

**IDCM** | REAL ESTATE

# US Multi-Family Homes

## PLC Asset Backed Bonds



**TORINO**  
Capital LLC

## Torino Capital LLC is Mandated to Distribute:

DCM US Multi-Family Homes PLC's Senior Secured Asset-Backed USD 9.25% Fixed-Rate, 5-year, Non-Callable Bonds.

### Terms:

SERIES 2020 DCM1; ISIN GB00BMFFX605; BBERG TICKER: DCMMUL 9 ¼ 07/01/25

Issue Size	Up to USD \$100mm
Issue Date	1 July 2020
Status	Senior Secured Debt under English Law
Coupon	US 9.25% per annum paid quarterly
Bond Maturity	1st July 2025
Listing	Frankfurt/GEMs Ireland
Issuer	DCM US Multi-Family Homes PLC
Borrower	DCM Real Estate Inc.
Loan Originator/Service	Sureste Partners
Rating Agency & Rating	Credit Spectrum- A3 (Ind)
Security Trustee	Trident Agency Services (Guernsey) Limited
Trustee	Trident Agency Services (Guernsey) Limited
Distributor	TORINO CAPITAL LLC.
Clearing/ Settlement	Crest, Euroclear, Clearstream and registered on Pershing Netx360
Transaction Legal Counsel	DWF LAW LLP
Issuer Counsel (US)	Holland and Knight LLP

#### Expected Returns:

Currency	USD
Term/Coupon	5 year @ 9.25%
Investment	\$ 100,000.00
Quarterly returns	\$ 2,312.50
Annual returns	\$ 9,250.00
Total returns (including original investment):	\$ 146,250.00 (\$100,000) + (\$46,250)

# Transaction Summary:

THE BOND

Series 2020  
DCM-1

ISSUE SIZE

Up to USD  
\$100mm

COUPON

USD 9.25%  
*per annum paid quarterly*

MATURITY

Due 2025

## Structure and Use of Proceeds:

Proceeds of the bond issued by DCM US Multi-Family Homes PLC (the Issuer) will be lent to the US subsidiary, DCM Real Estate Inc. (“the Borrower”).

DCM Real Estate Inc will then on-lend the bond proceeds to qualified sponsors, such as Sureste, to buy Multi-Family Home (MFH) properties. Sponsors, in turn: 1) pledge the underlying properties as collateral and 2) provide personal guarantees (from the principals of each sponsor) to DCM Real Estate Inc.

Shares and assets of DCM Real Estate Inc. are pledged to the trustee on behalf of the noteholders.

Investment in DCM Multi-Family Homes PLC bonds represents a second position interest in qualifying Multi-Family properties acquired (under the “Value-Add” model, employed by Sureste and other qualifying sponsors).

Senior debt for all DCM Real Estate Inc. funded properties is provided by well known US-based institutional lenders, such as Arbor Realty, which typically provide 70-80% of the market value of the property and are first position lenders.

The proceeds of the bond issue are used to fund: 1) the remaining property purchase values not covered by senior debt and sponsor equity and 2) the remodeling/upgrading costs (under the “Value-Add” strategy utilized by Sureste and other qualifying sponsors).

## The Issuer:

DCM US Multi-Family Homes Plc is a special purpose vehicle specifically set-up to issue debt and is bankruptcy remote. Under the structure, the risk of sponsors is divorced from the risk of the bond issuer—effectively eliminating noteholder financial exposure to sponsors by isolating financial risk, minimizing bankruptcy risk and ringfencing assets.

Household Growth Outpaces Construction



**Phoenix**  
2020 Net Migration: 77,600  
As a % of population: 1.5%

I



**Las Vegas**  
2020 Net Migration: 48,700  
As a % of population: 2.1%

6



**Dallas/Fort Worth**  
2020 Net Migration: 69,600  
As a % of population: 0.9%

2



**Orlando**  
2020 Net Migration: 48,400  
As a % of population: 1.8%

7



**Southeast Florida**  
2020 Net Migration: 68,700  
As a % of population: 1.1%

3



**Tampa-St. Petersburg**  
2020 Net Migration: 40,800  
As a % of population: 1.3%

8



**Atlanta**  
2020 Net Migration: 55,400  
As a % of population: 0.9%

4



**Austin**  
2020 Net Migration: 36,300  
As a % of population: 1.6%

9



**Houston**  
2020 Net Migration: 54,800  
As a % of population: 0.8%

5

Source: Marcus Millichap 2020 Multi-Family Investment Forecast

## Further Information:

DCM US Multi-Family Homes PLC Condor House, Te Street, Gillingham, England  
ME7 3JY

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