



LYONS

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There have been many positive events that have happened over the last three months with respect to the Lyons Real Estate Fund.

We are pleased with the progress of both the Utah and the Texas houses and are optimistic about both markets. While there have been lots of headwinds since launching this fund including massive inflation, rising interest rates, concerns about a recession and plenty of negative talk about the housing market, we remain confident in the outlook for the Mapleton, Utah market as well as the San Antonio, Texas market.

The housing market continues to feel the impact of rising interest rates and inflation. Bank lenders have taken a more conservative posture, requiring more documentation, decreasing lending amounts and increasing the rate at which banks will lend. These actions have pushed mortgage demand to a 10 year low. While economic headwinds are a challenge, we may be in a fortunate window where big production builders have slowed their construction of new homes leaving inventory at a ten year low. This lack of inventory is likely keeping prices stable and in some markets, prices continue to increase year over year.

The following is a quick update from both builders with updated photos of the houses under construction.

Feel free to reach out to me with any questions or if you would like additional information.

Fred Lyons

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Mapleton, Utah Update

We have great news to report regarding the pending sale of our first house in Mapleton, Utah. While the construction will not be completed until November, we have SOLD our first house for more than the asking price. We listed the house at \$1,750,000 and accepted an offer for \$1,766,000. We have received \$50,000 in earnest money and look forward to moving along to finish construction in November. This asking price should go a long way to meet the funds target return. We also look forward to returning the allocated capital and interest back to shareholders.

In addition, we have had multiple showings on house #2 in Mapleton and have an offer pending. The builder is working through the cost projections to determine a fair asking price. More to come on that offer. One of the builders said to me recently, you can always tell when you are building a “great” house because the trades guys will say, “this is such a great house” or “this is going to be a nice house, I wish I could live here”. In Mapleton, we have had nothing but encouraging feedback from those that have worked on or walked the house.

House #3 is under construction. We recently broke on our third house in Mapleton.

The feedback from potential buyers who have toured house #1 and house #2 have only had positive reviews. The wide-open floor plans, vast 18 feet vaulted ceilings, large kitchens and entertainment spaces all highlighted by natural light from floor to ceiling windows. Not to mention, beautiful views of the Wasatch Front mountains.



SOLD: \$1,766,000

Asking Price: \$1,750,000

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House #1 Mapleton – SOLD

This house will be finished in the next 90 days. We are just starting all interior and exterior finishes. The builder is working with the buyer to provide some additional features that the buyer would like as part of the customization. We are encouraged with this house already in escrow.

MAPLE LEAF COVE LOT 20



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House #1 Mapleton (cont) - SOLD



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House #2 Mapleton

House #2 is on the tail end of completing all rough electrical, plumbing, and HVAC. Trades will complete the drywall in the next 3 weeks, while the house will continue to be shown to prospective buyers. This house has an additional apartment style unit above the garage. We believe this feature will enhance the sales price and marketability of the house. We have had significant interest from one particular buyer and would not be surprised if this house is also sold in advance of completion.

MAPLE LEAF COVE LOT 28



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House #2 Mapleton (cont)



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House #3 Mapleton

House #3 we broke ground 2 weeks ago and are now working through footings and foundation. We expect the structure will be framed before the winter hits – you never know when winter may arrive in Utah!



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House #1 San Antonio

There is still a housing shortage in the San Antonio metro area. Austin has ballooned the most of any Texas city, Austin prices are down -20%. However, San Antonio is still drawing relocations from California, Chicago and Washington DC. High end luxury homes continue to perform well as prices in San Antonio have increased year over year.

Homes in San Antonio have sold for 7.1% more than they did a year ago as of August 2022 (source RocketHomes.com).



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House #1 San Antonio (cont)

The first house in San Antonio is coming along as scheduled. With all the drywall completed, we will begin interior and exterior finish work. We are in the process of digging the pool and you can see the excavator hard at work.



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House #2 San Antonio



House number 2 is in the early stages of development. We recently poured the foundation and will begin putting up walls and roofline shortly. The framing will move along quickly and in a couple weeks the house will begin to take shape.

House number 3 is roughly 90 days behind number 2.

