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TCI Subsidiary, Southern Properties Capital, Reports Significant Progress on its Windmill Farms Development

DALLAS, TX (October 5, 2017) Southern Properties Capital (SPC) a subsidiary of Transcontinental Realty Investors Inc., (NYSE: TCI) a Dallas based real estate investment company, announced today several recent successes at its Windmill Farms property.

Windmill Farms is a gorgeous master-planned community east of Dallas, in Forney Texas. Located just past I-635, off Hwy 80, this family-friendly setting is conveniently located near all the fine dining, shopping, and entertainment that the heart of Dallas has to offer. This neighborhood also rewards homeowners with endless amenities including expansive swimming pools, playgrounds, ponds, picnic areas, and highly acclaimed schools. Windmill Farms combines the excitement of Dallas and the small-town relaxed feel of Forney.

Southern Properties recently sold its newest completed 148 lot subdivision to LGI Homes and Oakdale Homes. Utility installation is also underway for another 175 lot subdivision sold to LGI Homes, Oakdale Homes, and Megatel Homes, all based in Texas. To accommodate this new development, SPC has completed an expansion of the community's sanitary plant that exceeds all proposed new environmental standards. Design plans for an additional community center with a swimming pool and public meeting space are almost completed. This will be the third such facility at Windmill Farms.

"Windmill Farms is a perfect example of our organization's strategic vision, coupled with our development capabilities", commented Daniel J. Moos, Southern Properties' President and CEO. "There are currently over 2,000 existing homes at Windmill Farms, and we've started grading an additional subdivision with 250 lots."

Moos continued, "Future plans call for an additional 5,000 homes along with retail, additional schools, townhomes, and apartments; further showcasing our ability to maximize the potential of our existing assets, while continuing to expand our current footprint."

Southern Properties Capital operates primarily in Texas and specializes in Class A multifamily assets in emerging markets throughout the Southern United States, corresponding with both sustainable and viable economic growth activity. The issuing entity is backed by over 3,000 multi-family units (out of a total of approximately 8,000 owned and operated by TCI), as well as over 1.5 million square feet office buildings in Texas. The company has already used funds to acquire additional multi-family assets within its strategic footprint, and expects significant expansion by continuing to utilize the Israeli bond platform.

Transcontinental Realty Investors (www.transconrealty-invest.com) maintains a strong emphasis on creating greater shareholder value through acquisition, financing, operation, developing, 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 professional management of apartments, office buildings, warehouses, and retail centers 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 also develops new properties, such as luxury apartment homes principally on land it owns or acquires.

Southern Properties Capital LTD, a British Virgin Islands corporation (“Southern”) is an indirect subsidiary of Transcontinental Realty Investors Inc., (NYSE: TCI), a Dallas-based real estate investment company. 85% of the company’s properties are located in Texas; where management has intimate familiarity with sub-markets and unique access to off-market deals. Southern is committed to developing and managing multifamily assets in areas with sustainable and viable economic growth; with a focus on Class A HUD eligible assets that further achieve the company’s growth strategy; which includes offering and sale of nonconvertible Series A Bonds with the Tel Aviv Stock Exchange LTD (the “TASE”). On February 14, 2017, Southern commenced the institutional tender of the Debentures and has accepted application for 276 million Israeli, new Shekels (approximately \$73,651,065 USD, based on the exchange rate of 3.7474 Shekels to the U.S. Dollar effective February 14, 2017) in both institutional and public tenders, at an annual interest rate averaging approximately 7.38% (seven year term). Southern Properties has the intentions of continuing to do future offerings, using these funds for growing the portfolio.



The entrance to Southern Properties Capital’s owned and developed Windmill Farms in Forney, Texas