SILVER HEIGHTS
CAPITAL

212 UNIVERSITY AVENUE
DAVIS, CALIFORNIA

STUDENT HOUSING DEVELOPMENT OPPORTUNITY

EXECUTIVE SUMMARY

Project Overview:

- Fully entitled, purpose-built student housing development site located one block from the University of California, Davis campus
- The project was approved on 6/23/25 for the construction of a 5-story, 23,587 SF residential building with 20 units and 75 bedrooms on this 6,450 SF site
- Unit configuration designed around 3- and 4-bedroom units, each bedroom with ensuite bath and shared common areas

Entitlement & Development Status

- Project is fully entitled; conditions of approval can be found Approval Letter on the city of Davis website
- Approximately $150K of additional architectural and related soft costs are estimated to be required to complete the final construction documents for submission to the City of Davis to obtain a building permit
- Per discussions with the City, final review and approval process is expected to take approximately 6-8 weeks following submission of completed construction documents
- Upon final approval, project can immediately commence construction
- This is a link to the City of Davis website where the full project history can be viewed: Project History

SHC Loan & Ownership Background

- Silver Heights Capital originated a bridge loan secured by the property in the amount of $6,775,000 to support the Sponsor's plan to entitle and construct the project
- Sponsor was ultimately unable to perform under the loan, resulting in a default and subsequent foreclosure proceedings initiated by SHC
- Following the foreclosure and related bankruptcy process, SHC now owns the property together with the associated plans, approvals, and development rights
- SHC is currently looking to sell the project to a qualified developer in order to recoup its outstanding loan principal of (amount to be inserted here) and transition the project to construction and completion

Market Overview

- UC Davis enrollment is approximately 40,000 students; analysts and local planner have estimated the market is short several thousand beds, especially for graduate students
- Historically, the university housed a relatively low percentage of students on campus compared to other UC campuses
- Davis has strict growth controls and limited multifamily development, which constrains off-campus inventory
- Vacancy rates in Davis have often hovered near or below 1%, versus a balanced rental market typically around 5%
- Student rents have increased materially over the past decade due to undersupply

PROJECT VALUE

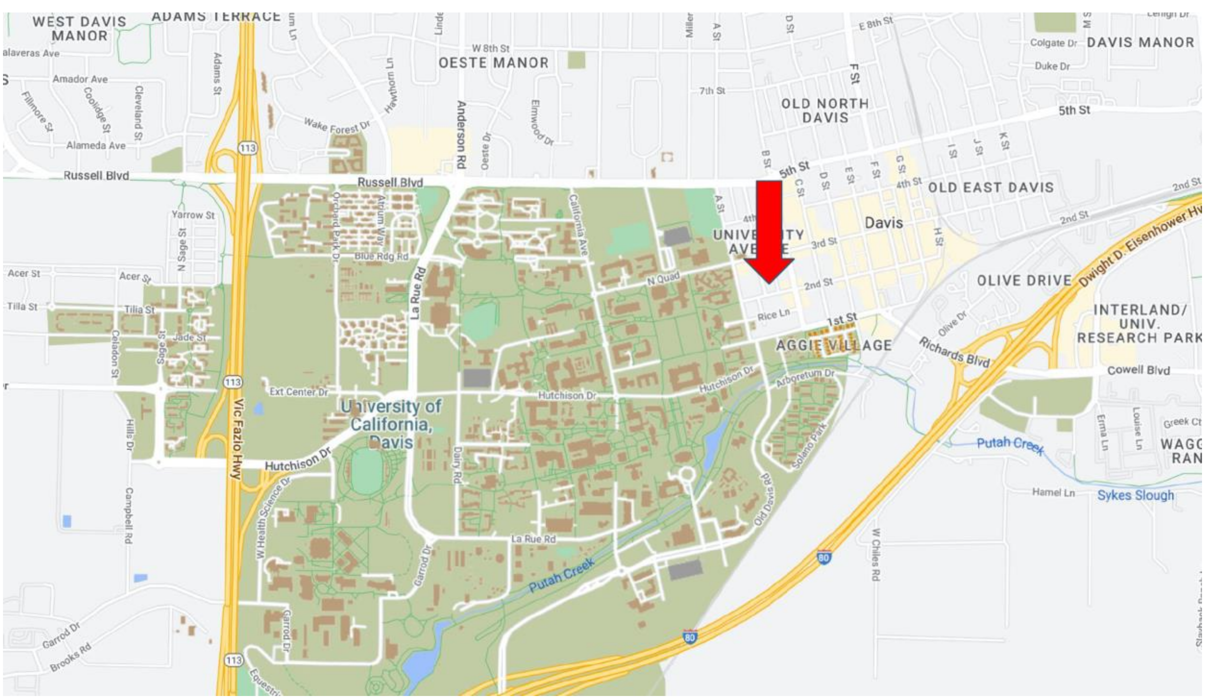
AS STABILIZED	ANNUAL PER BED	TOTAL ANNUAL
Gross Potential Rent ($1,344/bedroom/month)	$16,133	$1,210,000
Effective Gross Income	$16,000	$1,200,000
Operating Expense	$5,467	$410,000
Net Operating Income	$10,533	$790,000
SHC As-Stabilized Value @ 5.50% Cap Rate (Rounded)		**$14,300,000**

LAND RESIDUAL	VALUE/COST
Stabilized Value	$14,300,000
Less: Hard & Soft Costs to Complete	$7,000,000
Less: Financing Costs though Completion	$2,000,000
Less: Entrepreneurial Incentive	$1,350,000
SHC Land Residual Value	**$3,950,000**

- SHC estimates the project's as-stabilized value at approximately $14.3MM based on projected stabilized NOI of approximately $790K capitalized at a 5.50% cap rate
- Based on estimated total development costs and required entrepreneurial incentive, SHC estimates the residual land value as-entitled at approximately $3.95MM
- SHC obtained multiple third-party appraisals which concluded to similar as-is and as-stabilized valuation ranges; valuation summaries can be found in the matrix below

VALUATION SOURCE	AS-IS	AS-STABILIZED	DATE
SHC Underwritten Value	$3,950,000	$14,300,000	May-26
Value Add Assets Appraisal	$3,875,000	$15,780,000	Aug-25
BBG Appraisal	$4,000,000	$16,000,000	Apr-24
Average	**$3,940,000**	**$15,360,000**	-

ARCHITECT RENDERING & MAP



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