



ASX Announcement

US Residential Fund (ASX:USR)

30 January 2017

Completion of Acquisition of Patriot's Pointe apartment complex at USD 22m

US Residential Fund (“USR” or “the Fund) is pleased to announce the completion of the acquisition of a majority share of the grade A, [Patriot's Pointe](#) multifamily apartment complex located in Hillsborough, North Carolina, with an acquisition price of USD 22m.

Key points of the property include:

- Patriot's Pointe is an grade A [multifamily](#) asset built in 2004, with 240, one, two and three bedroom apartments.
- We believe the property is significantly under rented with an initial yield of 6.0 percent. We believe that improvements in asset management will increase occupancy and deliver increased rents in the near term.
- The property was purchased with a debt package of USD 14.1m which is fixed at 3.65% percent for the next 30 years.
- USR controls the ownership of 74 per cent of the property and maintains full operational control.
- The remaining shareholders include a co-investment from the manager of the property.

The US multifamily apartment market is supported by strong rental trends and lower operating costs, as well as more attractive commercial real estate financing terms, as compared to single family properties. The acquisition of Patriot's Pointe is in line with the Fund's previously announced strategic move into investment in multifamily apartment complexes in economically strong cities and regions in the US. The board will continue to evaluate further potential acquisitions of [multifamily apartment complexes](#) in US in the coming months.

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About US Residential Fund: US Residential Fund is an Australian publicly traded vehicle which offers investors exposure to attractive, Institutional quality US multifamily real estate assets. Additional information about US Residential Fund can be found at www.usresi.com

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