Investors, Partners, and Friends,

This edition of the *Coulton Creek Chronicle* highlights our 2024 annual update, Q1 deal announcements, and recent trends shaping the real estate investment market.

Annual Update
2024 was an active year on both sides of the ledger, marked by successful exits ($46M / 16 investments)—most notably our Project Storage mezzanine loan—and selective deployment into new investments ($18M / 10 deals). Highlights included projects in Harlem (New York City), El Paso (TX), and a diverse set of residential developments across the Denver Metro Area, reflecting our ability to source compelling opportunities in varied markets.

Higher interest rates continued to pressure real estate values and cash flows. In addition, legacy commercial office mezzanine loans from 2014-2015 and cap rate-sensitive retail investments presented performance headwinds. Even so, our diversified portfolio provided resilience and consistent cash income. This enabled full payment of investor preferred returns—something we have achieved, or bettered, each of the last 12 years since starting Coulton Creek.

We continue to see evidence that our preferred equity and mezzanine debt strategies are well-suited for the dislocation and uncertainty present in the capital markets. With more than $300 million deployed since inception and a diversified and durable portfolio, we remain confident in our ability to navigate the current environment, build on our successes, and deliver even stronger returns to investors in the future.

We also strengthened our leadership bench with the promotion of Will Hensley and Scott Brown to Managing Directors—further reinforcing our commitment to consistent execution and long-term alignment.

As always, we would love to connect with you to discuss what we are seeing and hear your thoughts.

COULTON CREEK CAPITAL

Q1 2025 Investment Stream

Student Housing, Self Storage, and Multifamily Investments
In **Q1 2025** we deployed **$12.5 million** across three investments, reinforcing our focus on resilient, niche, and growth-oriented opportunities.

Student Housing | Boulder, CO
In February, CCC provided **$2.5 million in debt financing** to a real estate investment firm focused on student housing. The funds were used to recapitalize a **30-bed portfolio** serving students in Boulder, Colorado. Student housing has proven resilient, and this asset is ideally located in a market with high barriers to entry.

Self Storage | Goldsboro, NC
In March, CCC funded **$5.6 million in debt** to Moove In Self Storage, facilitating the acquisition of **a strategically located self-storage facility** in Goldsboro, North Carolina. This deal aligns with our outlook on storage assets as steady, counter-cyclical performers.

Multifamily | Oklahoma City, OK
Later in March, CCC closed a **$4.6 million preferred equity investment** with Cooper Street Capital to support the **acquisition and value-add repositioning of a 397-unit multifamily community** in Oklahoma City. This project underscores our focus on workforce housing in high-growth secondary markets.

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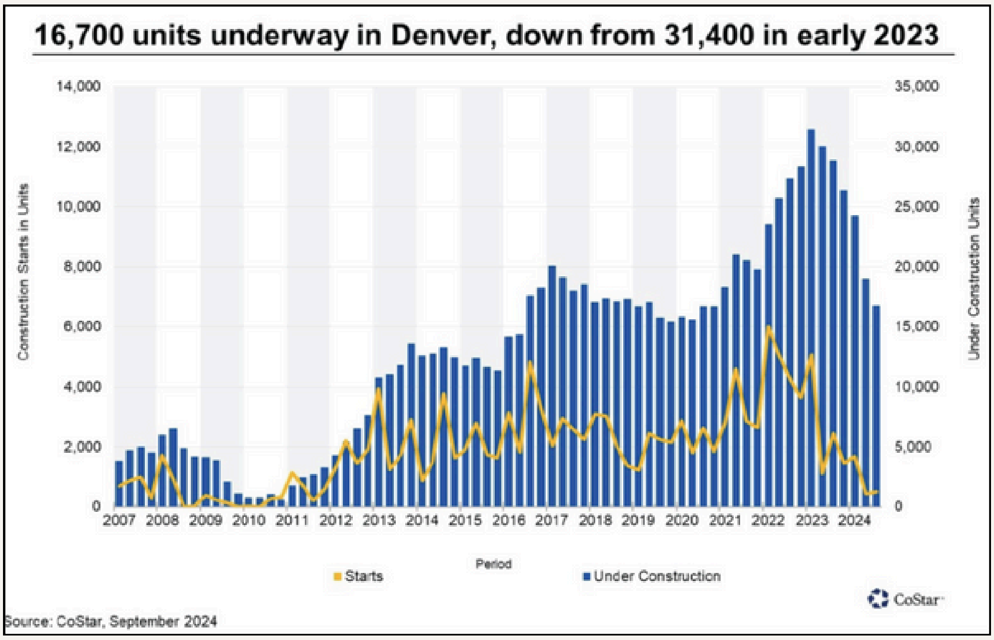
Market Outlook Flowing into 2025

Trending Topics: Rent Growth and New Construction Slowdown

As 2025 unfolds, we're seeing encouraging signs supporting Coulton Creek Capital's multifamily investment strategy. Recent data from CBRE shows that the multifamily sector is returning to stability, with national rent growth expected to average 2.6% this year and vacancy rates declining toward sub-5% levels.

Investor sentiment has improved notably, with buyers of core assets increasing from 44% positive sentiment at the end of 2024 to 65% in Q1 2025. In addition, underwriting assumptions have adjusted favorably, reflecting a renewed confidence in long-term fundamentals. Our portfolio is well-positioned to benefit from this momentum, particularly in high-growth metros where absorption is accelerating, and demand remains resilient.

One of the most impactful trends right now is the significant slowdown in new multifamily construction. CoStar reports only 63,000 units began construction in Q1 2025 nationally, marking the lowest level since 2018. This contraction in new supply directly benefits properties currently in development or lease-up, as competition from new deliveries declines. This is what we are seeing in the Denver area:



Trends (cont.)
"It is clear the tide has turned as the pullback from the final few months of 2024 was considerable," according to the report from RealPage Analytics. "After two consecutive quarters of falling completion volumes, it's clear the U.S. is past its historic peak."

With new supply contracting and absorption strengthening, we believe multifamily assets are poised for above-trend rent growth. Our portfolio is positioned to benefit from this supply-demand dynamic and is already seeing the benefits of solid rent growth in Q1 2025.

Reach out if you'd like to discuss these developments or our pipeline further. For a deeper dive into the multifamily market outlook, see the referenced materials in these articles from *GlobeSt*. and *CoStar*.

Creekside Update

William Hensley, Managing Director at Coulton Creek Capital, was invited to share his expertise in real estate investing as a panelist at the Carmo Companies US Real Estate West conference this past week! The panel focused on real estate credit—exploring cutting-edge strategies, best practices for due diligence, and how to effectively manage risk in today's dynamic market.

We'd be happy to share our perspective.

Interested in hearing more? Contact:

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