

Offering Memorandum



The Oaks

56-Unit Newly Renovated LIHTC Community

Lake Charles, LA

NAI **Latter & Blum**

1700 City Farm Drive
Baton Rouge, LA 70806 USA
225.295.0800

www.lbmultifamilysales.com



Executive Summary

Investment Highlights

Investment Highlights

- 56 Newly Renovated LIHTC units located in Lake Charles, LA.
- Lake Charles is renowned for their petrochemical industry and gaming industry.
- All units are individually metered for all utilities and Tenants are responsible for these expenses which reduces the expense load for the owners.
- Built in 2004, with complete interior renovation, new roofs, parking lot restriped, majority new appliances and updated finishes in 2022/2023.
- Currently in lease up after full property renovation. As of now, the property has leased 25 units in a few short weeks after starting their lease up.
- Initial Compliance Period expired in 2015
- Extended Compliance period expires in 2030 and is currently QC eligible

Asking Price: \$4,050,000.00



Property Highlights



Property Highlights

- Attractive unit mix of 1Br, 2Br, 3Br, & 4Br
- Quiet area with very little foot traffic or noise.
- Average unit size of 1,006 Sq. Ft. with open floor plans and spacious bathrooms.
- Pro Forma Average Rents Per Month: \$882
- Ample open area to add amenities to the property.
- Quality finishes within the units, making it easy to lease, maintain, and turn units.
- Convenient location is right off of Interstate 10, creating easy access to residents.



Property Highlights



Unit Highlights

- Granite countertops
- Washer/Dryer connections in all units
- Luxury vinyl plank flooring throughout all units
- Open floor plans with kitchen opening up to living area
- Completely remodeled in 2022/2023
- Upgraded appliances and cabinets in most units

Executive Summary

The Oaks

The Oaks is a 56-unit 2&3 story garden style walk-up LIHTC apartment community in Lake Charles, LA, a diverse economic city located in SW Louisiana. The property was originally built in 2004 and just got done with full blown interior & exterior renovations in 2022/2023.

Below is a summary of the extensive renovations completed at the property:

- New roofs & new vinyl on exterior
- New perimeter fencing
- New granite countertops throughout the complex
- New insulation & drywall throughout 80% of the complex
- All new interior & exterior painting
- All new electrical and plumbing devices/fixtures
- Complete update of fire sprinkler and alarm systems
- New shaker gray kitchen cabinetry in 35 of the units
- New bathroom cabinetry in roughly 30 units
- New Luxury vinyl plank flooring throughout all units
- New Central HVAC units in 52 of the units

The Oaks offers the ability to acquire an essentially brand new asset with little to no deferred maintenance. This opportunity works well for market rate and LIHTC investors because the property becomes market rate at the end of 2030. If the plan is to hold this asset for 10 years, then after year 7 (2030) once the property becomes market rate, there should be a huge appreciation of value with increasing rents to what the market can support along with eliminating the administrative tasks that are associated with LIHTC properties.

The asking price of \$4,050,000 is well below 2021 appraised value.

The Oaks will become a market rate property with no rent restrictions in 2030.

The Oaks	
LOCATION	2400 Fruge St, Lake Charles, LA 70601
NUMBER OF UNITS	56
YEAR BUILT/RENOVATED	2004/2023
CLASS	B
August 23' OCCUPANCY	46%
AVG. PRO FORMA RENT/MO	\$882
AVG. LEASE RENT/SF	\$0.94
RENTABLE SF	56,357
ASKING PRICE	\$4,050,000

Executive Summary

Disclosure

This brochure has been prepared for informational purposes only and does not purport to contain all the information necessary to reach a purchase decision. There is no guarantee as to completeness or accuracy of the information presented.

This material does not constitute a recommendation, endorsement or advice as to the value of the Property. Each prospective purchaser is to rely upon their own investigation, evaluation and judgment as to the advisability of purchasing the Property.

The pro forma income and expenses set forth in this brochure do not constitute a recommendation, warranty or a guarantee of any of the numbers set forth herein or of any economic value attributable to the Property or income that may be derived therefrom. Prospective purchasers should develop their own independent estimates of pro forma income and expenses before making any decisions on whether to acquire the Property.

The property is to be sold **“AS IS WHERE IS”** and the seller, nor broker, warrant the condition of the property or the information contained herein.

The NAI Latter & Blum is pleased to have the opportunity to work with you on the disposition of
The Oaks.

Please feel free to contact any of our team members with any questions or comments. All of our contact information can be found below:

Chris Gremillion, CCIM

225.270.5095

cgremillion@latterblum.com

Hunter Harris

318.458.0236

hunterharris@latterblum.com

Joel Davidson, CCIM

337.529.6710

joeldavidson@latterblum.com

Executive Summary



Submittal Requirements

All site visits must be arranged with NAI Latter & Blum.

Please do not disturb the tenants or staff without the approval of the NAI Latter & Blum. All tours are to be scheduled with the contact below.

Purchasers desiring to make an offer on the Property are required to submit:

- Letter of Intent
- Resume and/or a letter indicating real estate assets owned and real estate assets purchased within the last three years
- Deal references (brokers or sellers involved in prior acquisitions)
- Banking references
- Source of equity for the acquisition

Communication

All communications, including arranging property visits, should be addressed to:

Chris Gremillion, CCIM

NAI Latter & Blum
1700 City Farm
Drive
Baton Rouge, LA
70806

Cell: 225.270.5095

Fax: 225.297.7888

Email: cgremillion@latterblum.com

Website:

www.lbmultifamilysales.com

Seller's Reservations

Seller reserves the right to remove the Property from the market at any time. The Property is subject to early sales, and Seller reserves the right, in its sole discretion, to accept and/or reject any offer, or to terminate discussions with any party at any time.



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Executive Summary

Customer Information Form

What Customers Need to Know When Working With Real Estate Brokers or Licensees

This document describes the various types of agency relationships that can exist in real estate transactions.

AGENCY means a relationship in which a real estate broker or licensee represents a client by the client's consent, whether expressed or implied, in an immovable property transaction. An agency relationship is formed when a real estate licensee works for you in your best interest and represents you. Agency relationships can be formed with buyers/sellers and lessors/lessees.

DESIGNATED AGENCY means the agency relationship that shall be presumed to exist when a licensee engaged in any real estate transaction, except as otherwise provided in LA R.S. 9:3891, is working with a client, unless there is a written agreement providing for a different relationship.

- The law presumes that the real estate licensee you work with is your designated agent, unless you have a written agreement otherwise.
- No other licensees in the office work for you, unless disclosed and approved by you.
- You should confine your discussions of buying/selling to your designated agent or agents only.

DUAL AGENCY means an agency relationship in which a licensee is working with both buyer and seller or both landlord and tenant in the same transaction. Such a relationship shall not constitute dual agency if the licensee is the seller of property that he/she owns or if the property is owned by a real estate business of which the licensee is the sole proprietor and agent. A dual agency relationship shall not be construed to exist in a circumstance in which the licensee is working with both landlord and tenant as to a lease that does not exceed a term of three years and the licensee is the landlord. Dual agency is allowed only when informed consent is presumed to have been given by any client who signed the dual agency disclosure form prescribed by the Louisiana Real Estate Commission. Specific duties owed to both buyer/seller and lessor/lessee are:

- To treat all clients honestly.
- To provide factual information about the property.
- To disclose all latent material defects in the property that are known to them.
- To help the buyer compare financing options.
- To provide information about comparable properties that have sold, so that both clients may make educated buying/selling decisions.
- To disclose financial qualifications to the buyer/lessee to the seller/lessor.
- To explain real estate terms.
- To help buyers/lessees arrange for property inspections
- To explain closing costs and procedures.

CONFIDENTIAL INFORMATION means information obtained by a licensee from a client during the term of a brokerage agreement that was made confidential by the written request or written instruction of the client or is information the disclosure of which could materially harm the position of the client, unless at any time any of the following occur:

- The client permits the disclosure by word or conduct.
- The disclosure is required by law or would reveal serious defect.
- The information became public from a source other than the licensee.



The Market

Lake Charles, Louisiana

Tapestry Segmentation

ESRI labels Lake Charles, LA in their LifeMode Group: *Hometown, Family Foundations* Below is a breakdown of what makes a city qualify as a *Hometown*, which helps give a basic understanding of the type of city Lake Charles is.



WHO ARE WE?

Family and faith are the cornerstones of life in these communities. Older children, still living at home, working toward financial independence, are common within these households. Neighborhoods are stable: little household growth has occurred for more than a decade. Many residents work in the health-care industry or public administration across all levels of government. Style is important to these consumers, who spend on clothing for themselves and their children as well as on smartphones.

OUR NEIGHBORHOOD

- *Family Foundations* residents are a mix of married couples, single parents, grandparents, and children, young and adult.
- Average household size is slightly higher at 2.71.
- Neighborhoods are found in principal cities of major metropolitan areas throughout the South and West.
- More than two-thirds are homeowners living in single-family houses built before 1970.
- Nearly three-fourths of all households have one or two vehicles at their disposal; average commute time is slightly higher.

SOCIOECONOMIC TRAITS

- More than half have either attended college or obtained a degree; one-third have only finished high school.
- Labor force participation rate is slightly lower at 58% as workers begin to retire.
- Over one-third of households currently receive Social Security benefits; just under a quarter draw income from retirement accounts.
- A strong focus is on religion and character.
- Style and appearance are important.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by MRI-Simmons.

Market Driving Factors

Geographic Location

Lake Charles, LA is the fifth-largest incorporated city in Louisiana and the parish seat of Calcasieu Parish. Located on Lake Charles, Prien Lake, and Calcasieu River, Lake Charles is a major industrial, cultural, and educational center in the southwest region of Louisiana. The city and metropolitan area of Lake Charles is considered a regionally significant center of petrochemical refining, gambling, tourism, education, and shipping.



McNeese State University

Founded in 1939, McNeese State University is a home to a diverse population of students from the state of Louisiana, the United States, and around the world. It has been named one of the best regional universities in the south for more than 10 consecutive years by the U.S. News & World Report. Home to over 50 undergraduate and graduate programs, it is also home to the Cowboy & Cowgirls. On any given night you're able to catch a game whether that be at Cowboy Stadium, The Legacy Center, or Joe Miller Ball Park.



Infrastructure

Calcasieu Parish is ideally located at a southwest region of Louisiana with direct access to I-10, I-210, & Hwy 171. With Lake Charles only being a little over two hours away from Houston, TX and the Port of Lake Charles being where it is, it is an integral part of transporting the imported goods that come through this region. Port Rail is a short-line railroad operating in Lake Charles that operates on 11-miles of track where it transports grains and other cargoes for outbound shipping.



Petrochemical Refining

Petrochemical refining is one of the major market driving factors in the Southwest Louisiana region. Strategically located on 2,000 acres across the banks of the Calcasieu Ship Channel, Citgo's Lake Charles refinery is the fifth-largest refining facility in the United States. The facility employs over 1,000 regular full-time employees in Southwest Louisiana, in addition to more than 900 contractors and contribute to the employment of nearly 8,000 people through their procurement activities in the area.



The Port of Lake Charles

The Port of Lake Charles is a deepwater seaport in Lake Charles, LA – located on the Calcasieu Ship Channel which drives \$39 billion of the U.S Gross Domestic Product and two-thirds of the GDP of Calcasieu and Cameron parishes. It's a port of choice for breakbulk, specialty and project cargo, ranging from international lumber shipments to global industrial needs. It's also "America's Energy Corridor," serving as the #1 LNG (Liquefied Natural Gas) export area of the world.



Attractions

If you are looking for a first-rate casino getaway then Lake Charles is the place to go. Whether it be the Golden Nugget, L'Auberge, Delta Downs Racetrack, or the Horseshoe Casino & Hotel, each casino has luxurious accommodations, a myriad of dining selections, top-name entertainment, and incredible gaming experiences for you to choose from.



Petrochemical Industry



The perfect combination of the Port of Lake Charles & the Calcasieu Shipping Channel makes Lake Charles an industry hub for the Petrochemical Industry. However, the area is not limited to the petrochemical side of the chemical industry. There are dozens of varying plants in the area that produce a plethora of chemicals for a myriad of products. In 2019, it was announced that Lotte & Westlake Chemical were partnering up to develop a new plant that would encompass 250-acres with costs up to \$3.1 billion. The companies stated that expected the plant to generate 250 permanent jobs in the city and Louisiana Economic Development office estimated approximately 2,000 indirect jobs would be created as a result of the project. The economic impact of the industry is very prevalent with Calcasieu Parish being the #1 parish in terms of chemical industry earnings while also being the leader in employment with an estimated 5,000+ employees working for these companies.

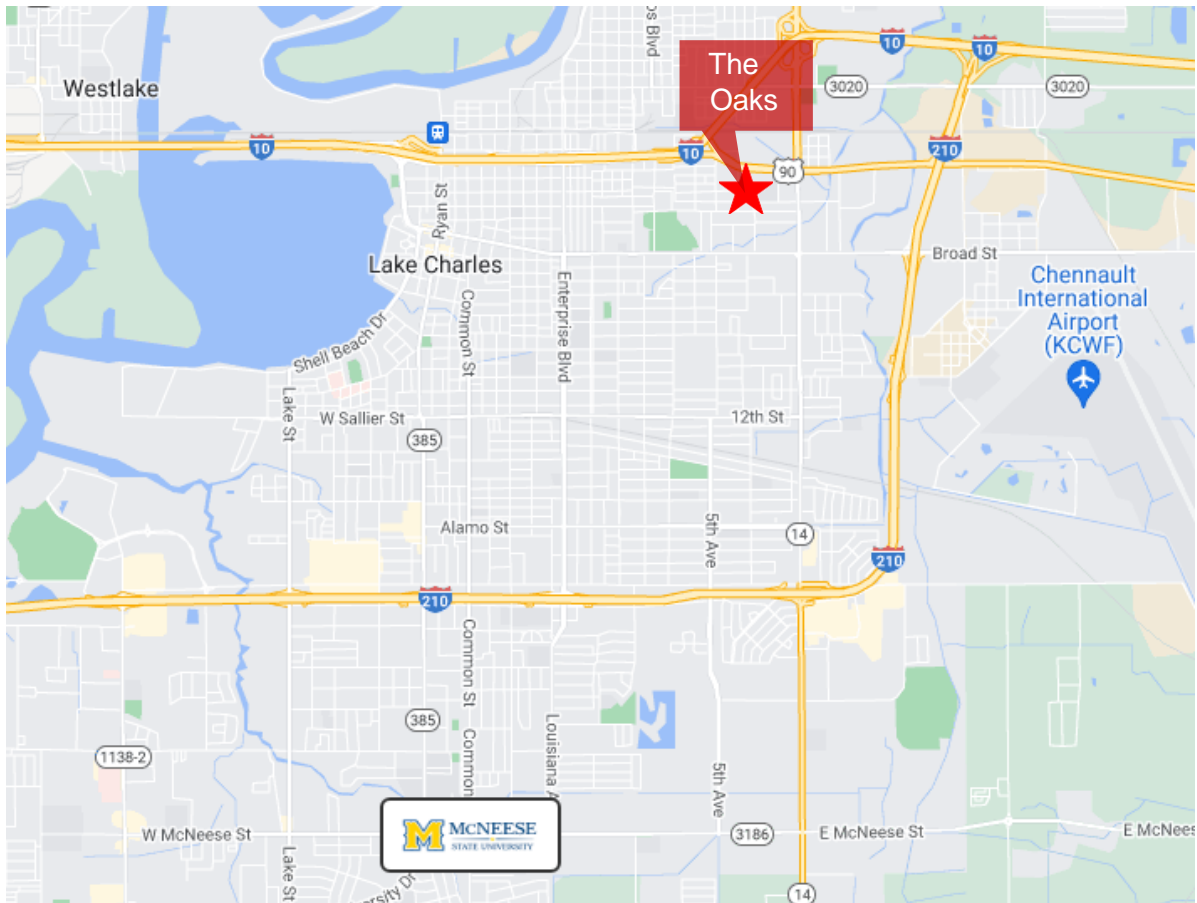
Universities & Colleges

McNeese State University

McNeese, located in Lake Charles, Louisiana, consists of the 122-acre main campus, the 65-acre Doland Athletics Complex that includes the state-of-the-art Legacy Center, the Southwest Louisiana Entrepreneurial and Economic Development Center, the Center for Advancement of Meat Production and Processing, KBYS 88.3 FM Radio Station and three working farms with over 1,200 acres of property used for research, farming, and ranching. The main campus comprises over 50 buildings including the three original structures – Kaufman Hall, Ralph O. Ward Memorial Gym (the Arena), and Francis G. Bulber Auditorium, a striking example of Art Deco architecture listed on the National Register of Historic Places.

For over eight decades, the institution has been recognized as one of the finest regional universities in the South. McNeese is a dynamic, student-centric university comprised of students from throughout Louisiana, the United States, and over 50 countries. With 34 undergraduate academic programs and 18 graduate programs to choose from, a thriving athletics tradition and vibrant campus life, McNeese offers all the benefits of a large university with a personalized touch.

School Name	Total Enrollment	Distance from The Oaks
McNeese State University	6,454 Students	≈ 5 miles



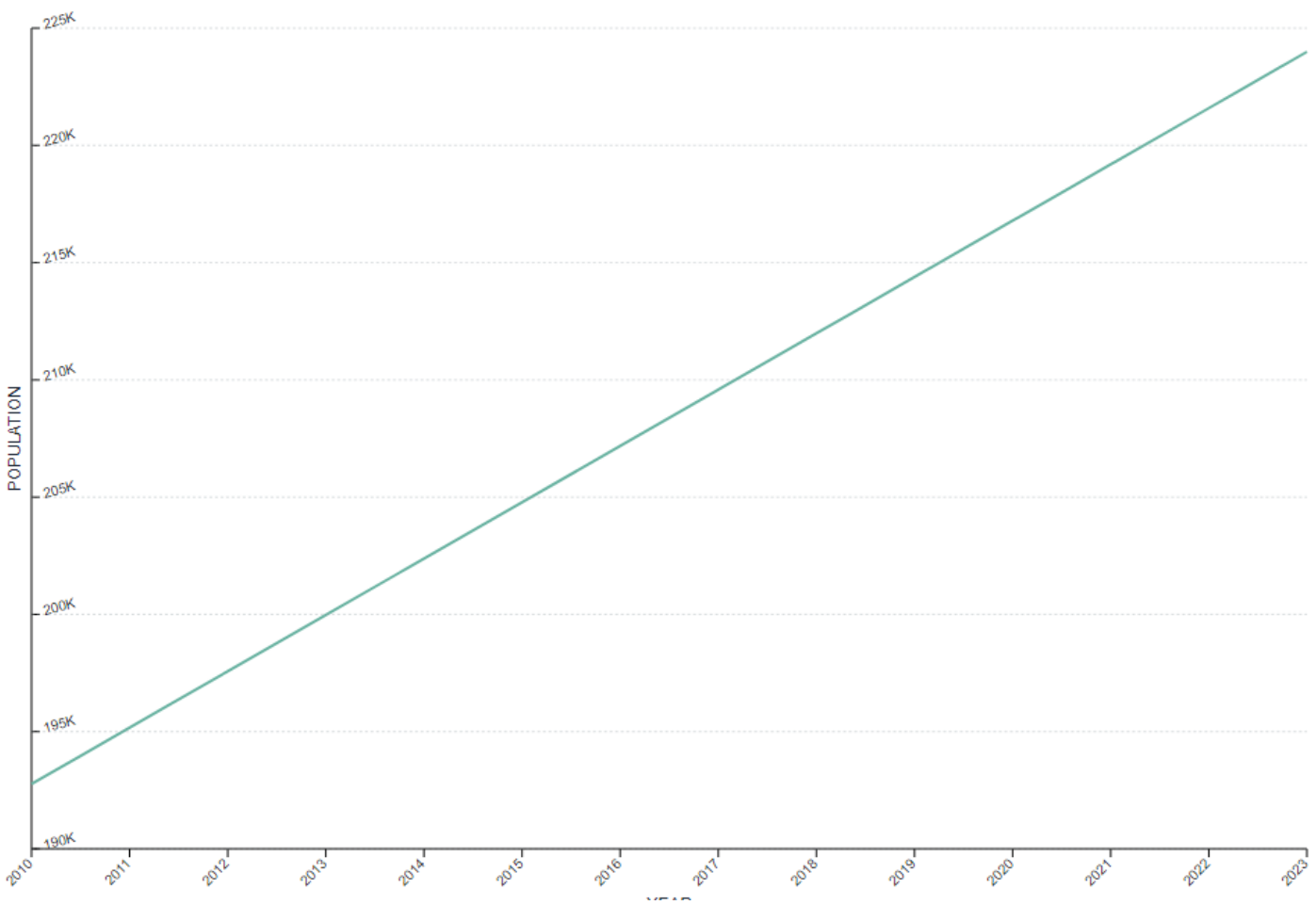
Calcasieu Parish Population Growth



Population

Provided below is a population growth graph for Calcasieu Parish. It displays the growth of said parish from 2010-2023. From 2010-2023, Calcasieu Parish has seen a growth of 16.2%. All information was gathered from the U.S. Census Bureau with data after 2021 projected based on recent change.

Calcasieu Parish, Louisiana Population 2023
223,991

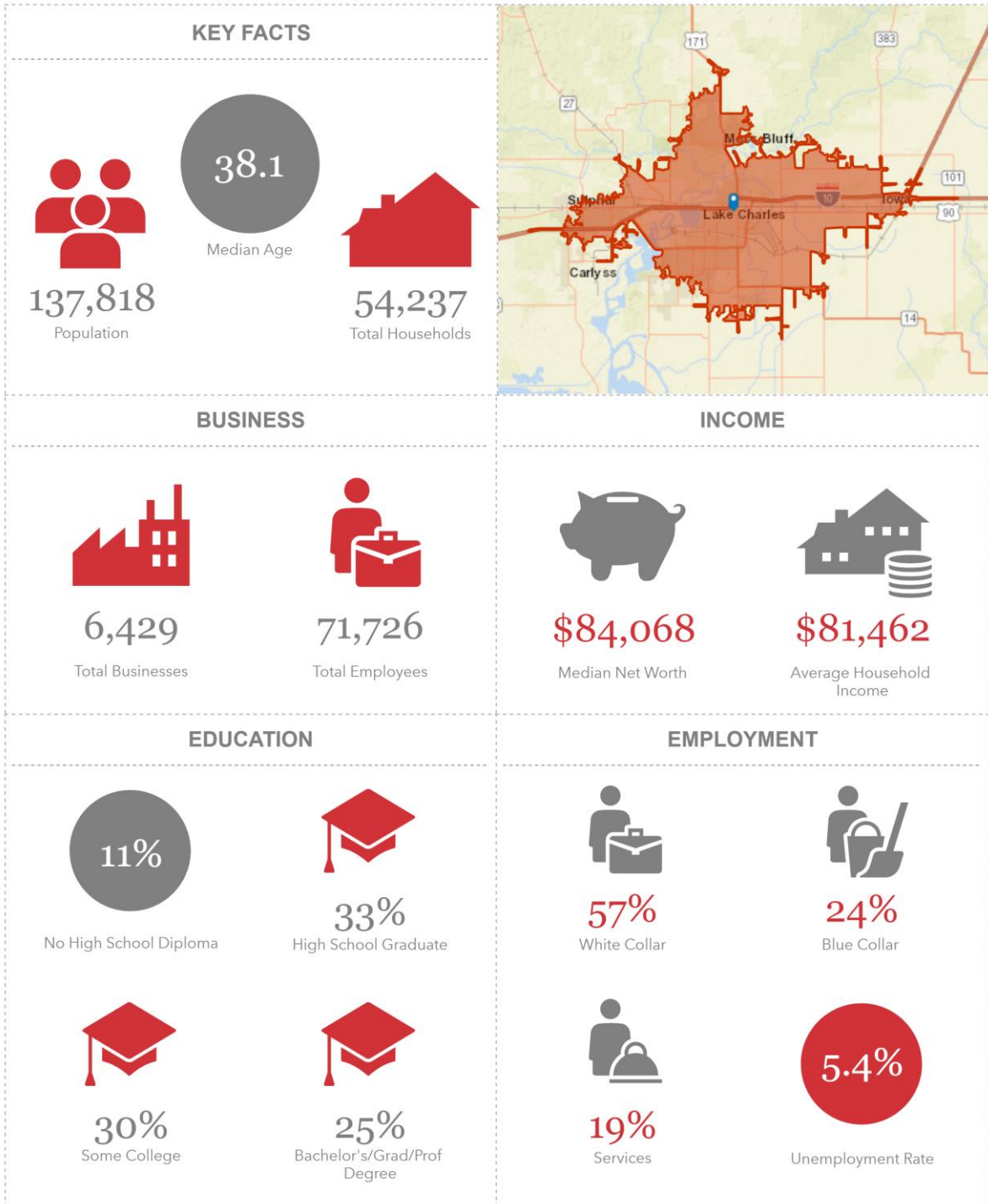


Demographics



Demographics

The below chart shows a demographic breakdown of the area within a 15-minute drive of The Oaks.



Major Employers & Schools



Major Area Employers

The Lake Charles economy relies heavily on entertainment and healthcare, with five of its top ten employers being in one of the two industries. Per the Southwest Louisiana Economic Development Alliance, the top 10 employers in Lake Charles are listed below:

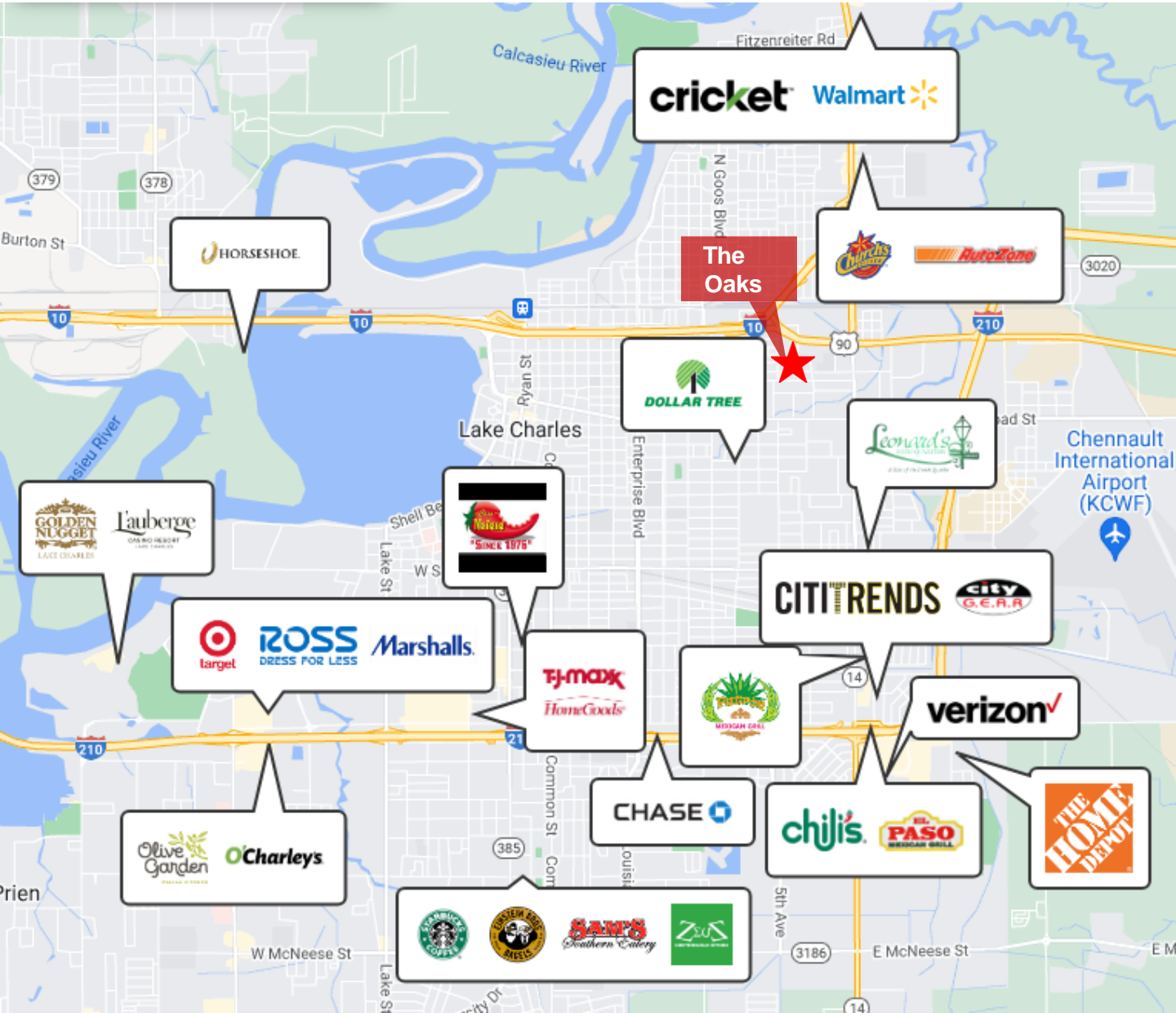
Calcasieu Parish School Board	4900+
Lake Charles Memorial Health System	2600+
Turner Industries	2100+
Westlake Chemical Corporation	2000+
Golden Nugget, LLC	1700+
L'Auberge – Lake Charles	1600+
Coushatta	1400+
Christus St. Patrick Hospital	1000+
Citgo Petroleum Corporation	1000+
Calcasieu Parish Sherriff's Office	930+

Basic & Secondary Schools

Lake Charles, LA is part of the Calcasieu Parish School system. The school system includes a total of 58 schools, providing multiple options from elementary through high school. The schooling options within 5 miles of The Oaks are listed below:

School	Grades	Public/Charter	Distance from Subject
John J. Johnson II Elementary School	K - 2 nd	Public	0.4 miles
Jessie D. Clifton Elementary School	PreK - 2 nd	Public	1.8 miles
Washington-Marion High School	9 – 12	Public	1.9 miles
Ray D. Molo Middle School	6 – 8	Public	2.2 miles
Oak Park Middle School	6 – 8	Public	3.1 miles

Retail Map



Rent Comparable



Rent Comparable Summary Table

#	Property	Total Units	Avg. Sq. Ft.	Avg. Market Rent	Avg. Market Rent PSF	Occupancy Rate
1	The Vistas of Lake Charles	72	971	\$875	\$0.90	94%
2	The Havens of Lake Charles	72	875	\$801	\$0.91	100%
3	La Maison Apartments	78	965	\$888	\$0.93	85%
4	Peppermill Apartments	120	940	\$815	\$0.89	83%
Total Avg.		85	937	\$844	\$0.90	90%



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Rent Comparable

1

NAME	La Maison Apartments	UNIT TYPE	SF	RENT	RENT/SF
OCCUPANCY	85%	1Br/1Ba (60%)	690	\$665	\$0.96
# OF UNITS	78	2Br//2Ba (60%)	936	\$900	\$0.96
YEAR BUILT	2004	4Br/2Ba (60%)	1,269	\$1,100	\$0.87
AVG. RENT/UNIT	\$888				
AVG. RENT/SF	\$0.93				
SURVEY DATE	08/07/2023				

2

NAME	The Vistas of Lake Charles	UNIT TYPE	SF	RENT	RENT/SF
OCCUPANCY	94%	1Bd/1Ba (60%)	800	\$742	\$0.93
# OF UNITS	72	2Bd/2Ba (60%)	950	\$875	\$0.92
YEAR BUILT	2011	3Bd/2Ba (60%)	1,165	\$1,007	\$0.86
AVG. RENT/UNIT	\$875				
AVG. RENT/SF	\$0.90				
SURVEY DATE	08/07/2023				

3

NAME	The Havens of Lake Charles	UNIT TYPE	SF	RENT	RENT/SF
OCCUPANCY	100%	1Br/1Ba (60%)	800	\$726	\$0.91
# OF UNITS	72	2Br//2Ba (60%)	950	\$875	\$0.92
YEAR BUILT	2012				
AVG. RENT/UNIT	\$800				
AVG. RENT/SF	\$0.91				
SURVEY DATE	08/07/2023				

4

NAME	Peppermill Apartments	UNIT TYPE	SF	RENT	RENT/SF
OCCUPANCY	83%	1Bd/1Ba (60%)	689	\$695	\$1.01
# OF UNITS	120	2Bd/2Ba (60%)	936	\$850	\$0.91
YEAR BUILT	2006	3Bd/2Ba (60%)	1,195	\$900	\$0.75
AVG. RENT/UNIT	\$815				
AVG. RENT/SF	\$0.89				
SURVEY DATE	08/07/2023				



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The Asset

Asset Overview

Overview

Property Name	The Oaks
Property Addresses	2400 Fruge St
Location	Lake Charles, LA
Assessor Parcel Number	01344281
Class	B
Number of Units	56
Number of Buildings	5
Number of Parking Spaces	112
Year Built	2004
Last Major Renovation	2021/2022 (Complete Interior & Exterior renovation, 52 new HVACs, New Roofs and parking lot restriped)
Rentable Square Feet	56,357
LURA in Place	Yes
Flood Zone	X

Utilities

Water/Sewer	Paid by Tenant through Utility Allowances (individually metered)
Phone/Data	Paid by Tenant
Electric	Paid by Tenant through Utility Allowances (individually metered)

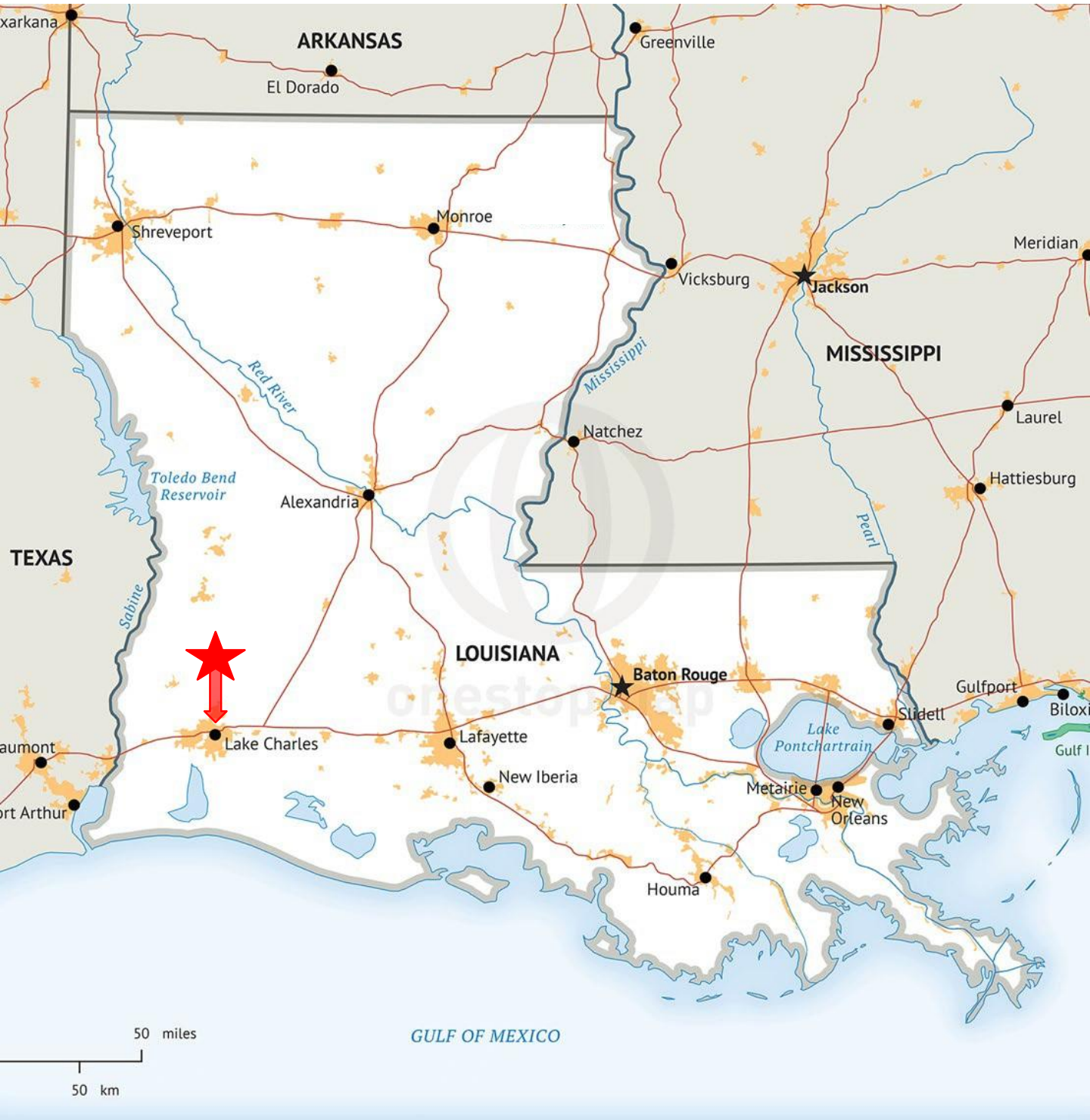
Construction

Foundation	Slab
Framing	Wood
Exterior	Brick
Parking Surface	Concrete
Roof	Shingle, Dormer

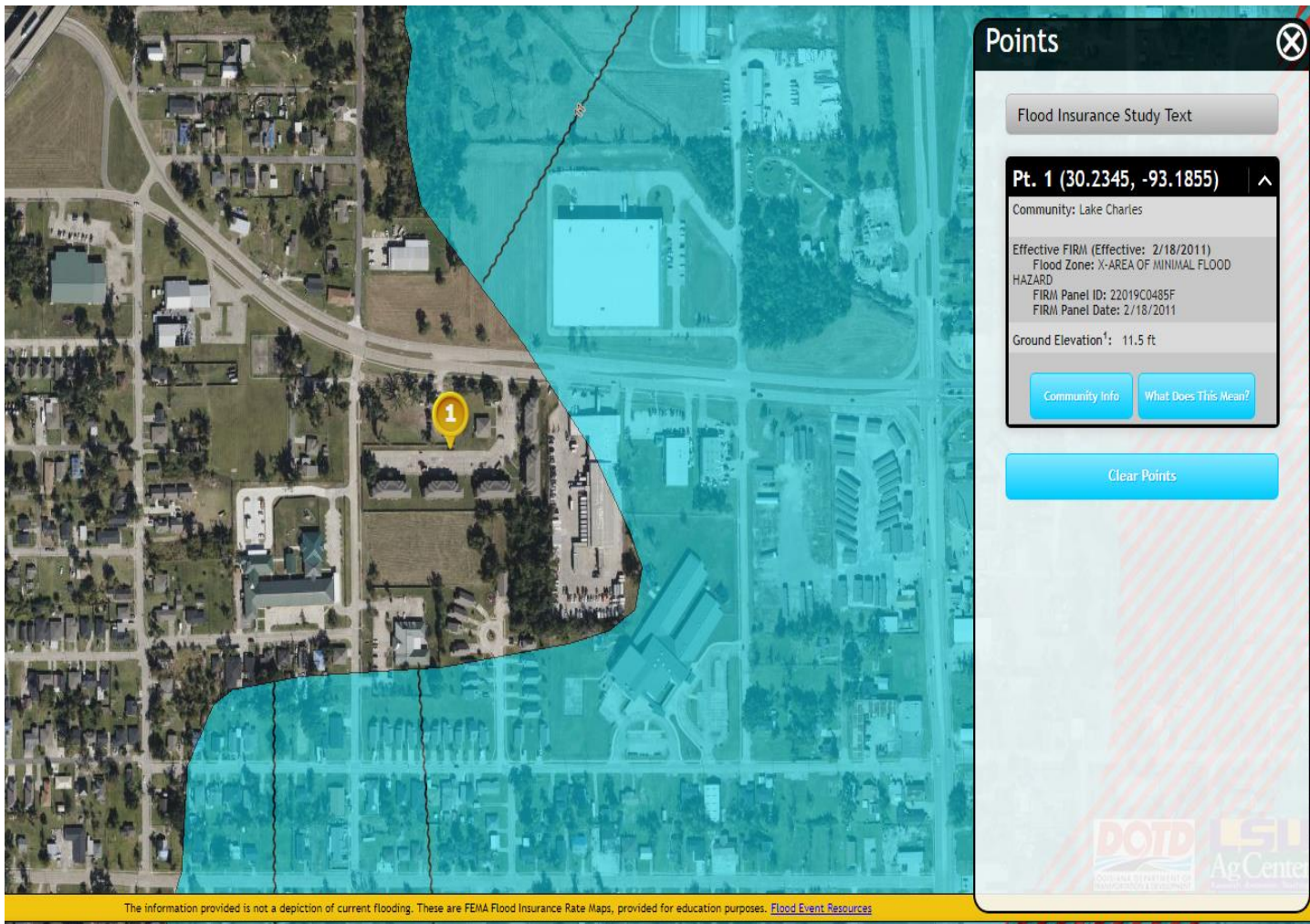
Mechanical

HVAC	Central HVAC (R22 and 410A)
Electrical Wiring	Copper
Water Heaters	In all units
Sprinklers	In all units

Location Map



Flood Zone Information



The Oaks is located in Flood Zone “X” so flood insurance will not be required for the property.

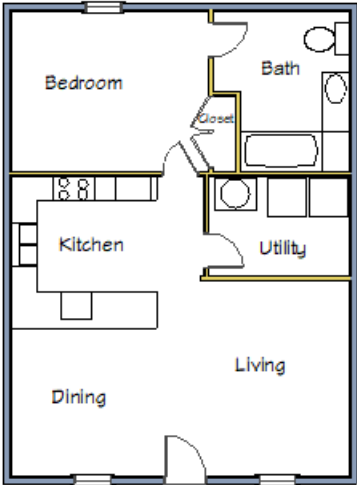
Property Aerial



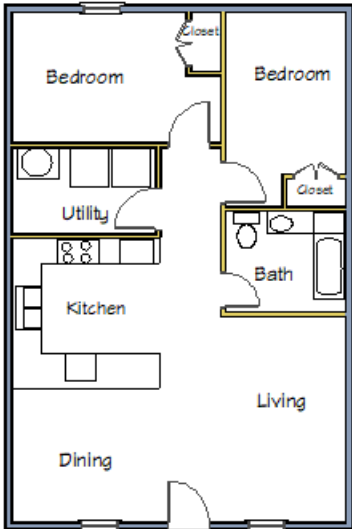
Aerial Map



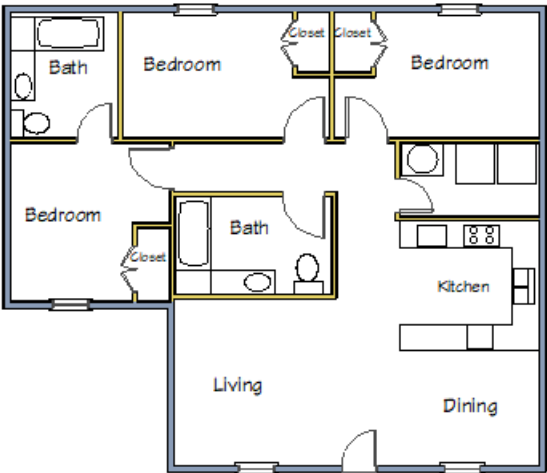
Floor Plans



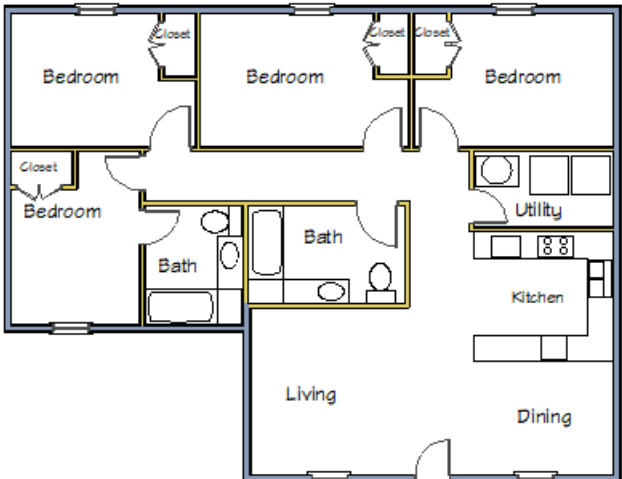
One Bedroom



Two Bedroom



Three Bedroom



Four Bedroom

The Property - Exterior



The Property – Interior



The Property- Bedrooms



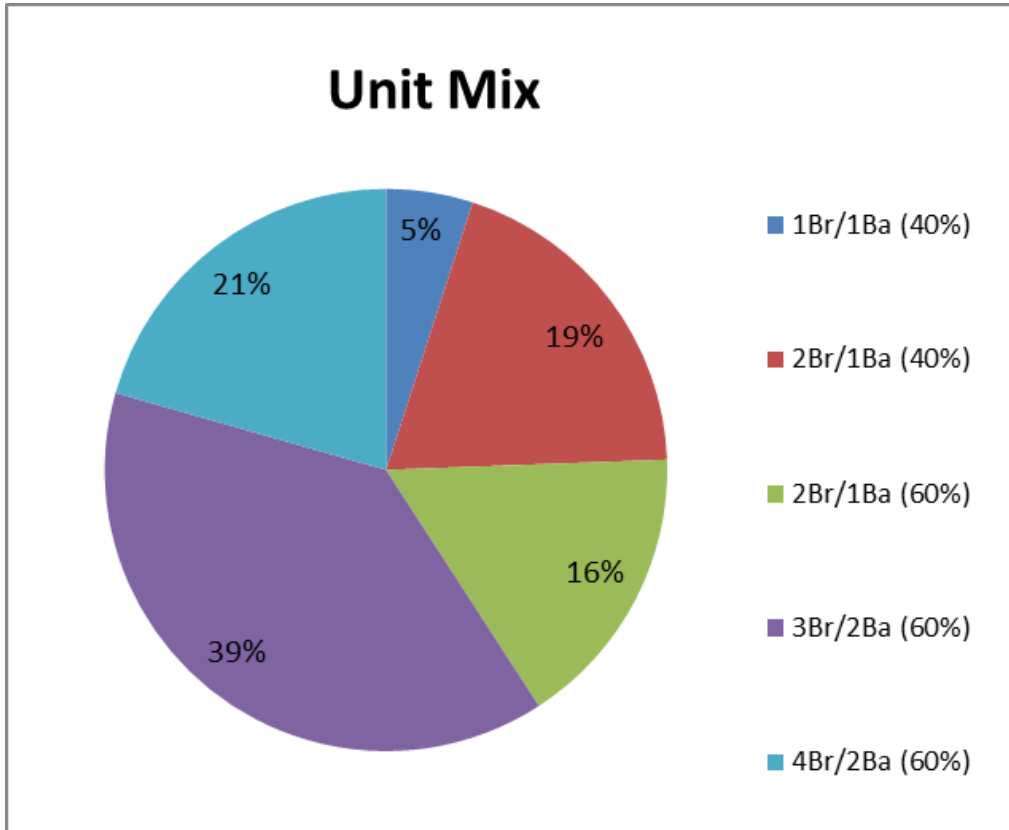


Financial Overview

Unit Mix



# of units	Unit Type	Unit Size	Total SF	Max Allowable Rents	Utility Allowance	Net Max Allowable Rents	Net Max Allowable Rents/SF	Pro Forma Rents/ SF	Pro Forma Total Monthly Rents	Total Monthly Pro Forma Rents	Total Annual Pro Forma Rents	
4	1Br/1Ba (40%)	703	2,812	\$613	\$122	\$491	\$0.70	\$0.70	\$491	\$1,964	\$23,568	
13	2Br/1Ba (40%)	842	10,946	\$736	\$135	\$601	\$0.71	\$0.71	\$601	\$7,813	\$93,756	
11	2Br/1Ba (60%)	842	9,262	\$1,104	\$135	\$969	\$1.15	\$1.15	\$969	\$10,659	\$127,908	
19	3Br/2Ba (60%)	1,144	21,736	\$1,275	\$160	\$1,115	\$0.97	\$0.97	\$1,115	\$21,185	\$254,220	
9	4Br/2Ba (60%)	1,289	11,601	\$1,422	\$186	\$1,236	\$0.96	\$0.96	\$1,236	\$11,124	\$133,488	
Totals/Avg.		56	1,006	56,357	\$1,030	\$138	\$882	\$0.94	\$0.94	\$882	\$52,745	\$632,940



Pro Forma Comparison

Income	Stabilized Owner		Year 1 Pro Forma	
	Budget			
Gross Potential Market Rents	\$576,060		\$632,940	
Gain/Loss to Lease	-		(\$25,318)	4%
Adjusted Gross Potential Rents	\$576,060		\$607,622	
Vacancy Loss	(\$28,800)	5%	(\$30,381)	5%
Non-Revenue Units	-	-	-	-
Concessions	-	-	-	-
Bad Debt	-	-	(\$6,076)	1%
Total Rent Losses	(\$28,800)	5%	(\$36,457)	6%
Total Rental Income	\$547,260		\$571,165	
Deposit Forfeit	-	-	\$1,000	
Late Fee	-	-	\$1,500	
Application Fees	-	-	\$1,500	
Pet Fees	-	-	\$1,000	
NSF Fees	-	-	\$100	
Gate Remotes	-	-	\$2,500	
Laundry Income	\$3,000	1%	\$3,000	
Misc. Other Income	\$6,600	1%	\$1,000	
Total Other Income	\$9,600	2%	\$11,600	2.0%
Total Collected Income	\$556,860		\$582,765	
Operating Expenses	Stabilized Owner		Year 1 Pro Forma	
	Budget			
Marketing	\$300	\$5	\$1,120	\$20
Administrative	\$6,780	\$121	\$5,600	\$100
Payroll	\$48,822	\$872	\$56,000	\$1,000
Management Fee	\$22,274	4%	\$23,311	4%
Repairs/Maintenance	\$9,600	\$171	\$11,200	\$200
Make Ready	\$2,400	\$43	\$11,200	\$200
Property Insurance	\$76,395	\$1,364	\$84,000	\$1,500
Property Taxes	\$15,583	\$278	\$44,520	\$795
Pest	-	-	\$2,240	\$40
Lawn	\$5,600	\$100	\$5,600	\$100
Garbage	\$2,400	\$43	\$3,360	\$60
Electricity/Gas	\$3,000	\$54	\$3,360	\$60
Phone/Internet/Cable	-	-	\$3,360	\$60
Water/Sewer	\$1,800	\$32	\$2,800	\$50
Total Operating Expenses	\$194,954	\$3,481	\$257,671	\$4,601
Cap Ex Reserves	-	-	\$11,200	\$200
Total Operating Costs	\$194,954	\$3,481	\$268,871	\$4,801
Net Operating Income	\$361,906		\$313,894	

Pro Forma Notes

Income

- **GPR:** GPR assumes all unit types rents are increased to net max allowable rents
- **Loss to Lease:** Assume loss to lease to be 4% which accounts for all units not being leased at the new market rents.
- **Vacancy Loss:** Assume vacancy loss at 5%.
- **Bad Debt:** Assume bad debt to be 1% of the adjusted GPR.
- **Other Income:** Assume other income to be at 2% of Total Collected Rental Income.
- **Total Collected Income:** Year 1 Total Collected Income at \$582,765 which is an increase of \$25k from the Stabilized Owner Budget we have listed. Current ownership has never truly attempted to push rents due to the property's previous condition but we project the next owner will be able to get rents to net max allowable due to the property being essentially brand new.

Expenses

- **Marketing:** Increase marketing expenses to \$20/unit/year.
- **Administrative:** Reduce admin costs to \$100/year.
- **Payroll:** Assume payroll to \$56k/year.
- **Management Fee:** Assume 4% of total collected income.
- **Repairs/Maintenance:** Assume \$200/unit/year.
- **Make Ready:** Assume \$200/unit/year. This expense could likely be lower due to the recent renovations done to the property.
- **Property Insurance:** Assume \$1,500/unit/year. We encourage all Buyers to perform their own due diligence regarding the cost of insurance.
- **Property Taxes:** Assume an increase in property taxes at roughly \$44k/year due to sale.
- **Lawn:** Maintain lawn expense at \$100/unit/year.
- **Pest:** Assume pest expense at \$40/unit/year.
- **Garbage:** Assume an increase in garbage to \$60/unit/year.
- **Utilities:** All units are individually metered so utility costs should be low. Main costs are all common areas and units when they turn.
- **Total Operating Costs:** \$4,601/unit/year
- **Cap Ex Reserves:** \$11,200/year or \$200/unit/year to maintain recent renovations.
- **Year 1 NOI:** \$313,894

Value Summary

Income	
Gross Potential Market Rents	\$632,940
Gain or Loss to Lease	(\$25,318) 4%
Adjusted Gross Potential Rental Income	\$607,622
Vacancy and other Rent Losses	(\$36,457) 6%
Total Rental Income	\$571,165
Other Income	\$11,600 2%
Total Collected Income	\$582,765
Expenses	
Stabilized Operating Expenses	\$257,671 44%
Per Unit	\$4,601
Total Operating Costs	\$268,871 46%
Per Unit	\$4,801
Net Operating Income	\$313,894
Cap Rate %	7.25%
Stabilized Value	\$4,329,579
Stabilized Value Rounded	\$4,330,000
Less Lease Up Reserves	(\$280,000)
Asking Price	\$4,050,000
Price Per SF	\$71.86
Price Per Unit	\$72,321
Adjusted Cap Rate	7.75%

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