

A Change is A-Comin' (to our Investor Updates)

We've been writing these Investor Updates for 7 years now, and every month we wonder, "What are we going to write about this month?" Our goal is to keep you in the loop about how our investments are doing, which we will do no matter what. *But you want to know the truth? Sometimes the updates are boring... and that's just how we like it.* Most of the time, there are no surprises or major hurdles we've encountered, and it seems like we are searching for things to talk about. **With that being said, we've decided to send these Investor Updates quarterly instead of monthly.** Hopefully we'll have more excitement to report at the end of each quarter, but not too much! The good news is you won't miss out on anything, and we'll send special announcements in between the quarterly updates, if necessary. Nothing else will change and you'll still get a monthly newsletter from us.

We have a few things to share this month, **and then you can expect to receive your next Investor Update in March 2021.** In the meantime, you can always reach out to us with any questions.

An Update on the Buy and Hold Fund

As of mid-October, we have **973 doors under management in the portfolio, totaling almost \$74 million in assets.** Of this \$74 million, \$42 million is owned by the Buy and Hold Fund, \$19 million are titled properties held in investors' names, and the remaining \$13 million are purchased properties in various stages from rehab to ready for sale. In the five regions where we own properties (Akron, Toledo, and Cleveland, OH; St. Louis, MO; and Birmingham, AL), **our average occupancy rate is 97%.**

The downtick in rent collection has started to slightly affect the return. An indicator that we watch

on a weekly basis is our "90 days overdue" rent collections. Prior to Covid, the standard "90 days overdue" rate was 3%, and throughout most of this year, it remained around 3%. However, in the past two months, it has inched up to 4%. This 1% uptick is not ruffling our feathers.

As we mentioned in last month's update, we are actively working with public housing assistance programs to help our tenants get available support. Out of the 973 doors under management, we have only 13 tenants in the eviction process (that's 1.34%). **This eviction rate remains well within the acceptable range.** We are abiding by the latest CDC Eviction Moratorium, which went into effect on September 4th, 2020, and lasts until December 31st, 2020.

Although it is a concern to have **any** tenants that qualify for eviction, none of this worries us at this point. We will, of course, keep a sharp eye on our collections. We know this is all temporary, but **we don't anticipate any large swings with the return.**

We purchased 26 homes in September for a total of \$3.5 million, and as of writing this in mid-October, we are **on track to purchase 49 more homes in October for a total of \$5.1 million.**

1031 Exchanges: Entire Process Now In-House

In case you missed it, we started our own 1031 Exchange company, Equity 1031. **This means we handle every part of the 1031 Exchange process in-house to make it even easier for our investors.**

Until next time,



Steve Sixberry



Greg Hughes