

DREAM. LIVE. PROSPER.  
FALL 2023



*Quarterly*  
**IMPACT  
REPORT**



*“Legacy is about life and living.  
It’s about learning from the  
past, living in the present, and  
building for the future.”*

– Simon Sinek



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# THE DLP CAPITAL STORY

## History, Facts, and Stats

DLP Capital is a private, diversified real estate investment firm. Our core focus is on investing in, developing, and financing attainable housing for America's workforces, including multifamily and single-family rental homes, along with related investments including RV resorts, among other live-work-play communities aimed at enhancing the lives of working Americans. Our portfolio is capitalized via a series of evergreen investment funds for accredited investors, each of which has provided superior

year-over-year consistent returns since inception. With more than \$5 billion of assets under management, DLP Capital has been on the Inc. 5000 list of "Fastest Growing Private Companies in America" for 11 consecutive years. Through our exclusive membership platforms focused on wealth legacy and business scaling—including our proprietary Elite Execution System—we empower our clients and impact lives while fulfilling a core mission: Doing well while doing good.

## DLP By The Numbers

**\$400M+**

Revenue in 2022

**2,600+**

Current Investors

**\$2B+**

Deals Funded in 2022

**85,000**

Residents in our Thriving Communities

**\$1.9B**

Development and Construction Pipeline

**10,000**

Jobs Created through Housing that we are Building

**11 YEARS**

In a Row, Inc. 5000 Fastest Growing Companies

**\$5B+**

Assets Under Management

**\$1.2B**

Equity Under Management (EUM)

\*AUM is the value of the assets DLP Capital manages which includes real estate and real estate backed loans



# FUND RETURNS

Quarter 3

**10.94%**

**DLP PREFERRED CREDIT FUND**

*Q3 2023 Return*

**12.29%\***

**DLP BUILDING COMMUNITIES FUND**

*Return Since Inception as of 9/30/2023*

**26.02%\***

**DLP HOUSING FUND**

*Return Since Inception as of 9/30/2023*

**10.13%**

**DLP LENDING FUND**

*September 2023 Monthly Return as of 9/30/2023*

# OUR CORE VALUES

**What makes DLP Capital able to achieve such great results?**

It comes down to 10 principles brought to life by every person who works here. By living these values out each day, they have become more than just words—they are the essence of who we are and how we consistently deliver greatness.

**DRIVEN** for  
**GREATNESS**

**STEWARDSHIP**

**TWENTY MILE MARCH**

servant  
**LEADERSHIP**

**EXECUTION & EXCELLENCE**

innovative  
**SOLUTION FOCUSED**

living  
**FULLY**

enthusiastically  
**DELIVERING WOW**

**GRIT**

humble  
**CONFIDENCE**

\* DRIP Program Return includes preferred returns through 9/30/23 and EDC through 12/31/2022.



# A MESSAGE FROM DON WENNER

**Founder  
& CEO**

**As we approach the conclusion of 2023, it's important to acknowledge that we've faced a challenging economic year; however, despite the market uncertainties, I also reflect on the remarkable achievements at DLP Capital so far this year. Our unwavering commitment to our "Building for Tomorrow" theme has allowed us to continue building and growing, significantly impacting our mission to become the largest investor in rental housing communities and RV resorts in the world.**

In this quarterly report, you will discover exciting new projects that have taken shape during the third quarter. Notably, we proudly unveiled our participation in the Jacksonville redevelopment project, which you can read about on page 24, showcasing our dedication to revitalizing communities and driving positive change.

In addition to our project successes, I am thrilled to announce that our investor base has reached new heights, with over 2,600 families now placing their trust in DLP Capital. Their confidence in our vision and mission is a testament to the value we provide and the impact we strive to create across the country.

Looking ahead to 2024, we are meticulously strategizing and preparing for our continued growth and success, and we hope you'll continue with us on this exciting journey to prosperity. I extend my heartfelt gratitude for your ongoing support. Together, we will continue to drive positive change and shape a better future.

Sincerely,  
**Don Wenner**  
CEO and founder, DLP Capital



# MEET DON WENNER

Father, Husband, CEO, & Author



**17 years** leading DLP Capital— **impact** investment management company with **\$5+ billion in AUM**

Inc. 5000 **11 straight years**

**12+ Years** of marriage

Grew up in Easton/  
Nazareth, PA area

Acquired more than **25,000 homes and apartments** for over **\$5 billion**

Funded more than **\$5 billion in loans**

**3 sons**, Donny, Alex, & Jake

Lives in St. Augustine, FL, with a 2nd home in Asheville, NC

Closed more than **30,000 real estate transactions** totaling over **\$10 billion**

Author of **“Building an Elite Organization”** and **“Building an Elite Career”**

**2 dogs**, Penny & Luna

Lifelong Raiders Fan (*and also cheers for the local Jaguars*)

# A CALLING TO BUILD BETTER

**A Better Company. Better Leaders. Better Communities.**

## PURPOSE

Dream. Live. Prosper. Passionately making an extraordinary impact by transforming lives and building thriving communities.

## BHAG *(Big Hairy Audacious Goal)*

Provide housing to 1 million people, and positively impact and transform 10 million lives leading to a spot on the Forbes list of top 100 private companies in America.

## MISSION

To become the largest investor in rental housing communities in the world.

# MOMENTUM THROUGH OUR GROWTH FLYWHEEL

### 1. **Attract Talent & Invest in Culture**

Attract extraordinary team members and invest in outstanding culture.

### 2. **Capital Invested**

Capital invested into private impact investment funds by accredited investors that build thriving communities.

### 3. **Finance & Support Real Estate Sponsors**

Finance and support value-aligned Elite developers and sponsors who are building thriving communities.

### 4. **Develop, Build, & Operate Communities**

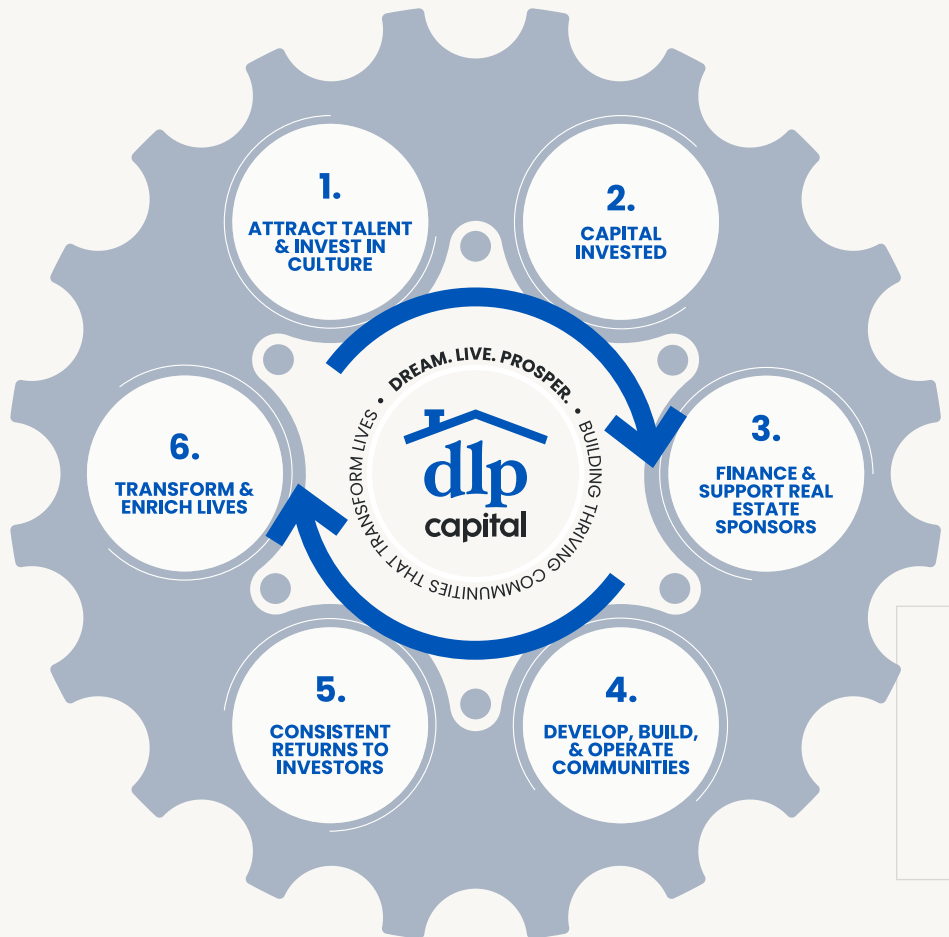
Develop, build, and operate thriving communities that are attainable for working families.

### 5. **Consistent Returns to Investors**

Generate and distribute consistent double-digit returns to investors.

### 6. **Transform & Enrich Lives**

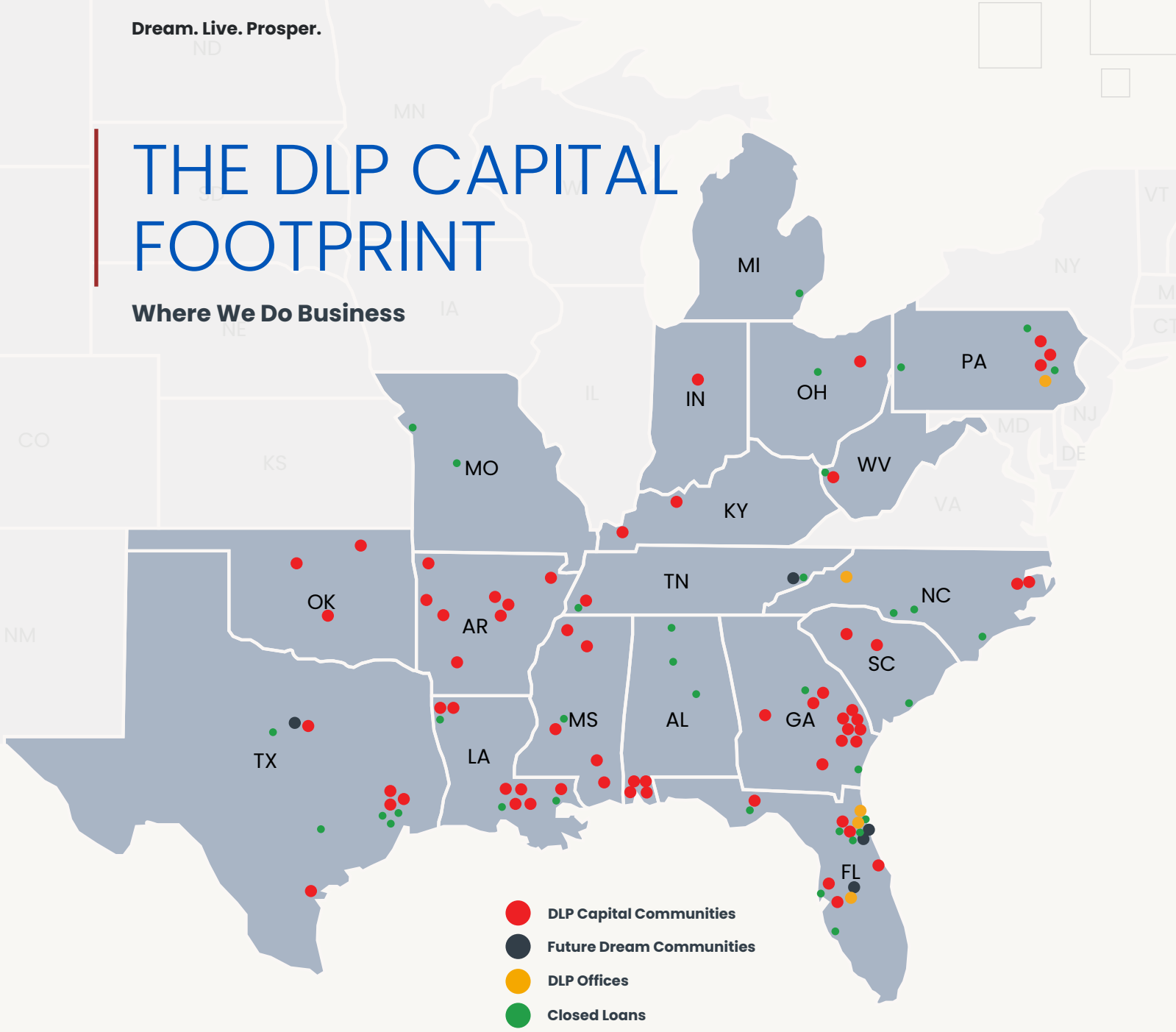
Transform and enrich the lives of our stakeholders, including team members, investors, operators, residents, and guests.





# THE DLP CAPITAL FOOTPRINT

Where We Do Business



DLP Capital executes its impact through a wide array of business divisions, including lending, investment funds, sales, leasing, property management, construction management, development, and loan servicing. Our locations are strategically located in areas in great need of help from our mission

of combating the workforce housing crisis. We will continue to grow in smart and measured ways, and while we cannot comment on specific areas of future growth, we always have our eyes set on areas where we can make an impact.

# OUR SENIOR LEADERSHIP TEAM

DLP Capital is strategically leveraging the depth of experience within our leadership team to realize ambitious growth objectives. Their commitment to forging a culture based on respect and servant leadership helps us achieve these goals and positions us for sustained success in years ahead by developing future organizational leaders.



**DON WENNER**  
Founder & CEO



**ROBERT PETERSON**  
Chief Financial Officer & Partner



**JIM BOYCE**  
President, Development & Construction



**GINA LUJAN**  
Chief People Officer



**PAM LINDEN**  
Chief Legal Officer



**BARRY DEGROOT**  
General Counsel, Partner



**TOM HALLOCK**  
Chief Lending Officer



**BO PARFET**  
Managing Principal



**TERESA DEVOS**  
Senior Managing Director, Head of Portfolio Management



**GARRET ASKEW**  
Managing Director, Construction



**LARRY HICKERNELL, JR.**  
Senior Director, Investor Success



**RICH DELGADO**  
Managing Director, Structured Finance & Capital Partners



**MIKE DORAN**  
Senior Director, Investments & Portfolio Management



**LOU DAVIS**  
Senior Director of Investments



**NICK LANNI**  
Senior Director of Credit, Risk and Investments



**LINDA LEE**  
Senior Director, Head of Marketing



**HARRY GUNSALLUS**  
Information Officer





### **Meet Pam Linden**

Chief Legal Officer

Pam joins DLP Capital with over 20 years of legal and corporate real estate experience in various disciplines and asset classes. A Palm Beach County, Florida native, she has obtained her Juris Doctorate from the University of Florida and has previously served as CLO and GC for two multifamily investment and development firms and as Director and Counsel of an international real estate investment management company. Pam manages all legal aspects in her new role at DLP Capital, including transactions, development, operations, corporate affairs, fund structuring, compliance, and risk management.



### **Meet Mike Doran**

Senior Director, Investments & Portfolio Management

Born in Michigan, Mike moved to Atlanta after earning his degree from Georgetown University. He brings a wealth of experience from his leadership roles in commercial real estate at eminent firms like PGIM, CWCapital, and Greystone. Mike holds an MBA from Emory University and has also earned the prestigious Chartered Financial Analyst (CFA) designation. His responsibilities at DLP Capital include evaluating new business opportunities and overseeing the performance of investments in equity and debt on rental housing communities and camps.

# DLP PROSPERITY MEMBERSHIP OVERVIEW

Through mentorship, insights, tools, and training, we are equipping a greater community to be evangelists and ambassadors for the mission of LivingFully. Our members are committed to the idea of helping themselves and others dream, live, and prosper.

**The DLP Prosperity Family, Wealth, and Legacy Membership has a straightforward aim: to help people build wealth for their families and leave a legacy that lasts for generations. At its core is invaluable, practical advice and guidance on achieving financial freedom, covering tax, risk protection, investment, estate, and peer review session planning.**

The membership also focuses on LivingFully, including the legacy of positive action, impact philanthropy, and family compass that lead to a sense of personal significance and fulfillment. It includes personalized tools to support planning, education, investment, workshops, retreats, and more, all designed to help members achieve the success they're looking for in life.

## Membership Benefits

- Free to all existing investors
- Access to conferences
- Educational webinars, tools, and resources
- Personal financial dashboard







# IMPACTING INVESTING

## *Doing Well While Doing Good.*

**America's housing affordability crisis persists despite changing market conditions. With rising interest and mortgage rates and stagnant wage growth, America's workforce is struggling to find affordable housing that fits their needs and budget. In fact, a recent Pew Research article revealed that "the average U.S. rent has risen 18% over the last five years." Additionally, according to the same article, the current housing inventory remains low as home prices surge.**

This leaves lower-income households with a difficult decision: pay more than they can afford for a starter home and face longer commutes and financial strain, or pay higher rent for one of the limited rental options. This situation adds stress and anxiety and hinders work productivity, contributing to a nationwide "happiness crisis."

That's where DLP comes in. We are dedicated to providing, preserving, creating, and managing attainable housing communities that are within reach for working families. As operators, equity partners, and lenders, we oversee investments in communities across America, handling everything from management and leasing to sourcing, selling, and servicing. Our goal is to help families achieve greater happiness and sustainability. We also prioritize our responsibility to our investors, using our Elite Execution System and exclusive membership platforms to assist them in choosing, creating, growing, and preserving prosperity for themselves and future generations. We invite our investors to join us on this journey and witness the rewards that come with creating an endless cycle of prosperity and growth in the world.

**Source:** Pew Research Center, "Key facts about housing affordability in the U.S."

# WHAT IS A "THRIVING COMMUNITY"

*and Our Impact Mission*

DLP Capital's BHAG (Big Hairy Audacious Goal) is to provide housing to **1 million people**, positively impacting and transforming **10 million lives**. This mission isn't just about addressing the growing need for attainable housing—it's about addressing this void with thriving communities, ones that are so much more than just affordable. What is a thriving community? **A thriving community is a place where people are LivingFully, have meaning to their lives, are pursuing goals, have opportunities for prosperity, and have deep relationships and connections.**

Creating thriving communities allows us to execute on our Impact Mandate and march towards our ambitious BHAG. Our thriving communities enrich the lives of those who live in them, offering more than just a safe, clean, and affordable place to call home. We create places where people want to build a life, not just live. Our goal is to create communities people want to call home for the next 8-10 years, while raising their families and building lifelong friendships with their neighbors.





We believe a thriving community starts with safe attainable housing, but that is just the starting point. The eight elements of a thriving community are:



### ATTAINABLE HOUSING

This means offering rents below 30% of the area median income, reducing the burden of the high cost of housing and the sacrifices that requires to the basics of wellness, education, and transportation in addition to leisure.



### BANKING, LENDING & INVESTMENTS

People in thriving communities have access to financial literacy, real community banking, loans, and the opportunity to invest in profitable opportunities that produce solid returns and distributions that support people's lifestyles.



### COMPANIES THAT CREATE JOBS

Thriving communities, simply put, have jobs available that support the residents within the community. Job creation is primarily the product of entrepreneurial small businesses.



### DEEP CONNECTION

A thriving community has people who are happy and fulfilled. This comes from a deep connection with other people—family, friends, and neighbors, in addition to a deep connection with the Lord.



### EDUCATION

Education, especially education that provides skills that society values, is critical for a thriving community. One of the baselines of education is 3rd grade literacy levels.



### FAMILY

A thriving community caters to & provides opportunities to deepen relationships within families. Thriving communities have people building extraordinary families, lives, careers, and legacies.



### GOD, CHURCH & MINISTRY

God is present and belief in God is high in all thriving communities. People know the Lord in thriving communities. This presence and these relationships are deepened through church, bible study, and ministry.



### HEALTHCARE & NUTRITION

People are physically and mentally fit in thriving communities. This requires access to health care, wellness, and nutritional food, in addition to access to education around wellness & health.

# INC. 5000 “FASTEST-GROWING PRIVATE COMPANIES” FOR REMARKABLE 11TH CONSECUTIVE YEAR

***DLP Capital is one of only two real estate firms in the nation achieving 11 or more consecutive years.***

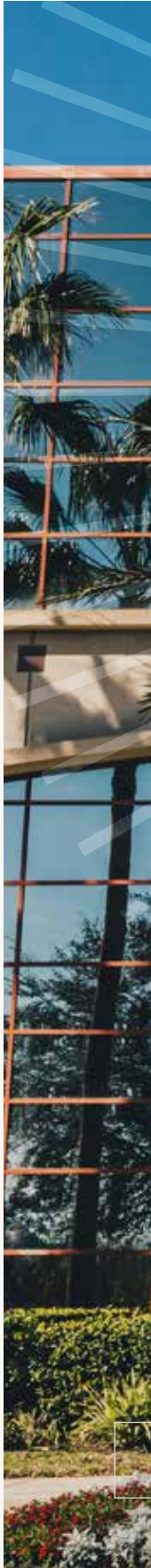
**DLP Capital has been named to the Inc. 5000 list of “Fastest-Growing Private Companies in America” for the 11th consecutive year, a remarkable accomplishment. The firm’s focus on rental housing for America’s working families spurred 238% growth in the most recent rankings.**

*“DLP Capital’s formula for success—investing in and developing thriving rental housing communities that serve America’s working families—continues to stand the test of time and contributes to our exponential growth,” said Don Wenner. “The demand for quality, attainably priced housing continues unabated. America is continuing to become a nation of renters, and we do not see this trend subsiding anytime soon.”*

DLP Capital now has more than \$5 billion of assets in its portfolio focused on investments in workforce housing and related assets, and the firm offers over 2,500 investor families the opportunity to earn double-digit returns through its evergreen investment fund offerings.

The firm especially focuses on building thriving communities for the “missing middle,” i.e. middle-income workers such as teachers, first responders, health care workers, and service/retail professionals who keep the gears of local economies working smoothly—but may be cost-burdened by spending more than 30% of their income on rent. DLP Capital’s portfolio of multifamily and single-family rental homes typically offer rents that limit what a family spends on rent to no more than that 30% threshold.

Building thriving rental communities also capitalizes on a growing trend toward a ‘sharing economy’ in which you can rent a home for a day or a year. This sharing economy is not only altering the concept of ownership but providing flexibility and freedom much appreciated by workforces. DLP Capital is well-positioned for continued high growth as a key contributor to this sharing economy.







# Inc. 5000

## More Awards:

### **FINANCIAL TIMES**

2023 Americas'  
Fastest-Growing Companies

### **JACKSONVILLE BUSINESS JOURNAL**

Best Places to Work

### **JACKSONVILLE BUSINESS JOURNAL**

2023 Fast 50 Award

### **GLOBEE AWARDS**

Visionary of the Year (Silver)

### **THE STEVIES**

CEO of the Year (Bronze)

### **HOUSINGWIRE**

2023 Finance Leader

### **MULTI-HOUSING NEWS**

Executive of the Year

### **WEALTH MANAGEMENT**

DLP Building Communities  
Fund awarded Wealthie for  
New Product Development

### **GLOBE STREET**

Multifamily Influencers Award

### **LEHIGH VALLEY BUSINESS**

2023 Leaders in  
Construction & Real Estate,  
Lender/Bonding Agent

### **REAL LEADERS**

Impact Award for 2024 Top  
Impact Company

# CAPITAL RAISING

**As the hurdles of homeownership rise, DLP Capital opens up doors for housing solutions that seek to meet this challenge. Investing in these opportunities presents potential rewards worthy of consideration.**

Every would-be homeowner priced out of the market is a potential renter—and we continue to invest in properties and related assets that will satisfy that rental demand.

In 2022, we reduced investment minimums for accredited investors from \$500,000 to \$200,000. Because of the success of this initiative, we have decided to keep these reduced minimums! By reducing investment thresholds, we aim to more expediently deploy aggregated sums as we seek to capitalize on rapidly emerging opportunities..

Our track record is a testament to our skills and diligence in identifying and managing exceptional opportunities. DLP Capital has never lost a dollar of principal among our investment funds—and we have never missed achieving our targeted returns, which range from 5% to 13%. In fact, even our most conservative funds have reaped historical returns upwards of over 10%+ since inception.





Among our fund offerings, the focuses include:

- Value-added equity investments into workforce housing communities, both single-family and multifamily rentals.
- Debt and equity investments in developing, acquiring, improving, and managing rentals, primarily affordable housing, in markets with solid fundamentals.
- Lending to top-tier operators and builders to create, improve, and preserve affordable workforce housing while helping the sponsors scale their businesses.
- Preferred credit positions with operators, builders, and lenders involved in the above.
- Fixed-rate note positions centered around initiatives to improve housing and job creation in low-income communities - yet another way for DLP Capital and its investors to do well while doing good.

*Of note for new investors unfamiliar with our funds: advantages may include flexible redemption features, limited volatility, tax advantages, and, as with all our funds, the ability to be part of a broader goal—helping to transform the lives of millions of our nation’s residents, giving back to them the dreams of prosperity that begin with affordable housing.*

*In the words of Aaron Bare, a Wall Street Journal reporter and author who is a regular speaker at DLP Capital’s events, “As the problems of the world will impact us all, investments in companies that solve problems of such universal importance are more likely to grow exponentially. ESG [Environmental, Societal, and Governmental] has grown to encompass \$35 trillion of the \$90 trillion global economy... These future Goliaths are starting to do the right thing, even when no one is looking.”*

## **DLP INVESTMENT FAMILY**

DLP Capital is looking to impact the lives of 10 million Americans through our investment fund programs—and we’re well on our way, having impacted almost a million lives so far. If you are new to our programs, consider joining our DLP Capital family through the unique investment opportunities we offer. You will join more than 2,600 existing DLP Capital families who hail from every state in the nation, many of whom contributed to the nearly \$500 million capital raised in 2022. We are better together and are in an unprecedented era of opportunities for investing in affordable rental housing.



The Dream Outdoor Resorts strategy targets, acquires, and creates unique outdoor experiences offering diverse stay options. Whether a guest is with us for the weekend, for the month, staying in their own RV, or one of our well-dressed vacation rentals, Dream Outdoors is here to help them create memories.

### Acquisitions

- Callahan Country RV Resort in Callahan, FL
- Scrubby Bluff in Kingsland, GA

### In-Process Acquisitions

- Angler's Point RV Resort in Lincoln, AL
- Ozark's Outdoor Resort in Leasburg, MO
- Blue Springs Ranch in Bourbon, MO





# DREAM COMMUNITIES

DLP Capital takes pride in its comprehensive operational and asset management of our esteemed Dream communities. Our hands-on approach to daily operations is meticulously designed to maximize the value of each asset while simultaneously ensuring the apartment homes are not only safe but also affordable. We believe in creating a homely environment for residents, making their comfort and well-being our top priority. At DLP Capital, we're more than just an investment firm - we're a community builder, committed to fostering prosperity for all.

## OUR DREAM COMMUNITIES:





## POSITIVE RETURNS FOUNDATION

**DLP Capital is committed to making a difference in the lives of others worldwide.**

In 2019, Don Wenner founded the DLP Positive Returns Foundation, which focuses on positively impacting two epidemics: affordable housing and job creation. The Foundation gives back to communities by providing assistance, knowledge, and capital to fight against these epidemics. The Positive Returns Foundation

makes offering affordable housing to families possible and focuses on entrepreneurship as a method of job creation.

The DLP Capital team has been working to repair homes and restore hope for low-income homeowners and has provided over 100 interest-free loans to help homeowners cover repairs, housing, and living expenses.

## Our Updated Pledge

DLP Capital has updated its giving pledge for 2023. The updated pledge aims to bolster the impact of DLP's philanthropic initiatives by increasing both financial support and volunteer-led activities.

### DLP Capital will donate:

*\* These allocations are governed by internal DLP Capital policies and procedures and may be altered or amended at the sole discretion of DLP Capital.*

**25%**

25% of performance fees earned.

**200%**

200% of annual productivity per person (PPP)

**100%**

100% of the proceeds from the Elite Impact platform, which includes Don Wenner's books, "Building an Elite Organization" and "Building an Elite Career".

## Our BHAG *(Big Hairy Audacious Goal)*

To solve/eradicate homelessness, starting with St. Augustine, FL.



**Meet Danny Sells**  
**Executive Director**  
**Positive Returns Foundation**

Introducing Danny Sells, our newly appointed Executive Director of the Positive Returns Foundation at DLP Capital. Born and raised in Southern Illinois, Danny is the son of a pastor and a nurse. As a middle child, he learned early on about the dynamics of relationships and community, which guided his career path toward social work and ministry.

Danny holds a degree in Psychology from Milligan College, a Christian liberal arts college in East Tennessee. Post-graduation, he returned to his hometown to begin his career, while also pursuing a Master's degree. His journey led him to Southern California in 2006, where he joined the staff of Saddleback Church, transitioning to leadership roles in Christian non-profit work.

Passionate about mobilizing the Church in the community, Danny is committed to showing God's love in tangible ways. He brings this passion to his role at DLP Capital, where he will lead efforts to address national housing and jobless challenges through manpower, capital, and community leadership. Danny looks forward to increasing DLP Capital's community engagement and social impact footprint by empowering company and investor generosity and philanthropy.

## Philanthropy

The DLP Positive Returns Foundation shares the same purpose as DLP Capital, to passionately make an extraordinary impact by transforming lives and building thriving communities, and works alongside DLP Capital to make an impact locally, regionally, nationally, and internationally in ways DLP as a for-profit organization cannot, while focusing primarily on the poorest and most in need.

## Operation Christmas Child



This holiday season, DLP Capital is proud to partner with our community residents and investors to make a difference in the lives of children all over the world. We're excited to announce our collaboration with Operation Christmas Child, a life-changing program of Samaritan's Purse.

Together, we aim to send 10,000 beautifully wrapped boxes filled with love, hope, and holiday cheer to underprivileged children around the globe. Join us in this incredible initiative as we come together to bring smiles and happiness to the faces of these deserving kids. Let's make this holiday season truly special for children in need - one box at a time! Scan the QR code below to get involved. The deadline to participate is November 15.

**[dlpcapital.com/events/  
operation-christmas-child](https://dlpcapital.com/events/operation-christmas-child)**



impact series

# CONSTRUCTION UPDATE

## New Heights in Safety:

## Florida Building Codes, Post-Hurricane Andrew, Considered Model for the Nation

The Atlantic hurricane season runs from June 1 through November 30, and while areas such as the eastern seaboard are on the alert during that time for the risk of hurricanes and tropical storms, the good news is that post-Hurricane Andrew (1992), Florida building codes were continually upgraded to new heights. Now, Florida building codes are considered by the Insurance Institute for Building and Home Safety to be a model for the rest of the nation—and we look to those stringent measures in our DLP Capital developments, both multifamily and single-family, so that our communities may stand the test of time. In fact, Florida's stringent building codes are typically adopted, in some fashion, up and down the East Coast in areas subject to tropical storms, including in the Carolinas. But even when it comes to inland locations, Florida codes often influence building techniques, even sometimes adapted for seismic risks.

### Continuous Load Path

At the core of the new generation of building codes is what's called having a "continuous load path." Hurricanes like Andrew especially showed us the destruction that occurs with roofs uplifted and torn off by catastrophic winds. Now, to mitigate the risk of wind "uplift," it's standard to have a roof connected in a continuous path from the walls down to the concrete slab of a foundation. Think of it as the foot bone connected to the knee bone, the knee bone connected to the thigh bone...on up to the head bone. At the very foot of this continuous load path is typically a threaded rod system that is embedded into the concrete of a foundation. The walls are erected

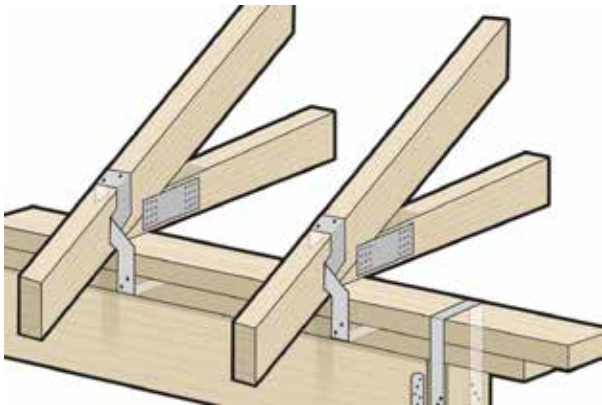
upon those rods and reinforced with rods at each floor, connecting to the trusses and roof to resist wind uplift. "This standard has been a game-changer," said Garret Askew, Managing Director of Construction at DLP Capital. "It's integral for best protecting the communities that we develop."

### New Heights in Safety

Ever see a roofer in your neighborhood laying out what looks like rows of tar paper for a new roof? This too, became standard in the years following Andrew. These rows are leak-barriers against wind-driven rain and are usually in the form of a material called "peel-and-stick" (like the adhesive for wall hooks). If roof shingles come off in high winds, the barrier is intended to protect the roof's seal against water intrusion.

### Wind Labs Test Resiliency vs. Airborne Objects

Likewise, windows and doors need barriers—against both water and wind. Multifamily and single-family homes typically have a building "wrap" material that protects walls and windows from water intrusion, especially if the siding on a building's facade comes loose in high winds. If a home is within a mile of the coast in a hurricane-prone area, Florida Building Code also requires residences to either have hurricane shutters or windows that are impact-resistant up to 140 mph wind speeds. The resiliency of a window is tested in wind labs where 2x4s are propelled out of enormous air cannons—straight at a window to determine its vulnerability to high-velocity airborne objects.



***To mitigate the risk of wind “uplift,” it’s now standard to have a roof connected in a continuous path from the walls down to the concrete slab of a foundation. Think of it as the foot bone connected to the knee bone, the knee bone connected to the thigh bone...on up to the head bone.***

### **Stilted Views?**

And all of those homes you might see on stilts along coastal highways: Are they on stilts to enhance the views? Surely that’s a side benefit, but in reality the homes must be at least one-foot above the designated flood-elevation to limit the impact of rain and waves—so that homeowners might enjoy their sea views for generations to come.

In short, there were more than 400 different building codes in Florida before Hurricane Andrew. Now there’s one. Sums up Garret Askew,

*“While the risks from hurricanes can never be totally eliminated, the lessons learned from the past have made our housing communities safer than ever.”*



# REIMAGINING JACKSONVILLE

One of Largest-Ever Urban Core Revitalizations in US, Valued at \$2+ Billion

## DLP Capital Joins with JWB Real Estate Capital to Sponsor Gateway Jax

It's not every day that a development team gets to reimagine the downtown of a major city. But that's exactly what Gateway Jax—a commercial real estate company sponsored by DLP Capital and JWB Real Estate Capital—is beginning to do. We're reimagining Jacksonville, one of Florida's top cities, and in late September we unveiled our exciting vision and plans for redeveloping and reenergizing the core of its downtown. We have acquired 22 acres of Jacksonville's downtown—amassing buildings and development sites that span 20+ city blocks, with plans for \$500 million of mixed-use build-out in a first phase. Our plans are for impactful, mixed-use development that will create 18-hour vibrant neighborhoods. Already, the Jacksonville Downtown Development Review Board has unanimously approved the conceptual plans

for Gateway Jax's first phase of its multi-phase development, the Pearl Street District.

***Gateway Jax's redevelopment will mark one of the largest-ever urban-core revitalizations in the US, in terms of its geographic span, and will complement already-existing initiatives by the city to spur on new decades of economic vitality.***

We expect to break ground on our first developments—multifamily and retail—in mid-2024, with the total build-out of current sites estimated at \$2+ billion over the next decade. Jacksonville is a growing economic driver in Florida as businesses and new state residents seek alternatives to increasingly unaffordable regions of the country. The city boasts among the lowest costs







of living in Florida and an enviable lifestyle; is home to Fortune 500 companies and leading universities, including a recently announced University of Florida graduate campus; and the city serves as an international multimodal hub with the Port of Jacksonville. Gateway Jax seeks to significantly impact the city with our developments providing enormous economic, social, and resident benefits.

“Creating thriving communities is at the core of our decades of development expertise, and there’s no better place to engage that expertise than in our own backyard of Jacksonville,” said Don Wenner, Founder and CEO of DLP Capital. “Any builder can build space; we invest in and build communities that serve America’s workforce families. In the case of Jacksonville, with the support of the city’s residents, we plan to polish the underlying gem to help it shine brighter.”

Said Bryan Moll, CEO of Gateway Jax, “Gateway Jax will make an impact far beyond any buildings that we’ll build, with our redevelopment initiatives adding to the vibrancy of downtown Jacksonville.



We plan to create thriving, walkable neighborhoods that create a sense of place, attracting residents and workers who’ll be able to find everything they need within the city’s core. Jacksonville is the gateway to Florida and a key to the state’s economic future, and the city is on the cusp of an unheralded transformation.”

***Gateway Jax’s leadership previously spearheaded Water Street Tampa, the \$4 billion development revitalization of Tampa’s waterfront and the National Landing development—site of Amazon’s HQ2—in the Washington, DC area.***



The greater Jacksonville metropolitan area has a population of 1.68 million, with 500 people moving to the city every week, drawn to a strong job market, 220+ days of annual sunshine, and no personal state income tax. The city boasts a well-educated workforce with a median age of 36, and area industries range from financial services, advanced manufacturing, and logistics, to IT, health and biomedical, among others. There are more than 85 daily non-stop flights into Jacksonville International Airport, with its recently announced \$400 million expansion further adding to commerce.

At Gateway Jax, the initial development activity will center around the North Core district of Jacksonville's downtown, within the central business district and just north of City Center. Pending city approvals, our near-term plans include development of three buildings along Pearl Street that will offer 1,000+ multifamily units, more than 120,000 square feet of grocery-anchored retail, and a variety of new public spaces that encourage community interaction. These sites are expected to be within proximity to the newly announced \$400 million graduate campus that the University of Florida plans to build in the downtown Jacksonville vicinity. The prestigious university is ranked #5 in the nation among public universities. JWB Real Estate Capital and DLP Capital are each donating \$500,000 to development of the new campus.

***We'll create dynamic, walkable neighborhoods that will invigorate downtown Jacksonville. Streetscape designs will encourage connectivity including public spaces, courtyards, and sidewalk cafes.***

Gateway Jax's critical mass, spanning 20 city blocks, will create dynamic and interconnected, walkable neighborhoods that will invigorate downtown Jacksonville. In addition to multifamily and retail, future development phases are expected to include office, hotel, and other mixed-uses. Development goals will also include creating pedestrian flows along green corridors leading to the public waterfront's cultural and recreational amenities, complementing the city's 30-mile Emerald Trail that will encircle the urban core.

## IN THE NEWS



### **Riding a wave: Developer advances 24-floor downtown Jacksonville tower**

LOCAL Oct. 13, 2023

### **Gateway Jax could invest more than \$2B for downtown development around Pearl Street**



Our development will also pay homage—through design, art, and architecture—to the rich history and culture of micro-neighborhoods.

DLP Capital is providing the majority of capital for the Jacksonville developments through its private evergreen funds that invest in building thriving communities.

Added Alex Sifakis, President of JWB Real Estate Capital, a sponsor of Gateway Jax, "We will complement the phenomenal initiatives already begun by the City of Jacksonville and its Downtown Investment Authority, which jump-started Jacksonville's revitalization, helping to round out



**Dream. Live. Prosper.**

their initiatives and that of so many others that see the enormous potential that Florida’s biggest city has to offer.” Jacksonville-based JWB initially acquired the majority of the downtown properties that have since segued into the Gateway Jax portfolio.

The Gateway Jax track record of leadership success not only includes the \$4 billion Water Street Tampa mixed-use development and National Landing mixed-use project underway in Arlington with Amazon’s HQ2, but prolific community development on a regional level. As Gateway Jax sponsors, DLP Capital and JWB Real Estate

Capital have long built reputations on impactful community development in Florida. That includes building quality and affordable single-family and multifamily rental communities for area workforces spanning from the Jacksonville and St. Augustine areas, south to Orlando. DLP Capital and JWB Real Estate Capital are also very active in philanthropic and community initiatives aimed at improving the lives and livelihoods of Floridians, as well as residents of other communities across the US.



# SOCIAL MEDIA HAPPENINGS

DLP Capital launched our new “Multifamily & RV Investments” newsletter on LinkedIn, which had an astounding reception, with 3,000 subscribers already. Don’t miss out on the newsletter’s updates on market dynamics, investment assets of opportunity, and valuable educational content. **Subscribe today!**

Take a look at our latest editions:

1



## 1 Market Recap: Sun Belt Dodges the National Multifamily Malaise

Read our updates on multifamily markets—especially our focus on key Sun Belt states that are now outperforming the Washington–New York–Boston corridor in contributing to national GDP.

2



## 2 Distinguishing Diversified Real Estate Investment Funds vs. “Crowdfunding”

This newsletter examines the important differences between investing in real estate investment funds that manage well-diversified portfolios of equity/debt in properties—such as DLP Capital does—versus “crowdfunding” platforms that aggregate investors for stand-alone properties.

3



## 3 From Apollo “Moonshots” to the Dream Apartments of Today

This newsletter highlighted our historic multifamily redevelopment in Titusville — an apartment complex that once housed aerospace engineers and astronauts working on the Apollo space program. Now called Dream Space Coast, residents at the totally renewed complex can now watch launches by SpaceX, NASA, Lockheed Martin, and more.

Follow us today.

@dlpcapital





# TEAM MEMBER SPOTLIGHT

## Shannon Acevedo

*Development Director*

**This quarter, we shine the spotlight on Shannon Acevedo, our dedicated Development Director here at DLP Capital. Shannon's role involves a wide range of responsibilities, including reviewing and seeking entitlements for new projects, managing budgets and timelines for existing development projects, and providing due diligence insights for potential ventures.**

Originally from Michigan, Shannon pursued a career in planning after earning her Master of Urban and Environmental Planning degree from Arizona State University. Prior to that, she gained valuable experience in market and data analytics, earning her Bachelor of Business Administration from the University of Michigan. Growing up in a small town with hardworking parents who instilled in her the value of diligence, Shannon brings a strong work ethic to her role.

When it comes to our company culture, Shannon appreciates the inclusivity and collaborative nature that encourages everyone to contribute. She feels supported by her team, especially in a fast-paced environment where challenges require taking calculated risks.

Shannon's favorite core value at DLP Capital is the Twenty Mile March.

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*"It leads to real and stable growth and transformation. You don't have to be the most talented or smartest to be successful - you just have to have the sustained effort."*



During her time at DLP Capital, Shannon's professional growth has been significant. While her background lies in planning, she has learned the importance of adaptability and nimbleness in an ever-evolving market. She has gained insights into underwriting, business planning, and even the intricacies of RV resorts, expanding her knowledge and skill set beyond expectations.

When being interviewed for this spotlight, Shannon expressed her excitement for the future possibilities at DLP Capital.

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*"We are just scraping the surface of what's possible at DLP and I am honored to be part of such an amazing group of people."*

With passion, patience, and continuous learning, Shannon is ready to embrace the opportunities that lie ahead.

# BUILDING AN ELITE CAREER

## The Blueprint to Thriving in a High-Growth Organization

**Don Wenner's new book hit #1 in Motivational Business Management, joining the ranks of the most influential motivational authors today. He joins other Amazon top authors on that list including Ryan Holiday, one of the world's best-selling living philosophers; Adam Grant, with 30 million TED talk views; and renowned John Maxwell, who coaches business and government leaders worldwide.**

It's not every day that an aspiring real estate entrepreneur turns flipping houses, at age 20, into a \$5 billion real estate investment firm that's been on the Inc. 5000 list of Fastest-Growing Private Companies for 11 consecutive years. But that's exactly what Don Wenner, Founder and CEO of DLP Capital, has accomplished at the ripe age of 38. Discover his sauce for success in *"Building An Elite Career. The Blueprint to Thriving in a High-Growth Organization."*

The framework, guidelines, and tools in this book will help you achieve your organization's big goals while hitting your individual expectations for personal fulfillment.

- Drive growth and engagement to thrive in a flourishing entrepreneurial organization
- Create a blueprint for prosperity and fulfillment to make a bigger impact on the world
- Build an extraordinary life through intentionality so you can achieve significance and happiness



### WHAT THEY'RE SAYING:

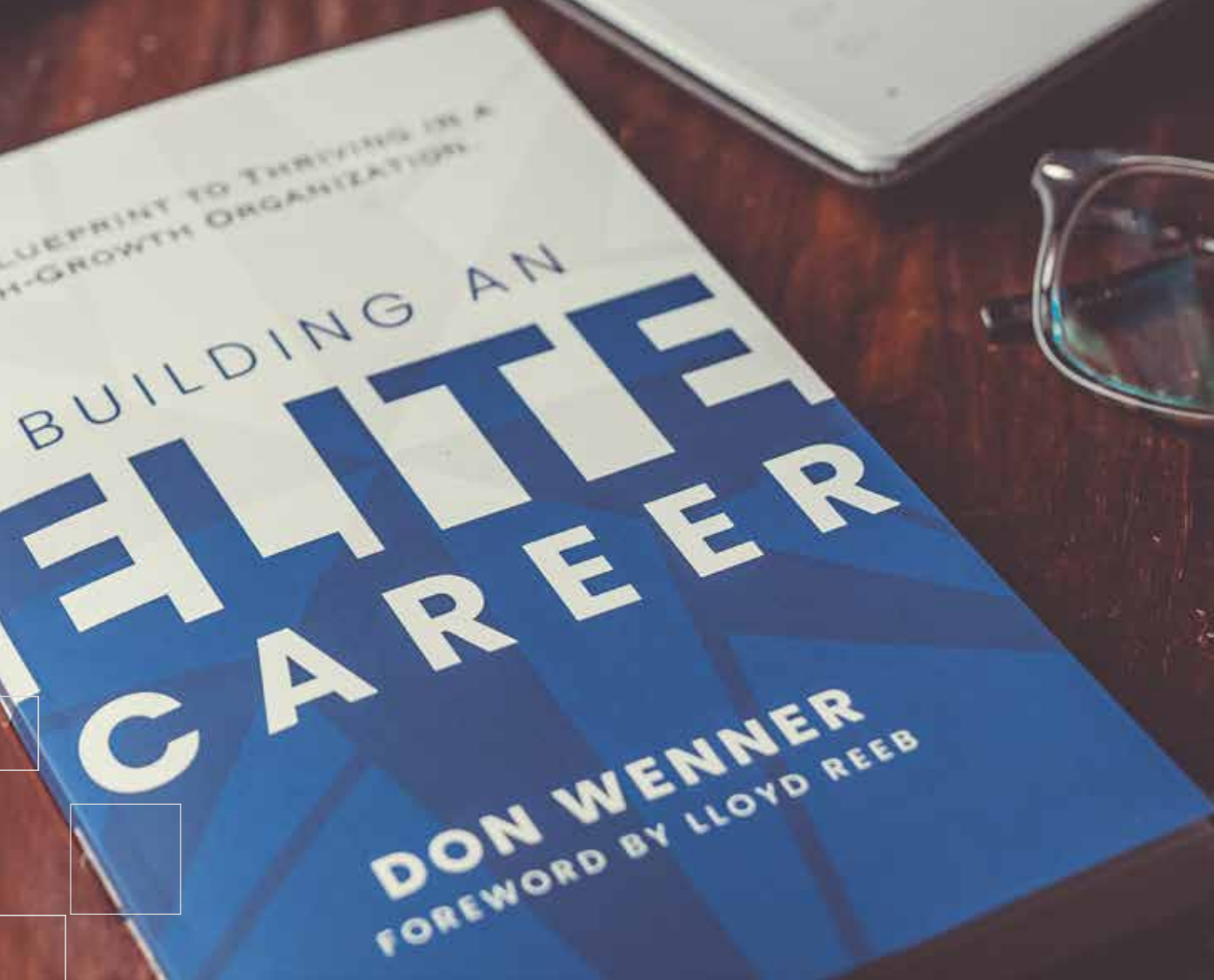
*"An incredible toolkit for setting and organizing your goals and accomplishing things you never thought you could."*

*"A roadmap to success in your career."*

*"Highly recommend for anyone with a growth mindset, wanting to build their career!"*

*"Wenner's practical advice and relatable anecdotes make it accessible to everyone. He emphasizes adaptability and seizing opportunities in a rapidly changing work environment."*





# INVESTOR SPOTLIGHT



## Sherlock Holmes

Genware Founder & DLP Capital Investor

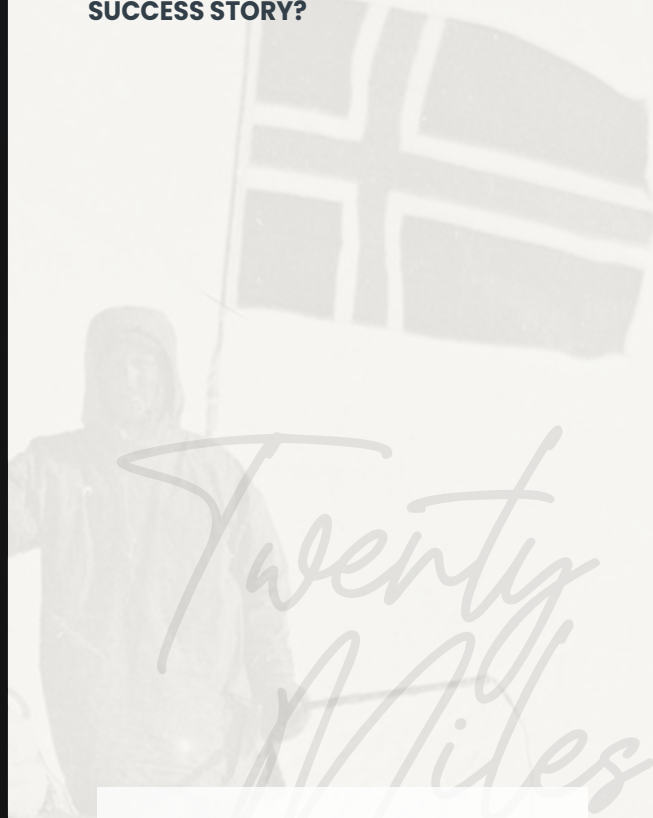
"Today, we invest across all of the [DLP Capital's] funds, and our investment portfolio is substantially different. We are generating more finances in our investment portfolio now than we did in the 10 years before meeting DLP Capital..

Wealth came in as having multiple pillars. The financial side is one which enables you to do other things, but there's your health, there's enjoying life, there's your family and where you're going, and your goals, and your ambitions. And what I got from DLP and especially Don—just such a phenomenal leader in these areas—is, *"Let's look at it completely."* So, it was easy to align values with DLP Capital for our family."

To view Sherlock's Investor Success Story, we invite you to visit [www.youtube.com/dlpcapital](http://www.youtube.com/dlpcapital). There, you'll find his and multiple other stories and successes from our esteemed investors.

# THE TWENTY

READY TO TAKE CONTROL OF YOUR SUCCESS STORY?



Unleash your potential with The Twenty, **DLP Capital's exclusive education platform.** One of our core values, 20 Mile March, stands for taking consistent and steady steps forward in life. Create a pathway towards achieving greatness with our selection of entertaining and educational videos and thought-provoking webinars helmed by industry veterans and our knowledgeable team members. Unlock valuable insights as you embark on an exciting learning adventure full of webinars, capital dinner presentations, podcast episodes, and more that will guide you through life's journey to personal and professional growth.

[dlpcapital.com/twenty](http://dlpcapital.com/twenty)



# LIVINGFULLY DAY

September 29, 2023

**LivingFully Day is all about focusing on the 8 F's of life – faith, family, friends, finances, fitness, fulfillment, freedom, and fun. In years past, DLP Capital team members would gather together for engaging, high-energy workshops aimed at helping them with their quest for excellence and the pursuit of their passions.**

This year, we took a different approach to LivingFully Day, throwing our team members a bit of a curve-ball—but the good kind.

In the lead-up to this day, Don emailed our team a simple question: what would you do if you had a free day—no work, no obligations, just a day to dive into old passions or new interests? We received dozens of responses, with people sharing that they'd use the free time to do everything from redecorating their home to spending the day surfing or horseback riding.

With his oldest son Donny by his side, Don kicked off LivingFully Day with a brief presentation on what



LivingFully means. He set the stage for our usual LivingFully Day—a day of workshops and activities centered around the theme. Then the twist came: Don gave everyone exactly what he had hinted in that email—a free day. By 9:15 a.m. on a Friday, DLP Capital team members were off to do whatever they pleased with time they didn't expect to have.

*"As a CEO, I've had the opportunity to do some memorable things, but this was one of the top. I asked the team to share highlights of their free day with us and saw everything from charitable giving and trips to art museums to shooting hoops with other team members."*

Here are some highlights from this incredible day:



# MARKET RECAP

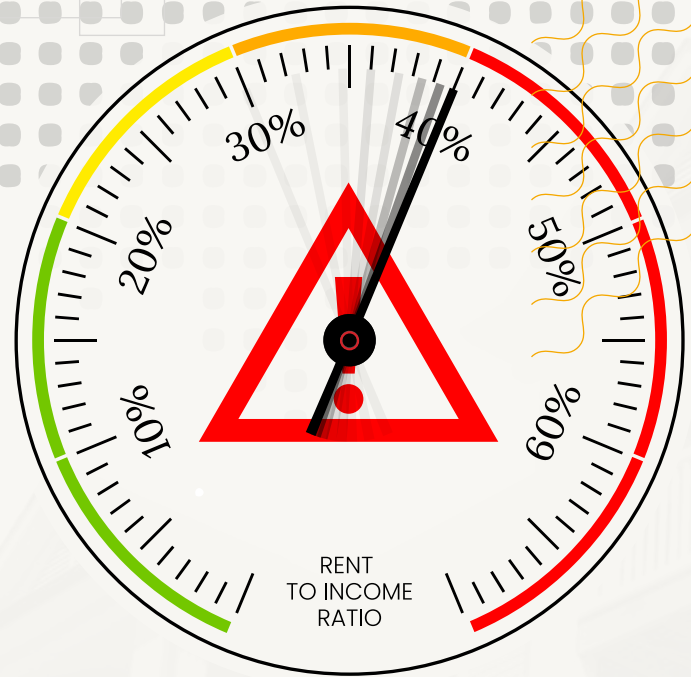
For decades now, housing supply has fallen short of what is needed to keep housing affordable. In fact, there has been a shortage of housing ever since most of us were born, with the issue impacting nearly every community in every corner of America. While our housing supply problem is a national issue, however, solving it is a local one. That's why DLP Capital, during the first nine months of 2023, continued to forge ahead investing in, building, and financing attainable rental housing for working families throughout the Sun Belt and beyond. In addressing the housing affordability issue, we continue to see excellent opportunities to achieve both our core mission—and the opportunity for superior returns.

Interest rates, of course, have played havoc on the housing market, whether it be prospective single-family homeowners or multifamily sponsors. On one hand, we have seen 2023 interest rates stay higher for longer than most of us expected back in 2022; on the other hand, we have begun to see rescue/distressed acquisition opportunities peek through the housing haze. That means new buying opportunities for DLP Capital and for other strong sponsors that we finance. We believe the fundamentals of rental housing will be strong mid- and long-term, and in the third quarter 2023, we continued to position ourselves to capitalize on opportunities—with the expectation that mortgage rates will retreat to the high 4% to low 5% levels by end of 2025, creating further opportunities to buy and develop new communities in this market environment.

Now for a look back on the issue of housing affordability, which we have focused on for 15+ years and counting:

## A RISING BAROMETER

It's long been held that 30% is a barometer for measuring housing affordability: If a family spends no more than 30% of their income on rent, it theoretically



should leave adequate remaining income for essentials such as food, clothing, utilities, transportation, etc. Now, this past quarter for the first time in decades, the rent-to-income ratio exceeded 30%, marking one of the least-affordable rental markets ever, according to CoreLogic, a global property analytics provider. A decade ago, this was 26%. Stress on rent-burdened families is expected to extend through year-end, with low-to-moderate-income renters bearing the brunt of inflation.

To put even more pressure on the barometer, Moody's Analytics reported in the third quarter that it costs \$734 more per month to buy the same goods and services as two years ago for U.S. households who earn the median income.<sup>1</sup>

For those considering homeownership, further pressure creates a perfect storm: The National Multifamily Housing Council reported that it has never been more expensive to buy a home than now (*average price \$407,000*), with the rapid appreciation in prices together with increase in interest rates causing the monthly cost of homeownership to rise 78% in the past three years.<sup>2</sup> Nationally, the average 30-year mortgage rose to a 23-year high of 7.49% in the first week of October, according to Freddie Mac, causing mortgage applications to plunge to the lowest level in decades. The collective effect: Sales of existing

<sup>1</sup> Source, Bloomberg, as reported in Globest.com <https://www.globest.com/2023/10/04/70-of-households-finding-it-harder-to-pay-the-rent/>

<sup>2</sup> Source, Bloomberg, as reported in Globest.com <https://www.globest.com/2023/10/04/70-of-households-finding-it-harder-to-pay-the-rent/>



homes this past quarter fell to the lowest level since October 2010.<sup>3</sup>

Last quarter, we noted that owning a home cost \$1,176 more than renting a professionally managed apartment. The differential is now \$1,298. Clearly, there's an enormous incentive to rent rather than buy—assuming renters can find attainably priced, quality housing. Developers, however, are not able to build enough to keep up with demand, especially in areas with significant population growth, such as in the Southeast and Texas. Hence DLP Capital's mission to fill those types of voids.

Due to the significant lack of supply of attainable workforce housing across America, the underlying asset performance remains very strong. The multifamily occupancy level nationally remains solid at 93.4%. The average asking rent of \$1,722, despite a slowing economy, was down only \$6 and still had 0.8% growth year-over-year.<sup>4</sup> Likewise, the single-family average rent of \$2,104 declined a nominal \$4, and while year-over-year growth was only 0.4%, the occupancy level remains unchanged at 95.9%, indicating continued robust rental demand.

3 <https://tradingeconomics.com/united-states/existing-home-sales>

4 <https://www.avisonyoung.us/us-multifamily-market-overview#:~:text=On%20average%2C%20over%20700%20new,limiting%20near%2Dterm%20investment%20activity>

## Cost differential to own vs. rent = \$1,298

### Key Multifamily Stats<sup>1</sup>

#### Rents

- Average US multifamily rent declined \$6 in September to \$1,722
- Year-over-year national rent growth of 0.8%
- National lease renewal rates in Q3 were 60.4%, down from 64.4% in Q2

#### Occupancies:

- Multifamily occupancy remained flat year-over-year at 95% in Q3
- Decline over last 18 months, given new metro-area deliveries

#### Sales

- Multifamily sales volume declined 62% compared to first nine months of 2022
- Good news: Construction starts have dropped almost 60% year-over-year
- National multifamily market remains healthy in general

1 Statistics source: <https://www.yardimatrix.com/blog/national-multifamily-market-report-september-2023/>

### Key Single-Family Stats

#### Rents

- Average single-family rent declined \$4 in September to \$2,104
- Year-over-year national rent growth of 0.4%

#### Occupancies:

- Single-family rental occupancy unchanged at 95.9% in Q3
- Continued robust demand

#### Sales

- National median home price: \$407,000 in August 2023
- Sales of existing homes down 15.3% year-over-year
- Average 30-year mortgage reached 7.49%, 23-year high, in October

# INVESTMENT OUTLOOK

For 2024

**National Tier 1 markets continue to have a large pipeline of multifamily units. This has created an overabundance of new product at a time when rent growth is decelerating.**

Marketwide, we expect rents to see modest growth of only 1%-3% in 2024, compared to 2022, which had the second-highest rent growth in this century, 6.2%.<sup>1</sup> Fortunately, in DLP Capital's portfolio we expect to maintain robust rent growth of 4%-7% in 2024. We also expect a 1% decrease in our vacancies, outperforming the general market where we expect a 1% rise in vacancies to over 7% nationwide. Inflation, of course, is impacting expenses nationally and in our own portfolio, with anticipated increases of 2%-4% in both cases. Nonetheless, we foresee a 6%-8% increase in the net operating income of our existing portfolio, compared to a flat performance marketwide in 2024.

## MULTIFAMILY SUPPLY

Regarding the large multifamily pipeline noted above, Fannie Mae expects starts to taper off and end the year down 6.4% compared to 2022.<sup>2</sup> This decline is anticipated due to short-term supply saturation, high interest rates making new construction financing expensive, and lenders constricting their construction lending. Added to those development challenges are rising costs of land, labor, and construction, in addition to prolonged entitlement processes, and planning and zoning restrictions that limit development of attainably priced housing. Despite those challenges, there still remains a short-term oversupply of Class A multifamily in top-tier markets.

Given a decreased availability of capital for development and construction of new housing, we expect rental housing stock in many such markets to continue to decline. As such, in 2024, we plan to invest \$300 million or more of new preferred equity into existing communities in need of enhancements, spanning as many as 10 communities. In addition, we

plan on investing a similar amount, \$300+ million, into building 5-10 new communities.

## NEW MULTIFAMILY COMMUNITIES COMING ON-LINE

An example of excellent market dynamics is DLP Capital's very promising investment in our Dream Kissimmee development near Orlando, which just began leasing in October 2023 and is already seeing strong demand. This 304-unit community has the type of submarket dynamics we find extremely appealing: easy access to all of Orlando's attractions and employers; minutes from International Drive; five miles from Disney; and 15 minutes from Orlando International Airport. The appeal of this property to area workforces is expected to be strong and, in fact, the site was originally slated by Disney itself to create housing for cast members.

Looking ahead, we also have 97 duplex cottages coming online in the 2024 first quarter in Palatka, a northern Florida city. Inland locations such as Palatka—only 30 miles from east coast beaches—allow us to offer much more reasonable rents than what renters can find in coastal cities. Our new community, which includes private outdoor living space for every unit, is expected to lease swiftly, providing much-needed quality housing to an area that has seen slow but steady growth for 30+ years.

## SINGLE-FAMILY SUPPLY

According to the National Association of Realtors (NAR), the median US home sales price was \$394,000 in September 2023, compared to a high last year of \$414,000. While price escalation has tempered, NAR's

<sup>1</sup> <https://www.multifamilydive.com/news/after-a-strong-2022-rent-growth-expected-to-slow-this-year/640213/>

<sup>2</sup> <https://multifamily.fanniemae.com/news-insights/multifamily-market-commentary/mid-2023-multifamily-construction-update>



index of pending home sales illustrates continued hesitancy among buyers and sellers. Pending home sales rose 1.1% in September 2023, but all four US regions—Northeast, Midwest, South, and West—had year-over-year declines, with pending contracts remaining at historically low levels due to the high mortgage rates. Pending home sales are a leading indicator of housing activity, as homes go under contract a month or two before sold, so a year-over-year decline bodes negatively for future sales closed.<sup>3</sup>

We expect to see continued reticence by homeowners to sell. Yes, they might reap substantial gains, but what can they buy in place when interest rates may have doubled since their purchase? The sales of existing homes, in fact, decreased 15.3% from August 2022 to 2023<sup>4</sup>. Fortunately, we expect rates to begin declining in the second half of 2024, by .25%-.5%, and by this time next year mortgage rates may be in the low- to mid-6% range. Rates should further improve heading into 2025, normalizing at levels of high-4% to low-5%.

In terms of new construction, single-family home-building rebounded in September, amid an acute housing shortage, but the highest mortgage rates in nearly 23 years could slow momentum and delay the overall housing market recovery. In addition, the rebound probably reflected permits approved months ago before mortgage rates broke 7%. In fact, confidence among homebuilders slumped to a nine-month low in October, with builders reporting lower levels of traffic<sup>5</sup>.

### **ROBUST DLP CAPITAL LENDING PROGRAMS**

In the meantime, DLP Capital anticipates a record year for our lending programs. We expect to surpass \$1.5 billion in originations, spanning 100+ communities, which is not only in line with our own commitment to build and enhance thriving communities—but our lending programs help strong sponsors/operators do the same. Our financings span from new and existing single-family and multifamily rental communities to manufactured housing and RV communities, among

### **Managing Interest-Rate Flux to DLP Capital Benefit**

- DLP funds: Our loan origination rates rose this past eight months from low-9% range to low-12% range
- Increased loan rates offset higher leverage costs, resulting in our investment funds' still generating double-digit portfolio returns
- We're increasing interest rates on renewal loans coming up for extensions
- As rate increases level off/decrease, our portfolio-wide average yield should remain near current levels, providing opportunities for superior returns to investors

other asset types. We anticipate an average interest rate return of 12% on these originations in 2024, with a sub-60% average loan-to-value, while offering attractive 70%-80% loan-to-cost terms. Many of these financings will go into the DLP Lending Fund, which has distributed more than \$120 million of earnings to investors since its 2014 inception, and we have every intention of continuing to target superior returns and distributions going forward.

In summary, fundamentally, the US supply-side is not able to build enough housing to keep up with demand, especially in areas with significant population growth such as in the Southeast and Texas. Meanwhile, the cost of homeownership has skyrocketed, with interest rates exacerbating the problem, and rental housing stock will continue to decline due to decreased availability of capital for new development and construction. Those market dynamics, however, continue to present excellent opportunities for DLP Capital, as we have a depth of capital resources. We will continue to invest in our focus for 15+ years—rental housing that is attainable to working families. That includes targeting double-digit returns in each of our funds, including aiming for an increase in returns to investors heading toward 2025 and beyond, due to opportunities we expect to close on in 2024.

3 <https://www.nar.realtor/research-and-statistics/housing-statistics/pending-home-sales>

4 <https://www.nar.realtor/blogs/economists-outlook/august-2023-existing-home-sales-fall-as-home-prices-increase-with-mortgage-rates>

5 <https://www.reuters.com/markets/us/us-single-family-housing-starts-rebound-sharply-september-2023-10-18/>

# DLP Capital Impact Funds

**DLP Capital is committed to not only helping our investors do well, but also doing good with products that make a difference.**

## All funds have these features:

- All funds are evergreen—receiving ongoing funding throughout lifespan
- All funds invest in desperately needed workforce housing in U.S.
- All funds are targeted to provide above-market returns to investors
- All funds pay preferred returns before paying DLP Capital's management fee\*



## DLP Investment Portal

### Benefits of the Appfolio Investor Portal:

- Dashboard of your investments
- View your ownership interest
- View your recent distributions
- 24/7 secure access
- Log in from any device
- Mobile app
- Fund your investment directly through the portal

If you haven't accessed the portal, or if you're experiencing any issues logging in, please contact [invest@dlpcapital.com](mailto:invest@dlpcapital.com) or call our Investor Success Team at 610-488-2375 and our team will be happy to assist.

**Risk Disclaimer :** Investing in private real estate funds and notes secured by real estate has certain inherent risks, which could result in the loss of some or all of your principal investment. Your decision to purchase and invest should be based on your own particular financial circumstances and investment objectives. DLP Capital Partners, LLC (formerly

known as DLP Capital Advisors, LLC), its officers, and representatives can in no way guarantee or warrant your success. Consult your tax advisor or financial advisor before investing. Past performance does not guarantee future performance. Please see fund offering documents for full details and disclosure.

**Note:** DLP Capital shall not be bound by or held responsible for typographical errors or omissions. In the event of an error, please reach out to DLP via email or phone for clarification, if necessary.



# DLP Housing Fund, LLC

QUARTER 3, 2023

## OVERVIEW & FUTURE OUTLOOK

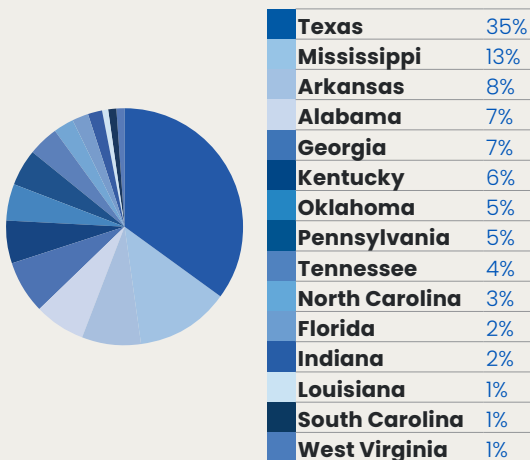
The Fund continued its unbroken performance record, returning its 6% annualized preferred return to investors, something it has done every period since inception. After growing capital commitments by over \$14.2M the first half of the year and \$31.2M in Q3, the DLP Housing Fund enters Q4 with \$45.4M in capital commitments year-to-date.

Although the Fund's activity was subtle, with no additional investments this quarter, our team was busy at work. In September, the Fund purchased an additional 17.03% interest in DREAM Germantown, a 288-unit multifamily generating cash flow in the most desirable suburb of Memphis, TN. By increasing our ownership interest, the 8% preferred return and potential EDC earnings will bring additional cash flow to the Fund and its investors.

Looking ahead to close out 2023, management focuses on diligently reviewing the portfolio's performance to ensure all JV deals are performing up to our standards while maximizing returns to our investors and exploring new opportunities to modify our portfolio.

## FUND CHARACTERISTICS

### Asset Locations



## FUND DETAILS

<b>Inception Date</b>	01.01.2020
<b>Capital Commitments</b>	\$476,986,770
<b>Target Annual Return</b>	10-12%
<b>Preferred Returns</b>	6%
<b>Year to Date Preferred Return (DRIP)</b>	6.34%
<b>2022 Full Year Return (DRIP)</b>	12.97%
<b>Return Since Inception (DRIP)</b>	26.02%
<b>Periods of Missed Preferred Return</b>	Zero
<b>Total Real Estate Value</b>	\$2,189,290,000
<b>Number of Communities</b>	62
<b>Number of Homes</b>	14,642
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Performance Fees</b>	20%
<b>Redemption Notification</b>	Annual Redemption
<b>Management</b>	DLP Housing Fund Manager, LLC
<b>Unit Price Per Share</b>	\$1,000
<b>Call Structure</b>	Optional for Investments > \$500,000

\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)

## IMPACT NUMBERS

<b>Number of Residents</b> (*As of 9.30.23)	38,616
<b>Affordable Rent Collected</b> (*As of 9.30.23)	\$54,543,440
<b>Estimated # of Lives Impacted</b> (*As of 9.30.23)	43,926

# DLP Lending Fund, LLC

SEPTEMBER, 2023

ANNUALIZED AVG  
SINCE INCEPTION\*

# 12.63%

\*Inception Date – 10/22/14

## OVERVIEW & FUTURE OUTLOOK

The DLP Lending Fund continued its unbroken performance record of exceeding targeted returns with a **strong 10.13% return** in September. Since inception, the Fund has distributed \$116M to its investors.

During the month, an Elite borrower successfully exited 96 loans totaling \$20.6M, allowing the Fund to swiftly redeploy the capital and **close its largest loan to date**.

The Fund also recorded its second-highest month of the year by **originating over \$96M in total loans** during September. Year-to-date, the Fund has closed 135 loans, totaling over \$556M.

The DLP Lending Fund remains committed to providing capital to experienced real estate sponsors and operators with proven track records. We continue to focus on sponsors determined to scale their business who share our mission of providing affordable rental housing for working families.

## FUND DETAILS

<b>Inception Date</b>	10.22.2014
<b>Fund Term</b>	Evergreen
<b>Fund AUM</b>	\$807,448,726
<b>Equity Commitments</b>	\$432,740,049
<b>Total Loans Under Management</b>	\$1,097,486,924
<b>LTV Average</b>	53%
<b>LTC Average</b>	79%
<b>Annualized AVG Return Since Inception</b>	12.63%
<b>Target Return</b>	9–10%
<b>Preferred Return</b>	8%
<b>Periods of Missed Preferred Return</b>	None
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Performance Fee</b>	20%
<b>Redemption Notification</b>	90 days
<b>Management</b>	DLP Management Group, LLC

\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund, based on a minimum annual investment balance – as of April 1st for the calendar year 2023; per calendar year thereafter)

## DLP LENDING FUND HISTORY

	September 2023	Year to Date	Since Inception
<b>Income</b>	\$8,948,823	\$73,875,997	\$227,829,433
<b>Costs</b>	\$5,392,389	\$44,212,598	\$111,892,470
<b>Distributions</b>	\$3,556,434	\$29,663,399	\$115,936,963



### LOAN ORIGATION VOLUME

Sept 2023	\$96,563,716
Sept 2022	\$88,224,582
Sept 2021	\$47,196,878
2023 YTD	\$556,517,541
2022 YTD	\$592,012,911
2021 YTD	\$341,911,366

### TYPICAL DLP BORROWER

Average Liquidity	\$2,599,178
Average Credit Score	724
# of Projects Completed	90
Average Number of Loans Per Borrower	4

### LOAN PERFORMANCE (based on current loan amount)

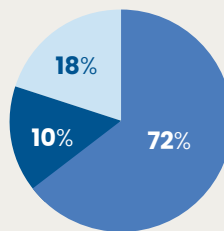
Current	93.82%
31-60 Days Delinquent	2.27%
90+ Days Delinquent	3.91%

### LOAN REGIONS

Southeast	60%
Southwest	24%
Northeast	9%
Midwest	5%
West	2%

### ASSET TYPE BY PERCENTAGE

<b>Community Loans</b>	<b>72%</b>
Multifamily Existing	31%
Manufactured Housing & RV Existing	15%
Multifamily New Community	11%
Manufactured Housing & RV New Development	9%
Single-family New Community	6%
<b>Land and Commercial</b>	<b>18%</b>
Commercial	13%
Land	5%
<b>Single-Family Scattered</b>	<b>10%</b>
Single-family New Construction	4%
Single-family Existing	3%
Multi-Property – Existing	2%
Multi-Property – New Construction	1%



### TOP 5 STATES

FL	39%
TX	24%
PA	7%
GA	5%
AL	5%

### MONTHLY GROWTH

Loans Under Management	-\$477,165
Assets Under Management	-\$17,454,591
Capital Under Management	\$9,112,854

### RETURN PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annualized
2023	10.05%	10.25%	10.14%	10.01%	10.05%	10.06%	10.16%	10.01%	10.13%				10.10%
2022	10.79%	11.36%	11.80%	12.89%	12.36%	11.04%	11.62%	11.14%	11.00%	10.35%	10.85%	10.12%	11.28%
2021	11.04%	11.09%	11.08%	11.03%	10.47%	10.47%	10.55%	10.71%	10.16%	10.09%	10.50%	10.12%	10.61%
2020	12.04%	12.09%	11.22%	11.39%	11.06%	11.05%	11.06%	11.05%	11.04%	11.06%	11.02%	11.06%	11.26%
2019	12.65%	12.81%	12.45%	12.61%	12.54%	12.51%	12.20%	12.22%	12.53%	12.11%	12.18%	12.06%	12.41%
2018	12.57%	13.72%	12.43%	13.62%	12.46%	13.39%	12.45%	12.38%	12.48%	12.49%	12.56%	12.75%	12.76%

# DLP Preferred Credit Fund, LLC

ANNUALIZED AVG  
SINCE INCEPTION

**10.61%**

QUARTER 3, 2023

## OVERVIEW & FUTURE OUTLOOK

The third quarter yielded the **strongest results of fiscal 2023** for the DLP Preferred Credit Fund. The Fund exceeded its targeted return of 10.00% for the eighth consecutive quarter, **generating over \$956,000 in earnings, returning 10.94%** to its investors.

The Fund **originated a mezzanine loan of \$11.7M** to an Elite borrower. The loan will fund a portfolio of four RV parks located in attractive markets, with three in Alabama and one in Texas.

As the Fund confidently looks forward to a successful close to fiscal 2023, Management plans to continue seeking opportunities to deploy additional investor capital into structured debt and preferred equity deals.

## FUND DETAILS

<b>Inception Date</b>	10.01.2021
<b>Fund Term</b>	Evergreen
<b>Fund AUM</b>	\$46,718,140
<b>Equity Commitments</b>	\$42,347,681
<b>Annualized AVG Return Since Inception</b>	10.61%
<b>Target Return</b>	10%
<b>Preferred Return</b>	9%
<b>Periods of Missed Preferred Returns</b>	0 Months
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Performance Fee</b>	20%
<b>Redemption Notification</b>	90 days
<b>Management</b>	DLP Preferred Credit Fund Manager, LLC

*\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)*



### LOAN ORIGATION VOLUME

Q3 2023		\$11,700,000
Q3 2022		
2023 YTD		\$11,865,000
2022 YTD		\$17,350,000

### PORTFOLIO SNAPSHOT

Total Value of Underlying Real Estate	\$361,220,900
Total Volume of Fund Investments	\$34,336,918
Average Fund Investment	\$4,905,274
Average Borrower Subordinate Equity	\$8,252,282

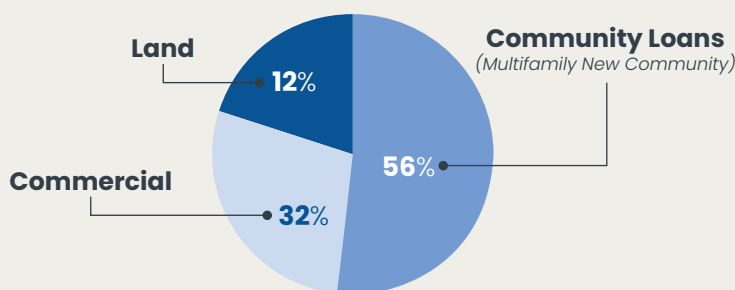
### ASSET OVERVIEW

Asset Type	City	State	# of Homes	Stabilized Value	Fund Investment Amount	Subordinate Equity
Manufactured Housing & RV Existing	Multiple	Multiple	676	\$112,350,000	\$11,700,000	\$17,013,818
Multifamily - New Community	Kissimmee	FL	304	\$103,100,000	\$7,500,000	\$18,960,000
Commercial	Fernandina Beach	FL	225	\$22,000,000	\$5,000,000	\$6,536,742
Land-Multifamily	St. Augustine	FL	210	\$64,200,000	\$3,630,000	\$2,425,000
Commercial	Fort Pierce	FL	133	\$16,909,514	\$1,967,401	\$4,046,379
Commercial	Surfside Beach	SC	70	\$42,111,386	\$4,127,017	\$8,492,087
Land - Single-family	St. Simons Island	GA	2	\$550,000	\$412,500*	\$137,500

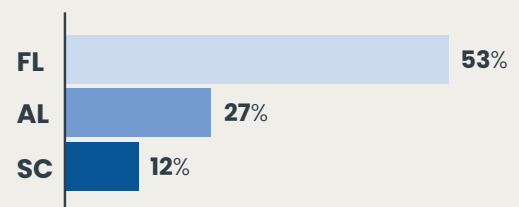
### RETURN PERFORMANCE

Year	Q1	Q2	Q3	Q4	Annualized
2023	10.16%	10.20%	10.94%		10.43%
2022	10.22%	10.74%	11.23%	10.73%	10.80%
2021	Fund wasn't open Q1-Q3 of 2021			10.04%	10.04%

### ASSET TYPE BY PERCENTAGE



### TOP 3 STATES



# DLP Building Communities Fund, LLC

QUARTER 3, 2023

## OVERVIEW & FUTURE OUTLOOK

During the third quarter, the DLP Building Communities Fund's **capital commitments increased by \$15.9M, totaling \$42.9M year-to-date.**

A newly acquired Q3 investment, DREAM Jacksonville RV Resort is being developed right outside the center of Jacksonville, in Callahan, FL. The project will be an RV & Cottage community with 450 pad sites, and multiple amenities including a golf course. Construction is already underway, with a soft opening slated for Q1 2025.

In September of 2022, the Fund began horizontal construction on DREAM Marine Creek in Fort Worth, TX. Less than ten miles from the iconic Fort Worth Stockyards, this development will deliver 638 multifamily units spanning over 40 acres. Vertical construction has started, and by the end of November we expect the offsite roads will begin to be paved.

As officially announced on September 20th, the Fund is heavily involved in the revitalization of downtown Jacksonville. Spanning over 20 city blocks, the \$2B+ development project is expected to provide thousands of rental housing units, grocery-anchored retail, restaurants, offices, and hospitality to the community.

Approaching the end of a notable year for the Building Communities Fund, while ensuring current projects stay on course and maximize investor returns, management is continually seeking opportunities to deploy capital into additional projects that meet the Fund's investment objectives. In Q4, the Fund expects to close on at least two additional development deals.

## FUND DETAILS

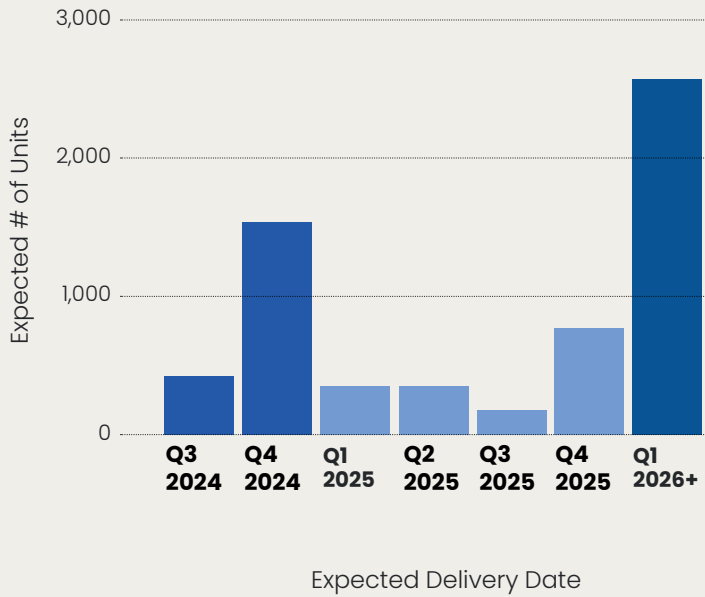
<b>Inception Date</b>	10.01.2021
<b>Investor Capital</b>	\$93,887,264
<b>Target Return</b>	11-13%
<b>Preferred Returns</b>	8%
<b>Periods of Missed Preferred Returns</b>	Zero
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Management Performance Fee</b>	20%
<b>Redemption Notification</b>	Annual Redemption
<b>Management</b>	DLP BCF Manager, LLC
<b>Unit Price per Share</b>	\$1,000
<b>Call Structure</b>	Optional for Investments > \$500,000

*\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)*

## IMPACT NUMBERS

<b>Number of Future Residents &amp; Lives Impacted</b>	43,200
<b>Number of Jobs</b> (Development & Construction)	9,876
<b>Number of Jobs</b> (Long Term)	231
<b>Total Development &amp; Construction Budget</b> (Estimated \$)	\$1,900,999,650
<b>Total Number of Future Units</b>	11,031

**PROJECT UNIT DELIVERIES BY QUARTER**



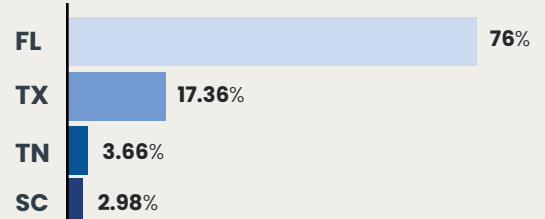
**CURRENT IN DEVELOPMENT**

**6,675**

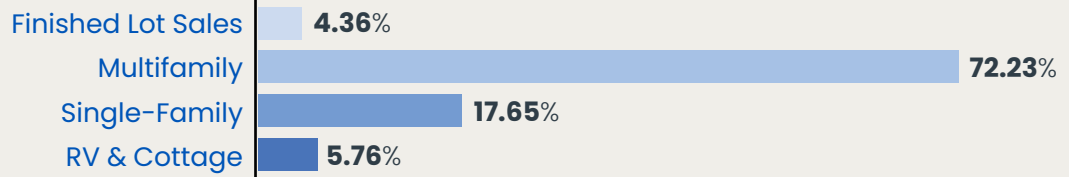
**CURRENT IN PRE-DEVELOPMENT**

**4,356**

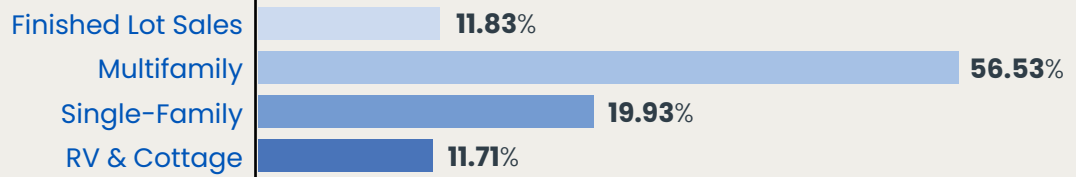
**TOP STATES**



**COMMUNITY TYPES (% PER DEVELOPMENT BUDGET)**



**COMMUNITY TYPES (% OF EXPENDITURES AS OF QUARTER END)**





**DLP CAPITAL Building Communities Fund, LLC | Continued**

**Dream Jacksonville RV Resort**

<b>Location</b>	Callahan, FL
<b>Type</b>	RV Community ( <i>New Development</i> )
<b>Investment Amount</b>	\$3.06 M
<b>Investment Date; Stabilization</b>	Q3 2023; Q1 2026
<b>Current Status</b>	Pre-Development
<b>Total units</b>	450 ( <i>Mix of Cabins &amp; Pads</i> )

The Fund’s 3Q acquisition of a planned RV resort site in Callahan, FL is a valuable addition to its RV portfolio. Developing a comprehensive vacation in North Florida augments DLP’s economies of scale as their RV portfolio expands.

As of October of 2023, sitework, utilities, and infrastructure are already in progress. Design work is underway for the multiple amenity buildings this project will feature and its golf course. Soft opening of the Callahan Country RV Resort is slated for Q1 2025.

This project presents an exceptional opportunity for both the management and investors, as it solidifies the sustainability and growth of the Fund.



1. <https://www.globenewswire.com/news-release/2023/07/05/2699941/0/en/Recreational-Vehicle-Market-Size-Share-Analysis-Growth-Trends-Forecasts-2023-2028.htm>

## Investment Funds Comparison

FUND/INVESTMENT	DLP BUILDING COMMUNITIES FUND	DLP HOUSING FUND	DLP PREFERRED CREDIT FUND	DLP LENDING FUND
<b>Fund Type</b>	Real Estate Preferred Equity Fund	Real Estate Equity Fund (REIT)	Preferred Real Estate Credit Fund (REIT)	Senior Secured Mortgage Pool Fund (REIT)
<b>Fund Investments</b>	This fund makes primarily equity investments into the development and construction of new rental communities, including build-to-rent (BTR) single-family, multifamily and RV communities.	This fund makes primarily equity investments into existing build-to-rent (BTR) single-family, multifamily and RV communities in U.S. markets with strong demand for attainable rental housing.	This fund makes debt and preferred credit investments to real estate sponsors with proven track records for the acquisition, repositioning, and construction of rental housing in the Sun Belt designed to be attainable for working families.	This private REIT makes debt investments to experienced real estate sponsors for the construction, acquisition, and repositioning of attainable rental housing in U.S. markets where working families are being priced out of home ownership.
<b>Direct/Indirect Security</b>	Equity Ownership in Real Estate	Equity Ownership in Real Estate	Notes Secured by Equity Pledges, Mortgages and Personal Guaranties	1st Position Mortgages backed by Real Estate along w/ Personal Guaranties
<b>Fund Term</b>	Evergreen	Evergreen	Evergreen	Evergreen
<b>REIT</b>	No	Yes	Yes	Yes
<b>QBI (199A) Deduction Eligible</b>	Partial	Yes <sup>3</sup>	Yes <sup>2</sup>	Yes <sup>1</sup>
<b>Distribution Frequency</b>	Quarterly (Pref); Annually (EDC*)	Monthly (Pref); Annually (EDC*)	All Distributions Paid Monthly	Monthly
<b>Reporting Frequency</b>	Quarterly	Quarterly	Quarterly	Monthly
<b>Preferred Return</b>	8%	6%	9%	8%
<b>Targeted Annual Net Return to Investors</b>	11-13%	10-12%	10-11%	9-10%
<b>2022 Annualized Distributions to Investors</b>	13.11%	12.97%	10.80%	11.28%
<b>Management Fee (Subordinate to Pref)</b>	2.0%; Subordinate to Preferred Return	2.0%; Subordinate to Preferred Return	2.0%; Subordinate to Preferred Return	2.0%; Subordinate to Preferred Return
<b>Annual Investment Rebate For Investments of \$1MM+ per account per fund</b>	0.50%	0.50%	0.50%	0.50%
<b>Annual Investment Rebate For Investments of \$10MM+ per account per fund</b>	1.0%	1.0%	1.0%	1.0%
<b>Performance Fee</b>	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return
<b>Redemption Notifications</b>	Annual	Annual	90 Day Notice	90 Day Notice
<b>Benefits of Leverage</b>	Yes	Yes	Yes	Yes
<b>Tax Shelter through Depreciation</b>	No	Yes	No	No
<b>IRA Investment Option</b>	Yes	Yes	Yes	Yes
<b>Minimum Investment</b>	\$200,000	\$200,000	\$200,000	\$200,000
<b>Target Fund Size</b>	\$1,000,000,000	\$2,000,000,000	\$1,000,000,000	\$2,000,000,000
<b>Tax Reporting Method</b>	K-1	K-1	1099-DIV	1099-DIV
<b>Immediate Deployment of Funds (Y/N)</b>	Yes	No (20-60 Days on Average)	No (Fund by the 25 <sup>th</sup> , Deploy by the 1 <sup>st</sup> )	No (15-45 Days on Average)
<b>Inception Date</b>	October 2021	January 2020	October 2021	October 2014

1- As December 31, 2022

2- Management fee rebates of .5% for >\$1M investment and 1% for >\$10M investment are per account, per fund, based on a minimum annual investment balance-as of April 1st for the 2023 calendar year; per calendar year thereafter

3-Not subject to phase out

This does not constitute an offer to sell, or a solicitation of an offer to buy any interests in The DLP Lending Fund, DLP Building Communities Fund, DLP Housing Fund, DLP Preferred Credit Fund or DLP Fixed Notes. Any offering of securities or solicitation in connection with the sale of securities will be made pursuant to offering documents. Investing in private real estate funds and notes secured by real estate has certain inherent risks, which could result in the loss of some or all of your principal investment. Past performance stated herein is not an indicator of future results and DLP Capital can in no way guarantee or warrant your success. Consult your tax advisor or financial advisor before investing. Please see each Fund's offering documents for full details and disclosures.

FUND HIGHLIGHTS

# CONTACT DLP

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**DLP CAPITAL FUNDS**

invest@dlpcapital.com  
**P:** (610) 488.2375

**NOTES**

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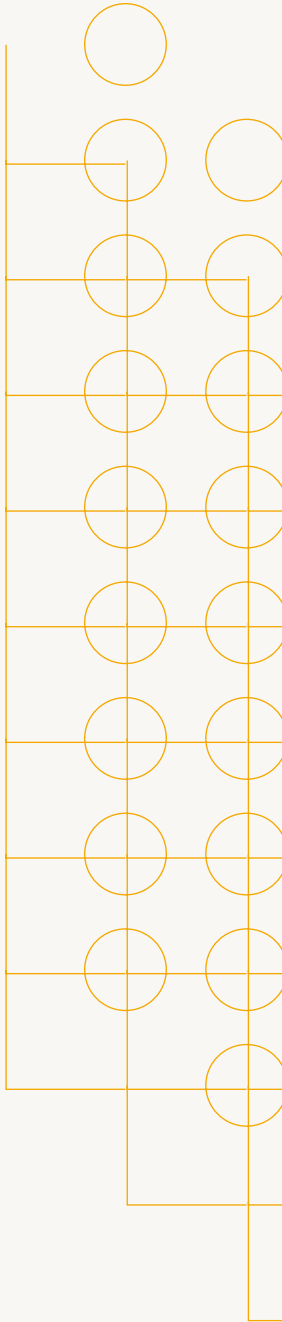
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Dream. Live. Prosper.





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