

1106 & 1110 S MONTEZUMA AVE

Phoenix, AZ 85003

**Multifamily
Investment Opportunity**
Offering Memorandum



EXCLUSIVELY LISTED BY



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MATTHEWS™





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PROPERTY OVERVIEW

1106 & 1110 S Montezuma Ave
Phoenix, AZ 85003



EXECUTIVE SUMMARY

**1106 & 1110 S
Montezuma Ave
Phoenix, AZ 85003**

4
Total Units

2021
Year Built

±550 SF
Avg Unit Size

The Opportunity

Matthews™ is pleased to present the listing for 1106 & 1110 S Montezuma, two duplex properties located in the Central City submarket of Phoenix, Arizona.

Built in 2021, the asset consists of (4) 2-bedroom, 1-bathroom units, each with 2-car garages. Each unit averages ±550 square feet (excluding garages), totaling approximately 2,200 square feet of net rentable space. Tenants are responsible for their own utilities.

The duplex properties are next door to one another. One or both duplexes can be purchased with residential financing.

This is a turnkey investment with an attractive vintage. Strategically located just minutes from Downtown Phoenix, the Phoenix Airport, and key employment hubs, this property benefits from the strong rental demands in the area.

This asset is ideal for investors seeking a new construction opportunity in one of the fastest-growing metropolitan areas of the U.S.



INVESTMENT HIGHLIGHTS

Property Highlights

- (4) 2-Bedroom Units, Built in 2021
- Average Unit Size: \pm 550 SF
- (4) 2-Car Garages
- Central City Submarket

Location Highlights

- Downtown Phoenix - \pm 1.9 Miles
- Key Employment Centers
- Phoenix Sky Harbor Airport - \pm 3 Miles
- Easy to Access Major Highways
- Walkable Shopping and Dining





ASU Preparatory Academy Phoenix
±800 Students



Arizona Capitol Museum
Local History Museum



Downtown
Phoenix



Arizona State University
- Downtown
±1.9 Miles Away



W Buckeye Rd. ± 19,219 VPD

Subject
Property

Lowell Elementary School
±343 Students



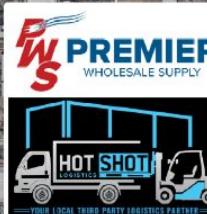
Phoenix Memorial Center
±300 Beds



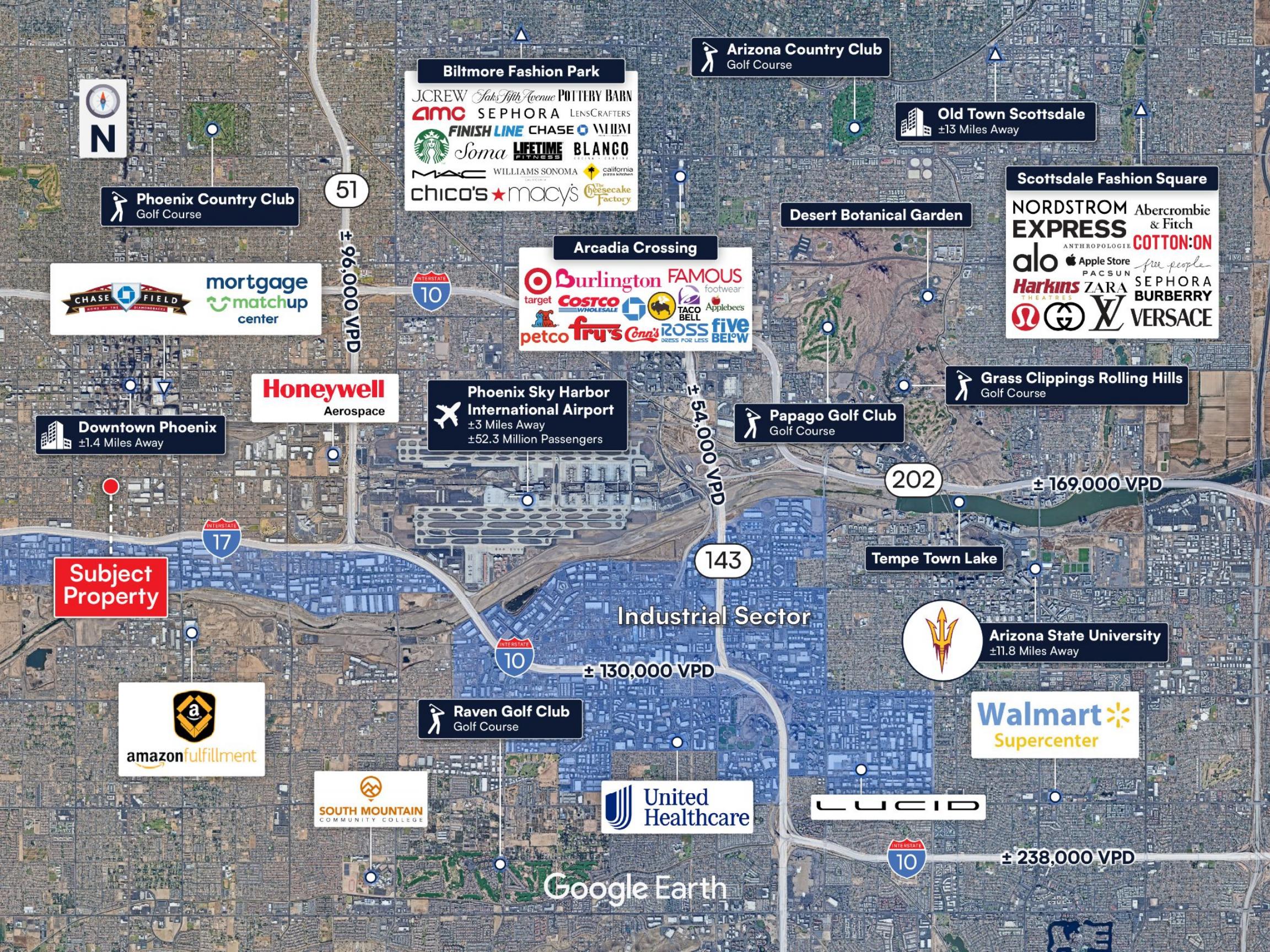
Denali MetalWorks

SARGON

± 128,890 VPD



INTERSTATE
17



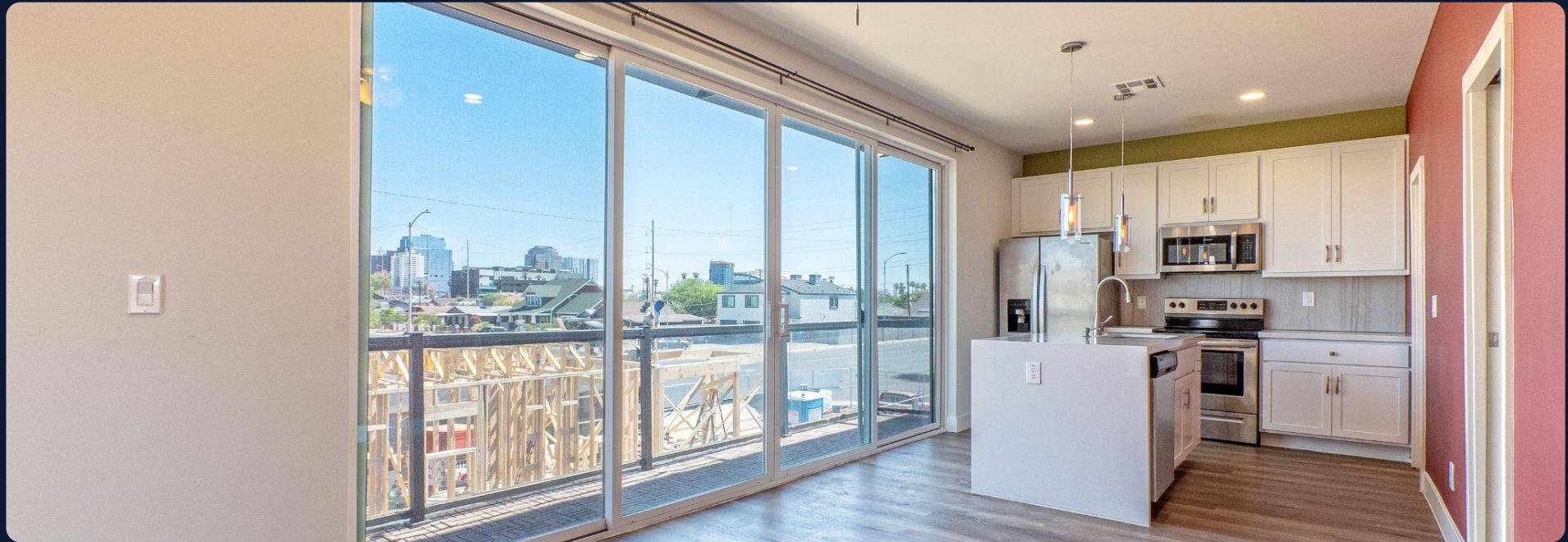
EXTERIOR PHOTOS



INTERIOR PHOTOS



PROPERTY PHOTOS



FINANCIAL OVERVIEW

1106 & 1110 S Montezuma Ave
Phoenix, AZ 85003



FINANCIAL SUMMARY

\$600,000
Per Duplex

\$1,200,000
4 Units

\$545.45
Price Per SF

4.82%
Cap Rate

Property Facts

City	Phoenix
Submarket	Central City
Year Built	2021
Occupancy	75%
Total Units	4
Net Rentable Area	±2,200 SF
Average Unit Size	±550 SF

Rent Analysis

Current Average Rent	\$1,575
Current Average Rent PSF	\$2.86
Rent Comp Average Rent	\$1,547
Rent Comp Average Rent PSF	\$2.08
Variance to Rent Comp Average Rent	\$28
Market Rent Potential Upside	2%

RENT ROLL

1106 S Montezuma Ave Rent Roll

Unit	Unit Mix	SF	Current Rent	Market Rent	Current Rent/SF	Market Rent/SF
1	2x1	±550	\$1,450	\$1,650	\$2.64	\$3.00
2 (Vacant)	2x1	±550	\$1,550	\$1,650	\$2.82	\$3.00
Total		±1,100	\$3,000	\$3,300		
Average		±550	\$1,500	\$1,650	\$2.73	\$3.00

1110 S Montezuma Ave Rent Roll

Unit	Unit Mix	SF	Current Rent	Market Rent	Current Rent/SF	Market Rent/SF
1	2x1	±550	\$1,650	\$1,650	\$3.00	\$3.00
2	2x1	±550	\$1,650	\$1,650	\$3.00	\$3.00
Total		±1,100	\$3,300	\$3,300		
Average		±550	\$1,650	\$1,650	\$3.00	\$3.00

FINANCIAL SUMMARY

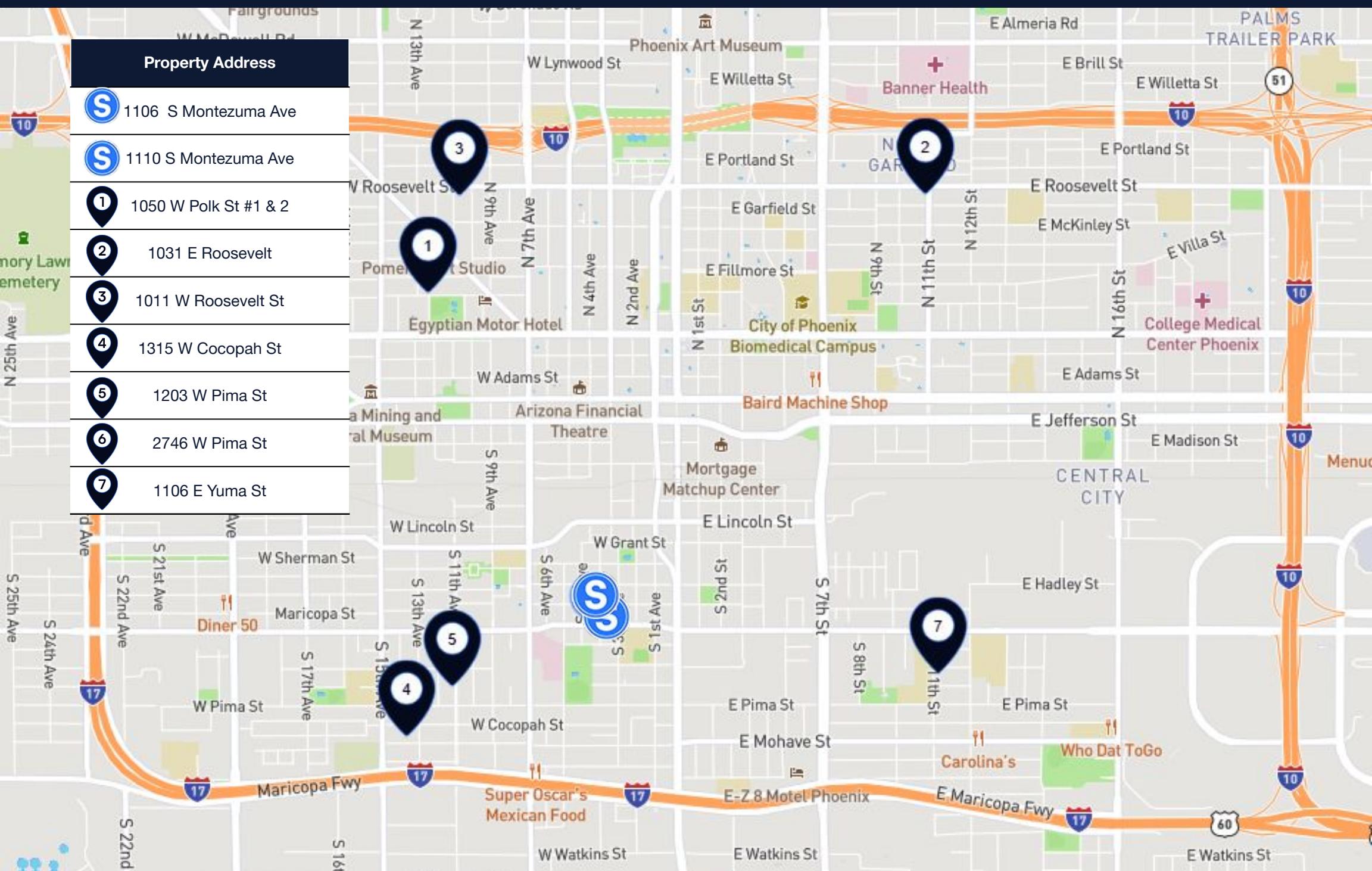
Proforma Comparison Per Duplex

Income	T-12	\$/Unit	Market	\$/Unit
Scheduled Market Rent	\$39,600	\$19,800	\$39,600	\$29,100
Less: Physical Vacancy	(\$1,980)	-5.0%	(\$1,980)	-5.0%
Net Rental Income	\$37,620	\$18,810	\$37,620	\$27,645
Plus: Other Income	\$21	\$11	-	-
Total Other Income	\$21	\$11	-	-
 Effective Gross Income (EGI)	 \$37,641	 \$18,821	 \$37,620	 \$27,656
 Operating Expenses				
Apartment Prep/Turnover	\$60	\$30	\$60	\$30
Marketing	-	-	\$100	\$50
Contract Services	\$705	\$352	\$600	\$300
Repairs & Maintenance	\$2,201	\$1,100	\$600	\$300
Legal	-	-	\$100	\$50
Utilities	\$439	\$219	\$440	\$220
Payroll	-	-	-	-
Total Controllable Expenses	\$3,404	\$1,702	\$1,900	\$950
Management Fee	\$1,397	\$699	\$2,376	6%
Insurance	\$2,054	\$1,027	\$2,054	\$1,027
Real Estate Taxes	\$2,251	\$1,126	\$2,307	\$1,126
Other Non-Controllable Expenses	\$319	\$159	-	-
Total Non-Controllable Expenses	\$6,021	\$3,010	\$6,737	\$3,369
Total Operating Expenses	\$9,425	\$4,713	\$8,637	\$4,319
Net Operating Income	\$28,216	\$14,108	\$28,983	\$14,491
 Expense Ratio	 25%	 -	 23%	 -

SALES COMPARABLES

Map	Property Address	Sale Date	Year Built	# Units	Sale Price	Price Per Unit	Price Per SF
	1106 S Montezuma Ave	-	2021	4	\$600,000	\$600,000	\$2.86
	1110 S Montezuma Ave	-	2021	4	\$600,000	\$600,000	\$2.86
	1050 W Polk St #1 & 2	6/2/2025	2021	2	\$780,000	\$390,000	\$257
	1031 E Roosevelt	12/8/2023	1936/2023	2	\$600,000	\$300,000	\$500
	1011 W Roosevelt St	9/20/2024	2024	2	\$835,000	\$417,500	\$331
	1315 W Cocopah St	8/28/2024	2024	2	\$850,000	\$425,000	\$279
	1203 W Pima St	8/9/2024	2024	2	\$865,000	\$432,500	\$229
	2746 W Pima St	7/2/2024	2023	2	\$613,000	\$306,500	\$307
	1106 E Yuma St	6/7/2024	2024	2	\$750,000	\$375,000	\$341
Average		2024	2	\$752,167	\$376,083	\$331	

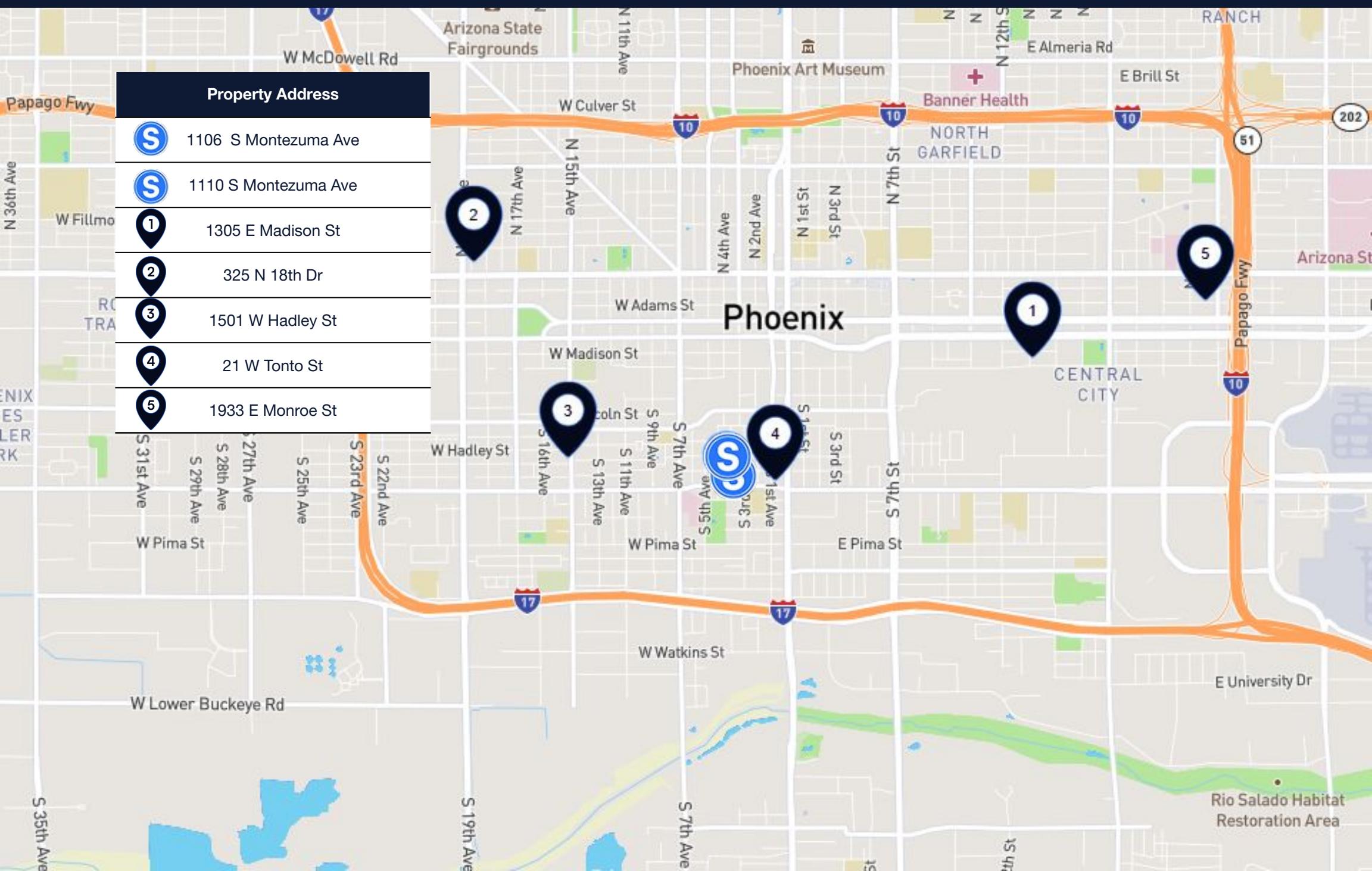
SALES COMPARABLES MAP



RENT COMPARABLES

Property Address	Year Built	Unit Mix	Avg Unit Size	Rent Per Unit	Rent Per SF
 1106 S Montezuma Ave	2021	2x1	±550 SF	\$1,575	\$2.86
 1110 S Montezuma Ave	2021	2x1	±550 SF	\$1,575	\$2.86
 1305 E Madison St	2025	2x2	±1,062 SF	\$1,895	\$1.78
 325 N 18th Dr	1926	2x1	±573 SF	\$1,500	\$2.62
 1501 W Hadley St	1941	2x1	±500 SF	\$1,195	\$2.39
 21 W Tonto St	1956	1x1	±600 SF	\$1,295	\$2.16
 1933 E Monroe St	2024	2x1	±1,273 SF	\$1,850	\$1.45
Average	1962		±801 SF	\$1,547	\$2.08

RENT COMPARABLES MAP



MARKET OVERVIEW

1106 & 1110 S Montezuma Ave
Phoenix, AZ 85003



PHOENIX, AZ

Market Demographics



1.62 M
Total Population

\$77,000
Median HH Income

601,000
of Households

57.1%
Homeownership Rate

825,000
Employed Population

32.3%
% Bachelor's Degree

34.8
Median Age

\$381,900
Median Property Value

Local Market Overview

The properties at 1106 & 1110 S. Montezuma Ave are located in South Phoenix, a centrally positioned neighborhood with convenient access to Downtown Phoenix, South Mountain Park, and major arterial roadways. The area benefits from nearby employment centers, retail corridors, and public transit, making it attractive for residential and infill development. South Phoenix has experienced increased investment in recent years due to its proximity to the urban core, contributing to steady demand and ongoing neighborhood revitalization.

Phoenix offers a wide range of activities for residents and visitors. Outdoor enthusiasts can explore Camelback Mountain, Papago Park, and the Desert Botanical Garden, while golf courses and hiking trails provide recreation year-round. The city has a thriving arts and culture scene, with museums, theaters, and music venues throughout downtown. Sports fans can watch professional teams in basketball, football, baseball, and hockey. Phoenix is also known for its diverse food scene, featuring Southwestern, Mexican, and international cuisine. Annual events like the Arizona State Fair and the Phoenix Open golf tournament bring entertainment and tourism to the city.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	16,734	114,893	342,247
Current Year Estimate	14,998	108,358	338,485
2020 Census	11,793	98,135	331,943
Growth Current Year-Five-Year	11.57%	6.03%	1.11%
Growth 2020-Current Year	27.18%	10.42%	1.97%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	7,627	49,256	132,604
Current Year Estimate	6,033	43,454	125,983
2020 Census	3,500	33,453	109,764
Growth Current Year-Five-Year	26.42%	13.35%	5.25%
Growth 2020-Current Year	72.34%	29.90%	14.78%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$77,111	\$87,609	\$89,859

PHOENIX, ARIZONA MSA

The Phoenix-Mesa-Scottsdale MSA is one of the fastest-growing metropolitan areas in the United States, with a current population exceeding 5.1 million and strong annual in-migration driving robust demand across all major property sectors. The region's diversified economy, pro-business climate, and consistent job and income growth continue to make it a premier destination for real estate investment.

5.19M

Total Phoenix MSA
Population

1.7%

Annual Population Growth
(2020-2025)

\$398B

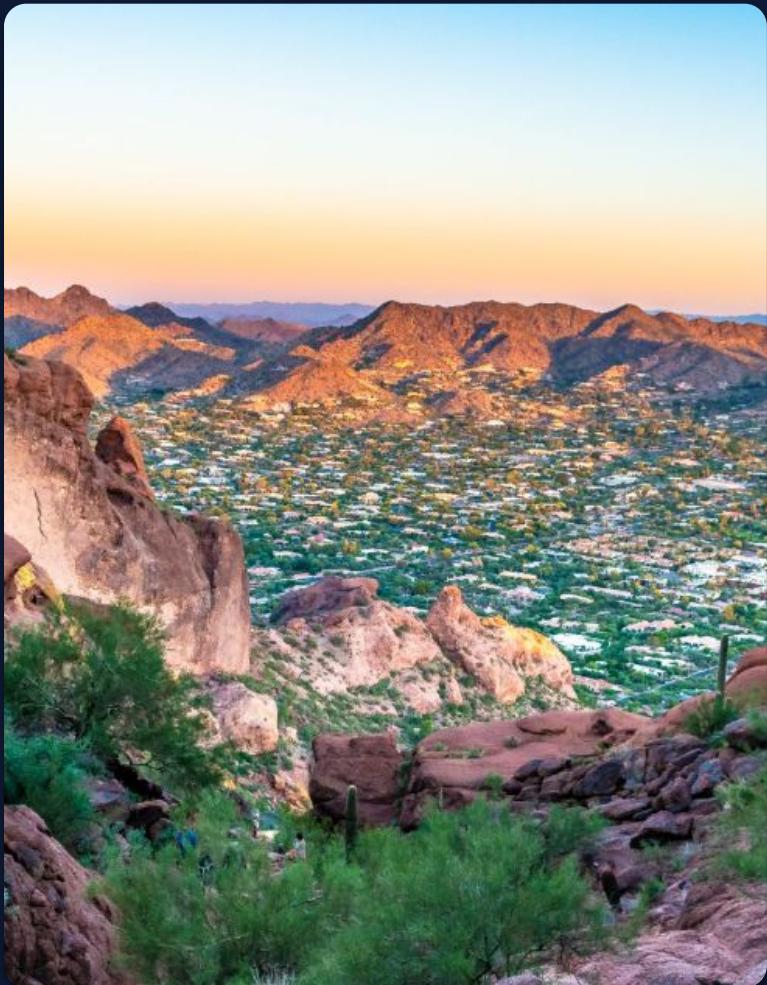
Gross Domestic Product
(GDP) in 2023

1.6%

Annual Employment Growth
(2023-2024)



PHOENIX - THE SOUTHWEST'S DESTINATION FOR DYNAMIC GROWTH



Phoenix MSA Accolades & Rankings

#10

Largest MSA in the U.S.
- U.S. Census Bureau

#4

Best Performing Cities in
the U.S.
- Milken Institute (2022)

#1

Top Growth Metro In
U.S. 2020-2020

#3

Best U.S. Metro for
Manufacturing
- Niche

#14

Highest GDP (\$398B)
Among U.S. Metros
- BEA

#1

Largest MSA in the state
of Arizona
- U.S. Census Bureau

#4

Largest population
growth in the U.S.
- AZ Big Media

#7

Best startup cities in
America
- AZ Big Media

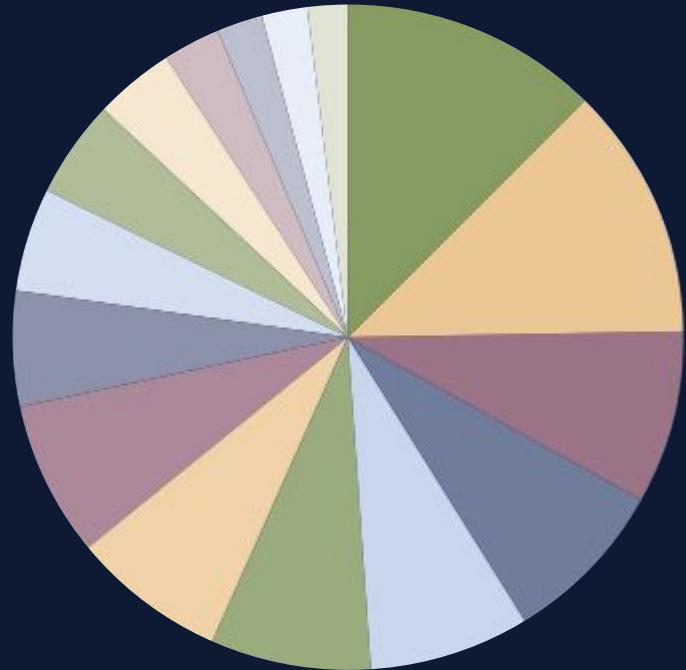
Phoenix has consistently ranked as one of the top locations in the United States, offering a dynamic mix of economic opportunities, cultural richness, and lifestyle benefits that appeal to both individuals and businesses. The city's thriving job market—anchored by major employers in technology, healthcare, education, and manufacturing—continues to draw a highly skilled workforce and supports ongoing population growth.

Here's what makes Phoenix stand out as a premier destination:

Rapid Economic Growth | Lifestyle Affordability | Booming Population and Energy | Connectivity and Infrastructure Environmental Innovation | Support for Entrepreneurs | Education Excellence | Outdoor Adventure and Recreation Resilient Housing and Business Markets

SOARING HIGH AS A HUB FOR GROWTH AND INNOVATION

The Phoenix MSA economy is one of the most dynamic in the United States, fueled by a diverse range of industries, including technology, advanced manufacturing, healthcare, and renewable energy. With a GDP of approximately \$362.1 billion, the region stands as a significant economic force, ranking among the top metro areas for business growth and investment potential. Phoenix's rapid population growth, strategic location in the Southwest, and business-friendly climate consistently attract both Fortune 500 companies and startups, solidifying its reputation as a hub for innovation and economic development.



12.30% HEALTH CARE	5.57% ADMIN & SUPPORT
12.00% RETAIL	5.03% TRANSPORTATION
8.28% EDUCATION	4.44% OTHER SERVICES
7.85% MANUFACTURING	3.99% PUBLIC ADMIN
7.67% FINANCE	2.53% REAL ESTATE
7.61% CONSTRUCTION	2.33% WHOLESALE TRADE
7.57% PROFESSIONAL	2.14% ARTS/ENTERTAINMENT
7.13% ACCOMMODATION	1.77% INFORMATION

\$398 Billion

Gross Domestic Product (2022)

12.7% Growth

In Employment Since 2020



Arizona State University (ASU) stands as a leader in innovation, academic excellence, and student engagement. Recognized as the #1 Most Innovative School in the U.S. by U.S. News & World Report for nine consecutive years, ASU is redefining the role of a modern public research university. With a diverse student body of over 181,000 learners across its physical and online campuses—including approximately 56,600 students at the Tempe campus—ASU is one of the largest universities in the country. The institution offers more than 400 undergraduate majors and 450+ graduate degree options, spanning areas such as engineering, sustainability, business, journalism, and the arts. ASU is also home to the Fulton Schools of Engineering, one of the largest engineering schools in the nation.

Set in Tempe—part of the fast-growing Phoenix metro area—ASU provides students access to a dynamic urban environment rich in opportunity. The university's strong ties to global corporations, startups, and public institutions give students direct pathways to internships, research, and employment. Beyond academics, ASU boasts over 1,000 student clubs and organizations, a competitive Pac-12 athletics program, and a campus culture rooted in inclusivity and entrepreneurship. Students can explore career-shaping opportunities, attend major cultural events, or paddleboard on nearby Tempe Town Lake. Guided by its charter to measure success by whom it includes and how they succeed, ASU is producing forward-thinking leaders who are prepared to tackle complex global challenges and shape the future.

181,000+
NUMBER OF STUDENTS

#61
IN NATIONAL UNIVERSITIES



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Exclusively Listed



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1106 & 1110 S Montezuma Ave | Phoenix, AZ 85003

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at 1106 & 1110 S Montezuma Ave | Phoenix, Az 85003 ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews™. The material and information in the Offering Memorandum is unverified. Matthews™, has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

Matthews Real Estate Investment Service™, is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any entity's name or logo, including any commercial tenant's name or logo, is informational only and does not indicate or suggest any affiliation and/or endorsement of Matthews™, the property, or the seller by such entity.

Owner and Matthews™, expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews™, or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

Net Lease Disclaimer – There are many different types of leases, including gross, net, single net ("N"), double net ("NN"), and triple net ("NNN") leases. The distinctions between different types of leases or within the same type of leases, such as "Bondable NNN," "Absolute NNN," "True NNN," or other NNN leases, are not always clear. Labels given to different leases may mean different things to different people and are not defined legal terms. Buyers cannot rely on the labels or marketing descriptions given to any lease when making their purchasing decisions. Buyers must closely review all lease terms and are advised to seek legal counsel to determine the landlord and tenant's respective rights and duties under the lease to ensure the lease, regardless of how labeled or described, meets the buyers' particular needs.

Apollo OM Template Section

DO NOT DELETE THESE PAGES!!

Use the export to PDF feature and make sure that you've created a Box folder for that proposal in Atlas

[Multifamily OM Template](#)

Financial Summary

\$000,000

List Price

\$000,000

Price Per Unit

\$000,000

Price Per SF

0,000

Avg Unit Size (SF)

00.00%

Cap Rate

Unit Mix

Unit Mix	Unit Count	Unit SF	Total SF	Current Rent	Current \$/SF	Current Monthly Rent	Market Rent	Market \$/SF	Market Monthly Rent
Eff.	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
Studio	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
0	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
1+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+1	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
2+2	34	1,194	40,588	\$1,028	\$0.86	\$34,949.00	\$1,107	\$0.93	\$37,646
3+1	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+1.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+2	70	1,185	82,916	\$1,177	\$0.99	\$82,408.00	\$1,268	\$1.07	\$88,728
3+2.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
3+3	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+2	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+2.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+3	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+3.5	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
4+4	0	0	0	\$0	\$0.00	\$0.00	\$0	\$0.00	\$0
Total/Average	104	1,188	123,504.00	\$1,128	\$0.95	\$117,357.00	\$2,374.80	\$1.02	\$126,374.85

Cash Flow

Operating Data	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Income											
Gross Potential Rent	\$1,516,498	\$1,561,993	\$1,608,853	\$1,657,119	\$1,706,832	\$1,758,037	\$1,810,778	\$1,865,101	\$1,921,055	\$1,978,686	\$2,038,047
Renovation Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss/Gain to Lease	(\$15,165)	(\$15,620)	(\$16,088)	(\$16,571)	(\$17,068)	(\$17,580)	(\$18,108)	(\$18,651)	(\$19,211)	(\$19,787)	(\$20,380)
Gross Potential Income	\$1,501,333	\$1,546,373	\$1,592,764	\$1,640,547	\$1,689,764	\$1,740,457	\$1,792,670	\$1,846,450	\$1,901,844	\$1,958,899	\$2,017,666
Less Vacancy	(\$75,283)	(\$77,319)	(\$79,638)	(\$82,027)	(\$84,488)	(\$87,023)	(\$89,634)	(\$92,323)	(\$95,092)	(\$97,945)	(\$100,883)
Less Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Change in Delinquency	(\$15,165)	(\$15,620)	(\$16,088)	(\$16,571)	(\$17,068)	(\$17,580)	(\$18,108)	(\$18,651)	(\$19,211)	(\$19,787)	(\$20,380)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utility Reimbursement (Water/Trash/Other)	\$39,458	\$40,642	\$41,861	\$43,117	\$44,411	\$45,743	\$47,116	\$48,529	\$49,985	\$51,485	\$53,030
Effective Gross Income	\$1,410,343	\$1,452,654	\$1,496,233	\$1,541,120	\$1,587,354	\$1,634,974	\$1,684,024	\$1,734,544	\$1,786,581	\$1,840,178	\$1,895,383
Expenses											
Property Management Fee	\$54,614	\$58,106	\$59,849	\$61,645	\$63,494	\$65,399	\$67,361	\$69,382	\$71,463	\$73,607	\$75,815
Real Estate Taxes	\$124,001	\$130,201	\$136,711	\$143,546	\$150,724	\$158,260	\$166,173	\$174,482	\$183,206	\$192,366	\$201,984
Insurance	\$154,000	\$159,000	\$163,988	\$169,028	\$172,900	\$176,500	\$180,012	\$185,435	\$190,071	\$194,823	\$199,693
Payroll	\$106,000	\$106,000	\$109,265	\$111,997	\$114,797	\$117,669	\$120,612	\$123,628	\$126,719	\$129,886	\$133,133
General and Administrative	\$15,000	\$15,690	\$16,390	\$16,799	\$17,302	\$17,810	\$18,092	\$18,649	\$19,209	\$19,785	\$19,999
Landscaping/Grounds	\$10,000	\$10,460	\$10,927	\$11,100	\$11,347	\$11,598	\$11,854	\$12,115	\$12,381	\$12,652	\$12,928
Contract Services	\$7,800	\$7,995	\$8,198	\$8,406	\$8,620	\$8,838	\$9,062	\$9,291	\$9,526	\$9,766	\$10,013
Turnover	\$21,200	\$21,621	\$22,053	\$22,492	\$22,939	\$23,393	\$23,854	\$24,323	\$24,800	\$25,284	\$25,776
Repairs & Maintenance	\$28,700	\$29,395	\$30,103	\$30,755	\$31,503	\$32,262	\$33,031	\$33,812	\$34,602	\$35,404	\$36,216
Electricity	\$29,768	\$30,541	\$31,324	\$32,206	\$33,122	\$34,057	\$35,010	\$35,980	\$36,970	\$37,979	\$39,008
Water/Sewer	\$104,500	\$108,000	\$110,000	\$113,000	\$111,998	\$114,797	\$117,667	\$120,609	\$123,626	\$126,715	\$129,883
Trash Removal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Utilities/Fuel/Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing/Advertising	\$5,200	\$5,350	\$5,463	\$5,740	\$5,883	\$6,030	\$6,181	\$6,336	\$6,494	\$6,656	\$6,656
Reserves	\$36,400	\$37,492	\$38,617	\$39,776	\$40,969	\$42,198	\$43,463	\$44,765	\$46,104	\$47,481	\$48,895
Total Expenses	\$693,865	\$729,350	\$764,034	\$801,176	\$780,917	\$804,581	\$829,954	\$856,153	\$883,104	\$910,827	\$939,339
Net Operating Income	\$716,479	\$723,304	\$732,199	\$739,944	\$806,437	\$830,393	\$854,070	\$878,391	\$903,476	\$929,351	\$956,044
Debt Service	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)	(\$425,120)
Interest Payments	(\$425,120)	(\$419,293)	(\$413,694)	(\$407,316)	(\$400,139)	(\$392,148)	(\$383,323)	(\$373,647)	(\$363,098)	(\$351,652)	(\$339,280)
Net Cash Flow After DS	\$291,359	\$298,184	\$307,079	\$314,824	\$381,317	\$405,273	\$428,950	\$453,271	\$478,356	\$504,231	\$530,924
Debt Coverage Ratio	1.40x	1.44x	1.48x	1.52x	1.67x	1.72x	1.77x	1.82x	1.87x	1.92x	1.97x

Financials (Historical)

Financials (Historical)	T-1	T-3	T-6	T-9	T-12
Gross Potential Rent	\$1,404,348	\$1,420,896	\$1,398,328	\$1,352,716	\$1,332,731
Gross Potential Rent	\$1,404,348	\$1,420,896	\$1,398,328	\$1,352,716	\$1,332,731
Financials (Historical)	T-1	T-3	T-6	T-9	T-12
Real Estate Taxes	\$115,819	\$115,819	\$115,819	\$115,819	\$115,819
Property Management Fee	\$0	\$0	\$0	\$0	\$0
Insurance	\$155,000	\$155,000	\$155,000	\$155,000	\$155,000
Payroll	\$76,800	\$76,800	\$76,800	\$76,800	\$76,800
General and Administrative	\$7,717	\$7,717	\$7,717	\$7,717	\$7,717
Contract Services	\$27,049	\$27,049	\$27,049	\$27,049	\$27,049
Landscaping/Grounds	\$7,200	\$7,200	\$7,200	\$7,200	\$7,200
Turnover	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$23,233	\$23,233	\$23,233	\$23,233	\$23,233
Electricity	\$29,202	\$29,202	\$29,202	\$29,202	\$29,202
Water/Sewer	\$99,475	\$99,475	\$99,475	\$99,475	\$99,475
Total Expenses	\$541,494	\$541,494	\$541,494	\$541,494	\$541,494
Net Operating Income	\$862,854	\$879,402	\$856,834	\$811,222	\$791,237
Cap Rate	9.08%	9.26%	9.02%	8.54%	8.33%

Financial Summary

Annual Operating Summary

Category	Total	Per Unit	Proforma	Per Unit	Year 3 Stabilized	Per Unit
Gross Potential Rent	\$353,880		\$403,200	Market Rent	\$427,755	21%
Less Vacancy	-\$17,694	-5.00%	-\$20,160	-5.0%	-\$21,388	-5.0%
Loss/Gain to Lease	\$0	0.00%	-\$46,368	-11.5%	-\$12,833	-3.0%
Less Change in Delinquency	\$0	0.00%	-\$2,016	-0.5%	-\$2,139	-0.5%
Gross Operating Income	\$336,186		\$334,656		\$391,396	
Expenses	\$138,652	39.2%	\$144,549	40.74%	\$154,653	37.47%
Net Operating Income	\$197,534	\$6,173	\$190,107	\$5,941	\$236,743	\$7,398
Loan Payments	\$145,592		\$145,592		\$145,592	
Pre-Tax Cash Flow	\$51,942	6.2%	\$44,514	5.27%	\$91,150	10.79%
Plus Principal Reduction	\$23,090		\$23,090		\$23,090	
Total Return Before Taxes	\$75,032	8.88%	\$67,605	8.01%	\$114,241	13.53%

Financial Summary

Pro Forma Annual Operating Summary

Category	Pro Forma Estimates	% of Current SGI	Total	Per Unit	Pro Forma	Per Unit	Year 3 Stabilized	Per Unit	% of SGI
Real Estate Taxes	% of Purchase Price	8.55%	\$30,245	\$945	\$41,379	\$1,293	\$43,474	\$1,359	10.2%
Property Management Fee	7.0% × GOI	8.30%	\$29,368	\$918	\$23,426	\$732	\$27,398	\$856	6.4%
Insurance	\$700.00 Per Unit	6.40%	\$22,652	\$708	\$22,400	\$700	\$23,534	\$735	5.5%
Repairs & Maintenance	\$500.00 Per Unit	8.95%	\$31,683	\$990	\$16,000	\$500	\$16,810	\$525	3.9%
Turnover	\$200.00 Per Unit	0.00%	\$0	\$0	\$6,400	\$200	\$6,724	\$210	1.6%
Electricity	\$0.02 × Over Actual	0.56%	\$1,985	\$62	\$2,025	\$63	\$2,127	\$66	0.5%
Water and Sewer	\$0.02 × Over Actual	2.84%	\$10,056	\$314	\$10,257	\$321	\$10,776	\$337	2.5%
Trash Removal	\$0.02 × Over Actual	1.40%	\$4,963	\$155	\$5,062	\$158	\$5,319	\$166	1.2%
Contract Services	\$200.00 Per Unit	1.81%	\$6,420	\$201	\$6,400	\$200	\$6,724	\$210	1.6%
General Administration	\$150.00 Per Unit	0.36%	\$1,280	\$40	\$4,800	\$150	\$5,043	\$158	1.2%
Reserves	\$200.00 Per Unit	0.00%	\$0	\$0	\$6,400	\$200	\$6,724	\$210	1.6%
Total Expenses	41.24%		\$138,652	\$4,333	\$144,549	\$4,517	\$154,653	\$4,833	36.2%
			Current	Per Unit	% of SGI				
Non-controllable expenses: Taxes, Ins., Reserves			\$62,953	\$1,967	15.6%				
Total Expense without Taxes & Reserves			\$108,407	\$3,388	26.89%				

Rent Roll

Rent Assumptions							
Unit Mix	Unit #	# of Units	SF	Current Rent	Current Rent/SF	Market Rent	Market Rent/SF
2+1.5	1	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	2	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	3	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	4	1	800	\$825	\$1.03	\$1,050	\$1.31
2+1.5	5	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	6	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	7	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	8	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	9	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	10	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	11	1	800	\$950	\$1.19	\$1,050	\$1.31
2+1.5	12	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	13	1	800	\$875	\$1.09	\$1,050	\$1.31
2+1.5	14	1	800	\$940	\$1.18	\$1,050	\$1.31
2+1.5	15	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	21	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	22	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	23	1	800	\$975	\$1.22	\$1,050	\$1.31
2+1.5	24	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	25	1	800	\$950	\$1.19	\$1,050	\$1.31
2+1.5	26	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	27	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	28	1	800	\$1,050	\$1.31	\$1,050	\$1.31
2+1.5	29	1	800	\$875	\$1.09	\$1,050	\$1.31
2+1.5	30	1	800	\$925	\$1.16	\$1,050	\$1.31
2+1.5	31	1	800	\$900	\$1.13	\$1,050	\$1.31
2+1.5	32	1	800	\$825	\$1.03	\$1,050	\$1.31

Sales Comparables

Two Bedroom

	Property Name	Address	Zip Code	Year Built	Units	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
	Subject Property	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	\$11,028	\$0.94
	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	\$1,000	\$1.05
	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	\$1,000	\$1.13

Three Bedroom

	Property Name	Address	Zip Code	Year Built	Units	Unit Mix	Avg Unit Size (SF)	Rent Per Unit	Rent PSF
	Subject Property	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	\$11,028	\$0.94
	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	\$1,000	\$1.05
	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	\$1,000	\$1.13