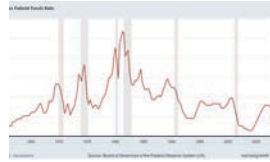
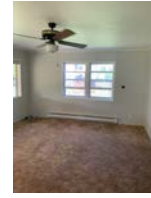


Annual Highlights

MARKETS TRENDING
TO CORRECTION



MARKET WATCH
FORECLOSURES ON
THE RISE



3160 GRANNY NEAR
COMPLETION

YRC 2020 SEMI-ANNUAL REPORT

Summary

2020 Semi- Annual Report to shareholders. 2020 has been an interesting year to say the least. Despite COVID-19 and lenders seeing an increase in delinquent mortgages, this year has seen zero evictions on any of our properties, rent has been paid on time, and we are cash flowing at \$1891 per month. Repositioning of 3160 street road continues with the continued conversion of a unused room to an in-law suite. YRC plans to release another e-book about “Building your Real Estate A-Team” by December 2020, and will continue to look for opportunities to reposition distressed assets with the hope of moving into the commercial space within the next year. Real Estate markets have not yet truly seen the impacts of COVID-19 with the increase in forbearance agreements, state delayed eviction procedures, and deferred mortgage payments. Once deferred loan payment programs end, banks will quickly realize the level of loss and foreclose or sell these non-performing loans as soon as possible.

On the financial side, current asset values remain at \$850K with a cash a reserve ready to fund future investment opportunities. Due to the current market trajectory, YRC plans to maintain our liquid cash reserves in the hope of purchasing some high cash flowing assets in the next year.

On the market watch front, I wanted to share a few interesting articles in regards to some 2020 market trends on both the residential and commercial side.

“Like nearly every industry, the multifamily real estate market has taken a hit during the COVID-19 pandemic, but it may have one advantage that some industries don’t: people always need a place to live.”

*-Lisa Brown, an editor for South& West Regions of Globe St.
25+years of commercial real estate experience*

Some analysts believe regardless of the current market situation, renters and home owners will still need a place to live. The issue arises when they cannot make their current payments due to over-leveraging on their primary home or job loss with no emergency funds available to pay rent. The forbearance agreements in place will help to mitigate those issues, but that will only last for so long (Most forbearance agreements are set to end around SEP 2020). The full article can be found [here](#).

Another interesting article discussed the increased shifts in companies allowing employees to work remotely, which could have an immediate effect on the demand for office space.

*“In a **Gartner survey in April**, 74% of CFOs said they intend to move at least 5% of their previously on-site workforce to permanently remote positions post-COVID 19. Nearly a quarter of respondents said they will move at least 20% of their on-site employees to permanent remote positions.”*

-Erika Morphy, Globe St. writer

YRC is not entirely convinced that office space will disappear completely, however, COVID has accelerated the necessity for remote work. Mentoring junior office workers will still be necessary and some businesses work more efficiently in small teams both of these actions require some sort of team building space. Could be an opportunity for an investor looking to pick up some cheap office buildings in the near future? We think so.

Here are some other interesting articles to round out the semi-annual marketing update: Construction loans are getting harder to acquire for affordable housing projects found [here](#).

Airbnb has been taking some serious losses due to COVID, and a lot of investors were buying up vacation rentals to take advantage of some great returns but never considered a pandemic or an exit strategy while being tied up in a large number of vacation rentals. Article can be found [here](#)

Something to Consider

The long term wealth gain comes from small incremental investments that build constant passive income. These investments can be found through a variety of means, but Self-Directed Retirement accounts have shown me to take ownership of my future.

What is a Self-Directed Retirement account? They come in many forms: Solo 401K and Self-Directed Roth IRA are two of the more popular ones.

Instead of having a custodian invest your retirement funds into a growth mutual fund that they tell you where the money goes, you take ownership and invest in the markets/real estate deals that you want to.

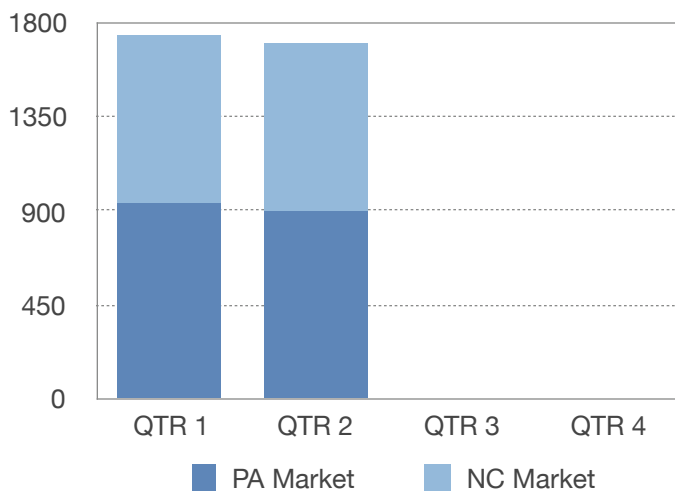
The Warrington Remodel

The construction of an in-law suite scheduled to be complete by the 1AUG20 in an effort to increase the usable space of the property from a 3 bedroom/2 bath to a 4 bedroom/3 bath to keep in line with new construction homes that are selling for over \$800k in the area. Converting a sun room and a extra living space that were being unused allowed for a quick transition. YRC will continue to look for opportunities to do this with other homes in our portfolio. Videos and photos will be released as part of the year end report.

FINANCIAL SUMMARY

Company Goals
Year 1 (2018): Break Even. NOI=\$0
Year 5 (2023): NOI= \$5000/month
Year 10 (2028): NOI= \$10000/month

DEBT INVESTMENT DATA



RENTAL INVESTMENT DATA

