



ONLINE AUCTION

Starting Bid: \$750,000
Auction Dates: October 28-30, 2024
[CLICK TO VIEW AUCTION WEBSITE](#)

THE OFFERING PROCESS

An online auction event will be conducted on RealINSIGHT Marketplace in accordance with the Sale Event Terms and Conditions (<https://rimarketplace.com/sale-event-terms>). ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

DUE DILIGENCE

Due diligence materials are available to qualified prospective bidders via an electronic data room hosted by RealINSIGHT Marketplace. Prospective bidders will be required to electronically execute a confidentiality agreement prior to being allowed access to the materials. All due diligence must be conducted prior to signing the purchase and sale agreement. You may contact the sales advisors with any due diligence questions.

BUYER QUALIFICATION

Prospective bidders will be required to register with RealINSIGHT Marketplace to bid. Each bidder will be required to provide current contact information, submit proof of funds up to the full amount they plan to bid, and agree to the Auction Terms and Conditions. In order to participate in an auction, the Seller requires bidders to provide proof of their liquidity in an amount of at least their anticipated maximum bid for those assets they wish to bid on. Such liquidity must be in the form of cash, or cash equivalents, and must be available immediately without restriction.

Generally, recent bank statements, brokerage account statements, or bank letters are acceptable. A line of credit statement may be acceptable only if it is already closed and in place, has undrawn capacity, and may be funded immediately without bank approval. Loan pre-approval letters, term sheets, and the like, where the loan would be collateralized by the property up for auction and funded at escrow closing, are NOT acceptable. Capital call agreements, investor equity commitments, and the like, are evaluated on a case-by-case basis. The acceptance of any proof of funds documents are made at the sole and absolute discretion of RealINSIGHT Marketplace. For further information, please visit the Bidder Registration FAQ (<https://rimarketplace.com/faq>).

AUCTION DATE

The Auction end date is set for October 28-30, 2024

RESERVE AUCTION

This will be a reserve auction, and the Property will have a reserve price ("Reserve Price"). The starting bid is not the Reserve Price. The seller can accept or reject any bid. All bidders agree to execute the non-negotiable purchase and sale agreement, which will be posted to the electronic data room prior to bidding commencement, should they be awarded the deal. By submitting an Offer on a Property, Participant is deemed to have accepted any additional terms and conditions posted on the Property's details page on the Website ("Property Page") at the time the Offer was submitted, and such terms and conditions govern and control over these Terms to the extent of any conflict.

CLOSING

Following the auction, the winning bidder will be contacted by phone and email to go over specifics of the sale, including the execution of the purchase agreement and all documentation involved in the purchase. The winning bidder must be available by telephone within two hours of the sale. More information can be found on the RealINSIGHT Marketplace website.



DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap Real Estate Investment Services of Florida, Inc. ("Marcus & Millichap") and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Marcus & Millichap makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable. Marcus & Millichap encourages all buyers to seek counsel from their attorney and accountant prior to submitting an offer on this asset due to the asset being in non-compliance with the Extended Low-Income Housing Agreement.

NON-ENDORSEMENTS

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.

PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information.

References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2023 Marcus & Millichap. All rights reserved.

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TOURS & SCHEDULES

VISITS & COMMUNICATION

SP Multifamily Group of Marcus & Millichap invites qualified investors to learn more about Hatton House by reviewing this confidential offering memorandum and touring the community. All communications, inquiries, and requests should be addressed to the deal team contacts outlined to the left, as representatives of the Seller. In order to avoid disrupting the Property's ongoing operations, do not contact on-site management, residents, or any personnel at the property.

SCHEDULE A PROPERTY TOUR

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OFFER SUBMISSION

Please direct offers to all team members on this page. We request that offers be submitted in the form of a non-binding Letter of Intent, identifying the significant terms and conditions of the Bidder's offer including, but not limited to, the following: **1)** asset pricing, **2)** earnest money deposits, **3)** due diligence and closing time frames and **4)** a description of the debt and equity structure. The Seller is desirous of negotiating with a qualified Buyer that can offer the most beneficial combination of price and terms. The Seller retains the right to modify the sale/marketing process at any time.

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FINANCIAL
ANALYSIS



INVESTMENT HIGHLIGHTS

WELL-MAINTAINED LIHTC PROPERTY IN NORTH FLORIDA

- 76-Unit Age Restricted Low Income Housing Property Located in Heart of Sneads, FL with Direct Proximity to US Highway 90, Snead's Main Thoroughfare.
- Hatton House's Rent Restrictions are Based on tenant income at 35%, 60% and 100% of AMI, and requires 80% of the property is rented to 55+
- Currently, The Average of In-place Leases Is More Than \$200 Below The Max Allowable Rents, Allowing a New Investor The Ability To Obtain Rental Increases As Leases Turn
- Since March 2024, Hatton House has received renovations to the common area with new Wainscot, Vinyl Plank Flooring, Interior Paint, And Several Units Received an Interior Renovation
- Amenities Include Clubhouse, Common Area Bathrooms, Four Laundry Facilities, Library, Coffee Room, Gym, Elevator, Community Kitchen, And an Indoor Swimming Pool With Retractable Roof

CLOSE PROXIMITY TO ALL OF SNEADS, FL

- 1-Minute to Dollar General
- 2-Minutes to Sneads High School
- 2-Minutes to Sneads City Hall
- 2-Minutes to Sneads Pharmacy
- 2-Minutes to Piggly Wiggly Grocery Store
- 2-Minutes to Family Dollar
- 2-Minutes to Adam Tucker Wilson City Park
- 2-Minutes to Johnny Macs Wood Fire Grill
- 4-Minutes to Sneads Elementary School
- 4-Minutes to Sneads Park and the Seminole Lodge & Marina
- 4-Minutes to Apalachee Correctional Institute
- 7-Minutes to Chattahoochee River Landing Park
- 8-Minutes to Three Rivers State Park

IN-PLACE AMENITY PACKAGE



INDOOR POOL



FITNESS CENTER



LAUNDRY ROOM



CLUBHOUSE & LOUNGE



PATIOS (SELECT UNITS)



VITAL PROPERTY DATA

PROPERTY OVERVIEW

PROPERTY NAME	Hatton House
PROPERTY ADDRESS	2045 3 rd Avenue
CITY, STATE	Sneads, FL
COUNTY	Jackson County
ASSESSOR'S PARCEL NUMBER	27-4N-07-0000-0040-0030
TOTAL NUMBER UNITS	76 Units
UNIT MIX	1x1 (72.4%), 2x2 (27.6%)
RENTABLE SQUARE FEET	52,000 SF +/-
NUMBER OF BUILDINGS	One (1)
NUMBER OF STORIES	Two
YEAR BUILT	2001
LOT SIZE	10.07 Acres +/-
DENSITY (UNITS/ACRE)	7.55 +/- Units Per Acre
FINANCING	Free and Clear
AGE RESTRICTION	55+ (61 Units)
RENT RESTRICTIONS	Section 42 (LIHTC)

UNIT MIX SUMMARY

UNIT TYPE	UNITS	% OF TOTAL	UNIT SIZE (SF)	TOTAL SF
1x1	55	72%	610	33,550
2x2	13	17%	850	11,050
2x2 w/ Patio	8	11%	925	7,400
WTD. AVG.	76	100%	684	52,000

CONSTRUCTION OVERVIEW

FOUNDATION	Concrete Slab
FRAMING	Metal Frame/Block
EXTERIOR	Brick/Vinyl Siding
ROOFING	Pitched - Asphalt Shingle (Replaced between 2-4 years ago)
HVAC	Central AC
ELECTRICAL WIRING	Copper
PLUMBING (SUPPLY/DRAIN)	PVC/PVC
PLUMBING (INTERIOR)	Copper

UTILITY INFORMATION

WATER/SEWER	Landlord Responsibility
TRASH REMOVAL	Landlord Responsibility
ELECTRICITY	Landlord Responsibility
GAS	Landlord Responsibility
INTERNET/CABLE	Tenant Responsibility

PROPERTY RESTRICTIONS

AGE RESTRICTIONS	55+ for 61 Units (80%)
35% OF AMI RENT RESTRICTIONS	12 Units (15%)
35% MAX ALLOWABLE RENTS	\$508 For 1x1s, \$609 for 2x2s
60% OF AMI RENT RESTRICTIONS	56 Units (74%)
60% MAX ALLOWABLE RENTS	\$871 For 1x1s, \$1,045 for 2x2s
MARKET RATE UNITS	8 Units (11%)

SECTION 42 (LIHTC) RESTRICTIONS

PROPERTY FLOORPLANS

SUMMARY OF RESTRICTIONS

Hatton House Apartments operates as a Section 42 Low Income Housing Tax Credit Property and rents to tenants pursuant to rent and income restrictions as outlined within the property's Low Income Housing Agreement. Additionally, the property is age restricted and is required to rent 61 units to tenants who are 55+. Currently, the property is not in compliance with the Extended Low-Income Housing Agreement and a new buyer will be required to bring the property back into compliance upon takeover. Marcus & Millichap encourages all buyers to seek counsel from their attorney and accountant prior to submitting an offer on this asset due to the asset being in non-compliance with the Extended Low-Income Housing Agreement.

Extended Low-Income Housing Agreement

Effective Date: 2002
Last Year of Restrictions: 2052

INCOME LIMITS FOR 2024 – JACKSON COUNTY, FL

# OF PEOPLE	35% - Rural	60% - Rural
1 Person	\$18,970	\$32,250
2 People	\$21,700	\$37,200
3 People	\$24,395	\$41,280
4 People	\$27,090	\$46,440
5 People	\$29,260	\$50,160
6 People	\$31,430	\$53,880
7 People	\$33,600	\$57,600
8 People	\$35,770	\$61,320
9 People	\$37,926	\$65,016
10 People	\$40,093	\$68,731

RENT RESTRICTIONS – HATTON HOUSE

Tenant Income Level	Number of Units
Tenants earning no more than 60% of AMI	74% (56 Units)
Tenants earning no more than 35% of AMI	15% (12 Units)
Tenants with at any income level, no restrictions	11% (8 Units)
Tenants with an age 55+	80% (61 Units)

RENT LIMITS FOR 2024 – JACKSON COUNTY, FL

UNIT TYPE	35% - Rural	60% - Rural
One-Bedroom	\$508	\$871
Two-Bedroom	\$609	\$1,045

The Max Allowable Rents and Income Limits are those published in the USDA – Eligible Rural Address Document for 2024 (Provided in Due Diligence Room). Please click the below link to reference the USDA – Address Eligibility Map.

[USDA – Address Eligibility Map](#)

ONE-BEDROOM/ONE-BATHROOM 610 SQ.FT.



TWO-BEDROOM/TWO-BATHROOM 850 SQ.FT.









MARKET OVERVIEW
SECTION TWO

02

Marcus & Millichap
SP MULTIFAMILY GROUP

MARKET OVERVIEW | LOCAL DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Population	1,186	4,551	7,357
2023 Estimate			
Total Population	1,178	4,511	7,305
2020 Census			
Total Population	1,175	4,513	7,295
2010 Census			
Total Population	1,246	4,804	7,980
Daytime Population			
2023 Estimate	691	2,603	4,692

HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2028 Projection			
Total Households	547	1,201	2,200
2023 Estimate			
Total Households	537	1,176	2,166
Average (Mean) Household Size	2.2	2.3	2.3
2020 Census			
Total Households	532	1,164	2,149
2010 Census			
Total Households	535	1,171	2,228
Growth 2023-2028	1.9%	2.1%	1.6%

HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2028 Projection	641	1,397	2,598
2023 Estimate	632	1,374	2,565
Owner Occupied	368	858	1,569
Renter Occupied	169	318	597
Vacant	95	199	400

Persons in Units	1 Mile	3 Miles	5 Miles
2023 Estimate Total Occupied Units	537	1,176	2,166
1 Person Units	35.8%	32.7%	32.1%
2 Person Units	32.0%	33.2%	34.7%
3 Person Units	15.8%	16.5%	15.9%
4 Person Units	10.4%	11.1%	10.4%
5 Person Units	4.3%	4.6%	4.5%
6+ Person Units	1.5%	2.0%	2.4%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2023 Estimate			
\$200,000 or More	5.8%	4.2%	3.5%
\$150,000-\$199,999	0.7%	1.1%	1.9%
\$100,000-\$149,999	10.0%	10.0%	9.6%
\$75,000-\$99,999	12.1%	12.1%	11.6%
\$50,000-\$74,999	21.7%	21.0%	21.6%
\$35,000-\$49,999	17.2%	15.9%	15.2%
\$25,000-\$34,999	11.2%	11.9%	11.4%
\$15,000-\$24,999	10.4%	10.9%	11.2%
Under \$15,000	10.8%	13.0%	13.9%
Average Household Income	\$78,217	\$70,846	\$68,904
Median Household Income	\$50,383	\$47,414	\$47,877
Per Capita Income	\$53,460	\$24,160	\$24,336

POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population by Age			
2023 Estimate Total Population	1,178	4,511	7,305
Under 20	14.2%	14.1%	16.3%
20 to 34 Years	24.2%	24.5%	21.3%
35 to 39 Years	9.2%	9.2%	7.9%
40 to 49 Years	18.4%	18.4%	16.4%
50 to 64 Years	19.4%	19.5%	20.6%
Age 65+	14.5%	14.4%	17.4%
Median Age	41.2	41.2	42.7

Population 25+ by Education Level	1 Mile	3 Miles	5 Miles
2023 Estimate Population Age 25+	929	3,561	5,647
Elementary (0-8)	5.6%	5.5%	5.6%
Some High School (9-11)	19.4%	19.4%	16.7%
High School Graduate (12)	36.4%	36.5%	37.1%
Some College (13-15)	22.9%	23.1%	22.7%
Associate Degree Only	6.5%	6.3%	6.7%
Bachelor's Degree Only	6.2%	6.1%	7.7%
Graduate Degree	3.1%	3.1%	3.4%

Population by Gender	1 Mile	3 Miles	5 Miles
2023 Estimate Total Population	1,178	4,511	7,305
Male Population	68.5%	69.3%	62.7%
Female Population	31.5%	30.7%	37.3%

FLORIDA IS THRIVING



#1 JOB MARKET

#3 MOST POPULOUS STATE

#1 FASTEST GROWING STATE IN THE NATION

RECORD NUMBER OF TOURISTS TRAVELING TO FLORIDA

6 OF NATION'S TOP 20 HOTTEST RENTAL MARKETS ARE IN FLORIDA

Florida had the highest positive net migration of any state **for the second year in a row** adding over **249,000 people to its population in 2022** - *Orlando Biz Journal, Oct 2023*

Estimates show that Florida's population grew by **more than 700,000 or 3.3%** between April 2020 and July 2022, **more than five times the national average** - *U.S. Census Bureau*



POPULATION

In 2023, the population in your selected geography is 7,305. The population has changed by -8.46 percent since 2010. It is estimated that the population in your area will be 7,357 five years from now, which represents a change of 0.7 percent from the current year. The current population is 62.7 percent male and 37.3 percent female. The median age of the population in your area is 42.7, compared with the U.S. average, which is 38.7. The population density in your area is 93 people per square mile.



HOUSEHOLDS

There are currently 2,166 households in your selected geography. The number of households has changed by -2.78 percent since 2010. It is estimated that the number of households in your area will be 2,200 five years from now, which represents a change of 1.6 percent from the current year. The average household size in your area is 2.3 people.



INCOME

In 2023, the median household income for your selected geography is \$47,877, compared with the U.S. average, which is currently \$68,480. The median household income for your area has changed by 27.13 percent since 2010. It is estimated that the median household income in your area will be \$56,298 five years from now, which represents a change of 17.6 percent from the current year.

The current year per capita income in your area is \$24,336, compared with the U.S. average, which is \$39,249. The current year's average household income in your area is \$68,904, compared with the U.S. average, which is \$100,106.



EMPLOYMENT

In 2023, 2,761 people in your selected area were employed. The 2010 Census revealed that 54.8% of employees are in white-collar occupations in this geography, and 21.4% are in blue-collar occupations. In 2023, unemployment in this area was 3.0%. In 2010, the average time traveled to work was 25-minutes.



HOUSING

The median housing value in your area was \$121,987 in 2023, compared with the U.S. median of \$268,796. In 2010, there were 1,653 owner-occupied housing units and 576 renter-occupied housing units in your area.



EDUCATION

The selected area in 2023 had a lower level of educational attainment when compared with the U.S. averages. Only 3.4 percent of the selected area's residents had earned a graduate degree compared with the national average of 12.7 percent, and 7.7 percent completed a bachelor's degree, compared with the national average of 20.2 percent.

The number of area residents with an associate degree was lower than the nation's at 6.7 percent vs. 8.5 percent, respectively.

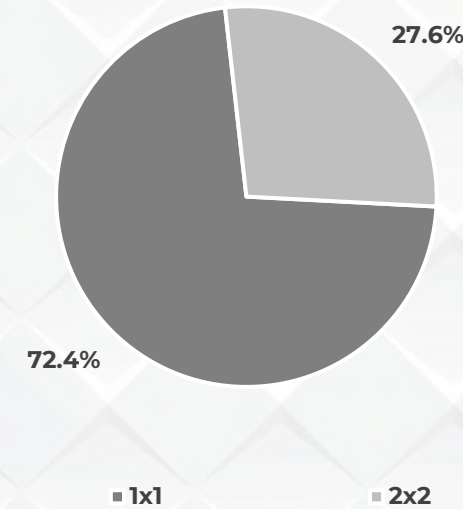
The area had more high-school graduates, 37.1 percent vs. 26.9 percent for the nation. The percentage of residents who completed some college is also higher than the average for the nation, at 22.7 percent in the selected area compared with the 20.1 percent in the U.S.



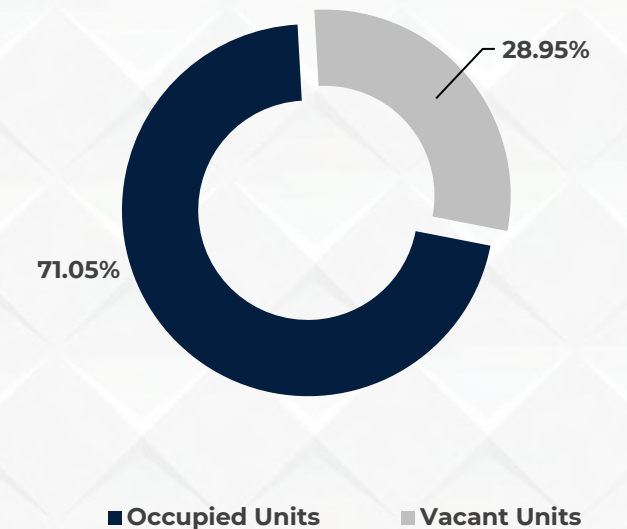
UNDERWRITING | UNIT MIX SUMMARY

Unit Type	W/D Status	No. of Units	Rentable SF	Total SF	2024 RURAL MAX ALLOWABLE RENT			AVERAGE EFFECTIVE			2024 RURAL MAX ALLOWABLE RENT			
					Rent / Unit	Per SF	Total Monthly	Rent / Unit	Per SF	Total Monthly	No. of Units	Rent / Unit	Per SF	Total Monthly
1x1 - 35% AMI	Facility	10 Units	610 SF	6,100 SF	\$508.00	\$0.83 SF	\$5,080	\$425.33	\$0.70 SF	\$4,253	10 Units	\$508.00	\$0.83 SF	\$5,080
1x1 - 60% AMI	Facility	44 Units	610 SF	26,840 SF	\$871.00	\$1.43 SF	\$38,324	\$643.79	\$1.06 SF	\$28,327	44 Units	\$871.00	\$1.43 SF	\$38,324
1x1 - 100% AMI	Facility	1 Units	610 SF	610 SF	\$850.00	\$1.39 SF	\$850	\$629.00	\$1.03 SF	\$629	1 Units	\$850.00	\$1.39 SF	\$850
2x2 - 35% AMI	Facility	1 Units	850 SF	850 SF	\$609.00	\$0.72 SF	\$609	\$609.00	\$0.72 SF	\$609	1 Units	\$609.00	\$0.72 SF	\$609
2x2 - 60% AMI	Facility	12 Units	850 SF	10,200 SF	\$1,045.00	\$1.23 SF	\$12,540	\$803.43	\$0.95 SF	\$9,641	12 Units	\$1,045.00	\$1.23 SF	\$12,540
2x2 - W/ Patio MRU	Facility	8 Units	925 SF	7,400 SF	\$1,100.00	\$1.19 SF	\$8,800	\$919.00	\$0.99 SF	\$7,352	8 Units	\$1,100.00	\$1.19 SF	\$8,800
Totals / Wtd. Averages		76 Units	684 SF	52,000 SF	\$871.09	\$1.27 SF	\$66,203	\$668.57	\$0.98 SF	\$50,811	76 Units	\$871.09	\$1.27 SF	\$66,203

UNIT DISTRIBUTION



CURRENT OCCUPANCY



UNDERWRITING | INCOME & EXPENSES

	YEAR 0 (PROJECTED GOING-IN)				YEAR 1 (PRO FORMA)			
	Current Income		% of GPR	Per Unit	End of Year 1		% of GPR	Per Unit
	Adjusted Expenses				Projection			
INCOME								
GROSS POTENTIAL RENT								
All Units at Market Rent	\$794,436		10,453	\$794,436		10,453		
Gain (Loss)-to-Lease	(\$132,456)	16.67%	(1,743)	(\$39,722)	5.00%	(523)		
GROSS POSSIBLE RENT	\$661,980	Rent Roll Annualized	8,710	\$754,714		9,930		
Physical/Economic Loss								
Physical Vacancy	(\$33,099)	Mrkt	5.00%	(436)	(\$37,736)	5.00%	(497)	
Total Physical/Economic Loss	(\$33,099)		5.00%	(436)	(\$37,736)	5.00%	(497)	
NET RENTAL INCOME	\$628,881	95.00%	8,275	\$716,978	95.00%	9,434		
Other Income								
Application Fees	\$70	T6	0.01%	1	\$70	T6	0.01%	1
Total Other Income	\$70		0.01%	1	\$70		0.01%	1
EFFECTIVE GROSS INCOME	\$628,951		8,276	\$717,048		9,435		
EXPENSES								
Real Estate Taxes								
2023 Taxes Paid	\$31,728		% of EGI	417	\$31,728		% of EGI	417
Adjustment for Sale	\$1,395		5.04%	18	\$1,395		4.42%	18
Non-Ad Valorem	\$0		0.22%	0	\$0		0.19%	0
Total Real Estate Taxes	\$33,123		0.00%	436	\$33,123		0.00%	436
			5.27%	436			4.62%	436
Insurance								
Insurance	\$75,240	Quote	11.96%	990	\$75,240	Quote	10.49%	990
Utilities								
Water/Sewer	\$18,533	T3	2.95%	244	\$18,533	T3	2.58%	244
Electric	\$83,675	T3	13.30%	1,101	\$83,675	T3	11.67%	1,101
Gas	\$12,134	T5 Ann.	1.93%	160	\$12,134	T5 Ann.	1.69%	160
Telephone	\$1,516	T5 Ann.	0.24%	20	\$1,516	T5 Ann.	0.21%	20
Total Utilities	\$115,858		18.42%	1,524	\$115,858		16.16%	1,524
Total Non-Controllable Expenses	\$224,220		35.65%	2,950	\$224,220		31.27%	2,950
Contract Services								
Landscaping	\$5,277	T5 Ann.	0.84%	69	\$5,277	T5 Ann.	0.74%	69
Pest Control	\$5,040	T3	0.80%	66	\$5,040	T3	0.70%	66
Fire Protection Service	\$960	T5 Ann.	0.15%	13	\$960	T5 Ann.	0.13%	13
Internet Services	\$1,961	T5 Ann.	0.31%	26	\$1,961	T5 Ann.	0.27%	26
Total Contract Services	\$13,237		2.10%	174	\$13,237		1.85%	174
Repairs & Maintenance								
Repairs & Maintenance	\$49,400	Mrkt	7.85%	650	\$49,400	Mrkt	6.89%	650
Marketing & Promotion	\$3,800	Mrkt	0.60%	50	\$3,800	Mrkt	0.53%	50
On-Site Payroll	\$54,899	T5 Ann.	8.73%	722	\$54,899	T5 Ann.	7.66%	722
General & Administrative	\$25,997	T5 Ann.	4.13%	342	\$25,997	T5 Ann.	3.63%	342
Management Fee	\$37,737	Mrkt	6.00%	497	\$43,023	Mrkt	6.00%	566
Replacement & Reserves	\$15,200	Mrkt	2.42%	200	\$15,200	Mrkt	2.12%	200
Total Controllable Expenses	\$200,271		31.84%	2,635	\$205,557		28.67%	2,705
TOTAL EXPENSES	\$424,491		67.49%	5,585	\$429,777		59.94%	5,655
NET OPERATING INCOME	\$204,460		32.51%	2,690	\$287,271		40.06%	3,780

UNDERWRITING | NOTES & ASSUMPTIONS

UNDERWRITING NOTES

- Gross Possible Rent:**
 - Year-Zero:** In-place rents and all vacant units added in at their respective Rural Max Allowable Rents, Annualized.
 - Year-One:** Assumes all units are at their respective Rural Max Allowable Rents, with 5% Loss-to-Lease factor.
- Physical Vacancy:**
 - Year-Zero:** Assumes a market norm of 5%.
 - Year-One:** Assumes a market norm of 5%.
- Real Estate Taxes:** Adjusted to reflect a buyer's potential new tax amount, following the sale of the property. It is advised that all interested parties consult a tax consultant or accountant to understand their specific property taxes.
- Insurance:** Based on insurance quote received from Brown and Brown on 9/13/2024. Note that current ownership only has General Liability and Hurricane Insurance (optional).
- On-Site Payroll/Management Fee:** On-Site Payroll is based on actuals. See deal room for payroll schedule.
- Repairs & Maintenance:** Repairs and Maintenance is being adjusted to \$650/unit/year upon stabilization due to the newer vintage of the asset.
- Replacement & Reserves:** Assumes a market norm of \$200/unit/yr.
- Trailing 5-Month Annualized Expenses (T5 Ann.):** Denotes that this expense category has been underwritten based on the average of the last 5 months, then annualized, to reflect the most recent operations at the property. Do note, the property was purchased in March of 2024, and therefore, no financials exist prior to that date.
- Trailing 3-Month Income/Expenses (T3):** Denotes that this income or expense category has been underwritten based on the average of the last three months, then annualized, to reflect the most recent operations at the property.

REAL ESTATE TAX INFORMATION / ASSUMPTIONS

Tax Jurisdiction	Jackson County
Parcel ID	27-4N-07-0000-0040-0030
2023 Assessed Value	\$1,975,651
2023 Taxes Due	\$33,050.08
2023 Taxes Paid	\$0.00
2023 Millage Rate	\$31,728.08

CASH FLOW PROJECTION GROWTH RATE ASSUMPTIONS

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Income											
Gross Potential Rent	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
(Loss) / Gain to Lease*	5.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other Income		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expenses											
Expenses		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Management Fee**	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

ECONOMIC OCCUPANCY / (LOSS) SUMMARY & PROJECTIONS

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Physical Vacancy	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Total Economic Loss	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

UNDERWRITING | 10-YEAR CASH FLOW ANALYSIS



	Year 0 (Acquisition)	Yr 1 YE Jan-2026	Yr 2 YE Jan-2027	Yr 3 YE Jan-2028	Yr 4 YE Jan-2029	Yr 5 YE Jan-2030	Yr 6 YE Jan-2031	Yr 7 YE Jan-2032	Yr 8 YE Jan-2033	Yr 9 YE Jan-2034	Yr 10 YE Jan-2035
INCOME											
GROSS POTENTIAL RENT											
All Units at Market Rent	\$794,436	\$794,436	\$806,353	\$818,448	\$830,725	\$843,185	\$855,833	\$868,671	\$881,701	\$894,926	\$908,350
Gain (Loss)-to-Lease	(\$132,456)	(\$39,722)	(\$20,159)	(\$20,461)	(\$16,614)	(\$16,864)	(\$17,117)	(\$17,373)	(\$17,634)	(\$17,899)	(\$18,167)
GROSS POSSIBLE RENT	\$661,980	\$754,714	\$786,194	\$797,987	\$814,110	\$826,322	\$838,717	\$851,297	\$864,067	\$877,028	\$890,183
Physical/Economic Loss											
Physical Vacancy	(\$33,099)	(\$37,736)	(\$39,310)	(\$39,899)	(\$40,706)	(\$41,316)	(\$41,936)	(\$42,565)	(\$43,203)	(\$43,851)	(\$44,509)
Total Physical/Economic Loss	(\$33,099)	(\$37,736)	(\$39,310)	(\$39,899)	(\$40,706)	(\$41,316)	(\$41,936)	(\$42,565)	(\$43,203)	(\$43,851)	(\$44,509)
NET RENTAL INCOME	\$628,881	\$716,978	\$746,884	\$758,087	\$773,405	\$785,006	\$796,781	\$808,732	\$820,863	\$833,176	\$845,674
Other Income											
Application Fees	\$70	\$70	\$72	\$74	\$76	\$79	\$81	\$84	\$86	\$89	\$91
TOTAL OTHER INCOME	\$70	\$70	\$72	\$74	\$76	\$79	\$81	\$84	\$86	\$89	\$91
EFFECTIVE GROSS INCOME	\$628,951	\$717,048	\$746,956	\$758,162	\$773,481	\$785,084	\$796,862	\$808,816	\$820,949	\$833,265	\$845,765
EXPENSES											
Real Estate Taxes	\$33,123	\$33,123	\$33,785	\$34,461	\$35,150	\$35,853	\$36,570	\$37,302	\$38,048	\$38,809	\$39,585
Insurance	\$75,240	\$75,240	\$76,745	\$78,280	\$79,845	\$81,442	\$83,071	\$84,732	\$86,427	\$88,156	\$89,919
Utilities	\$115,858	\$115,858	\$118,175	\$120,538	\$122,949	\$125,408	\$127,916	\$130,475	\$133,084	\$135,746	\$138,461
Contract Services	\$13,237	\$13,237	\$13,502	\$13,772	\$14,048	\$14,329	\$14,615	\$14,908	\$15,206	\$15,510	\$15,820
Repairs & Maintenance	\$49,400	\$49,400	\$50,388	\$51,396	\$52,424	\$53,472	\$54,542	\$55,632	\$56,745	\$57,880	\$59,038
Marketing & Promotion	\$3,800	\$3,800	\$3,876	\$3,954	\$4,033	\$4,113	\$4,196	\$4,279	\$4,365	\$4,452	\$4,541
On-Site Payroll	\$54,899	\$54,899	\$55,997	\$57,117	\$58,260	\$59,425	\$60,613	\$61,826	\$63,062	\$64,323	\$65,610
General & Administrative	\$25,997	\$25,997	\$26,517	\$27,047	\$27,588	\$28,140	\$28,703	\$29,277	\$29,862	\$30,459	\$31,069
Management Fee	\$37,737	\$43,023	\$44,817	\$45,490	\$46,409	\$47,105	\$47,812	\$48,529	\$49,257	\$49,996	\$50,746
Replacement & Reserves	\$15,200	\$15,200	\$15,504	\$15,814	\$16,130	\$16,453	\$16,782	\$17,118	\$17,460	\$17,809	\$18,165
TOTAL EXPENSES	\$424,491	\$429,777	\$439,307	\$447,869	\$456,835	\$465,740	\$474,820	\$484,077	\$493,516	\$503,140	\$512,953
NET OPERATING INCOME	\$204,460	\$287,271	\$307,650	\$310,293	\$316,646	\$319,344	\$322,042	\$324,739	\$327,434	\$330,125	\$332,812

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information.

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