



TCI Subsidiary, Southern Properties Capital, Receives Bond Rating Increase by Standard & Poor's Global Rating

DALLAS, TX (February 5, 2020) Transcontinental Realty Investors Inc. (NYSE: TCI) announces that its subsidiary Southern Properties Capital (SPC), both Dallas-based real estate investment companies, received Standard & Poor's Global Ratings increases on their A, B, and C series bonds listed on the Tel Aviv Stock Exchange. As previously reported, TCI/SPC was the first Dallas based firm to raise capital on the Israeli bond market. Prior to the Southern Properties Capital issuance, the market was previously dominated by Manhattan based companies, but has once again shown increased demand for additional bond issuers throughout the United States.

TCI and Southern Properties Capital received notice of the revised rating on February 2, 2020. S&P increased the A & B bond series from a BBB+ rating to an A- rating and increased the C series from AAA- to A rating.

The Series A was raised in August 2017 and the series B offering was in March 2018 with a combined total of over 610 million shekels, approximately \$174 million. The company then raised an additional \$78 million bond series C on the Tel Aviv Stock Exchange in July 2019.

"The enhanced rating demonstrates the company's commitment to owning and operating a quality portfolio of assets", said Daniel J. Moos, CEO and President. "The attention to detail by the management organization is also reflected in the rating increase."

About Transcontinental Realty Investors, Inc.

[Transcontinental Realty Investors](#) maintains a strong emphasis on creating greater shareholder value through acquisition, financing, operation, development, and sale of real estate across every geographic region in the United States. A New York Stock Exchange company, Transcontinental is traded under the symbol "TCI". Transcontinental produces revenue through the ownership and professional management of income producing apartments and office buildings that are "undervalued" or "underperforming" at the time of acquisition. Value is added under Transcontinental ownership, and the properties are repositioned into higher classifications through physical improvements and improved management. Transcontinental has dramatically expanded its development capabilities associated with luxury apartment homes through its wholly owned subsidiary Abode Properties, principally on land it owns or acquires.

About Southern Properties Capital

Southern Properties Capital (SPC) operates in Southeast and Southwest USA. The Company's core assets are tied to owning and operating Class A multi-family apartments and two very prominent and viable Multi Use development properties in Greater Dallas. The Company's business strategy is to continue to expand its Class A multifamily portfolio through new development and financially attractive acquisitions. Victory Abode (VAA) is a joint venture portfolio within Southern Properties.

About Victory Abode Apartments

Victory Abode Apartments (VAA) is one of the largest multi-family operating companies in the country. VAA is immediately poised to address existing and future demand for quality multifamily residential housing through acquisition and development of sustainable Class A multifamily housing in focused secondary and tertiary markets. VAA's strong equity position is balanced through the use of fixed-rate, long-term HUD mortgage debt, commercial mortgages, and the use of various conventional construction lenders. The company will be principally operated by a dedicated and highly professional management team with decades of industry experience, with strategic support from the venture partner.