Invest With ROOST™ Thesis

Constructing Profitable Portfolios Across Ohio and Florida

Market-Driven Investment Strategy for Residential Real Estate Investors

ROOST REAL ESTATE CO.

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How to Use This Document

This thesis can be read cover to cover or by section. Each market — Columbus, Dayton, Springfield, or Florida's Space Coast — is written to stand alone for readers focused on that geography. Readers evaluating how ROOST helps owners construct and operate portfolios across markets should begin with the Executive Summary and proceed through Section I. Readers evaluating whether to entrust existing assets to ROOST, or to begin acquiring a new portfolio through ROOST, will find Section VIII (The ROOST Operating System) and Section IX (Questions Worth Asking) most directly useful.

Who This Is For

This document is written for three overlapping audiences. Current residential property owners considering who should manage or help them scale their portfolios. Prospective owners evaluating where to allocate capital across residential real estate markets and who should help them acquire and operate those assets. And advisors and family offices seeking a disciplined framework for thinking about residential portfolio construction on behalf of clients. The perspective is the same in each case. The application differs.

Executive Summary

ROOST Real Estate Co. is an acquisition and management partner for third-party residential owners. We do not raise funds, pool capital, or buy real estate on our own balance sheet. Owners work with us to find and acquire residential property in the markets where we operate, and we manage those assets for them with institutional discipline. This thesis explains the framework behind that work.

Our portfolio management practice is built on a single organizing principle: **durable residential real estate portfolios are constructed by allocating capital across markets that behave differently across economic cycles, not by concentrating assets around a single narrative or geography.**

This thesis articulates how ROOST helps owners design, acquire, and operate residential portfolios across **Ohio and Florida**, using a market-behavior-driven framework grounded in observable demand drivers, execution discipline, and institutional operating standards.

This document is not a market forecast. It is an operating and portfolio construction thesis.

Most residential real estate portfolios are diversified by asset count but remain highly correlated by market behavior. Assets clustered in a single metro—or even a single state—are exposed to the same employment base, rent cycles, regulatory environment, insurance dynamics, and capital market sentiment. When conditions change, performance tends to shift simultaneously.
ROOST approaches portfolio construction differently.

We guide owners to allocate capital across markets selected for **behavioral differentiation** — allowing growth, stability, yield, and asymmetric exposure to coexist within a single owner's portfolio. The objective is not to optimize any one return metric, but to reduce correlation risk while preserving operational clarity and execution control.
ROOST operates intentionally across four primary markets:

• **Columbus** — a growth and liquidity anchor defined by diversified employment, population inflow, and long-term demand depth.

• **Dayton** — an institutional stability market anchored by durable workforce demand and employment continuity.

• **Springfield** — a yield and capital-efficiency market where returns are driven by basis discipline and operating precision.

• **Florida's Space Coast** — a demographic inflow and asymmetric-outcome market shaped by aerospace and defense employment, capital movement, and higher insurance and climate exposure.

Together, these four markets form the ROOST platform. They are not interchangeable. Each serves a defined role within a balanced portfolio and requires a distinct execution strategy governed by a common operating system.

ROOST's differentiation is not geography. **It is execution.**

Across all markets, ROOST applies a single institutional-grade operating system that standardizes reporting, maintenance philosophy, performance measurement, governance, and portfolio-level communication. Within that system, execution is intentionally customized by market. Rent strategy, renovation scope, leverage tolerance, and risk posture are adapted to local behavior rather than imposed uniformly.

This structure allows ROOST to scale across markets without fragmenting oversight or increasing key-person risk—an essential requirement for institutional portfolio management.

ROOST underwrites markets that exist today, manages assets through execution discipline, and evaluates growth against the same standards outlined here.

The Thesis at a Glance

Four markets. One operating system. One organizing principle.

ROOST helps owners allocate capital across markets that behave differently across economic cycles — not across assets that share the same underlying assumptions.

• **Columbus** — Growth and liquidity. Compounds value over time. Sensitive to supply and pricing cycles.

• **Dayton** — Institutional stability and workforce cash flow. Anchored by Wright-Patterson Air Force Base. Preserves income.

• **Springfield** — Yield and basis efficiency. Enhances returns when acquired with discipline. Punishes operational imprecision.

• **Florida's Space Coast** — Demographic inflow and asymmetric appreciation exposure. Anchored by federal aerospace activity. Introduces capital market and insurance dynamics that Ohio markets do not.

The markets are not interchangeable. Each plays a distinct role within a balanced portfolio. Together, under a single operating system, they form a platform designed to be resilient across cycles rather than optimized for a single outcome.

Columbus compounds value. Dayton preserves income. Springfield enhances returns. The Space Coast introduces demographic-driven asymmetry. No market is sufficient on its own.

1. Investment Philosophy

Why Market Behavior Matters More Than Market Narratives

1.1 THE FALLACY OF DOOR-COUNT DIVERSIFICATION

In residential real estate, diversification is often misunderstood.

Many investors believe they are diversified because they own multiple properties, sometimes dozens of units, spread across several neighborhoods. In practice, however, these portfolios are frequently concentrated in a **single economic ecosystem.**

When assets are located in one metropolitan area, they are exposed to the same underlying risks:

- the same employment base,
- the same rent cycle,
- the same regulatory and tax environment,
- the same insurance and infrastructure constraints,
- and the same capital market dynamics.

In those circumstances, owning more doors does not meaningfully reduce risk. It simply **scales exposure** to a single set of assumptions. When conditions change, assets move together.

ROOST approaches diversification differently. We believe that durable real estate portfolios are constructed by allocating capital across markets that **behave differently across economic cycles**, not by accumulating more assets in a single location.

1.2 MARKET BEHAVIOR VS. MARKET NARRATIVES

Public discourse around real estate markets is often dominated by narratives:

- population growth stories,
- megaproject announcements,
- headline-driven economic forecasts,
- and speculative claims about future transformation.

While these narratives can influence short-term sentiment, they are a poor foundation for long-term portfolio construction—particularly for investors whose returns depend on **rent collections, expense control, and capital preservation, not timing market enthusiasm.**

ROOST deliberately separates:

- **what is observable today** from
- **what is promised at an uncertain future date.**

Our underwriting and operating decisions are grounded in:

- existing employment bases,
- established renter demographics,
- proven demand drivers,
- and market-specific operating realities.

This is not a rejection of growth or change. It is a recognition that **investor-relevant timelines** differ materially from development or political timelines. For residential rental portfolios, particularly in the 1–4 unit segment, durability matters more than projection.

1.3 ROOST'S OPERATING BELIEF

ROOST's core belief is straightforward:

Long-term residential real estate performance is determined less by market narratives and more by how a market actually behaves under stress, expansion, and normalization.

Markets differ in how they respond to:

- interest rate movements,
- new housing supply,
- employment disruptions,
- insurance and tax cost inflation,
- and shifts in tenant affordability.

Understanding those behavioral differences—and aligning execution accordingly—is central to ROOST's investment and management philosophy.

This thesis is not a forecast. It is an explanation of **how we think about capital allocation, operational design, and risk management** on behalf of the owners we serve.

1.4 THE ROOST PERSPECTIVE IN CONTEXT

Residential property management and investment exist on a spectrum. At one end, local property managers operate in a single market with deep neighborhood knowledge but limited portfolio construction capability. At the other end, national turnkey providers and institutional platforms operate across markets but generally focus on larger multifamily assets or stabilized single-family rental funds.

ROOST occupies a position that is uncommon in residential real estate: **multi-market operation at the 1–4 unit scale, governed by a single institutional operating system.**

This positioning reflects three observations about the residential market.

First, most owners of 1–4 unit residential property do not have access to institutional-grade portfolio construction. Either they operate with a local manager whose perspective is constrained by a single market, or they hold assets across geographies with no coordinating framework.

Second, most institutional platforms capable of providing coordinating frameworks do not operate meaningfully in the 1–4 unit segment, because it does not scale efficiently within traditional institutional structures.

Third, the 1–4 unit segment is where correlation risk is most often hidden. Owners believe a portfolio of thirty scattered houses is diversified when, in fact, those assets may be highly correlated at the market-behavior level.

ROOST exists at the intersection of these observations. The thesis that follows is not an argument for any particular market. It is an argument for how residential portfolios should be constructed — and for the operating discipline that makes that construction possible.

1.5 WHAT THIS THESIS IS AND IS NOT

This thesis is:

- a statement of how ROOST guides capital allocation and manages risk on behalf of owners,
- a framework grounded in observable market behavior, and
- a blueprint for disciplined, scalable residential portfolio management.

This thesis is not:

- a promotional narrative,
- a market timing strategy, or
- a promise of performance.

These distinctions inform every decision that follows in this document: which markets are selected, how they are underwritten, how they are operated, and how performance is measured and communicated.

2. Ohio as a Portfolio Construction Platform

2.1 WHY OHIO WORKS AT AN INSTITUTIONAL LEVEL

Ohio presents a unique advantage for residential real estate investors seeking intra-state diversification without unnecessary complexity.

Unlike states dominated by a single primary metro, Ohio contains multiple independent metropolitan areas with:

- distinct employment drivers,
- different demographic profiles,
- and non-identical housing dynamics.

From a portfolio construction perspective, this allows investors to balance:

- growth,
- income stability,
- and yield within a single legal, tax, and regulatory framework.

For institutional and sophisticated individual investors alike, this reduces friction while expanding strategic flexibility.

2.2 ROOST'S INTENTIONAL FOCUS ON THREE DISTINCT OHIO MARKETS

ROOST operates across three Ohio markets by design—not by proximity or convenience, but by **behavioral differentiation:**

- **Columbus**
- **Dayton**
- **Springfield**

Each market serves a different role within a well-constructed residential portfolio. They are not interchangeable, and they do not respond uniformly to economic conditions.

This is a deliberate departure from the single-market operating model common among regional property managers.

2.3 A BEHAVIORAL, NOT HIERARCHICAL, FRAMEWORK

ROOST does not rank these markets as "better" or "worse." Instead, we evaluate them based on how they behave.

Broadly:

- Columbus functions as a growth and liquidity engine.
- Dayton provides institutional stability and workforce-driven cash flow.
- Springfield offers yield and capital efficiency, with correspondingly higher execution requirements.

Each market carries trade-offs. None is sufficient on its own to meet all portfolio objectives across cycles.

ROOST's advantage lies in understanding those trade-offs deeply—and in applying **different execution strategies under a single operating discipline.**

2.4 EDITORIAL DISCIPLINE: SEPARATING DURABLE DRIVERS FROM SPECULATION

As part of this framework, ROOST explicitly prioritizes durable, existing economic drivers over speculative development narratives.

We underwrite:

- employment bases that already exist,
- renter demand that is observable today,
- and asset performance over an investor-relevant horizon.

We intentionally avoid anchoring portfolio strategy to:

- megaprojects without near-term operating relevance,
- peripheral development areas disconnected from core rental demand,
- or assumptions that require perfect execution by third parties to succeed.

This discipline informs every market-specific thesis that follows.

2.5 TRANSITION TO MARKET-SPECIFIC ANALYSIS

With this framework established, the following sections examine each ROOST market individually:

- its economic foundation,
- its observable investment behavior,
- its risk profile,
- and the execution strategies ROOST employs to protect and enhance investor returns.

Each section is designed to stand alone for readers who wish to focus on a specific market, while also contributing to a coherent, portfolio-level thesis.

3. Market 1: Columbus

Growth, Liquidity, and Long-Term Demand Depth

3.1 ECONOMIC FOUNDATION: DURABLE DEMAND, NOT SPECULATIVE GROWTH

Columbus serves as the economic and administrative center of Ohio and functions as the primary growth engine within a ROOST-managed Ohio portfolio. Its relevance to residential investors is not derived from any single industry or development initiative, but from the **breadth and durability of its employment base.**

As the state capital, Columbus benefits from a substantial concentration of government employment that provides long-term stability and countercyclical ballast. This is reinforced by healthcare, insurance, financial services, logistics, and education—sectors that collectively support consistent renter demand across economic environments.

A central anchor of this ecosystem is **The Ohio State University**, one of the largest public universities in the United States. OSU's presence influences not only direct employment and student housing demand, but also healthcare, research, and professional services employment throughout the metro area. Importantly, this demand is recurring and **institutional**, rather than discretionary or trend-driven.

ROOST's Columbus thesis is grounded in these existing conditions. We underwrite the city as it functions today, not as it is occasionally portrayed in forward-looking development narratives. Peripheral megaprojects and long-dated manufacturing initiatives do not materially influence the performance of 1–4 unit residential assets in Columbus proper on an investor-relevant timeline. As such, they are excluded from ROOST's core underwriting assumptions.

3.2 MARKET BEHAVIOR AND OBSERVABLE INVESTMENT CHARACTERISTICS

From an investment behavior standpoint, Columbus exhibits several defining characteristics:

- **Sustained renter demand** driven by population growth and in-migration.
- **Higher acquisition pricing** relative to other Ohio MSAs, reflecting both demand depth and liquidity.
- **Strong exit optionality,** with a broad buyer pool that includes owner-occupants, small investors, and institutional capital.
- **Periodic exposure to supply cycles,** particularly in submarkets experiencing concentrated multifamily development.

For residential investors, Columbus does not optimize for immediate yield. Instead, it offers long-term appreciation potential, refinancing optionality, and liquidity, provided assets are acquired and operated with discipline.

Rent growth in Columbus is not linear. Periods of above-trend growth are often followed by normalization as new supply is delivered. ROOST's underwriting assumes this cyclicality explicitly and avoids rent projections that depend on sustained, uninterrupted growth.

3.3 RISK PROFILE: WHERE COLUMBUS PUNISHES COMPLACENCY

Columbus is often perceived as a "safe" market, but this perception can mask real risks for undisciplined investors.
Key risks include:

- Supply sensitivity: New Class A and mid-tier multifamily development can temporarily cap rent growth in adjacent segments.
- Margin compression: Higher purchase prices reduce tolerance for vacancy, turnover, and maintenance inefficiency.
- Over-improvement risk: Renovation scopes that exceed neighborhood rent ceilings can permanently impair yield.
- Tax and cost inflation: Property taxes, insurance, and labor costs require active monitoring and conservative underwriting.

These risks do not invalidate the market. They simply require **active management and submarket-level awareness**. Columbus rewards operators who understand where demand is durable and punishes those who apply generic assumptions across diverse neighborhoods.

3.4 ROOST EXECUTION THESIS IN COLUMBUS

ROOST's approach in Columbus is deliberately conservative relative to headline market enthusiasm. Our execution priorities are designed to protect cash flow while preserving long-term upside.

Key elements include:

Submarket-specific underwriting
ROOST evaluates Columbus at the neighborhood level, not the metro level. Rent assumptions, renovation decisions, and acquisition criteria are calibrated to observable tenant demand and competing supply within each submarket.

Supply-aware rent positioning
We do not chase peak rents during expansion phases. Instead, ROOST prioritizes rent levels that maximize renewal probability and reduce vacancy exposure during normalization periods.

Tenant retention as a return driver
In a higher-cost market, retained tenants are often more valuable than incremental rent increases. Preventative maintenance, responsive service, and predictable operating costs materially influence long-term returns.

Controlled renovation discipline
Renovation scopes are designed to meet market expectations—not to set new benchmarks. Capital is deployed where it produces durable rent support, not cosmetic distinction.

This execution framework allows ROOST to participate in Columbus's growth while avoiding the most common sources of underperformance.

3.5 PORTFOLIO ROLE: WHY COLUMBUS MATTERS

Within a ROOST-managed Ohio portfolio, Columbus serves three critical functions:

- **Growth exposure** through long-term appreciation and demographic demand.
- **Liquidity optionality,** enabling portfolio rebalancing, refinancing, or exit without reliance on narrow buyer pools.
- **Institutional credibility,** as Columbus assets align with the expectations and underwriting models of sophisticated capital.

Columbus is not intended to maximize yield. It is intended to anchor the portfolio with assets that compound value over time and provide strategic flexibility.

When paired with markets that emphasize stability and yield, Columbus enables a portfolio structure that is resilient **across cycles rather than optimized for a single outcome.**

For owners with Columbus exposure — existing or contemplated — ROOST's role is to preserve optionality and compound value with restraint, not to chase every cycle.

3.6 TRANSITION TO THE NEXT MARKET

While Columbus provides growth and liquidity, it is inherently more sensitive to pricing, supply, and cost pressures. For this reason, ROOST does not rely on Columbus alone to meet portfolio objectives.

The following section examines **Dayton**, a market selected specifically for its institutional stability, workforce-driven demand, and countercyclical characteristics—qualities that complement Columbus rather than replicate it.

4. Market 2: Dayton

Institutional Stability and Workforce Cash Flow

4.1 ECONOMIC FOUNDATION: EMPLOYMENT DURABILITY OVER NARRATIVE GROWTH

Dayton occupies a fundamentally different role within a ROOST-managed Ohio portfolio than Columbus. Where Columbus is defined by growth, liquidity, and demographic momentum, Dayton is defined by **employment durability and institutional continuity.**

The central economic anchor of the Dayton region is **Wright-Patterson Air Force Base,** one of the largest single-site employers in the state and a long-standing center for defense, aerospace, research, and advanced logistics. The base supports a broad ecosystem of civilian employees, military personnel, contractors, and related service industries, creating a **non-cyclical demand foundation** that behaves differently than private-sector growth markets.

This employment base is reinforced by regional healthcare systems, higher education, and professional services. Together, these drivers support consistent household formation and rental demand that is less sensitive to macroeconomic cycles than markets driven primarily by discretionary or speculative growth.

ROOST underwrites Dayton on the assumption that **stability is the primary asset.** We do not rely on population acceleration, rapid appreciation, or transformational development to justify investment performance.

4.2 MARKET BEHAVIOR AND OBSERVABLE INVESTMENT CHARACTERISTICS

Dayton's residential investment behavior reflects its institutional employment base:

- **Predictable workforce rental demand,** supported by long-term employment.
- **Moderate acquisition pricing,** relative to Columbus.
- **Durable rent collections,** with less volatility during economic slowdowns.
- **Slower appreciation,** particularly when compared to growth-oriented metros.
- **Older housing stock**, requiring disciplined capital planning.

Unlike Columbus, where liquidity and appreciation are core attributes, Dayton's value proposition is **income durability and reduced volatility.** Performance is driven less by timing and more by execution.

For investors, this translates into steadier cash flow with fewer sharp inflection points—both positive and negative.

4.3 RISK PROFILE: WHERE DAYTON REQUIRES DISCIPLINE

Dayton's stability does not imply low risk. Instead, the risks are operational rather than macro-driven.

Key risks include:

- **Neighborhood dispersion:** Asset performance can vary significantly by submarket and even by block.
- **Legacy construction exposure:** Older properties introduce higher probability of capex events related to roofing, plumbing, electrical systems, and foundations.
- **Limited upside from cosmetic renovation:** Over-improvement rarely produces proportional rent increases.
- **Tenant affordability constraints:** Rent ceilings are defined by local wage bands, not by aspirational positioning.

Dayton does not reward aggressive assumptions. It rewards **precision, restraint, and consistency.**

A final consideration: Wright-Patterson's centrality means Dayton carries a form of single-anchor exposure. ROOST's view is that federal defense and aerospace employment is structurally less cyclical than a comparable private-sector anchor of similar scale, but the anchor itself is worth naming and monitored accordingly.

4.4 ROOST EXECUTION THESIS IN DAYTON

ROOST's Dayton execution strategy is explicitly designed to convert institutional employment stability into predictable investor income.

Core elements include:

Wage-aligned rent strategy
Rent levels are set with explicit reference to local wage realities. ROOST prioritizes rent sustainability over marginal increases that elevate turnover and collection risk.

Preventative maintenance as income protection
In older housing stock, deferred maintenance is a leading cause of income disruption. ROOST emphasizes proactive system maintenance to reduce emergency repairs, vacancy extension, and tenant dissatisfaction.

Standardized rehabilitation scopes
Renovation decisions are guided by standardized scopes tailored to Dayton's tenant base. Capital is allocated to durability and functionality rather than aesthetic differentiation.

Block-level underwriting
ROOST evaluates Dayton assets at a granular level, incorporating neighborhood dynamics, tenant profiles, and historical performance into acquisition and hold decisions.

This approach is intentionally conservative. It is designed to preserve income across cycles rather than optimize for peak returns in favorable conditions.

4.5 PORTFOLIO ROLE: DAYTON AS BALLAST

Within a ROOST-managed Ohio portfolio, Dayton serves as **ballast**—assets that dampen volatility and stabilize returns when growth-oriented markets experience compression or normalization.

Specifically, Dayton provides:

- **Income durability,** supported by institutional employment.
- **Reduced sensitivity** to macroeconomic shocks, relative to growth metros.
- **Predictable operating characteristics,** enabling long-term planning.
- **Risk offset** to markets with higher pricing and supply exposure.

Dayton is not intended to maximize appreciation. It is intended to **protect the portfolio during periods when appreciation-driven assumptions fail to materialize.**

For owners holding or considering Dayton assets, ROOST's role is to convert employment durability into predictable income — quarter after quarter, in conditions that rarely cooperate on schedule.

4.6 CONTRAST WITH COLUMBUS AND TRANSITION FORWARD

Where Columbus emphasizes liquidity and long-term value compounding, Dayton emphasizes **consistency and downside protection**. The two markets are complementary, not redundant.

However, neither market alone fully addresses the yield and capital-efficiency objectives required by many investors—particularly those seeking current income or reinvestment capacity.

For that purpose, ROOST operates in a third Ohio market with materially different characteristics.

The following section examines **Springfield**, where lower entry pricing and yield potential introduce both opportunity and execution risk, and where ROOST's underwriting discipline is most critical.

5. Market 3: Springfield

Yield, Basis Control, and Capital Efficiency

5.1 ECONOMIC FOUNDATION: WORKFORCE DEMAND DRIVEN BY REGIONAL MANUFACTURING GRAVITY

Springfield occupies a distinct and deliberately narrower role within a ROOST-managed Ohio portfolio. Unlike Columbus and Dayton, Springfield is not underwritten for growth or institutional stability alone. It is underwritten for **yield and basis efficiency**, with a clear understanding of the trade-offs required to achieve those outcomes.

Springfield's rental demand is shaped by its position within a broader **manufacturing and logistics–influenced regional economy,** rather than by localized population growth. A significant contributor to this ecosystem is **Honda of America Manufacturing.** While Honda's primary Ohio assembly operations are located elsewhere in the state, its supplier base, logistics network, and related service employment reach into Clark County and contribute to regional workforce demand.

Importantly, ROOST does not assume that manufacturing employment is concentrated within Springfield itself. Instead, we underwrite Springfield as a **workforce housing market** that benefits indirectly from regional employment gravity. Tenant demand is therefore functional and price-sensitive, rather than aspirational.

This distinction is critical to understanding both the opportunity and the risk inherent in the market.

5.2 MARKET BEHAVIOR AND OBSERVABLE INVESTMENT CHARACTERISTICS

Springfield exhibits a markedly different investment profile than Columbus or Dayton:

- **Lower acquisition pricing,** often significantly below other Ohio MSAs.
- **Higher potential cash-on-cash returns,** when assets are acquired at the correct basis.
- **Flat population trends,** limiting organic appreciation.
- **High dispersion at the block and asset level,** with performance varying sharply over short distances.
- **Thin operating margins,** where small miscalculations can materially impair returns.

Springfield does not offer a margin of safety through growth or liquidity. Instead, returns are created—or destroyed—through **basis discipline and operating precision.**

In this environment, market averages are largely irrelevant. Successful performance depends on understanding which properties can produce durable income and which are merely inexpensive.

5.3 RISK PROFILE: WHERE SPRINGFIELD PUNISHES IMPRECISION

Springfield presents the most acute execution risk of ROOST's three Ohio markets. These risks are well understood but frequently underestimated by outside investors.

Primary risk factors include:

- **False yield traps:** Low purchase prices that obscure deferred maintenance, legal nonconformity, or chronic vacancy risk.
- **Capex sensitivity:** Major system failures can erase multiple years of projected cash flow.
- **Tenant affordability ceilings:** Rent growth is constrained by local wage realities.
- **Liquidity limitations:** Exit optionality is narrower than in larger metros, increasing the importance of hold-period performance.
- **Neighborhood volatility:** Block-level conditions materially influence tenant quality, turnover, and maintenance burden.

Springfield is unforgiving of optimistic underwriting. Assumptions that may be survivable in Columbus or Dayton often fail here.

5.4 ROOST EXECUTION THESIS IN SPRINGFIELD

ROOST's Springfield strategy is intentionally conservative and selective. The objective is not to maximize yield on paper, but to **capture real yield that survives operational stress.**

Key execution principles include:

Basis-first underwriting
ROOST prioritizes acquisition pricing that can support acceptable returns before any projected rent growth or operational improvement. If a deal does not function at today's rents with realistic expense assumptions, it is rejected.

Conservative rent assumptions
Rent projections are anchored to actual tenant affordability and competing stock, not to renovated outliers. ROOST avoids improvement strategies that require tenants to stretch beyond sustainable wage thresholds.

Tight cost and capex controls
Maintenance planning in Springfield emphasizes system reliability and cost predictability. Capital is allocated to reduce downside risk rather than to pursue cosmetic differentiation.

Block-by-block market knowledge
ROOST's local operating presence allows for granular market screening. Entire categories of properties are excluded based on location, configuration, or historical performance patterns.

This discipline materially reduces exposure to the most common failure modes in yield-driven markets.

5.5 PORTFOLIO ROLE: SPRINGFIELD AS A YIELD ENHANCER, NOT A FOUNDATION

Within a ROOST-managed Ohio portfolio, Springfield is not a standalone solution. It is a complementary allocation designed to enhance income and capital efficiency when balanced against markets with stronger liquidity and stability characteristics.

Springfield contributes:

- **Enhanced current yield,** supporting investor income objectives.
- **Lower capital entry points,** improving reinvestment flexibility.
- **Return diversification,** when paired with growth- and stability-oriented assets.

It does not provide:

- reliable appreciation,
- broad liquidity,
- or tolerance for execution error.

For this reason, ROOST views Springfield as an **additive component**, not a core foundation. Its value is maximized when embedded within a broader portfolio that includes Columbus and Dayton.

For owners evaluating Springfield, the relevant question is less whether yield exists and more whether the operating discipline required to capture it is present. That discipline is what ROOST contributes.

5.6 CONTRAST WITH COLUMBUS AND DAYTON

Where **Columbus** emphasizes growth and liquidity, and **Dayton** emphasizes stability and predictability, **Springfield emphasizes efficiency and yield.**

Each market addresses a different investor objective:

- Columbus compounds value.
- Dayton preserves income.
- Springfield enhances returns.

ROOST's advantage lies in understanding that none of these objectives can be pursued in isolation without increasing risk.

6. Market 4: Florida's Space Coast

Demographic Inflow, Volatility, and Asymmetric Portfolio Exposure

6.1 ECONOMIC FOUNDATION: FEDERALLY ANCHORED EMPLOYMENT AND DEMOGRAPHIC INFLOW

The **Florida Space Coast** represents a fundamentally different economic environment from ROOST's Ohio markets. Where Ohio demand is driven primarily by workforce stability, institutional employment, and affordability, the Space Coast is shaped by a combination of **federal aerospace activity, defense contracting, and sustained population inflow.**

The region's economic core is anchored by:

- aerospace and defense employment,
- federal and contractor presence associated with NASA and related agencies,
- and secondary employment generated by in-migration and regional services.

Unlike speculative technology hubs or tourism-dependent markets, the Space Coast's primary demand drivers are **institutional and demographic**, not discretionary. That distinction is central to ROOST's underwriting approach.

Population inflow—rather than organic growth—plays a significant role in housing demand. This creates a different rental dynamic than Ohio: demand is influenced not only by employment continuity, but by **migration patterns, lifestyle decisions, and capital movement.**

ROOST underwrites this market with the explicit assumption that demographic-driven demand introduces both opportunity and volatility.

6.2 MARKET BEHAVIOR AND OBSERVABLE INVESTMENT CHARACTERISTICS

From a behavioral standpoint, the Space Coast differs meaningfully from all three Ohio markets:

- **Higher appreciation volatility,** driven by migration trends and capital flows.
- **Stronger sensitivity to macroeconomic sentiment,** particularly interest rates and credit availability.
- **Greater dispersion of outcomes,** even among similar assets.
- **Higher operating complexity,** particularly around insurance and regulatory considerations.
- **Different rent mechanics,** influenced by in-migration and replacement housing demand rather than purely local wage growth.

Unlike Columbus, appreciation in the Space Coast can be rapid—but it can also stall or reverse more abruptly. Unlike Dayton, income stability is less institutionalized. Unlike Springfield, yield is not primarily a function of low basis.

The Space Coast introduces a **wider distribution of outcomes** — to both the upside and the downside — into a portfolio.

6.3 RISK PROFILE: RISKS THAT DO NOT EXIST IN OHIO

ROOST's Space Coast thesis explicitly incorporates risks that are either absent or muted in Ohio.
Key risk factors include:

Insurance availability and cost volatility
Insurance is not a fixed input in Florida. Availability, deductibles, and pricing can change materially over short periods, directly impacting operating margins and underwriting assumptions.

Climate and physical asset exposure
Asset quality, construction standards, and maintenance discipline are critical. Deferred maintenance carries amplified downside risk in coastal environments.

Regulatory and political variability
Landlord-tenant law, insurance regulation, and property tax dynamics differ materially from Ohio and must be monitored continuously.

Market psychology and capital flows
Sunbelt markets are more sensitive to capital market sentiment. Price discovery can accelerate or stall faster than in Midwest workforce markets.

ROOST does not treat these risks as externalities. They are **central to the investment case.**

6.4 ROOST EXECUTION THESIS IN THE SPACE COAST

Because the Space Coast behaves differently, ROOST executes differently.

Core execution principles include:

Insurance-first underwriting
Insurance cost, availability, and deductibles are evaluated before yield or appreciation assumptions. Assets that do not pencil under conservative insurance scenarios are excluded.

Conservative leverage and capital structure
ROOST emphasizes balance-sheet resilience. Leverage assumptions reflect the potential for operating cost shocks and value volatility.

Asset quality and durability emphasis
Construction quality, roof systems, building envelopes, and mechanical resilience are prioritized over cosmetic differentiation.

Micro-location discipline
ROOST evaluates exposure at a granular level, recognizing that flood zones, elevation, and local infrastructure materially influence long-term risk.

Adjusted hold-period expectations
Hold strategies in the Space Coast are informed by market cycles and capital conditions, not solely by operational stabilization.
This execution discipline is designed to ensure that upside participation does not come at the expense of survivability.

6.5 PORTFOLIO ROLE: ASYMMETRIC GROWTH AND DEMOGRAPHIC DIVERSIFICATION

Within the ROOST platform, the Space Coast serves a **distinct and intentional portfolio function.**

It introduces:

- **Demographic-driven demand exposure,** uncorrelated with Midwest workforce housing.
- **Wider dispersion of return potential,** reflecting greater sensitivity to capital flows, migration trends, and insurance dynamics.
- **Geographic diversification,** reducing state-level and regional concentration risk.
- **Capital appreciation dynamics** that differ materially from Ohio markets.

Executed with discipline, the Space Coast is the market within the ROOST platform most capable of delivering meaningful capital appreciation — a role the Ohio markets are not designed to play.

It does **not** replace Ohio. It complements it. It is a primary market with a distinct portfolio role.

For owners drawn to Florida, ROOST's role is to participate in the upside without absorbing the failure modes that disproportionately affect this geography.

6.6 CONTRAST WITH OHIO MARKETS

Where Ohio markets emphasize:

- affordability,
- institutional employment,
- operational predictability,
- and margin discipline,

the Space Coast emphasizes:

- demographic movement,
- asset durability,
- capital structure resilience,
- and risk-adjusted exposure to growth.

These differences are intentional. ROOST's thesis is not that one approach is superior, but that **portfolios are strengthened by assets that behave differently under stress and expansion.**

6.7 TRANSITION BACK TO PORTFOLIO CONSTRUCTION

With the inclusion of the Space Coast, ROOST's platform spans markets that differ across:

- geography,
- demand drivers,
- risk exposure,
- and capital behavior.

The following section revisits portfolio construction with this expanded view, examining how Ohio and Florida function together within a single operating system—and how ROOST manages complexity without diluting discipline.

7. Portfolio Construction

How the Markets Function Together as a System

7.1 PORTFOLIO DESIGN AS A PRIMARY DISCIPLINE

ROOST does not view portfolio construction as the byproduct of asset acquisition. It is a **primary discipline,** addressed before individual investments are selected and revisited as markets evolve.

In residential real estate, risk most often emerges not from a single poor decision, but from **correlated exposure accumulated over time.** Portfolios concentrated in one geography, one demand driver, or one behavioral profile tend to perform well until they do not—at which point underperformance is simultaneous and difficult to correct.

ROOST's portfolio construction framework is designed to reduce this correlation by allocating capital across markets that b**ehave differently under the same external conditions,** while remaining operable under a single institutional operating system.

7.2 BEHAVIORAL DIFFERENTIATION ACROSS FOUR CORE MARKETS

With the addition of **Florida Space Coast**, ROOST's platform now spans four markets with materially distinct demand drivers and risk characteristics:

- **Columbus** responds most directly to demographic growth, capital inflows, and supply cycles.
- **Dayton** responds most directly to institutional employment continuity and operational execution.
- **Springfield** responds most directly to acquisition basis discipline and cost control.
- **Florida's Space Coast** responds most directly to demographic inflow, capital market sentiment, insurance dynamics, and asset durability.

These markets do not move in unison. Their performance drivers diverge under identical macroeconomic conditions, which is the foundation of ROOST's diversification strategy.

7.3 CORRELATION RISK AND WHY DIVERSIFICATION MUST BE INTENTIONAL

Concentration risk in residential portfolios typically manifests across several dimensions:

- employment base dependency,
- regulatory and tax exposure,
- insurance availability and cost,
- rent growth and normalization cycles,
- liquidity and exit optionality.

By operating across Ohio and Florida—markets with different regulatory environments, demographic trends, and capital behaviors—ROOST reduces the likelihood that a **single macroeconomic or policy event** materially impairs portfolio-wide performance. For example:

- supply-driven rent pressure in Columbus may coincide with income stability in Dayton,
- capex sensitivity in Springfield may be offset by liquidity or appreciation in Columbus,
- insurance volatility or sentiment shifts in Florida may occur independently of Midwest workforce housing dynamics.

The objective is not to avoid volatility entirely, but to **prevent volatility from compounding across the entire platform at once.**

7.4 CAPITAL ALLOCATION AND REBALANCING ACROSS REGIONS

ROOST views capital allocation as an adaptive process rather than a fixed posture.

Within this framework:

- **Columbus** provides liquidity and long-term value compounding, enabling refinancing, selective dispositions, and capital redeployment.
- **Dayton** provides income durability and predictability, supporting portfolio stability and operational continuity.
- **Springfield** provides yield and capital efficiency, increasing reinvestment capacity when managed with discipline.
- **The Space Coast** provides demographic-driven growth exposure and asymmetric return potential, adding demographic-driven asymmetry that is behaviorally distinct from Midwest workforce housing.

This structure allows ROOST to rebalance capital **across markets and regions** without reactive decision-making. Liquidity from appreciation-oriented assets can be redeployed into yield or stability allocations, while income-producing assets provide continuity during periods of transition or recalibration.

Importantly, this flexibility is achieved without fragmenting oversight or diluting standards.

7.5 WHY NO SINGLE MARKET—OR REGION—IS SUFFICIENT

Each ROOST market introduces value and constraint:

- Ohio markets offer affordability, predictability, and operational clarity, but limited demographic acceleration.
- Florida offers demographic inflow and appreciation asymmetry, but increased volatility and operating complexity.

Portfolios concentrated exclusively in either environment are structurally incomplete.

ROOST's thesis is that **durable residential portfolios are constructed through intentional combination**, not geographic preference. Markets are selected and weighted based on the role they play—not the stories told about them.

7.6 EXECUTION AS THE CONNECTIVE TISSUE

Market diversification only functions as intended when execution is consistent.

ROOST's portfolio design assumes:

- standardized reporting and controls,
- disciplined underwriting frameworks,
- market-specific execution playbooks governed by a single operating system.

Without these elements, geographic diversification becomes superficial. With them, it becomes a meaningful risk-management tool.

Execution is what allows ROOST to manage complexity without obscuring performance—and to expand across markets without introducing unmanaged variance.

7.7 TRANSITION TO OPERATING SYSTEM RELEVANCE

With the portfolio framework established across Ohio and Florida, the importance of ROOST's operating system becomes explicit.

The following section examines how ROOST maintains **institutional-grade control, transparency, and accountability** across markets with materially different behaviors—and why that operating discipline is essential to the platform's ability to scale without increasing risk.

8. The ROOST Operating System

Standardization Without Homogenization

8.1 WHY OPERATING SYSTEMS MATTER MORE THAN MARKET SELECTION

Market selection establishes opportunity. **Operating systems determine outcomes.**

For institutional and sophisticated investors, the primary risk in residential real estate is not choosing the wrong market—it is **inconsistent execution at scale.** Portfolios fail not because the underlying thesis was flawed, but because reporting drifted, maintenance became reactive, assumptions went unchallenged, or local discretion quietly replaced discipline.

ROOST was built to eliminate these failure modes across **all four of its primary operating markets: Columbus, Dayton, Springfield, and Florida's Space Coast.**

8.2 A SINGLE OPERATING SYSTEM ACROSS ALL FOUR ROOST MARKETS

At the core of ROOST is a unified operating system applied consistently across all markets in which we operate. That system governs execution in:

- Columbus
- Dayton
- Springfield
- Florida's Space Coast

The purpose of this operating system is to provide:

- transparency,
- predictability,
- accountability, and
- scalability

without requiring identical execution in materially different markets.

This distinction is critical. ROOST standardizes process, not outcomes. Each market is primary in portfolio construction, but none is managed casually or idiosyncratically.

8.3 WHAT IS STANDARDIZED ACROSS ALL ROOST MARKETS

The following elements are consistent across every ROOST market, regardless of geography or asset profile.

Reporting and transparency

- Standardized financial reporting cadence
- Consistent performance metrics
- Comparable expense categorization
- Clear variance analysis

This allows investors to evaluate performance across markets without translation or normalization.

Maintenance philosophy

- Preventative-first approach
- Clear triage between routine, capital, and emergency work
- Cost controls and scope discipline
- Vendor accountability

Maintenance is treated as a return-protection function, not a reactive expense.

Owner communication and portfolio reviews

- Structured communication standards
- Proactive portfolio-level reviews
- Clear articulation of performance drivers and risks

This replaces anecdotal updates with decision-relevant information.

Governance and decision discipline

- Defined approval thresholds
- Documented assumptions
- Repeatable decision frameworks

ROOST avoids informal exceptions that accumulate into systemic risk.

8.4 WHAT IS INTENTIONALLY MARKET-SPECIFIC

While the operating system is uniform, **execution is intentionally differentiated by market behavior.**
ROOST customizes the following by market—not because the markets are secondary or experimental, but because they are **distinct**.

Rent strategy

- Growth-aware and supply-sensitive in Columbus
- Wage-aligned and retention-focused in Dayton
- Conservative and affordability-anchored in Springfield
- Demographic- and replacement-driven in the Space Coast

Renovation scope and capital deployment

- Appreciation-supportive upgrades where liquidity justifies them
- Durability-first improvements in workforce markets
- Cost-containment and downside-risk reduction in yield-sensitive assets
- Asset-hardening and resilience-focused capital allocation in coastal Florida

Risk tolerance

- Lower tolerance for vacancy in higher-basis markets
- Higher tolerance for slower appreciation where income stability is the objective
- Minimal tolerance for underwriting error in Springfield
- Explicit tolerance modeling for insurance and climate exposure in the Space Coast

This is not inconsistency. It is **intentional differentiation governed by a single framework.**

8.5 WHY THIS MATTERS TO INSTITUTIONAL INVESTORS

For institutional capital, the central questions are consistent:

- Can this platform scale across markets without losing control?
- Are outcomes dependent on individuals or systems?
- How is downside risk identified, measured, and managed?
- Is performance explainable, repeatable, and auditable across geographies?

ROOST's operating system addresses these questions directly.
By separating:

- **standardized controls,** from
- **market-specific execution,**

ROOST reduces key-person risk while preserving local expertise.

This structure enables:

- expansion across multiple primary markets without loss of oversight,
- a consistent investor experience across assets and regions, and
- early identification of performance deviation before it compounds.

8.6 OPERATING DISCIPLINE AS A COMPETITIVE ADVANTAGE

In residential real estate, **operational discipline compounds quietly.** Its absence compounds catastrophically.

ROOST's experience operating across **four distinct primary markets** reinforces a central conclusion:

Market knowledge creates opportunity. Operating discipline preserves it.

The ROOST operating system is designed to ensure that portfolio-level intent survives contact with day-to-day execution—regardless of market.

8.7 TRANSITION FORWARD

With the market theses and operating framework established across Columbus, Dayton, Springfield, and Florida's Space Coast, the final section consolidates the thesis and restates the operating standard that governs execution across all four markets.

9. Questions Worth Asking

Every property owner — whether currently working with a manager or evaluating one — benefits from asking structured questions. The questions below are derived from the framework articulated in this thesis. They are intended to distinguish operators who apply institutional-grade discipline from those who do not. They apply equally to ROOST and to any other manager or investment platform under consideration.

9.1 ON MARKET EXPOSURE

- What is the behavioral differentiation across the markets in which my assets are held? Is "diversification" across properties actually correlated to a single economic ecosystem?
- How does the manager underwrite each market — based on observable drivers today, or projected drivers at some future date?
- Where is concentration risk — geographic, tenant, employer, or anchor-based — identified, and how is it monitored?

9.2 ON OPERATIONS

- What is standardized across all properties in the portfolio, and what is intentionally differentiated by market?
- How is maintenance philosophy documented? Is the approach preventative or reactive?
- What reporting cadence and content does the owner receive? Can performance be compared across geographies with out translation or normalization?

9.3 ON GOVERNANCE AND DECISION DISCIPLINE

- What decisions are made by individuals versus systems? Where does key-person risk exist, and how is it managed?
- What approval thresholds exist for capital decisions? How are underwriting assumptions documented and revisited?
- How are informal exceptions — the kind that quietly accumulate into systemic risk — prevented?

9.4 ON RISK

- What risks are understood to be central to the investment case, and which are treated as externalities?
- In coastal or climate-exposed markets, how is insurance evaluated — before yield assumptions, or after them?
- How are downside scenarios modeled, communicated, and monitored?

9.5 ON ALIGNMENT

- Is the manager's incentive structure aligned with long-term portfolio durability, or with short-term fee generation?
- Does the manager distinguish clearly between selling an outcome and stewarding capital?
- How does the manager talk about risk — openly and specifically, or vaguely and defensively?

9.6 USING THESE QUESTIONS

Owners who ask these questions — of ROOST or of any platform — should receive substantive, specific answers. If the answers are vague, the operating discipline behind them may be too. The purpose of asking is not to adversarially test any particular provider. It is to ensure that the people entrusted with long-term capital are operating with the discipline that long-term capital deserves.

10. Conclusion

The ROOST Portfolio Management Standard

ROOST Portfolio Management was built with a clear objective: to operate residential real estate portfolios in a manner that is **durable across cycles, transparent in execution, and disciplined in risk allocation.**

The thesis articulated in this document reflects how ROOST approaches market selection, portfolio construction, and day-to-day operations—not as isolated functions, but as an integrated system.

10.1 PORTFOLIO CONSTRUCTION AS FIDUCIARY PRACTICE

ROOST does not view portfolio construction as a secondary outcome of acquisitions. It is treated as a **fiduciary responsibility.**

By allocating capital across four primary markets in Ohio and Florida—spanning workforce-driven, affordability-oriented environments and demographic-driven, capital-sensitive environments—ROOST seeks to reduce correlation risk that often goes unrecognized in residential portfolios.

This approach prioritizes **resilience over optimization** and recognizes that long-term success is determined as much by what a portfolio avoids as by what it captures.

10.2 MARKET SELECTION INFORMED BY BEHAVIOR, NOT PROJECTION

Across all markets discussed in this thesis, ROOST's underwriting is grounded in observable demand drivers and investor-relevant timelines.

Markets are evaluated based on:

- how they perform under stress,
- how they respond to normalization,
- and how execution errors are punished or tolerated.

Speculative development, long-dated megaprojects, and narrative-driven assumptions are intentionally excluded from core underwriting. This discipline applies equally to Midwest workforce markets and Sunbelt demographic markets.

ROOST's objective is not to predict transformation, but to **manage assets that perform within known constraints.**

10.3 EXECUTION AS THE DIFFERENTIATOR

ROOST's experience across multiple markets reinforces a central conclusion: **execution determines outcomes.**
The operating system described in this thesis—standardized where consistency protects investors and differentiated where markets demand nuance—exists to ensure that portfolio intent is preserved at scale.

This system governs:

- underwriting assumptions,
- capital deployment decisions,
- maintenance prioritization,
- performance measurement,
- and risk identification.

ROOST does not rely on individual heroics or informal discretion. Discipline is embedded structurally, allowing the platform to grow without increasing unmanaged risk.

10.4 A PLATFORM DESIGNED TO MATURE RESPONSIBLY

This thesis reflects both the current state of ROOST Portfolio Management and the standard against which future growth is measured.

Expansion—whether into additional geographies, asset types, or structures—is evaluated through the same framework outlined here:

- clarity of portfolio role,
- differentiated market behavior,
- operational feasibility,
- and transparency of risk.

Growth that compromises these principles is intentionally avoided.

10.5 ALIGNMENT OVER PROMOTION

While this document speaks in a language familiar to institutional investors, R**OOST is not an investment fund or capital aggregator.** We do not raise or pool capital. We are a specialized acquisition and management partner for third-party owners — helping them find, buy, and operate residential real estate with institutional discipline. This thesis is a declaration of how **ROOST intends to do that work** and the standards to which we hold ourselves accountable.

This framework benefits sophisticated individual investors, family offices, and institutional partners alike—not by promising outcomes, but by reducing preventable failure modes and aligning decision-making with long-term stewardship.

10.6 CLOSING PERSPECTIVE

ROOST Portfolio Management does not claim to eliminate risk. Residential real estate investing is inherently uncertain. What ROOST commits to is **discipline**: in market selection, in execution, and in portfolio construction.

This thesis represents the lens through which ROOST evaluates opportunity, manages complexity, and aligns capital with reality rather than narrative.

It is not a guarantee of performance. It is a commitment to **how decisions are made.**

10.7 AN INVITATION TO BEGIN THE CONVERSATION

Owners interested in exploring how their existing portfolio — or a contemplated one — maps to this framework are welcome to begin that conversation directly. ROOST's commitment is not to sell an outcome. It is to think clearly alongside the people whose capital it stewards, and to apply the discipline described in these pages to the decisions that matter most to them.