

14 February 2017

## **US Masters Residential Property Fund (Fund)**

**ASX Code: URF**

### **Investment and NTA Update – 31 January 2017**

#### **NTA update**

The estimated unaudited net tangible asset before withholding tax on unpaid distributions as at 31 January 2017 was \$1.81\* per unit.

If estimated tax at 35% on unrealised portfolio gains or losses were recognised, the estimated unaudited post-tax net asset value before withholding tax on unpaid distributions as at 31 January 2017 would be \$1.59 per unit.

The Fund is a long-term investor and does not intend to dispose of its total portfolio, though as part of its ongoing capital management program it will from time to time dispose select properties and generally reinvest the proceeds into the target market.

The Fund is in the process of finalising its half-yearly property portfolio valuation exercise. The independent appraisal and property valuation will be included in the 31 December 2016 full year financial report. Accordingly, the NTA as at 31 January 2017 of \$1.81\* does not take into account any potential changes to the property portfolio fair value that might arise from that revaluation exercise.

#### **Property Portfolio Update**

During the month, the Fund acquired ten properties for a total acquisition cost of US\$8.1 million. Please find detailed descriptions of each property on the following pages.

\*Source: Walsh & Company Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.

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US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.

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**ADDRESS:** 233 Bergen Street, Brooklyn, NY 11217

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**REGION:** Boerum Hill

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**PROPERTY DESCRIPTION:**

- 2-family attached
- Apt 1: 1 bed/1 bath
- Apt 2: 4 bed/2.5 bath
- Approximate land size 2,000 sq ft
- Walk Score®: 97
- Transit Score®: 100

**KEY STATISTICS:**

<b>Acquisition Date:</b>	5 January 2017
<b>Total Acquisition Cost:</b>	US\$2,751,254
<b>Est. Monthly Rents:</b>	
- As 1-family attached	US\$21,995
<b>Est. Annual Net Yield:</b>	4.0%

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**OTHER COMMENTS:**

- Situated on a beautiful tree-lined block, this brick townhome was another exciting acquisition in the Boerum Hill Section of Brooklyn. Purchased at an attractive price, the Fund will be able to capitalise on zoning regulations which allows doubling the footprint of the home and maximising value on post-renovation. A modern renovation will compliment the historical feature of the property and transform this 19th century townhome into a present day masterpiece.

**LOCATION:**



**ADDRESS:** 970 Park Place, Brooklyn, NY 11213

**REGION:** Crown Heights



#### PROPERTY DESCRIPTION:

- 2-family attached
- Apt 1: 3 bed/2bath
- Apt 2: 2 bed/2 bath
- Approximate land size 2,555 sq ft
- Walk Score®: 95
- Transit Score®: 100

#### KEY STATISTICS:

<b>Acquisition Date:</b>	6 January 2017
<b>Total Acquisition Cost:</b>	US\$1,619,200
<b>Est. Monthly Rents:</b>	
- As 1-family attached	US\$11,495
<b>Est. Annual Net Yield:</b>	4.0%

#### OTHER COMMENTS:

- 970 Park Place was another example of the Fund's capability to find value in this gentrifying neighbourhood of Brooklyn. The Fund was able to leverage the outdated condition of this property to secure a very attractive purchase price. This gorgeous brownstone features a picturesque barrel-fronted façade and original details throughout. Once renovated, this property will become an impressive Crown Heights townhome that will benefit greatly from the close proximity to some of Brooklyn's best transport options.

#### LOCATION:



**ADDRESS:** 256 Montgomery Street, Jersey City, NJ 07302

**REGION:** Downtown



#### PROPERTY DESCRIPTION:

- 4-family attached
- Apt 1: 2 bed/1 bath
- Apt 2: 2 bed/1 bath
- Apt 3: 1 bed/1 bath
- Apt 4: 1 bed/1 bath
- Approximate land size 2,000 sq ft
- Walk Score®: 98
- Transit Score®: 82

#### KEY STATISTICS:

**Acquisition Date:** 11 January 2017

**Total Acquisition Cost:** US\$2,183,441

#### Est. Monthly Rents:

- Apt 1	US\$3,995
- Apt 2	US\$3,995
- Apt 3	US\$2,195
- Apt 4	US\$2,195

**Est. Annual Net Yield:** 4.5%

#### OTHER COMMENTS:

- Expanding upon an already impressive portfolio in Downtown Jersey City, the Fund was finally able to close the deal for 256 Montgomery Street after over a year of being under contract. Directly facing Van Vorst Park, this beautiful brownstone will be a welcomed addition to one of the Fund's most heavily invested streets in Downtown Jersey City. The Fund will continue to operate this property as a four family with plans to do a grand single family conversion in the future.

#### LOCATION:





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**ADDRESS:** 96 West 21st Street, Bayonne, NJ 07002

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**REGION:** Bayonne

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**PROPERTY DESCRIPTION:**

- 2-family detached
- Apt 1: 2 bed/1 bath
- Apt 2: 2 bed/1 bath
- Approximate land size 2,567 sq ft
- Walk Score®: 87
- Transit Score®: 60

**KEY STATISTICS:**

**Acquisition Date:** 17 January 2017

**Total Acquisition Cost:** US\$241,000

**Est. Monthly Rents:**  
- Apt 1 US\$1,895  
- Apt 2 US\$1,695

**Est. Annual Net Yield:** 5.0%

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**OTHER COMMENTS:**

- This detached home in prime Bayonne features an attractive façade and parking on the ground floor. Just a short walk from transit at the 22nd St Light Rail Station, a commute into Manhattan is simple and easy. Local amenities including top restaurants and bars are also just a short walk away on Broadway.

**LOCATION:**



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**ADDRESS:** 312 Virginia Avenue, Jersey City, NJ 07304

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**REGION:** West Bergen

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**PROPERTY DESCRIPTION:**

- 2-family detached
- Apt 1: 1 bed/1 bath
- Apt 2: 3 bed/1 bath
- Approximate land size 3,371 sq ft
- Walk Score®: 91
- Transit Score®: 70

**KEY STATISTICS:**

**Acquisition Date:** 18 January 2017

**Total Acquisition Cost:** US\$199,000

**Est. Monthly Rents:**  
- Apt 1 US\$1,295  
- Apt 2 US\$1,795

**Est. Annual Net Yield:** 5.3%

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**OTHER COMMENTS:**

- 312 Virginia Avenue is a product of masonry construction and features parking, a highly sought after attribute in this up-and-coming area of Jersey City. Within close proximity to the West Side Avenue retail and restaurant corridor, the property also benefits from its accessibility to Manhattan via the West Side Avenue light rail station and PATH trains at Exchange Place.

**LOCATION:**



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**ADDRESS:** 214 Halladay Street, Jersey City, NJ 07304

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**REGION:** Bergen-Lafayette

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**PROPERTY DESCRIPTION:**

- 2-family attached one side
- Apt 1: 1 bed/1 bath
- Apt 2: 3 bed/1 bath
- Approximate land size 3,367 sq ft
- Walk Score®: 78
- Transit Score®: 66

**KEY STATISTICS:**

**Acquisition Date:** 26 January 2017

**Total Acquisition Cost:** US\$265,199

**Est. Monthly Rents:**

- Apt 1 US\$1,795  
- Apt 2 US\$2,895

**Est. Annual Net Yield:** 4.5%

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**OTHER COMMENTS:**

- Located in one of the fastest gentrifying neighbourhoods in all of Jersey City, this property provides the Fund plenty of options down the line. Situated on an irregular, oversized lot, the parcel also benefits from already having a curb cut for parking. The Fund anticipates this specific pocket of Bergen-Lafayette will appreciate quicker due to the proximity to the light rail and Downtown Jersey City.

**LOCATION:**





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**ADDRESS:** 68 West 3rd Street, Bayonne, NJ 07002

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**REGION:** Bayonne

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**PROPERTY DESCRIPTION:**

- 1-family detached
- Apt 1: 3 bed/1 bath
- Approximate land size 3,849 sq ft
- Walk Score®: 77
- Transit Score®: 67

**KEY STATISTICS:**

<b>Acquisition Date:</b>	30 January 2017
<b>Total Acquisition Cost:</b>	US\$185,000
<b>Est. Monthly Rents:</b> - Apt 1	US\$3,195
<b>Est. Annual Net Yield:</b>	4.6%

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**OTHER COMMENTS:**

- Situated on the southern tip of Bayonne, 68 West 3rd Street sits on a quiet residential block. This detached single family residence includes private garage parking in the rear of the lot. This paired with the oversized nature of parcel will surely be a selling point for prospective tenants. Transit is available via the 8th Street Light Rail Station.

**LOCATION:**





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**ADDRESS:** 90-92 West 45th Street, Bayonne, NJ 07002

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**REGION:** Bayonne

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**PROPERTY DESCRIPTION:**

- 1-family detached
- Apt 1: 5 bed/1.5 bath
- Approximate land size 5,000 sq ft
- Walk Score®: 83
- Transit Score®: 62

**KEY STATISTICS:**

<b>Acquisition Date:</b>	30 January 2017
<b>Total Acquisition Cost:</b>	US\$275,000
<b>Est. Monthly Rents:</b> - Apt 1	US\$3,395
<b>Est. Annual Net Yield:</b>	4.2%

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**OTHER COMMENTS:**

- A short walk to the 45th St Light Rail Station is just one of many things to love about this property. Spanning two full lots, this 50' x 100' parcel was a top target for the Fund. With a two-car parking garage in the rear, this property offers plenty of amenities to prospective tenants. Just a block and a half to the West is Stephen R Gregg Park, a vast and desirable outdoor space in Bayonne, to relax or enjoy various sporting events.

**LOCATION:**



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**ADDRESS:** 302 Woodlawn Avenue, Jersey City, NJ 07305

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**REGION:** West Bergen

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**PROPERTY DESCRIPTION:**

- 2-family detached
- Apt 1: 2 bed/1 bath
- Apt 2: 3 bed/1 bath
- Approximate land size 2,910 sq ft
- Walk Score®: 84
- Transit Score®: 64

**KEY STATISTICS:**

**Acquisition Date:** 30 January 2017

**Total Acquisition Cost:** US\$276,000

**Est. Monthly Rents:**  
- Apt 1 US\$1,995  
- Apt 2 US\$2,195

**Est. Annual Net Yield:** 5.8%

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**OTHER COMMENTS:**

- 302 Woodlawn Avenue is another exciting acquisition for the Fund. Situated on a large lot, the property features private driveway and garage parking options as well as above average floor plates. The sheer size of the property allows for an open layout, a characteristic many tenants value above all else. The property also features an open porch which resonates well with prospective tenants.

**LOCATION:**





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**ADDRESS:** 1 Murylu Drive, Jersey City, NJ 07305

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**REGION:** Greenville

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**PROPERTY DESCRIPTION:**

- 1-family detached
- Apt 1: 3 bed/1.5 bath
- Approximate land size 1,781 sq ft
- Walk Score®: 73
- Transit Score®: 68

**KEY STATISTICS:**

**Acquisition Date:** 30 January 2017

**Total Acquisition Cost:** US\$142,000

**Est. Monthly Rents:**  
- Apt 1 US\$2,495

**Est. Annual Net Yield:** 4.4%

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**OTHER COMMENTS:**

- Just off Garfield, on a quiet dead-end block in Southern Jersey City, 1 Murylu Drive is a charming single family home. Tucked away yet close to transport, there is plenty to love about this home. The property was purchased at a discount from market-rate. Convenient transit is available via the Danforth Avenue Light Rail Station.

**LOCATION:**

