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# BLACK SWAN REAL ESTATE



2024: A YEAR IN REVIEW



*a message*

# FROM NICK AND ELAINE STAGEBERG

CO-FOUNDERS



As we close out 2024, we are filled with immense gratitude and excitement for the journey we've shared this year. Together, we've celebrated some of the most remarkable achievements in Black Swan Real Estate's history, and we could not have done this without your trust, partnership, and belief in our vision. This year has been one of growth, resilience, and impact.

Years ago, we made the strategic decision to secure long-term, fixed-rate debt, knowing it would provide stability when the market shifted. That foresight enabled us to have another strong year of

performance and maintain our record of never having lost a single penny of investor capital. **We believe in putting the needs of the investor first**, and we sincerely hope you feel that commitment in the updates we share with you.

As we shift into this new phase of growth, we're seeing the results of our efforts in the form of improved properties, lower vacancy rates, and higher rents. This is why we do this work, and it's incredibly rewarding to see these outcomes for both our residents and you, our investors.

Thank you for your continued trust and partnership. It's an honor to serve you, and we look forward to sharing these updates with you throughout 2025. As always, if you know anyone who would benefit from connecting with us, we would love to hear from them. We can't wait to continue this exciting financial freedom journey, together.

Yours in radical transparency,

**Nick & Dr. Elaine Stageberg**  
**Black Swan Real Estate**

*Nick & Elaine*

## K1 UPDATE

We anticipate K1s for Funds I, II, III, IV, and Secure Freedom Fund to be distributed prior to March 15. **Please update your email address, mailing address, or other information in InvestNext.**

Two ways you'll receive your K1s:

- SafeSendReturns immediately to your email
- Uploaded to InvestNext portal
- It is the same documents delivered to you in both formats, you do NOT need to go to both places to get the documents

# 2024 IN SUMMARY

We are so pleased to share with you another successful year for Black Swan investors. After a strong year of acquisitions and operations, Black Swan Real Estate now has **1,600+** doors and **\$375M** in assets under management. It has been such a pleasure to watch our team grow alongside the portfolio in 2024.

We are especially proud to serve our investors in a time when the industry is suffering. Throughout the year, we've seen headlines and heard stories about foreclosures, capital calls, and failed deals. We have always put the needs of our investors first, and that's why we are doing so well when others are not. Years ago, we secured long-term, fixed-rate debt when it was the hard thing to do, anticipating what was coming in the real estate market.

*Black Swan Real Estate has never had a capital call and never lost a single penny in our 15 years of real estate investing.*

## Distributions

We are proud to report that despite the headwinds the multifamily industry is facing, we continued returning capital to our investors throughout 2024.

Investors in Black Swan Fund I saw monthly distributions and investors in Black Swan Fund II received a year-end distribution.



Black Swan Real Estate



We will continue sending monthly distributions for Fund I and Fund II investors throughout the new year, and anticipate distributions will begin for Fund III and Fund IV investors in early 2026.

## 2024 Highlights

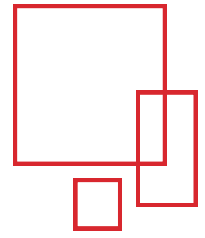
There is so much to celebrate from this year, but some progress and wins we're especially excited to share!

In 2024, we completed appraisals on three major projects: **Residence @ Discovery Square**, the **Tanara Villa Apartments**, & the **Dakota Townhomes**. Each of these projects has undergone major renovations and we couldn't be happier with our results so far!

As deal after deal flooded our inbox, we knew it was time to buy as much real estate as possible to serve our investors. After waiting 18 months to open another Fund after Black Swan Fund II in 2022, we launched and filled both **Black Swan Fund III** and **Black Swan Fund IV**.

With two new funds open, 2024 became our biggest acquisition year yet. At Real Estate Real Life, we broke ground at the **Stone Haven Apartments** (pictured left), one of the projects we're most excited about for 2025 and beyond.

# MAJOR ACQUISITIONS



- **Uptown Apartments** | Rochester, MN – Fund III  
*29 Class A units, \$5.35M purchase price*
- **Viking House Triplex** | Rochester, MN – Fund III  
*Fully Furnished Short Term Rental Triplex, \$525k purchase price*
- **Bayswater Apartments** | Tacoma, WA – Fund III  
*34 LIHTC units, \$5M purchase price*
- **Baycrest Apartments** | Tacoma, WA – Fund III  
*30 units, \$4.2M purchase price*
- **Georgetown Townhomes** | Rochester, MN – Fund III & Fund IV  
*132 LIHTC units, \$20.1M purchase price*
- **Boulder Ridge Townhomes** | Apple Valley, MN – Fund III & Fund IV  
*112 units, \$20.3M purchase price, under contract to close in January 2025*
- **Stone Haven Apartments** | Rochester, MN – Fund IV  
*56 units, \$9.5M construction cost*
- **Northern Place Apartments** | Austin, MN – Secure Freedom Fund  
*72 units, \$4.2M purchase price*



Georgetown Townhomes



Boulder Ridge Townhomes



Bayswater Apartments



Uptown Apartments

# OPERATIONS

2024 was a wildly successful year in many ways. In addition to being our biggest acquisition year in company history, it was also a year of growth and optimization, measured in record-breaking move-ins, leases signed, units turned, short term rentals booked, and historically low portfolio-wide vacancy. We are extremely proud of the operations of the Black Swan portfolio in 2024 and are grateful to have such a dedicated, vertically integrated team making the magic happen.

## The Power of Vertical Integration

One of the key drivers of our success in 2024 has been our commitment to vertical integration, which allows us to maintain complete control over every aspect of our operations. From property acquisition and renovations to leasing and management, our in-house team ensures seamless execution at every

stage. This approach not only drives efficiency and cost savings but also empowers us to deliver exceptional customer service to our residents and maximize returns for our investors. Vertical integration is a cornerstone of our strategy, enabling us to respond quickly to market changes and consistently outperform industry norms. Each quarter, our Leadership team reviews our financials and brainstorms ways we can reduce expenses and improve NOI at each asset.

The Black Swan Living team is dedicated to the quality and profitability of the portfolio, as they will participate in 5% of the profits once all investor capital has been returned. Our team's incentives are radically aligned with our investors', so the assets receive the highest quality care possible. We are proud of the extreme ownership this team takes!

## YOUR BLACK SWAN LEADERSHIP TEAM



**Nick Stageberg**  
Co-Founder



**Elaine Stageberg**  
Co-Founder



**Stefanie Coutley**  
Director of Operations



**Tyler Anderson**  
Director of Construction



**Rachel Bernard**  
Director of Communications



**Justin Letkiewicz**  
Director of Growth



**Brianna Wing**  
Facilities Manager



**Hunter Bradford**  
Acquisitions Manager





*The Black Swan Living Property Management team at our 2024 Year End Retreat!*

### **Operational Efficiency**

Our vertically integrated property management team continued to improve efficiency and optimize performance across the portfolio. Through strategic management, we achieved historically low vacancy rates, streamlined expenses, and increased NOI. Our in-house construction and maintenance teams saved costs to the assets by completing renovations, lawn care, and snow removal without third party vendors. The facilities team we have in place completed a staggering amount of unit turns in 2024. Having this team was a major strength of ours as we launched over 50 short term rental units. The Black Swan Living team is the foundation for our success and we couldn't be more pleased with their achievements this year!

One of our biggest wins for the Property Management company in 2024 is that the company can now pull permits! Permitting is one of the most persistent obstacles in obtaining rental certificates or completing renovations, and this year, Stefanie and Tyler each earned their General Contractor License. This improves our quality and control while reducing costs!



### **The Growth of an Organization**

As our team continued to grow and optimize the company throughout the year, many of our team members were also able to focus on personal and professional development. At our quarterly team retreats, while we largely focus on improving the organization and celebrating wins, we also teach mindset, core values, and encourage our team to think about their own vision and goals. Several members of our team attended Tony Robbins events including UPW and Date with Destiny. Many members of the Black Swan team became homeowners or first-time real estate investors! It is such a treat to pour into our people and witness their growth.



*Our 2024 Employees of the Quarter!  
Q1: Melanie, Q2: Becky, Q3: Cheyenne, Q4: Dustin*

## Community Engagement

At Black Swan, we believe in creating not just profitable investments but thriving communities. In 2024, we deepened our commitment to community engagement by fostering meaningful connections with residents and strategic partners in the Rochester area, including the Chamber of Commerce, the Downtown Alliance, Dorothy Day Hospital House, and the Rochester Police Department.

From hosting resident events--like food truck stops, movie nights, and bike rodeos--to supporting neighborhood initiatives--like Dogs Downtown, Safe City Nights, and Shop with a Cop--we've prioritized making a positive impact for both our residents and our community as a whole.



*The Black Swan Living team volunteering at Rochester Police Department's Safe City Nights*

Our hands-on approach has helped us build trust with residents and strengthen the long-term value of our properties, ensuring they are not just places to live but places to thrive. Community engagement remains a cornerstone of our mission, reflecting our belief that investing in people is as important as investing in real estate.

Thanks to our commitment to serving our community, we have in turn received recognition and awards from various organizations in 2024! This is not only an honor for us as an organization, but it's a great way to attract more high quality residents in the future.

## Rochester's Best of the Best

Each year, the Rochester community votes for its favorite businesses and services. In 2024, we earned more nominations than ever before! In addition to winning the title of **Best Property Management Company** and **Residence @ Discovery Square** winning **Best Apartment Community**, we had nominations in the categories of **Best Place to Work** and **Best Real Estate Agent**--for both Hunter and our Real Estate Sales Manager Melissa, who won second place! We are extremely proud of our team for earning these awards and for the value they bring to our community!



## Rochesterfest Parade

One of our favorite events of the year is the Rochesterfest Parade, where Black Swan Living has a float to increase brand awareness and community engagement. This year, the theme was "Live Your Dream," and Nick was surprised with the honor of being Grand Marshal for his involvement in the community. This experience was certainly a dream come true!



*Nick, Elaine, and Abram at the Rochesterfest Parade!*





Nick receiving the Mayor's Medal of Honor; the Black Swan team earning Double Platinum Group

**KWPR Double Platinum Group**

The Black Swan Team of licensed agents earned the Double Platinum Group award at Keller Williams Premier Realty, a testament to the dedication and excellence of our real estate team who serve both our residents and Rochester community as a whole.

**Mayor's Medal of Honor**

In December, Nick was honored with the Mayor's Medal of Honor in recognition of his outstanding contributions to the Rochester community, particularly through his leadership and commitment to enhancing local housing initiatives through Black Swan. This prestigious award reflects his dedication to creating positive, lasting change and his tireless efforts to improve the lives of residents in the city.

**Resident Appreciation**

In addition to the many awards and community events we had the honor of

participating in this year, we spent our time ensuring our residents have an exceptional living experience so they renew their lease or leave a glowing review. We made a conscious effort to improve our communication in 2024, sending out a monthly newsletter, increasing our social media quality, coordinating resident appreciation events, and *always* answering the phone when a resident calls. Thanks to the help of our remote team, we are serving more residents and prospective leads now than ever before, with an ever greater level of customer service.

All in all, we are extraordinarily proud of the work this team has done in 2024 to improve our operations, take great care of our residents, and drive performance for our investors. We look forward to continued momentum in 2025.



Fall Real Estate Client Appreciation event; Dogs Downtown in Rochester; Tacoma team operations visit!



# RESIDENCE @ DISCOVERY SQUARE

Adding massive value to Residence @ Discovery Square was not only our biggest project in 2024, it was our biggest project in company history. We closed on this 129 unit Class A building in April 2023 for \$27M--the largest real estate transaction in the state of Minnesota that year. When we acquired this building, the main floor had 30,000 square feet of vacant commercial space, and we had big plans to change that. We had an insane amount of work to do in just 18 months.

After spending 2023 transitioning the asset, filling vacancies, pushing rent growth, and drawing up plans, we were ready to go full steam ahead with construction on the main floor.



*Construction of an industrial flat in March*

We framed the vacant commercial space to become 21 industrial flats, which now have certificates of

occupancy for 16 short-term rentals and 5 long-term rentals. In addition to the residential units, we added value to the building through common area improvements and the addition of a parking lot. This was a huge win!



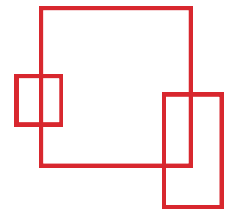
*Finished RDS movie theater & parking lot*

## Value Added in 18 Months

- \$27M purchase price with \$3M down
- Additional \$3M cash for construction
- ~\$30M all-in
- **\$36M appraised value today**

**We created \$6M of equity on a \$6M investment in 18 months! Wow!** This of course could not be done without the dedication and incredible work ethic of the Black Swan Living team who helped the vision come to life.

# SHORT TERM RENTALS



In 2024, we significantly expanded our short-term rental portfolio, leveraging our vertical integration to maximize revenue while meeting evolving resident and traveler needs. What started out as an experiment was quickly scaled to a **53 unit** portfolio! By carefully identifying opportunities within our portfolio, we introduced furnished short-term rentals in select properties that were ideally located for visitors to the Mayo Clinic. Having diverse unit types across multiple locations allowed us to capture premium rental rates and maintain flexibility in a fluctuating market.

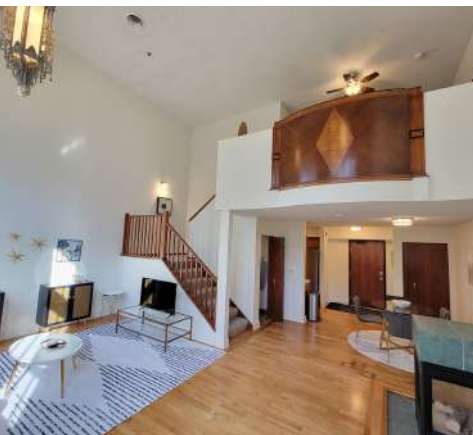
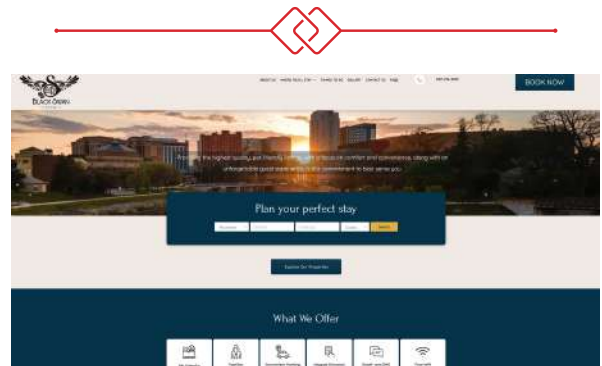
As we've grown, we've optimized our processes in order to continue scaling without relying on third parties like Airbnb. Thanks to these efforts, we've seen a drastic increase in direct bookings through our website, [blackswanstay.com](https://blackswanstay.com)! As we scaled our portfolio, we also grew our team, adding front desk and second shift support to provide our guests with an even better experience.

## A Data-Driven Approach

Our success in short-term rentals stems from a meticulous, data-driven approach. We analyzed local demand, seasonal trends, and pricing models to position our properties competitively

within the market. Each unit was thoughtfully designed and furnished to meet the expectations of today's renters, offering amenities like high-speed internet, modern kitchens, garage parking, and comfortable living spaces. By leveraging our vertically integrated team, we ensured seamless operations, quick turnarounds, and excellent guest experiences that drive repeat bookings and positive reviews. We are proud to share that we've earned Superhost status every quarter we've been eligible!

We couldn't be more pleased with our results from this extensive Short Term Rental experiment. Now that we've repeated the experiment and have had time to collect more data, we will likely transition some STR units back to LTR in 2025 so we can focus our efforts on what have clearly been the most successful listings. We look forward to continual improvement in 2025!



STR units at the City Hall Apartments, Residence @ Discovery Square, and the Nicholas Apartments.



# REAL ESTATE REAL LIFE 2024 REAL ESTATE *Real Life*

The third annual Real Estate Real Life was an amazing gathering of passionate investors, professionals, and visionaries, all united to learn, connect, and grow! This is one of our favorite weekends of the year because we get to spend it with our dear investors and friends.

The weekend began with a lively networking evening, setting the stage for meaningful conversations and new relationships. Participants joined us both in person and virtually, bringing energy and enthusiasm to every session. Each year, it is our goal that you leave Real Estate Real Life inspired and equipped to take your personal and professional life to the next level.

## **Expanding the Threshold of Control**

Saturday's sessions were designed to challenge limiting beliefs and empower attendees to think bigger. From solving complex problems to scaling in all areas of life—including real estate—participants learned actionable strategies for expanding their Threshold of Control. We also shared the story of Black Swan Real Estate's journey, diving deep into the milestones that grew our portfolio to over \$375M in assets under management. Attendees gained insights to help grow their own portfolios, whether passively or actively.

After our morning session, we took everything we'd learned about expanding our threshold of control and shared a transformative breathwork experience, a structured breathing exercise that calms the autonomic nervous system and allows us to tap into our intuition. We quieted our minds and opened our hearts, because this event is about so much more than just real estate.



*Expanding our threshold of control...starting with our physiology!*





### Immersive Learning

Sunday was dedicated to hands-on learning, where we dive into all things real estate with an in-depth tour of Black Swan properties. Throughout the day, as investors get a behind-the-scenes look at our operations, we discuss acquisition, deal structure, renovations, leasing, operations, and more. During this portion of the event, investors get to physically tour and even eat lunch at buildings they own.

A highlight of the day was the surprise groundbreaking ceremony for the Stone Haven Apartments, owned by Black Swan Fund IV investors! This was a tangible representation of the theme for the weekend.



*Celebrating after breaking ground!*



*Touring an STR unit at RDS.*

### Building a Legacy Together

At Real Estate Real Life, it is our intention to guide you through transformation in all areas of your life, not just real estate. We dive deep into mindset, leadership, relationships, and so much more so that our community is equipped to not only achieve freedom, but to build a lasting legacy.

Thank you to everyone who attended RERL 2024 and played full out to make it a memorable experience!

**SAVE THE DATE!**

**REAL ESTATE**  
*Real Life*

September 11-14, 2025



# FREEDOM & LEGACY BLUEPRINT

The Freedom & Legacy Blueprint MD coaching program was created with a mission to help high-achieving professionals unlock their full potential. The program addresses every aspect of growth—mindset, relationships, and financial freedom—offering a holistic approach to designing a life filled with abundance and purpose.

When I first launched this program in November 2023, I was stepping into uncharted territory. I wasn't sure exactly what to expect, but I knew one thing for certain: we were going to create an extraordinary, supportive, and transformative community. We did just that--and so much more--and we're not done yet.

## Unparalleled Growth and Impact

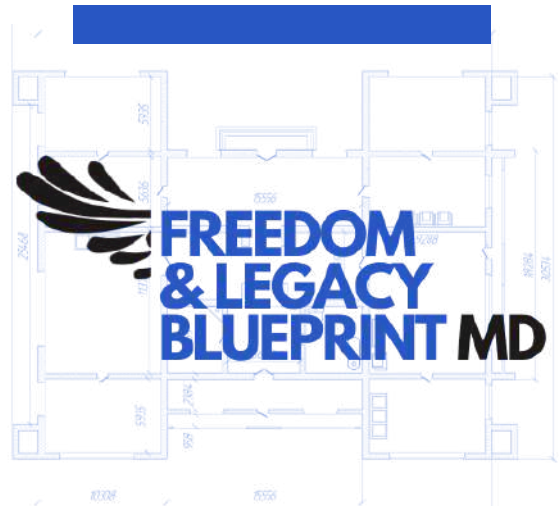
Since its inception, the Freedom & Legacy Blueprint coaching program has grown into a thriving community of driven, compassionate individuals. Freedom & Legacy Blueprint is now in its third cohort and has served over 100 motivated, growth-oriented people. Their impact is unparalleled.

*"The coaching program has been so special to me. I feel like my life is so much better from it and it ripples out to others." - Dr. Adriana Faulkner*

Members have praised the life-changing insights, powerful visualization exercises, and practical strategies that guide them to success. With a focus on time maximization, visionary goal setting, and creating multiple streams of passive income, the program provides members with the tools to achieve financial freedom while maintaining balance and alignment in their personal lives.

*"Elaine has a gift that inspires me to be the best version of myself. Her course is truly from a place of service, and I'm forever grateful." - Dr. Grace Huang*

Black Swan Real Estate



## A Thriving Community

As the Freedom & Legacy Blueprint impact has grown, it has become a close-knit, supportive community of visionaries.

*"I have never encountered smarter, more compassionate, and more inspiring people than in the Freedom & Legacy Blueprint community. Elaine helps us see the power within ourselves." - Dr. Meredith Shur*

Thanks to more than 12 months of weekly group coaching calls along with an interactive and engaging facebook group, this community has become a family of sorts. Members of Freedom & Legacy Blueprint have planned intentional meetups and events together all over the world. It has been such a treat to get to see this group become closer than ever and to get to know these individuals better than ever in person.





Members of Freedom & Legacy Blueprint together playing full out for Date with Destiny in December!

### Energy and Transformation

The incredible energy of the Freedom & Legacy Blueprint MD community is one of its most defining features. Members come together to learn, grow, and support each other through weekly coaching sessions, mastermind discussions, and personalized guidance. The program’s emphasis on deep transformation—both emotional and financial—has led participants to achieve breakthroughs that not only change their lives but also ripple out to impact their families, careers, and communities.



### A Legacy of Freedom and Fulfillment

At its core, Freedom & Legacy Blueprint MD is about empowering individuals to live life by design, not by default. Whether it’s building lasting wealth through real estate, cultivating

meaningful relationships, or stepping into leadership with confidence, the program equips its members with the tools to craft a legacy they’re proud of. Guided by Dr. Stageberg’s commitment to authenticity, connection, and growth, participants embark on a journey that leads to true freedom and a legacy of impact.

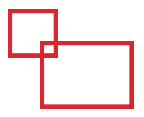
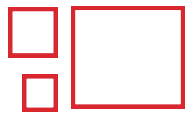
### Looking Ahead

This transformative journey with so many wonderful people has been extraordinarily meaningful. I’m beyond excited to see how this group continues to thrive in 2025. This will be another year of creating freedom, building legacy, and living fully aligned with who we are and where we’re headed.

“

**PRIORITIZE WHAT  
TRULY DESERVES  
YOUR ENERGY.**





# LOOKING AHEAD TO 2025

As we enter 2025, we're excited to build on the momentum and growth we've achieved in the past year, guided by a clear set of strategic goals designed to elevate our portfolio and strengthen investor returns.

## **Pivot to Profitability**

Now that much of the portfolio has matured, we are laser focused on driving profitability going forward. Our team is dedicated to optimizing efficiency and increasing cashflow to drive performance portfolio wide.

Some of our 2025 goals include:

- Doubling the average per-unit profitability of our short-term rentals
- Reducing the average per-unit per month maintenance and rehab expense by 20%
- Reducing the average per-unit per month utility cost by 20%
- Reducing the average cleaning cost by 20%
- Reducing legal and accounting costs by 50%
- Increasing portfolio wide cashflow by 600%!
- Leasing all Stone Haven Apartments units by September 1.



*Stone Haven Apartments construction progress.*

These goals reflect our ongoing commitment to disciplined operations and the principles of vertical integration that have consistently driven success. By targeting a 20% reduction in key cost

areas, we'll ensure sustainable growth while continuing to deliver exceptional living experiences for residents and guests.

Finally, we're setting our sights on transformative milestones for the portfolio as a whole. A 600% increase in portfolio-wide cash flow underscores the ambitious yet achievable vision we have for the year ahead. As always, our efforts will remain rooted in the values of community impact, investor alignment, and creating a lasting legacy—building a foundation for even greater achievements in the years to come.

## **Navigating Loan Maturities in 2025**

The commercial real estate industry faces significant challenges in 2025, with over \$1 trillion in loan maturities coming due, creating a potentially devastating environment for many operators. Despite these conditions, Black Swan Real Estate is well-positioned, thanks to strategic planning and disciplined financial management. In 2024, we successfully completed a \$2.4 million cash-out refinance at Dakota, securing strong financial footing. Furthermore, we have only \$1 million in loan maturities due in 2025, minimizing our exposure to market risks. Our proactive approach ensures we remain resilient and prepared to navigate the uncertainties ahead.

## **Putting the Investor First**

Finally, our mission remains the same: to make the world a better place to live, in the most tangible sense of the word, while still putting the needs of our investors first. We look forward to continuing distributions and driving performance in 2025 to serve our investors at the highest possible level. We believe 2025 is going to be another great year. Thank you for being a part of it.





## IN CONCLUSION...

Dear Investors,

As we reflect on the past year and look forward to the opportunities ahead, we are overwhelmed with gratitude for the incredible journey we've shared in 2024. This has been a year of growth, resilience, and extraordinary achievements—a year that would not have been possible without your trust, partnership, and belief in Black Swan Real Estate.

Together, we achieved milestones that we could only dream of when we first embarked on this journey. From our record-setting acquisitions to transformative renovations, and the expansion of our short-term rental portfolio, every step has been taken with the unwavering commitment to creating value for you, our investors, and for the communities we serve.

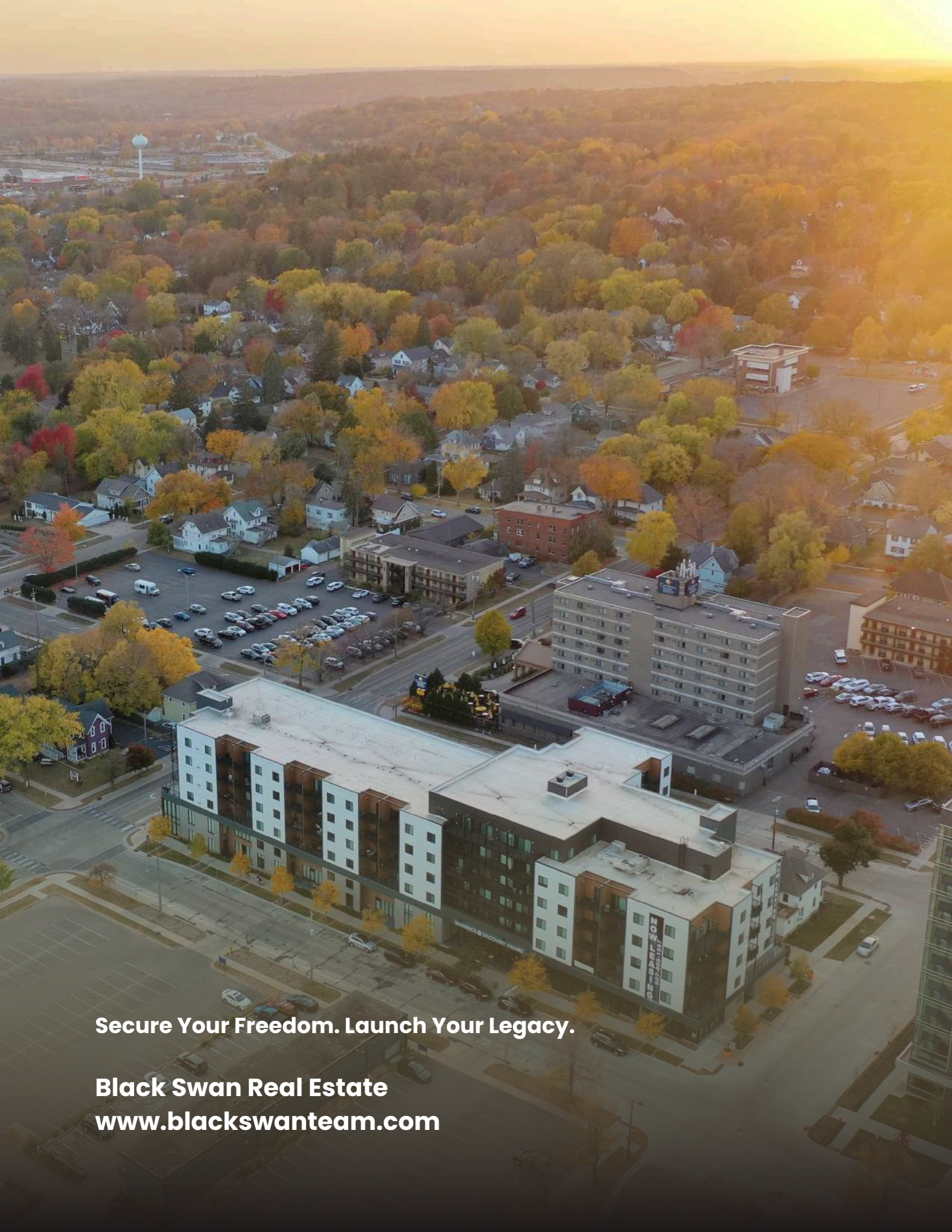
We've always believed that investing in real estate is more than just numbers—it's about people, purpose, and possibilities. This year reaffirmed that belief. From our vertically integrated team's pursuit of operational excellence to the meaningful relationships we've deepened with our investors and members of Freedom & Legacy Blueprint, 2024 has been a year of building not just wealth, but community.

As we set our sights on 2025, we're excited about the opportunity for optimization and continued growth. We're poised to make the upcoming year even more impactful. We're thrilled about what the future holds for these assets and can't wait to share more with you in the months ahead.

We are deeply appreciative of the enthusiasm and support from the Black Swan community and look forward to continuing to serve you. From the bottom of our hearts, thank you for being part of this journey.

All our best,

*Nick and Dr. Elaine Stageberg*



**Secure Your Freedom. Launch Your Legacy.**

**Black Swan Real Estate**  
**[www.blackswanteam.com](http://www.blackswanteam.com)**