemic-induced retail recession. A common approach to achieve this goal will benefit everyone: Retailers can help landlords to react adequately to changing needs of shopkeepers. Landlords can profit from functioning business models by negotiating a turnover rent. Mutual understanding, coordination and collaboration are paramount to the long-term success of both parties.

Flexible contracts with turnover rent agreement

Landlord and tenant working together as equal partners

7. Safety & Convenience

Customers demand safe and welcoming place to stay at, especially after socially active areas have been a health threat recently. Malls need to implement hygiene and security concepts to ensure a safe shopping including contactless payments, different digital click-and-collect platforms and assisted or appointment-based shopping. Another expectation of customers is convenience: Endless searches for particular shops prevent purchases. Easy and digitally-supported navigation systems are a plus as well as concierge services for premium malls.

8. Mall design & Shop Arrangement

Creating new, beautiful shopping worlds

Compared to inner-city retail with disperse ownership, the advantage of malls is to be able to create inviting, pleasant environments for their customers, inside the units as well as in common areas. A major part of convenience is easy wayfinding: Any store directly visible from a customers current location might be worth a visit, too. Visual links are the most basic form of leading customers strolling around the scheme, increasing time of stay. Depicting shops as dots with mutual visibility as lines in a network, size and strength of a shopping agglomeration can be assessed. Nowadays, modern aids like apps or digital mapping assist customers, but a visual connection is still a strong psychological force. Shopping agglomerations should not only be large and well-connected, but also well-arranged: If directly visible and closely-located shops share the same customer target group, adjacency effects occur. This art of combining stores with complementary assortments, price levels or opening hours next to each other in a mall to promote cross selling and increase the time of stay, is well-known in center management worldwide. Influencing consumer behavior with the mall's layout and the arrangement of the units works as a powerful tool to maximize revenue.

Adjacency example

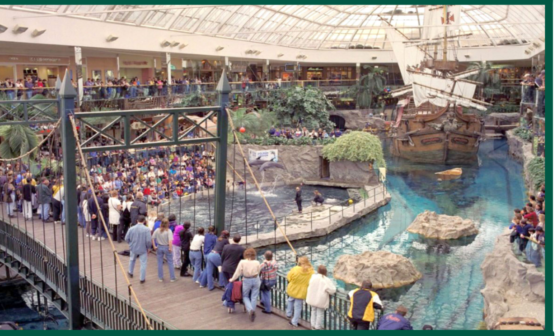
With increasing competition from online shopping, brick-and-mortar retailers rely even heavier on the maximization of these synergies, as customers expect one-stop-shopping and convenience when they shop physically. Modern data collection and analytics play a crucial role in building knowledge on tenant behavior, quantifying adjacencies and reacting adequately with always popular mall designs. Adjacencies also reflect in retail rents: Anchors bring strong footfall to the mall and create adjacencies for the shops around them. They are rewarded with a comparably lower rents, while profiteers of anchor footfall pay higher rents, respectively.

Mall design & Shop Arrangement

8.

The evolution of the retail anchor

Every mall features at least one anchor store that is a magnet of footfall for the other stores around: A customer of one store will likely be the walk-in stroller of the other one next door. Traditionally, mall use large-scale department stores, mass merchandizers or fast food chains as anchors. Nowadays, the situation has changed: Clothes and accessories can be purchased online, people prefer to shop individually and fast food might be considered unhealthy. The biggest impact recently were the effects of the Covid pandemic: While groceries satisfied daily needs and evolved into an anchor, most other shops had to closes and customers replaced them electronically. To be a modern marketplace, the sheer mass of a traditional retail anchor like a department store is not enough anymore.



Shopping? Entertainment!

The key feature of an anchor is footfall creation, not a certain type of store. What keeps people visiting day by day is what a mall needs to stay relevant. Besides grocery stores, other institutions can live up to the task: Doctors, hairstylists or service providers that produce waiting time a customer might use to stroll around. Food and beverages pull people around the mall for lunch or dinner, making them see the stores on the way. Finally, entertainment venues like cinemas, karaoke bars, fitness and sports clubs, gaming arenas, indoor go-card tracks or even ice-skate rinks can function as mall anchors. Combining something new and exciting to do with the social dimension of spending time with friends, entertainment is hard to be substituted online. Landlords need to realize that today's anchors are not yesterday's large clothing stores, but merely the exotic ones luring in tomorrow's crowds. Being and staying the central relevant institution in town requires the change and the flexibility of the customers a mall wants to attract.

OFFICE OF THE FUTURE

Home or office – a matter of character?

The pandemic has boosted home office as a normal way to work. What's next - will complete remote work continue or will employees go back to the office?

Home-office: Convenient focus

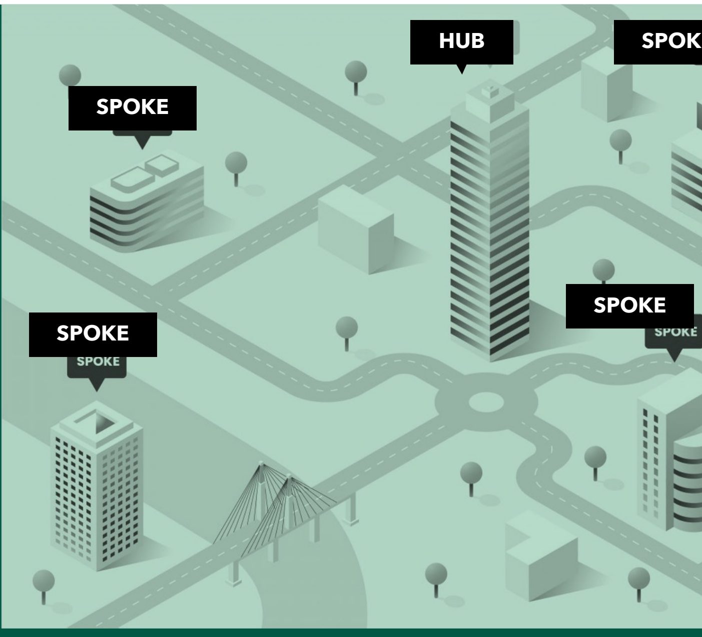
Working from home can be a great plus when concentrating on a task without much interaction necessary. Flexible hours promote an independent lifestyle, combining work with exercise or recreation. Finally, distance to work becomes less relevant when a commute is only necessary some days a week, avoiding hours of quality time stuck in traffic.

Office: Shared creativity

The office is not only a desk but can be a source of creativity and social interaction. Tasks in a team or learning new things function easier when working with each other face to face. Offices promote a strong bond between employees and the company instead of fragmented individuals at home. Body language and coffee chats are hard to replace in a video call.

Will organisations make new, flexible location choices?

The hub-and-spoke office model was an upcoming idea during the pandemic, stating that companies should provide suburban office spokes close to employee's homes for short commutes and one large urban headquarter for management. The idea itself was not successful: We see companies tend to rather implement the pre-pandemic status of an urban high-quality office building close to amenities and infrastructure and the remote work happening at employees' homes.

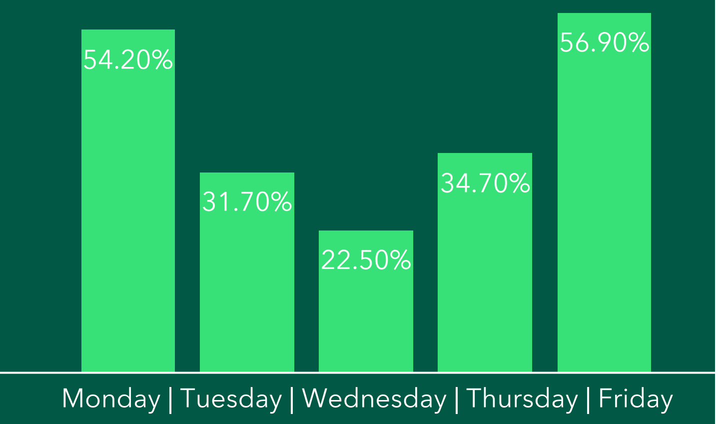


OFFICE OF THE FUTURE

New trends meet old structures

In the post-covid workplace, trusting each other is an important aspect between companies and employees. Executives need to accept that part of their workforce will continue to work from home at least periodically. Employees need to understand that their work will be overseen and audited regularly.

If you could work from home two days of the week, which days would you prefer?



Source: WFH Research, 2021

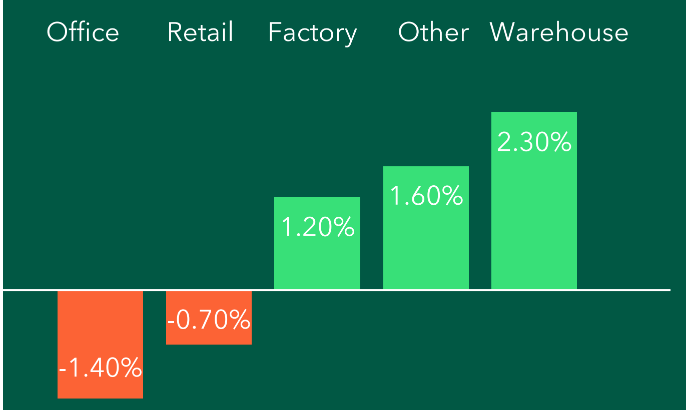
Wanted: More flexibility

Many employees want to return to the office to enjoy its social benefits or just to escape their own four walls. At the same time, many employees also want to continue to work from home at certain times. They demand this newly found flexibility in terms of workspace and working time from their employers. Studies show that employees prefer Monday and Friday as day to work from home. Companies as well as landlords have to understand these trends to be able adapt to them.

How much space will we need?

Empirically, two trends seem to cancel each other out: Remote working is in fact an indispensable part of today's working world, resulting in less office space needed. On the other hand, the reduction in the office space per employee ration leads to lower density and higher space demand for the same number of workplaces. A survey by the Federal Reserve Bank of Atlanta shows that average U.S. office tenants plan to cut 1-2% of space usage on average.

In 2022 and beyond, how will the use of your spaces change?



Source: Federal Reserve Bank of Atlanta, 2021

OFFICE OF THE FUTURE

Workplace design in a post-pandemic world

The workplace of the future features large open spaces. New hygiene conscience requires more physical distance between employees to be maintainable. Open barrier-free areas encourage the exchange between employees and boost creativity. Those preferring to work individually or need a quiet place for a meeting can do so in flexible meeting boxes or telephone booths.
The furnishings of the offices are entirely designed for the wellbeing of the employees. Sound-absorbing green ceilings and walls create a more pleasant and healthier working atmosphere. Environmental aspects like clean air have a positive impact on employee wellbeing and productiveness.

How tech is changing the way we work

Smart buildings, the Internet of things and 5G will be considered standards in modern working environments.

Functioning technical equipment for everybody are key elements for employee satisfaction and improved company performance. Sensors can collect data from the office environment and take measures to achieve optimal microclimate conditions.

Barrier-free building access with smartphones is already an expected feature. In shared-desk models hygiene plays a major role – new cleaning techniques are a plus here.

> „Brainwaves reveal sustained concentration in video meetings leads to fatigue"

Source Microsoft, 2020

Technology is making business more efficient but can also stress people out more easily. According to Microsoft, after around two hours of video calls, the average employee high stress levels after concentration strongly on verbal communication with reduced non-verbal cues of meeting participants. Therefore, offices can create interactive places where employees have a welcomed break from online communication.

OFFICE OF THE FUTURE

Wellbeing: A renewed focus on physical and mental health

The state of being comfortable, healthy or happy has become a key area of corporate focus over the past year. Due to correlation between how we feel and how we function, the future workplace will be designed, constructed and managed with the goal of wellbeing in mind, providing e.g. power-nap lounges or hammocks.

Self-controlled natural environments

Self-determined employees prefer individual decision-making in their workplace as well. They demand to self-adjust airflow, lighting and room temperature in their working environment. Natural light and biological elements are an absolute must in state-of-the-art offices: Plants, natural materials or a green view to the outside lower stress levels and increase productivity.

Concepts for buildings that focus on health

- Deliver more natural light to workers
- Promote fitness as active employees are more productive
- Install airfilters for high-quality air
- Raise awareness for healthy food
- Optimize employees wellbeing
- Create distraction-free and comfortable environments
- Provide safe drinking water
- Allow individual, remote temperature control

FUTURE OF CITY LOGISTICS

The backbone of online shopping

Buying goods online has been established as a part of everyday American life – during the 2020 lockdown at latest. The share of US-population having shopped online at least once rose to an estimated 70 % when brick-and-mortar shops closed their doors. Shopping habits are likely to have been permanently altered. This trend will lead to an increase in flow of goods nationwide, putting more pressure on logistics networks and providers to keep up.

Last mile delivery today

Today's urban logistics buildings are still almost always big-box logistics facilities outside or around American cities. Both the worker's commute and the actual delivery rely heavily on vehicle traffic for fulfilment. This contributes to congestion and carbon emissions and ignores new methods of delivery.

How will we deliver the „last mile" sustainably?

While adding items to your shopping cart is fairly easy, getting the purchase to your doorstep can be considerably more difficult. Depending on the location of the stock and the transport means available, delivery time might add up with the final „last mile" accounting for more than half of the transport costs. Diesel-powered vans with the engine running while the driver attempts a delivery – this image has no future in times of climate change. Coming up with powerful ideas is not easy, depending on local circumstances. The most important step ahead is to put carbon emission reduction on the agenda and look for alternatives in electric vehicles or bikes.

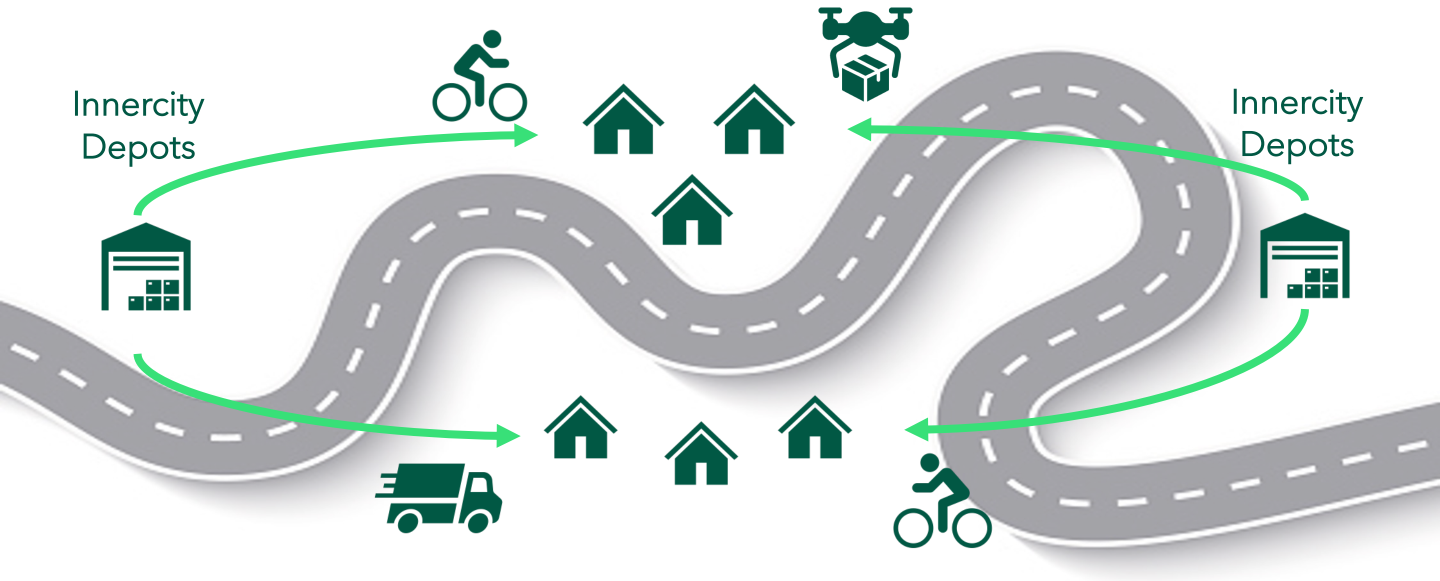
Enabling omnichannel retail

Online-related customer interaction and fulfilment is on the rise. This makes retailers asking for the necessary spaces in or near their shops to process it. Most shops require refurbishment or additional gadgets and landlords helping to provide these will have a competitive advantage. Looking at malls, a centrally located station might be more convenient and efficient for customers than a small area in every store, forcing consumers to walk through the mall and queuing every time.

FUTURE OF CITY LOGISTICS

The last mile requires its own buildings

Being closer to the customer is essential for reducing delivery time and cost, establishing the need for a high-capacity hub-and-spoke system combining larger hubs outside and smaller spokes inside the city just minutes from customers. fulfillment hubs close to the final customers are rare and smaller storage buildings or even improvised facilities like containers directly within cities are gaining relevance quickly. Incorporating new means of transport like electric vehicles with limited operating range and bike-based delivery is possible only for the last mile. Real estate owners providing the necessary facilities and infrastructure like high electric capacity will profit from the delivery boom.



How it could be in the future

Unsurprisingly, retailers and parcel handlers look for innovative solutions to boost delivery volume and save time and costs. Fossil-fueled delivery vehicles and multi-time fulfillment attempts will be part of the past. Optimistic voices in the industry expect autonomous electric delivery cars or even drones for package drop-off to be closer to reality than thought before, given fast technological advancements.

FUTURE OF LIVING

Student Housing & Micro-Apartments

Student housing is a cornerstone of university education. Originally located directly on campus, many student housing buildings have been constructed in close proximity and are run by private companies. With the economy recovering and students returning to face-to-face lectures, investors are also turning back to student housing as an asset class segment. During the lockdown, many students continued to live in student housing despite taking classes online. Steady demand and rental income kept the return of this asset class high. Student or Micro-Apartments are small (14-32m^2), fully-furnished units designed for singles. A bedroom, some living space and a kitchen usually blend together in an open concept. The advantages of micro apartments include a rent-saving effect due to low area, fitted furniture providing everything needed and usually a prime location. These aspects are valued not only by students but also young professionals, researchers or project workers moving around regularly and enjoying the convenience of a fully-furnished dwelling.

Co-Living: Shared meters instead of square meters

Co-Living began as an extension to student housing. However, in the wake of continuously rising square meter prices and rents and the trend of the sharing economy, Co-Living hit a spot. Now, the concept is said to be a beneficial housing option for all life stages. Residents share communal spaces such as the kitchen, dining, living and bathrooms while having their private bedrooms. Many larger co-living properties also have common amenities such as co-working spaces, gyms, restaurants, cafes and offer services like cleaning or washing.

FUTURE OF LIVING

A new kind of hotel: Serviced apartments

A serviced apartment is a self-contained apartment typically including a separate bedroom, a lounge and a fully equipped kitchen. Serviced means that housekeeping, utilities and guest services are included in the rent. Serviced apartments have some benefits compared to traditional hotels: They offer more spacious private areas and they are suitable for longer stays, working, cooking or inviting colleagues over. The booking process is often very convenient and serviced apartments are considerably cheaper than a similar hotel room.

Segment	Student Apartments / Co-Living	Serviced Apartments
Target Group	▪ Students ▪ Post Doc/ Ph.D. students ▪ Research assistants ▪ Young Professionals ▪ Project workers	▪ Business travellers ▪ Professionals and executives ▪ Project workers ▪ Returnees ▪ Tourists
Price level	700 – 800 $ / month	1,000 – 1,200 $ / month
Period of stay	6+ months (no upper limit)	1+ day (upper limit: ca. 6 months)

Senior living

In an aging population, the share of seniors on the housing market will rise in the future. Senior living or assisted living offers older adults personalized care in a residential setting. Seniors are offered a higher level of health support than in their homes while providing social engagement and interaction. Common services include medication management, housekeeping, meals, laundry, transportation services, social programs and activities. Usually new residents bring their own furniture to create a personal feeling.

SPECIAL ASSET CLASSES

Urban Agriculture / Vertical Farming

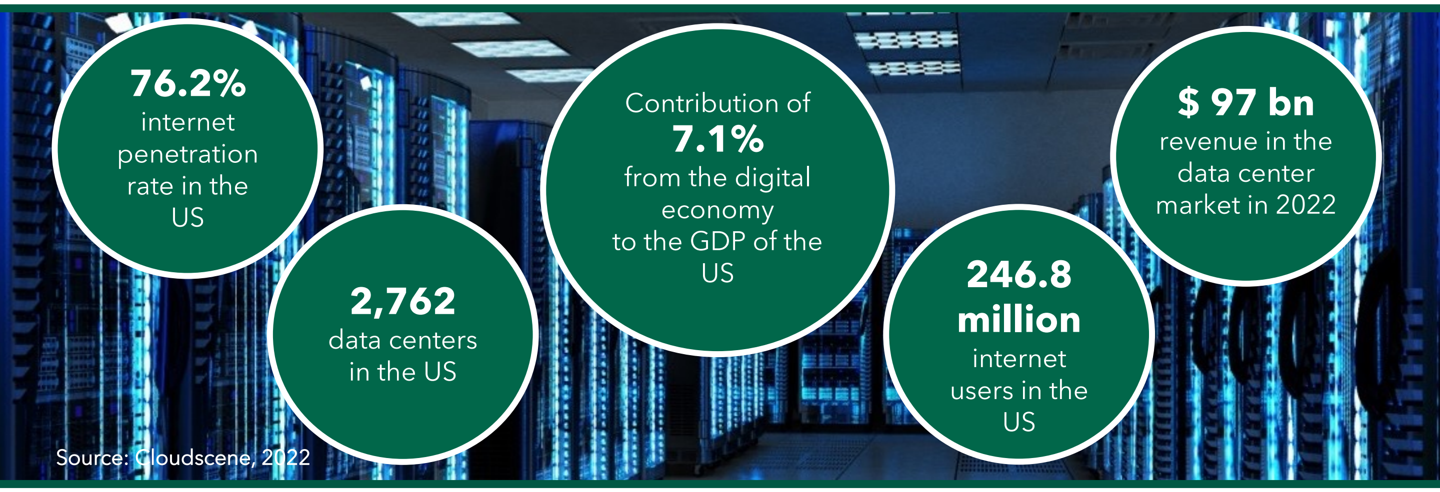
Source: Precedence Research, 2022

Urban farming is the cultivation of crops in and around cities. Different from the usual open-field agriculture, urban farming concepts often use more than one level vertically stapled on top of each other. One major advantage over traditional agriculture is the short distance to consumers, leading to low transportation costs and product freshness. If combined with other building uses, urban greenhouse farms can profit from existing infrastructure and re-use heated air or water efficiently. That way food can be grown and harvested year-round.

Urban farming is not yet established as a solitary real estate asset class. In most practice cases, rooftop farms are used for showcasing the concept and deliver fresh fruits and vegetables to local restaurants. But energy, water and arable land constraints are putting pressure on the agricultural sector, while owners of stranded assets in cities look out for new chances. Given the rising demand for local agricultural products, the conversion into a highly-productive urban farm will be an option on the agenda in the medium term.

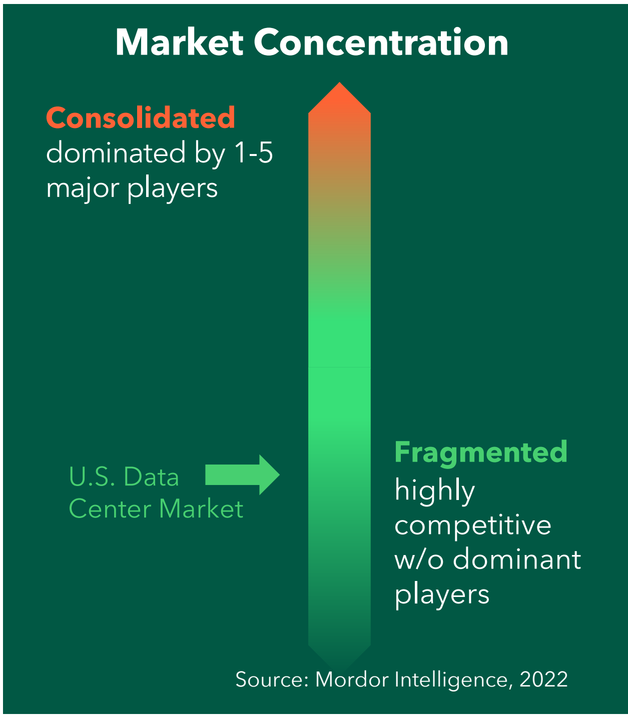
SPECIAL ASSET CLASSES

Data Centers



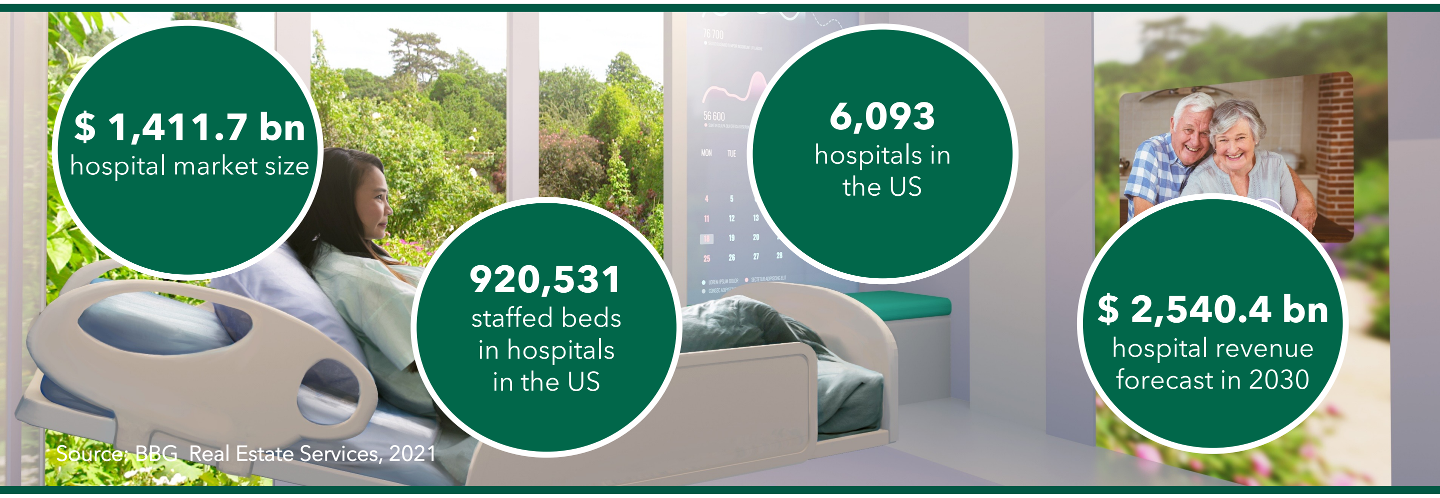
Data centers provide shelter to the backbone of the internet: Servers and large-scale data storages. They are the opposite of spectacular: Windowless boxes, mostly inside multi-purpose buildings, that require high-capacity electricity connection for the extensive cooling.

With the internet on the rise – the U.S. has roughly 250 million users - and the digital economy contributing 7.1% to national GDP, the data center industry is thriving. Many smaller operators look out for space and some states even apply tax incentives to real estate owners renting out suitable areas. With renewable energy sources available in the region, investing in data centers is considered both profitable and sustainable.



SPECIAL ASSET CLASSES

Medical care facilities



Source: BBG, Real Estate Services, 2021

According to the CDC, 6 in 10 U.S. adults have one and 4 in 10 have at least two chronic diseases such as cancer, heart disease, diabetes, and others. Due to the aging population and wide-spread diseases, the number of patients in the U.S. outpaces the limited amount of healthcare providers and facilities in the country. After the fade-out of pandemic-related restrictions, facilities for mental healthcare and addition treatment as well as geriatric issues are expected to rise the sharpest in demand in the next years. Although the investment market for healthcare facilities depends on the insecure reimbursement regulations with the U.S. government, investors are confident for the upcoming years.

Different facility types

- Ambulatory surgical centers
- Mental health & addiction treatment
- Urgent care
- Imaging & Radiology
- Birth centers
- Clinics & medical offices
- Dialysis centers
- Orthopedic & rehabilitation centers
- Telehealth

KEY TAKEAWAYS

RETAIL

Retail properties and mall in particular face incisive changes to stay relevant for consumers. To compete with the convenience of e-commerce, a tailor-made mix of new store and anchor concepts, optimized adjacencies between retailers, omnichannel presence and the integration of other use types into malls helps to stay a destination. Since retail is no longer a magnet for customers, entertainment, food or education are the ones to generate future footfall and revenue.

OFFICE

The office of the future offers open, flexible and smart workspaces that put their employee's wellbeing first. While home office will be a permanent trend, the space-per-capita ratio in up-to-date offices will be larger due to common areas and amenities.

CITY LOGISTICS

The missing piece for future last-mile logistics is a functioning network of fulfillment hubs close to densely populated areas. With E-Commerce booming and demand for more sustainable delivery options rising, providing the fitting spaces will be rewarded.

LIVING

New living concepts such as co-living, senior-living, student housing and serviced apartments are growing subsegments of living real estate. In contrast to classic multifamily units, they are urban, flexible and offer amenities and social interactions for their residents.

SPECIAL

Special asset classes like urban farming, data centers and medical care centers are attractive emerging asset classes. Their competitive advantage is to supply the needs of future trends like demographic changes, urbanization and digitalization.

MARKET ANALYSIS

4

"This is a once in a lifetime deal."

- Jamie Shipley -

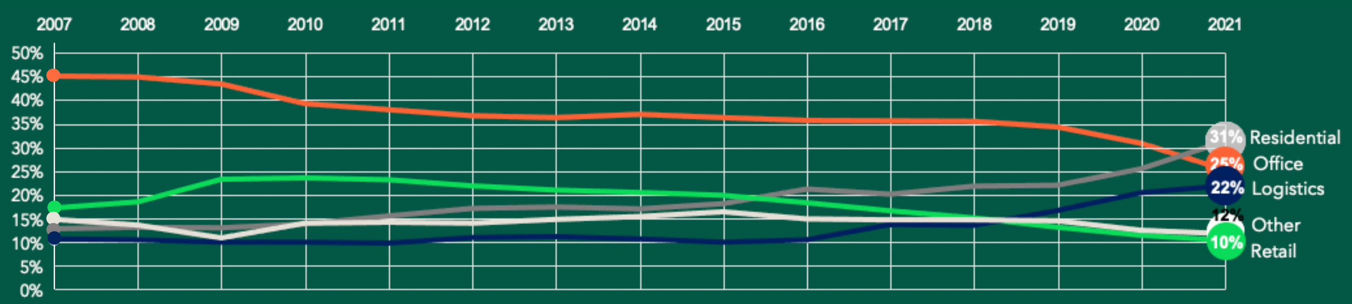
GREENFIELD
CAPITAL

NATIONAL MARKET OVERVIEW

U.S. Real Estate Investment Trends

Following our approach in the economic outlook section, we consider the USA a valid real-world example of Waterland. National trends on the U.S. real estate investment market will be analysed to develop an understanding of Waterland's real estate investment market similar on a national level.

Real Estate Investment Volume Share by Sector



*Other includes healthcare, hotels, mixed-use, and alternatives

Source: JLL, 2022

The U.S. real estate investment market was dominated by office investments for decades. Since 2008 following the global financial crisis, office market share has been cut in almost half and was put under additional pressure by lockdown and home office during the pandemic. At the same time, residential assets prospered and are now leading the field in terms of market share. The sharp increase in market share of logistics assets recently is another notable effect of the pandemic-induced online shopping boom. Preferences of investors concerning niche properties lean towards infrastructure projects and specialized logistics uses like self-storage. Mixed-use properties also rose in attractiveness recently, supposedly because of their increased flexibility.

Investment prospects of niche and mixed-use properties

Source: Emerging Trends in Real Estate Survey, 2021

EMBEDDING FORESTVILLE

Forestville is a fictitious Garden City but seems comparable to many planned communities around Austin, Texas, developed to relieve the densely populated city. We are convinced to have identified the Austin metro area as a region that resembles Spring State in many important qualitative aspects. For Forestville, extensive quantitative real estate market data is available and will be reviewed in this segment. The Austin metro area will serve as a database for any further research and for assumption plausibility checks.

Forestville, Spring State		Austin Metro Area
The population in the capital region grows dramatically.	**Growing Population**	Texas is among the top 10 fastest growing states in the U.S. by population.
Forestville wants to attract technology companies and become a strong intellectual hub.	**Tech Companies**	Texan cities like Austin are established and important technology hubs.
Forestville is home to a university with a focus on technology.	**Important University**	Texas is home to some of the country's best universities, which offer profound technological education.
Population growth in Waterland triggers seven Garden City developments like Forestville.	**Planned Cities**	50%+ of the Planned Communities currently under construction in the U.S. are in the southwest region.
Forestville's real estate market was hit substantially by the financial crisis.	**Financial Crisis in 2007/08**	Texas was one of the states hit particularly hard by the financial crisis.
Forestville experienced a water scandal in 2018, leaving the city unable to supply sufficient clean water until today.	**Water issues**	West Texas experiences serious water issues, including scarcity, drought and river dry-ups.

EXCURSUS: AUSTIN, TEXAS

Austin's Economy

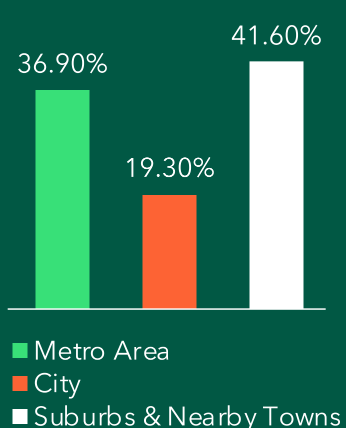
„Silicon Hills“ is the nickname for the cluster of high-tech companies in the Austin metro area. What used to be a stronghold of government bureaucracy and education services has evolved into a technology and industry hub since the 1990s. Many worldwide-operating high-tech companies have their headquarters or regional offices in Austin. A major reason is the fiscal attractiveness of the state: Texas collects no individual income tax. Besides, people enjoy the broad educational opportunities and a high quality of life in the city.

Fortune 500 companies with headquarters or regional offices in Austin

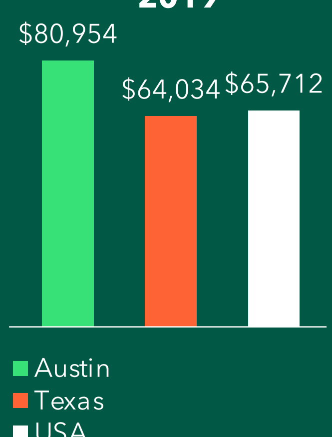
Austin is home to the University of Texas at Austin with over 50,000 students, one of the largest universities in the USA. It is a major reason Austin has a booming start-up scene. With a steadily increasing number of newly-founded companies and $ 4.7 billion of equity funding in 2021, Austin ranks seventh in the nation in terms of the venture capital amount flowing into local companies.

Basic Economic Data – Austin, TX

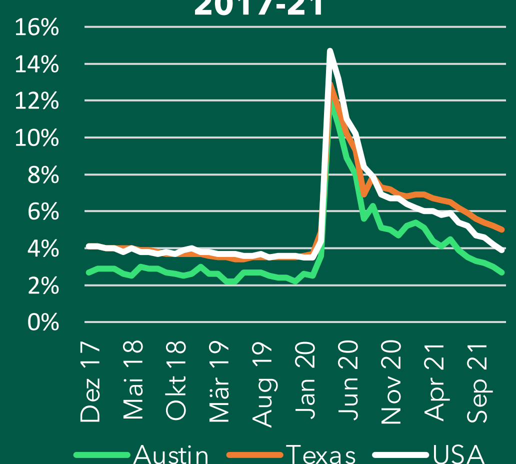
Population Growth Rate 2010-21



Household Income 2019



Unemployment Rate 2017-21



Source: U.S. Census data, 2019 - 2021

FORESTVILLE

Introduction

Forestville was founded in 2000 and has a current population of approx. 14,000 inhabitants. The Garden City concept positions Forestville as an alternative place of residence for metropolitan inhabitants who look out for nature in their surroundings, less stress and fair rents and house prices. The establishment of Spring State University of Technology (SSUT) attracts subject-related businesses looking for knowledge spill-overs and creates an economic perspective. The two ideas combined, Forestville aims to be more than just the next suburban community and is ready to grow into an independent city.

Current state of development

The most relevant public infrastructure like schools, nurseries and the local hospital are operating. Water supply is a big issue: The hot climate lead to droughts and force the local water works to ration tap water. Regional public transport takes place via train from Forestville train station, where a daily service to Waterland's capital is available. Local buses connect the residential areas with the hospital, the university campus and the city center. A large part of the university campus is still under construction, which locals believe to be completed in 2025 or 2026.

The Forestville project appears to be stuck halfway between start and success. The vision of a national technology hub is crucially dependent on the university's full migration to Forestville. Until the university's presence creates a buzz, businesses delay their move to Forestville. The Garden City aspect of high quality of life is contradicted by the water shortage, preventing population growth. Few inhabitants equals few consumers, hurting local retail outlets and restaurants. In turn, monotonous town life further lowers the incentive to move to Forestville. Forestville is at the crossroads to reach the critical mass for further growth.

Forestville Map

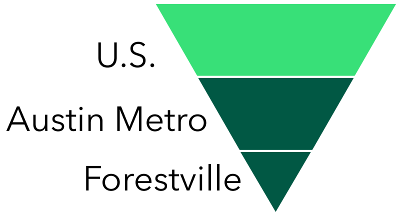
- Hospital
- Pine Mall
- Offices
- University
- Bus Station
- Train Station

Real estate market overview

Forestville's real estate market is dominated by residential properties, all shortly refurbished with eco-friendly materials. By early 2022, more than 10,000 units are available with supply exceeding demand by far. In comparison, the commercial sector is subordinate. The Pine Mall, a mixed-use retail, leisure and office building, represents the largest commercial property in town and is located directly in the city center. Other retail spaces consist of smaller grocery stores, owner-occupied shops, restaurants and cafés as well as gas stations. Forestville offers some outdoor entertainment places like a football stadium and a public pool, but no indoor amusement venues. A handful of office buildings were identified, located around the future university campus in the southern part of the city center.

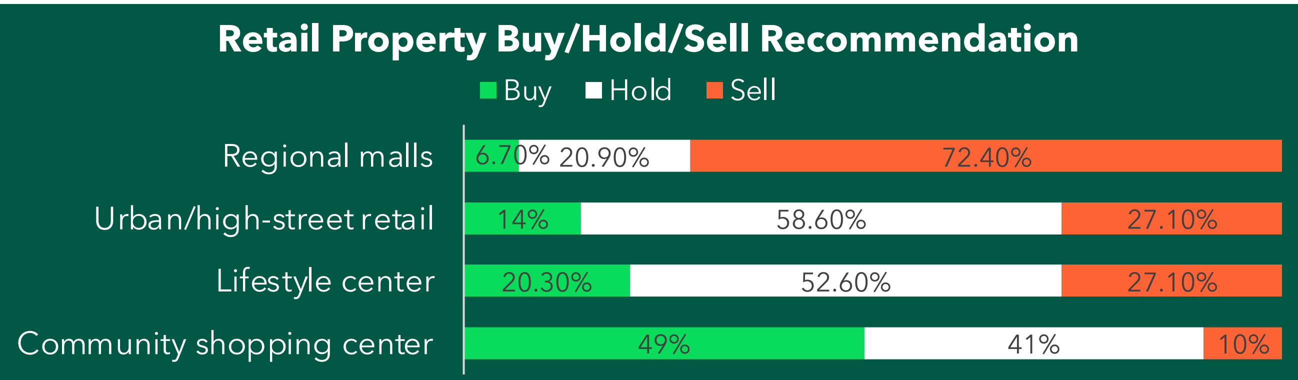
Climate Condition Snapshot

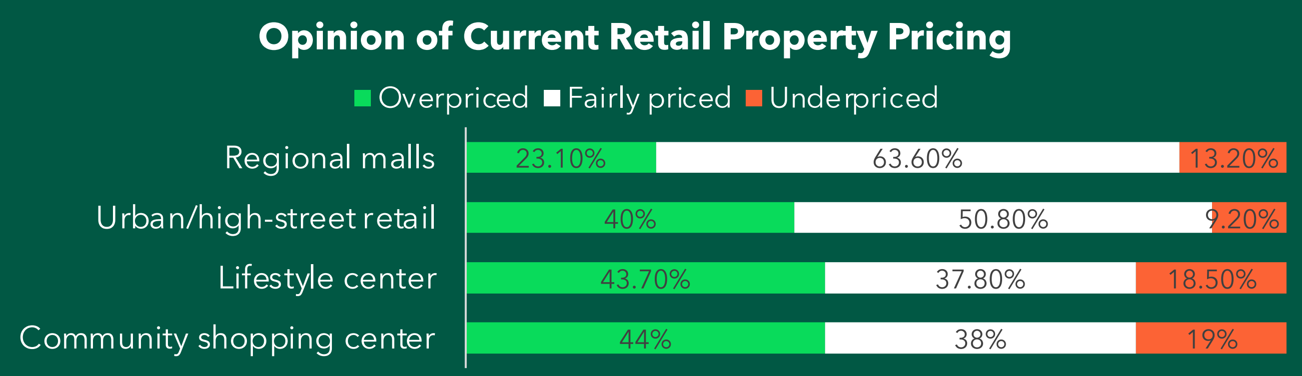
Forestville's climate is characterized as semi-arid with hot summers and usually mild winters. Temperatures range from around 40 °F in January to 100 °F in July and August. Humid air and strong dry winds alternate in Forestville. Forestville receives a precipitation of around 500 mm a year, less than Spring State average. The combination of heat, wind and low rainfall makes Forestville prone to drought, similar to the conditions in the western part of Central Texas. The region is well-suited for energy production through solar and wind farms. The region has extensive subterranean aquifers storing ground water. Forestville is medium-elevated above sea level and vegetation is dominated by coniferous trees like pines, cedars and cypresses.



Retail Market in the U.S.

As seen on page 54 the investment volume market share of retail properties in the U.S. was almost 25% in 2020 but since then has constantly lost importance over the last decade. Recent incidents like the pandemic-related shutdown and the subsequent boost of e-commerce put brick-and-mortar retail under pressure and caused investment volume to fall down to a ten percent market share in 2021. Investors have an overall pessimistic view on the asset class and consider the retail real estate market to be overpriced on average.





Source: PWC, 2022

Splitting retail properties up into their most prominent segments, regional malls and high-street retail receive a particularly negative grading and a clear sale recommendation from investors. In contrast, community shopping centers and lifestyle centers are seen as more resilient to recent changes and receive a more favorable investor sentiment. For community shopping centers the majority of investors recommend further property acquisitions.

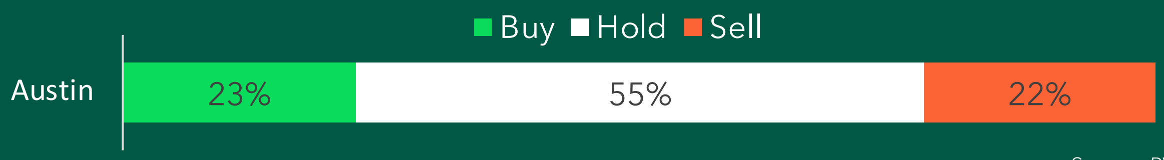
Retail properties rooted in the local community or lifestyle - oriented shopping centers have the best market outlook in the U.S., the real-world market resembling Waterland.

RETAIL

Regional retail market implications

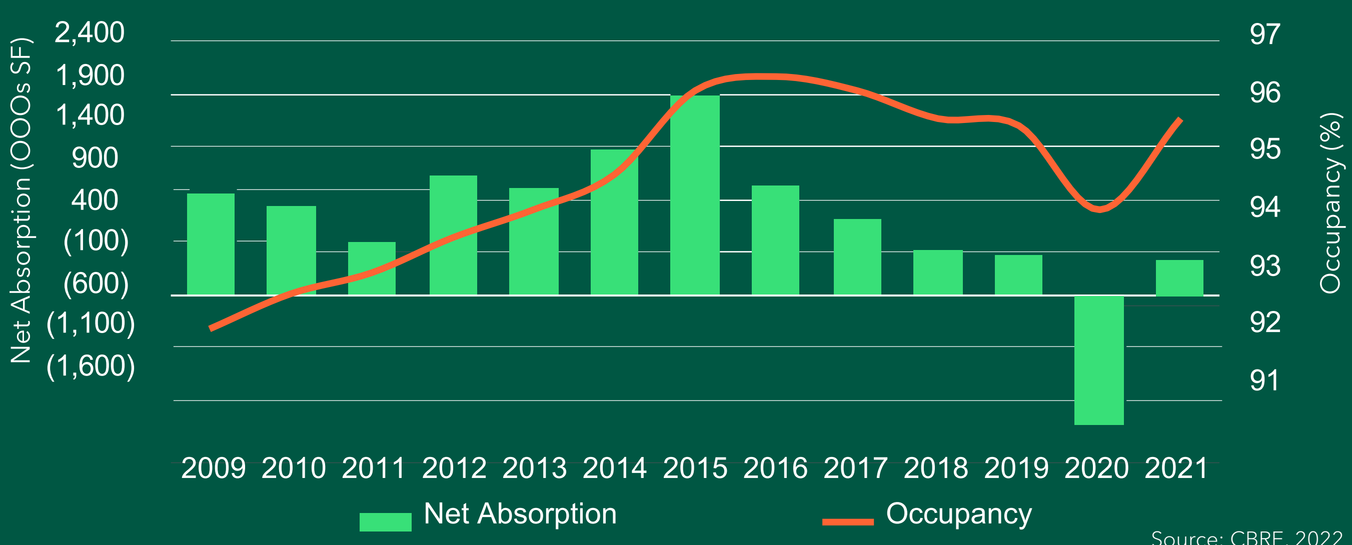
The trend for retail properties across subsegments is relatively robust in the Austin metro area, the regional market resembling Spring State. After the temporary recession in 2020, net space absorption has bounced back recently and pushed the overall vacancy of the retail stock below 5% last year. The retail real estate market conditions in Austin are based on the strong population growth and the comparably high household income observed in the area as shown on p. 56.

Retail Property Buy/Hold/Sell Recommendation



Source: PWC, 2022

Net Absorption & Occupancy – Retail - Austin, TX



Source: CBRE, 2022

The Austin example shows that retail properties function better in growing and comparatively strong economic environments than elsewhere in the U.S. The fast recovery of the local market from the 2020 lockdown shock and falling vacancy rates underline this thesis.

Forestville retail market analysis

We identified a retail floor space oversupply in Forestville, consisting of roughly 35,000 m² of retail space in total. Divided by 14,000 inhabitants, Forestville has approx. 2.5 m² of retail space per capita, while the national average in the U.S. is around 2.2 m² per capita. We believe population growth to be necessary to reduce vacancies. Most of Forestville's retail space is bundled in the Pine Mall, hosting two thirds of the town's assumed retail floor space with a current vacancy rate of 46% of retail and entertainment space. Local retail property market data from Forestville reports rents between 15 and 65 $/m²/month for lease terms of 3 to 10 years.

Retail rent differentiation analysis

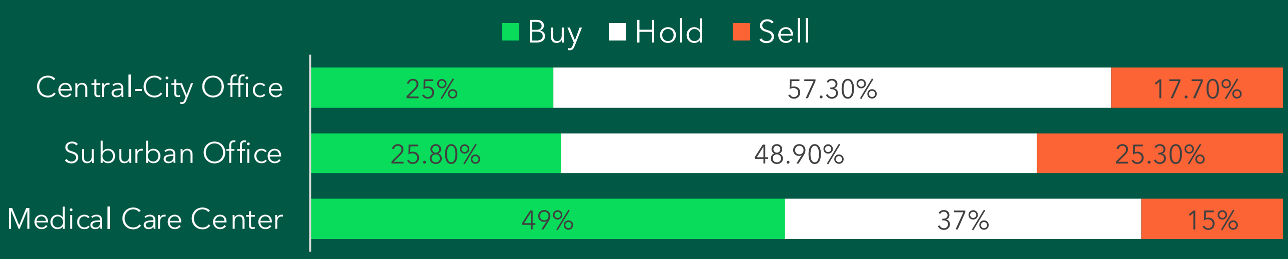
Anchor tenants are rather large with considerable relocation costs, leading to long lease terms. In malls, they create footfall for the scheme and negotiate lower rents in return. Non-food tenants face pressure from online shopping, leading to shorter lease terms for flexibility. Traditionally, they have large margins and profit from the mall's footfall. We believe the medium rents to be bearable and adequate. Restaurants have a positive future outlook but smaller margins due to higher running costs. Food hall tenants rent small stands and use the mall's common seating area but also contribute to a long shopping time, benefitting other shops. Compared to restaurants, they have lower costs and can be easily replaced by landlords. Both prefer flexible short lease terms. The appropriate market rents are medium to high. Service tenants typically have both a strong future outlook, medium to high margins and rent smaller spaces. They also bring individual footfall to the scheme and we are convinced of a medium to high market rent. Sports & Entertainment tenants are anchors in future mall concepts with a low rent adjusted to the footfall created. They typically need large spaces with a tailor-made fit-out and demand an allowance. As relocation is costly, they agree to longer lease terms.

Rent ($/m²/month)	Anchors: $ 20 Non-Food: $ 40 Restaurants: $ 40	Service: $ 50 Food Hall: $ 60 Sports & Entertainment: $ 10 + 8% of revenue
Term	Anchors: 10 years Non-Food: 5 years Restaurants: 5 years	Service: 5 years Food: 3 years Sports & Entertainment: 10 years
Tenant Incentives	New leases: 3 months rent-free (except for spaces <200 m² or terms <5 years). Extra fit-out allowance of 65 $/m² for leisure tenants. Renewals: 5% rent discount on market rent	
Cap Rate	Retail: 6.0% (average of prime and secondary retail, risk-adjusted) Leisure & Entertainment: 8.0 % (other space, risk-adjusted)	

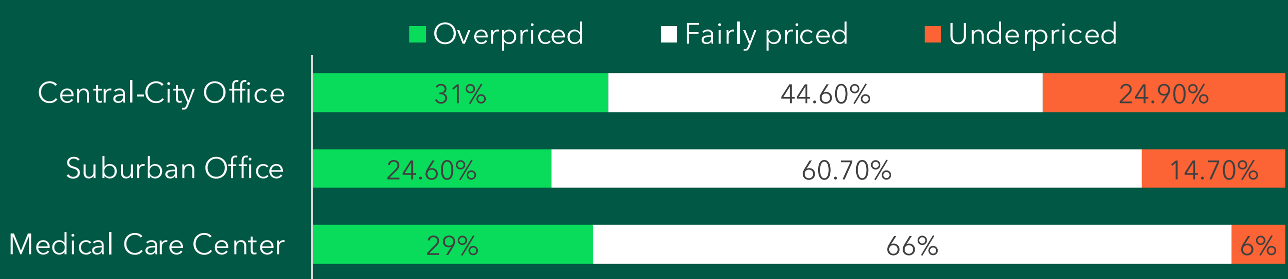
Office Market in the U.S.

Office investment volume share equalled 25% in 2021 as seen on page 54, marking the lowest value in the last decade. The 2020 lockdown with home office and remote work emerging as a valid alternatives to office-based workspace terminated the office's leading status as the most prominent commercial asset class to invest in. The investors' nationwide view on office investments appears balanced between over- and under-pricing opinions and recommendations to buy, hold or sell.

Office Property Buy/Hold/Sell Recommendation



Opinion of Current Office Property Pricing



Source: PWC, 2022

Splitting office properties up by type and location, urban and suburban location do not show drastic differences: Both segments are considered rather overpriced by investors, however, holding the assets is the most prominent strategy.

Looking at medical care centers, investors seem to expect a market boom and recommend the purchase of properties, while only a small number considers medical offices overpriced. This development may be pushed forward by the pandemic and its effect of showcasing the importance of medical infrastructure to society.

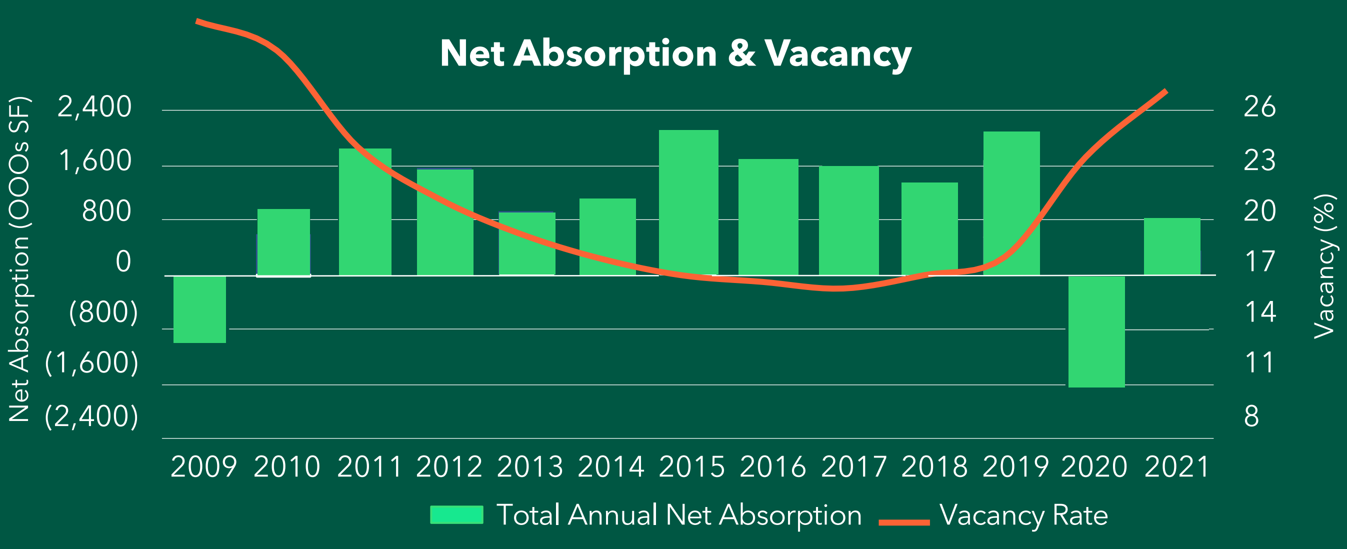
From a nationwide perspective, the difference between urban and suburban offices seems rather small. The subsegment of medical care has a particularly strong market outlook in the U.S., the real-world market resembling Waterland.

Regional office market implications

The regional office market trend shows a stronger confidence in Austin office spaces than elsewhere in the country, as seen on the previous page. The Austin metro area is comparable to Spring State and used as an example. After a considerable drop in occupation in 2020, net absorption has already recovered slightly. However, overall vacancy of the office stock stands at 20%, twice as high as three years ago. The positive investor sentiments for the Austin office market are derived from its status as a technology hub with anticipated future growth in jobs and office space.

Office Property Buy/Hold/Sell Recommendation

Source: PWC



Source: CBRE

Looking at the Austin metro area, the office market is crisis-resistant in the environment of future economic growth expectations. Trending use types like medical care has a particularly promising outlook in the U.S., after the Covid pandemic drastically illustrated the importance of this field.

Forestville office market analysis

The Forestville office market consists of roughly 50,000 m² and depends heavily on tech companies as tenants. With the full relocation of the university still pending, the critical mass for the a functioning hub has not been reached yet. In consequence, the local office market is currently oversupplied and space absorption seems static. Consumer-oriented services like medical care depend less on the university presence than the tech businesses, but have already let their spaces. The Pine Mall's holds 15,000 m² of office space and has a vacancy rate of approx. 15%. We assume a similar vacancy rate at other office buildings.

Local office property market data from Forestville reports rents to equal between 20 and 30 $/m²/month for lease terms of 5 to 10 years. Given the insecure status of the city and the university campus still not completed, we assume the current market rent for office spaces to be at the mean of 25 $/m²/month and market lease terms to be a short 5 years.
The market data available for review differentiates tenant incentives for new and renewed leases. For new leases, we consider both a rent-free period and a fit-out allowance relevant tools and expect a tenant-specific negotiation. For renewals, we consider the combination of a rent-free period and a permanent rent discount a realistic result of the weak current market.

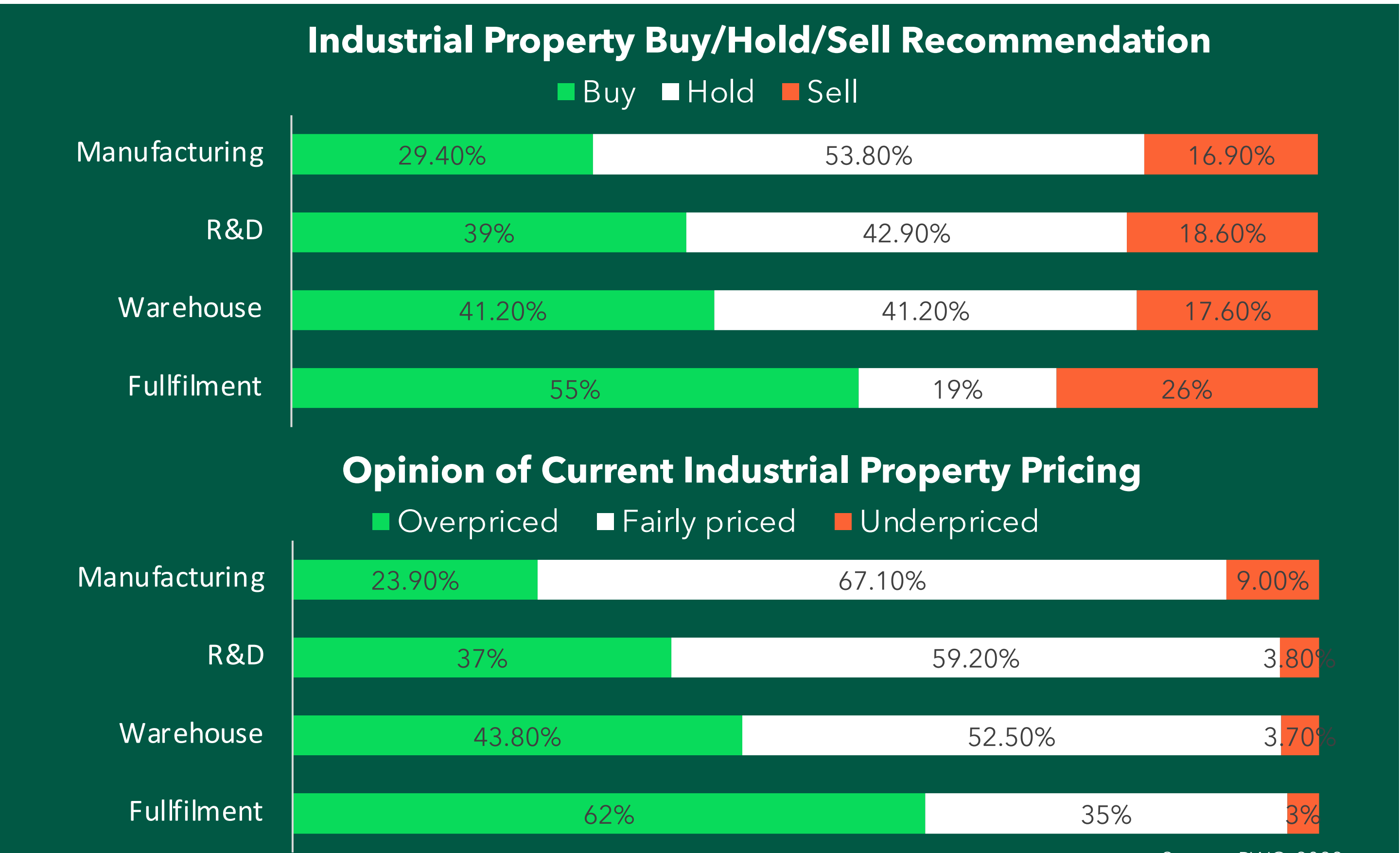
The Forestville market cap rates included in the data provide a span between 4.5% and 5% for office properties. As the local office space demand has been volatile in the past with businesses withdrawing their allocation commitments, we are convinced that using the upper value is a realistic risk-adjustment.

Rent ($/m²/month)	25$
Term	5 years
Tenant Incentives	New leases: 6 months rent-free or 150 $/m² fit-out allowance Renewals: 3 months rent-free + 5 % rent discount on market rent
Cap Rate	5.0 % (risk-adjusted)

INDUSTRIAL AND LOGISTICS

Industrial & Logistics Market in the U.S.

Industrial properties have improved greatly in investment volume share, rising from 10% in 2016 to 22% in 2021 as shown on page 54. The trend of e-commerce, especially during the 2020 lockdown, and worldwide transportation volume rising due to globalization propelled the logistics real estate sector ahead. Investors' opinions on industrial asset investments appear mainly optimistic: The majority recommends further purchases across subsegments despite considering the current industrial property market overpriced.

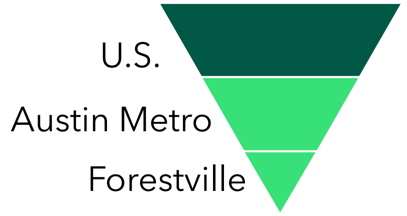


Source: PWC, 2022

Looking at the different asset class subsegments, warehouses and fulfillment facilities stand out. Trailing the e-commerce upswing of recent years, 55% of investors would buy fulfillment properties while 62% believe they are already overpriced, showing enduring faith by investors in this industry sector.

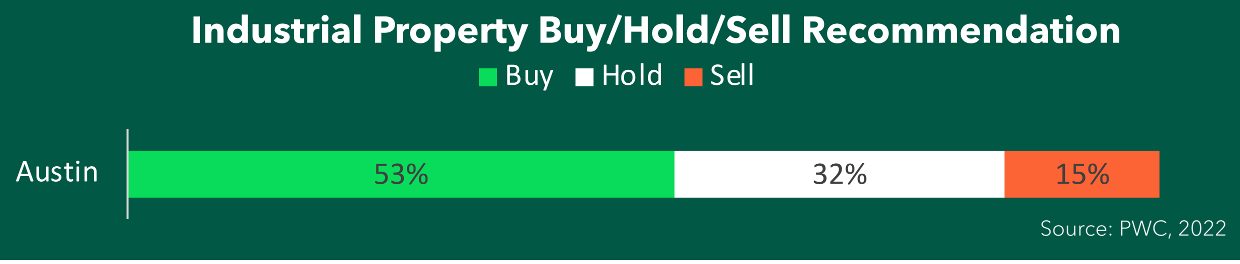
From a nationwide perspective, logistics-related properties surpass other industrial assets in investor demand. The e-commerce upswing boosts the subsegment of fulfillment ahead of the rest in the U.S., the real-world market resembling Waterland.

INDUSTRIAL AND LOGISTICS



Regional Industrial & Logistics market implications

The regional industrial & logistics market trend shows a positive outlook for this asset class in Austin as well. The Austin metro area resembles Spring State.



The Industrial & Logistics market of the Austin metro area follows the strong national trend in this sector with more than every second investor recommending an asset purchase. The popular subsegment of fulfillment properties is likely to hold a similarly strong position in a growth region like Austin as in the U.S.

Forestville Industrial & Logistics market analysis

Forestville market data contains no information on industrial or logistics properties in town. As large-scale logistics and warehousing usually concentrates around major transport interconnections, we assume no significant role in the current local real estate market for this asset class. Yet, Forestville expects growth in income and population and e-commerce is important also in rural areas. Therefore, we are convinced that fulfillment properties will become relevant in Forestville to satisfy the fast shipping requirements by consumers.

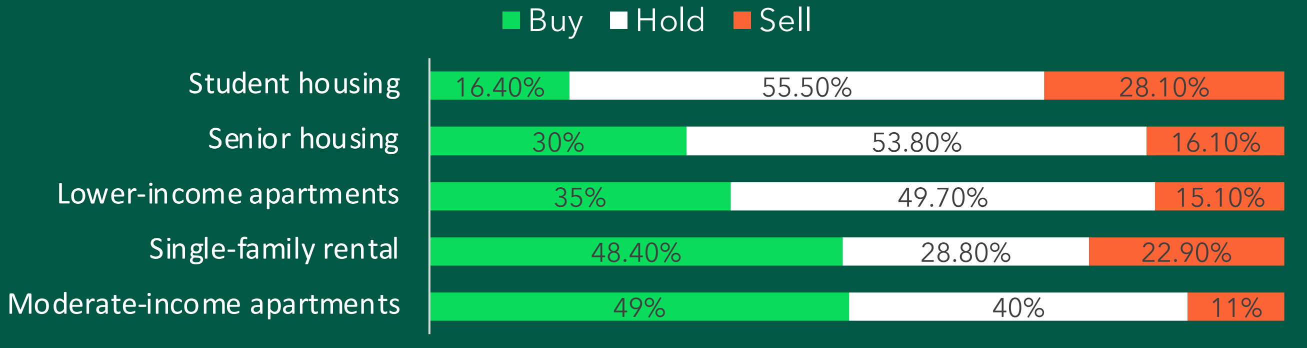
Local industrial & logistics property market data from Forestville reports rents between 4 and 8 $/m²/month. Taking into account both the missing supply of expected demand for fulfillment assets in the future and the lagging city growth, we deem the mean of the rent span to be adequate, as well as a rather short lease term and convincing tenant incentives. The Forestville market data reports a cap rate span of 6-8% applying to industrial spaces. Given the strong investor demand for logistics properties, we consider a current cap rate of 6.0% adequate.

Rent	$ 6
Term	5 years
Tenant Incentives	New leases: 6 months rent-free or 150 $/m² fit-out allowance Renewals: 5% discount on market rent
Cap Rate	6.0% (risk-adjusted)

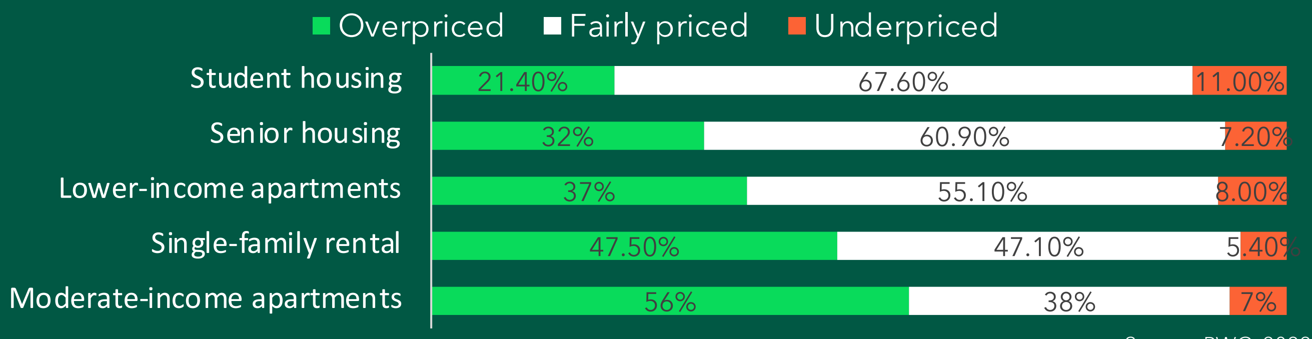
Multifamily Market in the U.S.

As shown on p. 54, the multifamily sector is the 2021 leader in terms of investment volume market share in the U.S., accounting for 31 % and displacing the office sector from first place. In times of crisis, residential investments are considered a safe haven and investors prefer a stable long-term investment.

Multifamily Property Buy/Hold/Sell Recommendation



Opinion of Current Multifamily Property Pricing



Source: PWC, 2022

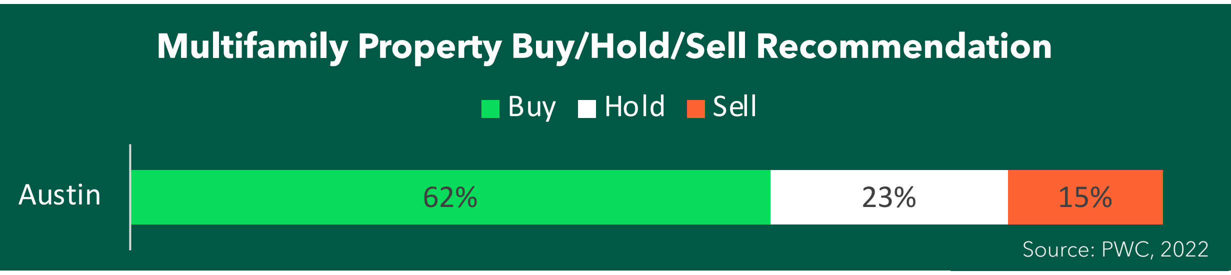
Splitting residential properties up into sub-segments, the trends look more diverse: Looking at pricing, investors see all sub-segments as tending to overpriced, mainly lower- and moderate-income apartments and single-family rentals. However, lower- and moderate-income apartments, single-family rentals and senior housing are still considered improving markets with a clear buy recommendation.

The U.S. multifamily real estate sector has a strong overall outlook and leads the investment market by share. Investor confidence is particularly strong in moderate- or lower-income family housing in our Waterland-resembling real-world market environment.

MULTIFAMILY

Regional multifamily market implications

The regional multifamily market trend in the Austin metro area, our reference point for Spring State, shows an even brighter outlook on this asset class than the national perspective. The strong population growth and the relatively high income raise returns and lower risk for housing as an investment.



Austin' multifamily market even outpaces the national trend in this segment with 62% of investors recommending an asset purchase. We believe that in the regional outlook for student housing will top national average in Austin with two major universities at the spot.

Forestville multifamily market analysis

Housing makes up the majority of Forestville's property market. The current stock includes 15,000 units with twice as many originally planned. We consider most of it to be residential with supply significantly overshooting demand. Forestville market information indicated a preference for renting instead of buying homes.

Forestville shows definite potential in like serviced apartments or student living: When the university is fully established and businesses settle, temporary stay and business trips will likely require flexible housing. Students not living on campus will demand suitable accommodation. Looking at Texas regional market data for serviced apartments, we consider an operator generating average monthly rents of 1,800 to 2,200 $/unit realistic, resulting in a landlord's lease share of 50%. For student housing, the average monthly rent is 700 – 800 $/month and the occupancy rate averages 90% for locations close to campus.

Market research from Texas delivers an average cap rate of 5.5% for contractor-operated serviced apartment buildings and student housing.

Rent	Serviced Apartment: 900 – 1,000 $/unit/month Student Living: 700-800 $/unit/month
Term	10 years + options
Cap Rate	5.5% in 2020 (for high utilization rate with operating contract)

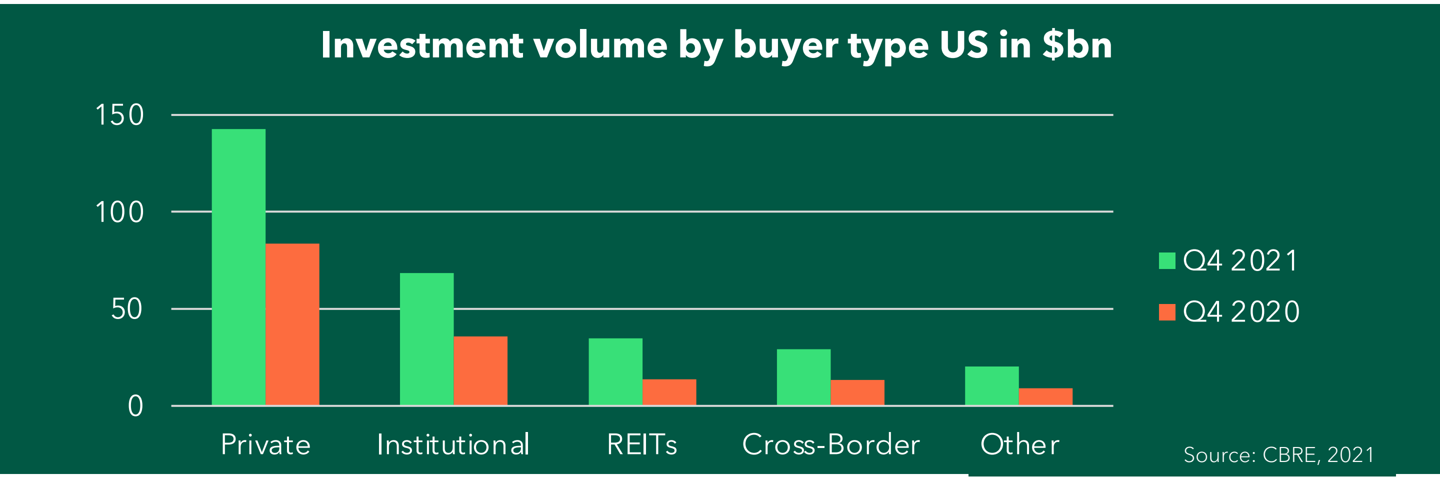
BUYER GROUP ANALYSIS

Waterland's investor landscape

To gain an understanding of Waterland's real estate investment market, we look at the resembling U.S. market for data on market players and their product preferences, risk strategies and target volumes.

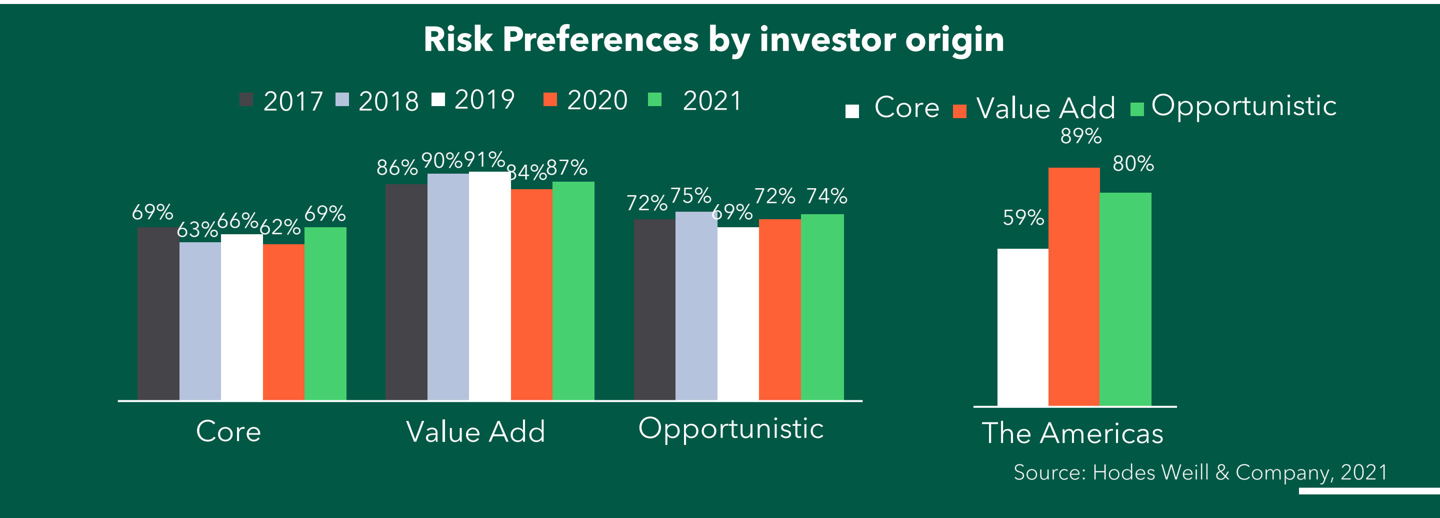
Popular Investment Products

Pension and insurance funds as well as mutual funds are by far the highest-capitalized products targeted by institutional investors. Other investment products like direct investments, joint ventures or separate accounts are less prominent investment products often used to diversify a portfolio or for specialized investments by smaller market players.



Risk-Profile Preferences

Worldwide investors' risk preferences have not changed noticeably in recent years and appear to be fairly balanced between the different risk classes. Looking at American investors alone, a focus in on Value-Add and Opportunistic products is observed while Core assets are less important.



BUYER GROUP ANALYSIS

Portrait of institutional investors

In order to better understand the risk and return expectations of potential buyer groups, the most important institutional investor types are analysed. With this database we will identify the best-suited buyer for every scenario.

Pension & Insurance Funds are long-term oriented and typically seek stable returns and cash flows at low risk for their investors. The investment focus is on properties classifying as core or core+. Assets are typically held for 10 years or longer. Pension and insurance funds target basically every asset class, but usually have a focus on office, retail, multifamily and hotels.

Mutual Funds offer a wide range of investment strategies besides core and core+ they also invest in value-add and or even opportunistic assets. Besides real estate investments with stable cash flow mutual funds may also employ a "buy-fix-sell" strategy that could involve some level of construction, repositioning, recapitalization of existing debt or property management changes.

Real Estate Investment Trusts (REITs) are entities that own, operate or finance income-producing real estate. REITs generate a steady stream of income for investors, but mostly offer little capital appreciation. To be a REIT, a company must meet certain statutory regulation standards in return for extensive tax exemptions. REITs typically invest in various types of real estate, including apartment buildings, offices, retail properties, warehouses, data centers, hotels and medical facilities.

Real Estate Private Equity Funds (REPE) are characterized by more aggressive risk-return profiles. They are typically designed as blind pooled funds that invest in real estate markets or products with a suspected imbalance of supply and demand or strong growth projections. To improve equity returns and IRRs, complex financing solutions are used for increased leverage. REPE funds are strongly exit driven and allow substantially higher risk than most other institutional investment structures.

Type	Leverage	Term	Volume	Assets	Strategy
Pension & Insurance Funds	< 50%	10+ years	> $ 1B	Core, Core+	Low risk, stable CF
Mutual Funds	40–60%	7-12 years	< $ 500M	Core, Core+, Value Add	Varies
REITs	50-60%	5-10 years	$ 100M - $ 1B	Core, Core+, Value Add	Varies
REPE	70-90%	2-6 years	$ 100M - $ 1B	Value Add, Opportunistic	Value Add, Opportunistic, Exit driven

CONSTRUCTION MARKET

Construction Cost Research

Forestville market data contains no information on the construction sector. To approximate costs of building measures, we use Cumming U.S. Construction cost data for central Texas from 2021. The dataset contains spans for every major asset class and we use adequate estimations within the given price span for subsegment without an exact match. Costs of electric building features are added based on data by the U.S. Department of Energy.

Forestville construction costs per m² GFA 2022, rounded

Asset Class / Type of use	Construction costs per m² of gross floor area
Retail (complete)	$ 4,000
Retail (fit-out refurbishment)	$ 800 (20% of full-scale construction)
Office (complete)	$ 5,000
Office (fit-out refurbishment)	$ 1,000 (20% of full-scale construction)
Medical Office (complete)	$ 4,000
Serviced Apartments (complete)	$ 4,500
Student Living (complete)	$ 4,000
City Logistics (non-equipped)	$ 2,000
Data Center (non-equipped)	$ 2,400
E-Charger: Supercharger	$ 15,000 per unit
E-Charger: Wallbox	$ 2,000 per unit
Photovoltaic (rooftop)	$ 250 (0,1 kW installed power per m²)

Construction Cost Inflation

Forestville market data contains forecasts on construction cost inflation, stating 3% for 2022, 2023 and 2024 and 2.5% from then on. These values differ substantially from the real-world 2021 value of 7.4% for the U.S., Waterland's real-world example. We are convinced that last year's construction cost increases are caused mainly by supply chain issues after the global economic recovery from the Covid pandemic in 2021. We expect this phenomenon to be temporary and assume a substantially lower construction cost increase for 2022. The Forestville market indications are considered realistic forecasts and used for calculation.

KEY TAKEAWAYS

RETAIL

Locally-rooted or lifestyle-oriented retail properties in growing economic environments have a positive market outlook. The Forestville retail real estate market is oversupplied with high vacancy issues. The retail market rents depend on tenant types with anchor tenants typically paying the lowest rents.

OFFICE

Offices have a mixed outlook, but medical care centers are in particular demand. For regions with future growth expected, the office market outlook is more positive. The Forestville office market is developed for the tech hub not present yet and therefore shows an oversupply with moderate vacancy.

LOGISTIC

The industrial & logistics real estate sector has a strong outlook in general with a special emphasis on fulfilment properties. The e-commerce boom raises space demand also in rural areas for last mile delivery. In Forestville, this real estate sector is underdeveloped.

HOUSING

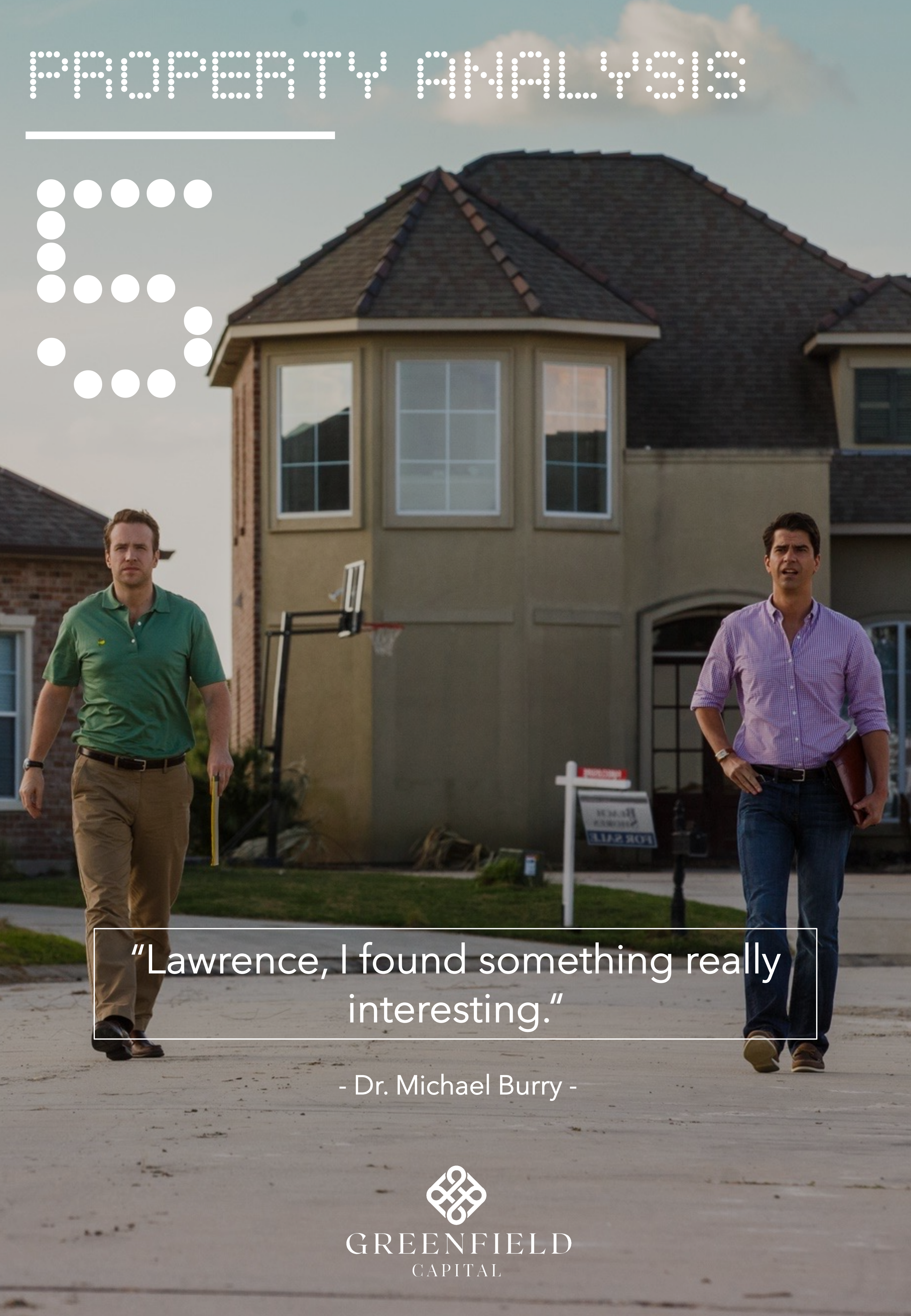
The multifamily real estate market is a safe haven for investors and holds 2021's largest investment share. In growing regions this trend is even stronger. Forestville citizens focus on renting instead of buying homes and multifamily subsegments like serviced apartments and student housing are not yet developed.

CON-STRUCTION

Forestville's construction costs per m^2 are estimated using real-world data from central Texas. Last year's increase in construction prices is considered a temporary development and a moderate 3.0% inflation forecast is applied.

PROPERTY ANALYSIS

5



"Lawrence, I found something really interesting."

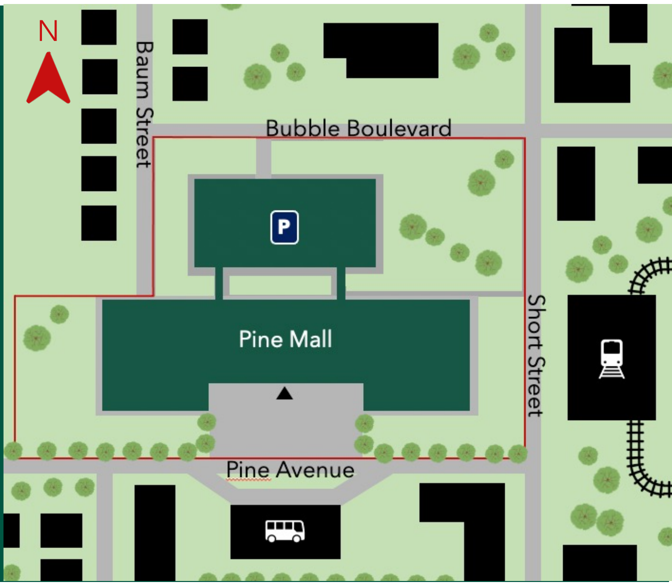
- Dr. Michael Burry -

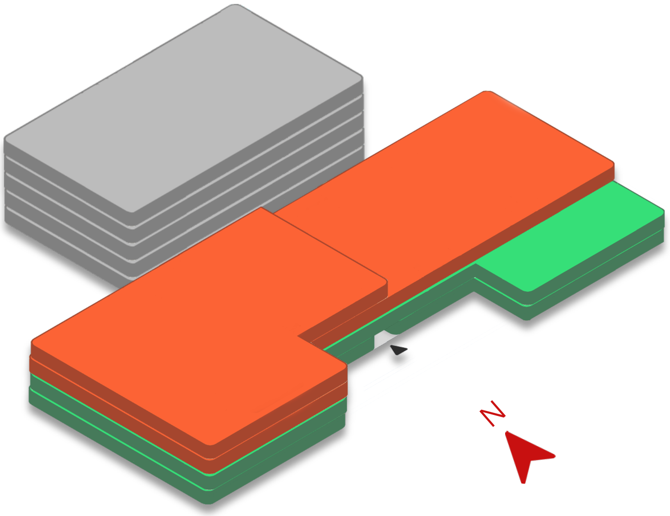
GREENFIELD
CAPITAL

PROPERTY OVERVIEW

About the Pine Mall

The Pine Mall was constructed in the center of Forestville as a community shopping mall in 2014. It is a mixed-use building, containing 20,500 m² of retail and entertainment space and 14,000 m² of office space, measured by IPMS 3. The multistorey car park with 1,200 parking lots is located north of the Pine Mall. The car park is connected to the mall by two pedestrian bridges on the second floor.

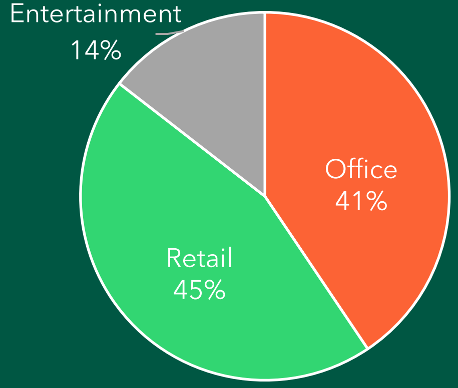




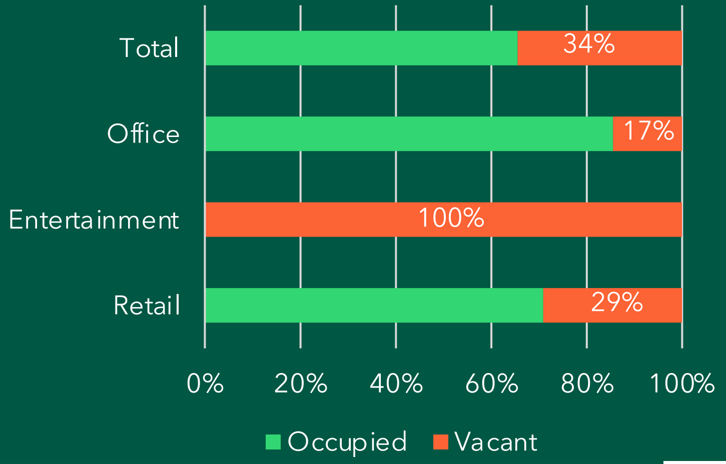
Appearance

The four-story, U-shaped building scheme has three distinct parts. The lower two floors represent the **mall**, on top of which two floors of **office** space are located. The main entrance to the first floor is located on the building's south front. North of the mall is the **car park** with its two pedestrian bridges. The car park consists of 6 parking decks, the 6th one being an open-air parking deck on the roof.

Tenant mix by type of use (incl. vacant spaces)



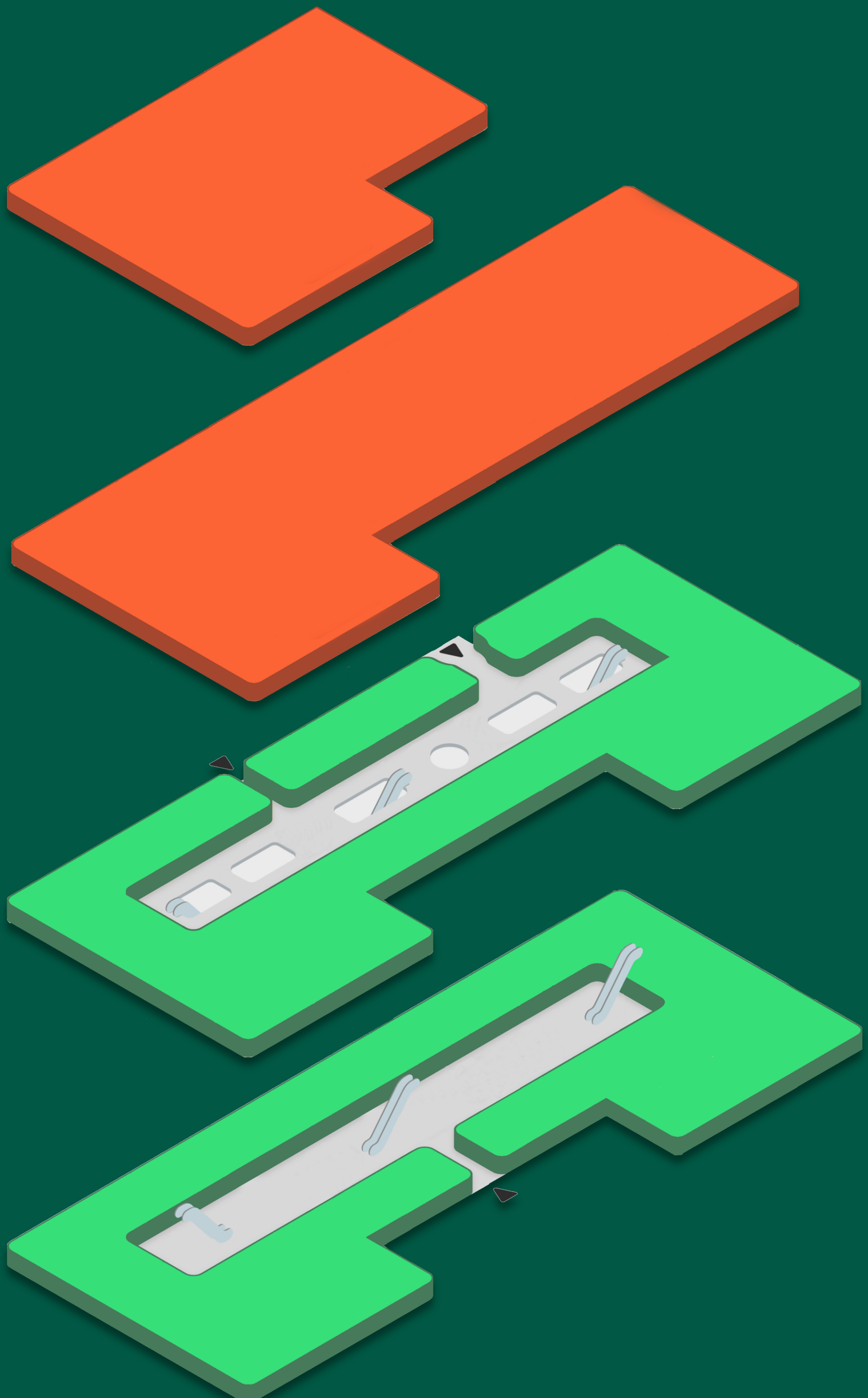
Occupation levels by type of use



FORESTVILLE CITY CENTRE – MAP

PROPERTY OVERVIEW

The Pine Mall in detail



4th floor – Office
Leasable area: 4,648 m²
Vacany: 0 m²
Net rent: $ 1.8 M p.a.

3rd floor – Office
Leasable area: 9,352 m²
Vacany: 2,357 m² (25%)
Net rent: $ 2.3 M p.a.

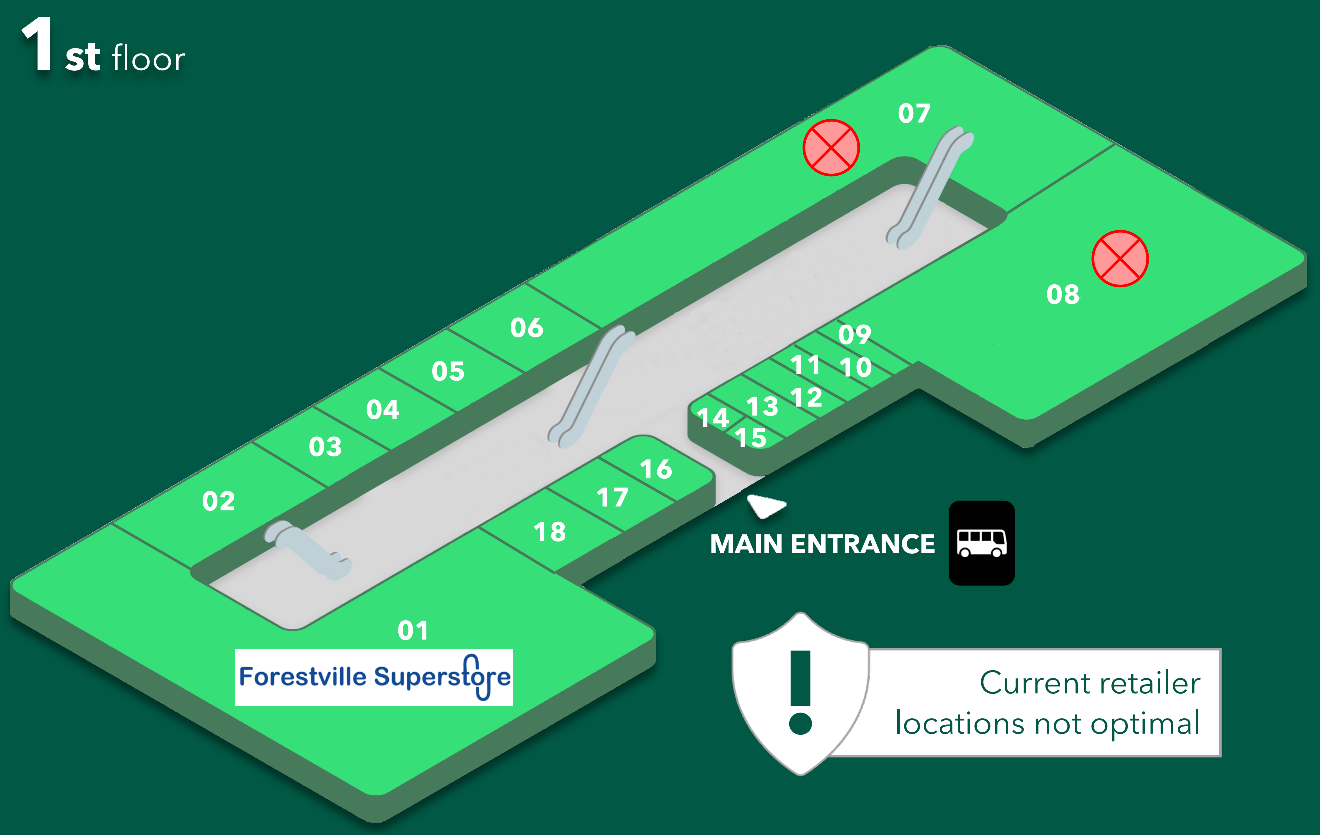
2nd floor – Retail & Entertainment
Leasable area: 10,250 m²
Vacancy: 4,319 m² (42%)
Net rent: $ 1.5 M p.a.

1st floor – Retail & Entertainment
Leasable area: 10,250 m²
Vacany: 5,200 m² (51%)
Net rent: $ 2.0 M p.a.

RETAIL FLOOR PLAN

The first floor

On the first and second floor are used for retail, the stores are arranged around an rectangular pedestrian strip. The stores' locations appear not to be chosen optimally, as synergies and anchor effects are not considered in the current layout. A different location within the mall could lead to more foot traffic.

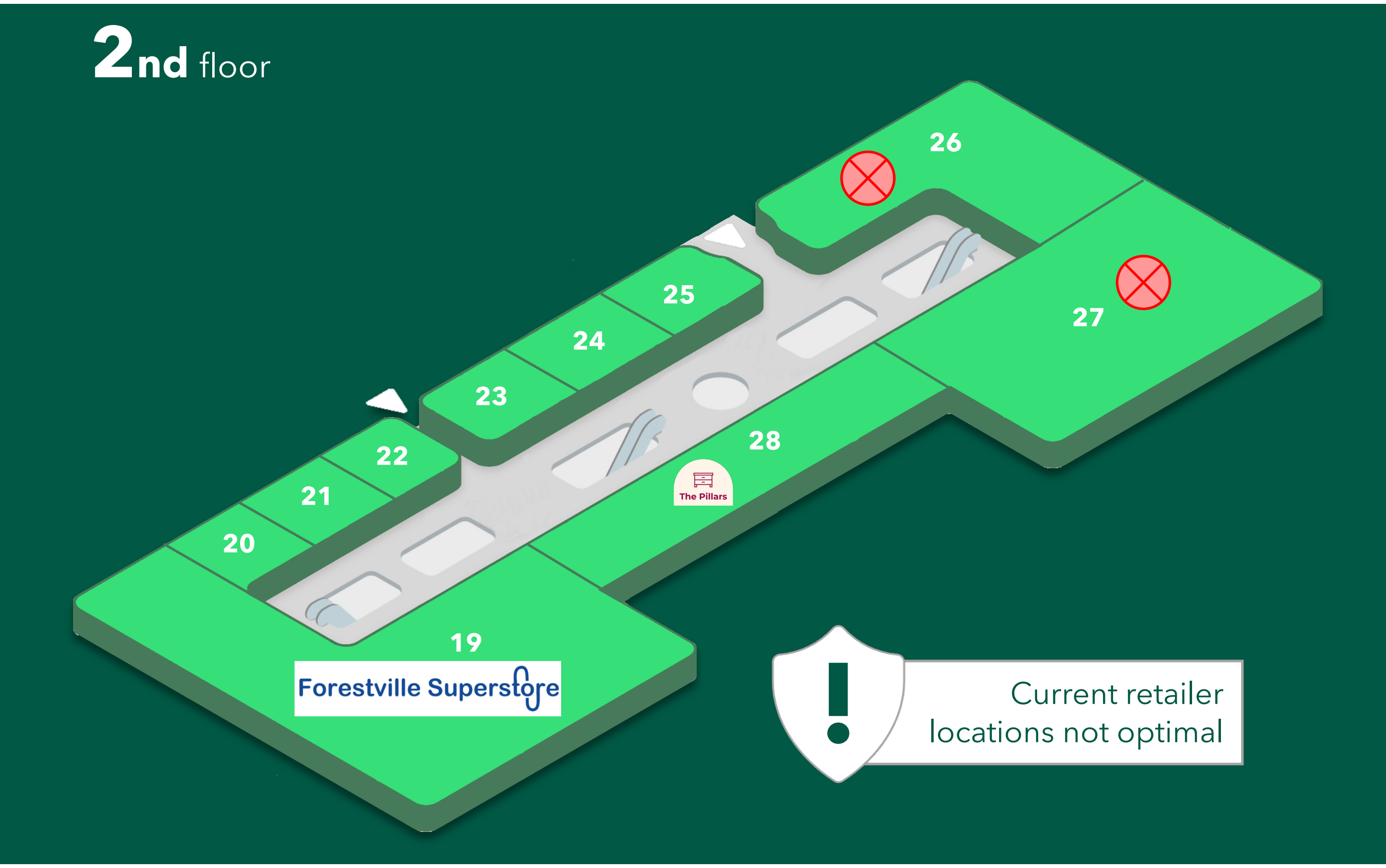


	Retailer	ID	m²		Retailer	ID	m²
	Forestville Superstore	01	3,127		Post Office	10	57
	Food court	02	455		Pet Shop	11	62
	McKay Toys	03	180		Phone Repair	12	63
	Stomp the Ground Boots	04	175		Scent of Money	13	95
	Cargo Embargo	05	165		Newsagent & Shoe Repair	14	27
	Little Tykes	06	175		Rock & Hard Place	15	35
	Vacancy	07	2,700		Margot's Gowns	16	103
	Cinema (Vacant)	08	2,500		On Point Suit	17	128
	Bitter Sweets	09	45		Pit & Fit Furnishings	18	147

RETAIL FLOOR PLAN

The second floor

The ceiling of the second floor is broken through in six open windows, allowing customers to access the second floor via escalators and cross-storey vision. Through a glass railing, no visual relationships between stores are interrupted and the impression of an open space is created. Same as on the first floor, the allocation of the stores is not optimal.



Retailer	ID	m²	Retailer	ID	m²
Forestville Superstore	19	3,127	Round Top Bike	24	276
Story Time	20	213	Steaks and Breaks	25	256
Gold, Man & Sacks	21	210	Vacancy	26	1,819
Economy Greens	22	198	Cinema (Vacant)	27	2,500
German Haus	23	304	The Pillars	28	1,358

OFFICE FLOOR PLAN

	Office	Unit	m²
	The M.B. Company	29	1,550
	Rickert Tax and Audit	30	765
	Vacancy	31	787
	Vacancy	32	1,570
	Vennett Software	33	3,118
	Big Banking Company	34	1,562
	CRE Apps	35	4,648

The third and fourth floor

The third and fourth floor are used for office. Five of the seven office units are currently occupied. Some tenants have approached Greenfield Capital with demands for a larger or smaller office space.

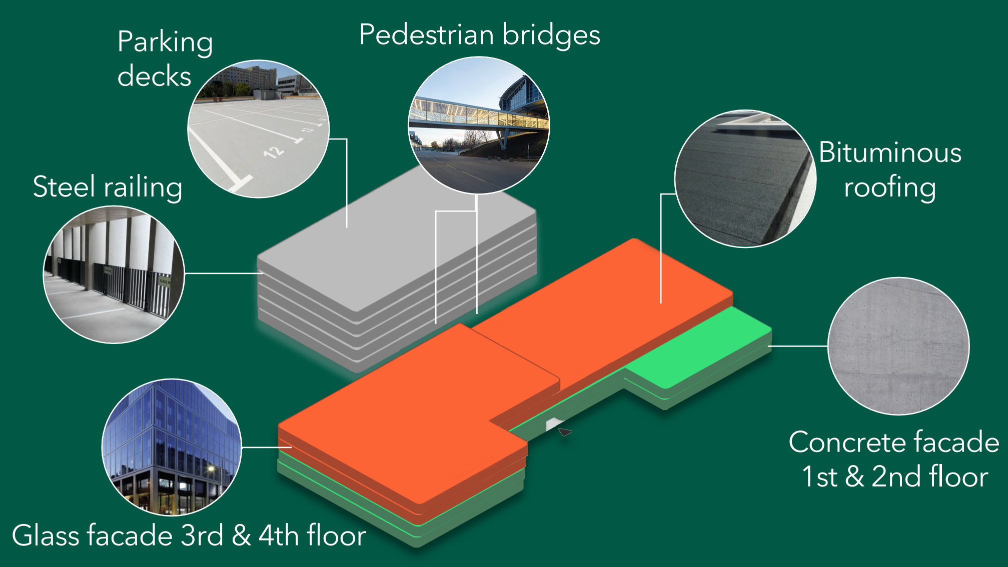
TECHNICAL DUE DILIGENCE

Property description

The Pine Mall is located on the corner of Short Street and Pine Avenue in Forestville, Spring State, Waterland. It is positioned between the train station to the east and the bus terminal to the south. Adjacent to the north side is a multistorey car park with six parking decks in total that can be accessed via the Bubble Boulevard north of the plot. Deliveries take place via Baum Street which leads to the delivery ramp on the north-western corner of the Pine Mall. The Pine Mall comprises of four storeys in total. The first and second floor cover the full building footprint of 10,250 m² for retail and entertainment use. The third and forth floor cover only parts of the overall footprint for office use. Assuming average of 25 m² parking area, roads and ramps, the car park holds a total area of ca.. 30,000 m² GFA on six parking decks with 200 parking lots each.

Building construction

The Pine Mall is assumed to be designed and constructed in industry standard for large mixed use schemes of the last decade and has not been subject to major changes since its initial construction: It has a core made of steel-reinforced concrete with several stairways and escalators for access. It has a flat roofing with insulation and a bituminous foil cover. The building shell is made of pre-made concrete facade elements with included insulation on the retail and leisure areas and glass facade elements with double-glazing on the office areas. The car park has a core made of steel-reinforced concrete with ramps for car movement as well as staircases and escalators for pedestrian access. It has an open facade with steel railings and the sixth parking deck is open air, serving as the roof of the car park. The two pedestrian bridges connecting the second parking deck to the second floor of the Pine Mall are made of steel with a cover of glazing.



TECHNICAL DUE DILIGENCE

Technical installations

The HVAC (Heating, Ventilation, Air Conditioning) equipment is functioning and well-maintained. Given the hot and dry climatic environment, the air conditioning and ventilation of the scheme is the main energy requirement, while heating is only seasonal with minor requirements. As a full-scale heating system is not necessary, the scheme uses electric heat pumps instead of a gas- or oil-based firing system and the HVAC equipment is electricity-powered to full extend. Further electric power is needed for conventional lighting and the operation of the units and the escalators. However, no on-site energy production was identified.

Interior fit-out

The interior of the retail spaces consists of drywall compartments forming the units and a standardized floor, further fit-out is tenant-installed. The common areas in the Pine Mall comprise of mirror-finished tiles, extensive artificial lighting and glass railing around the halos on the second floor. The interior of the office spaces consists of glass partition walls that are not movable and a carpet flooring, any further fit-out is tenant-installed. Internet connection is available. The office areas require intensive air conditioning as the black layer of bituminous foil on the roof takes up solar radiation heavily.

TECHNICAL DUE DILIGENCE

Capital expenses

The Pine Mall is constructed in 2014 and was let with triple net contracts since then. Given the low building age and the good state of maintenance and repairs identified during the site visit, we assume no relevant open capex positions as of the reporting month January 2022. For any undetected or unforeseen capital expenses, we recommend a cost buffer of 1.0% of rental revenue p.a.

Operating expenses

Greenfield Capital reviewed internal data by the Pine Mall's previous owner EcoAngels on operating expenses: A recoverable total of 0.30 $/m²/month for insurance, common area maintenance and utilities applies to office tenants, 0.46 $/m²/month to retail tenants. A recoverable total of 0.95% of rental revenue for full maintenance and management applies to all tenants. For the recoverable property tax, we assume Texas' average of 1.8% of the property value. The only non-recoverable expenditure is an annual flat-rate of 35,000$ for legal and professional fees.

We consider the recoverable operating expenses to be very low compared to Spring State's real-world example Texas. The amount for utilities heavily depends on energy prices, which seem to be marginal in Spring State. In case of future energy price increases the amount for utilities may be subject to changes.

ESG improvement potential

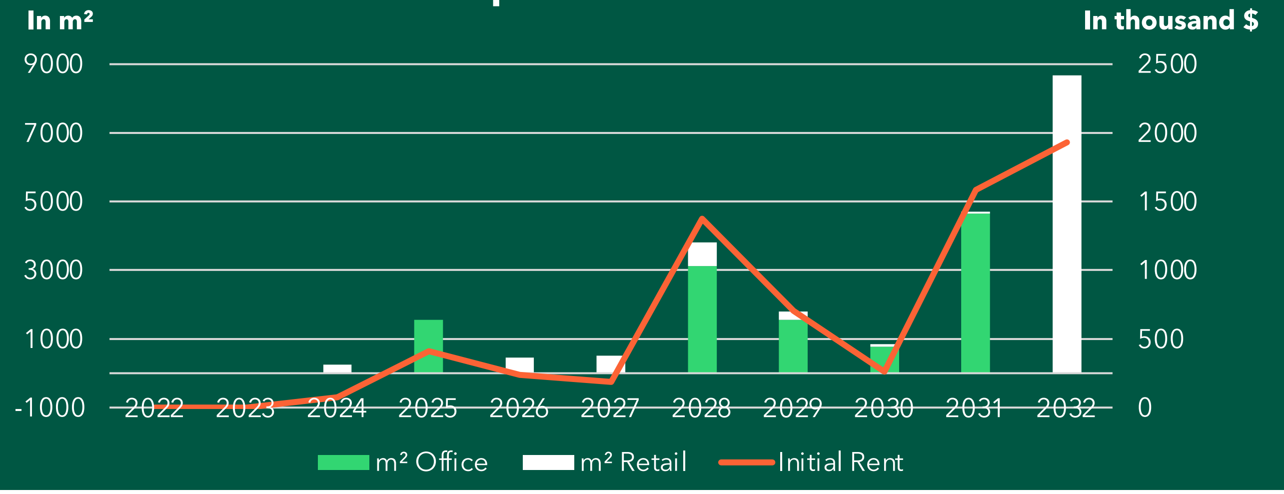
Greenfield Capital identified several fields of action for ESG improvement potential: The current lighting system uses conventional lightbulbs. The installation of LED lamps would reduce energy demand for lighting considerably. The sanitary installations are conventional industry-standard without water-saving technology. A change of the installations could reduce the water consumption effectively. A smart HVAC metering system could collect and process real-time consumption data and identify further saving potential. The bituminous roofing of the third and fourth floor and the concrete façade of the first and second floor are collecting much solar radiation and heat up the building inside heavily, requiring more air conditioning. The greening of these areas can reduce the need for power-intensive cooling. The extensive roof areas including the top parking deck of the car park are statically capable of rooftop photovoltaic systems. Given the high solar radiation potential of the location, on-site energy production is recommended.

FINANCIAL DUE DILIGENCE

Leases term considerations

The remaining Pine Mall currently has a retail WALT of 8.49 and an office WALT of 7.46 years. The largest part of the retail space will not be vacated until 2032 and can only then be re-let at market rates. Office space will be vacated successively from 2028 onwards. The property is overrented by 21% on average.

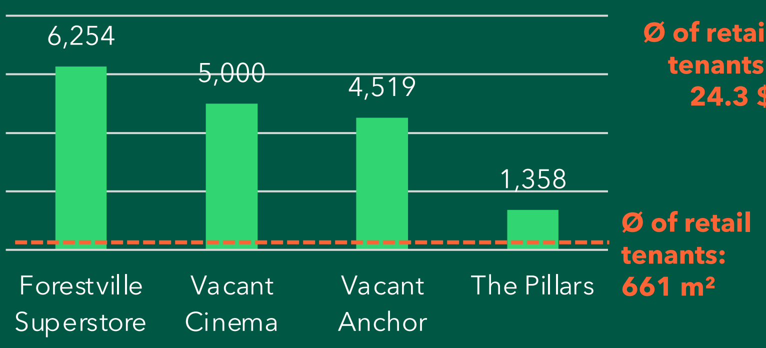
Lease expirations schedule



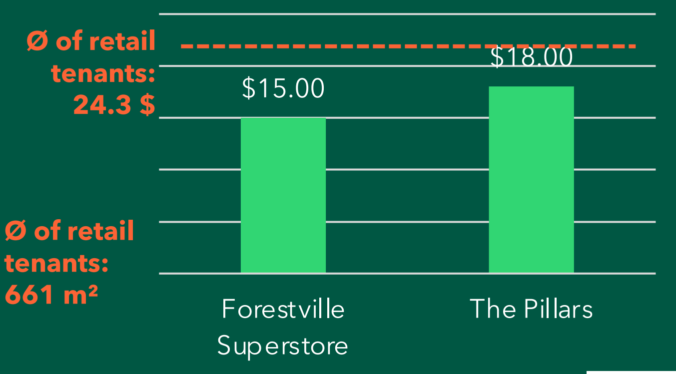
Anchor tenants' lease terms

The building currently holds four anchor tenant spaces: grocery focused Forestville superstore, furniture trader The Pillars as well as two vacant spaces, one large department store space and one configured as a multiplex cinema. The anchor tenants rent significantly larger spaces than the average retail tenant at Pine Mall where the mean store area is 661 m². Due to the important position of the anchor tenants, their rent is considerably lower than the space weighted average retail rent of $24.3 per m². As Forestville superstore is the Pine Mall's largest tenant by area, accounting for 31% of the total retail space, the mall can be described as grocery-anchored.

Anchor tenants by GLA



Anchor tenants by initial rent / m²



COMMERCIAL DUE DILIGENCE

Trade area analysis

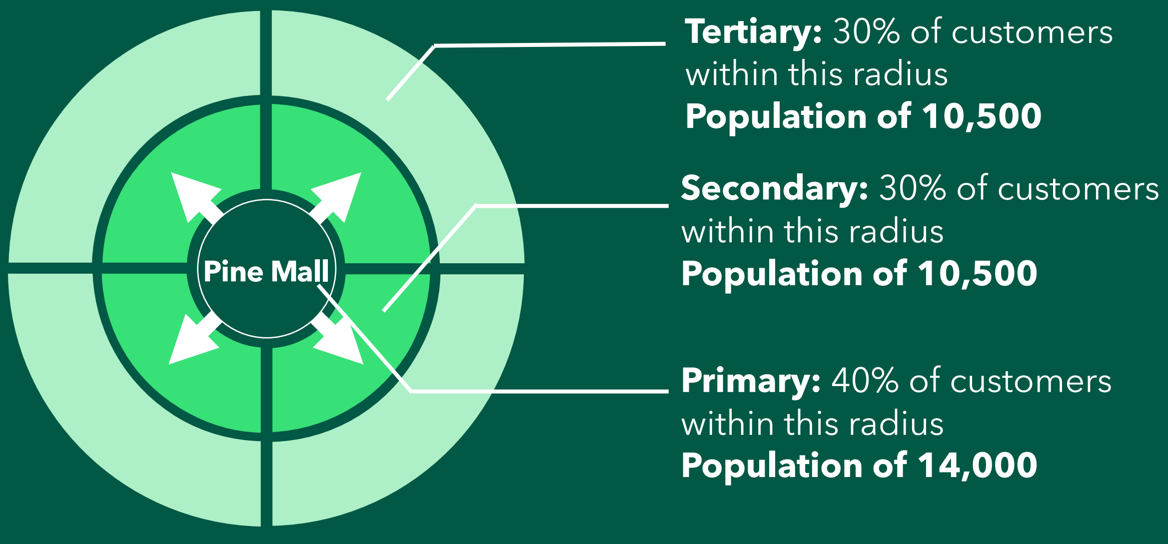
Following business insights derived from an expert interview with a mall manager, Greenfield Capital has developed a rough estimation for a mall's trade area: 5 times the retail net lettable space in m² is the minimum population necessary in a certain circle for the mall to run economically. For the 20,500 m² of Pine Mall's retail area the trade area would need to have a population of around 100,000 around it to be operated successfully.

The Pine Mall's trade area is not sufficient

To analyze the trade area of the Pine Mall, the due diligence team of Greenfield Capital defines a 60-minute drive radius around the property. The resulting area is split into three rings, defined as the primary ring, the secondary ring and the tertiary ring. The primary ring, Forestville itself, accounts for an estimated 40% of the population within this radius. The secondary and tertiary ring each contribute an estimated 30% of population to the mall's trade area. Calculating from Forestville's current population of 14,000, the total trade area of Forestville is around 35,000.

The difference between 35,000 and 100,000 shows that the mall cannot operate economically in the current situation. It becomes evident that successful operation of the mall requires the population of Forestville to grow and the retail space of the Pine Mall to be reduced without losing its appeal to customers. The short-term growth capacity for Forestville is a minimum of 42,000 people, assuming the average household size to be 2,8 for all 15,000 homes already completed.

Pine Mall's trade area

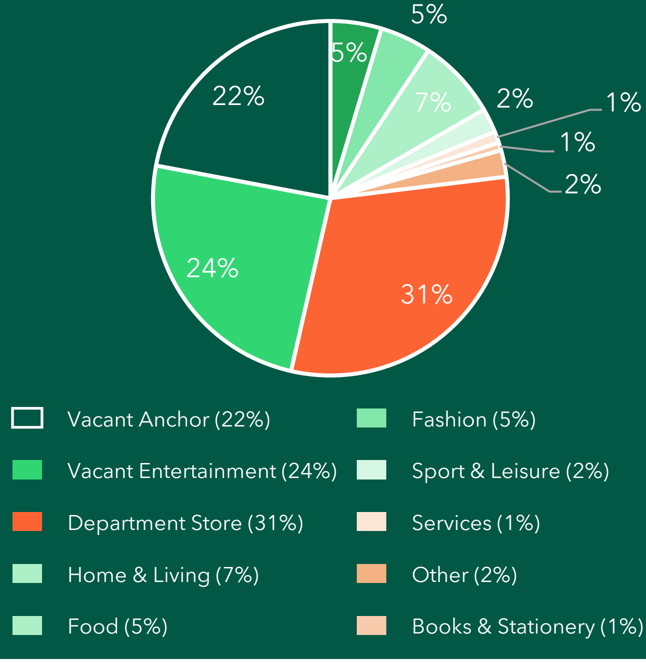


COMMERCIAL DUE DILIGENCE

Tenant Structure

Greenfield Capital has analysed the tenant landscape to deduct fields of action for active leasing management. Tenants are characterised by their remaining lease term in years, their overall importance score consisting of the parameters "attractiveness" and "fit of concept" and their renewal probability including tenant-individual sector outlooks. The resulting table is shown below and is used to establish an action matrix for the further tenant mix.

Retail type by area



Tenant			Remaining Lease Term	Importance Score (1-10)	Renewal Probability
Big Banking Green Partners	Big Banking Green Partners	Invests in green MBS. Investment Bankers with large eye circles are seen in the office 24/7. Expansion is on the horizon.	**7.1**	**7.5**	**55%**
CRE Apps	CRE Apps	Acclaimed developer of games like „Clash of Gangs". Company is a money printing machine and important for the property's tech-cluster.	**9.3**	**10.0**	**85%**
Rickert Tax and Audit	Rickert Tax and Audit	Industry is highly competitive and dominated by the Big-4 audit firms. Regional clients have not hired Rickert often, space decrease is likely.	**8.0**	**7.0**	**65%**
The M.B. Company	The M.B. Comp	Dr. Michael Burry's family office. After his success in 2008 he only invested his own money and now targets water-related assets. Demand a space reduction.	**3.5**	**7.0**	**80%**
Vennett Software	Vennett Softwa	Developer of sophisticated risk-management software for financial institutions and rating agencies. Potential for increasing its space.	**6.2**	**10.0**	**90%**

COMMERCIAL DUE DILIGENCE

			Remaining Lease Term	Importance Score (1-10)	Renewal Probability
Bale and Kale Smoothies	Bale and Kale Smoothies	Hip store that originated in Silicon Valley. Very popular with health-conscious office workers. Location is not optimal.	**7.1**	**8.0**	**50%**
Bitter Sweets	Bitter Sweets	Sells confectionery from around the world at reasonable prices.	**10.3**	**4.5**	**65%**
Black Horse Pub	Black Horse Pub	Rustic bar with hearty dishes. Perfect place to sit and make millions by betting against the housing market. Location is not optimal.	**8.0**	**7.5**	**50%**
Boba & Coffee	Boba & Coffee	Famous for its Venti Mocha Cookie Crumble Frappuchino. Good place for kids as well.	**7.3**	**9.0**	**85%**
Da Baum Sushi	Da Baum Sushi	Noble stand suited to compare net-worth with your trusted CDO manager.	**5.3**	**7.5**	**70%**
Economy Greens	Economy Greens	Full-scale restaurant with classic dishes for the entire family. Best cheesecake in Forestville.	**5.2**	**9.0**	**85%**
Gosling Fries	Gosling Fries	Pure fast food. Closed due to lack of demand from health-conscious office workers and shoppers.	**7.3**	**7.0**	**10%**
Hedge Funds & Cinnamon Buns	Hedge Funds	Well-run place with numerous vegan options.	**7.3**	**8.0**	**70%**
High Spice Low Price Chicken	High Spice Low Price Chicken	All forms of chicken in one place.	**9.0**	**7.5**	**75%**
Steaks and Breaks	Steaks and Breaks	Upper-class steak-restaurant.	**5.3**	**9.0**	**40%**

COMMERCIAL DUE DILIGENCE

		Remaining Lease Term	Importance Score (1-10)	Renewal Probability
Cargo Embargo	Clothing shop that is especially popular with middle aged men who like to fish.	**10.3**	**5.0**	**60%**
Gold, Man & Sacks	Fashion for the entire family. Seems to outscore Little Tykes in the kids' fashion section.	**6.3**	**6.0**	**70%**
Little Tykes	Fashion for children, but parents have nothing to buy. Wastes potential.	**6.3**	**4.0**	**40%**
Margot's Gowns	Gown fashion store with noone marrying during the pandemic. Solvency may occur soon.	**6.3**	**6.0**	**25%**
On Point Suit Shop	Suits that fit everyone. If not, they do tailoring as well. Seems to do fine.	**4.3**	**8.0**	**85%**
Stomp the Ground Boots	High quality shoes for your next hike or job. Seems to be at the stressed-out end of everybody's shopping trip.	**6.3**	**5.0**	**40%**
Pitt & Fit Furnishings	Who needs IKEA if you can have Pitt & Fit? Well designed shop, good variety of products and busy.	**4.3**	**6.5**	**85%**
The Pillars	Overpriced Furniture and outdated home décor. This store is way too big for that single customer once in a while.	**10.3**	**4.0**	**35%**
McKay Toys	Your favourite toys and childhood memories in one place. Really good store.	**10.3**	**3.5**	**75%**
Round Top Bike Shop	Fancy store, selling expensive bikes. Clear winner of the pandemic-induced outdoor sports hype.	**10.3**	**9.0**	**65%**

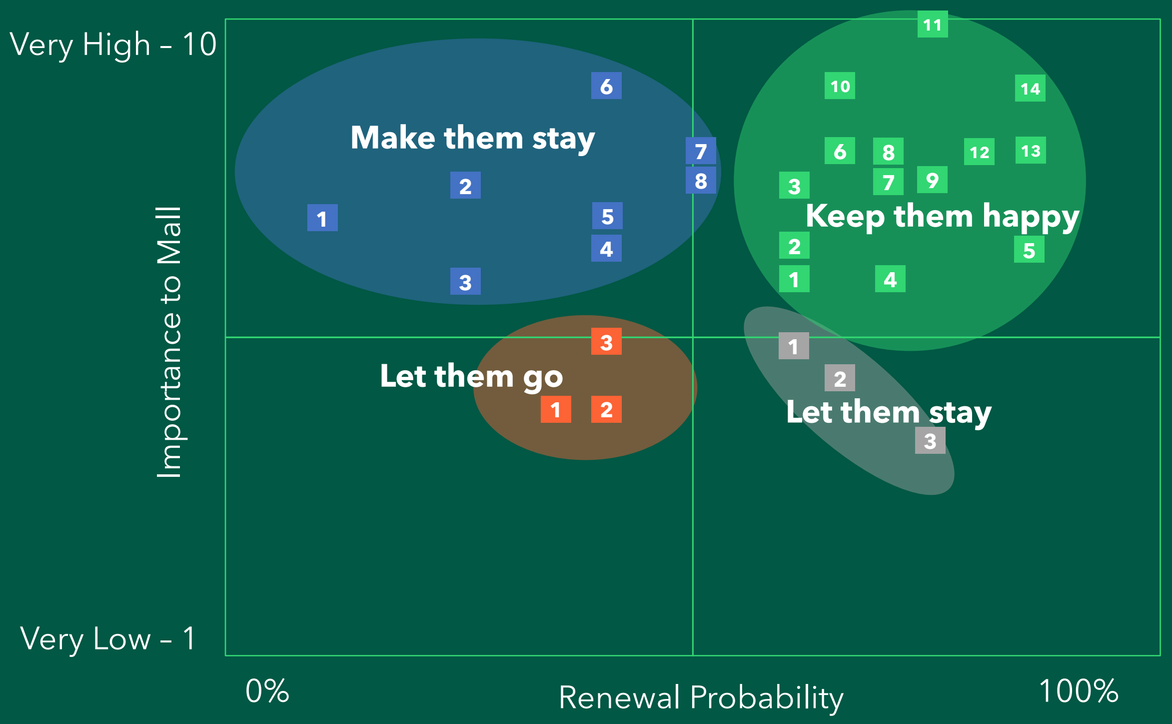
COMMERCIAL DUE DILIGENCE

	Remaining Lease Term	Importance Score (1-10)	Renewal Probability
Story Time – Lovely bookstore struggling with the competition online. Needs a rent reduction.	2.3	7.5	25%
Newsagent and Shoe Repair – News and Shoes - what a combo. Leather works appear to bring more money than printed newspapers, no issues in total .	6.3	6.5	60%
Phone Repair – Have your phone fixed while you shop. Creates its own footfall. No issues.	4.3	8.0	65%
Post Office and Convenience Store – Handles letters and packages more than selling goods. Yet, no issues.	4.3	8.0	80%
German Haus – Sells a variety of imported goods, from antiques to groceries. Owner is very punctual with little humor.	10.3	7.5	60%
Pet Shop – Everything you need for your pets. Seems to compensate missing attractiveness with his excellent location.	4.3	6.0	60%
Rock & Hard Place Music Store – Small store, but a good variety. Music is just nothing to spend money on in the age of streaming.	2.0	7.0	40%
Scent of Money Perfumery – Struggling more than it is visible, as location makes up for some of it. Strong online competition for cosmetics is a problem.	10.3	6.5	40%
Forestville Superstore – Large grocery-leaning store that seems to have everything. Sleepy at times, but crowded in the evenings and on Saturdays.	10.3	10.0	75%

COMMERCIAL DUE DILIGENCE

Tenant action matrix

Retail tenants are depicted graphically and clustered into four tenant management strategies: “Make them stay”, “Let them go”, “Keep them happy” and “Let them stay”.



Strategy: Make them stay	
1	Gosling Fries
2	Story Time
3	Margot’s Gowns
4	Scent of Money
5	Rock & Hard Place
6	Steaks and Breaks
7	Bale and Kale Smoothies
8	Black Horse Pub

Strategy: Keep them happy	
1	Pet Shop
2	News & Shoe Repair
3	German Haus
4	Gold, Man & Sacks
5	Pitt & Fit
6	Phone Repair
7	Da Baum Sushi
8	HF & Cinnamon Buns
9	High Spice Low Price
10	Round Top Bike
11	Forestville Superstore
12	Post Office
13	On Point Suit
14	Boba & Coffee

Strategy: Let them go	
1	The Pillars
2	Little Tykes
3	Stomp the Ground

Strategy: Let them stay	
1	Cargo Embargo
2	Bitter Sweets
3	McKay Toys

Highest and Best Use Consideration

The highest and best use of a plot of property is determined by four key indicators:

Legally permissible ✓ **Technically possible** ✓

With no information on Forestville's urban planning laws or the plot's physical soil conditions available, we assume that commercial uses like retail, entertainment and office are legally permissible. Given the fact that the Pine Mall with its car park already stands for eight years in its current state, we assume a technically sound building structure at the plot.

We are convinced that the current usage allowance can be extended to other niche business uses, e.g. hospitality, medical care, data storage or city logistics. We also believe that Forestville zoning law allows residential uses run by a commercial contractor such as serviced apartments or student housing to be built on the Pine Mall's plot. Compared to the existing use types, similar criteria apply: The types of use usually do not cause a lot of noise or other emissions. The intensity of land use is similar as no particularly large footprint is required. The uses fit into the same zoning category as they rely on and contribute to downtown traffic and footfall. The uses contribute to local economic policy as they create jobs and taxes for the city administration.

Greenfield Capital is convinced that status quo is not the highest and best use for the Pine Mall. To check potential commercial uses for financial feasibility and identify the maximally productive option for the Pine Mall's plot, we develop several scenarios in the investment rationale section.

Financially feasable ? **Maximum productivity** ?

KEY TAKEAWAYS - SWOT-ANALYSIS

STRENGTHS

- Central location in Forestville, next to train and bus terminal
- Balanced tenant mix with some offices occupied by target tenants from the technology sector
- No similar retail competition in Forestville or immediate surroundings
- Community malls receive relatively favorable investor sentiments compared to other mall concepts

WEAKNESSES

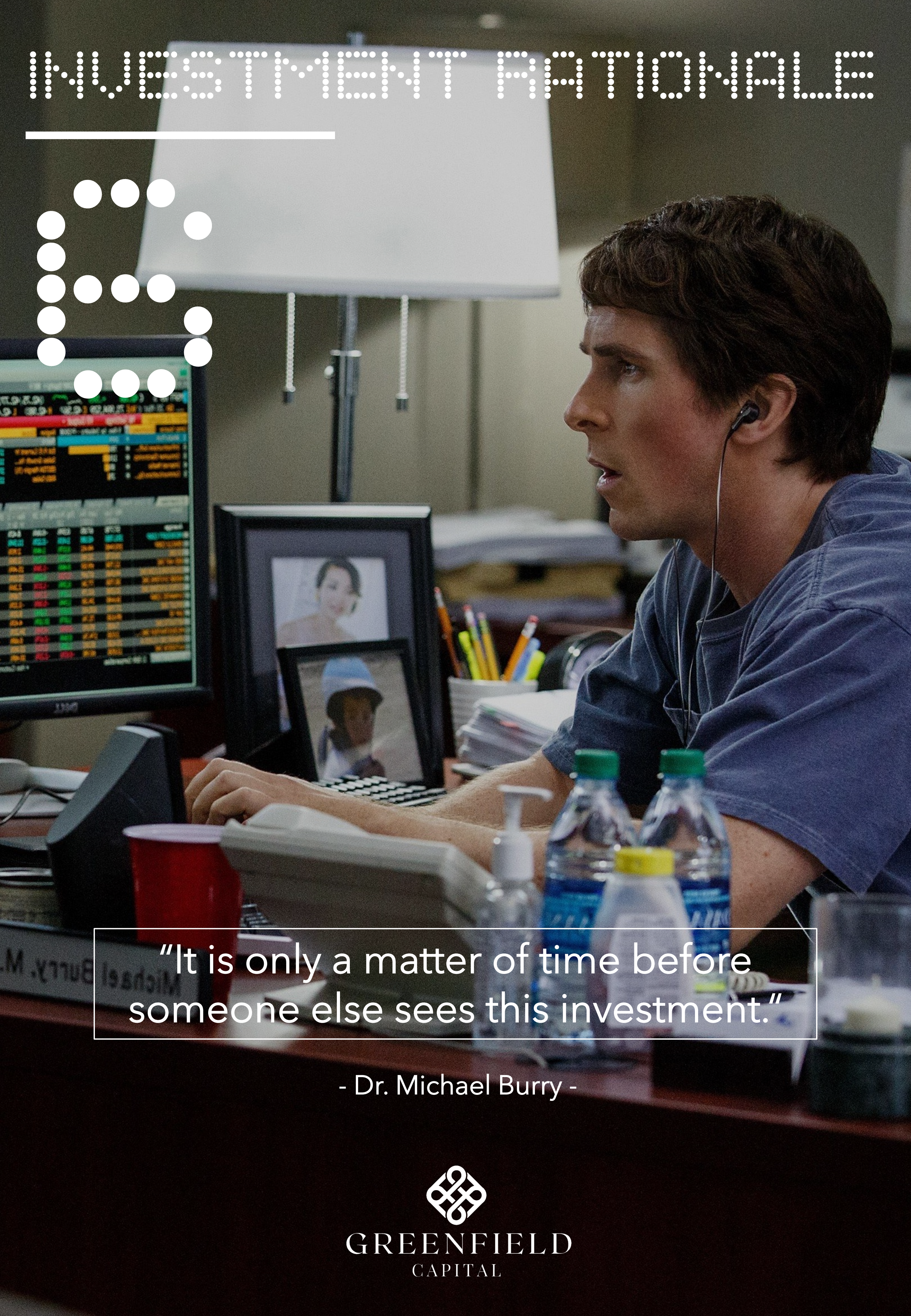
- High vacancy rate (34%), especially concerning space planned for anchor tenants
- Many stores inside the mall are located at a suboptimal spot for their individual concept
- Lack of entertainment which serves as an anchor and would increase timespan spent in the mall
- Current population of Forestville alone is not sufficient to operate mall financially viable

OPPORTUNITIES

- Large car park might not fit future mobility needs and offers space to convert into new use concepts
- Central location allows Pine Mall to become the true heart of the city
- Attract university as interim tenant to attract more customers and in turn more tenants
- Strong potential synergies between office space and retail space, especially food venues
- High ESG optimization potential

THREATS

- If university settlement fails, the city will most likely not grow and the mall's value will drop drastically
- If the mall is unable to keep a critical mass of retailers, the attraction of the agglomeration will be lost
- If the supply of sufficient clean water is not secured, the city and the mall cannot be run safely and will lose value sharply


INVESTMENT RATIONALE
6
"It is only a matter of time before someone else sees this investment."
- Dr. Michael Burry -
GREENFIELD
CAPITAL

SCENARIO OVERVIEW

Scenario Overview

Since the mall has been repossessed by Greenfield Capital in January 2022, it is the company's property. No purchase decision is required. Greenfield Capital faces the decision on how to proceed with the Pine Mall. To identify the most profitable sale option in line with the company's strategy, Greenfield evaluates four scenarios. A particular focus is put on exit timing and buyer target group.

1

LEAVE AS IS & SELL

Take no measures on the property and sell as fast as possible before market conditions worsen.

OPPORTUNISTIC
TARGET RISK CLASS

NONE
MEASURES

2

MANAGE & SELL

Take minor measures on the property to reach full occupancy and sell with stabilized cash flow.

VALUE ADD
TARGET RISK CLASS

MINOR
MEASURES

3

REDEVELOP & SELL

Refurbish and redevelop the property to make it future-proof and maximize its value.

CORE+
TARGET RISK CLASS

MAJOR
MEASURES

3+

IMPROVE THE CITY & SELL

Extension of scenario 3:
Propose additional measures to address the city's problems to lower location risks.

CORE
TARGET RISK CLASS

MAJOR
MEASURES

GENERAL ARGUS ASSUMPTIONS

Our default assumptions

The following assumptions correspond to the market and property analysis. If no other values are provided in the scenarios, this default dataset will be applied in Argus Enterprise. For each scenario, individual adjustments regarding capital expenses, operating expenses, rents and cap rates will be described.

<table>
<tr><td>Initial Valuation</td><td>$139,100,000
(January 2022, rounded)</td><td colspan="3">The fair value as of the repossession date is approximated using the direct cap approach. The cap rate of 6.70% is a weighted average of the use types' market cap rates from the market analysis plus a premium of 1.0% for vacancy and overrent. The NOI is grossed-up to the full lettable area.</td></tr>
<tr><td>Capital Market Assumptions</td><td colspan="2">General Inflation Rate / CPI / Expense Inflation Rate / Market Inflation Rate
2022: 4.0%
2023: 3.0%
Long term: 2.0%

Construction Cost Inflation
2022– 2024: 3.0%
Long term: 2.5%</td><td colspan="2">Discount Rate
8.0%

Cap Rates
Office: 4.5 – 5.0%
Prime Retail: 5.0%
Secondary Retail: 6.0 – 7.0%
Other Spaces: 6.0 – 8.0%</td></tr>
<tr><td>Financial Terms & Conditions</td><td>LTV
Max. 60%</td><td>Interest Rate
4.25% p.a.</td><td>Repayment
30-year amortization</td><td>Up-front Fee
1% of loan amount</td></tr>
<tr><td rowspan="2">Selling Costs</td><td>Appraisal incl. Due Diligence
$100,000</td><td>Brokerage Fee
4% of Gross Sales Price</td><td>Legal Counsel
$50,000</td><td>Transfer Taxes
0.0%</td></tr>
<tr><td colspan="4">Note on taxes: Spring State imposes no transfer tax on real estate transactions similar to its real world example state Texas, US.</td></tr>
</table>

GENERAL ARGUS ASSUMPTIONS

	Category	Rent	Term	Tenant Incentives
Market Leasing Assumptions	**Retail** Anchors: Non-Food: Restaurants: Service: Food:	 $20 $40 $40 $50 $60	 10 years 5 years 5 years 5 years 3 years	 New: 3 Months rent-free (> 200 m² or > 5 years term)
	Office	$25	5 years	New: 6 months rent-free (or 150 $/m² fit-out allowance) Renew: 3 months rent-free
	Leisure & Entertainment	$10 + 8% of revenue	10 years	New: 3 Months rent-free + 65 $/m² fit-out allowance
	Logistics	$6	5 years	New: 6 months rent-free (or 150 $/m² fit-out allowance)
General Leasing Assumptions	**Recovery Structure** **Rent Indexation** **Deposit** **Leasing Commission** **Renewal Probability** **Renewals** **Turnover Vacancy** **Credit Loss** **General Vacancy**	NNN CPI 1 Month Base Rent 10% of 1st year rent 70% (market default) 5% rent discount 12 Months 0.5% Office, 1.0% Retail 5%		The turnover vacancy is set to 12 months. Given the weak rental market with high vacancy rates in Forestville, we consider the turnover vacancy realistic.
Operating Expenses	**Insurance per m²**	Office: $ 0.05 Retail/Entertainment: $ 0.06		recoverable
	Utilities per m²	Office: $ 0.25 Retail/Entertainment: $ 0.30		recoverable
	CA Maintenance **Major Repairs** **Management** **Property Taxes**	0.10 $/m² 0.50% of rental revenue 0.45% of rental revenue 1.8% of property value		recoverable recoverable recoverable recoverable
	Legal & Professional Fees	$ 35,000 p.a.		Non-recoverable
Capital Expenses	**Unforeseen**	1% of rental revenue p.a.		Non-recoverable

SCENARIO 1 - INTRODUCTION

1 LEAVE AS IS & SELL

$ 134.8 M
NET SALES PRICE

$ 131.7 M
PRESENT VALUE

9 MONTHS
HOLDING PERIOD

REPE FUND
TARGET BUYER

★☆☆
FUND'S STRATEGY FIT

6.70%
CAP RATE

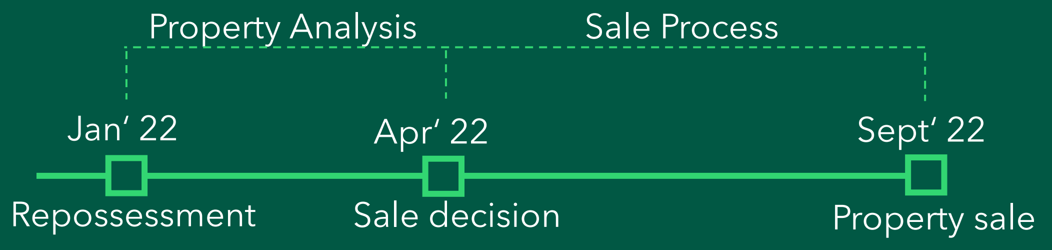
SUMMARY

Greenfield Capital makes no capital expenses or takes other measures regarding the Pine Mall. The property is divested as an opportunistic asset. Without actions, no growth in NOI or property value is generated to offset the discount effect causing the net present value to decline over time. In this scenario, there is no time to waste.

„Okay. Sell it all."
- Mark Baum

This scenario also represents a base scenario to benchmark further measures.

TIMELINE



SCENARIO 1 - LEAVE AS IS AND SELL

Underlying Thesis: Divest risky retail exposure

The fast sale of the Pine Mall after 9 months without any action is based on our market and property analysis: Passive investments depend on positive market developments to realize profits. Both the retail and the office sector face challenges and outdated retail concepts in particular have a negative future outlook. The location of Forestville is not an established commercial real estate market with the city development being subject to considerable risks. Rising interest rates and slowing GDP growth are expected to negatively influence the general investment environment for real estate, leading to decreased demand and higher cap rates.

Steady market assumption for Forestville

Forestville's local real estate market is emerging and heavily depends on factors like economic and population growth. The prediction of market cycles or exogenous impacts is not objectively possible and therefore excluded from our model. We assume steady market conditions and depict sector-specific insights in the leasing assumptions below.

Target group and sale process

Without any changes, the Pine Mall is an opportunistic asset at the point of transaction. Consequently, we target investors with a suitable risk-return-profile. While most institutional real estate investors focus on core, core+ and partly value-add assets, real estate private equity funds also focus on opportunistic investments. To facilitate the sale process and maximize the sales price, our marketing efforts focus on this investor group by hiring specialized brokerage expertise, carrying out a property appraisal and a vendor due diligence.

KEYS TO SUCCESS

CORRECT ANTICIPATION OF FUTURE MARKETS

PROFOUND PROPERTY ANALYSIS

OPTIMAL MARKET TIMING

TARGETED SALES MARKETING

SCENARIO 1 - LEAVE AS IS AND SELL

Scenario-specific assumptions

Leasing

Given the weak sector outlook for traditional retail and the small population within the Pine Mall's trade area, we assume that the cinema and the former department store space will remain vacant during the full analysis period. We expect the university to complete its campus in Forestville in January 2026 and create positive spillover effects on the city's technology business scene. The vacant office spaces are therefore assumed to be leased from this point of time at market conditions. For office and retail space currently occupied, we assume renewals or new leases after lease term expiry at market conditions. No extraordinary leasing efforts are conducted.

Financing

Without any capital expenses no loan is required. Current costs and minor unforeseen expenses are financed from regular cash flow.

Exit cap rate

Since no change in the real estate market outlook of Forestville has occurred or is to be expected, the risk-adjusted market cap rates set in the market analysis are applied. Weighting the market cap rates by rental value, a rounded 5.70% cap rate is determined. Analyzing the property, we identified a 34% vacancy rate and a 21% overrent while market cap rates are based on full occupancy. To adequately integrate these factors into the calculation, a 1.0% premium is applied to the market cap rates. The property-adjusted exit cap rate amounts to 6,70%.

21 %
Overrent

34 %
Vacancy

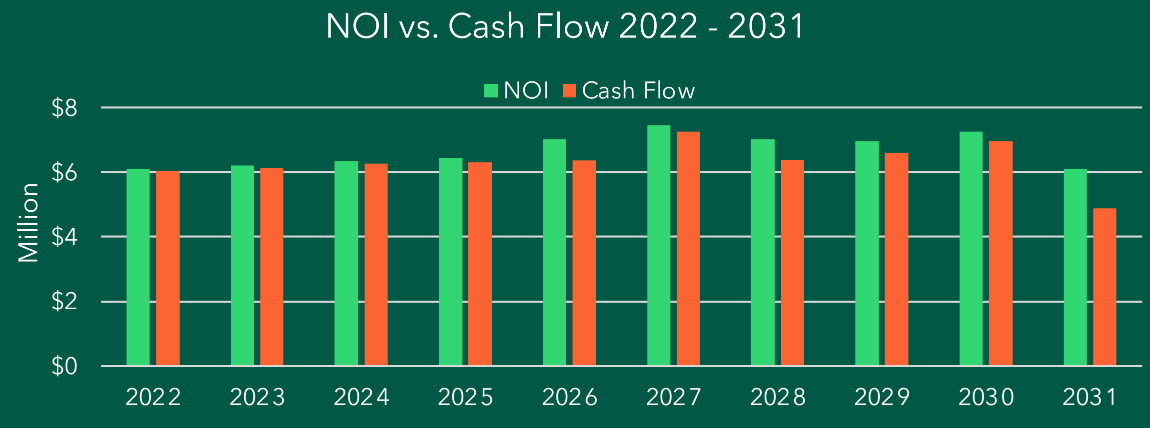
Use Type	Cap Rate	Pro rata rental value	Weighted Cap Rate	Adjustments	Exit Cap Rate
Office	5.0%	45%	5.70%*	1.0%	**6.70%**
Retail	6.0%	49%			
Leisure & Entertainment	8.0%	6%			

* Rounded value

SCENARIO 1 - LEAVE AS IS AND SELL

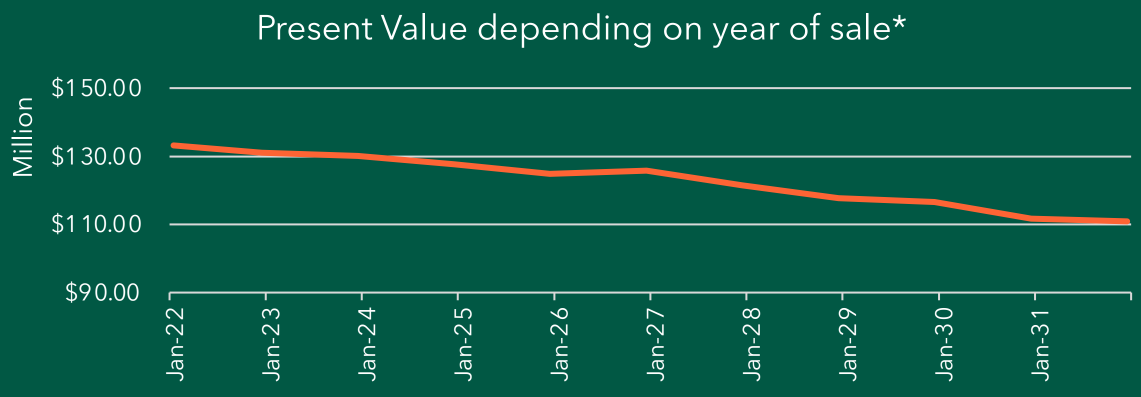
Cashflow Analysis

The free cashflow is expected to remain steady for most of the analysis period. The visible slight increases result from the partial contractual rent indexations or fixed rent step-ups of existing leases. The correction of the current overrent prevents on average an increase in NOI otherwise expectable at renewal or on new leases. The increase in 2026 and 2027 is due to the assumed lease-up of the vacant office spaces once the University has relocated to Forestville. After 2031 almost 50% of the leases expire results in a noticeable cash flow decrease.



Holding Period Consideration

The sales price is calculated as a direct exit capitalization of any upcoming 12 months of cashflow. With a steady NOI and a fixed exit cap rate the sales price will not enlarge in the future. In our discounted cashflow environment, the sales price is the most important positive cashflow and has a stronger impact on sum of present values if it occurs earlier in time. The decrease in NPV over time is shown below. To realize the highest possible NPV, the Pine Mall is to be sold immediately. We assume the earliest possible point of sale to be at the end of Q3/2022, taking into account a realistic timespan for the transaction process.

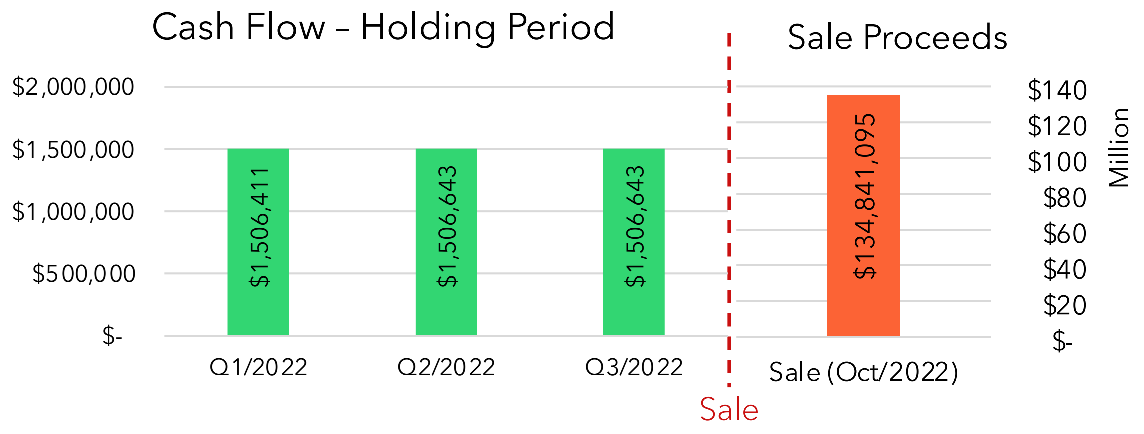


*Graph shows January values only

SCENARIO 1 - LEAVE AS IS AND SELL

Final Key Values

As derived from the NPV over time, the sale of the Pine Mall should take place as early as possible and will be divested in October 2022. The total rental income generated amounts to $ 4.6 M and the sales proceeds total $ 134.8 M, the total present value thus equals $ 131.7 M.



KEY PERFORMANCE INDICATORS

$ 134.8 M
NET SALES PRICE

$ 4.6 M
RENTAL CASH FLOW

$ 131.7 M
PRESENT VALUE (UNLEVERED)

-
PRESENT VALUE (LEVERED)

0.25 %
IRR (UNLEVERED)*

-
IRR (LEVERED)*

**IRRs are calculated based on the fair value as of January 2022 in the amount of $ 139,100,000 as described in the general ARGUS assumptions (p. 94)*

SCENARIO 2 - INTRODUCTION

MANAGE & SELL

$ 162.4 M
NET SALES PRICE

$ 139.6 M
PRESENT VALUE

4 YEARS 7 MONTHS
HOLDING PERIOD

REIT
TARGET BUYER

★★☆
FUND'S STRATEGY FIT

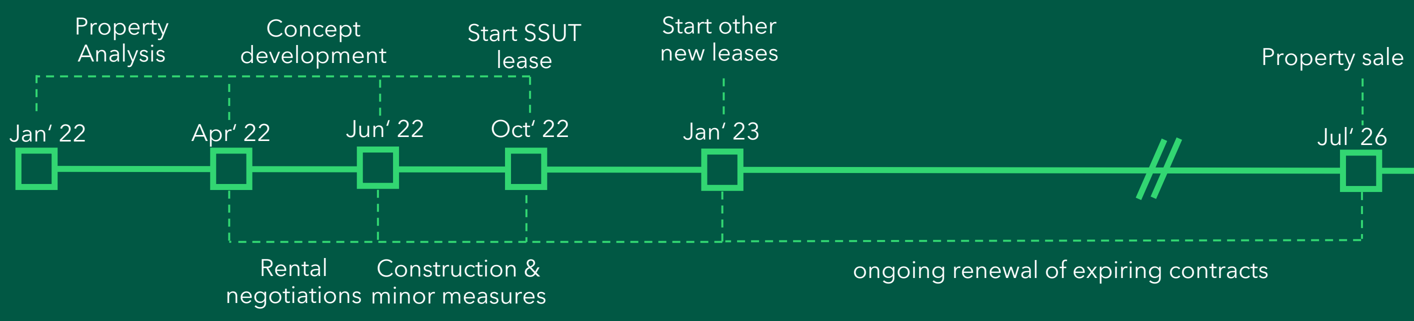
5.80 %
CAP RATE

SUMMARY

Greenfield Capital carries out active asset management measures to reach full occupancy in the Pine Mall. The Spring State University of Technology (SSUT) is the mall's key interim tenant to attract complementary office and leisure & entertainment tenants. The construction of two new entrances to the mall increases footfall customer circulation. Greenfield Capital focuses on low-hanging fruits for ESG improvements and interacts actively with its tenants and the community.

„I love my job."
- Mark Baum

TIMELINE



SCENARIO 2 - MANAGE AND SELL

Underlying thesis: Create momentum to revive the Pine Mall

Greenfield Capital identified the university's full relocation as the most important growth factor for Forestville. The market and property analysis show that the university needs space for lectures and administration while the Pine Mall has vacant spaces with suitable constructional features. The first step towards full occupancy is to win the university over as an interim tenant and to re-rent the spaces to a permanent education tenant in the long run. The university would be a strong anchor that creates its own footfall with approx. 2,500 new students visiting in the Pine Mall every day. Trailing the university, complementary uses like a sports venue and a start-up incubator are targeted as long-term tenants, eliminating the vacancy.

Being very centrally located between the train and the bus station, Greenfield Capital leverages this competitive advantage with the construction of two new entrances, creating convenient walkways through the mall for commuters. Active asset management realizes further improvements of the Pine Mall, especially in terms of light ESG interventions.

Target Group

As examined in the market and property analysis, Pine Mall is a community shopping center with a dominant local market position. As pointed out in previous sections, the tenant shift away from retail towards education and leisure & entertainment is in line with global future trends for shopping malls. With a lower sector risk in the future and the vacancy issue resolved, the property risk classification is shifted from Opportunistic to Value Add. We therefore target equity REITs as the preferred buyer group.

KEYS TO SUCCESS

ATTRACT AND RETAIN EDUCATION TENANT

ACTIVE ASSET MANAGEMENT

INCREASE FOOTFALL

HARVEST LOW-HANGING FRUITS OF ESG

SCENARIO 2 - MANAGE AND SELL

Active asset management to reach occupancy goals

To tackle Pine Mall's high vacancy rate of 34% new anchor tenants are necessary. Especially the large size of the vacant spaces poses a challenge. Although a division into smaller units would be possible, the difficulty to attract several smaller anchors remains. Many small retailers do not have the ability to create sufficient footfall and benefit the Pine Mall's other shops. Future trends made us decide to pursue next generation anchors from sectors like education and leisure.

Spring State University of Technology - The key to full occupancy

We target Spring State University of Technology (SSUT) as a promising interim anchor tenant until the university campus is fully completed. Following SSUT's IT department settled in Forestville since 2008, the engineering department's relocation is currently pending. The vacant cinema is equipped with beamers, seating rows and well-designed acoustics and strongly resembles the physical structure of lecture facilities . The minor changes necessary for SSUT to move in would result in low fit-out costs of 50$/m² totalling $ 250,000. The approx. 2,500 new SSUT students would boost footfall in the mall and increase its attractiveness for other tenants. To convince the university of our vision, we grant favorable leasing conditions and hope to sign the lease contract in time for the upcoming winter semester, starting in 2022. We expect the lease term to finish once the university campus is completed, likely in December 2025. Along with the cinema for lecture, we also rent out office space for SSUT's faculty administration, occupying vacant office space on the third floor.

> 2,500 further students coming to town

Increasing footfall in the mall

Synergies with other tenants

Fostering a university-ecosystem

SSUT's IT and tech departments a looking for corporate partners to establish a start-up incubator for student projects. Greenfield Capital has engaged with the property's office tenants and are currently mediating Big Banking Green Partners and Vennett Software into a cooperation on this issue. The companies would offer mentoring and networking support in the fields of venture capital and software engineering to young founders. We are convinced of this joint project and offer to lease the remaining vacant office space to the tech incubator for a 5 year term with a high renewal probability.

SCENARIO 2 - MANAGE AND SELL

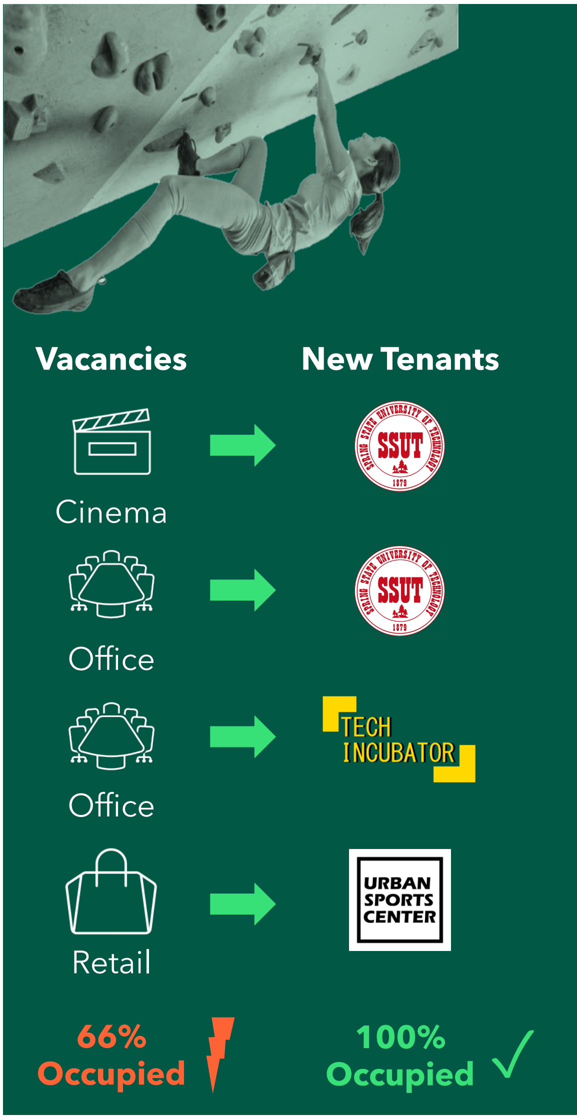
New focus on sports & leisure

With 2,500 students as potential customers, we hope to win Urban Sports Center (USC) as a new tenant starting January 2023 and offer favorable leasing conditions and a 150$ fit-out allowance. The leading Waterland sports-club chain pursues a trendy concept aiming at both students and professionals and expresses interest in renting vacant space close to education facilities. USC members keep fit with classic fitness training, yoga, spinning or dance aerobics and climb the boulder wall that would cover a wall across the first and second floor. With a strong leisure & entertainment tenant like USC, the Pine Mall would receive a second cornerstone for future success and follow the trends of future-proof retail assets outlined previously. Offering USC the large vacant retail space in the north-east, the location next to offices and the university is ideally convenience for students and office employees, leading to strong synergy effects between tenants.

What's next after SSUT?

As SSUT is predetermined to be an interim anchor and will vacate the former cinema after the campus is completed, the re-letting of this unit to a long-term tenant is crucial for the Pine Mall's success.

Greenfield Capital is already considering permanent leasing options for the space and hopes to continue business relations with the SSUT organization. The SSUT Graduate School program is already successful in the capital and would be a perfect fit for Forestville as well. Classes aim at professionals and executives and Forestville's technology hub will require a highly-qualified workforce. The Pine Mall's central location is well-suited for part-time students looking for short distances between the school and their companies' workplaces. To secure this future-proof anchor permanently, Greenfield Capital offers a 200 $/m² fit-out allowance for the planned lease start in April 2026. Due to a fixed cooperation with SSUT graduate school for estimated 12 years, the revitalization of the Pine Mall can be sustained in the long term and synergy effects between the tenants continue in an optimal way.



SCENARIO 2 - MANAGE AND SELL

Creating new shopper flow trough the mall

Two new mall entrances towards the car park in the north and the central station in the east will generate new footfall for the Pine Mall. The eastern entrance establishes a direct path between the train station and the bus station, the two most important public transport installations in town. Commuters and travellers now can walk through the Pine Mall as the fastest and most convenient route. The north one provides access to the Pine Mall on ground level from the car park. The two entranceways combined make up 150 m² of space, which is deducted from the vacant retail area designated for Urban Sport Center and forces the Little Tykes shop to move to the right. The increased footfall offsets both the construction costs of 300,000 $, the necessary 3 months rent-free period for Little Tykes and the lost floor space by increased customer circulation and higher revenue.

$300,000 one-off

Costs of new entrances

3 Months

Rent-free period for affected tenant

(Digital) wayfinding system

The analogue signage in the Pine Mall is updated by a digitally-supported wayfinding system. In addition to the simple wall signage we install large touch-screens, floor stickers and coloured lighting signs for points of interest. As outlined in the previous chapters, retail properties have to offer convenience to customers and wayfinding is considered important to reduce customers' entrance barriers. The modernized wayfinding system will increase the accessibility and safety of the Pine Mall and foster an optimal shopping experience avoiding frustration, stress and time issues. The new system is professionally developed to encourage customers to explore all areas of the mall and will be integrated into our new website and mobile app.

$100k

SCENARIO 2 – MANAGE AND SELL

Mobile App & Website

For a future-oriented and convenient customer interaction we develop the Pine Mall mobile phone app. It gives customers access to cashless payments, interactive wayfinding, virtual shopping, tailored advertising and direct contact with retailers using personal customer accounts. In addition, the website will be redesigned to be more user-friendly.

$50,000 one-off

25,000 p.a.

Student Promotion

To support synergies between the university students as a new customer group and the Pine Mall's tenants, we pay $100,000 for promotion coupons that can be activated on the Pine Mall's website and app. The discount programs features a free month of access to Urban Sports Center and numerous other deals and vouchers like lunch options in the food hall and discount in all non-food stores are available. We are convinced that a kick-off incentive for the students will boost the popularity of the Pine Mall's shops and establish customer relationships.

SCENARIO 2 - MANAGE AND SELL

Citizen & Community Involvement

As outlined in our ESG strategy, we involve citizens and the community of Forestville in planning and development of the Pine Mall. Before implementing any measures, we conduct surveys, provide information material, hold townhall meetings with residents and organize a yearly event day to get in touch with citizens. Greenfield Capital recognizes the Pine Mall as the heart of Forestville and wants to turn it into a place that brings all residents together. To get there, we first need to listen to the community's ideas and wishes. As described in section 3, customers consider social aspects an important reason to visit malls now and in the future and expect to feel comfortable there when spending their time.

$50,000 p.a.

Tenant Partnership Program

$50,000 p.a.

GC is aware that tenant's success is ultimately landlord's success. We establish our Tenant Partnership Program which offers a platform to network and learn from other tenants. We hire coaches to conduct regular workshops on how to grow their business, current and future trends, consumer behavior, marketing and sales as well as optimal store design. This effort pays back by strengthening our tenants to run a successful business in the long term and induces a better and more loyal tenant-landlord relationship. All tenants are welcome and participate for free.

SCENARIO 2 - MANAGE AND SELL

LED Lighting Program

Implementing an advice from the technical due diligence, we substitute the conventional lighting equipment with LED illuminants. The highly efficient lightbulbs reduce the amount if electric energy consumption for lighting by up to 75 %, lowering utilities by an assumed 20%.

Bicycle Parking Facilities

To encourage emissionless mobility according to the company's 2035 climate plan and to raise customer convenience, we install 200 bicycle stands around the Pine Mall. The groups of stands are roofed to be protect from sun or rain and illuminated by night.

Watersaving Sanitary Installation

The technical due diligence in the property analysis suggests potential to lower the Pine Malls water consumption by installing high-efficiency water taps and flushing systems. They work contactless for better hygiene and save up to 30% of water compared to conventional models. In line with our ESG strategy we contribute to save water as a scarce resource in arid Forestville.

Switch to clean power & green leases

A low-hanging fruit for an ESG improvement is the negotiation of green leases with a mandatory switch to clean electric power. This option has no upfront costs but increases the annual utilities costs by 15% as renewable energy is assumed to be more expensive in Waterland. Green leases allow the precise metering of tenant's energy consumption and raise awareness of ESG issues.

SCENARIO 2 - MANAGE AND SELL

Benefits of light ESG improvements

- Future compliance risk reduction
- Tenant satisfaction & reduced turnover vacancy
- Climate protection in line with GC's 2035 climate plan
- Increased ESG awareness among tenants
- Contribution to sustainable customer mobility by bike
- Reduced utility costs of 5% overall, hedging of rising energy prices in the future

LEED Certification

LEED is an internationally-acclaimed certification platform buildings that aim to be efficient, low-carbon, health-contribution and cost-effective. Properties play a crucial role in the combat against climate change and achieve ESG goals. To assess and benchmark their efforts and prevent greenwashing, a fair and independent certification body is necessary.

EcoAngels sought LEED Gold certification of the Pine Mall already during the development process in 2014, but the approval is still pending. Greenfield Capital reviewed the application and downgraded the certification level to LEED Silver, which is considered realistic for the structure. The planned level of ESG improvements in this scenario is likely to exceed the necessary sustainability level of LEED Silver certification but will not reach the level of LEED Gold. As part of Greenfield Capitals's ESG strategy, we rely on renowned certification schemes to benchmark the company's efforts.

U.S. GREEN BUILDING COUNCIL LEED SILVER USGBC

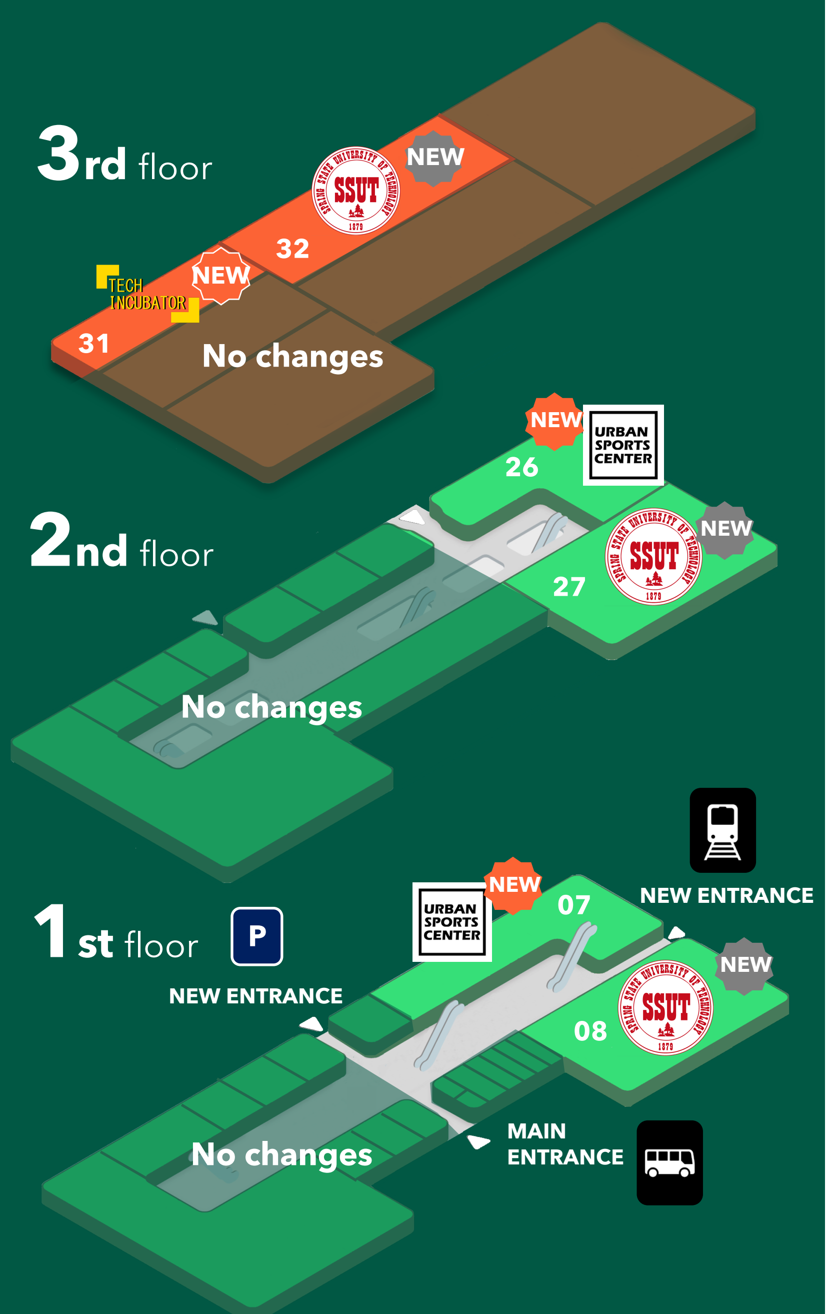
Certification

Initial costs **$19,200**

recertification costs **$4,700** p.a.

SCENARIO 2 - MANAGE AND SELL

New floor plans*



* No tenant changes on 4th floor in scenario 2

Increase foot traffic

Two new entrances on the first floor will increase pedestrian traffic and encourage strolling through the Pine Mall. The possibility to walk through the mall from the bus terminal to the main train station is a major feature. Added to our new digital wayfinding system, accessibility and customer circulation of the Pine Mall improves significantly.

Eliminate vacancies

SSUT leases 5,000 m² in the former cinema as lecture halls and 1,570 m² of office space for administration and faculty staff on the third floor.
Urban Sports Center leases a total area of 4,369 m² in the first and second floor. It offers fitness training and courses such as yoga or spinning. The highlight is the bouldering wall that extends over two floors.
The Tech Incubator is a joint effort between SSUT, Big Banking Green Partners and Vennett Software to support early-stage startups and match them with venture capital.

New Retail Tenants	ID	m²	New Office Tenants	ID	m²
Urban Sports Center NEW	07 26	2,550 1,819	SSUT Administration NEW	32	1,570
Spring State University of Technology (SSUT) NEW	08 27	2,500 2,500	Tech Incubator NEW	31	787

* NEW Moving-in 10/2022 * NEW Moving-in 01/2023

SCENARIO 2 - MANAGE AND SELL

Scenario-specific cashflow assumptions

In addition to the general market and property assumptions (Page 94-94), the following scenario-specific assumptions are made:

Leasing

Due to the planned measures and the resulting full occupancy, we are confident to achieve rents 10% above the base scenario on new leases. Moreover, turnover vacancy is expected to reduce to 6 months after full occupancy is achieved in February 2023.

Modified leasing assumptions after full occupancy (February 2023)

Use Type	Rent (+10%)	Term	TIs
Office	$ 27.50	unchanged	unchanged
Retail	Anchors: $ 22.00 Non-Food & Restaurants: $ 44.00 Service: $ 55.00 Food: $ 66.00	unchanged	unchanged
Leisure & Entertainment	$ 12.50 + 8% of revenue	unchanged	unchanged
Turnover Vacancy	Reduces to 6 months after full occupancy is achieved		

Tenant Recap

Tenant	Rent	Term	Tenant Incentive	Index
SSUT	$ 5	Start: October 2022 Term: 3.25 years	-	CPI
SSUT Office	$ 20	Start: October 2022 Term: 3.25 years	-	CPI
Tech Incubator	$ 25	Start: January 2023 Term: 5 years	150 $/m² fit-out allowance	CPI
Urban Sports Center	$ 10 + 8% of revenue	Start: January 2023 Term: 10 years	3 months rent-free + 100 $/m² fit-out allowance	CPI
SSUT Graduate School	$ 20	Start: April 2026 Term: 15 years	200 $/m² fit-out allowance	CPI
SSUT Graduate School - Office	$ 27,5	Start: April 2026 Term: 15 years	150 $/m² fit-out allowance	CPI

SCENARIO 2 - MANAGE AND SELL

Capital Expenses

The planned measures aim at increasing the accessibility of the shopping center and improving its ESG standards in line with GC' ESG strategy. The measures add to an increased attractiveness of the mall and a higher footfall and revenue for the tenants. All capital expenses are to be implemented in the short term.

Measures	Amount	Timing
New Entrances (north & east)	$ 300,000	Q3/2022
(Digital) Wayfinding System	$ 100,000	Q3/2022
SSUT Refurbishment	$ 250,000	Q3/2022
Energy-saving LED Lighting	$ 150,000	Q3/2022
Watersaving Sanitary Installation	$ 100,000	Q3/2022
Bicycle Parking	$ 50,000	September 2022
Total	**$ 950,000 WLD**	

Operating Expenses

Operating expenses include one-time expenses and yearly recurring expenses. Except for the for the annual marketing budget of the mall, all recurring items are assumed to be non-recoverable. Utility costs decrease by 5% overall following ESG measures September 2022 onwards.

One Time Items	Amount	Timing
Media Presence & Mobile App	$ 50,000	Q3/2022
Student Promotion	$ 100,000	Q3/2022 – Q1/2023
LEED Silver certification	$ 19,200	December 2022

Total Measures of Scenario 2	**$1,119,200**	

Ongoing Items	Amount	Recoverable/Non-recoverable
Tenant Partnership Program	$ 50,000 p.a.	Non-recoverable
Annual Marketing Budget	$ 25,000 p.a.	Recoverable
Citizen & Community Involvement	$ 50,000 p.a.	Non-recoverable
LEED recertification fee	$ 4,700 p.a.	Non-recoverable
Change in utilities	- 5%	Recoverable

SCENARIO 2 - MANAGE AND SELL

Financing

Argus Enterprise adjusts the total costs to inflation totaling $ 1,167,705. This amount is financially bearable 100% from regular cashflow. A loan at 4.25% interest with a maximum LTV of 60% and a 30-year amortization schedule is available from SustBank. As it is only a minor loan amount compared to our annual cashflow and the leverage advantage in IRR of taking out the loan equals a neglectable 0.01%, we consider it more realistic to waive the loan.

Exit Cap Rate

With the university campus still under construction in Forestville and the second university department just about to relocate, we assume that the city has not grown significantly yet. Therefore, market cap rates are not expected to fall and remain unchanged.

On property level, the Pine Mall will have eliminated its vacancy and is expected to be fully let at sale. The full occupancy enhances the future performance outlook and raises the local retail market rents by 10 %, as described above. The market cap rate of the Pine Mall is determined by the pro rata share of rental value of the different use types, equaling 5.65%. Compared to scenario 1, the property risk premium of 100 bps for vacancy and overrent is therefore removed. A risk premium of 15 bps due to the uncertainties within the longer holding period in Scenario 2 is applied. The total exit cap rate amounts to **5.80%** in this scenario.

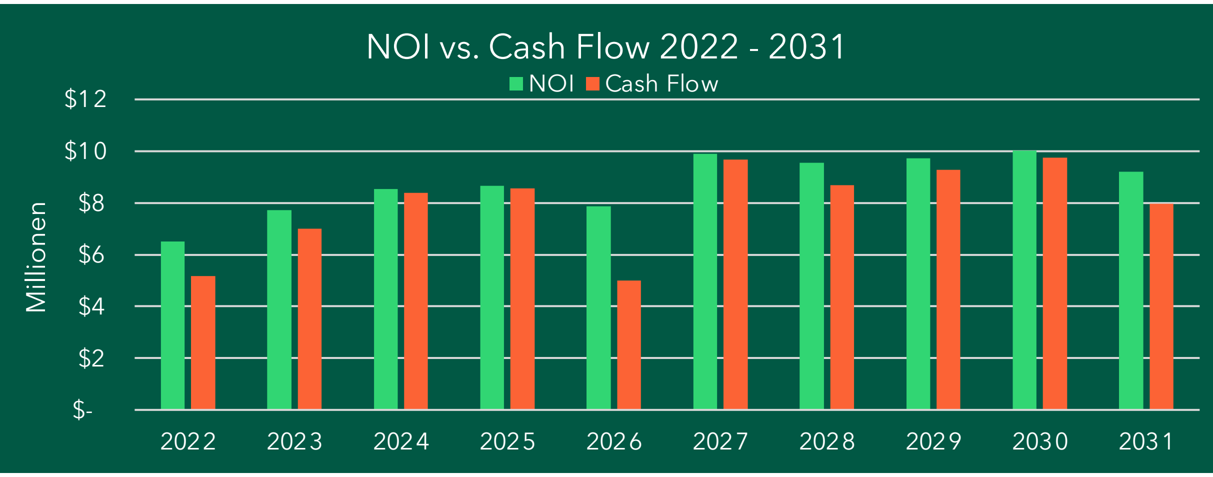
Use Type	Cap Rate	Pro rata rental value	Weighted Cap Rate	Adjustments	Exit Cap Rate
Office	5.0%	53%	5.65%*	0.15%	**5.80%**
Retail	6.0%	39%			
Leisure & Entertainment	8.0%	8%			

* Rounded value.

SCENARIO 2 - MANAGE AND SELL

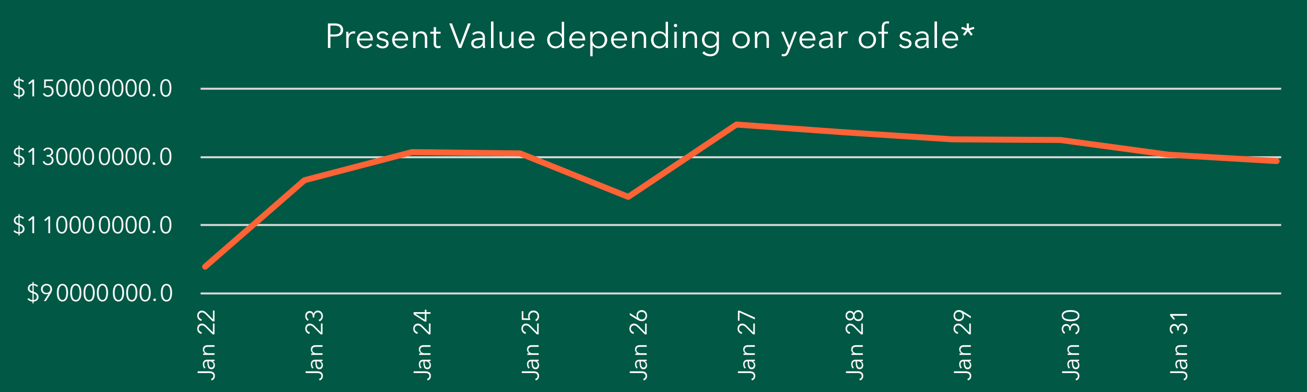
Cashflow Analysis

The successful letting of cinema and office space to SSUT and the lease starts with the two other expected tenants lead to an increased cash flow in the short term. Due to the favorable rental conditions granted to the university, the cash flow is still below what would be achievable at market rent. After the interim use, the space is expected to be re-let to the SSUT Graduate School at market level and the cash flow projection shows a significant increase from then on.



Holding Period Analysis

We identify July 2026 as the ideal point of time for the sale of the Pine Mall. Due to the capital expenditures made in 2022, the present value over time is significantly lower than in scenario 1 for the first two years. With all measures completed and full occupancy achieved, the NPV over time increases continuously, reaching its peak for the analysis period in July 2026 as the NPV is calculated on the NOI of the following year. By this time, the SSUT has vacated their spaces and will have been replaced by SSUT Graduate School at higher market rents.

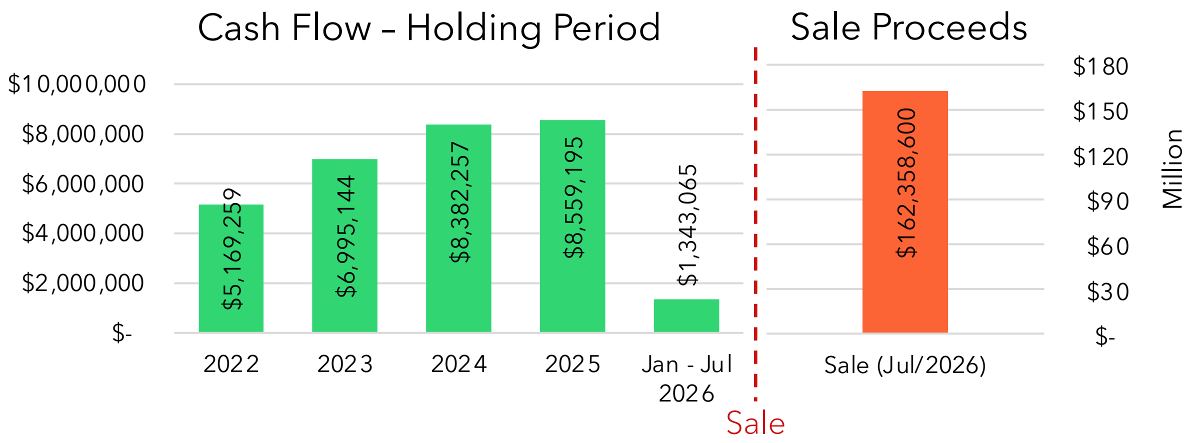


*Graph shows January values only

SCENARIO 2 - MANAGE AND SELL

Final Key Values

As derived from the NPV over time, the optimal point of time to sell the Pine Mall is in July 2026. The total rental income generated amounts to $ 30.5 M and the sales proceeds total $ 162.4 M, the total present value thus equals $ 139.6 M.



KEY PERFORMANCE INDICATORS

$ 162.4 M
NET SALES PRICE

$ 30.5 M
RENTAL CASH FLOW

$ 139.6 M
PRESENT VALUE (UNLEVERED)

-
PRESENT VALUE (LEVERED)

8.10 %
IRR (UNLEVERED)*

-
IRR (LEVERED)

**IRR is calculated based on the fair value as of January 2022 in the amount of $ 139,100,000 as described in the general ARGUS assumptions (p. 94)*

SCENARIO 3 - INTRODUCTION

REDEVELOP & SELL

$ 251.6 M
NET SALES PRICE

$ 156.2 M
PRESENT VALUE

5 YEARS 2 MONTHS
HOLDING PERIOD

PENSION FUND
TARGET BUYER

★★★
FUND'S STRATEGY FIT

5.25 %
CAP RATE

SUMMARY

The Pine Mall is refurbished into an ESG-compliant community lifestyle mall branded THE PULSE. In addition to the measures already described in scenario 2, extensive refurbishments of the property ensure future-proof standards. The retail tenant allocation is rearranged in large parts to strengthen synergies between shops and optimize the tenant mix. The car park is partly redeveloped into a mixed-use building to hold resilient new uses complementary to the office and retail spaces.

"This is a once in a lifetime deal."
- Jamie Shipley

TIMELINE

Equivalent to Scenario 2

- Oct' 22 – Start SSUT Lease; Retail conversion (anchors excl.)
- Apr'23 – Start new retail leases; Office remodeling / Roof build-out
- Oct' 23 – Opening "The Roof"/ Start new office leases; Redevelopment Car Park
- Apr' 25
- Feb' 27 – Property sale

SCENARIO 3 - REDEVELOP AND SELL

Underlying thesis: Developing a green urban hotspot

We identified an enlarged community lifestyle center with a broad use mix as the highest and best use for the Pine Mall. Forestville's THE PULSE meets all requirements of a future-proof asset. The partial redevelopment of the car park is the key to form a reduced, more efficient retail share in the scheme in favor of more leisure & entertainment, education, medical care and living. By diversifying the use types and aligning the property with both current investment market demand and Greenfield Capitals ESG strategy, we are able to significantly reduce the property risk and assume lower cap rates.

The project is founded on the momentum-creating effort described in scenario 2 and builds upon them. All researched features of future retail trends are integrated into THE PULSE to form a viable concept. To contain time and cost risks in property development, we apply strict schedules and responsibilities. Contrary to the previous scenarios, we use financial leverage to maximize the net present value.

Target Group

After successful refurbishment, THE PULSE generates high and stable cashflows. It is crisis-resistant and flexible in use types, complies with expected future ESG regulation and is optimally position in the Forestville market. The overall property risk is low. We consider THE PULSE to also have a positive influence on Forestville's growth in the long-term, but as pointed out in the market analysis, the current local market is still emerging and uncertain. We classify the mix of a very strong property in a fairly risky market as a Core+ asset. This qualifies THE PULSE for a wide range of potential investors. Depending on the buyer group analysis in section 5, we consider risk-affine pension and insurance funds a realistic buyer group to be targeted.

KEYS TO SUCCESS

USE SCENARIO 2 AS A FOUNDATION

EARLY IDENTIFICATION OF NEW TRENDS

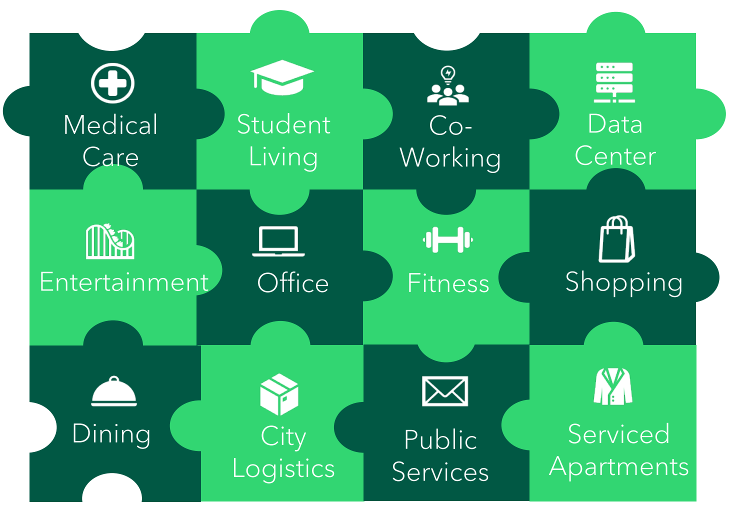
DEVELOPMENT ON TIME AND BUDGET

USE LEVERAGE TO MAXIMIZE KPIs

SCENARIO 3 - REDEVELOP AND SELL

Introducing THE PULSE

After a full-scale redevelopment, the Pine Mall is rebranded THE PULSE, a community lifestyle center in the heart of Forestville. It is a place where people come together to shop, work, learn, stay healthy and stay the night. A major refurbishment of existing retail and office space is necessary. We envision additional 1,000 m² of office space and a 5,602 m² event area by putting roof areas into use. Large upside potential is in re-developing parts of the existing car park into a mixed-use building with a NRA of 10,000 m². The enlarged space of more than 50,000 m² hosts a complementary mix of future-proof use types ranging from last mile logistics, medical care to serviced apartments and student housing.



Feel THE PULSE of the city

THE PULSE will be Forestville's new vibrant marketplace. The mall continues to be grocery-anchored, offers services not substitutable online and daily needs like a hair salon, nail salon and a pharmacy. We envision THE PULSE as a place to go to everyday and make it an important part of residents' lives. In line with the future requirements of successful shopping malls, THE PULSE will be positioned as the town square to gather, eat, shop, work and have fun with sports, leisure and entertainment.

11,000 m²	5,602 m²	51,102 m²
Additional Net Rentable Area	**Additional Event Space**	**Total Net Rentable Area**

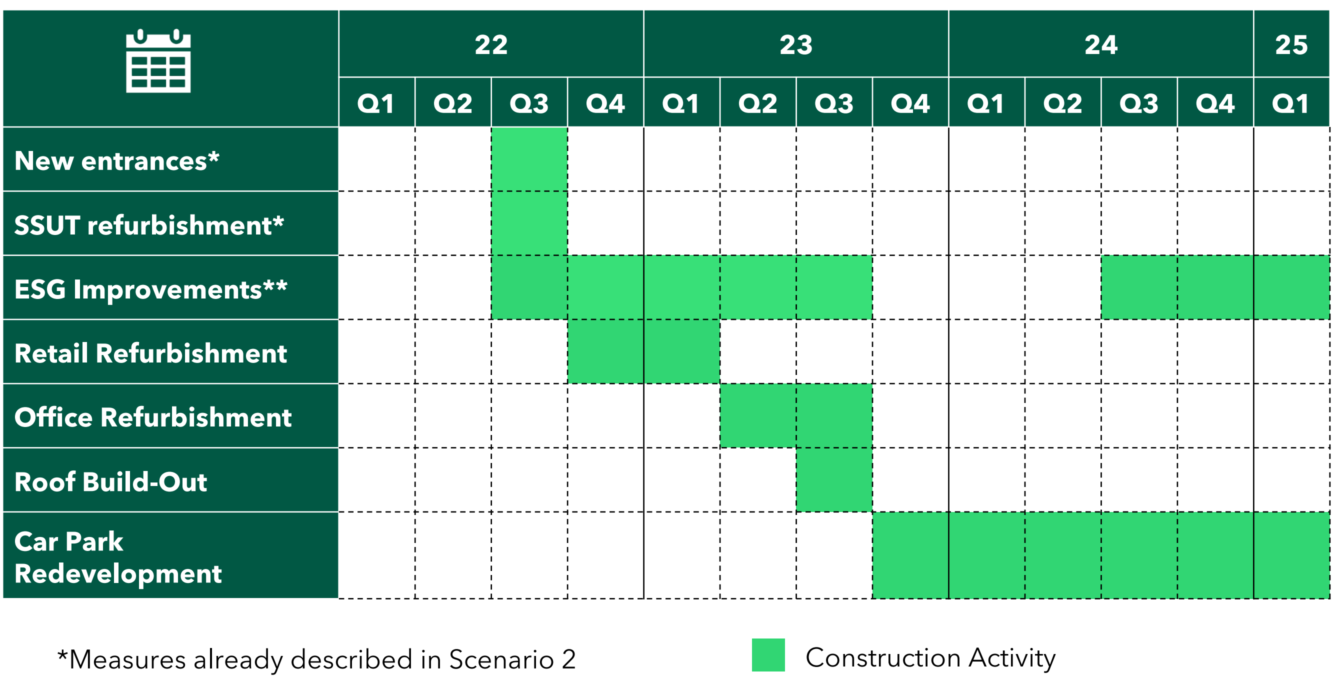
SCENARIO 3 - REDEVELOP AND SELL

From the Pine Mall to THE PULSE – the transformation at a glance

The Pine Mall evolves into the new concept of THE PULSE step by step. The implementation of the planned measures requires precise coordination and scheduling. Greenfield Capital plans all measures sequentially, starting with retail areas before office spaces and the car park repositioning. This way, the tenants can continue operating their business and are shielded from continuous construction interference.

In sync with scenario 2, the first measures are the construction of two new entrances and the minor refurbishment of the former cinema in Q3 2022. After the university's move, a reorganization of the non-anchor retail spaces takes place successively. GC pays special attention to close individual stores for construction work at a time. Leaving the overall shopping environment of the Pine Mall intact, customers can continue a pleasant shopping experience and unaffected shops do not loose revenue. After 6 months, THE PULSE will fully reopen in Q2/2023. The office spaces refurbishment and the roof area workover begin simultaneously for further 6 months. With all measures in the mall building completed, the redevelopment of the car park starts in Q4 2023. The construction work is expected to last 18 months in total and end after Q1/2025. The planned ESG measures from this and the previous scenario are carried out in parallel to the first two construction stages and during the second half of the car park redevelopment.

Schedule



*Measures already described in Scenario 2

** Measures in part already described in Scenario 2

SCENARIO 3 - REDEVELOP AND SELL

Tenant rearrangement & clustering

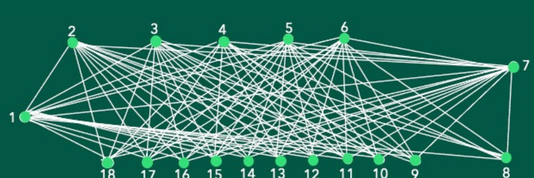
The key changes to the retail spaces are a rearrangement of all non-anchor tenants, the launch of new store concepts and tenant clustering. As pointed out in the property analysis, the current layout of the mall leaves tenant's revenue and rental value on the table. To make necessary changes, we shuffle around 17 shops and add 9 new retailers with a total floor space of 4,727 m² affected. As shown in the floor plans on p. 131-132, tenants are clustered along assortments and buyer groups to optimize adjacencies as outlined in section 3. The rearrangement process is carried successively to ensure that non-affected retailers can operate without interference. To make room for new tenants providing a better concept fit, THE PULSE splits ways with low performing tenants, The Pillars and Little Tykes and compensates them with their aggregated sum of overrent over the lost lease term, equaling $140,000 and $10,000. We invite our remaining furniture retailer Pitt & Fit Furnishings to compensate the oversupply of fashion retailers with a larger store size. Due to the increased synergies the retail market rent can be increased by 20% compared to the base case.

For illustration purposes, the visual links between shops below before and after refurbishment are shown. On the first floor, the amount of visual links is reduced in favor of a clear unit lay-out. On the second floor, the rearrangement significantly enhances the previously poor connectivity and establishes the second floor as a well-integrated shopping network attracting customers.

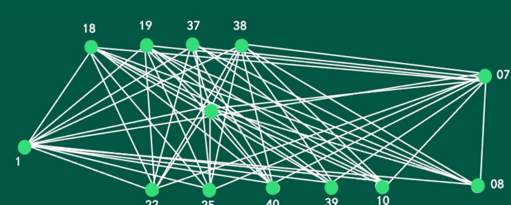
Increase in retail market rents after rearrangement compared to scenario 1

1st floor

Before rearrangement:

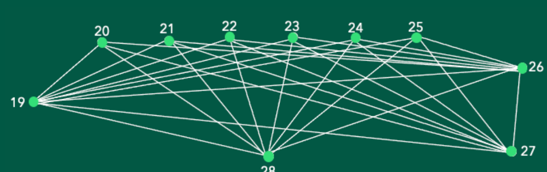


After rearrangement:

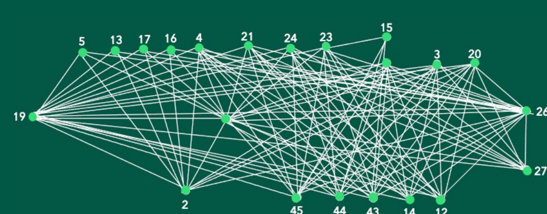


2nd floor

Before rearrangement:



After rearrangement:



SCENARIO 3 - REDEVELOP AND SELL

New tenant highlights

Pop-up space & showroom

Mall customers desire new experience and surprises: Our new pop-up store with changing goods provides a temporary entry for local merchants or handcrafting to THE PULSE. Further, we install a glass showroom that makes product novelties like cars touchable. Aiming at manufacturers of electric vehicles or bikes, we actively promote our vision of future mobility.

Mobile box concept

GC is convinced that the unused circulation areas between the shops are wasted retail potential and installs two new mobile boxes. The concept is based on flexibility of both tenant and location, as the boxes can be moved around the mall every few months to create a new strolling experience. We host small tenants and emerging merchandise, starting of with Bitter Sweets and our new Espresso Bar & Lounge to recharge with a barista-made coffee.

Online-proof services

We believe personal service providers like hair and nail studios or repair shops for shoes and phones to be immune to online competition. The shops give people a purpose to visit THE PULSE or allow convenient visits in the context of other activities. So why not stroll around while your phone is being fixed? From a small space, service tenants create steady footfall and add to the marketplace character of the mall.

SCENARIO 3 - REDEVELOP AND SELL

Extroverted design of dining

THE PULSE establishes fine dining in more sophisticated restaurants from the casual food hall. Steaks & Breaks, Economy Greens and the new Nobu Restaurant are located on the sunny south front of the first floor of THE PULSE. Outside-seating on the plaza next to the main entrance makes the restaurants accessible from both inside and outside, avoiding to depend on mall opening hours. The welcoming entrance area with umbrellas and plants create an open and vibrant atmosphere and turn dining at THE PULSE into a destination.

Fine Dining

Indoor- & Outdoor

Vegetarian & Vegan Options

Event Cooking

Local & organic products

New food hall

All tenants of the former food court are kept together and moved to the new food hall on the second floor. The section receives a glass façade on the south front of the second floor to enable a positive atmosphere with a view, natural lightning and fresh air. From morning coffee to lunchtime shopping and takeaway food, the food hall is a daily gathering place for customers. Food is a new anchor of THE PULSE, and the food hall is positioned on the second floor to attract customers around the mall. With an up-to-date menu concept, all food hall tenants are asked to offer vegetarian and vegan options and use fresh and local products. A common design concept ensures a consistent tenant layout. By locating our new event cooking space directly next to the food hall, food and entertainment form an adjacency.

$3,781,000
Retail refurbishment construction costs

3 months
Rent-free period

3 months
Average closure period per shop

6 months refurbishment time

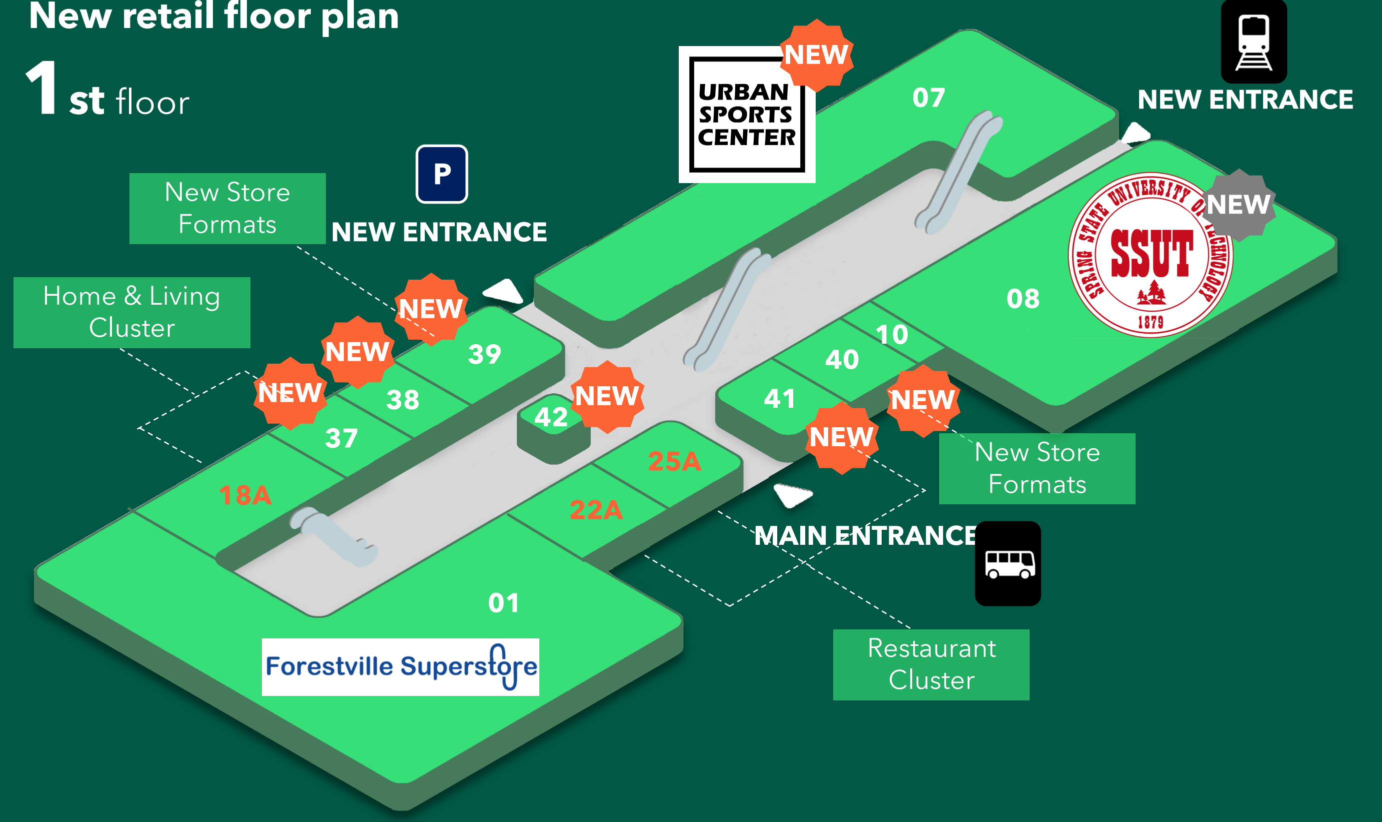
SCENARIO 3 - REDEVELOP AND SELL

Creating clusters and footfall traffic

As described earlier the tenant rearrangement creates store category clusters to increase synergy effects between tenants. By allocating the stores the footfall traffic can be led into specific directions to target out of sight stores. This can generate more revenue in these stores.

New retail floor plan

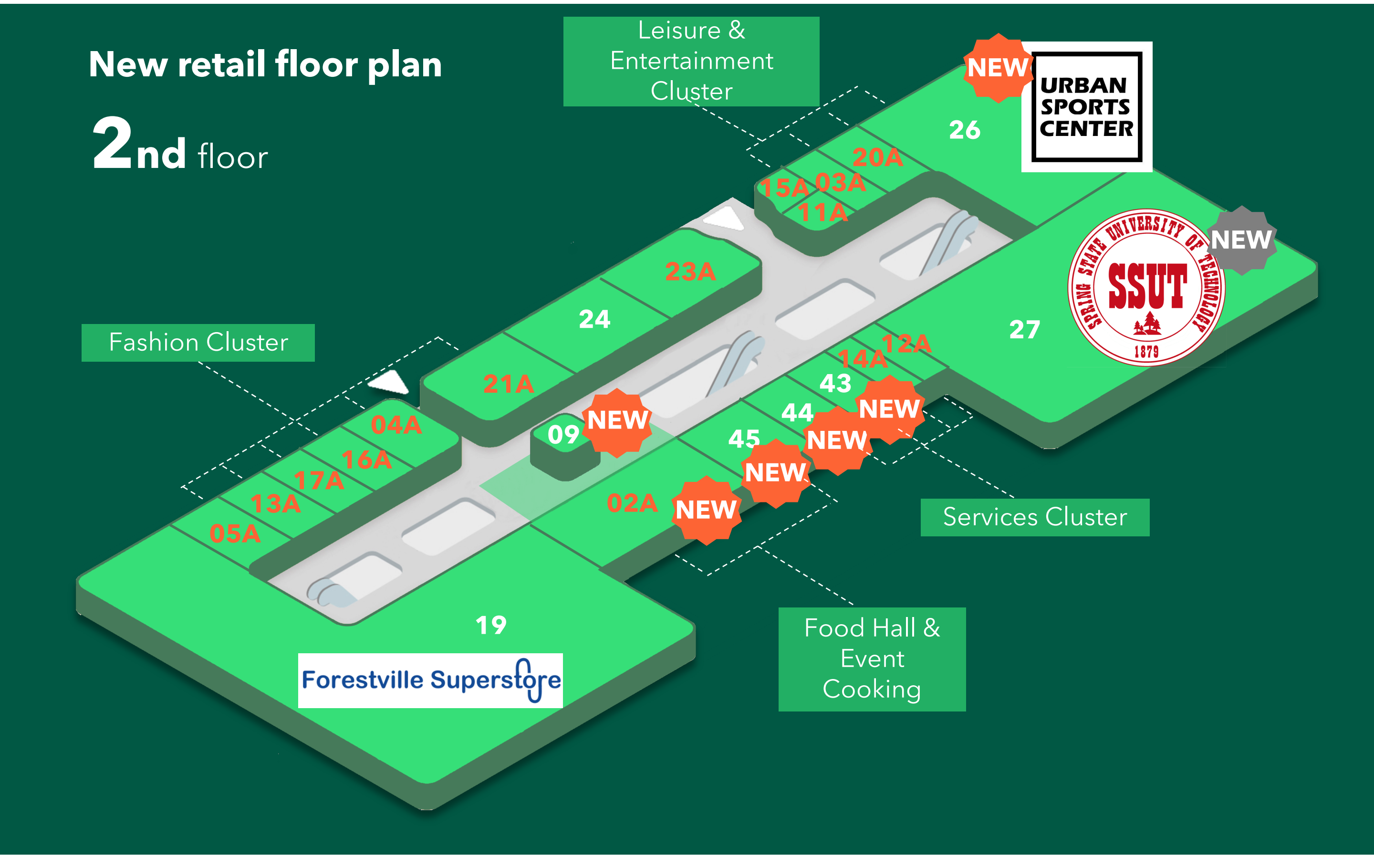
1 st floor



Retail Tenant	ID	m²	Retail Tenant	ID	m²
Forestville Superstore	01	3,127	Spring State University of Technology (SSUT) NEW	08	2,500
Pitt & Fit Furnishing relocated	18A	147	Post Office	10	57
Bath Bombs NEW	37	180	Pop-Up Space NEW	40	250
Pharmacy NEW	38	175	Nobu THE PULSE NEW	41	187
Mobility Show Room NEW	39	270	Economy Greens relocated	22A	198
Urban Sports Center NEW	07	2,700	Steaks & Breaks relocated	25A	256
			Espresso Bar & Lounge NEW	41	30

* NEW Moving-in 10/2022 * NEW Moving-in 04/2023

SCENARIO 3 - REDEVELOP AND SELL



	Retail Tenant	Unit	m²		Retail Tenant	Unit	m²
	Forestville Superstore	01	3,127		McKay Toys relocated	03A	180
	Cargo Embargo relocated	05A	165		Story Time relocated	20A	213
	Scent of Money relocated	13A	95		Urban Sports Center NEW	26	1,800
	On Point Suit Shop relocated	17A	128		Spring State University of Technology (SSUT) NEW	27	2,500
	Margot's Gowns relocated	16A	103		Phone Repair relocated	12A	63
	Stomp the Ground Boots rel.	04A	175		Newspaper & Shoe Repair rel.	14A	27
	Gold, Man & Sacks relocated	21A	210		Hair Salon NEW	43	100
	Round the Top Bike	24	276		Nails Studio NEW	44	90
	German Haus relocated	23A	304		Event Cooking Venue	45	195
	Rock & Hard Place relocated	15A	35		Food Hall incl. dining area NEW	02A	455
	Pet Shop relocated	11A	62		Bitter Sweet relocated	09A	45

* NEW Moving-in 10/2022 * NEW Moving-in 04/2023

SCENARIO 3 - REDEVELOP AND SELL

Resize and refresh office spaces

GC realized during the property analysis that the current cut of the third floor does not fit our office tenants' needs and multiple components of a future-proof office design are missing. A reorganization of existing office space is necessary and provides an occasion to future-proof the space synergically with ESG features. Greenfield Capital's goal is to provide flexible, tenant-individual work landscapes that promote creativity, efficiency and supportive social surroundings. Emphasizing the well-being of office employees, we execute the following modern features: Noise-cancelling walls and ceilings and more natural greenery objectively improve space quality. A mix of detached work islands, separated phone boxes and open spaces for interaction are in line with current office trends outlined in section 3. A smart micro-climate system controls air, light and plant irrigation automatically based on sensor data. A common break zone for all employees promotes flat hierarchies and socializing.

Starting from Q2/2023 for 6 months, the office measures are carried out successively to limit the interference timespan of every affected tenant.

Increasing office rents

In resizing the office units, we satisfy both our current and future tenants space demand. The simultaneous refurbishment of the space benefits affected tenants by providing the expected workplace quality for tech companies. In this favorable and synergic environment, we believe that office tenants are willing to pay a premium on previous market rent. For new leases we approximate the rent to be 20% higher.

Office feature highlights:

- Rearranged interior walls will be flexibly-movable glass modules for future adaptions
- New smart wellbeing-system including CO_2-level-based air conditioning, daytime-adjusted lightning and water-saving management for plants and green walls
- High-speed internet connection for up-to-date work efficiency
- Central break area in every unit for informal social interaction

SCENARIO 3 - REDEVELOP AND SELL

THE PULSE as the tech hub of Forestville

In sync with scenario 2, the SSUT administration leases 1,570 m² in October 2022 and is not affected by the refurbishment. In the process of reshaping the office units, The M.B. company´s 1,550 m² is shifted to compact, flexible 800 m² unit on the southwestern corner of the third floor. We ask Rickert Tax & Audit vacate its unit and pay a lease break compensation of $100,000. The area is allocated to new, complementary tenants from the tech sector to strengthen the existing local tech hub.In contrast to scenario 2, our new tenant Tech Incubator will occupy a larger space of 1,202 m² but move in only after the completion of the measures in October 2023. To offer Vennett Software expanded, modernized workspace and a central socialization area, we construct additional space on the unused small roof on top of the second floor. The area of 1,000 m² is turned into a light-flooded glass loggia, resulting in a new total office area of 4,118 m³ for Vennett Software. Big Banking Green Partners' office space is moved and increased slightly from 1,550 m² to 1,862 m² during the refurbishment process. The fourth floor will not be changed as CRE Apps space demand is unchanged.

Increase in office market rents after refurbishment

Busy bees welcome – Enabling Coworking

With Hive Working, we are able to attract a popular Co-Working provider targeted at technology and IT employees. The company occupies 800 m² of tailor-made office space directly after refurbishment. As a hybrid-model provider Hive Working offer flexible workspace solutions in major Waterland cities. In Forestville, the Coworking space aims for self-employed experts, business traveller and visiting researchers at the university. Students can book rooms for group projects as well. Neighboring the technology department of SSUT and the Tech Incubator as well as the established tenants of THE PULSE, Hive Coworking is an excellent fit for the emerging cluster of trend-setting business sectors in Forestville.

Hive Working

SCENARIO 3 - REDEVELOP AND SELL

Event Location „THE ROOF“

THE ROOF is the premier event location in Forestville with two restaurants and three bars as well as large outdoor areas for relaxation, entertainment (18-hole mini-golf course of 500 m²) and cultural events on 5,602 m². An urban garden on the rooftop of THE PULSE is used to grow fresh fruits, vegetables and spices for the restaurants beside. The space is leased to a single operator. The rent is calculated based on local market rents for restaurant space, assuming THE ROOFs pure restaurant space is 600 m², resulting in a monthly rent of $6/m² for THE ROOF. To share the risk of seasonality in revenues we agree to a turnover rent of 8%.

Cool drinks, cooling architecture

THE ROOF is not only a special place for a concert, an open-air cinema or a wedding. It also helps the office workers below: By changing a black bituminous roofing into a mix of wooden floor planks and greenery, the take-up of solar radiation is reduced significantly. This relieves the air-conditioning system and thereby saves electric power, reducing the tenant’s utility bill. Cheers!

Go green, harvest green

As mentioned in section 3, smaller rooftop farms are often used for showcasing and producing local products. For this reason, parts of THE ROOF are dedicated to an urban garden, growing fresh fruits, vegetables and herbs for the restaurant beside. The image of chefs carefully harvesting herbs and micro-greens just before serving will stay with customers for a long time.

$7,164,000
Office refurbishment construction costs

3 months
Rent-free period

3 months
Average interruption period per office unit

6 months refurbishment time

SCENARIO 3 - REDEVELOP AND SELL

New floor plans

Tenants	ID	m²	Tenants	ID	m²
The M.B. Company	29	800	Vennett Software	33 & 33A	4,118
Hive Working NEW	30	800	Big Banking Company	34	1,862
Tech Incubator NEW	31	1,202	CRE Apps	35	4,648
SSUT Administration NEW	32	1,570	THE ROOF NEW	46	5,602

* NEW Moving-in 10/2022 * NEW Moving-in 10/2023 * NEW Moving-in 04/2024

SCENARIO 3 - REDEVELOP AND SELL

Development at a glance

Greenfield Capital is convinced that the carpark on the further Pine Mall can in part be put to a higher and better use. We therefore convert 2.5 of the 6 parking decks into other use types, developing 12,500 m² of GFA. The sixth roofless parking deck is greened and equipped with a photovoltaic system. The new scheme will host a broad mix of use types complementary to the overall concept of THE PULSE: Serviced apartments for business travelers and student housing for SSUT students, a medical care center for ambulant treatment, city logistics to enable omnichannel retail and a data storage facility for the emerging tech hub in Forestville. With these missing pieces added, we are convinced that THE PULSE will be the true heart of Forestville and a future-proof community lifestyle center.

- Electric vehicles
- Public transport
- Cycling
- Walking distances

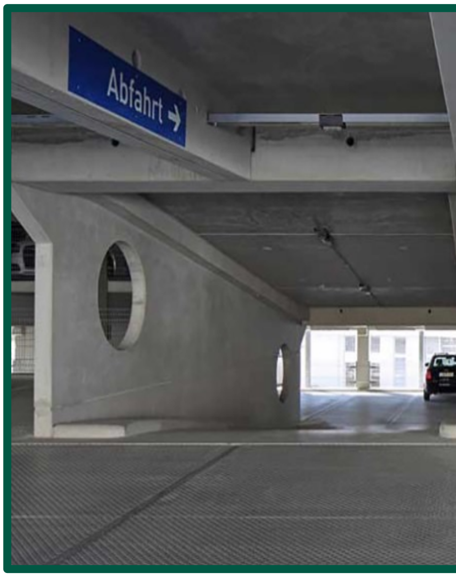
Enabling future mobility needs

We believe that mobility trends like electric mobility, the bicycle as a mean of transport and public transport for commuting are valid in Forestville too. THE PULSE is ideally located between the train and the bus station and generates much of its footfall from there. We have built 200 roofed bike stands around the mall building. We believe the Garden City design of Forestville to ensure short walking distances around town. In this environment, Greenfield Capital is convinced

A future-oriented mobility concept is described in detail in the upcoming scenario.

Constructional & legal considerations

The redevelopment of open parking decks into regular building storeys requires several major steps: The removal of access ramps and the installation of a closed façade is needed to form full storeys. We assume staircases, elevators and a basic HVAC equipment to be present already. The interior fit out will be carried out with dry walls, we expect a floor space efficiency rate of 0.8 and assume the redevelopment to be statically bearable by the concrete core of the structure. As discussed in the property analysis, we consider the planned use types to be legally permissible.



SCENARIO 3 - REDEVELOP AND SELL

The right software to keep the development on track

As an experienced project developer, Greenfield Capital considers exceeded budgets for time and cost the most critical project risks. In a digital world, spreadsheets and folders are no longer adequate tools for complex high-volume projects. GC needs an interactive software solution for volatile projections, budget data and sensitivity analyses to be shared in real-time with all involved partners and decided to use ARGUS Developer. We recommend this software to facilitate planning and managing complex construction processes.

Using the ARGUS Developer Software reduces time, financing and cost risks and enhances efficient project management in our construction process. Greenfield Capital therefore waives an additional cost buffer for unforeseen cost increases in the calculation of the redevelopment of THE PULSE.

Development risk reduction

No unforeseen cost buffer

SCENARIO 3 - REDEVELOP AND SELL

Serviced Apartments

We develop a 50-unit serviced apartment complex on 2,000 m² NRA in the fifth floor on the west side due to the university and growing technology business hub in Forestville for business travellers will want to stay temporarily. Our tenant, PineStay Serviced Apartments, rents out and services the self-contained units, including a separate lounge and a fully-equipped kitchen on a flexible basis. A housekeeping service and the use of all joint utilities are included. The location in THE PULSE offers convenient shopping next to work or education. Especially the entertainment venues are a big upside, promoting social interaction.

fullly furnished | all expenses included | free WiFi & TV | Washroom | personal kitchenette | Cleaning

PINESTAY
Serviced Apartments

Student Housing

Since THE PULSE is hosting a part of SSUT and is located just minutes from the university campus site, student housing as a cornerstone of university education represents a perfect fit. We offer 60 fully-furnished one-bedroom apartments on the east side of the fifth floor. The operating company Forestview will be our tenant and take care of the student housing concept. The apartments do not only offer affordable rents due to their compact size and pragmatic standard, but also provide everything students need (furniture, common facilities such as a washing and drying room) at one place. Living in a prime location with views over the whole city is a major plus. Short distances to campus but also to the shopping and entertainment venues of the mall provide additional quality of life.

Fullly furnished | All expenses included | Social activities | Washroom | personal kitchenette | free WiFi & TV

FORESTVIEW
STUDENT APARTMENTS

SCENARIO 3 - REDEVELOP AND SELL

Medical Care

GC has identified ambulatory medical care as a major missing piece in Forestville's health infrastructure, as all medical services are currently provided by the hospital. We establish a centrally-located 4,000 m² NRA platform on the full fourth floor for patients to conveniently receive check-ups and treatment across numerous medical disciplines, ranging from dental care to radiology. THE PULSE allows healthcare to be combined with shopping, work and commuting. An ideal tenant is nationally-acclaimed Waterland Care Center (WCC), covering the full spectrum of outpatient medical services through subleases to local doctors.

Short distances for patients

Fast patient information exchange

Short waiting time

Synergy effects in costs, earnings and marketing

WCC
WATERLAND CARE CENTER

Data Center

In order to enable the technology-sector office tenants as well as the university to have their own servers and data storages close-by, we integrate a data center of 400 m² NRA on the north-eastern first floor. On-site physical accessibility of stored data promotes high data security and is part of THE PULSE's efforts to be part of the technology hub in Forestville. Data centers have high energy demand that can be at least partially covered by THE PULSE's rooftop PV systems, establishing a clean in-house energy solution. The data center is operated by its tenant Waterland Hosting Hub (WHH), one of the nation's largest providers of data center services.

WATERLAND HOSTING HUB

City Logistics

On the north-western first floor, we allocate a 1,600 m² NRA city logistics hub with loading docks directed towards Baum Street for easy vehicle access. Equipped with high-capacity e-chargers for bikes and vans, the city logistics hub enables flexible, modern and sustainable delivery. To help brick-and-mortar retails compete with e-commerce, we are convinced that a central package pick-up, shipping and drop-off location boosts omnichannel at THE PULSE. Online purchases can be processed here as well, using the ideal central location in town to link online customers with local stores. Our targeted operating tenant is Spring State Shipping (SSS).

Spring State Shipping

SCENARIO 3 - REDEVELOP AND SELL

Former 6th parking deck – PV
5,000 m² GFA
Net Revenue: $ 50,000 p.a.

5th floor – Living
Serviced Apartments: 2,500 m² GFA/ 2,000 m² NRA
Student Living: 2,500 m² GFA/ 2,000 m² NRA
Net rent: $ 1,044,000

4th floor – Medical Care
Medical Care: 5,000 m² GFA/ 4000 m² NRA
Net rent: $1,200,000

3rd floor – Parking
Parking area: 5,000 m² GFA
Parking Lots: 200

2nd floor – Parking
Parking area: 5,000 m² GFA
Parking lots: 200

1st floor – Parking & City Logistics
Parking area: 2,500 m² GFA
Parking lots: 100
Data Center: 500 m² GFA/ 400 m² NIA
City logistics: 2,000 m² GFA/ 1,600 m² NIA
Net rent: $ 153,600

Total new NRA in the car park: 10,000 m²

SCENARIO 3 - REDEVELOP AND SELL

Reaching for the high-hanging fruits

Going beyond the "low-hanging fruit"-approach for ESG improvements in scenario 2, we aim to fully align THE PULSE with Greenfield Capital's ESG strategy. We implement the following additional measures for sustainability enhancement:

RECAP Scenario 2 Measures

- ✓ LED Lighting Program
- ✓ Bicycle Parking Facilities
- ✓ Watersaving Sanitary Installation
- ✓ Switch to clean power
- ✓ Community Involvement
- ✓ Tenant Partnership Program

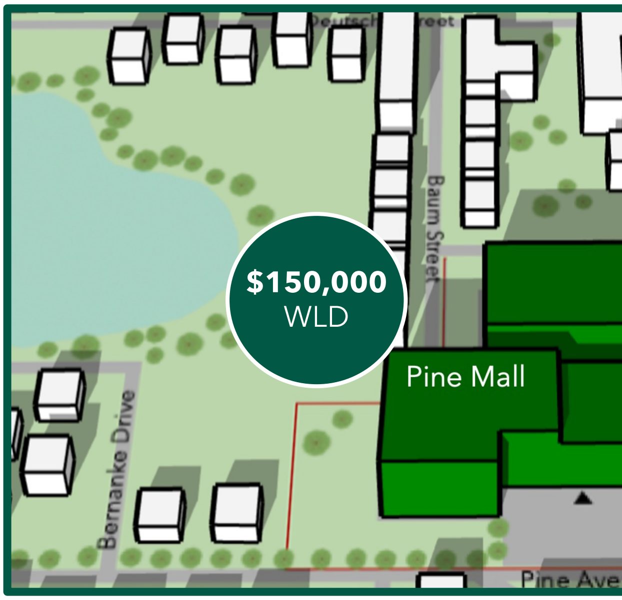
$235,000
One-off

Smart HVAC

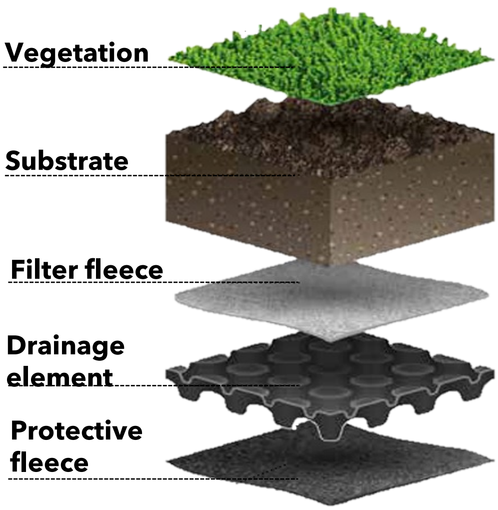
THE PULSE is switched to a smart HVAC system, deducting from the technical due diligence that air conditioning is among the largest energy consumers in the building. Using sensor-collected data to track and reduce inefficiencies, the smart system self-adjusts to the conditions inside and outside the building. Target values can be individualized to specific individual schedules. As a result, THE PULSE provides more comfort and convenience while saving electric energy.

Water Management

Located in a hot and arid environment, THE PULSE needs to focus strongly on water management. GC is committed to save water wherever possible and our goal is to lower utility costs and ensure the communities' long-term supply with this scarce resource. To cope with heavy rainfall events that are forecasted to increase in frequency due to climate change, we use the nearby lake as a water reservoir. Through said water retention, we can prevent the lake to dry up and it for our used-water irrigation systems. We additionally apply efficient landscaping in our open spaces to withhold rainwater and naturally keep the surroundings green



SCENARIO 3 - REDEVELOP AND SELL



Roof and façade greening

GC is convinced that greening the outside of THE PULSE's shell leads to direct advantages: The planted surfaces take up less solar radiation than concrete or bitumen surfaces, preventing the urban heat island effect in our outdoor areas and reduces the demand for air conditioning inside. Besides lower utility costs for tenants, the new greened façade creates a more pleasant microclimate, superior air quality and inviting, natural surroundings. Attractive public spaces are not only an asset for THE PULSE but are fully in line with communities' trends and needs.

The rationale is similar regarding the roofs: By greening unused roof areas on the fourth floor and on the car park with adaptable and robust plants, THE PULSE taps the cooling architecture effect. That way, we lower power demand from HVAC systems and electric energy consumption for our tenants. The greened roofs also relieve the sewage systems in the event of heavy rain, as the substrate can take up water and store directly. Finally, insects and birds find an undisturbed place within an urban habitat at THE PULSE.

Photovoltaic System

A major part of GC's 2035 climate plan is on-site energy production. Located in a high-potential area for solar power, THE PULSE covers part of its roof with photovoltaic systems, both on the fourth floor mall and on the sixth parking deck. A gross roof area of more than 9,000 m² is available of which 8,000 m² are assumed to be covered, hosting up to 800 kW of system power. This will provide – depending on weather conditions - a considerable part of THE PULSE's energy demand. The electricity generated is especially useful for electric vehicle charging and can also be fed into the local grid during power peaks, creating additional revenue.

SCENARIO 3 - REDEVELOP AND SELL

Outdoor vegetation and facilities

GC considers high-quality outdoor areas important both from an ecological but also from a social point of view. With a budget of $ 500,000 WLD we carry out measures to increase the quality of stay at THE PULSE and bring city residents of all ages close to the mall, regardless of daytime or season. Outdoor sports facilities like a beach volleyball sandbox, a basketball court, table tennis and a trim trail attract the youth while a playground accommodates families. Seating possibilities in well-designed spaces are provided for seniors while with native plants add to our rainwater management and reduce heat islands.

Electric Charging Stations

THE PULSE still has 500 parking lots in the car park. We will equip 100 of them with 80 e-chargers and 20 high-powered e-superchargers. Customers and employees can charge their electric vehicles or bikes with electricity that is partly provided by THE PULSE's roof-top PV system. A vacant charging station search, reservation, and payment function is also integrated into the mall's app.

Stop-food-waste program

Greenfield Capital has recognized food waste as an avoidable problem in Waterland's society. We raise an annual budget of 12,000$ to initiate the stop-food-waste program to raise awareness in the Forestville community and showcase potential solution approaches like cooking classes at the even kitchen venue and special menus in the food hall and restaurants.

SCENARIO 3 - REDEVELOP AND SELL

Certification - WiredScore

Greenfield Capital uses the WiredScore certification to benchmark, promote and improve the digital connectivity and smart technology of our office spaces. We submit values in 5 categories for evaluation.

We are offering modern office equipment and an adequate IT infrastructure tailored to tenants from high-tech sectors. The flexible working environment requires fast and stable internet, which we provide through fiber optic technology and wireless connectivity. Through refurbishment, 5,664 m² of office space will be brought up to the latest technical standards. With this effort we are eligible for WiredScore Platinum certification. In order to maintain this technical status in the long run, we are continuously planning the recertification process of our office space.

WiredScore

Certification Fee	$ 7,500	Recertification: $1,125 p.a.
Onsite performance testing & data collection	$ 7,500	
Total	**$ 15,000**	

Certification - WELLv2

We consider the Well certification scheme ideal to assess and showcase our company's achievement for health and well-being inside our office spaces.

When refurbishing our office spaces, we also emphasize beneficial interior architecture and technology to benefit the people working there. One focus is on improved furniture and plants to create a natural feel, another aspect is a smart and individual climatization system. Contribute to both physical and mental health of employees, we are striving for WELL Gold certification. To showcase that this is not a single-time effort, we recertify every three years and continue to offer employee-friendly office spaces.

WELL

Enrollment Fee	2,500	Recertification: $1,016 p.a.
Program Fee	9,760	
Onsite perfomrance testing & data collection	8,210	
Total	**20,470**	

SCENARIO 3 - REDEVELOP AND SELL

Certification - LEED v4.1

Greenfield Capital relies on the LEED certification system for all-round building certification with a focus on energy sustainability. In contrast to scenario 2, the measures in this scenario have an even larger impact on LEEDs scoring model and GC applies directly for the LEED Gold certification. In line with our company strategy, we take life cycle aspects into account and reduce carbon emissions to the possible minimum. THE PULSE is a leading project in both environmental and social aspects. Our culminating efforts to significantly reduce the building's energy account, protect water as a scarce resource and the improve the social impact of THE PULSE will be sufficient for LEED Gold standard.

GC is eager to maintain this pioneer status in the long run and considers a LEED Gold certificate a valuable asset in the communication with both investors and tenants. To benchmark fairly on the market an prevent greenwashing, we already prepare for recertification.

LEEDmove

Registration Fee	1,200
Flat Fee	5,000
Programm Fee	13,000
Total	**19,200**

Recertification: $4,700 p.a.

Benefits of light ESG improvements

- Future risk minimization
- Strong space demand among tenants and externals
- Full alignment GC's 2035 climate plan
- Positive social impact on the community
- Promotion of sustainable mobility via electric vehicle chargers
- Strongly reduced utility costs of 30% overall, powerful prevention of future price increases

SCENARIO 3 - REDEVELOP AND SELL

Scenario-specific cashflow assumptions

In addition to the general market and property assumptions (Page 94-95), the following scenario-specific assumptions are made:

Leasing

Due to the new concept of THE PULSE as a community lifestyle center, we believe that new retail and office tenants are willing to pay a premium of 20 % on the market rents of the base scenario. Considering the increased tenant satisfaction, we expect tenants to commit for longer terms to THE PULSE and we will see both longer lease terms and a 10% increased renewal probability. Moreover, turnover vacancy is expected to reduce to 3 months once the refurbishment is completed. For the new use types the market leasing assumptions are based on the market analysis section. For serviced apartments and student housing, unit rent estimations are transformed into rents per m² for modeling purposes.

Modified market leasing assumptions

Use Type	Rent (+20%)	Term	Tenant Incentive	Index
Office	$ 30.00	10 years	$ 150 WLD fit-out allowance	CPI
Retail	Anchors: $ 24.00 Non-Food: $ 48.00 Restaurants: $ 48.00 Service: $ 60.00 Food: $ 72.00	Anchors: 10 years Non-Food: 7 years Restaurants: 7 years Service: 7 years Food: 5 years	unchanged	CPI
Leisure & Entertainment	$ 15.00 + 8% of revenue	12 years	unchanged	CPI
Serviced Apart.	$ 22.50	Term: 12 years	-	CPI
Student Apart.	$ 21.00	Term: 12 years	-	CPI
Medical Office	$ 30.00	Term: 10 years	-	CPI
City Logistic	$ 6.00	Term: 8 years	$50 fit-out allowance	CPI
Data Center	$8.00	Term: 5 years	-	CPI
Turnover Vacancy	Reduces to 3 months after refurbishments			
Renewal Probability	Increases by 10% for existing tenants due to ESG improvements			

SCENARIO 3 - REDEVELOP AND SELL

Tenant Recap

In sync with scenario 2, all measures and steps to full occupancy are repeated. The table below gives a recap of the negotiated lease terms. In this scenario, THE ROOF is added to THE PULSE as a new tenant. The lease term details are a rent of 6 $/m²/month fixed rent including an 8% revenue rent, a term of 10 years and no Tis as the area is tailor-made for the tenant in the course of the office refurbishment.

Tenant	Rent	Term	Tenant Incentive	Index
THE ROOF	$6 + 8% of revenue	Start: April 2024 Term: 10 years	-	CPI
SSUT	$ 5	Start: October 2022 Term: 3.25 years	-	CPI
SSUT Office	$ 20	Start: October 2022 Term: 3.25 years	-	CPI
Tech Incubator	$ 25	Start: October 2023 Term: 5 years	$ 150 fit-out allowance	CPI
Urban Sports Center	$ 10 + 8% of revenue	Start: January 2023 Term: 10 years	3 months rent-free + $100 fit-out allowance	CPI
SSUT Graduate School	$ 20	Start: April 2026 Term: 15 years	$ 200 fit-out allowance	CPI
SSUT Graduate School Office	$ 30	Start: April 2026 Term: 15 years	$ 150 fit-out allowance	CPI

Additional Revenue

The installation of photovoltaic systems on the greened roof areas and the installation of 20 E-Superchargers and 80 e-chargers create additional revenue for THE PULSE. We expect monthly revenue of $200 for e-superchargers and $50 for e-chargers each. The revenues from electric power sale to tenants or the public grid are estimated to be 50,000 $ p.a. A total of approximately $ 146,000 p.a. can be achieved through additional revenue.

Item	Revenue p.a.
PV Energy	$ 50,000
E-Charger	$ 48,000
E-Supercharger	$ 48,000
Total	**$ 146,000**

SCENARIO 3 - REDEVELOP AND SELL

Capital Expenses

In this scenario, the estimated capital expenses total $53.0 M. The largest parts result from the car park redevelopment and former Pine Mall's refurbishment. The broad range of ESG measures is minor in cost comparison. During the refurbishment, we expect any affected retail and office tenants to be directly interfered by the measures for three months, half the refurbishment time. All affected tenants therefore receive a rent-free period of 3 months during the 6 months refurbishment time.

Measures	Calculation	Amount	Timing
Accessability			
New Entrances	Flat-rate estimation	$ 300,000	Q3/22
(Digital) Wayfinding System	Flat-rate estimation	$ 100,000	
Total		**$ 400,000**	
ESG Improvements			
LED Lighting	Flat-rate estimation	$ 150,000	Q3/22-Q1/25
Watersaving Sanitary	Flat-rate estimation	$ 100,000	
Bicycle Parking	200 units*100$	$ 50,000	
Water Management System	Flat-rate estimation	$ 150,000	
Smart HVAC	Flat-rate estimation	$ 600,000	
Fassade Greening	Flat-rate estimation	$ 150,000	
Outdoor Vegetation/Facilities	Flat-rate estimation	$ 500,000	
PV System (Mall)	400 kWp*2,200$/kWp	$ 880,000	
PV System (Car Park)	400 kWp*2,200$/kWp	$ 880,000	
E-Charger (Car Park)	80 units*5,000$	$ 400,000	
E-Supercharger (Car Park)	20 units*20,000$	$ 400,000	
Total		**$ 4,260,000**	
Pine Mall Refurbishment			
SSUT Refurbishment (minor)	5,000m² *50$/m²	$ 250,000	Q3/22
Retail Refubishment	4,727m² *800$/m²	$ 3,781,000	Q4/22-Q1/23
Vennett Office Enlargement	1,000m² *5,000$/m²*0,5	$ 2,500,000	Q2-Q3/23
Office Refurbishment	4,664m² *1,000$/m²	$ 4,664,000	Q2-Q3/23
Roof Build-Out	5,602m² *400 $/m²	$ 2,240,800	Q3/23
Total		**$13,435,800**	
Car Park Build-Out			
Medical Offices	5,000m² *4,000$/m²*0,75	$ 15,000,000	Q4/23 –
Serviced Apartments	2,500m² *4,500$/m²*0,75	$ 8,500,000	Q1/25
Student Living	2,500m² *4,000$/m²*0,75	$ 7,500,000	
City Logistic	2,000m² *2,000$/m²*0,75	$ 3,000,000	
Data Center	500m² *2,400$/m²*0,75	$ 900,000	
Total		**$ 34,900,000**	
Total (all measures)		**$ 52,995,800**	

SCENARIO 3 - REDEVELOP AND SELL

Operating Expenses

Operating expenses consist of ongoing annual payments and one-time expenses. The recoverability is indicated for recurring expenses and the timing is shown for one-time expenses.

Utility costs decrease by 30% overall following the broad range of ESG measures realized from Q3/2022 onwards.

Ongoing Opex	**Amount**	**Recoverable/Non-recoverable**
Utilities Roof	0.15 $/m²	Recoverable
Utilities Industrial	0.40 $/m²	Recoverable
Utilities Apartment	0.20 $/m²	Recoverable
Insurance Roof	0.03 $/m²	Recoverable
Insurance Industrial	0.04 $/m²	Recoverable
Insurance Apartment	0.07 $/m²	Recoverable
Tenant Partnership Program	$ 35,000 p.a.	Non-recoverable
Annual Marketing Budget	$ 25,000 p.a.	Recoverable
Citizen & Community Involvement	$ 50,000 p.a.	Non-recoverable
LEED Recertification Fee	$ 4,700 p.a.	Non-recoverable
WELL Recertification Fee	$ 1,016 p.a.	Non-recoverable
WiredScore Recertification Fee	$ 1,125 p.a.	Non-recoverable
Stop-food-waste Program	$ 1,000 p.m.	Non-recoverable
On Time Opex	**Amount**	**Timing**
Media Presence & Mobile App	$ 50,000	Q3/2022
Student Promotion	$ 100,000	Q3 2022 – Q1/2023
LEED v4.1 Gold	$ 19,200	April 2025
WELL v2 Gold	$ 20,470	April 2025
WiredScore Platinum	$ 15,000	April 2025
Rebranding THE PULSE	$ 100,000	Q2/2023
Lease Break Penalty	$ 250,000	Q4/2022
Total	**$ 554,670**	

SCENARIO 3 - REDEVELOP AND SELL

Financing

Argus Enterprise adjusts the total capital expenses to inflation totaling 58,171,670 $. To finance this amount, we take out a loan offered by SustBank at the conditions depicted to the right. We can finance the planned measures by debt to the full extend within the 60% LTV restriction, based on the fair value of $139.1 M as of January 2022. The interest payable is 4.25% p.a on an amortization schedule of 30 years and a full repayment upon sale. Considering the complexity of the loan approval process and the flexibility GC demands from the lender for the sequential project timetable, we assume an additional 1 % up-front fee.

Terms & Conditions	
Loan Proceeds	$ 58,171,670
Interest Rate p.a.	4,25%
Up-front Fee	1%
Amortization Term	30 years
Term	57 Months
Ballon Payment	At sale

Exit Cap Rate

With the new concept, we consider THE PULSE to be a future-proof and optimally positioned on the Forestville market by the time of sale. With the relative share of retail exposure decreased and the broad, balanced tenant mix, we expect the asset to attract investor attention. Therefore, market cap rates are set below the values determined in the market analysis section. The exit cap rate of THE PULSE weighted by rental value share amounts to 5.10%. In sync to scenario 2, we apply a 15 bps premium due to the uncertainties of the longer holding period. The total exit cap rate amounts to **5.25 %** in this scenario.

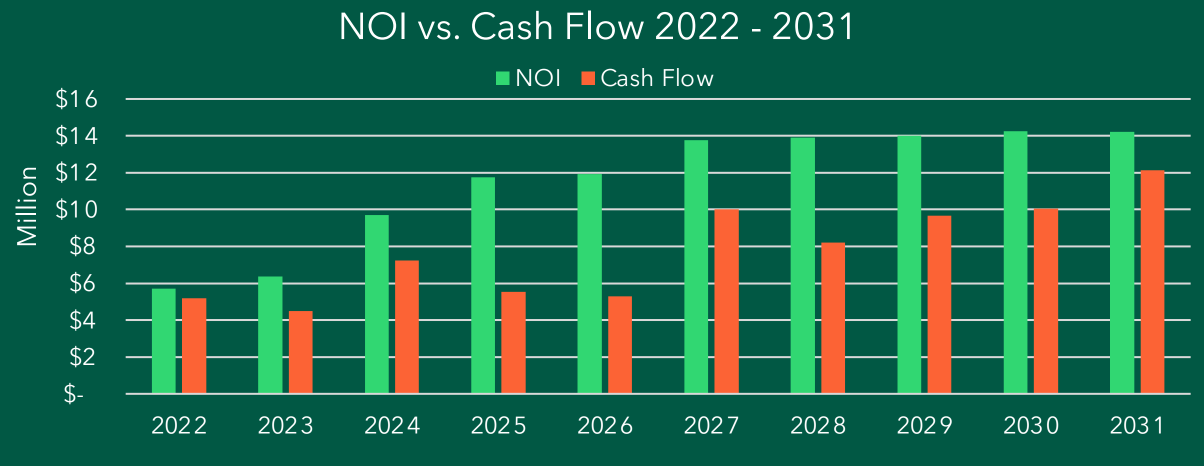
Use Type	Cap Rate	Pro rata rental value	Weighted Cap Rate	Adjustments	Exit Cap Rate
Office	4.5%	52%	5.10%*	0.15%	**5.25%**
Retail	5.5%	29%			
Leisure & Entertainment	7.0%	11%			
Apartments	5.0%	7%			
Logistics & Data Center	5.5%	1%			

* Values rounded

SCENARIO 3 - REDEVELOP AND SELL

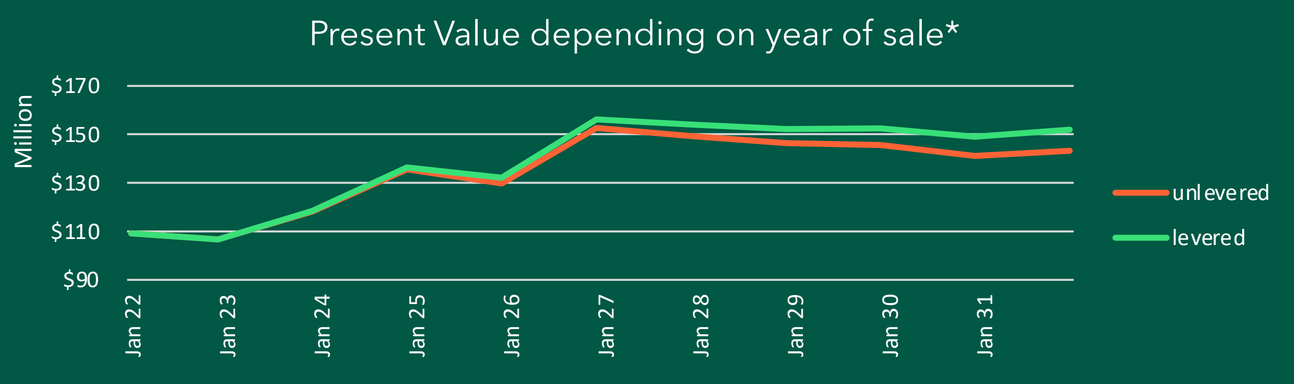
Cashflow Analysis

Following the successful refurbishment of THE PULSE, net operating income increases successively over time. This starts with vacant spaces being occupied and continues in the addition of new rental areas to be let. Finally, the functioning mixed-use scheme produces higher market rents. However, due to planned construction measures, interest payments and extensive TIs the distributable cash flow is subject to fluctuations and even decreases in some years.



Holding Period Analysis

We identify February 2027 as the ideal point of time to divest THE PULSE. Due to the capital expenditures made in varying amounts between 2022 and 2025, the net present value based on the NOI of the following year is shifting over time. With all measures completed, the new areas fully-let and re-letting at higher market rents taking place, the NPV reaches its peak in February 2027. The levered NPV is higher than the unlevered value, but the optimal sale timing is not changed by financial leverage.

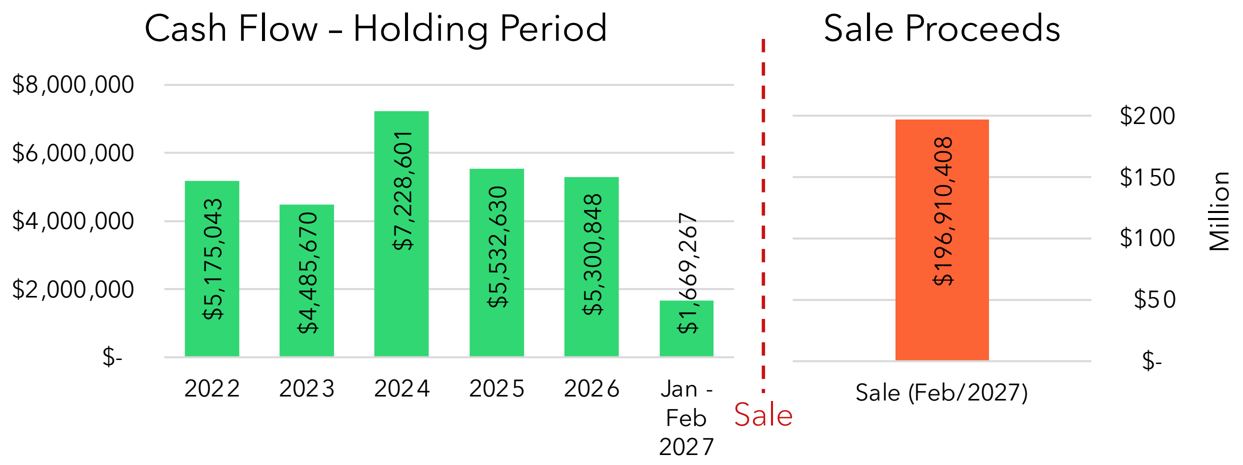


*Graph shows January values only

SCENARIO 3 - REDEVELOP AND SELL

Final Key Values

As derived from the NPV over time, the optimal point of time to sell THE PULSE is in February 2027. The total rental income generated amounts to $ 29.4 M and the sales proceeds total $ 196.9 M, the total present value thus equals $ 156.2 M.



KEY PERFORMANCE INDICATORS

$ 251.6 M
NET SALES PRICE

$ 29.4 M
RENTAL CASH FLOW

$ 152.4 M
PRESENT VALUE (UNLEVERED)

$ 156.2 M
PRESENT VALUE (LEVERED)

9.76 %
IRR (UNLEVERED)*

10.66 %
IRR (LEVERED)*

**IRRs are calculated based on the fair value as of January 2022 in the amount of $ 139,100,000 as described in the general ARGUS assumptions (p. 94)*

Visit the project website of THE PULSE

Scan me!

SCENARIO 3+ - INTRODUCTION

IMPROVE THE CITY & SELL

$ 264.0 M
NET SALES PRICE

$ 164.5 M
PRESENT VALUE

5 YEARS 2 MONTHS
HOLDING PERIOD

PENSION FUND
TARGET BUYER

★★★
FUND'S STRATEGY FIT

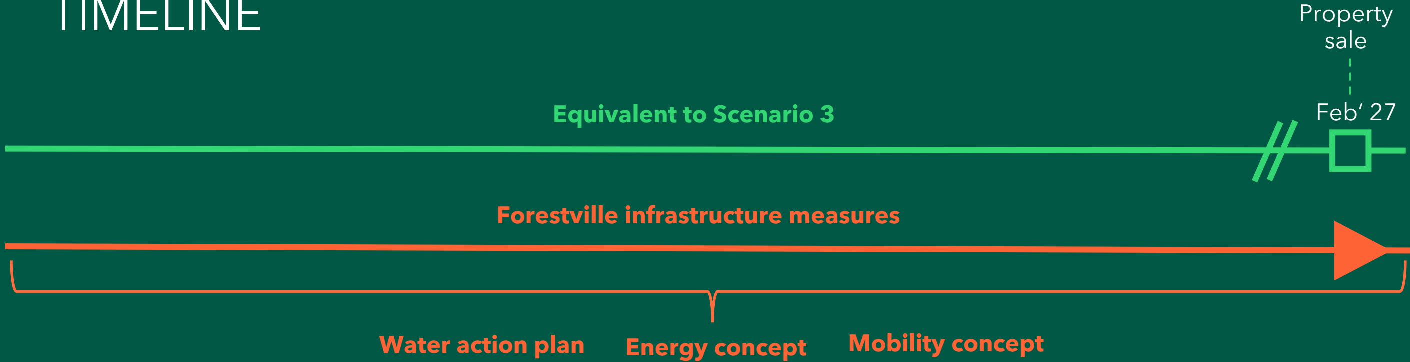
5.00%
CAP RATE

SUMMARY

In Scenario 4, in addition to developing the mall, Greenfield Capital proposes approaches for the most pressing sustainable urban planning issues to the City of Forestville. The current situation is alarming in light of climate change and urgently needs solutions to its problems in order to function properly. A functioning city, in turn, profits THE PULSE as well, making it a win-win situation.

„No one´s paying attention."
- Jared Vennett

TIMELINE



SCENARIO 3+ - REDEVELOP AND SELL

Underlying thesis: Forestville is the key

In the first three scenarios the mall is the central focus and Greenfield Capital presents several concepts to revitalize and sell the property. However, the city of Forestville must function first and foremost in order to give a large commercial scheme like THE PULSE a new lease on life. In this scenario, besides the measures and concepts described in the previous scenario, the city as a whole is now in the spotlight. The water problem was identified as the most important area for action. Like the problems of energy and mobility, the issues can be addressed through the development of smart city approach. Forestville will become a regional magnet in Spring State, attracting new residents as well as businesses. In the now growing city, the vacancy rate of apartments will be reduced, and a functioning residential housing market will be established.

Exit Cap Rate

The overall market situation in Forestville is likely to be improved by addressing the action fields described above. The proposed measures result in a location risk decrease for Forestville and foster investor demand for local properties. With a solution to the water issue, more people will relocate to Forestville and raise probability that the city functions well economically. We are convinced that this justifies an adjustment of -0.25% to the exit cap rate.

Target Group

After the successful restructuring of the city, the general market situation of the city of Forestville is considered more positive by investors. THE PULSE is also benefiting from this. Due to lower location risk, the risk assessment of scenario 3 can now be upgraded from a core+ property to a core investment opportunity. Consequently, mutual funds with a focus on core assets represent our target group in this scenario.

KEYS TO SUCCESS

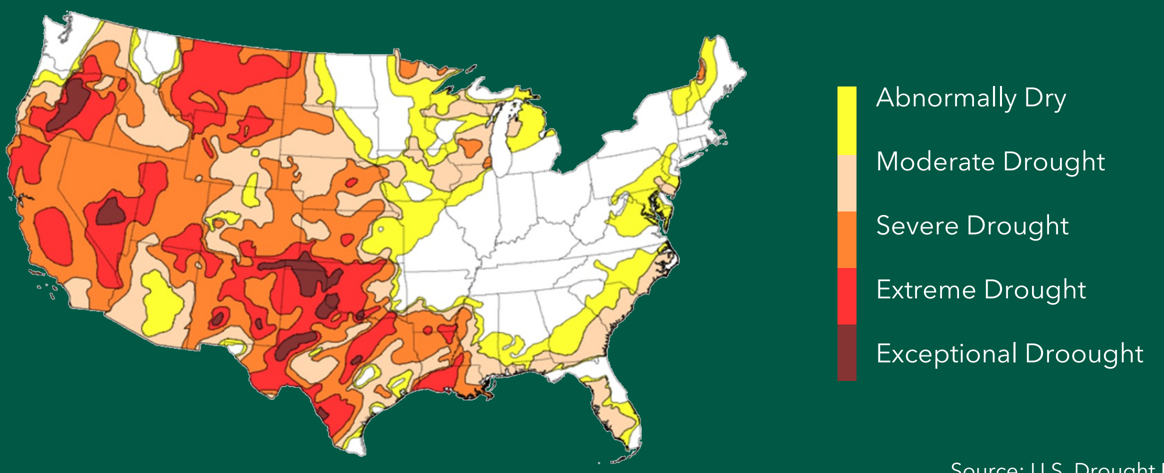
- ADDRESS THE WATER PROBLEM
- USE SUSTAINABLE ENERGY
- ESTABLISH NEW MOBILITY CONCEPT
- BECOME A SMART CITY

SCENARIO 3+ - IMPROVE THE CITY AND SELL

Facing the bigger picture

Forestville is unable to supply sufficient clean water to its citizens. In this scenario, we go beyond turning the Pine Mall into THE PULSE as the central objective but include the Forestville infrastructure into our rationale. Until now, a major reason for slow population growth is inadequate water supply. With Spring State resembling West Texas, we assume the largest part of the problem to be an ongoing drought that has caused River Wet to dry up almost completely. Although being traced back mainly to climate change, further causes of the drought are extensive agriculture in the region and mining activities like gas fracking, consuming vast quantities every day. Following water shortages have led to distribution conflicts between farmers, residents and companies and have put local authorities under pressure.

U.S. Drought Map, March 2022



Source: U.S. Drought Monitor, 2022

Forestville's water scandal

Developed as a Garden City into this conflicted environment 22 years ago, Forestville was hit by a water scandal in 2018. To our understanding, the previous project developer EcoAngels had failed to allocate enough water extraction rights for Forestville. Spring States rivers and underground aquifers like River Wet are highly contested water resources and without reliable agreements, other consumers upstream pumped as much water out of the river as they could. Forestville's water works must ration the little amount that is left. When refurbishing the residential properties in Forestville to fit their eco-standard, EcoAngels relied on low-quality water pipes for cost reduction. Leakages occurred frequently, adding up to the scarcity and costing the city of Forestville millions of gallons of water every year. As the supply of residents was no longer secure and families had to store bottled water in case of a leakage, the scandal went to court. Rationing during hot summers and frequent leakages still occur today.

SCENARIO 3+ - IMPROVE THE CITY AND SELL

THE PULSE needs Forestville – and vice versa

Greenfield Capital knows about the relevance of a functioning city for retail, business and living: THE PULSE combines multiple commercial uses depending on consumers, employees, patients, guest and residents. As a part of Forestville's community, Greenfield Capital has prepared an action plan and offers the city authorities its help. Starting with ensuring sufficient water supply, the plan also covers smart applications, a new mobility concept and the provision of the underlying energy demand. With the city development at the crossroads between success or failure, GC lives up to the challenge and hopes to be the tip of the scales for Forestville to become a growing and thriving city.

Forestville Action Plan - Water

Stop pipe leakages

Given the water scarcity in Forestville, every wasted gallon is one too much: Leakages are to be stopped immediately. GC considers it unrealistic to change all pipes of the city at once and therefore proposes a smart plumbing system. Sensors in the water distribution infrastructure measure differences between inflow and outflow of a pipe section, allowing real-time leakage detection, automatic valve closing and a centralized control via internet for authorities.

Smart plumbing system

Raise awareness

The sensor installation in every home will raise awareness among the population about water as a precious resource and their individual consumption habits. GC suggests to promote water-saving measures for households like drip irrigation in gardens, water-saving sanitary installations and rainwater collection. Connecting mobile phones to smart-metering or smart-billing installations can give consumers immediate feedback on water quantities and costs.

SCENARIO 3+ - IMPROVE THE CITY AND SELL

Forestville Action Plan - Water

Tap aquifer as interim source

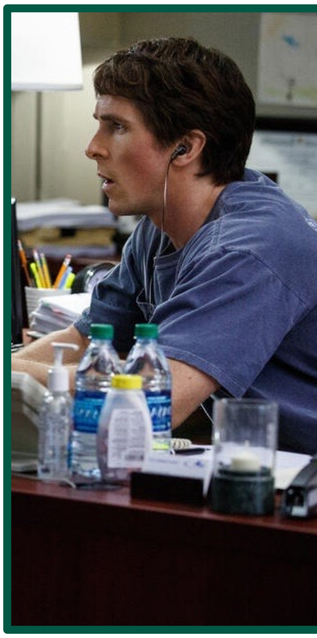
Having water in the first place is necessary to save it. With the River Wet almost dried up recently, Forestville needs an alternative. Like its real-world example West Texas, we assume Spring State to hold underground aquifers that can be tapped for freshwater access. We recommend installing a deep-reaching well above an aquifer to ensure an interim water supply for Forestville. However, the powerful wells necessary for aquifer extraction require considerable energy.

Establish a water cycle

Groundwater aquifers are vulnerable systems of natural balance and disruption has severe consequences for the future: Whole landscapes can dry up if the aquifer cannot restore the water level lost to human extraction. GC is aware of this risk and suggests to construct a water treatment plant in Forestville. Besides being able to re-use water for agriculture or irrigation, used water is cleaned and pumped into infiltration basins to trickle into the ground and recharge the aquifer beneath. Although an energy-intensive process, it restores a significant part of the pumped freshwater in time and keeps the balance intact: A water cycle is created, saving the water resource for future generations.

Underwriting

To execute the measures securing Forestville's water supply, an old friend enters the game – Dr. Michael Burry. Himself a Forestville resident and an office tenant of THE PULSE with his family office The M.B. Company, Dr. Burry is a long-time water expert. After temporarily closing his hedge fund after the Global Financial Crisis in 2009, he focused his private investments exclusively on water-related assets and holds the expertise necessary to carry out complex water infrastructure projects. For large-scale financing, we additionally address an institution from our mother organization, Waterland Bank. With the Climate Change Solutions Fund, there is an in-house private equity structure that addresses climate change and provides access to international capital markets. We are convinced that this combination of partners will be enough for the city authorities to handle the water issues.



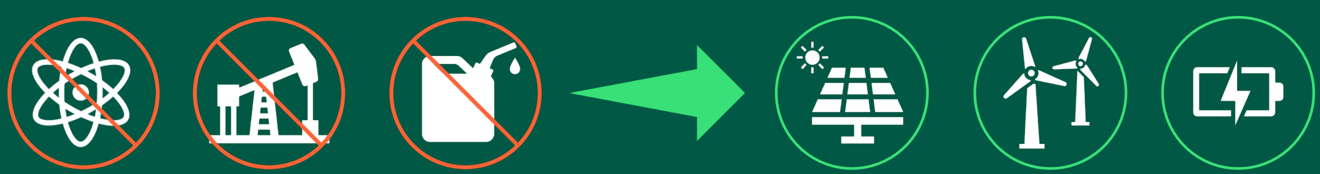
SCENARIO 3+ - IMPROVE THE CITY AND SELL

Overall energy concept

Freshwater wells and a used-water treatment plant need large amounts of energy in operation. To provide the necessary amount of electric power for the water action plan without relying on fossil fuels, additional power supply is needed. In general, the city's energy supply has consisted of the usual nation-wide mix of coal, gas, petroleum, renewables and nuclear power. Most of these energy sources produce large amounts of carbon emissions and are subject to criticism for their environmental risks. Fossil fuels are likely to face supply shortages in the future which will lead to increasing prices. Fossil fuels mining like fracking is a water-intensive process, leading to direct water saving by switching to renewable energy sources.

Our proposed solution is a new overall energy concept based on local renewable energy production, network-based energy storage and intelligent load management.

Forestville's Energy Transition



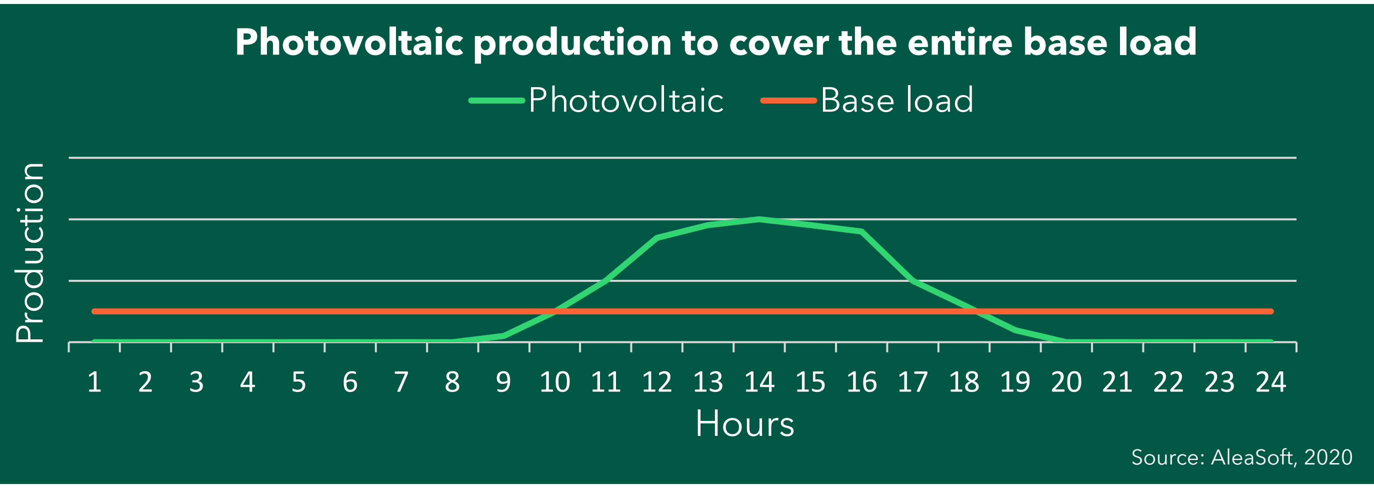
Suitability and framework

Spring State is a location with an above-average suitability for solar energy production. The very balanced solar radiation over the year and the overall high number of sunshine days (~300 per year) predetermine it to use high-yield PV technology efficiently. The market price of high-efficiency solar panels has fallen dramatically in recent years, now averaging ca. 2,200 $ per kW of installed power. In Spring State's resemblance West Texas, landmark solar projects like the Roadrunner Solar & Storage Project by Enel Green Power have already been realized. West Texas also provides a high capacity of wind power with thousands of MW of potential, enabling it as a prime location for high-constructed wind turbines with the rotor hub higher than 100 meters.

SCENARIO 3+ - IMPROVE THE CITY AND SELL

The Coyote Solar & Wind Park

We suggest to make use of the extraordinary local circumstances and build the energy production around solar and wind. Our proposal, the Coyote Solar & Wind Park consists of a large-scale solar park and wind turbines providing supplementary power during daytimes of low solar radiation. Th project is assumed to be technically possible, following the real-world examples mentioned above. Depending on the precise weather data. A complete overcoming of fossil fuels by 2030 is considered too ambitious to be realistic. Yet we are convinced to cover at least half of Forestville energy demand renewably.



The bottleneck: Energy storage

As shown graphically, solar energy provides a multiple of the base load during the day, but nothing during the night. Wind can make up for some of it, but renewables as a whole carry an inherent natural risk of change in supply. Energy storage remains critical in our goal to provide a flexible and convenient power and makes the deployment of further technologies necessary. Batteries have increased in capacity and decreased in cost rapidly since being a major part in the automotive industry. The Roadrunner Project in Texas uses large-scale battery systems to store electric power surpluses. We consider this concept adoptable and recommend to store the energy produced during peak daytime hours in on-site battery facilities.

Storage of unsteady power supply to remain a major bottleneck for renewables.

SCENARIO 3+ - IMPROVE THE CITY AND SELL

The next chapter: Sustainable mobility

Like industrial processes and real estate, mobility of goods and people demands a large energy volume, too, and contributes to carbon emissions. This sector is on the edge of a new era at this point, seeking to replace liquid fossil fuels by alternative power trains. We believe that individual mobility - in a favorable environment - is possible without fossil fuels and that today's technical possibilities provide a smart toolbox to help Forestville citizens to get around.

Impulses for future mobility solutions

Electric vehicles: We suggest to support technologies like batteries or hydrogen cells that can be operated renewably while still providing individual mobility. THE PULSE offers 100 e-charging car lots.

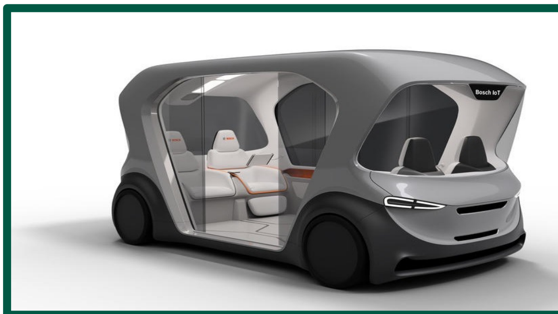
Autonomous vehicles: Interconnected traffic allows fast routing and avoid congestion. Forestville should make it possible to offer mobility as a shared service, potentially even driverless in the future.

Public transport: A part of daily life in many metropolitan areas, but also in Forestville a high-capacity network of electric buses or trams will be essential for commuting and getting around.

Cycling: It is healthy, cheap and individually accessible, but can be dangerous in car-centered urban traffic. Well designed bike routes and facilities to store bikes downtown make Forestville a biker's city.

Smart infrastructure and public transport

Data-driven traffic control helps smoothing the flow of traffic. We recommend to establish a platform for citizens to access traffic-related data on road usage, free chargers or bike storage units to optimize their individual mobility. Seniors and kids struggling to take the bike can rely on ride-sharing or on-demand public transport with real-time routing adjustment enhancing the capacity of public transport without a large fleet of vehicles. We recommend to strengthen and electrify Forestville's public transport with the bus station at THE PULSE to be the central hub of a citizen-oriented network with low and reliable commuting times as the central objective.



SCENARIO 3+ - IMPROVE THE CITY AND SELL

The bicycle Renaissance

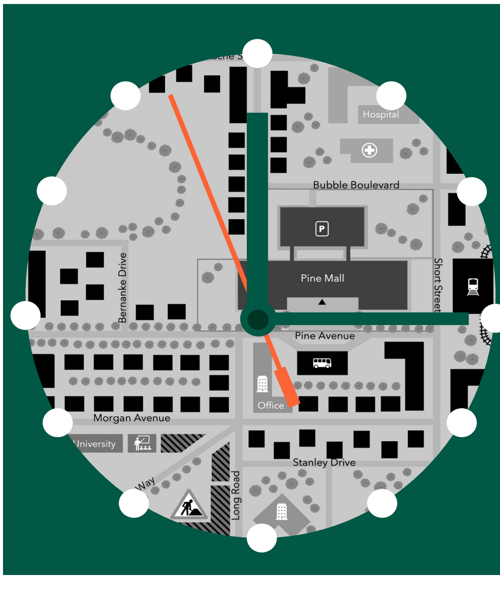
Rising in popularity during the pandemic, biking keeps you healthy, reduces stress and protects the environment. However, most commuters still rely on cars to get to work as long distances and poor road design make bike commuting impractical. We propose a different approach for Forestville: Turning streets into narrower bikeways with smooth traffic does not only improve safety, but also make biking faster and more convenient. Emerging spaces are filled with trees and flower islands to encourage people to cover distance by foot. The main goal is to raise incentives for people to change their habits: They bike if it is more convenient than taking the car. To contribute to this objective, THE PULSE offers 200 bike storage units in the center.

Best Practice: Minneapolis, MN

- 8-km-long "Greenway", a former train track that offers a carless cross-town connection for bicycles
- More than 350 km of bikeways in total, most of it off-street or barrier-protected
- Positive impact on social inclusion and individual health, city officials say

Introducing the 15-Minute-City

Buzzing towns, better air, less noise, more quality of life: This vision of a modern city has everything you need within a quarter of an hour by foot, bike or bus. We plead for this European concept to be the new guideline of city planning and consider Forestville the ideal test ground in Waterland. Work, shopping, healthcare, education, sports and re-creation opportunities are all bundled in the city center and we imagine the residential areas in circular belts around it. According to our calculations, the city center with THE PULSE is located at a maximum of approx. 5 km from any home. To ensure 15 minutes of traffic time, well-designed bike ways and efficient public transport to integrate the physically disabled are the keystone of the idea.



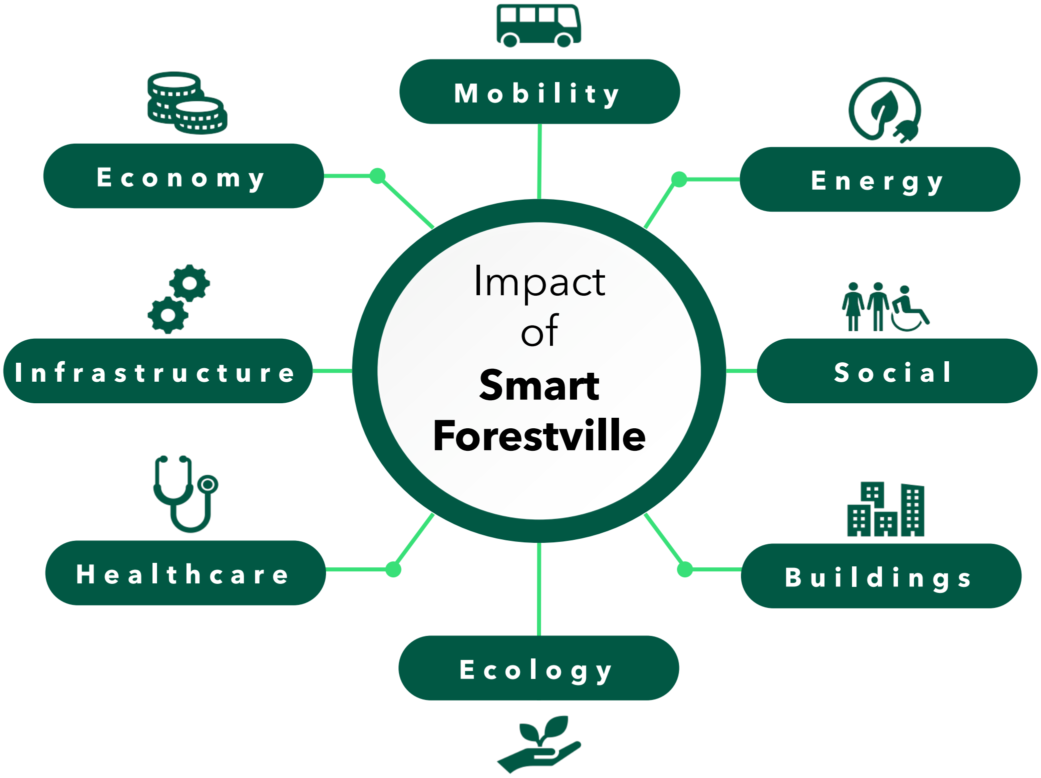
SCENARIO 3+ - IMPROVE THE CITY AND SELL

Smart City – an all-inclusive solution

Our proposals include smart technological features to help Forestville become more efficient, sustainable and flexible. By incorporating cutting-edge technology and innovative clever concepts, we can also solve other problems in the fields of demographic change, population growth, environmental pollution, climate change and scarcity of resources. In their quest to provide superior quality of life to its citizens, many smart city concepts follow the mindset of the Garden City Movement 120 years ago.

Smart Forestville – Ready to rise and shine

Becoming a smart city will not solve all issues of a city, but it is a great leap ahead. To encourage and support this evolution, we focus our advice on the most pressuring issues of water supply, energy security and flexible mobility. Profiting from a functioning environment, Greenfield Capital is always ready to help. A smart city can address upcoming issues in other fields similarly well, as shown below. With the ability of solving problems the smart way, Forestville will grow rapidly and sustainably in both population and economic success.

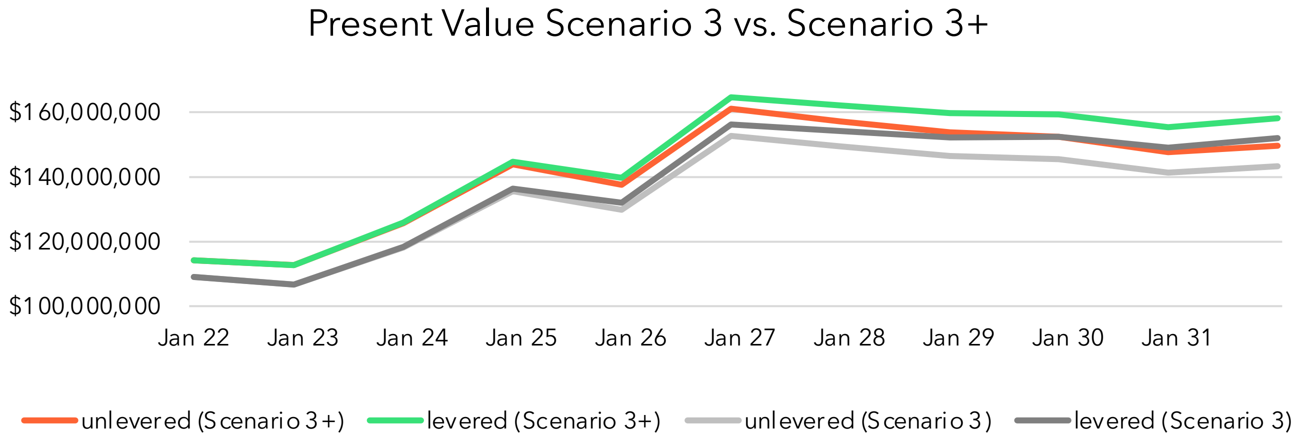


SCENARIO 3+ - IMPROVE THE CITY AND SELL

Cash Flow Analysis

An improvement of the city would lead to an overall increased attractiveness of the forestville real estate market for investors and therefore would result in an expected 25 bps reduction in the cap rate compared to Scenario 3. Assuming all other assumptions remain unchanged, the cap rate of 5.0% results in an net sales price increase of $ 12.4 M which equates to a present value of $ 8.3 M.

Accordingly, from the mall's perspective, it would be worthwhile to invest up to this amount into the city's development or to make a corresponding compensation payment. Any amounts in excess of this would be detrimental.



Key Performance Indicators

Net Sales Price
$ 264.0 M + $ 12.4 M*

Rental Cash Flow
$ 29.4 M

Present Value (unlevered)
$ 160.8 M + $ 8.4 M*

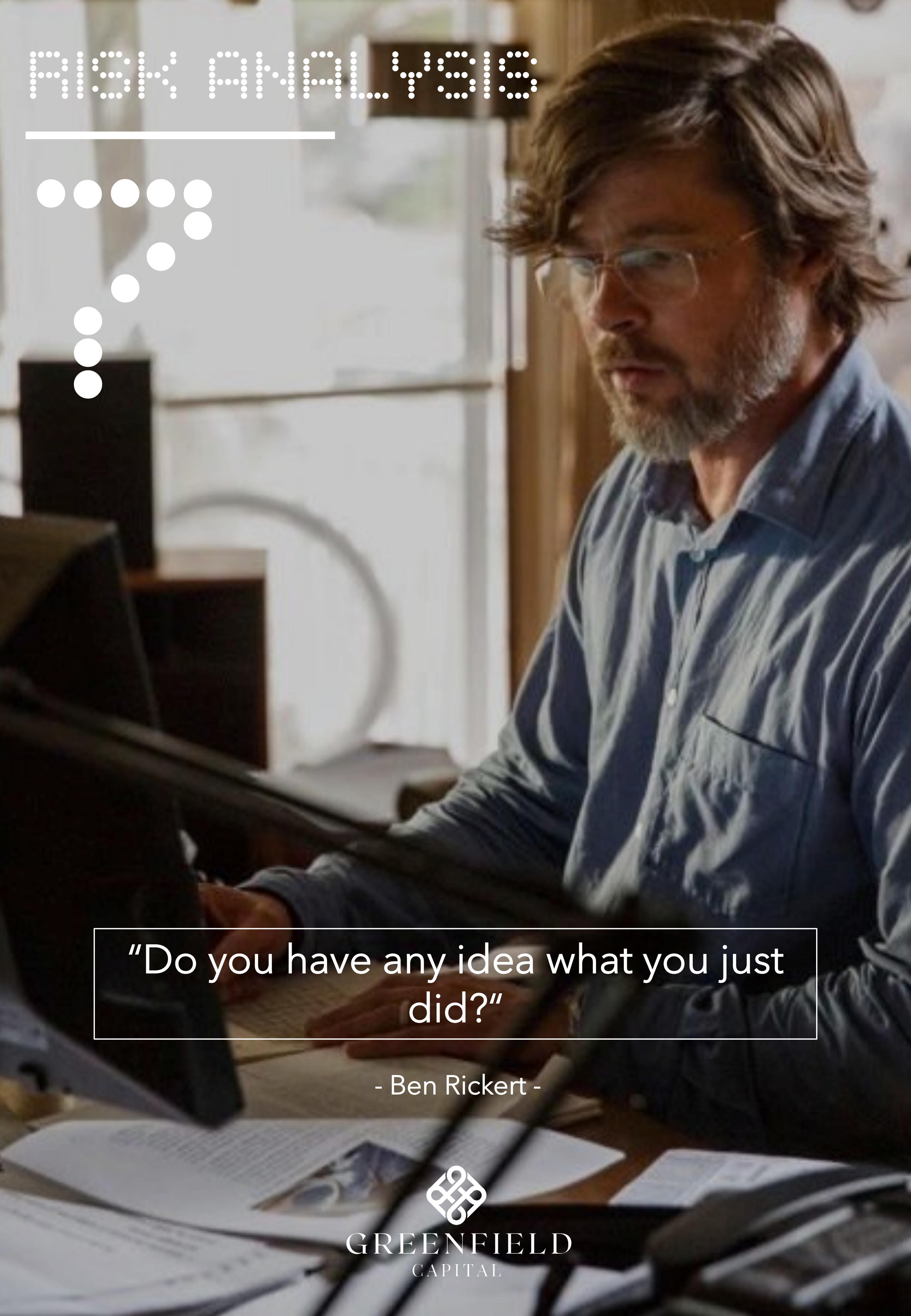
Present Value (levered)
$ 164.5 M + $ 8.3 M*

IRR (unlevered)*
10.81 % + 1.05 %*

IRR (levered)*
11.86 % + 1.20 %*

**IRRs are calculated based on the fair value as of January 2022 in the amount of $ 139,100,000 as described in the general ARGUS assumptions (p. 94)*

***changes to scenario 3**



RISK ANALYSIS

7

> "Do you have any idea what you just did?"

- Ben Rickert -

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CAPITAL

QUALITATIVE RISK ANALYSIS

Risk is part of Forestville's history

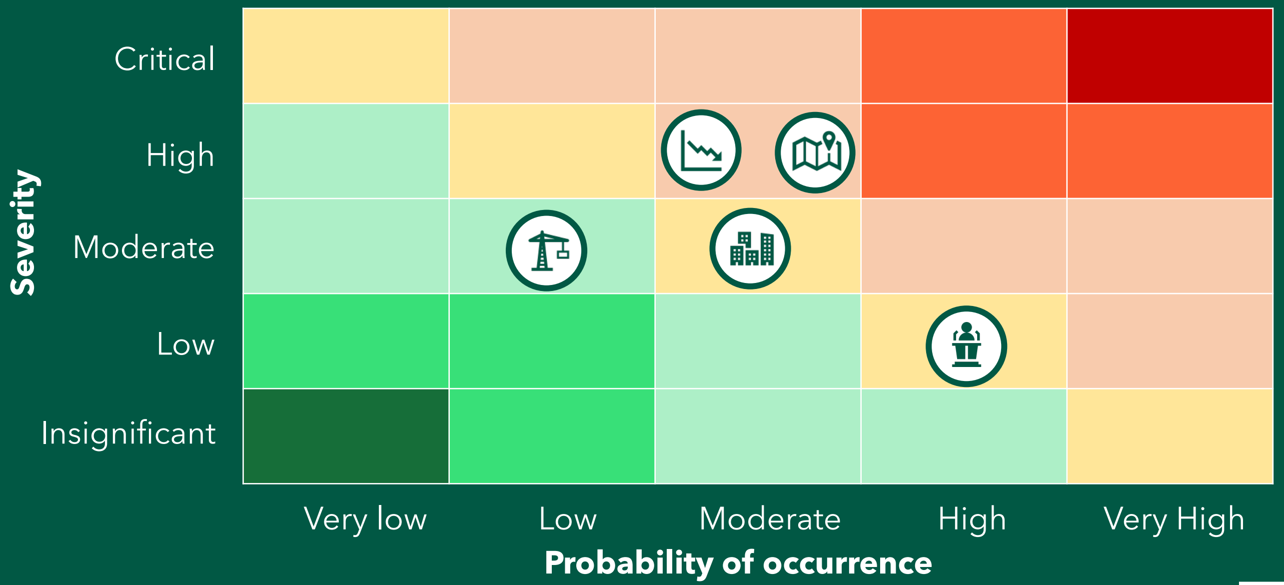
Forestville has been passed by many crises. Planned and built during the dot-com crisis of 2000, through the GFC of 2007/08 that almost ruined the project, to a global pandemic that brought disruptive innovations and changed the real estate market. Today, climate and environmental crises are looming, the scale of which cannot be predicted. In addition, the war in Ukraine is contributing to global market price increases and the recent surge in inflation. At this point in time, there is still a high degree of uncertainty as to how this crisis will affect the global markets in medium to long term.

"People hate to think about bad things happening, so they always underestimate their likelihood."
- Charlie Geller -

Risk category matrix

This risk analysis identifies and mitigates risks to a successful repositioning of THE PULSE as outlined in scenario 3. They are summarized in five risk categories and shown in the risk heat map below. Political risks are considered probable but their impact would not be severe. Risks with the highest impact and moderate likelihood are general market risks. Development risks are inferior.

General Market Risks
Development Risks
Asset-Class Risks
Idiosyncratic Risks
Political Risks



QUALITATIVE RISK ANALYSIS

Risk category	Sub-Risk	Control and mitigation
Political Risks	**ESG Regulations** New ESG regulations in Waterland similar to EU-wide rules could enforce strict ESG standards that properties as well as investment managers have to comply with.	THE PULSE is LEED Gold certified and ESG improvements form the core of its redevelopment, which makes it highly unlikely that the property is not compliant with new regulation.
General Market Risks	**Rental Market** Space demand in Forestville might be severely lower than expected if university does not relocate.	GC offers tailormade space below market rate to incentivize immediate relocation of university for the interim use of cinema space.
	Inflation Causes real present value loss for non-indexed rental agreements.	GC capital negotiates CPI-indexed rental agreements whenever possible.
	Construction cost inflation Profitability of development measures is impaired due to rising construction costs.	GC negotiates construction contracts with fixed material prices. Main construction measures are scheduled in 2024 to 2025, when price growth rates are expected to normalize.
	Interest Rates Financing costs may rise due to base rate hikes.	GC takes out long-term loans with fixed interest rates whenever possible. GC uses mother company Waterland Bank for optimal capital market access.
Asset-Class Risks	**Shorting of Malls** Although acts of shorting mall's debt are not directly impacting investors and owners, a negative market sentiment towards the asset class can negatively impact lending conditions.	Investors predominantly short underperforming regional malls, THE PULSE is a community lifestyle mall. In addition, acceptable financing conditions are already guaranteed by SustBank, due to the sustainable nature of the redevelopment project.
	Competitor risk in retail Stationary retail sales may decrease in case of rising e-commerce market share, thus lowering collected turnover rent and leading to decreased letting potential of retail space.	THE PULSE embraces online shopping by offering a central omnichannel hub. It focuses on online-resistant categories like services and groceries as well as entertainment venues. Relative retail exposure is reduced through additional mixed-use spaces in the redeveloped car park.
	Office demand risk Total office space demand post-covid remains volatile and depends on home office adaption rates and the space per employee ratio.	THE PULSE implements up to date office concepts and wellbeing standards to maximize tenant attraction and minimize vacancy risk.

QUALITATIVE RISK ANALYSIS

Risk category	Sub-Risk	Control and mitigation
Idiosyncratic Risks	**Location** Forestville is no established real estate market. Rents and cap rates can be subject to sudden changes.	GC proposes a profound action plan covering water, energy and mobility issues of the city to enhance market stability.
	Climate Risks More frequent extreme climate conditions including droughts, heatwaves, events of heavy rain etc. harm location quality and space demand.	THE PULSE features state-of-the-art construction to be climate change-resilient. This includes rainwater management, greenery on building shell and onsite energy production.
Developer Risks	**Legal Risks** Redevelopment and permitted GFA are subject to construction permission through local authorities. Lower m² allowance limits project profitability.	GC executes a legal due diligence with a focus on zoning law and building regulations to minimize risks in advance.
	Technical Risks Increased wear and tear might negatively impact NOI and increases vacancy risks	GC chooses high quality building materials and emphasises regular maintenance and care of vulnerable building parts.
	Soil Risks Soil contamination and impaired load-bearing capacity pose risks to technical feasibilty of construction projects.	GC focuses on refurbishments of existing building structures to avoid exposure to soil risks.
	Quality Risks Building contractors may deliver qualities lower than agreed on, resulting in increased wear and tear and higher maintenance costs	GC conducts regular quality checks during the construction phase and relies on additional external project management and auditing.
	Cost & Timing Risks Failure to complete construction measures within time frame may result in legal dispute with tenants and lower cash flows	GC implements up to date software solutions like ARGUS Developer to provide a holistic planning environment to all project partners.

Greenfield Capital has put a sound risk management strategy in place to effectively mitigate political, market, asset class, property and development risks.

QUANTITATIVE RISK ANALYSIS

Investment specific risk analysis

The strategy of scenario 3 with its approach „Re-Develop & Sell" shows the best forecasted performance among the three scenarios. The high prospected returns contain no information on the risks included. For this reason, Greenfield Capital conducts quantitative risk management to ensure a responsible handling of our capital. One of the most important risk containment approaches is a KPI response check in the event of major input factors changing. In the following scenario analysis, we selected several input factors taken from the most important risk categories to be subject to simulated changes:

Risk Category	**Input Factor**	**Changes** (Worst/Best Case)
General Market Risk	Inflation Rate Construction Cost Inflation Interest Rate Market Rent Discount Rate	+/- 1% (absolute) +/- 1% (absolute) +/- 1% (relative) -/+ 10% (relative) +/- 1% (absolute)
Asset Class Risk	Cap Rate Turnover Vacancy General Vacancy	+/- 0.5% (absolute) +/- 100% (relative) +/- 2.5% (absolute)
Development Risk	Construction Costs	+/- 10% (relative)

Scenario Analysis

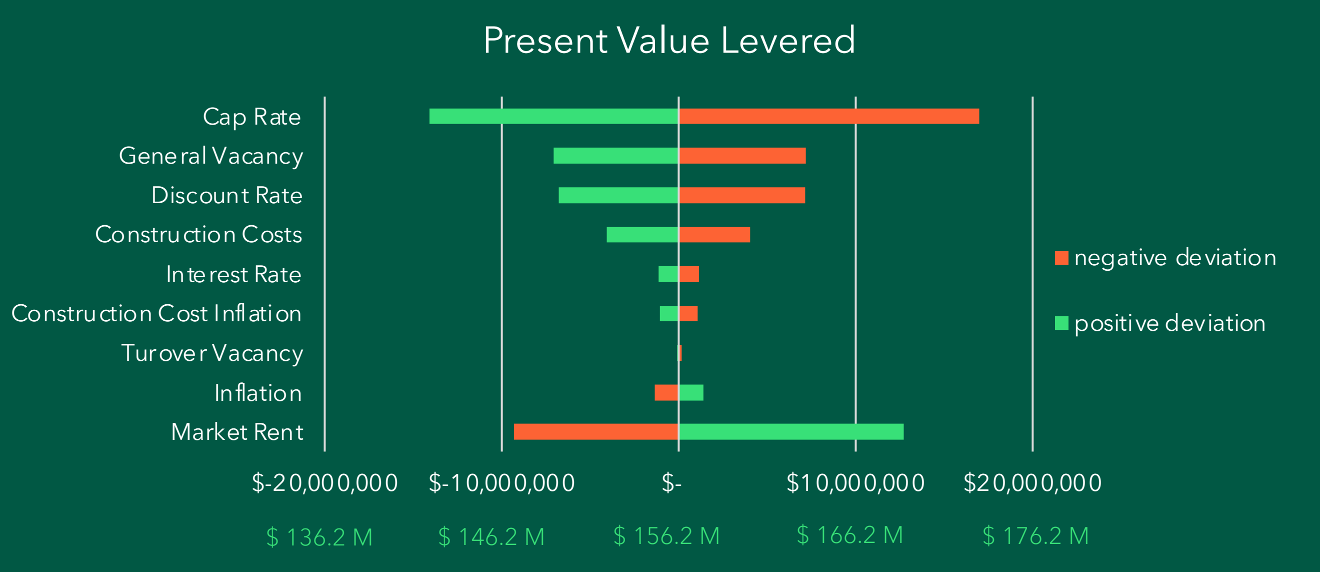
This scenario analysis uses the real-world values as the base case, a positive deviation of all values as the best case and a negative deviation of all values as the worst case. All changes of input factors happen simultaneously to represent both a strong positive and a strong negative deviation from the base case. For the hypothetical worst case, the NPV of scenario 3 is only 2 % lower compared to scenario 1. The best case, on the other hand, revealed significant upside potential. This scenario analysis represents no cause for concern.

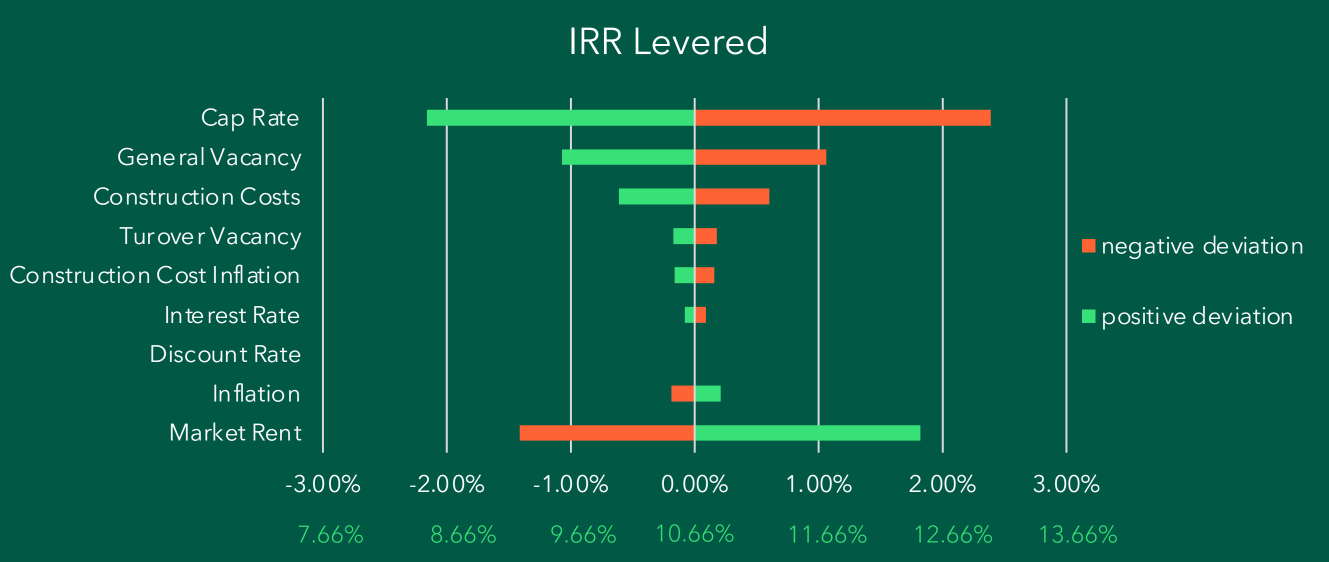
1) PV Levered 2) IRR Levered		**Worst Case**	**Base Case**	**Best Case**
Discount Rate	**7%**	1) $ 132,830,649 2) 5.97%	1) $ 163,287,747 2) 10.66%	1) $ 198,065,638 2) 15,21%
	8%	1) $ 127,097,592 2) 5.97%	1) $ 156,184,823 2) 10.66%	1) $ 189,385,621 2) 15.21%
	9%	1) $ 121,675,541 2) 5.97%	1) $ 149,467,614 2) 10.66%	1) $ 181,177,645 2) 15.21%

QUANTITATIVE RISK ANALYSIS

Sensitivity Analysis

In contrast to the scenario analysis, the sensitivity analysis changes every input parameters individually, independently and sequentially. This way, the individual impact of every parameter on the scenario performance can be assessed. As depicted in the charts below, changes in the exit cap rate, the market rent and the general vacancy have the strongest impact on the scenario performance. Turnover vacancy, interest rates and inflation rates, on the other hand, have a small impact and can only become a threat to overall performance in combination with negative factors. Isolated deviations of the individual parameters are unlikely to occur. As many parameters are interconnected, a change in one parameter often affects others as well.






FINAL RECOMMENDATION
8
“We have to act now!”
- Dr. Michael Burry -
GREENFIELD
CAPITAL

DEVELOP THE PULSE BUT NOT WITHOUT FORESTVILLE

Basics

We recommend a sustainability-oriented refurbishment of the repossessed Pine Mall with a partial redevelopment of the adjacent car park into a complementary mixed-use building. We propose crucial improvements to the city's water supply, energy and mobility concepts to support both the city's development and resilience against climate change and maximize THE PULSE's value.

1) Make THE PULSE future-proof

We use active asset management and refurbish the retail and office spaces to reposition the former Pine Mall as a community lifestyle center. The transformation of the car park adds the missing pieces to make THE PULSE future-proof. The robust concept and our consistent sustainability focus on reduce inherent property risk to a minimum. Within the emerging real estate market of Forestville, THE PULSE represents the highest and best use for the plot.

2) Improve Forestville

Situated in a city currently stagnating, a high location risk for THE PULSE needs to be addressed to hedge financial gains. We propose changes to the city's infrastructure regarding water supply, energy and mobility to increase Forestville's attractiveness. Our willingness to support the proposed measures amounts to $8.3 M which equals the relevant levered NPV-premium we would derive from an improved city with a lower cap rate.

3) Align with Greenfield Capital's business strategy

We align the property with our business strategy and develop-to-green the former Pine Mall. The property's operating costs are reduced by lowered consumption and on-site energy production with zero carbon emissions. Responsible water management is a main goal for GC and a critical issue in Forestville. The redevelopment of the car park is a clear signal towards sustainable mobility, integrated into the overall mobility concept of Forestville.

4) Attractive financial outcome

The average NOI of the property increases from 13,8 in 2022 to 22.7 WLD/m²/month in the projected sales year 2027. This equals a 64,5% NOI increase over 5 years. Capital expenses during the holding period amount to $52,995,825. These are offset by net sales proceeds of $251.6 M and rental income of $29.4 M during the holding period. Taking into account the initial property valuation as of 2022, $139.1 M, the proposed scenario leads to a leveraged NPV of $156.2 M and an IRR of 10.66%, exceeding the company's target IRR of 10%

APPENDIX 9

"You're completely sure of the math?"

- Mark Baum -

9. Appendix

SCENARIO 1 – LEAVE AS IS.

GREENFIELD CAPITAL

Cash Flow Report: Jan, 2022 through Dec, 2031

*Amounts in WLD

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	
For the Years Ending	**Dez-2022**	**Dez-2023**	**Dez-2024**	**Dez-2025**	**Dez-2026**	**Dez-2027**	**Dez-2028**	**Dez-2029**	**Dez-2030**	**Dez-2031**	**Total**
Rental Revenue											
Potential Base Rent	7,629,385	7,742,697	7,900,158	8,019,934	8,745,754	8,916,240	8,840,507	8,708,651	8,810,929	8,846,538	84,160,792
Absorption & Turnover Vacancy	0	0	-83,782	-10,922	-146,711	-119,568	-299,670	-331,443	-211,174	-891,660	-2,094,930
Free Rent	0	0	0	-21,097	-152,236	-11,636	-308,476	-199,284	-101,315	-760,098	-1,554,142
Scheduled Base Rent	7,629,385	7,742,697	7,816,375	7,987,915	8,446,807	8,785,036	8,232,361	8,177,924	8,498,440	7,194,780	80,511,720
Total Rental Revenue	7,629,385	7,742,697	7,816,375	7,987,915	8,446,807	8,785,036	8,232,361	8,177,924	8,498,440	7,194,780	80,511,720
Other Tenant Revenue											
Total Expense Recoveries	1,810,999	1,828,568	1,818,730	1,833,743	2,002,571	2,020,421	1,985,645	1,977,233	2,010,643	1,856,305	19,144,858
Total Other Tenant Revenue	1,810,999	1,828,568	1,818,730	1,833,743	2,002,571	2,020,421	1,985,645	1,977,233	2,010,643	1,856,305	19,144,858
Total Tenant Revenue	9,440,384	9,571,265	9,635,105	9,821,657	10,449,378	10,805,457	10,218,006	10,155,157	10,509,084	9,051,085	99,656,578
Potential Gross Revenue	**9,440,384**	**9,571,265**	**9,635,105**	**9,821,657**	**10,449,378**	**10,805,457**	**10,218,006**	**10,155,157**	**10,509,084**	**9,051,085**	**99,656,578**
Vacancy & Credit Loss											
Vacancy Allowance	-472,019	-478,563	-402,162	-480,707	-391,681	-426,683	-273,556	-266,316	-325,936	-30,640	-3,548,264
Credit Loss	-55,732	-56,463	-56,789	-58,085	-63,413	-65,196	-61,619	-61,773	-63,317	-55,457	-597,843
Total Vacancy & Credit Loss	-527,751	-535,026	-458,951	-538,792	-455,094	-491,879	-335,175	-328,089	-389,254	-86,097	-4,146,107
Effective Gross Revenue	**8,912,633**	**9,036,239**	**9,176,154**	**9,282,865**	**9,994,284**	**10,313,578**	**9,882,831**	**9,827,069**	**10,119,830**	**8,964,988**	**95,510,471**
Operating Expenses											
Insurance Office	8,736	8,998	9,178	9,362	9,549	9,740	9,935	10,133	10,336	10,543	96,509
Insurance Retail	15,350	15,811	16,127	16,450	16,779	17,114	17,457	17,806	18,162	18,525	169,580
Utilities Office	41,496	42,741	43,596	44,468	45,357	46,264	47,189	48,133	49,096	50,078	458,417
Utilities Retail	72,914	75,102	76,604	78,136	79,699	81,293	82,918	84,577	86,268	87,994	805,505
Common Area Maintenance	42,642	43,921	45,239	46,370	47,529	48,717	49,935	51,184	52,463	53,775	481,776
Maintenance and Major Repairs	38,147	38,713	39,082	39,940	42,234	43,925	41,162	40,890	42,492	35,974	402,559
Management	34,332	34,842	35,174	35,946	38,011	39,533	37,046	36,801	38,243	32,377	362,303
Property Taxes	2,510,722	2,531,083	2,531,083	2,531,083	2,531,083	2,531,083	2,531,083	2,531,083	2,531,083	2,531,083	25,290,470
Legal & Professional Fees	36,400	37,492	38,242	39,007	39,787	40,583	41,394	42,222	43,067	43,928	402,121
Tenant Improvements	0	0	0	0	134,195	0	0	0	0	0	134,195
Total Operating Expenses	2,800,740	2,828,704	2,834,324	2,840,760	2,984,222	2,858,252	2,858,119	2,862,828	2,871,210	2,864,275	28,603,434
Net Operating Income	**6,111,892**	**6,207,535**	**6,341,830**	**6,442,106**	**7,010,062**	**7,455,327**	**7,024,712**	**6,964,241**	**7,248,620**	**6,100,713**	**66,907,037**
Leasing Costs											
Leasing Commissions	0	0	0	53,438	558,712	111,011	565,481	278,461	208,811	1,143,231	2,919,145
Security Deposits	0	0	0	-10,906	-114,023	-24,793	-115,404	-62,693	-50,359	-235,620	-613,798
Invested Security Deposits	0	0	0	10,906	114,023	24,793	115,404	62,693	50,359	235,620	613,798
Distributed Deposit Investments	0	0	-7,234	0	-55,636	-17,791	-115,482	-92,529	-61,030	-190,768	-540,471
Deposit Refund	0	0	7,234	0	55,636	17,791	115,482	92,529	61,030	190,768	540,471
Total Leasing Costs	0	0	0	53,438	558,712	111,011	565,481	278,461	208,811	1,143,231	2,919,145
Capital Expenditures											
Unforeseen	76,294	77,427	78,164	79,879	84,468	87,850	82,324	81,779	84,984	71,948	805,117
Total Capital Expenditures	76,294	77,427	78,164	79,879	84,468	87,850	82,324	81,779	84,984	71,948	805,117
Total Leasing & Capital Costs	76,294	77,427	78,164	133,317	643,180	198,861	647,805	360,241	293,795	1,215,179	3,724,262
Cash Flow Before Debt Service	6,035,599	6,130,108	6,263,666	6,308,789	6,366,882	7,256,466	6,376,907	6,604,000	6,954,825	4,885,534	63,182,775
Cash Flow Available for Distribution	**6,035,599**	**6,130,108**	**6,263,666**	**6,308,789**	**6,366,882**	**7,256,466**	**6,376,907**	**6,604,000**	**6,954,825**	**4,885,534**	**63,182,775**

SCENARIO 1 – LEAVE AS IS.

GREENFIELD CAPITAL

Cash Flow & Sources and Uses Report: Jan, 2022 through Sep, 2022

Cash Flow Report: Jan, 2022 through Sep, 2022 (Amounts in WLD)

	Forecast	Forecast
For the Years Ending	**Year 1 Sep-2022**	**Total**
Rental Revenue		
Potential Base Rent	5,712,442	5,712,442
Scheduled Base Rent	5,712,442	5,712,442
Total Rental Revenue	**5,712,442**	**5,712,442**
Other Tenant Revenue		
Total Expense Recoveries	1,354,852	1,354,852
Total Other Tenant Revenue	1,354,852	1,354,852
Total Tenant Revenue	7,067,294	7,067,294
Potential Gross Revenue	7,067,294	7,067,294
Vacancy & Credit Loss		
Vacancy Allowance	-353,365	-353,365
Credit Loss	-41,733	-41,733
Total Vacancy & Credit Loss	-395,098	-395,098
Effective Gross Revenue	**6,672,196**	**6,672,196**
Operating Expenses		
Insurance Office	6,552	6,552
Insurance Retail	11,513	11,513
Utilities Office	31,122	31,122
Utilities Retail	54,686	54,686
Common Area Maintenance	31,982	31,982
Maintenance and Major Repairs	28,562	28,562
Management	25,706	25,706
Property Taxes	1,877,951	1,877,951
Legal & Professional Fees	27,300	27,300
Total Operating Expenses	2,095,374	2,095,374
Net Operating Income	**4,576,822**	**4,576,822**
Capital Expenditures		
Unforeseen	57,124	57,124
Total Capital Expenditures	57,124	57,124
Total Leasing & Capital Costs	57,124	57,124
Cash Flow Before Debt Service	4,519,698	4,519,698
Cash Flow Available for Distribution	**4,519,698**	**4,519,698**

Sources and Uses: Jan, 2022 through Sep,2022 (Amounts in WLD)

	Forecast	Forecast
For the Years Ending	Year 1 Sep-2022	Total
Sources Of Capital		
Net Operating Gains	4,576,822	4,576,822
Initial Equity Contribution	139,100,000	139,100,000
Net Proceeds From Sale	134,841,095	134,841,095
Defined Sources Of Capital	278,517,917	278,517,917
Required Equity Contributions	0	0
Total Sources Of Capital	278,517,917	278,517,917
Uses Of Capital		
Property Purchase Price	139,100,000	139,100,000
Total Property Purchase Price	139,100,000	139,100,000
Capital Expenditures	57,124	57,124
Defined Uses Of Capital	139,157,124	139,157,124
Cash Flow Distributions	139,360,792	139,360,792
Total Uses Of Capital	278,517,917	278,517,917
Unleveraged Cash on Cash Return		
Cash to Purchase Price	3.25%	3.25%
NOI to Book Value	3.29%	3.29%
Leveraged Cash on Cash Return		
Cash to Initial Equity	3.25%	3.25%
Running Equity Balance	139,100,000	139,100,000
Cash to Equity Balance	100.19%	100.19%
Cumulative Total Purchase Price	139,100,000	139,100,000
Cumulative Total Book Value	139,157,124	139,157,124
Unleveraged Monthly IRR	0.25%	
Leveraged Monthly IRR	0.25%	

* Results displayed are based on Forecast data only

Value Matrix Report

Key Valuation Policies	
Valuation (PV/IRR) Date:	1. Januar 2022
Date of Sale:	September, 2022
Discount Method:	Monthly
Period to Cap (at Sale):	12 Months After Sale

Value Matrix						
Table Shows:	**1) Unleveraged PV's**	**1) Net Sale Price 2) Exit Cap Rate**				
	2) Unleveraged PV's $/SM	**158,536,735**	**145,733,446**	**134,841,095**	**125,461,570**	**117,300,166**
	3) Going In Cap. Rates	**5.70%**	**6.20%**	**6.70%**	**7.20%**	**7.70%**
1) Cash Flow Discount Rate	**7,00%**	155,087,175	142,917,366	132,563,947	123,648,504	115,890,909
2) Resale Discount Rate	**7,00%**	4,495.28	4,142.53	3,842.43	3,584.01	3,359.16
		3.94%	4.28%	4.61%	4.94%	5.27%
	7,50%	154,552,734	142,425,403	132,108,122	123,223,797	115,493,279
	7,50%	4,479.79	4,128.27	3,829.22	3,571.70	3,347.63
		3.95%	4.29%	4.63%	4.96%	5.29%
	8,00%	154,022,618	141,937,420	131,655,983	122,802,524	115,098,864
	8,00%	4,464.42	4,114.13	3,816.12	3,559.49	3,336.20
		3.97%	4.31%	4.64%	4.98%	5.31%
	8,50%	153,496,770	141,453,365	131,207,484	122,384,642	114,707,623
	8,50%	4,449.18	4,100.10	3,803.12	3,547.38	3,324.86
		3.98%	4.32%	4.66%	4.99%	5.33%
	9,00%	152,975,137	140,973,190	130,762,579	121,970,108	114,319,516
	9,00%	4,434.06	4,086.18	3,790.22	3,535.37	3,313.61
		4.00%	4.34%	4.67%	5.01%	5.35%

Sales Price Calculation					
NOI To Capitalize	**9,426,422**	**9,426,422**	**9,426,422**	**9,426,422**	**9,426,422**
Divided by Cap Rate	5.70%	6.20%	6.70%	7.20%	7.70%
Gross Sales Price	**165,375,825**	**152,039,065**	**140,692,866**	**130,922,528**	**122,421,065**
Capital Expenses	-77,142	-77,142	-77,142	-77,142	-77,142
Adjustments to Sale	0	0	0	0	0
Adjusted Gross Sales Price	**165,298,683**	**151,961,923**	**140,615,724**	**130,845,386**	**122,343,923**
Cost of Sales	-6,761,947	-6,228,477	-5,774,629	-5,383,815	-5,043,757
Net Sale Price	**158,536,735**	**145,733,446**	**134,841,095**	**125,461,570**	**117,300,166**

* Results displayed are based on Forecast data only

SCENARIO 2 – MANAGE & SELL

GREENFIELD CAPITAL

Cash Flow Report: Jan, 2022 through Dec, 2031

***Amounts in WLD**

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	
For the Years Ending	**Dez-2022**	**Dez-2023**	**Dez-2024**	**Dez-2025**	**Dez-2026**	**Dez-2027**	**Dez-2028**	**Dez-2029**	**Dez-2030**	**Dez-2031**	**Total**
Rental Revenue											
Potential Base Rent	7,798,585	9,179,877	9,345,204	9,467,693	10,233,832	10,888,793	10,999,713	10,961,010	11,102,891	11,006,552	100,984,150
Absorption & Turnover Vacancy	0	0	-51,200	-6,865	-79,141	-72,293	-277,625	-233,402	-87,803	-330,403	-1,138,732
Free Rent	-34,377	-131,070	-22,752	0	-167,459	-23,039	-425,416	-229,031	-101,431	-684,819	-1,819,395
Scheduled Base Rent	7,764,207	9,048,807	9,271,251	9,460,828	9,987,232	10,793,461	10,296,672	10,498,577	10,913,657	9,991,331	98,026,023
Total Rental Revenue	7,764,207	9,048,807	9,271,251	9,460,828	9,987,232	10,793,461	10,296,672	10,498,577	10,913,657	9,991,331	98,026,023
Other Tenant Revenue											
Total Expense Recoveries	1,430,580	2,046,687	2,048,156	2,059,154	1,960,175	2,075,085	2,046,531	2,059,748	2,087,897	2,050,273	19,864,287
Total Other Tenant Revenue	1,430,580	2,046,687	2,048,156	2,059,154	1,960,175	2,075,085	2,046,531	2,059,748	2,087,897	2,050,273	19,864,287
Total Tenant Revenue	9,194,787	11,095,494	11,319,407	11,519,982	11,947,408	12,868,546	12,343,203	12,558,325	13,001,554	12,041,604	117,890,310
Potential Gross Revenue	9,194,787	11,095,494	11,319,407	11,519,982	11,947,408	12,868,546	12,343,203	12,558,325	13,001,554	12,041,604	117,890,310
Vacancy & Credit Loss											
Vacancy Allowance	-459,739	-554,775	-517,330	-569,477	-522,187	-574,749	-401,796	-430,588	-566,665	-424,211	-5,021,517
Credit Loss	-57,080	-69,524	-71,337	-72,814	-78,576	-85,026	-81,757	-83,656	-86,117	-81,601	-767,488
Total Vacancy & Credit Loss	-516,820	-624,298	-588,667	-642,291	-600,763	-659,775	-483,554	-514,244	-652,782	-505,811	-5,789,005
Effective Gross Revenue	8,677,967	10,471,196	10,730,740	10,877,691	11,346,644	12,208,771	11,859,649	12,044,081	12,348,772	11,535,792	112,101,304
Operating Expenses											
Insurance Office	8,736	8,998	9,178	9,362	9,549	9,740	9,935	10,133	10,336	10,543	96,509
Insurance Retail	15,285	15,695	16,009	16,329	16,656	16,989	17,329	17,675	18,029	18,389	168,386
Utilities Office	43,134	42,741	43,596	44,468	45,357	46,264	47,189	48,133	49,096	50,078	460,055
Utilities Retail	72,603	74,552	76,043	77,564	79,116	80,698	82,312	83,958	85,637	87,350	799,833
Common Area Maintenance	42,534	43,730	45,042	46,168	47,322	48,506	49,718	50,961	52,235	53,541	479,758
Maintenance and Major Repairs	38,821	45,244	46,356	47,304	49,936	53,967	51,483	52,493	54,568	49,957	490,130
Management	34,939	40,720	41,721	42,574	44,943	48,571	46,335	47,244	49,111	44,961	441,117
Property Taxes	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	1,748,227	17,482,268
Legal & Professional Fees	36,400	37,492	38,242	39,007	39,787	40,583	41,394	42,222	43,067	43,928	402,121
Tenants Partnership Programs	52,000	53,560	54,631	55,724	56,838	57,975	59,135	60,317	61,524	62,754	574,458
Annual Marketing Budget	26,000	26,780	27,316	27,862	28,419	28,988	29,567	30,159	30,762	31,377	287,229
Citizen & Community Involvement	52,000	53,560	54,631	55,724	56,838	57,975	59,135	60,317	61,524	62,754	574,458
LEED Recertification Fee	0	4,721	5,229	5,334	5,441	5,550	5,661	5,774	5,889	6,007	49,605
Tenant Improvements	0	563,355	0	0	1,235,500	0	0	0	0	0	1,798,855
Total Operating Expenses	2,170,679	2,759,375	2,206,221	2,215,646	3,463,929	2,244,031	2,247,419	2,257,613	2,270,004	2,269,865	24,104,783
Net Operating Income	6,507,289	7,711,821	8,524,518	8,662,045	7,882,716	9,964,740	9,612,230	9,786,468	10,078,768	9,265,927	87,996,521
Leasing Costs											
Leasing Commissions	157,920	572,629	49,549	8,242	2,758,947	122,112	768,998	346,186	162,032	1,142,039	6,088,653
Security Deposits	-56,400	-63,365	-10,112	-1,682	-212,418	-27,272	-156,938	-79,623	-39,014	-235,608	-882,432
Invested Security Deposits	56,400	63,365	10,112	1,682	212,418	27,272	156,938	79,623	39,014	235,608	882,432
Distributed Deposit Investments	0	0	-7,234	-56,400	-55,636	-37,466	-115,482	-93,265	-10,545	-197,063	-573,090
Deposit Refund	0	0	7,234	56,400	55,636	37,466	115,482	93,265	10,545	197,063	573,090
Total Leasing Costs	157,920	572,629	49,549	8,242	2,758,947	122,112	768,998	346,186	162,032	1,142,039	6,088,653
Capital Expenditures											
Unforeseen	77,642	90,488	92,713	94,608	99,872	107,935	102,967	104,986	109,137	99,913	980,260
Accessability Measures	412,000	0	0	0	0	0	0	0	0	0	412,000
ESG Improvments	309,000	0	0	0	0	0	0	0	0	0	309,000
SSUT Refurbishment	257,500	0	0	0	0	0	0	0	0	0	257,500
Media Presence & Mobile App	52,000	0	0	0	0	0	0	0	0	0	52,000
Student Promotion	52,000	53,560	0	0	0	0	0	0	0	0	105,560
LEED Certification Silver	19,968	0	0	0	0	0	0	0	0	0	19,968
Total Capital Expenditures	1,180,110	144,048	92,713	94,608	99,872	107,935	102,967	104,986	109,137	99,913	2,136,288
Total Leasing & Capital Costs	1,338,030	716,677	142,262	102,850	2,858,819	230,046	871,964	451,172	271,169	1,241,952	8,224,941
Cash Flow Before Debt Service	5,169,259	6,995,144	8,382,257	8,559,195	5,023,897	9,734,694	8,740,266	9,335,296	9,807,599	8,023,975	79,771,580
Cash Flow Available for Distribution	5,169,259	6,995,144	8,382,257	8,559,195	5,023,897	9,734,694	8,740,266	9,335,296	9,807,599	8,023,975	79,771,580

SCENARIO 2 – MANAGE & SELL

GREENFIELD CAPITAL

Cash Flow Report: Jan, 2022 through Jul, 2026

*** Amounts in WLD**

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	**Year 1 Dez-2022**	**Year 2 Dez-2023**	**Year 3 Dez-2024**	**Year 4 Dez-2025**	**Year 5 Jul-2026**	**Total**
Rental Revenue						
Potential Base Rent	7,798,585	9,179,877	9,345,204	9,467,693	5,771,950	41,563,308
Absorption & Turnover Vacancy	0	0	-51,200	-6,865	-79,141	-137,206
Free Rent	-34,377	-131,070	-22,752	0	0	-188,200
Scheduled Base Rent	7,764,207	9,048,807	9,271,251	9,460,828	5,692,809	41,237,902
Total Rental Revenue	7,764,207	9,048,807	9,271,251	9,460,828	5,692,809	41,237,902
Other Tenant Revenue						
Total Expense Recoveries	1,430,580	2,046,687	2,048,156	2,059,154	1,096,609	8,681,187
Total Other Tenant Revenue	1,430,580	2,046,687	2,048,156	2,059,154	1,096,609	8,681,187
Total Tenant Revenue	9,194,787	11,095,494	11,319,407	11,519,982	6,789,419	49,919,089
Potential Gross Revenue	9,194,787	11,095,494	11,319,407	11,519,982	6,789,419	49,919,089
Vacancy & Credit Loss						
Vacancy Allowance	-459,739	-554,775	-517,330	-569,477	-264,287	-2,365,609
Credit Loss	-57,080	-69,524	-71,337	-72,814	-44,198	-314,953
Total Vacancy & Credit Loss	-516,820	-624,298	-588,667	-642,291	-308,485	-2,680,562
Effective Gross Revenue	8,677,967	10,471,196	10,730,740	10,877,691	6,480,933	47,238,527
Operating Expenses						
Insurance Office	8,736	8,998	9,178	9,362	5,570	41,844
Insurance Retail	15,285	15,695	16,009	16,329	9,716	73,034
Utilities Office	43,134	42,741	43,596	44,468	26,458	200,396
Utilities Retail	72,603	74,552	76,043	77,564	46,151	346,914
Common Area Maintenance	42,534	43,730	45,042	46,168	27,605	205,079
Maintenance and Major Repairs	38,821	45,244	46,356	47,304	28,464	206,190
Management	34,939	40,720	41,721	42,574	25,618	185,571
Property Taxes	1,748,227	1,748,227	1,748,227	1,748,227	1,019,799	8,012,706
Legal & Professional Fees	36,400	37,492	38,242	39,007	23,209	174,349
Tenants Partnership Programs	52,000	53,560	54,631	55,724	42,629	258,544
Annual Marketing Budget	26,000	26,780	27,316	27,862	16,578	124,535
Citizen & Community Involvement	52,000	53,560	54,631	55,724	42,629	258,544
LEED Recertification Fee	0	4,721	5,229	5,334	0	15,284
Tenant Improvements	0	563,355	0	0	1,235,500	1,798,855
Total Operating Expenses	2,170,679	2,759,375	2,206,221	2,215,646	2,549,925	11,901,846
Net Operating Income	6,507,289	7,711,821	8,524,518	8,662,045	3,931,009	35,336,681
Leasing Costs						
Leasing Commissions	157,920	572,629	49,549	8,242	2,531,016	3,319,355
Security Deposits	-56,400	-63,365	-10,112	-1,682	-165,901	-297,460
Invested Security Deposits	56,400	63,365	10,112	1,682	165,901	297,460
Distributed Deposit Investments	0	0	-7,234	-56,400	-55,636	-119,271
Deposit Refund	0	0	7,234	56,400	55,636	119,271
Total Leasing Costs	157,920	572,629	49,549	8,242	2,531,016	3,319,355
Capital Expenditures						
Unforeseen	77,642	90,488	92,713	94,608	56,928	412,379
Accessability Measures	412,000	0	0	0	0	412,000
ESG Improvments	309,000	0	0	0	0	309,000
SSUT Refurbishment	257,500	0	0	0	0	257,500
Media Presence & Mobile App	52,000	0	0	0	0	52,000
Student Promotion	52,000	53,560	0	0	0	105,560
LEED Certification Silver	19,968	0	0	0	0	19,968
Total Capital Expenditures	1,180,110	144,048	92,713	94,608	56,928	1,568,407
Total Leasing & Capital Costs	1,338,030	716,677	142,262	102,850	2,587,944	4,887,762
Cash Flow Before Debt Service	5,169,259	6,995,144	8,382,257	8,559,195	1,343,065	30,448,919
Cash Flow Available for Distribution	**5,169,259**	**6,995,144**	**8,382,257**	**8,559,195**	**1,343,065**	**30,448,919**

SCENARIO 2 – MANAGE & SELL

GREENFIELD CAPITAL

Sources & Uses Report: Jan, 2022 through Jul, 2026

*** Amounts in WLD**

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	**Year 1 Dez-2022**	**Year 2 Dez-2023**	**Year 3 Dez-2024**	**Year 4 Dez-2025**	**Year 5 Jul-2026**	**Total**
Sources Of Capital						
Net Operating Gains	6,507,289	7,711,821	8,524,518	8,662,045	3,931,009	35,336,681
Initial Equity Contribution	139,100,000	0	0	0	0	139,100,000
Net Proceeds From Sale	0	0	0	0	162,358,600	162,358,600
Security Deposits	56,400	63,365	10,112	1,682	165,901	297,460
Distributed Deposit Investments	0	0	7,234	56,400	55,636	119,271
Defined Sources Of Capital	145,663,689	7,775,186	8,541,865	8,720,127	166,511,146	337,212,012
Required Equity Contributions	0	0	0	0	0	0
Total Sources Of Capital	145,663,689	7,775,186	8,541,865	8,720,127	166,511,146	337,212,012
Uses Of Capital						
Property Purchase Price	139,100,000	0	0	0	0	139,100,000
Total Property Purchase Price	139,100,000	0	0	0	0	139,100,000
Leasing Commissions	157,920	572,629	49,549	8,242	2,531,016	3,319,355
Capital Expenditures	1,180,110	144,048	92,713	94,608	56,928	1,568,407
Invested Security Deposits	56,400	63,365	10,112	1,682	165,901	297,460
Deposit Refund	0	0	7,234	56,400	55,636	119,271
Defined Uses Of Capital	140,494,430	780,042	159,608	160,932	2,809,481	144,404,493
Cash Flow Distributions	5,169,259	6,995,144	8,382,257	8,559,195	163,701,664	192,807,519
Total Uses Of Capital	145,663,689	7,775,186	8,541,865	8,720,127	166,511,146	337,212,012
Unleveraged Cash on Cash Return						
Cash to Purchase Price	3.72%	5.03%	6.03%	6.15%	0.97%	21.89%
NOI to Book Value	4.63%	5.46%	6.03%	6.13%	2.73%	24.54%
Leveraged Cash on Cash Return						
Cash to Initial Equity	3.72%	5.03%	6.03%	6.15%	0.97%	21.89%
Running Equity Balance	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000
Cash to Equity Balance	3.72%	5.03%	6.03%	6.15%	117.69%	117.69%
Cumulative Total Purchase Price	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000
Cumulative Total Book Value	140,438,030	141,154,707	141,296,968	141,399,818	143,987,762	143,987,762
Unleveraged Monthly IRR					8.10%	
Leveraged Monthly IRR					8.10%	

* Results displayed are based on Forecast data only

Value Matrix Report

Key Valuation Policies	
Valuation (PV/IRR) Date:	1. Januar 2022
Date of Sale:	Juli, 2026
Discount Method:	Monthly
Period to Cap (at Sale):	12 Months After Sale

Value Matrix						
Table Shows:	**1) Unleveraged PV's**	**1) Net Sale Price 2) Exit Cap Rate**				
	2) Unleveraged PV's $/SM	**196,338,497**	**177,745,723**	**162,358,600**	**149,413,877**	**138,372,790**
	3) Going In Cap. Rates	**4.80%**	**5.30%**	**5.80%**	**6.30%**	**6.80%**
1) Cash Flow Discount Rate	**7,00%**	170,040,582	156,405,161	145,120,675	135,627,378	127,530,153
2) Resale Discount Rate	**7,00%**	4,928.71	4,533.48	4,206.40	3,931.23	3,696.53
		3.83%	4.16%	4.48%	4.80%	5.10%
	7,50%	166,723,986	153,376,830	142,330,908	133,038,308	125,112,265
	7,50%	4,832.58	4,445.71	4,125.53	3,856.18	3,626.44
		3.90%	4.24%	4.57%	4.89%	5.20%
	8,00%	163,490,278	150,423,997	139,610,524	130,513,475	122,754,227
	8,00%	4,738.85	4,360.12	4,046.68	3,783.00	3,558.09
		3.98%	4.33%	4.66%	4.99%	5.30%
	8,50%	160,336,996	147,544,423	136,957,467	128,050,980	120,454,270
	8,50%	4,647.45	4,276.65	3,969.78	3,711.62	3,491.43
		4.06%	4.41%	4.75%	5.08%	5.40%
	9,00%	157,261,763	144,735,946	134,369,753	125,648,987	118,210,686
	9,00%	4,558.31	4,195.24	3,894.78	3,642.00	3,426.40
		4.14%	4.50%	4.84%	5.18%	5.50%

Sales Price Calculation					
NOI To Capitalize	**9,854,170**	**9,854,170**	**9,854,170**	**9,854,170**	**9,854,170**
Divided by Cap Rate	4.80%	5.30%	5.80%	6.30%	6.80%
Gross Sales Price	**205,295,210**	**185,927,738**	**169,899,485**	**156,415,398**	**144,914,266**
A&T Vacancy	-59,232	-59,232	-59,232	-59,232	-59,232
Free Rent	-167,459	-167,459	-167,459	-167,459	-167,459
LC Adjustments	-287,325	-287,325	-287,325	-287,325	-287,325
Capital Expenses	-105,676	-105,676	-105,676	-105,676	-105,676
Adjustments to Sale	0	0	0	0	0
Adjusted Gross Sales Price	**204,675,518**	**185,308,045**	**169,279,792**	**155,795,706**	**144,294,573**
Cost of Sales	-8,337,021	-7,562,322	-6,921,192	-6,381,828	-5,921,783
Net Sale Price	**196,338,497**	**177,745,723**	**162,358,600**	**149,413,877**	**138,372,790**

* Results displayed are based on Forecast data only

SCENARIO 3 – REDEVELOP & SELL

GREENFIELD CAPITAL

Cash Flow Report: Jan, 2022 through Dec, 2031

***Amounts in WLD**

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	**Year 1 Dez-2022**	**Year 2 Dez-2023**	**Year 3 Dez-2024**	**Year 4 Dez-2025**	**Year 5 Dez-2026**	**Year 6 Dez-2027**	**Year 7 Dez-2028**	**Year 8 Dez-2029**	**Year 9 Dez-2030**	**Year 10 Dez-2031**	**Total**
Rental Revenue											
Potential Base Rent	7,628,183	9,132,000	10,620,604	12,725,592	14,199,378	14,896,414	15,150,032	15,306,430	15,468,517	15,460,703	130,587,854
Absorption & Turnover Vacancy	0	0	-22,342	-3,745	-7,680	-33,922	-90,604	-89,448	-96,482	-12,832	-357,055
Free Rent	-727,288	-1,135,615	-54,539	0	0	-20,838	-6,867	0	-26,674	-11,145	-1,982,964
Scheduled Base Rent	6,900,896	7,996,385	10,543,724	12,721,847	14,191,698	14,841,654	15,052,562	15,216,982	15,345,361	15,436,727	128,247,835
Total Rental Revenue	6,900,896	7,996,385	10,543,724	12,721,847	14,191,698	14,841,654	15,052,562	15,216,982	15,345,361	15,436,727	128,247,835
Other Tenant Revenue											
Total Expense Recoveries	1,231,688	1,699,116	1,883,074	1,920,562	1,878,899	1,951,338	1,954,297	1,961,263	1,968,643	1,981,066	18,429,947
Total Other Tenant Revenue	1,231,688	1,699,116	1,883,074	1,920,562	1,878,899	1,951,338	1,954,297	1,961,263	1,968,643	1,981,066	18,429,947
Total Tenant Revenue	8,132,584	9,695,501	12,426,798	14,642,409	16,070,597	16,792,992	17,006,859	17,178,244	17,314,004	17,417,793	146,677,782
Other Revenue											
E-Supercharger	0	0	0	40,121	54,565	55,656	56,769	57,905	59,063	60,244	384,322
PV Energy	0	0	0	41,793	56,838	57,975	59,135	60,317	61,524	62,754	400,336
E-Charger	0	0	0	40,121	54,565	55,656	56,769	57,905	59,063	60,244	384,322
Total Other Revenue	0	0	0	122,035	165,968	169,287	172,673	176,126	179,649	183,242	1,168,980
Potential Gross Revenue	8,132,584	9,695,501	12,426,798	14,764,444	16,236,565	16,962,280	17,179,532	17,354,371	17,493,653	17,601,035	147,846,762
Vacancy & Credit Loss											
Vacancy Allowance	-406,629	-484,775	-600,115	-734,665	-804,532	-815,888	-772,903	-784,231	-798,287	-867,861	-7,069,887
Credit Loss	-48,725	-64,769	-83,999	-105,335	-119,444	-125,364	-126,502	-128,255	-129,001	-130,275	-1,061,671
Total Vacancy & Credit Loss	-455,354	-549,544	-684,114	-840,000	-923,977	-941,252	-899,405	-912,486	-927,288	-998,136	-8,131,557
Effective Gross Revenue	7,677,230	9,145,957	11,742,683	13,924,444	15,312,588	16,021,027	16,280,127	16,441,885	16,566,365	16,602,899	139,715,205
Operating Expenses											
Insurance Office	8,736	9,159	9,834	12,705	12,959	13,218	13,483	13,752	14,027	14,308	122,181
Insurance Retail	15,350	15,768	16,068	16,389	16,717	17,052	17,393	17,741	18,095	18,457	169,030
Utilities Office	43,680	45,794	49,168	49,232	45,357	46,264	47,189	48,133	49,096	50,078	473,991
Utilities Retail	76,752	78,838	80,341	63,509	58,510	59,681	60,874	62,092	63,334	64,600	668,531
Common Area Maintenance	43,482	46,482	53,793	64,899	69,607	70,999	72,419	73,867	75,345	76,852	647,744
Maintenance and Major Repairs	34,504	39,982	52,719	63,609	70,958	74,208	75,263	76,085	76,727	77,184	641,239
Management	31,054	35,984	47,447	57,248	63,863	66,787	67,737	68,476	69,054	69,465	577,115
Property Taxes	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	15,341,910
Legal & Professional Fees	36,400	37,492	38,242	39,007	39,787	40,583	41,394	42,222	43,067	43,928	402,121
Tenants Partnership Programs	52,000	53,560	54,631	55,724	56,838	57,975	59,135	60,317	61,524	62,754	574,458
Annual Marketing Budget	26,000	26,780	27,316	27,862	28,419	28,988	29,567	30,159	30,762	31,377	287,229
Citizen & Community Involvement	52,000	53,560	54,631	55,724	56,838	57,975	59,135	60,317	61,524	62,754	574,458
ESG Recertification Fee	0	0	0	0	7,777	7,932	8,091	8,253	8,418	8,586	49,056
Stop Food-Wast Programm	12,480	12,854	13,111	13,374	13,641	13,914	14,192	14,476	14,766	15,061	137,870
Insurance Industrial	0	0	0	802	1,091	1,113	1,135	1,158	1,181	1,205	7,686
Insurance Roof	0	540	2,204	2,248	2,293	2,338	2,385	2,433	2,482	2,531	19,453
Insurance Apartments	0	0	0	2,808	3,820	3,896	3,974	4,053	4,134	4,217	26,903
Utilities Industrial	0	0	0	8,024	10,913	11,131	11,354	11,581	11,813	12,049	76,864
Utilities Roof	0	2,700	11,018	11,238	11,463	11,692	11,926	12,164	12,408	12,656	97,264
Utilities Apartments	0	0	0	8,024	10,913	11,131	11,354	11,581	11,813	12,049	76,864
Tenant Improvements	0	771,681	0	89,158	1,281,350	0	63,972	117,926	0	43,752	2,367,839
Total Operating Expenses	1,966,630	2,765,365	2,044,712	2,175,776	3,397,305	2,131,069	2,206,162	2,270,978	2,163,758	2,218,053	23,339,806
Net Operating Income	5,710,600	6,380,592	9,697,972	11,748,668	11,915,283	13,889,959	14,073,966	14,170,907	14,402,607	14,384,845	116,375,398
Leasing Costs											
Leasing Commissions	157,920	1,004,116	80,121	2,575,706	2,950,028	203,560	2,183,327	808,063	660,840	1,934,936	12,558,617
Lease Break Penalty	250,000	0	0	0	0	0	0	0	0	0	250,000
Security Deposits	-56,400	-206,558	-10,975	-221,626	-197,818	-29,598	-211,149	-85,079	-93,145	-184,703	-1,297,050
Invested Security Deposits	56,400	206,558	10,975	221,626	197,818	29,598	211,149	85,079	93,145	184,703	1,297,050
Distributed Deposit Investments	-53,106	0	-7,234	-56,400	-55,636	-17,791	-137,367	-64,816	-78,998	-138,795	-610,144
Deposit Refund	53,106	0	7,234	56,400	55,636	17,791	137,367	64,816	78,998	138,795	610,144
Total Leasing Costs	407,920	1,004,116	80,121	2,575,706	2,950,028	203,560	2,183,327	808,063	660,840	1,934,936	12,808,617
Capital Expenditures											
Unforeseen	69,009	79,964	105,437	127,218	141,917	148,417	150,526	152,170	153,454	154,367	1,282,478
Accessability Measures	412,000	0	0	0	0	0	0	0	0	0	412,000
ESG Improvments	1,123,387	1,580,034	1,223,854	627,225	0	0	0	0	0	0	4,554,500
SSUT Refurbishment	257,500	0	0	0	0	0	0	0	0	0	257,500
Retail Refurbishment	1,947,215	2,005,631	0	0	0	0	0	0	0	0	3,952,846
Venette Office Enlargement	0	2,652,250	0	0	0	0	0	0	0	0	2,652,250
Office Refurbishment	0	4,948,038	0	0	0	0	0	0	0	0	4,948,038
Roof Build Out	0	2,377,265	0	0	0	0	0	0	0	0	2,377,265
Car Park Build Out	0	6,170,902	25,424,115	6,514,929	0	0	0	0	0	0	38,109,946
ESG-Certifications	0	0	0	60,928	0	0	0	0	0	0	60,928
Media Presence & Mobile App	52,000	0	0	0	0	0	0	0	0	0	52,000
Student Promotion	52,000	53,560	0	0	0	0	0	0	0	0	105,560
Rebranding	0	107,120	0	0	0	0	0	0	0	0	107,120
Total Capital Expenditures	3,913,111	19,974,763	26,753,406	7,330,302	141,917	148,417	150,526	152,170	153,454	154,367	58,872,431
Total Leasing & Capital Costs	4,321,031	20,978,879	26,833,527	9,906,008	3,091,945	351,977	2,333,853	960,233	814,294	2,089,303	71,681,049
Cash Flow Before Debt Service	1,389,569	-14,598,287	-17,135,556	1,842,660	8,823,339	13,537,982	11,740,113	13,210,674	13,588,313	12,295,542	44,694,350
Debt Service											
Interest											
All Measures	41,944	553,191	1,603,104	2,383,027	2,361,536	2,310,615	2,257,433	2,201,944	2,144,051	2,083,648	17,940,493
Total Interest	41,944	553,191	1,603,104	2,383,027	2,361,536	2,310,615	2,257,433	2,201,944	2,144,051	2,083,648	17,940,493
Principal											
All Measures	16,684	230,871	707,488	1,114,854	1,176,187	1,227,189	1,280,371	1,335,860	1,393,753	1,454,156	9,937,413
Total Principal	16,684	230,871	707,488	1,114,854	1,176,187	1,227,189	1,280,371	1,335,860	1,393,753	1,454,156	9,937,413
Total Debt Service	58,628	784,062	2,310,592	3,497,881	3,537,723	3,537,804	3,537,804	3,537,804	3,537,804	3,537,804	27,877,906
Cash Flow After Debt Service	1,330,941	-15,382,349	-19,446,148	-1,655,221	5,285,616	10,000,178	8,202,309	9,672,870	10,050,509	8,757,738	16,816,444
Financing											
Proceeds											
All Measures	3,882,931	20,068,706	26,944,191	7,260,456	15,386	0	0	0	0	0	58,171,670
Total Proceeds	3,882,931	20,068,706	26,944,191	7,260,456	15,386	0	0	0	0	0	58,171,670
Loan Costs											
All Measures	-38,829	-200,687	-269,442	-72,605	-154	0	0	0	0	0	-581,717
Total Loan Costs	-38,829	-200,687	-269,442	-72,605	-154	0	0	0	0	0	-581,717
Total Financing (Net)	3,844,102	19,868,019	26,674,749	7,187,851	15,232	0	0	0	0	0	57,589,953
Cash Flow Available for Distribution	**5,175,043**	**4,485,670**	**7,228,601**	**5,532,630**	**5,300,848**	**10,000,178**	**8,202,309**	**9,672,870**	**10,050,509**	**8,757,738**	**74,406,397**

SCENARIO 3 – REDEVELOP & SELL

GREENFIELD CAPITAL

Cash Flow Report: Jan, 2022 through Feb, 2027

*** Amounts in WLD**

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	**Year 1 Dez-2022**	**Year 2 Dez-2023**	**Year 3 Dez-2024**	**Year 4 Dez-2025**	**Year 5 Dez-2026**	**Year 6 Feb-2027**	**Total**
Rental Revenue							
Potential Base Rent	7,628,183	9,132,000	10,620,604	12,725,592	14,199,378	2,462,853	56,768,610
Absorption & Turnover Vacancy	0	0	-22,342	-3,745	-7,680	0	-33,767
Free Rent	-727,288	-1,135,615	-54,539	0	0	0	-1,917,441
Scheduled Base Rent	6,900,896	7,996,385	10,543,724	12,721,847	14,191,698	2,462,853	54,817,403
Total Rental Revenue	6,900,896	7,996,385	10,543,724	12,721,847	14,191,698	2,462,853	54,817,403
Other Tenant Revenue							
Total Expense Recoveries	1,231,688	1,699,116	1,883,074	1,920,562	1,878,899	325,430	8,938,769
Total Other Tenant Revenue	1,231,688	1,699,116	1,883,074	1,920,562	1,878,899	325,430	8,938,769
Total Tenant Revenue	8,132,584	9,695,501	12,426,798	14,642,409	16,070,597	2,788,283	63,756,172
Other Revenue							
E-Supercharger	0	0	0	40,121	54,565	9,276	103,962
PV Energy	0	0	0	41,793	56,838	9,663	108,294
E-Charger	0	0	0	40,121	54,565	9,276	103,962
Total Other Revenue	0	0	0	122,035	165,968	28,215	316,218
Potential Gross Revenue	8,132,584	9,695,501	12,426,798	14,764,444	16,236,565	2,816,498	64,072,389
Vacancy & Credit Loss							
Vacancy Allowance	-406,629	-484,775	-600,115	-734,665	-804,532	-140,825	-3,171,541
Credit Loss	-48,725	-64,769	-83,999	-105,335	-119,444	-20,794	-443,067
Total Vacancy & Credit Loss	-455,354	-549,544	-684,114	-840,000	-923,977	-161,619	-3,614,609
Effective Gross Revenue	7,677,230	9,145,957	11,742,683	13,924,444	15,312,588	2,654,879	60,457,781
Operating Expenses							
Insurance Office	8,736	9,159	9,834	12,705	12,959	2,203	55,596
Insurance Retail	15,350	15,768	16,068	16,389	16,717	2,842	83,135
Utilities Office	43,680	45,794	49,168	49,232	45,357	7,711	240,942
Utilities Retail	76,752	78,838	80,341	63,509	58,510	9,947	367,897
Common Area Maintenance	43,482	46,482	53,793	64,899	69,607	11,833	290,095
Maintenance and Major Repairs	34,504	39,982	52,719	63,609	70,958	12,314	274,087
Management	31,054	35,984	47,447	57,248	63,863	11,083	246,678
Property Taxes	1,534,191	1,534,191	1,534,191	1,534,191	1,534,191	255,698	7,926,653
Legal & Professional Fees	36,400	37,492	38,242	39,007	39,787	6,764	197,691
Tenants Partnership Programs	52,000	53,560	54,631	55,724	56,838	14,494	287,247
Annual Marketing Budget	26,000	26,780	27,316	27,862	28,419	4,831	141,208
Citizen & Community Involvement	52,000	53,560	54,631	55,724	56,838	14,494	287,247
ESG Recertification Fee	0	0	0	0	7,777	7,932	15,709
Stop Food-Wast Programm	12,480	12,854	13,111	13,374	13,641	2,319	67,780
Insurance Industrial	0	0	0	802	1,091	186	2,079
Insurance Roof	0	540	2,204	2,248	2,293	390	7,673
Insurance Apartments	0	0	0	2,808	3,820	649	7,277
Utilities Industrial	0	0	0	8,024	10,913	1,855	20,792
Utilities Roof	0	2,700	11,018	11,238	11,463	1,949	38,367
Utilities Apartments	0	0	0	8,024	10,913	1,855	20,792
Tenant Improvements	0	771,681	0	89,158	1,281,350	0	2,142,189
Total Operating Expenses	1,966,630	2,765,365	2,044,712	2,175,776	3,397,305	371,349	12,721,136
Net Operating Income	5,710,600	6,380,592	9,697,972	11,748,668	11,915,283	2,283,530	47,736,645
Leasing Costs							
Leasing Commissions	157,920	1,004,116	80,121	2,575,706	2,950,028	0	6,767,891
Lease Break Penalty	250,000	0	0	0	0	0	250,000
Security Deposits	-56,400	-206,558	-10,975	-221,626	-197,818	0	-693,377
Invested Security Deposits	56,400	206,558	10,975	221,626	197,818	0	693,377
Distributed Deposit Investments	-53,106	0	-7,234	-56,400	-55,636	-6,102	-178,479
Deposit Refund	53,106	0	7,234	56,400	55,636	6,102	178,479
Total Leasing Costs	407,920	1,004,116	80,121	2,575,706	2,950,028	0	7,017,891
Capital Expenditures							
Unforeseen	69,009	79,964	105,437	127,218	141,917	24,629	548,174
Accessability Measures	412,000	0	0	0	0	0	412,000
ESG Improvments	1,123,387	1,580,034	1,223,854	627,225	0	0	4,554,500
SSUT Refurbishment	257,500	0	0	0	0	0	257,500
Retail Refurbishment	1,947,215	2,005,631	0	0	0	0	3,952,846
Venette Office Enlargement	0	2,652,250	0	0	0	0	2,652,250
Office Refurbishment	0	4,948,038	0	0	0	0	4,948,038
Roof Build Out	0	2,377,265	0	0	0	0	2,377,265
Car Park Build Out	0	6,170,902	25,424,115	6,514,929	0	0	38,109,946
ESG-Certifications	0	0	0	60,928	0	0	60,928
Media Presence & Mobile App	52,000	0	0	0	0	0	52,000
Student Promotion	52,000	53,560	0	0	0	0	105,560
Rebranding	0	107,120	0	0	0	0	107,120
Total Capital Expenditures	3,913,111	19,974,763	26,753,406	7,330,302	141,917	24,629	58,138,127
Total Leasing & Capital Costs	4,321,031	20,978,879	26,833,527	9,906,008	3,091,945	24,629	65,156,018
Cash Flow Before Debt Service	1,389,569	-14,598,287	-17,135,556	1,842,660	8,823,339	2,258,902	-17,419,373
Debt Service							
Interest							
All Measures	41,944	553,191	1,603,104	2,383,027	2,361,536	388,701	7,331,503
Total Interest	41,944	553,191	1,603,104	2,383,027	2,361,536	388,701	7,331,503
Principal							
All Measures	16,684	230,871	707,488	1,114,854	1,176,187	200,933	3,447,017
Total Principal	16,684	230,871	707,488	1,114,854	1,176,187	200,933	3,447,017
Total Debt Service	58,628	784,062	2,310,592	3,497,881	3,537,723	589,634	10,778,520
Cash Flow After Debt Service	1,330,941	-15,382,349	-19,446,148	-1,655,221	5,285,616	1,669,268	-28,197,893
Financing							
Proceeds							
All Measures	3,882,931	20,068,706	26,944,191	7,260,456	15,386	0	58,171,670
Total Proceeds	3,882,931	20,068,706	26,944,191	7,260,456	15,386	0	58,171,670
Loan Costs							
All Measures	-38,829	-200,687	-269,442	-72,605	-154	0	-581,717
Total Loan Costs	-38,829	-200,687	-269,442	-72,605	-154	0	-581,717
Total Financing (Net)	3,844,102	19,868,019	26,674,749	7,187,851	15,232	0	57,589,953
Cash Flow Available for Distribution	**5,175,043**	**4,485,670**	**7,228,601**	**5,532,630**	**5,300,848**	**1,669,268**	**29,392,060**

SCENARIO 3 – REDEVELOP & SELL

GREENFIELD CAPITAL

Loan Amortization Report: Jan, 2022 through Dec, 2031 * Amounts in WLD

Loan Name	All Measures
Loan Type	Amortizing
Loan Start Date	1062022
Loan Term	57 Months
Amortization Term	360 Months

Date	Beginning Balance	Proceeds	Loan Costs	Interest Rate	Amortized Payments	Interest Payments	Principal Payments	Balloon Payment	Ending Balance
2022	0	3,882,931	38,829	4.25%	58,628	41,944	16,684	0	3,866,247
2023	3,866,247	20,068,706	200,687	4.25%	784,062	553,191	230,871	0	23,704,082
2024	23,704,082	26,944,191	269,442	4.25%	2,310,592	1,603,104	707,488	0	49,940,785
2025	49,940,785	7,260,456	72,605	4.25%	3,497,881	2,383,027	1,114,854	0	56,086,387
2026	56,086,387	15,386	154	4.25%	3,537,723	2,361,536	1,176,187	0	54,925,586
2027	54,925,586	0	0	4.25%	589,634	388,701	200,933	54,724,653	0
Final Totals	0	58,171,670	581,717	4.25%	10,778,520	7,331,503	3,447,017	54,724,653	0

* Results displayed are based on Forecast data only

Sources & Uses Report: Jan, 2022 through Feb, 2027

	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
For the Years Ending	**Year 1 Dez-2022**	**Year 2 Dez-2023**	**Year 3 Dez-2024**	**Year 4 Dez-2025**	**Year 5 Dez-2026**	**Year 6 Feb-2027**	**Total**
Sources Of Capital							
Net Operating Gains	5,710,600	6,380,592	9,697,972	11,748,668	11,915,283	2,283,530	47,736,645
Debt Funding Proceeds	3,882,931	20,068,706	26,944,191	7,260,456	15,386	0	58,171,670
Initial Equity Contribution	139,100,000	0	0	0	0	0	139,100,000
Net Proceeds From Sale	0	0	0	0	0	251,635,061	251,635,061
Security Deposits	56,400	206,558	10,975	221,626	197,818	0	693,377
Distributed Deposit Investments	53,106	0	7,234	56,400	55,636	6,102	178,479
Defined Sources Of Capital	148,803,037	26,655,856	36,660,372	19,287,149	12,184,123	253,924,694	497,515,232
Required Equity Contributions	0	0	0	0	0	0	0
Total Sources Of Capital	148,803,037	26,655,856	36,660,372	19,287,149	12,184,123	253,924,694	497,515,232
Uses Of Capital							
Property Purchase Price	139,100,000	0	0	0	0	0	139,100,000
Total Property Purchase Price	139,100,000	0	0	0	0	0	139,100,000
Total Debt Service	58,628	784,062	2,310,592	3,497,881	3,537,723	589,634	10,778,520
Total Loan Costs	38,829	200,687	269,442	72,605	154	0	581,717
Leasing Commissions	157,920	1,004,116	80,121	2,575,706	2,950,028	0	6,767,891
Lease Break Penalties	250,000	0	0	0	0	0	250,000
Capital Expenditures	3,913,111	19,974,763	26,753,406	7,330,302	141,917	24,629	58,138,127
Debt Retirement	0	0	0	0	0	54,724,653	54,724,653
Invested Security Deposits	56,400	206,558	10,975	221,626	197,818	0	693,377
Deposit Refund	53,106	0	7,234	56,400	55,636	6,102	178,479
Defined Uses Of Capital	143,627,994	22,170,186	29,431,771	13,754,519	6,883,276	55,345,018	271,212,763
Cash Flow Distributions	5,175,043	4,485,670	7,228,601	5,532,630	5,300,848	198,579,676	226,302,469
Total Uses Of Capital	148,803,037	26,655,856	36,660,372	19,287,149	12,184,123	253,924,694	497,515,232
Unleveraged Cash on Cash Return							
Cash to Purchase Price	1.00%	-10.49%	-12.32%	1.32%	6.34%	1.62%	-12.52%
NOI to Book Value	3.98%	3.88%	5.07%	5.84%	5.83%	1.12%	23.37%
Leveraged Cash on Cash Return							
Cash to Initial Equity	0.96%	-11.06%	-13.98%	-1.19%	3.80%	1.20%	-20.27%
Running Equity Balance	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000
Cash to Equity Balance	3.72%	3.22%	5.20%	3.98%	3.81%	142.76%	142.76%
Cumulative Total Purchase Price	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000	139,100,000
Cumulative Total Book Value	143,171,031	164,149,909	190,983,437	200,889,445	203,981,389	204,006,018	204,006,018
Unleveraged Monthly IRR						9.76%	
Leveraged Monthly IRR						10.66%	

* Results displayed are based on Forecast data only

SCENARIO 3 – REDEVELOP & SELL

GREENFIELD CAPITAL

Value Matrix Report

*** Amounts in WLD**

Key Valuation Policies	
Valuation (PV/IRR) Date:	1. Januar 2022
Date of Sale:	Februar, 2027
Discount Method:	Monthly
Period to Cap (at Sale):	12 Months After Sale

Value Matrix						
Table Shows:	**1) Unleveraged PV's**			**1) Net Sale Price 2) Exit Cap Rate**		
	2) Unleveraged PV's $/SM	**31097057700.00%**	**27817989700.00%**	**25163506100.00%**	**22970671800.00%**	**21128691000.00%**
	3) Going In Cap. Rates	0	0	0	0	0
1) Cash Flow Discount Rate	**7,00%**	202,465,678.00	179,348,530.00	160,634,649.00	145,175,356.00	132,189,550.00
2) Resale Discount Rate	7,00%	580380.00%	514114.00%	460469.00%	416154.00%	378929.00%
		0	0	0	0	0
	7,50%	197,310,464.00	174,743,488.00	156,474,984.00	141,383,612.00	128,706,858.00
	7,50%	565603.00%	500913.00%	448545.00%	405285.00%	368946.00%
		0	0	0	0	0
	8,00%	192,304,273.00	170,271,913.00	152,436,193.00	137,702,337.00	125,325,899.00
	8,00%	551252.00%	488095.00%	436968.00%	394732.00%	359254.00%
		0	0	0	0	0
	8,50%	187,442,189.00	165,929,396.00	148,514,279.00	134,127,878.00	122,043,301.00
	8,50%	537315.00%	475647.00%	425725.00%	384486.00%	349845.00%
		0	0	0	0	0
	9,00%	182,719,477.00	161,711,696.00	144,705,397.00	130,656,715.00	118,855,822.00
	9,00%	523777.00%	463557.00%	414807.00%	374536.00%	340708.00%
		0.031253372	0.035313462	0.039463627	0.043706898	0.048046445

Sales Price Calculation					
NOI To Capitalize	1379087200.00%	1379087200.00%	1379087200.00%	1379087200.00%	1379087200.00%
Divided by Cap Rate	**0**	**0**	**0**	**0**	**0**
Gross Sales Price	324,491,104	290,334,146	262,683,275	239,841,251	220,653,951
A&T Vacancy	-33,922	-33,922	-33,922	-33,922	-33,922
Free Rent	-20,838	-20,838	-20,838	-20,838	-20,838
LC Adjustments	-203,560	-203,560	-203,560	-203,560	-203,560
Capital Expenses	-148,850	-148,850	-148,850	-148,850	-148,850
Adjustments to Sale	**0**	**0**	**0**	**0**	**0**
Adjusted Gross Sales Price	324,083,934	289,926,976	262,276,105	239,434,081	220,246,781
Cost of Sales	**-13,113,357**	**-11,747,079**	**-10,641,044**	**-9,727,363**	**-8,959,871**
Net Sale Price	310970577	278179897	251635061	229706718	211286910

* Results displayed are based on Forecast data only

Sensitivity Matrix Results: Base Scenario

*** Amounts in WLD**

Original Base, Relative Variances
PV / IRR Date: 01.01.2022
Discount Interval: Monthly

Inflation: Market Inflation Rate	+1,00%	+0,50%		-0,50%	-1,00%
Inflation: CPI Inflation Rate	+1,00%	+0,50%		-0,50%	-1,00%
Inflation: Expense Inflation Rate	+1,00%	+0,50%		-0,50%	-1,00%
Construction Cost Inflation	+1,00%	+0,50%		-0,50%	-1,00%
Market Leasing: Base Rent - New	x90,00%	x95,00%		x105,00%	x110,00%
Market Leasing: Base Rent - Renew	x90,00%	x95,00%		x105,00%	x110,00%
Market Leasing: Months Vacant	x200,00%	x150,00%		x50,00%	x0,00%
Resale: Cap Rate %	+0,50%	+0,25%		-0,25%	-0,50%
Capital Expense: Amount	x110,00%	x105,00%		x95,00%	x90,00%
Vacancy Allowance Percentage	+2,50%	+1,25%		-1,25%	-2,50%
Debt: Interest Rate	+1,00%	+0,50%		-0,50%	-1,00%
-1,00% Discount Rate	Leveraged IRR 5,97% ↓ Leveraged PV 132,830,649 ↓	Leveraged IRR 8,35% ↓ Leveraged PV 147,625,433 ↓	Leveraged IRR 10,66% = Leveraged PV 163,287,747 ↑	Leveraged IRR 12,94% ↑ Leveraged PV 180,042,760 ↑	Leveraged IRR 15,21% ↑ Leveraged PV 198,065,638 ↑
-0,50% Discount Rate	Leveraged IRR 5,97% ↓ Leveraged PV 129,923,957 ↓	Leveraged IRR 8,35% ↓ Leveraged PV 144,382,029 ↓	Leveraged IRR 10,66% = Leveraged PV 159,686,474 ↑	Leveraged IRR 12,94% ↑ Leveraged PV 176,056,999 ↑	Leveraged IRR 15,21% ↑ Leveraged PV 193,664,670 ↑
	Leveraged IRR 5,97% ↓ Leveraged PV 127,097,592 ↓	Leveraged IRR 8,35% ↓ Leveraged PV 141,228,297 ↓	Leveraged IRR 10,66% = Leveraged PV 156,184,823 =	Leveraged IRR 12,94% ↑ Leveraged PV 172,181,572 ↑	Leveraged IRR 15,21% ↑ Leveraged PV 189,385,621 ↑
+0,50% Discount Rate	Leveraged IRR 5,97% ↓ Leveraged PV 124,348,954 ↓	Leveraged IRR 8,35% ↓ Leveraged PV 138,161,335 ↓	Leveraged IRR 10,66% = Leveraged PV 152,779,572 ↓	Leveraged IRR 12,94% ↑ Leveraged PV 168,412,907 ↑	Leveraged IRR 15,21% ↑ Leveraged PV 185,224,547 ↑
+1,00% Discount Rate	Leveraged IRR 5,97% ↓ Leveraged PV 121,675,541 ↓	Leveraged IRR 8,35% ↓ Leveraged PV 135,178,352 ↓	Leveraged IRR 10,66% = Leveraged PV 149,467,614 ↓	Leveraged IRR 12,94% ↑ Leveraged PV 164,747,566 ↑	Leveraged IRR 15,21% ↑ Leveraged PV 181,177,645 ↑

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Expert Interviews

- Investment Analyst (Köln)
- Shopping Center-Manager I (Hamburg)
- Shopping Center-Manager II (Hamburg)

ABOUT OUR TEAM

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"… there is a whole floor of bored interns on the 17th."

- Danny Moses -

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THE PEOPLE BEHIND GC

MAXIMILIAN HOLLAND - DEVELOPMENT ANALYST

Max was responsible for research and execution of active asset management measures and project development at GC. He finished his Bachelor’s in economics at the University in Freiburg in 2020 and is now in his second year of the Real Estate Master’s program at IREBS, University of Regensburg. He has interned in tax consultancy and real estate transaction advisory. In his free time, he loves sports, international cuisine and gardening.

MARKUS IRL - VALUATION ANALYST

Markus was responsible for cash flow modeling in ARGUS and the evaluation of the scenarios from a quantitative perspective. After completing his bachelor's degree at the DHBW in Stuttgart, he worked for 2 years in fund management at Jamestown. Since 2020, he has been doing his master’s at IREBS. In his free time, he likes to travel, is a passionate cook and enjoys spending time with family and friends.

JAKOB KOZAK - BUSINESS STRATEGY ANALYST

Jakob was in charge of business strategy development and project coordination at GC. After graduating from European Business School, Oestrich-Winkel, with a Bachelor’s in Business Administration, he joined the IREBS 2020 real estate Master’s program at the University of Regensburg. Jakob gained business insights in transaction advisory at EY and business development at Otto Group. In his free time, he enjoys to read, play sports, or meet friends.

KORBINIAN MEIER - RESEARCH & SUSTAINABILITY ANALYST

Korbinian handled the research for property analysis and sustainability issues at GC. He holds a Bachelor´s degree in civil engineering from the University of Applied Science in Munich. He will finish the Real Estate Master´s program at IREBS in 2023. In addition to his studies, he interned at Deutsche Pfandbriefbank in the field of valuation and at project developer Bauwerk. In his spare time, Korbinian enjoys playing soccer and hiking.

KONRAD STAUFFENBERG - INNOVATION ANALYST

Konrad was responsible for the development of the utilization concept, future trends and the design. After finishing his Bachelor’s degree in Business Administration, he is currently in the second year of the Master’s program at IREBS, University of Regensburg. While studying, he gained experiences in valuation, investment and advisory and is currently working at the Chair of Real Estate Development. In his free time, he loves to do sports of any kind, cooking and traveling.

TIME TO SAY THANK YOU & GOODBYE

We would like to thank Altus Group for hosting this year's ARGUS University Challenge and giving us the opportunity to compete with the some of the best aspiring real estate professionals around the globe. It was a very intensive but also insightful time, during which we acquired additional professional knowledge and strengthened our team skills.

Many thanks go to Jessica Leal for her daily tips – guiding us through the process. We would like to thank Prof. Dr. Schäfers, Moritz Stang, Bastian Krämer and the Real Estate Management Department at IRE|BS University of Regensburg for their continuous guidance, support and advice. It was a privilege to represent IREBS in this competition for the third time.

"The greatest threat to our planet is the belief that someone else will save it."
– Robert Swan

It is hard to deny or avoid the fact that the real estate industry contributes significantly to global climate change. This comes with a great responsibility and, at the same time, opportunity to lead the way. The sooner each and every one of us takes action against climate change, the less drastic its impacts are estimated to be. Companies that not just engage in greenwashing to focus on maximizing profits, but merely derive and implement real sustainable solutions for the future of the planet, will be recognized as pioneers. With this fictitious project, we lived up to the challenge and contributed our visions to this joint effort.

Your Greenfield Capital – Team

Maximilian, Markus, Jakob, Korbinian and Konrad

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"All right. I buy that. Thank you."

- Vinnie Daniel -