NexPoint Residential Trust, Inc.
Form 10-Q
May 11, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2016

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number 001-36663

NexPoint Residential Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	47-1881359
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

300 Crescent Court, Suite 700, Dallas, Texas	75201
(Address of Principal Executive Offices)	(Zip Code)

(972) 628-4100

(Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o		Accelerated Filer	o
Non-Accelerated Filer x	(Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of May 11, 2016, the registrant had 21,293,825 shares of common stock, $0.01 par value, outstanding.

NEXPOINT RESIDENTIAL TRUST, INC.

Form 10-Q

Quarter Ended March 31, 2016

Cautionary Statement Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. In particular, statements relating to our liquidity and capital resources, the performance of our properties, results of operations, strategy, plans or intentions contain forward-looking statements. Furthermore, all of the statements regarding future financial performance (including market conditions and demographics) are forward-looking statements. We caution investors that any forward-looking statements presented in this quarterly report are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "mi "plan," "estimate," "project," "should," "will," "would," "result" and similar expressions that do not relate solely to historical r are intended to identify forward-looking statements.

Forward-looking statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We caution you therefore against relying on any of these forward-looking statements.

Some of the risks and uncertainties that may cause our actual results, performance, liquidity or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- unfavorable changes in market and economic conditions in the United States and globally and in the specific markets where our properties are located;
- risks associated with ownership of real estate;
- limited ability to dispose of assets because of the relative illiquidity of real estate investments;
- intense competition in the real estate market that, combined with low residential mortgage rates that could encourage potential renters to purchase residences rather than lease them, may limit our ability to acquire or lease and re-lease property or increase or maintain rent;
- risks associated with our ability to issue additional debt or equity securities in the future;
- failure of acquisitions and development projects to yield anticipated results;
- risks associated with our strategy of acquiring value-enhancement multifamily properties, which involves greater risks than more conservative investment strategies;
- the lack of experience of NexPoint Real Estate Advisors, L.P. (our "Adviser") in operating under the constraints imposed by REIT requirements;
- loss of key personnel;
- the risk that we may not replicate the historical results achieved by other entities managed or sponsored by affiliates of our Adviser, members of our Adviser's management team or by Highland Capital Management, L.P. (our "Sponsor" or "Highland") or its affiliates;
- risks associated with our Adviser's ability to terminate the Advisory Agreement;
- our ability to change our major policies, operations and targeted investments without stockholder consent;
- the substantial fees and expenses we will pay to our Adviser and its affiliates;
- risks associated with the potential internalization of our management functions;
- the risk that we may compete with other entities affiliated with our Sponsor or property manager for tenants;
- conflicts of interest and competing demands for time faced by our Adviser, our Sponsor and their officers and employees;
- our dependence on information systems;
- lack of or insufficient amounts of insurance;
- contingent or unknown liabilities related to properties or businesses that we have acquired or may acquire;
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high costs associated with the investigation or remediation of environmental contamination, including asbestos, lead-based paint, chemical vapor, subsurface contamination and mold growth;

- the risk that our environmental assessments may not identify all potential environmental liabilities and our remediation actions may be insufficient;

- high costs associated with the compliance with various accessibility, environmental, building and health and safety laws and regulations, such as the ADA and FHA;
- risks associated with our high concentrations of investments in the Southeastern and Southwestern United States;
- risks associated with limited warranties we may obtain when purchasing properties;
- exposure to decreases in market rents due to our short-term leases;
- risks associated with operating through joint ventures and funds;
- potential reforms to Fannie Mae and Freddie Mac;
- risks associated with our reduced public company reporting requirements as an "emerging growth company";
- costs associated with being a public company, including compliance with securities laws;
- risks associated with breaches of our data security;
- the risk that our business could be adversely impacted if there are deficiencies in our disclosure controls and procedures or internal control over financial reporting;
- risks associated with our substantial current indebtedness and indebtedness we may incur in the future;
- risks associated with derivatives or hedging activity;
- the risk that we may be unable to achieve some or all of the benefits that we expect to achieve from the Spin-Off;
- the risk that we may fail to consummate our pending property acquisitions;
- failure to qualify as or to maintain our status as a REIT;
- compliance with REIT requirements, which may limit our ability to hedge our liabilities effectively and cause us to forgo otherwise attractive opportunities, liquidate certain of our investments or incur tax liabilities;
- failure of our operating partnership to qualify as a partnership for federal income tax purposes, causing us to fail to qualify for or to maintain REIT status;
- the ineligibility of dividends payable by REITs for the reduced tax rates available for some dividends;
- risks associated with the stock ownership restrictions of the Code for REITs and the stock ownership limit imposed by our charter;
- the ability of the Board of Directors to revoke our REIT qualification without stockholder approval;
- potential legislative or regulatory tax changes or other actions affecting REITs;
- risks associated with the market for our common stock and the general volatility of the capital and credit markets;
- failure to generate sufficient cash flows to service our outstanding indebtedness or pay distributions at expected levels;
- risks associated with limitations of liability for and our indemnification of our directors and officers; or
- any of the other risks included under Part I, Item 1A, "Risk Factors" of our annual report on Form 10-K, filed with the Securities and Exchange Commission on March 21, 2016.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. They are based on estimates and assumptions only as of the date of this quarterly report. We undertake no obligation to update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events or other changes, except as required by law.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS		
Operating Real Estate Investments		
Land (including from VIEs of $144,632 and $163,462, respectively)	$ 158,322	$ 177,152
Buildings and improvements (including from VIEs of $555,555 and $642,936, respectively)	642,453	729,675
Intangible lease assets	511	2,573
Construction in progress (including from VIEs of $2,466 and $5,070, respectively)	3,124	5,346
Furniture, fixtures, and equipment (including from VIEs of $24,780 and $25,715, respectively)	27,333	28,009
Total Gross Operating Real Estate Investments	831,743	942,755
Accumulated depreciation and amortization (including from VIEs of $37,105 and $36,112, respectively)	(40,401)	(39,873)
Total Net Operating Real Estate Investments	791,342	902,882
Real estate held for sale (net of accumulated depreciation of $7,016 and $0, respectively) (including from VIEs of $107,556 and $0, respectively)	107,556	—
Total Net Real Estate Investments	898,898	902,882
Cash and cash equivalents (including from VIEs of $11,557 and $13,271, respectively)	17,366	16,226
Restricted cash (including from VIEs of $34,749 and $43,500, respectively)	37,607	46,869
Accounts receivable (including from VIEs of $1,252 and $1,517, respectively)	1,909	2,122
Prepaid and other assets (including from VIEs of $2,950 and $1,724, respectively)	3,485	1,961
TOTAL ASSETS	$ 959,265	$ 970,060
LIABILITIES AND EQUITY		
Bridge facility, net	$ 28,889	$ 28,805
Mortgages payable, net (including from VIEs of $523,106 and $609,703, respectively)	589,700	676,324
Mortgages payable held for sale, net (including from VIEs of $86,310 and $0, respectively)	86,310	—
Accounts payable and other accrued liabilities (including from VIEs of $2,438 and $4,049, respectively)	3,320	5,106
Accrued real estate taxes payable (including from VIEs of $2,530 and $5,723, respectively)	2,933	6,057
Accrued interest payable (including from VIEs of $1,430 and $1,332, respectively)	1,571	1,462
Security deposit liability (including from VIEs of $1,224 and $1,277, respectively)	1,486	1,544
Prepaid rents (including from VIEs of $1,161 and $1,633, respectively)	1,305	1,824
Total Liabilities	715,514	721,122
NexPoint Residential Trust, Inc. stockholders' equity:		
Preferred stock, $0.01 par value: 100,000,000 shares authorized; 0 shares issued and outstanding as of March 31, 2016 and December 31, 2015	—	—
	213	213

Common stock, $0.01 par value: 500,000,000 shares authorized; 21,293,825 shares issued and outstanding as of March 31, 2016 and December 31, 2015		
Additional paid-in capital	240,625	240,625
Accumulated deficit	(22,995)	(18,593)
Accumulated other comprehensive loss	(726)	(697)
Noncontrolling interests	26,634	27,390
Total Equity	243,751	248,938
TOTAL LIABILITIES AND EQUITY	$ 959,265	$ 970,060

See Notes to Combined Consolidated Financial Statements

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NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME (LOSS)

(in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended March 31,	
	2016	2015
Revenues		
Rental income	$29,370	$22,690
Other income	4,141	2,847
Total revenues	33,511	25,537
Expenses		
Property operating expenses	9,382	7,319
Acquisition costs	—	1,931
Real estate taxes and insurance	4,263	3,378
Property management fees (related party)	1,005	759
Advisory and administrative fees (related party)	1,616	1,277
Corporate general and administrative expenses	782	—
Property general and administrative expenses	1,334	1,147
Depreciation and amortization	9,612	11,610
Total expenses	27,994	27,421
Operating income (loss)	5,517	(1,884)
Interest expense	(5,226)	(4,009)
Net income (loss)	291	(5,893)
Net income (loss) attributable to noncontrolling interests	306	(494)
Net income (loss) attributable to common stockholders	$(15)	$(5,399)
Other comprehensive income (loss)		
Net losses related to interest rate cap valuations	(32)	(270)
Total comprehensive income (loss)	259	(6,163)
Comprehensive income (loss) attributable to noncontrolling interests	303	(518)
Comprehensive income (loss) attributable to common stockholders	$(44)	$(5,645)
Weighted average common shares outstanding - basic and diluted	21,294	21,294
Dividends declared per common share	$0.206	$—
Earnings (loss) per share - basic and diluted (see Note 2)	$(0.00)	$(0.25)

See Notes to Combined Consolidated Financial Statements

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NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY

(in thousands)

(Unaudited)

	Preferred Stock		Common Stock				Accumulated Other		
	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Comprehensive Loss	Noncontrolling Interests	Total
Balances, December 31, 2015	—	$ —	21,294	$ 213	$ 240,625	$ (18,593)	$ (697)	$ 27,390	$ 248,938
Distributions / Dividends					—	(4,387)	—	(1,059)	(5,446)
Other comprehensive income (loss)					—	—	(29)	(3)	(32)
Net income (loss)					—	(15)	—	306	291
Balances, March 31, 2016	—	$ —	21,294	$ 213	$ 240,625	$ (22,995)	$ (726)	$ 26,634	$ 243,751

See Notes to Combined Consolidated Financial Statements

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

	For the Three Months Ended March 31, 2016	2015
Cash flows from operating activities		
Net income (loss)	$291	$(5,893)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,612	11,610
Amortization of deferred financing costs	324	307
Change in fair value on derivative instruments included in interest expense	4	116
Amortization of fair market value adjustment of assumed debt	(27)	(27)
Noncash contributions	—	1,277
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	213	(451)
Prepaid and other assets	(1,560)	(537)
Restricted cash	4,879	(273)
Accounts payable and other accrued liabilities	(4,800)	(3,739)
Net cash provided by operating activities	8,936	2,390
Cash flows from investing activities		
Change in restricted cash	4,383	(12,455)
Additions to operating real estate investments	(6,200)	(6,821)
Acquisitions of operating real estate investments	—	(143,695)
Net cash used in investing activities	(1,817)	(162,971)
Cash flows from financing activities		
Mortgage proceeds received	—	106,414
Mortgage payments	(533)	(246)
Deferred financing fees paid	—	(1,322)
Interest rate cap fees paid	—	(242)
Due to affiliates	—	(20)
Distributions to noncontrolling interests	(1,059)	—
Dividends	(4,387)	—
Contributions from noncontrolling interests	—	6,526
Contributions	—	68,732
Net cash provided by (used in) financing activities	(5,979)	179,842
Net increase in cash	1,140	19,261
Cash, beginning of period	16,226	12,662
Cash, end of period	$17,366	$31,923

See Notes to Combined Consolidated Financial Statements

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(Unaudited)

Supplemental Disclosure of Cash Flow Information		
Interest paid	$4,756	$3,371
Supplemental Disclosure of Noncash Investing and Financing Activities		
Capitalized construction costs included in accounts payable and other accrued liabilities	578	734
Change in fair value on hedging instruments designated as hedges	32	270
Liabilities assumed from acquisitions	—	903
Other assets acquired from acquisitions	—	214
Assumed debt on acquisitions of operating real estate investments	—	18,000

See Notes to Combined Consolidated Financial Statements

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES

NOTES TO COMBINED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Description of Business

NexPoint Residential Trust, Inc. (the “Company”, “we”, “our”) was incorporated on September 19, 2014, and intends to be taxed as a real estate investment trust (“REIT”). The Company is focused on “value-add” multifamily investments primarily located in the Southeastern and Southwestern United States. Substantially all of the Company’s business is conducted through NexPoint Residential Trust Operating Partnership, L.P. (the “OP”), the Company’s operating partnership. The Company holds all or a majority interest in its properties (the “Portfolio”) through the OP. The Company’s wholly owned subsidiary, NexPoint Residential Trust Operating Partnership GP, LLC (the “OP GP”) is the sole general partner of the OP. The sole limited partner of the OP is the Company.

The Company began operations on March 31, 2015 as a result of the transfer and contribution by NexPoint Credit Strategies Fund (“NHF”) of all but one of the multifamily properties owned by NHF through its subsidiary Freedom REIT, LLC (“Freedom REIT”). We use the term “predecessor” to mean the carve-out business of Freedom REIT. On March 31, 2015, NHF distributed all of the outstanding shares of the Company's common stock held by NHF to holders of NHF common shares. We refer to the distribution of our common stock by NHF as the “Spin-Off.”

We are externally managed by NexPoint Real Estate Advisors, L.P., (the “Adviser”), through an agreement dated March 16, 2015 (the “Advisory Agreement”), by and among the Company, the OP and our Adviser. The Advisory Agreement has a term of two years. Our Adviser conducts substantially all of our operations and provides asset management for our real estate investments. We will only have accounting employees while the Advisory Agreement is in effect. All of our investment decisions are made by our Adviser, subject to general oversight by our Adviser’s investment committee and our Board of Directors (the “Board”). Our Adviser is wholly owned by NexPoint Advisors, L.P. and is an affiliate of Highland Capital Management, L.P. (our “Sponsor” or “Highland”).

The Company’s investment objectives are to maximize the cash flow and value of properties owned, acquire properties with cash flow growth potential, provide quarterly cash distributions and achieve long-term capital appreciation for its stockholders through targeted management and a capex value-add program. Consistent with the Company’s policy to acquire assets for both income and capital gain, the Company intends to hold majority interests in the properties for long-term appreciation and to engage in the business of directly or indirectly acquiring, owning, and operating well-located multifamily properties with a value-add component in large cities and suburban submarkets of large cities primarily in the Southeastern and Southwestern United States consistent with our investment objectives.

The Company may also participate with third parties in property ownership, through limited liability companies (“LLCs”), funds or other types of co-ownership or acquire real estate or interests in real estate in exchange for the issuance of common stock, units, preferred stock or options to purchase stock. These types of investments may permit the Company to own interests in larger assets without unduly restricting diversification which provides flexibility in structuring the Company’s portfolio.

The Company may allocate up to thirty percent of the portfolio to investments in real estate-related debt and securities with the potential for high current income or total returns. These allocations may include first and second mortgages, subordinated, bridge, mezzanine, construction and other loans, as well as debt securities related to or secured by multifamily real estate and common and preferred equity securities, which may include securities of other REIT or real estate companies.

2. Summary of Significant Accounting Policies

Predecessor

With the exception of a nominal amount of initial cash funded at inception, the Company did not own any assets prior to March 31, 2015. The business and operations of the Company prior to March 31, 2015 occurred under the predecessor. Our predecessor included all of the properties in our Portfolio that were held directly or indirectly by Freedom REIT, a wholly owned subsidiary of NHF, prior to the Spin-Off that occurred on March 31, 2015. However, our combined consolidated statements of operations and comprehensive income (loss) and combined consolidated statements of cash flows reflect operations of our predecessor through March 31, 2015 as if they were incurred by us. Our predecessor was determined in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). References throughout these combined consolidated financial statements to the "Company", "we", or "our", include the activity of the predecessor defined above.

Basis of Accounting

The accompanying unaudited combined consolidated financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). The consolidated balance sheets include the accounts of the Company and its subsidiaries. Our predecessor combined consolidated financial statements were derived from the historical accounting records of our predecessor and reflect the historical results of operations and cash flows for the period prior to the Spin-Off. All intercompany balances and transactions are eliminated in combination and consolidation. The financial statements of the Company's subsidiaries are prepared using accounting polices consistent with those of the Company. In addition, the Company evaluates relationships with other entities to identify whether there are variable interest entities ("VIE's") as required by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, Consolidation, and to assess whether it is the primary beneficiary of such entities. If the determination is made that the Company is the primary beneficiary, then that entity is included in the financial statements in accordance with FASB ASC 810. In the opinion of the Company's management, the accompanying combined consolidated financial statements include all adjustments and eliminations, consisting only of normal recurring items necessary for their fair presentation in conformity with GAAP. The unaudited information included in this quarterly report on Form 10-Q should be read in conjunction with our audited financial statements for the year ended December 31, 2015 and notes thereto included in our annual report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 21, 2016. There have been no significant changes to the Company's significant accounting policies during the three months ended March 31, 2016.

Use of Estimates

The preparation of the combined consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the combined consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. It is at least reasonably possible that these estimates could change in the near term.

Real Estate Investments

Upon acquisition, in accordance with FASB ASC 805, Business Combinations, the purchase price of a property is allocated to land, buildings, improvements, furniture, fixtures, and equipment, and intangible lease assets. The purchase price allocation is based on management's estimate of the property's "as-if" vacant fair value, which is calculated by using all available information such as the replacement cost of such asset, appraisals, property condition reports, market data and other related information. The allocation of the purchase price to intangible lease assets represents the value associated with the in-place leases, which may include lost rent, leasing commissions, legal and other related costs, which the Company, as buyer of the property, did not have to incur to obtain the residents.

If any debt is assumed in an acquisition, the difference between the fair value and the face value of debt is recorded as a premium or discount and amortized to interest expense over the life of the debt assumed. Costs associated with the acquisition of a property, including acquisition fees paid, are expensed upon closing the acquisition.

The results of operations for acquired properties are included in the combined consolidated statements of operations and comprehensive income (loss) from their respective acquisition dates.

Real estate assets, including land, buildings, improvements, furniture, fixtures and equipment, and intangible lease assets are stated at historical cost less accumulated depreciation and amortization. Costs incurred in making repairs and maintaining real estate assets are expensed as incurred. Expenditures for improvements, renovations, and replacements are capitalized at cost. Real estate-related depreciation and amortization are computed on a straight-line basis over the estimated useful lives as described in the following table:

Land	Not depreciated
Buildings	30 years
Improvements	15 years
Furniture, fixtures, and equipment	3 years
Intangible lease assets	6 months

Construction in progress includes the cost of renovation projects being performed at the various properties. Once a project is complete, the historical cost of the renovation is placed into service in one of the categories above depending on the type of renovation project and is depreciated over the estimated useful lives as described in the table above.

The Company periodically classifies real estate assets as held for sale. An asset is classified as held for sale after an active program to sell the asset has commenced or the asset is under contract for sale and after the evaluation of other factors. Upon the classification of a real estate asset as held for sale, the carrying value of the asset is reduced to the lower of its net book value or its estimated fair value, less costs to sell the asset, and no further depreciation expense is recorded. Upon a decision to no longer market an asset for sale, the asset is classified as an operating asset and depreciation expense is reinstated. Real estate assets and the related debt held for sale are stated separately on the accompanying consolidated balance sheets.

Impairment

Real estate assets that are determined to be held and used will be reviewed periodically for impairment and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In such cases, the Company will evaluate the recoverability of such real estate assets based on estimated future cash flows and the estimated liquidation value of such real estate assets, and provide for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the real estate asset. If impaired, the real estate asset will be written down to its estimated fair value. For the periods ended March 31, 2016 and 2015, the Company did not record any impairment charges related to real estate assets.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents may include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value.

Restricted Cash

Restricted cash is comprised of security deposits, operating escrows, and renovation value-add reserves. Security deposits are held until they are due to tenants and are credited against the balance. Operating escrows are required and held by our first mortgage lender(s) for items such as real estate taxes, insurance, and required repairs. Lender held escrows are released back to the joint venture upon the borrower's proof of payment of such expenses. Renovation value-add reserves are funds identified to finance our value-add renovations at each of our properties and are not required to be held in escrow by a third party. The Company may reallocate these funds, at its discretion, to pursue other investment opportunities. The following is a summary of the restricted cash held as of March 31, 2016 and December 31, 2015 (in thousands):

	March 31, 2016	December 31, 2015
Security deposits	$963	$ 1,034
Operating escrows	16,504	21,312
Renovation value-add reserves	20,140	24,523
	$37,607	$ 46,869

Prepaid acquisition deposits

The Company incurs costs in connection with future acquisitions that may include good faith deposits prior to possible acquisitions that are expected to be rolled into the costs of the closing. Until an acquisition closes, the Company reflects these costs as prepaid costs on the consolidated balance sheets. No such costs existed as of March 31, 2016 and December 31, 2015.

Deferred Financing Costs

The Company defers costs incurred in obtaining financing and amortizes the costs over the terms of the related loans using the straight-line method, which approximates the effective interest method. Upon repayment of or in conjunction with a material change in the terms of the underlying debt agreement, any unamortized costs are charged to interest expense. Deferred financing costs, net of amortization, of $5.8 million and $6.0 million are recorded as a deduction from mortgages payable on the accompanying consolidated balance sheets as of March 31, 2016 and December 31, 2015, respectively. Deferred financing costs, net of amortization, of $0.1 million and $0.2 million are recorded as a deduction from the debt related to the Company's bridge facility on the accompanying consolidated balance sheets as of March 31, 2016 and December 31, 2015, respectively. Amortization of deferred financing costs of $0.3 million and $0.3 million is included in interest expense on the combined consolidated statements of operations and comprehensive income (loss) for the three months ended March 31, 2016 and 2015, respectively.

Noncontrolling Interests

Noncontrolling interests are comprised of the Company's joint venture partners' interests in the joint ventures in multifamily properties that the Company consolidates. The Company reports its joint venture partners' interests in its consolidated real estate joint ventures and other subsidiary interests held by third parties as noncontrolling interests. The Company records these noncontrolling interests at their initial fair value, adjusting the basis prospectively for their share of the respective consolidated investment's net income or loss and equity contributions and distributions. These noncontrolling interests are not redeemable by the equity holders and are presented as part of permanent equity. Income and losses are allocated to the noncontrolling interest holder based on its economic ownership percentage.

Accounting for Joint Ventures

The Company first analyzes its investments in joint ventures to determine if the joint venture is a VIE in accordance with FASB ASC 810, and if so, whether the Company is the primary beneficiary requiring consolidation. A VIE is an entity that has (i) insufficient equity to permit it to finance its activities without additional subordinated financial support or (ii) equity holders that lack the characteristics of a controlling financial interest. VIEs are consolidated by the primary beneficiary, which is the entity that has both the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that potentially could be significant to the primary beneficiary. Variable interests in a VIE are contractual, ownership, or other financial interests that change with changes in the fair value of the VIE’s net assets. The Company assesses at each level of the joint venture whether the entity is (i) a VIE, and (ii) if the Company is the primary beneficiary of the VIE. If an entity in which the Company holds a joint venture interest qualifies as a VIE and the Company is determined to be the primary beneficiary, the joint venture is consolidated.

The following table represents the Company's investments at March 31, 2016 and December 31, 2015:

Property Name		Location	Year Acquired	Effective Ownership Percentage at March 31, 2016		Effective Ownership Percentage at December 31, 2015	
The Miramar Apartments	(1)	Dallas, Texas	2013	100	%	100	%
Arbors on Forest Ridge		Bedford, Texas	2014	90	%	90	%
Cutter's Point		Richardson, Texas	2014	90	%	90	%
Eagle Crest		Irving, Texas	2014	90	%	90	%
Meridian	(2)	Austin, Texas	2014	90	%	90	%
Silverbrook		Grand Prairie, Texas	2014	90	%	90	%
Timberglen		Dallas, Texas	2014	90	%	90	%
Toscana		Dallas, Texas	2014	90	%	90	%
The Grove at Alban	(2)	Frederick, Maryland	2014	76	%	76	%
Willowdale Crossing	(2)	Frederick, Maryland	2014	80	%	80	%
Edgewater at Sandy Springs		Atlanta, Georgia	2014	90	%	90	%
Beechwood Terrace		Nashville, Tennessee	2014	90	%	90	%
Willow Grove		Nashville, Tennessee	2014	90	%	90	%
Woodbridge		Nashville, Tennessee	2014	90	%	90	%
Abbington Heights		Antioch, Tennessee	2014	90	%	90	%
The Summit at Sabal Park		Tampa, Florida	2014	90	%	90	%
Courtney Cove		Tampa, Florida	2014	90	%	90	%
Colonial Forest		Jacksonville, Florida	2014	90	%	90	%
Park at Blanding		Orange Park, Florida	2014	90	%	90	%
Park at Regency	(2)	Jacksonville, Florida	2014	90	%	90	%
Jade Park		Daytona Beach, Florida	2014	90	%	90	%
Mandarin Reserve	(2)	Jacksonville, Florida	2014	90	%	90	%
Radbourne Lake		Charlotte, North Carolina	2014	90	%	90	%
Timber Creek		Charlotte, North Carolina	2014	90	%	90	%
Belmont at Duck Creek		Garland, Texas	2014	90	%	90	%
The Arbors		Tucker, Georgia	2014	90	%	90	%
The Crossings		Marietta, Georgia	2014	90	%	90	%
The Crossings at Holcomb Bridge		Roswell, Georgia	2014	90	%	90	%
The Knolls		Marietta, Georgia	2014	90	%	90	%
Regatta Bay		Seabrook, Texas	2014	90	%	90	%
Sabal Palm at Lake Buena Vista		Orlando, Florida	2014	90	%	90	%
Southpoint Reserve at Stoney Creek		Fredericksburg, Virginia	2014	85	%	85	%
Cornerstone		Orlando, Florida	2015	90	%	90	%
McMillan Place		Dallas, Texas	2015	90	%	90	%
Barrington Mill		Marietta, Georgia	2015	90	%	90	%
Dana Point		Dallas, Texas	2015	90	%	90	%
Heatherstone		Dallas, Texas	2015	90	%	90	%
Versailles		Dallas, Texas	2015	90	%	90	%
Seasons 704 Apartments		West Palm Beach, Florida	2015	90	%	90	%

Madera Point	(1)	Mesa, Arizona	2015	95	%	95	%
The Pointe at the Foothills	(1)	Mesa, Arizona	2015	95	%	95	%
The Place at Vanderbilt	(1)	Fort Worth, Texas	2015	95	%	95	%

(1) The entities that own these properties are not VIEs.
(2) Properties are classified as held for sale as of March 31, 2016.

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In connection with its indirect equity investments in the properties acquired, the Company, through the OP, directly or indirectly holds membership interests in single-asset LLCs that directly own the properties. The majority of these entities are deemed to be VIEs as we have disproportionate voting rights (in the form of substantive participating rights over all of the decisions that are made that most significantly affect economic performance) relative to our economic interests in the entities and substantially all of the activities of the entities are performed on our behalf. The Company is considered the primary beneficiary of these VIEs as no single party meets both criteria to be the primary beneficiary, and we are the member of the related party group that has both the power to direct the activities that most significantly impact economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Within the related party group, the Company is the most closely associated to the VIE based on the purpose and design of the entity, the size of our ownership interests relative to the other investors, and the rights we hold with respect to the other investors' equity interests, including our ability to preclude any transfers of their interests and ability to drag them along on the sale of our equity interest. All VIEs are consolidated in the Company's financial statements. The assets of each VIE can only be used to settle obligations of that particular VIE, and the creditors of each entity have no recourse to the assets of other entities or the Company.

The other investor in the VIEs is BH Equities, LLC ("BH Equity") or affiliates of BH Equity. When these VIEs were formed, BH Equity invested cash in each VIE and received a proportional share of each VIE that it invested in. Each VIE has a non-recourse mortgage that has standard scope non-recourse carve outs required by agency lenders and generally call for protection by the borrower and the guarantor against losses by the lender for so-called "bad acts," such as misrepresentations, and may include full recourse liability for more significant events such as bankruptcy. BH Equity, or its affiliates, provided non-recourse carve out guarantees for the mortgage indebtedness currently outstanding relating to each VIE. In consideration of the guarantees provided by BH Equity and its affiliates, they will earn an additional profit interest in each VIE such that distributions will be made to the members of the VIE pro rata in proportion to their relative percentage interests until the members have received an internal rate of return equal to 13%. Then, the proportion of distributions changes to a predetermined allocation according to the agreements between each VIE and BH Equity or its affiliates.

Revenue Recognition

The Company's primary operations consist of rental income earned from its residents under lease agreements with terms of one year or less. Rental income is recognized when earned. This policy effectively results in income recognition on the straight-line method over the related terms of the leases. Resident reimbursements and other income consist of charges billed to residents for utilities, carport and garage rental, pets, administrative, application and other fees and are recognized when earned.

Asset Management & Property Management Services

Asset management fee and property management fee expenses are recognized when incurred in accordance with each management agreement (see Note 8).

Income Taxes

The Company intends to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), and expects to qualify as a REIT. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement to distribute annually at least 90% of its "REIT taxable income," as defined by the Code, to its stockholders. As a REIT, the Company will be subject to federal income tax on its undistributed REIT taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions it pays with respect to any calendar year are less than the sum of (a) 85% of its ordinary income, (b) 95% of its capital gain net income and (c) 100% of its undistributed income from prior years. The Company intends to operate in such a manner so as to qualify as a REIT, including creating taxable REIT subsidiaries to hold assets that generate income that would not be consistent with the rules applicable for qualification as a REIT if held directly by the REIT, but no assurance can be given that the Company will operate in a manner so as to qualify as a REIT. If the Company were to fail to meet these requirements, it could be subject to federal income tax on all of the Company’s taxable income at regular corporate rates for that year. The Company would not be able to deduct distributions paid to stockholders in any year in which it fails to qualify as a REIT. Additionally, the Company will also be disqualified from electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost unless the Company is entitled to relief under specific statutory provisions. As of March 31, 2016, the Company believes it is in compliance with all applicable REIT requirements.

Reportable Segment

Substantially all of the Company’s net income (loss) is from investments in real estate properties within the multifamily sector that the Company owns through LLCs. The Company evaluates operating performance on an individual property level and views its real estate assets as one industry segment and, accordingly, its properties are aggregated into one reportable segment.

Concentration of Credit Risk

The Company maintains cash balances with high quality financial institutions, including NexBank, an affiliate of our Adviser, and periodically evaluates the creditworthiness of such institutions and believes that the Company is not exposed to significant credit risk. Cash balances may be in excess of the amounts insured by the Federal Deposit Insurance Corporation.

Fair Value Measurements

Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820, Fair Value Measurement and Disclosures, establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy)

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are the unobservable inputs for the asset or liability, which are typically based on an entity's own assumption, as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on input from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The Company utilizes an independent third party to perform the allocation of value analysis for each property acquisition and also to perform the market valuations on the interest rate caps and has established policies, as described above, processes and procedures intended to ensure that the valuation methodologies for investments and interest rate caps are fair and consistent as of the measurement date.

Per Share Data

The Company began operations on March 31, 2015, as described above, and therefore the Company had no operating activities or earnings (loss) per share before March 31, 2015. However, for purposes of the combined consolidated statements of operations and comprehensive income (loss), the Company has presented basic and diluted earnings (loss) per share as if the operating activities of the predecessor were those of the Company and assuming the shares outstanding at the date of the Spin-Off were outstanding for all periods prior to the Spin-Off. Basic earnings (loss) per share will be shown for all periods presented and computed by dividing net income (loss) by the weighted average number of shares of the Company's common stock outstanding during the period. Diluted earnings (loss) per share is computed based on the weighted average number of shares of the Company's common stock and all potentially dilutive securities, if any. There were no potentially dilutive securities for any of the periods presented. For the three months ended March 31, 2016 and 2015, the Company incurred earnings (loss) per share of $(0.00) and $(0.25), respectively.

Recent Accounting Pronouncements

Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 13(a) of the Exchange Act, for complying with new or revised accounting standards applicable to public companies. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates for such new or revised standards. We may elect to comply with public company effective dates at any time, and such election would be irrevocable pursuant to Section 107(b) of the JOBS Act. The following recent accounting pronouncements reflect effective dates that delay the adoption until those standards would otherwise apply to private companies.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which requires management to evaluate whether there are conditions and events that raise substantial doubt about an entity's ability to continue as a going concern, and to provide disclosures when it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued. The ASU is effective for annual and interim periods beginning after December 15, 2015, with early adoption being permitted. The Company implemented the provisions of ASU 2014-15 as of January 1, 2016 and there was no material impact on its combined consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, Interest-Imputation of Interest, which changes the way reporting enterprises record debt issuance costs. The ASU requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability, consistent with debt discounts. The ASU is effective for annual and interim reporting periods beginning after December 15, 2015. In August 2015, the FASB issued ASU 2015-15, Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements, which supplements the requirements of ASU 2015-03 by allowing an entity to defer and present debt issuance costs related to a line of credit arrangement as an asset and subsequently amortize the deferred costs ratably over the term of the line of credit arrangement. The Company implemented the provisions of ASU 2015-03 and ASU 2015-15 as of January 1, 2016. The retrospective application required upon adoption of ASU 2015-03 resulted in a reclassification of approximately $6.2 million of debt issuance costs from deferred financing costs, net, to a deduction from debt in its consolidated balance sheet as of December 31, 2015. At December 31, 2015, the following amounts of deferred financing costs were reclassified (in thousands):

	Assets	Liabilities	
	Deferred financing costs, net	Bridge facility, net	Mortgages payable, net
December 31, 2015			
As previously presented	$ 6,213	$ 29,000	$ 682,342
Reclassification of deferred financing costs, net	(6,213)	(195)	(6,018)
As presented herein	$ —	$ 28,805	$ 676,324

In February 2015, the FASB issued ASU 2015-02, Amendments to the Consolidation Analysis, which changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a VIE, and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The ASU also significantly changes how to evaluate voting rights for entities that are not similar to limited partnerships when determining whether the entity is a VIE, which may affect entities for which the decision making rights are conveyed though a contractual arrangement. The ASU is effective for annual and interim periods in fiscal years beginning after December 15, 2016. The Company will implement the provisions of ASU 2015-02 as of January 1, 2017. The Company does not expect the new standard to have a material impact on its combined consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should also disclose sufficient quantitative and qualitative information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers – Deferral of the Effective Date, which amends ASU 2014-09 to defer the effective date by one year. The new standard is effective for annual and interim reporting periods beginning after December 15, 2018. The Company expects to implement the provisions of ASU 2014-09 as of January 1, 2019. The Company has not yet determined the impact of the new standard on its current policies for revenue recognition.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which changes certain recognition, measurement, presentation, and disclosure requirements for financial instruments. The ASU requires all equity investments, except those accounted for under the equity method of accounting or resulting in consolidation, to be measured at fair value with changes in fair value recognized in net income. The ASU also simplifies the impairment assessment for equity investments without readily determinable fair values, amends the presentation requirements for changes in the fair value of financial liabilities, requires presentation of financial instruments by measurement category and form of financial asset, and eliminates the requirement to disclose the methods and significant assumptions used in estimating the fair value of financial instruments. The ASU is effective for annual and interim periods beginning after December 15, 2018. The Company expects to implement the provisions of ASU 2016-01 as of January 1, 2019, and does not expect the new standard to have a material impact on its combined consolidated financial statements.

3. Acquisitions

As of March 31, 2016, through its consolidated joint ventures, the Company has invested in a total of 42 multifamily properties as listed below:

Property Name		Rentable Square Footage	Number of Units	Date Acquired	Average Effective Monthly Rent Per Unit (1)	% Occupied as of March 31, 2016 (2)		% Occupied as of December 31, 2015 (2)	
The Miramar Apartments		183,100	314	10/31/2013	$ 587	93.3	%	92.4	%
Arbors on Forest Ridge		154,556	210	1/31/2014	817	95.7	%	93.8	%
Cutter's Point		197,972	196	1/31/2014	982	96.4	%	93.9	%
Eagle Crest		395,951	447	1/31/2014	809	95.7	%	95.5	%
Meridian	(3)	148,200	200	1/31/2014	831	96.0	%	94.0	%
Silverbrook		526,138	642	1/31/2014	717	95.5	%	93.6	%
Timberglen		221,376	304	1/31/2014	753	93.1	%	96.1	%
Toscana		115,400	192	1/31/2014	656	95.8	%	94.8	%
The Grove at Alban	(3)	267,300	290	3/10/2014	989	93.1	%	94.5	%
Willowdale Crossing	(3)	411,800	432	5/15/2014	942	91.7	%	88.9	%
Edgewater at Sandy Springs		726,774	760	7/18/2014	837	93.7	%	94.5	%
Beechwood Terrace		271,728	300	7/21/2014	812	94.7	%	97.3	%
Willow Grove		229,140	244	7/21/2014	795	95.9	%	95.9	%
Woodbridge		246,840	220	7/21/2014	899	95.5	%	96.4	%
Abbington Heights		238,974	274	8/1/2014	796	94.5	%	94.5	%
The Summit at Sabal Park		204,545	252	8/20/2014	859	90.5	%	92.5	%
Courtney Cove		224,958	324	8/20/2014	748	96.0	%	95.4	%
Colonial Forest		160,093	174	8/20/2014	645	96.6	%	94.8	%
Park at Blanding		116,410	117	8/20/2014	783	97.4	%	97.4	%
Park at Regency	(3)	134,253	159	8/20/2014	769	95.0	%	96.2	%
Jade Park		118,392	144	8/20/2014	758	95.8	%	90.3	%
Mandarin Reserve	(3)	449,276	520	9/15/2014	726	95.8	%	93.1	%
Radbourne Lake		246,599	225	9/30/2014	967	97.3	%	96.9	%
Timber Creek		248,391	352	9/30/2014	741	95.5	%	94.3	%
Belmont at Duck Creek		198,279	240	9/30/2014	901	96.3	%	93.8	%
The Arbors		127,536	140	10/16/2014	799	91.4	%	94.3	%
The Crossings		377,840	380	10/16/2014	766	93.4	%	92.9	%
The Crossings at Holcomb Bridge		247,982	268	10/16/2014	791	96.3	%	95.9	%
The Knolls		311,160	312	10/16/2014	842	94.9	%	93.9	%
Regatta Bay		200,440	240	11/4/2014	1,029	92.5	%	93.3	%
Sabal Palm at Lake Buena Vista		370,768	400	11/5/2014	1,098	96.0	%	96.0	%
Southpoint Reserve at Stoney Creek		115,712	156	12/18/2014	1,004	85.9	%	94.9	%
Cornerstone		317,565	430	1/15/2015	829	94.7	%	93.3	%
McMillan Place		290,051	402	1/15/2015	666	93.3	%	91.3	%
Barrington Mill		692,180	752	2/6/2015	757	94.1	%	95.6	%

Dana Point	206,276	264	2/26/2015	734	95.5	%	92.8	%
Heatherstone	115,615	152	2/26/2015	787	94.1	%	94.1	%
Versailles	300,908	388	2/26/2015	771	95.6	%	90.2	%
Seasons 704 Apartments	216,891	222	4/15/2015	980	96.8	%	97.3	%
Madera Point	192,880	256	8/5/2015	769	94.5	%	93.8	%
The Pointe at the Foothills	472,952	528	8/5/2015	824	93.2	%	90.7	%
The Place at Vanderbilt	288,532	333	10/30/2015	750	92.5	%	92.8	%
	11,281,733	13,155						

(1) Average effective monthly rent per unit is equal to the average of the contractual rent for commenced leases as of March 31, 2016 minus any tenant concessions over the term of the lease, divided by the number of units under commenced leases as of March 31, 2016.

(2) Percent occupied is calculated as the number of units occupied as of March 31, 2016 and December 31, 2015, divided by the total number of units, expressed as a percentage.

(3) Properties are classified as held for sale as of March 31, 2016.

4. Real Estate Investments

As of March 31, 2016, the major components of the Company's investments in multifamily properties were as follows (in thousands):

Operating Properties	Land	Buildings and Improvements	Intangible Lease Assets	Construction in Progress	Furniture, Fixtures and Equipment	Totals
The Miramar Apartments	$1,580	$ 8,710	$ —	$ 49	$ 619	$10,958
Arbors on Forest Ridge	2,330	10,944	—	2	546	13,822
Cutter's Point	3,330	12,752	—	1	715	16,798
Eagle Crest	5,450	21,867	—	12	794	28,123
Silverbrook	4,860	25,004	—	44	1,557	31,465
Timberglen	2,510	14,394	—	20	736	17,660
Toscana	1,730	7,253	—	5	553	9,541
Edgewater at Sandy Springs	14,290	43,650	—	29	2,641	60,610
Beechwood Terrace	1,390	20,412	—	30	649	22,481
Willow Grove	3,940	10,625	—	1	509	15,075
Woodbridge	3,650	12,609	—	100	598	16,957
Abbington Heights	1,770	16,200	—	77	708	18,755
The Summit at Sabal Park	5,770	13,313	—	7	734	19,824
Courtney Cove	5,880	12,854	—	46	711	19,491
Colonial Forest	2,090	3,487	—	—	357	5,934
Park at Blanding	2,610	4,031	—	6	314	6,961
Jade Park	1,490	6,411	—	30	419	8,350
Radbourne Lake	2,440	21,315	—	105	784	24,644
Timber Creek	11,260	13,128	—	47	598	25,033
Belmont at Duck Creek	1,910	16,953	—	77	586	19,526
The Arbors	1,730	6,515	—	4	292	8,541
The Crossings	3,982	17,366	—	197	1,044	22,589
The Crossings at Holcomb Bridge	5,560	10,704	—	42	820	17,126
The Knolls	3,410	17,605	—	3	1,122	22,140
Regatta Bay	1,660	16,125	—	54	604	18,443
Sabal Palm at Lake Buena Vista	7,580	41,027	—	45	699	49,351
Southpoint Reserve at Stoney Creek	6,120	10,927	—	139	376	17,562
Cornerstone	1,500	29,918	—	201	551	32,170
McMillan Place	3,610	17,719	—	117	624	22,070
Barrington Mill	10,170	47,369	—	336	1,480	59,355
Dana Point	4,090	12,030	—	167	728	17,015
Heatherstone	2,320	7,364	—	68	504	10,256
Versailles	6,720	19,912	—	281	1,022	27,935
Seasons 704 Apartments	7,480	13,773	—	172	405	21,830
Madera Point	4,920	16,650	—	120	536	22,226
The Pointe at the Foothills	4,840	45,411	—	379	855	51,485
The Place at Vanderbilt	2,350	16,126	511	111	543	19,641
	158,322	642,453	511	3,124	27,333	831,743
Accumulated depreciation and amortization	—	(32,802)	(426)	—	(7,174)	(40,401)

Total Operating Properties	$158,322	$ 609,651	$ 85	$ 3,124	$ 20,159	$791,342
Held For Sale Properties						
Meridian	2,310	10,327	—	12	462	13,111
The Grove at Alban	3,640	19,012	—	18	1,108	23,778
Willowdale Crossing	4,650	35,644	—	36	873	41,203
Park at Regency	2,620	5,708	—	15	488	8,831
Mandarin Reserve	5,610	20,866	—	59	1,114	27,649
	18,830	91,557	—	140	4,045	114,572
Accumulated depreciation and amortization	—	(5,997)	—	—	(1,019)	(7,016)
Total Held For Sale Properties	$18,830	$ 85,560	$ —	$ 140	$ 3,026	$107,556
Total	$177,152	$ 695,211	$ 85	$ 3,264	$ 23,185	$898,898

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As of December 31, 2015, the major components of the Company's investments in multifamily properties were as follows (in thousands):

Property Name	Land	Buildings and Improvements	Intangible Lease Assets	Construction in Progress	Furniture, Fixtures and Equipment	Totals
The Miramar Apartments	$ 1,580	$ 8,601	$ —	$ 48	$ 603	$ 10,832
Arbors on Forest Ridge	2,330	10,948	—	—	524	13,802
Cutter's Point	3,330	12,747	—	37	621	16,735
Eagle Crest	5,450	21,846	—	15	743	28,054
Meridian	2,310	10,325	—	12	419	13,066
Silverbrook	4,860	24,909	—	118	1,475	31,362
Timberglen	2,510	14,379	—	20	703	17,612
Toscana	1,730	7,256	—	4	522	9,512
The Grove at Alban	3,640	18,994	—	66	911	23,611
Willowdale Crossing	4,650	35,631	—	23	784	41,088
Edgewater at Sandy Springs	14,290	43,429	—	199	2,394	60,312
Beechwood Terrace	1,390	20,374	—	28	572	22,364
Willow Grove	3,940	10,621	—	2	483	15,046
Woodbridge	3,650	12,581	—	110	543	16,884
Abbington Heights	1,770	16,184	—	67	657	18,678
The Summit at Sabal Park	5,770	13,311	—	9	674	19,764
Courtney Cove	5,880	12,850	—	30	668	19,428
Colonial Forest	2,090	3,486	—	—	328	5,904
Park at Blanding	2,610	4,025	—	4	304	6,943
Park at Regency	2,620	5,706	—	5		