

OFFERING SUMMARY

# CF NORTERRA CANYON MULTIFAMILY DST

PROJECT OPERATED  
AND MANAGED BY



**Hamilton Zanze**  
REAL ESTATE INVESTMENTS



Certain disclosure requirements which would have been applicable if the Interests were registered are not required to be met. Neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval with respect to the Interests, the terms of the Offering or the accuracy or completeness of the "Memorandum" (defined below). The confidential information contained herein is not an offer to sell or a solicitation of an offer to buy the securities described herein. An offer to sell the Interests of the Trust may be made only pursuant to the Confidential Private Placement Memorandum, dated February 28, 2018, as amended or supplemented (collectively, the "Memorandum"). The information contained herein is qualified in its entirety by the Memorandum. All potential investors must read the Memorandum in its entirety before investing and no person may invest in the Interests without acknowledging receipt and complete review of the Memorandum. The Offering is being made by means of the Memorandum only to qualified investors who meet minimum accreditation requirements, as well as suitability standards as determined by a qualified broker-dealer. This material must be preceded or accompanied by the Memorandum. Please read the Memorandum in its entirety before considering investing. This is not an offer to sell securities.

# THE OFFERING

CF Norterra Canyon Multifamily DST (the "Offering") is an offering of the Class A beneficial interests (the "Interests") in CF Arrow Canyon Multifamily DST (the "Trust"), a recently formed Delaware statutory trust. The Trust, an affiliate of a joint venture between affiliates of Cantor Fitzgerald Investors ("Cantor Fitzgerald") and Hamilton Zanze & Company ("Hamilton Zanze"), owns Norterra Canyon Apartments (the "Project"), a 426-unit, garden-style apartment community located in North Las Vegas, Nevada. General information regarding the Offering is set forth in the table below.

The Offering is available to accredited investors seeking to participate in a tax-deferred exchange, as well as those seeking to invest in the multifamily sector of commercial real estate.

THE OFFERING IS BEING MADE PURSUANT TO THE MEMORANDUM.

|                                     |   |  |
|-------------------------------------|---|--|
| <b>OFFERING EQUITY</b>              | <b>OFFERING DEBT</b>  | <b>TOTAL PURCHASE PRICE</b>                  |
| <b>\$38,780,000</b>                 | <b>\$30,000,000</b>   | <b>\$68,780,000</b>                          |
| <b>LOAN-TO-PURCHASE PRICE RATIO</b> | <b>MINIMUM PURCHASE</b>   | <b>FORECASTED CASH-ON-CASH RETURN YEAR 1</b> |
| <b>45.01%</b>                       | <b>\$25,000</b> <i>(Cash)</i><br><b>\$100,000</b> <i>(1031)</i> | <b>5.00%</b> <sup>1</sup>                    |

CAPITALIZED TERMS USED HEREIN, BUT NOT DEFINED, SHALL HAVE THE MEANINGS SET FORTH IN THE MEMORANDUM.

Prospective investors engaging in a tax-deferred exchange under Code Section 1031 should independently obtain advice from legal counsel and/or an accountant regarding such tax-deferred exchange.

## Investment Highlights

### HIGH-QUALITY STABILIZED ASSET WITH UPSIDE POTENTIAL

- › Built in 2007 with high-quality finishes.
- › Attractive unit mix with large floor plans averaging 1,076 square feet per unit.
- › 92% occupied with 6.6% average in-place rent growth.<sup>2,3</sup>
- › Upside potential through reducing expenses and achieving rent premiums via an improved amenity package and cosmetic unit upgrades.

### POSITIVE MULTIFAMILY FUNDAMENTALS

- › Submarket occupancy as of Q3 2017 was 97.3% with 11-year average of 92.3%.<sup>4</sup>
- › Submarket asking rent growth of more than 3% for 2016 and 2017.<sup>4,5</sup>
- › Limited new competition with only 111 multifamily units added to the submarket through Q3 2017.<sup>4</sup>
- › Population of nearly 500,000 within five miles of the Project with annual growth of 1.6% from 2010 to 2016.<sup>4</sup>

### FIXED-RATE FINANCING FOR 10-YEAR TERM

### ACCESSIBLE LOCATION NEAR MAJOR EMPLOYMENT CENTERS

- › Conveniently located near Interstate 15 and the Bruce Woodbury Beltway, providing residents access to major retail and employment centers, including Nellis Air Force Base (4.5 miles), Downtown Las Vegas (9 miles) and the Las Vegas Strip (12.4 miles).<sup>6</sup>

### LAS VEGAS MARKET GROWTH

- › Population in Clark County Nevada (home to greater Las Vegas) has increased by 13.8% to 1.73 million residents from 2010 through 2017.<sup>4</sup>
- › *Forbes* ranked Las Vegas #3 on the “10 Cities Where Americans are Moving To” list.<sup>7</sup>
- › Las Vegas ranked #8 in the nation for job growth, expanding its total workforce by 3.2%, or 30,300 jobs.<sup>8</sup>

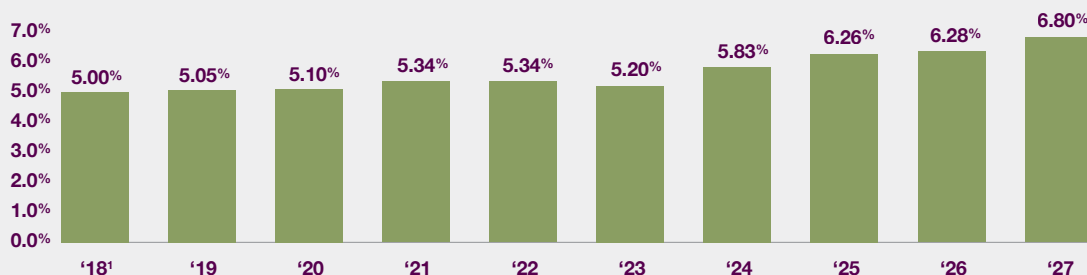
### EXPERIENCED OPERATOR

Founded in 2001, Hamilton Zanze currently operates 83 apartment properties totaling approximately 18,500 apartment units across 11 states.

An investment in the Interests involves substantial risks. See “Risk Factors” in the corresponding Memorandum for a discussion of the risks relevant to this Offering.

### FORECASTED CASH-ON-CASH RETURN<sup>9</sup>

(PAID MONTHLY)



<sup>1</sup>Refers to the 11-month period beginning February 1, 2018 and ending December 31, 2018.

<sup>2</sup>Source: Rent Roll dated February 6, 2018.

<sup>3</sup>According to the Appraisal and based on the 3-month average ending September 15, 2017.

<sup>4</sup>Source: Appraisal.

<sup>5</sup>According to the Appraisal, asking rents for the North Las Vegas submarket grew 2.7% through Q3 2017 and are projected to grow 3.2% for 2017.

<sup>6</sup>Source: Google Maps.

<sup>7</sup>Published June 2017.

<sup>8</sup>Source: MPF Research.

<sup>9</sup>Based on certain assumptions and may vary. There is no guarantee that investors will receive any return and monthly returns will fluctuate.



## THE PROJECT

Norterra Canyon is a 426-unit, garden-style apartment community located in North Las Vegas, Nevada, within the Las Vegas-Paradise Metropolitan Statistical Area (Las Vegas MSA). Built in 2007, Norterra Canyon is constructed with high-quality finishes (e.g., granite countertops, wooden cabinets, etc.), attractive amenities, large floor plans and a desirable mix of unit types. The Project was built on a 17.7 acre site and consists of 20 three-story residential buildings.

### PROPERTY INFORMATION

#### ADDRESS

5005 Losee Road,  
North Las Vegas, NV 89081

#### TOTAL APARTMENT UNITS

426

#### YEAR BUILT

2007

#### NET RENTABLE AREA

458,294 sq. ft.

#### AVERAGE UNIT SIZE

1,076 sq. ft.

#### OCCUPANCY

92% (as of 2/6/18)

### UNIT MIX

#### UNIT TYPE

| UNIT TYPE              | Number of Units | Unit Mix %  | Average Unit Size    |
|------------------------|-----------------|-------------|----------------------|
| 1 BEDROOM / 1 BATH     | 180             | 42%         | 902 sq. ft.          |
| 2 BEDROOMS / 2 BATHS   | 192             | 45%         | 1,145 sq. ft.        |
| 3 BEDROOMS / 2 BATHS   | 54              | 13%         | 1,409 sq. ft.        |
| <b>TOTAL / AVERAGE</b> | <b>426</b>      | <b>100%</b> | <b>1,076 sq. ft.</b> |

### THE FINANCING

The Project is financed with a fixed-rate first mortgage loan as described below:

#### BORROWER

CF Arrow Canyon Multifamily DST

#### LOAN AMOUNT

\$30,000,000

#### AMORTIZATION

Full Term Interest-Only (10 Years)

#### LENDER

Cantor Commercial Real Estate Lending, L.P.

#### INTEREST RATE

4.5495%

#### PREPAYMENT

Defeasance

#### MATURITY DATE

March 6, 2028

### INTERIOR FEATURES

- › Granite countertops
- › Full appliance package
- › Walk-in closets
- › Patios/balconies
- › Washers and dryers



## Institutional Operator



Founded in 2001, Hamilton Zanze is a private, San Francisco-based real estate investment company that acquires, repositions and manages apartment communities throughout the United States. Through affiliated entities, Hamilton Zanze currently has an ownership interest in and operates 83 properties totaling approximately 18,500 apartment units across 11 states. Hamilton Zanze principals have nearly 100 years of combined experience in multifamily real estate investment, finance and operations.

The Project is managed by Mission Rock Residential ("MRR"), a full-service property management company and an affiliate of Hamilton Zanze.

## The Case for Investing in Multifamily Commercial Real Estate

### DEMOGRAPHICS

Millennials and baby boomers, the largest generational segments of the U.S. population today, are having a significant impact on the multifamily sector.

The 75+ million millennials, ages 18 to 34, are fueling the demand for apartments. Renting provides the convenient, flexible and mobile lifestyle they prefer and often require. Additionally, many millennials are faced with the burden of significant student loan debt and can't afford the large down payments, maintenance and taxes required with owning real estate.

The 74+ million baby boomers, ages 48 to 66, are also gravitating to apartments. Many are becoming "empty nesters" and choosing to downsize, as their children are moving out of the house. Apartment living provides simplicity and affordability which has become a primary focus for baby boomers as they prepare for and transition to retirement.<sup>8</sup>

### SUPPLY/DEMAND FUNDAMENTALS

The surge in demand generated by the millennial and baby boomer generations has created a favorable investment environment for multifamily property owners. This is especially true in markets where new inventory is limited. Recent estimates suggest that the market will need to create an average of 328,000 units per year through 2030 in order to satisfy current and future rental demand.<sup>9</sup>

### INCREASING RENTS

As occupancy rates tighten, multifamily property owners are able to increase rents. This ultimately adds to the overall value of the property. Apartment leases are considered short term compared to other commercial real estate property sectors, and are typically renewable on an annual basis. Multifamily property owners and operators can raise rents quickly in response to increased demand.

**An investment in the Interests involves substantial risks. See "Risk Factors" in the corresponding Memorandum for a discussion of the risks relevant to this Offering.**

<sup>8</sup>U.S. Census Bureau, 2016.

<sup>9</sup>Emerging Trends in Real Estate 2018, Urban Land Institute, PWC.

### COMMUNITY AMENITIES

- › Resident lounge
- › Business center
- › Covered parking
- › Bocce ball court
- › Two resort-style pools with cabanas
- › Putting green
- › Fitness center
- › Community playground
- › Barbeque/picnic area



# THE MARKET

Billing itself as the “Entertainment capital of the world,” Las Vegas is a major tourist and convention destination, hosting more than 42 million visitors in 2017.<sup>10</sup> Las Vegas has experienced solid population growth with Clark County Nevada (home to greater Las Vegas area) increasing by 13.8% to 1.73 million residents from 2010 through 2017.<sup>11</sup> *Forbes* ranked Las Vegas #3 on the “10 Cities Where Americans are Moving To” list.<sup>12</sup> Las Vegas’ economy is diversifying beyond leisure/hospitality as the area’s attractive quality of life and affordable cost of living have attracted growth within the technology and professional services industries. Furthermore, rapid population growth and its central location within the Western United States have resulted in Las Vegas emerging as an important logistics hub, attracting companies such as Amazon, TJ Maxx, Bed Bath & Beyond and CDW.

The Project is located in North Las Vegas, Nevada, near Interstate 15 and the Bruce Woodbury Beltway, providing residents convenient access to major retail and employment centers including Nellis Air Force base (4.5 miles), Downtown Las Vegas (9 miles) and the Las Vegas Strip (12.4 miles).<sup>13</sup>



*The properties included in this image are of the Las Vegas Strip and are not the Project.*

# LAS VEGAS METRO AREA MARKET HIGHLIGHTS

**42,000,000+ ANNUAL VISITORS IN 2017**

*Las Vegas Convention & Visitors Authority*

**#3 ON FORBES' "10 CITIES AMERICANS ARE MOVING TO" LIST**

*Forbes*

**#2 AMONG TOP U.S. MARKETS FOR ANNUAL RENT GROWTH**

*MPF Research*

**#8 IN THE NATION FOR JOB GROWTH IN Q3 2017**

*MPF Research*

## AERIAL MAP



## LOCAL AREA DEMOGRAPHICS (2016)<sup>11</sup>

|                          | 1-MILE RADIUS | 3-MILE RADIUS | 5-MILE RADIUS |
|--------------------------|---------------|---------------|---------------|
| Total Population         | 22,497        | 196,341       | 495,182       |
| Median Household Income  | \$80,233      | \$68,188      | \$66,105      |
| Average Household Income | \$125,880     | \$121,573     | \$115,869     |

**An investment in the Interests involves substantial risks. See "Risk Factors" in the corresponding Memorandum for a discussion of the risks relevant to this Offering.**

<sup>10</sup>Source: Las Vegas Convention Authority.

<sup>11</sup>Source: Appraisal.

<sup>12</sup>Published June 2017.

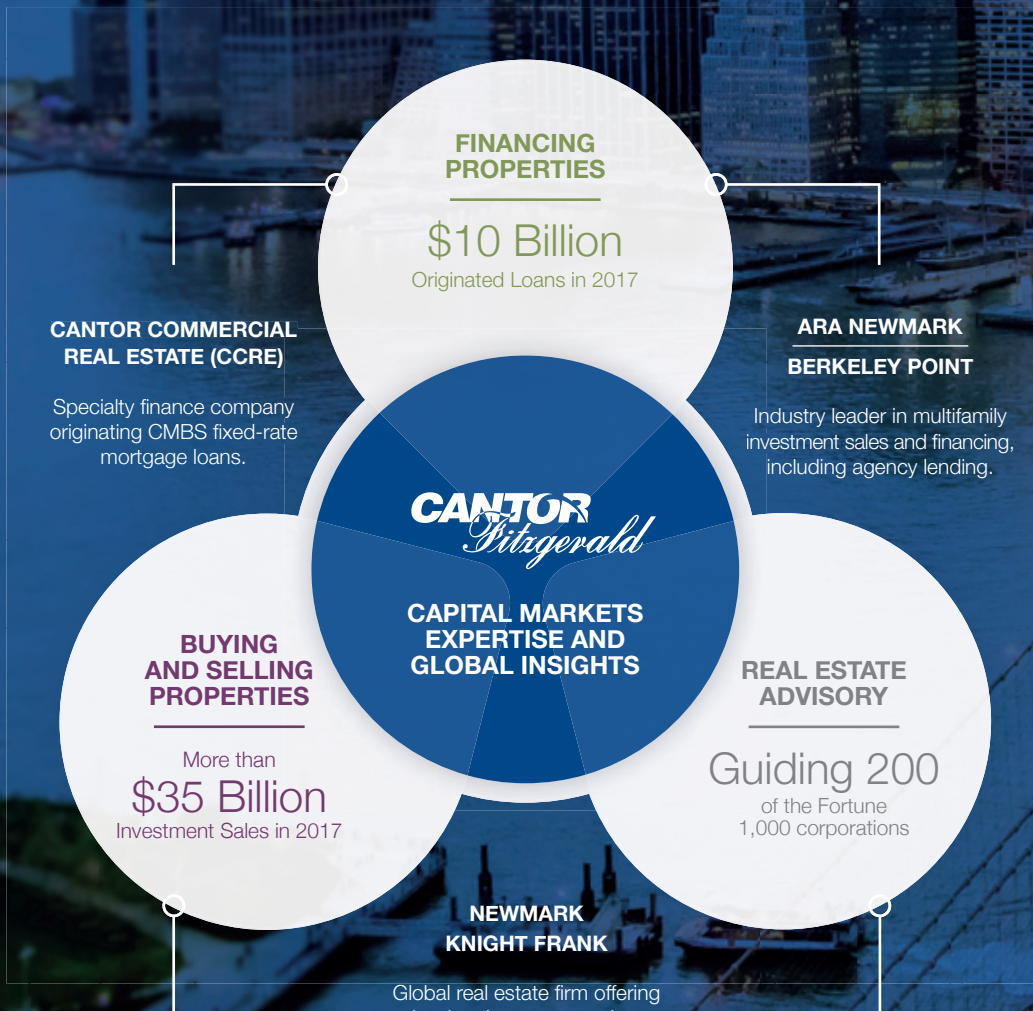
<sup>13</sup>Source: Google Maps.

# CANTOR *Fitzgerald*

Cantor Fitzgerald is a premier global financial services firm. Founded in 1945, our diversified organization spans the globe with more than 10,000 employees in over 150 offices. We are among the largest real estate brokerage and financing companies in the world, a leading inter-dealer broker and a renowned investment bank.<sup>14</sup>

Over the past decade, Cantor Fitzgerald has invested more than \$2 billion in its commercial real estate business infrastructure. Our comprehensive real estate expertise and capabilities are the result of a powerful alignment of vertically integrated affiliates providing unique insight into every phase of a real estate transaction.

Cantor Fitzgerald's expansive real estate platform offers broad access to critical market data and research, enhanced ability for diligence and underwriting, and superior deal flow. With our global resources, capital markets knowledge, strategic investments and deep real estate infrastructure, we deliver institutional-quality alternative investments to investors.



<sup>14</sup>Cantor Fitzgerald refers to Cantor Fitzgerald L.P. and all its affiliates and subsidiaries.



## How we've built an integrated portfolio of commercial real estate firms

Surpasses \$600 million in real estate acquired through its DST offerings since inception.

Introduces Rodin Global Property Trust, Inc., a publicly registered, non-traded real estate investment trust focused on acquiring single-tenant, net-lease properties.

Launches Newmark Group, Inc. Initial Public Offering on Nasdaq Stock Exchange (NASDAQ: NMRK).

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Augments disposition and lease restructuring capabilities when Newmark acquires Excess Space Retail Services.

Assumes management of 3 billion square feet with Newmark's acquisition of Computerized Facility Integration.

Enters the retail alternatives asset management and wholesale distribution business.

Introduces first Cantor Fitzgerald-sponsored Delaware Statutory Trust (DST).

Adds expertise and capabilities in multi-housing investment sales when Newmark acquires ARA.

Strengthens real estate brokerage capabilities in Northern California when Newmark acquires Cornish & Carey.

Extends commercial loan capabilities to Fannie Mae and Freddie Mac with CCRE's acquisition of Berkeley Point.

Forms Cantor Commercial Real Estate (CCRE), an independent "non-bank" real estate specialty finance company.

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'11-12

Cantor Fitzgerald establishes real estate services business.

Gains major real estate presence when affiliate BGC Partners acquires global CRE companies Newmark & Company in 2011 and Grubb & Ellis in 2012 to form Newmark Grubb Knight Frank, which later became known as Newmark Knight Frank (Newmark or NKF).

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## FOR MORE INFORMATION, CONTACT CANTOR FITZGERALD CAPITAL

(855) 9-CANTOR / (855) 922-6867

### SUMMARY OF RISK FACTORS

The Memorandum contains more complete information regarding the investment and should be read in its entirety and the discussion under “Risk Factors” should be carefully considered. The risks involved with an investment in Interests include, but are not limited to:

- › No public market exists for the Interests, and it is highly unlikely that any such market will develop.
- › There are substantial restrictions on transfers of Interests.
- › There is no specified time that the Project will be liquidated and the Trust may not be able to sell the Project at a price equal to or greater than the purchase price paid for the Interests.
- › Delaware statutory trusts are a relatively new vehicle for real estate investment and are inflexible vehicles to own real property.
- › If the Project is transferred (or the Trust is converted) to the Springing LLC, investors will lose their ability to participate in a future Code Section 1031 exchange upon the sale or other disposition of the Project.
- › Investors will have no voting rights and will have no control over management of the Trust or the Property.
- › There is no guarantee that investors will receive any return.
- › The Trust will depend on the Master Tenant for revenue and the Master Tenant will depend on the Property Manager to operate the Project.
- › The Project will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions, and other real estate-related risks.
- › The Trust will only own Norterra Canyon Apartments and will not be diversified with respect to the assets it owns.
- › The Project is leveraged.
- › The Loan imposes cash sweeps in the event of certain occurrences.
- › The Trust Manager and its Affiliates will receive substantial compensation in connection with the Offering and in connection with the ongoing management and operation of the Project.
- › The Trust Manager, the Master Tenant, and their Affiliates have limited history of operations, limited experience managing or operating Delaware Statutory Trust and have limited capital.
- › An investment in the Interests involves certain tax risks.

Cantor Fitzgerald & Co. is the managing broker-dealer of the Offering. The information contained herein is not an offer to sell or solicitation of an offer to buy the securities described herein.

An offer or solicitation can be made only through the Memorandum, which is always controlling and supersedes the information contained herein in its entirety. Investors must read the Memorandum in its entirety prior to investing, including information related to certain risk factors, including, but not limited to, the investment, liquidity, real estate, financing, taxes, development, legal and the company sponsoring the offering. Any future results may differ significantly from those described herein. The information contained herein is not to be construed as tax or legal advice. Investors should consult a legal or tax advisor for information concerning their specific tax situations. Subject to certain regulatory requirements, the information contained herein is confidential, and only for the use of its intended recipient(s). There can be no assurance that the objectives stated herein will be achieved.