

2020 W 3rd



REDEVELOPMENT OPPORTUNITY

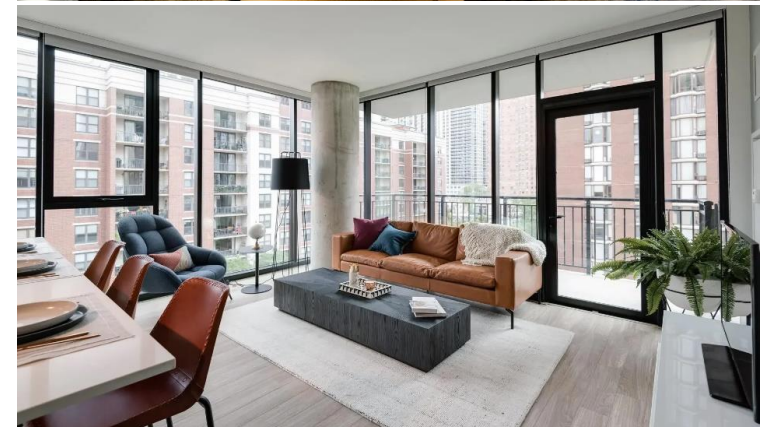
LENDER PACKAGE

OVERVIEW

2020 W 3rd St presents an exciting commercial redevelopment opportunity in Stiff Station/Capitol View, one of Little Rock's most progressive neighborhoods. Currently a dated six-story office building, the site is primed for transformation into a vibrant multifamily development. As homes in the area are being restored and businesses continue moving into the community, this redevelopment would offer modern living options less than a mile from the Arkansas State Capitol and with easy access to Interstate 630.

Floors two through six will be redeveloped into modern, upscale rental units, while the first floor will be reserved for self-storage units ranging from 5'x6' to 10'x10' units.

LOCATION	2020 W 3rd St Little Rock, AR 72205
CURRENT ASSET TYPE	Office
PROPOSED ASSET TYPE	Multifamily/Self Storage
BUILDING SIZE	31,800 SF
ACREAGE	0.82 Acre Site
UNITS	Multifamily – 28 Units Self Storage – 63 Units
MULTIFAMILY UNIT SIZE (SF)	600 SF to 750 SF
MULTIFAMILY PROPOSED RENT	Starting at \$1,300 Monthly



A modern living room with large windows overlooking a city. The room features a light-colored sofa with blue and grey pillows, a dark armchair with a matching ottoman, and a coffee table with a geometric metal frame. A large circular pendant light hangs from the ceiling. The view outside the windows shows a cityscape with a prominent domed building and greenery.

THE FINANCIALS

FLOOR PLAN



FUTURE VALUE

TRADITIONAL DEBT & EQUITY						
Assumptions & Financing		Development & Acquisitions Costs				
General Assumptions		Valuation Sensitivity, Income Approach				
Address	2020 W 3rd St	Year	NOI	6.25%	6.50%	6.75%
City/State	Little Rock, AR	Year 1	544,824	\$8,717,177	\$8,381,901	\$8,071,460
Total Acreage	0.82	Year 2	534,856	\$8,557,702	\$8,228,560	\$7,923,799
Use	Multi Family	Year 3	545,554	\$8,728,856	\$8,393,131	\$8,082,275
Units	95	Year 4	556,465	\$8,903,434	\$8,560,994	\$8,243,920
Total SF	31,800	Year 5	567,594	\$9,081,502	\$8,732,214	\$8,408,798
Density	115.85					
Financing		Valuation Sensitivity; Price/Unit				
LTC	80%	Year	NOI	6.25%	6.50%	6.75%
Purchase Price	\$7,750,000	Year 1	299,354	\$91,760	\$88,231	\$84,963
Purchase Price/Unit	\$81,579	Year 2	86,616	\$90,081	\$86,616	\$83,408
Renovations		Year 3	88,349	\$91,883	\$88,349	\$85,077
Loan Amount	\$6,200,000	Year 4	90,116	\$93,720	\$90,116	\$86,778
Equity	\$1,550,000	Year 5	91,918	\$95,595	\$91,918	\$88,514
Interest Rate	6.00%					
Amortization	25					
Principal Pmt	\$0					
Interest Pmt	(\$372,000)					
Total Pmt	(\$485,006)					
Exit Summary						
Cap Rate	6.50%	Year 1	Year 2	Year 3	Year 4	Year 5
Sale Price		8,381,901	8,228,560	8,393,131	8,560,994	8,732,214
Price / Unit		299,354	86,616	88,349	90,116	91,918
-Closing Cost	1.00%	83,819	82,286	83,931	85,610	87,322
-Brokerage	5.00%	419,095	411,428	419,657	428,050	436,611
-Debt Payoff		3,276,891	3,276,891	3,276,891	3,226,808	3,172,822
Return at Closing		4,602,096	4,457,955	4,612,652	4,820,527	5,035,459
-Equity Payback		-1,550,000	-1,550,000	-1,550,000	-1,550,000	-1,550,000
+Cumulative Cash Flow		172,824	335,680	396,228	467,687	550,275
Net Profit		3,224,919	3,243,635	3,458,880	3,738,213	4,035,734
IRR			78.33%	50.76%	38.79%	32.03%
Equity Multiplier		2.08	2.09	2.23	2.41	2.60

RENTAL INCOME NUMBERS

Unit Mix & Income						
Unit Mix & Rent Income						
	Units	% of Total	SF	Rent / Unit	Monthly Rent	Annual Rent
	20	21.05%	600	\$1,300	\$26,000	\$312,000
	8	8.42%	750	\$1,750	\$14,000	\$168,000
	28	29.47%	600	\$2.17	\$26,000	\$480,000
Unit Mix & Rent Income - Self Storage on First Floor						
Dimensions	Units	% of Total	SF	Rent / Unit	Monthly Rent	Annual Rent
5x6	13		30	\$90	\$1,170	\$14,040
5x5	34		25	\$75	\$2,550	\$30,600
5x12	1		60	\$180	\$180	\$2,160
5x10	8		50	\$150	\$1,200	\$14,400
8x6	1		48	\$144	\$144	\$1,728
10x10	6		100	\$300	\$1,800	\$21,600
	63	0.00%		\$3.00	\$7,044	\$84,528
Unit Mix & Rent Income -						
	Units	% of Total	SF	Rent / Unit	Monthly Rent	Annual Rent
	1	1.05%	1500	\$2,500	\$2,500	\$30,000
	1	1.05%	3000	\$4,000	\$4,000	\$48,000
	5		250	500	\$2,500	\$30,000
	1		250	1200	\$1,200	\$14,400
	2	2.11%	1,250	\$3.60	\$10,200	\$122,400
Projected Other Income						
Unit Type	# of Units	Monthly Fee	Monthly Income	Total		
Utilities	28	\$50	\$1,400	\$16,800		
Insurance Fee	28	\$5	\$140	\$1,680		
Total		\$55	\$1,540	18,480		
Projected Other Income						
Unit Type	# of Units	Monthly Fee	Monthly Income	Total		
Pets	14	\$50	\$700	\$8,400		
Other	28	\$10	\$280	\$3,360		
Total		\$60	\$980	11,760		

RENOVATION BUDGET

Category	Cost		
Acquisition Costs			
Refinancing Costs	40,000.00		
Appraisal Fee	5,000.00		
Soft Costs			
Architectural and Engineering Fees	50,000.00		
Permitting	2,500.00		
Demolition and Prep Work			
Interior Demolition	90,000.00		
Construction Costs			
Framing and Structural Modifications	200,000.00		
Plumbing	125,000.00		
Electrical	125,000.00		
New Electrical Services for Apartments	80,000.00		
HVAC	125,000.00		
Drywall, Flooring, and Paint	180,000.00		
Windows and Doors	35,000.00		
New Exterior Doors for Apartments	80,000.00		
Sprinkler System	280,000.00		
Mini-Storage Build-Out	190,000.00		
Hot Water Heaters	40,000.00		
Interior Finishes			
Stained Concrete Flooring	75,000.00		
Cabinetry and Countertops	105,000.00		
New Appliances	135,000.00		
Lighting Fixtures	25,000.00		
Bathroom Fixtures	52,000.00		
Hardware	13,000.00		
Common Areas and Amenities			
Hallways and Lobbies	18,000.00		
Elevator Upgrades	45,000.00		
Security Systems	9,000.00		
Exterior Work			
Landscaping	18,000.00		
Facade Improvements	110,000.00		
Signage	9,000.00		
New Windows	90,000.00		
Exterior Lighting	18,000.00		
Exterior Paint Job	90,000.00		
Site Clean-Up			
Deep Clean of Job Site	25,000.00		
Contingency			
Set Amount	175,000.00		
Developer Fee			
Set Amount	180,000.00		
TOTAL	2,839,500.00		

Current Loan	2,100,000
Construction Funds	2,839,500.00
Total Loan	4,939,500
Future Value	8,000,000
Equity	3,060,500

--	--



THE LOCATION



LITTLE ROCK, ARKANSAS

Little Rock is the capital of Arkansas and the state's largest municipality, with over 202,000 people calling it home. It is considered where “America Comes Together,” boasting 40% of the nation’s population and buying power within a 550-mile radius of the city center.

Notably, Little Rock is considered one of the “Top 10 Places For Young Professionals To Live” ([Forbes 2023](#)), a “Best Place for Business and Careers” ([Forbes 2019](#)), one of the “Best Travel-Worthy State Capitals” ([USA Today 2014](#)), and one of “America’s 10 Great Places to Live” ([Kiplinger's Personal Finance 2013](#)).

Central Arkansas has experienced significant population growth over the past decade due to the three major universities that call the area home, a growing technology sector, and a variety of government- and business-related industries. Major corporations headquartered in the Little Rock metroplex include Dillard's, Windstream Communications, and Acxiom. One of the largest public employers in the state, with more than 10,000 employees, is the University of Arkansas for Medical Sciences and its affiliates, which have a total economic impact in Arkansas of ~\$5 billion per year. Simultaneously to the population growth, Central Arkansas’s tourism industry is booming, with 10 million+ visitors flocking to the region each year.

DEMOGRAPHICS

	3 MILES	5 MILES	10 MILES
POPULATION	50,693	120,867	304,397
HOUSEHOLDS	24,151	55,192	132,903
AVERAGE AGE	40.7	40.1	39.8
AVERAGE HOUSEHOLD INCOME	\$77,726	\$83,262	\$86,336
BUSINESSES	4,218	6,784	13,096



A modern living room with large windows overlooking a city. The room features a white sofa with blue and grey pillows, a blue armchair, and a circular pendant light. The floor is light wood, and there is a blue and white patterned rug. A large potted plant is visible on the right side. The word "EXPERIENCE" is overlaid in a white box in the center of the image.

EXPERIENCE

SUCCESS STORIES



1313 Elm Street, Conway, AR



1090 Spencer Street, Conway, AR



510 N 8th Street, Rogers, AR



418 E 15th Street, Little Rock, AR