

VILLAGE SQUARE

64 Units
HAP

100 Village Square
Russellville, AL 35654

Direct, confidential sales of
affordable housing.™



VILLAGE SQUARE | Offering Memorandum

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AFFORDABLE HOUSING

INVESTMENT BROKERAGE, INC.

CONFIDENTIALITY AND DISCLAIMER

This initial offering memorandum contains certain information regarding an affordable housing asset owned and operated by a regional company. By accepting this offering memorandum, the recipient agrees that it will cause its directors, officers, employees and representatives to use the information only to evaluate this specific transaction and for no other purpose. In addition, the recipient agrees not to divulge the information contained herein to any other party and shall return this information, and any subsequent release of information, upon request of the Seller. All recipients of this information are bound to the confidentiality agreement previously signed by the recipient and held on file by Affordable Housing Investment Brokerage, Inc. (Agent). It is understood that the recipient will refrain from any unauthorized on-site visits, contact with the Seller or contact with the property and/ or employees.

The Seller reserves the right to negotiate with one or more parties at any time and to enter into a definitive agreement with respect to a transaction or to determine not to proceed with a transaction, without prior notice to the recipient. The Seller, and affiliates, shall not be legally bound to any recipient of this marketing package unless a written agreement concerning a transaction has been approved and dually executed.

The information contained in this marketing package was provided to the Seller and other public sources. This document has been prepared from sources that are believed to be reliable. The Seller and Affordable Housing Investment Brokerage, Inc., all affiliates and their respective officers, directors, managers or employees make no representation or warranty as to the accuracy or completeness of any information.

OFFERING PROCEDURES

PURCHASERS WISHING TO MAKE AN OFFER ON THE PROPERTY SHOULD SUBMIT:

- ✓ Letter of Intent (template available upon request).
- ✓ Source and location of the equity monies necessary to close the proposed transaction: money market account, marketable securities, etc.
- ✓ Specific details of intended financing (ie. Fannie, Freddie, Credit Union, Local Bank etc.)
- ✓ List of other investment real estate owned now or in the past, including property type, address, size, approximate value and period of ownership.
- ✓ Description of the purchaser's experience with investment real estate or related industries.
- ✓ Transaction references.
- ✓ Banking references



INVESTMENT OVERVIEW

Offering Summary
Property Summary
Photos

PROPERTY SUMMARY

PROPERTY DETAILS

Village Square	Village Square
Property Address	100 Village Square, City,
City and Zip Code	Russellville, AL 35654
Year Built	1983
Total Units	64
Rentable Square Feet	36,672

UTILITIES

Water / Sewer	Landlord Paid
Electric	Tenant Paid
Gas	Landlord Paid
Trash	Landlord Paid

CONSTRUCTION

Foundation	Concrete Slab
Framing	Wood Framing
Exterior	Brick
Roof	Pitched Asphalt
HVAC	Centralized
Elevators	N/A



PHOTOS



Bedroom 1



Bedroom 2

PHOTOS



Bathroom



Kitchen

PHOTOS



Living Room 1



Living Room 2

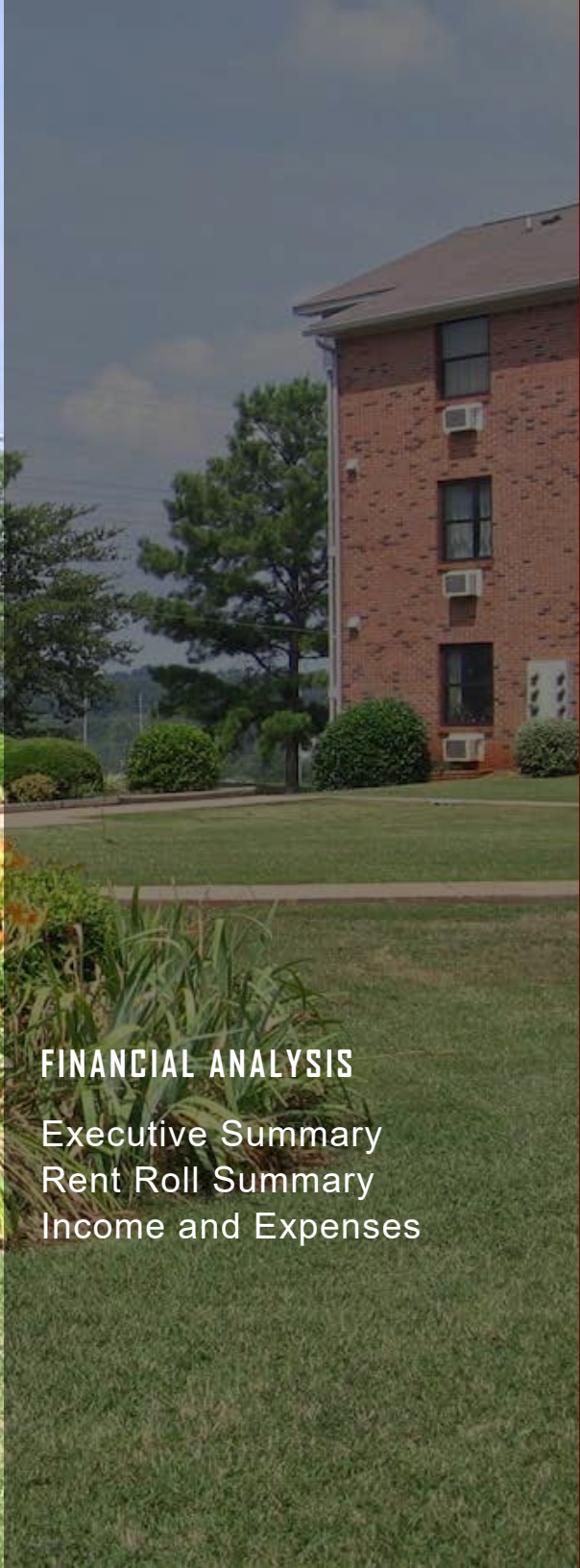
AMENITIES



Community Room 1



Community Room 2



FINANCIAL ANALYSIS

- Executive Summary
- Rent Roll Summary
- Income and Expenses

EXECUTIVE SUMMARY

Property Details

Total Number of Units	64
Total Square Feet	36,672
Average Square Feet Per Unit	36,672
Year of Construction	1983
Current Occupancy	60.94%
Average Monthly Rent Per Unit	\$850
Asset/Location Class	C/C
Asset Type	3 Story Garden

Debt Assumptions

Interest Rate	6.50%
Amortization Period	30 Years
Years of Interest Only	0 Years
Annual Loan Constant	7.58%
Loan Term	10 Years
Year 1 DCR	1.65
Loan to Value	80%
Loan Amount	\$1,280,000

Net Residual Value Assumptions

Year Capitalized	2035
Capitalization Rate	7.75%
Cost of Sale	1.00%

Subsidy Contract Profile

Section 8 Coverage (#Units / %)	64 / 100%
Contract Number	AL0900170112
Expiration Date	1/28/2024
REAC (6/20/23)	98b*
Rent Increase Program	OCAF
Qualified Census Tract (2024)	No
Opportunity Zone	No

All Cash Summary

Price	\$1,600,000
Cap Rate - As Stabilized	19.27%
Cap Rate - Year One	10.03%
Cap Rate - 06/24 T12	0.11%
Cap Rate - 2023	-1.00%
GRM	2.33
Price Per Unit	\$25,000
Price Per Foot	\$43.63
Operating Cost Coverage Ratio - 06/24 T12	1.00
Operating Cost Coverage Ratio - 2023	0.96

Leveraged Summary

Price	\$1,600,000
Cash on Cash Return - Year 1	19.05%
Cash on Cash Return - 3 Yr. Average	47.28%
All Cash IRR	23.60%
Leveraged IRR	54.47%

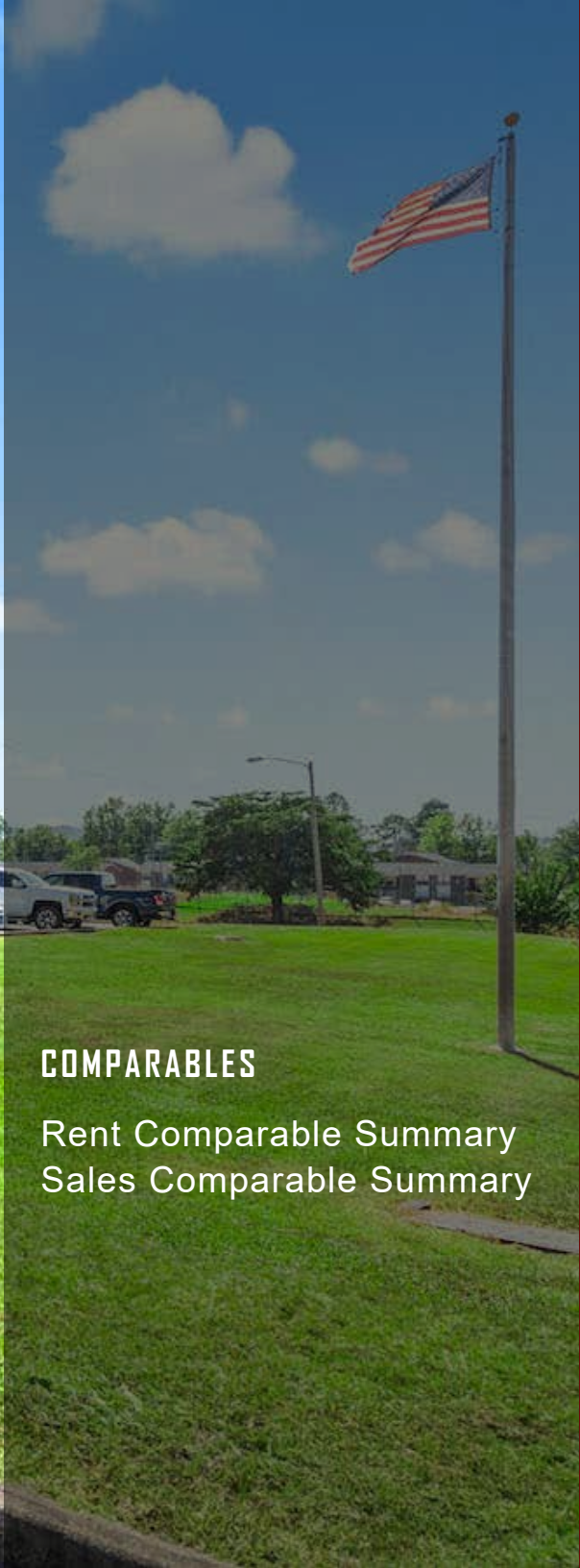
RENT ROLL SUMMARY

Contract rents as of 02/01/2024, Vacancy as of 06/30/2024

Unit Count	Number Vacant	Type	Unit Size	Scheduled Monthly Rent	Contract Rent	Utility Allowance	Gross Rent	HUD FMR	Max 60% LIHTC Rent	Average Rent/Sq.Ft.
64	25	1 Bedroom / 1 Bath	573	\$54,400	\$850	\$78	\$928	\$763	\$871	\$1.48
64	25 39.06%	Vacant	Totals Averages	36,672 573	\$54,400	\$850	\$78	\$928	\$763	\$871 \$1.48

INCOME AND EXPENSES

		2023	Per Unit		06/24 T12	Per Unit		Year 1	Per Unit		As Stabilized	Per Unit		Per Foot	% of SGI
Variable Expenses	Gross Potential Rent	\$640,137	\$10,002					\$686,093	\$10,720		\$706,676	\$11,042		\$18.71	
	Physical Vacancy	(\$291,200)	(\$4,550)	45.5%											
	Collection Loss / Concessions	(\$6,985)	(\$109)	1.1%											
	Total Economic Vacancy	(\$298,185)	(\$4,659)	46.6%				(\$171,523)	(\$2,680)	25.0%	(\$35,334)	(\$552)	5.0%	(\$4.68)	
	Effective Rental Income	\$341,952	\$5,343		\$360,519	\$5,633		\$514,570	\$8,040		\$671,342	\$10,490		\$14.03	
	Ancillary Income	\$4,359	\$68		\$2,986	\$47		\$2,986	\$47		\$3,075	\$48		\$0.08	
	Gross Operating Income	\$346,311	\$5,411		\$363,505	\$5,680		\$517,555	\$8,087		\$674,417	\$10,538		\$14.11	
	Maintenance & Repairs	\$23,053	\$360		\$21,286	\$333		\$21,286	\$333		\$21,924	\$343		\$0.58	4.11%
	Cleaning & Decorating				\$864	\$13		\$864	\$13		\$890	\$14		\$0.02	0.17%
	Refuse	\$2,830	\$44		\$2,830	\$44		\$2,830	\$44		\$2,915	\$46		\$0.08	0.55%
	Pest Control				\$8,162	\$128		\$8,162	\$128		\$8,407	\$131		\$0.22	1.58%
	Contracts	\$30,284	\$473												
	Landscaping / Grounds				\$4,225	\$66		\$4,225	\$66		\$4,352	\$68		\$0.12	0.82%
Payroll	\$110,715	\$1,730		\$104,545	\$1,634		\$104,545	\$1,634		\$107,681	\$1,683		\$2.85	20.20%	
Employee Benefits	\$18,306	\$286		\$18,653	\$291		\$18,653	\$291		\$19,213	\$300		\$0.51	3.60%	
Legal & Accounting	\$11,772	\$184		\$14,828	\$232		\$14,828	\$232		\$15,273	\$239		\$0.40	2.87%	
Advertising & Promotion	\$5,539	\$87		\$4,712	\$74		\$4,712	\$74		\$4,853	\$76		\$0.13	0.91%	
Administrative	\$33,985	\$531		\$29,086	\$454		\$29,086	\$454		\$29,959	\$468		\$0.79	5.62%	
Management Fee	\$22,353	\$349		\$24,232	\$379		\$20,702	\$323		\$21,323	\$333		\$0.56	4.00%	
Total Variable Expenses	\$258,837	\$4,044		\$233,423	\$3,647		\$229,894	\$3,592		\$236,791	\$3,700		\$6.27	44.42%	
Fixed Expenses	Utilities - Water & Sewer	\$25,024	\$391		\$26,633	\$416		\$26,633	\$416		\$27,432	\$429		\$0.73	5.15%
	Utilities - Electric	\$15,611	\$244		\$14,457	\$226		\$14,457	\$226		\$14,891	\$233		\$0.39	2.79%
	Insurance	\$32,575	\$509		\$49,797	\$778		\$32,575	\$509	*	\$33,552	\$524		\$0.89	6.29%
	Real Estate Taxes	\$30,203	\$472		\$37,510	\$586		\$37,510	\$586		\$37,510	\$586		\$1.02	7.25%
	Total Fixed Expenses	\$103,413	\$1,616		\$128,397	\$2,006		\$111,176	\$1,737		\$113,386	\$1,772		\$3.03	21.48%
Total Expenses	\$362,250	\$5,660		\$361,820	\$5,653		\$341,070	\$5,329		\$350,176	\$5,472		\$9.30	65.90%	
Net Operating Income Before Reserves	(\$15,939)	(\$249)		\$1,684	\$26		\$176,486	\$2,758		\$324,241	\$5,066		\$4.81	34.10%	
Capital Reserves		\$0			\$0		\$16,000	\$250		\$16,000	\$250		\$0.44	3.09%	
Net Operating Income After Reserves	(\$15,939)	(\$249)		\$1,684	\$26		\$160,486	\$2,508		\$308,241	\$4,816		\$4.38	31.01%	



COMPARABLES

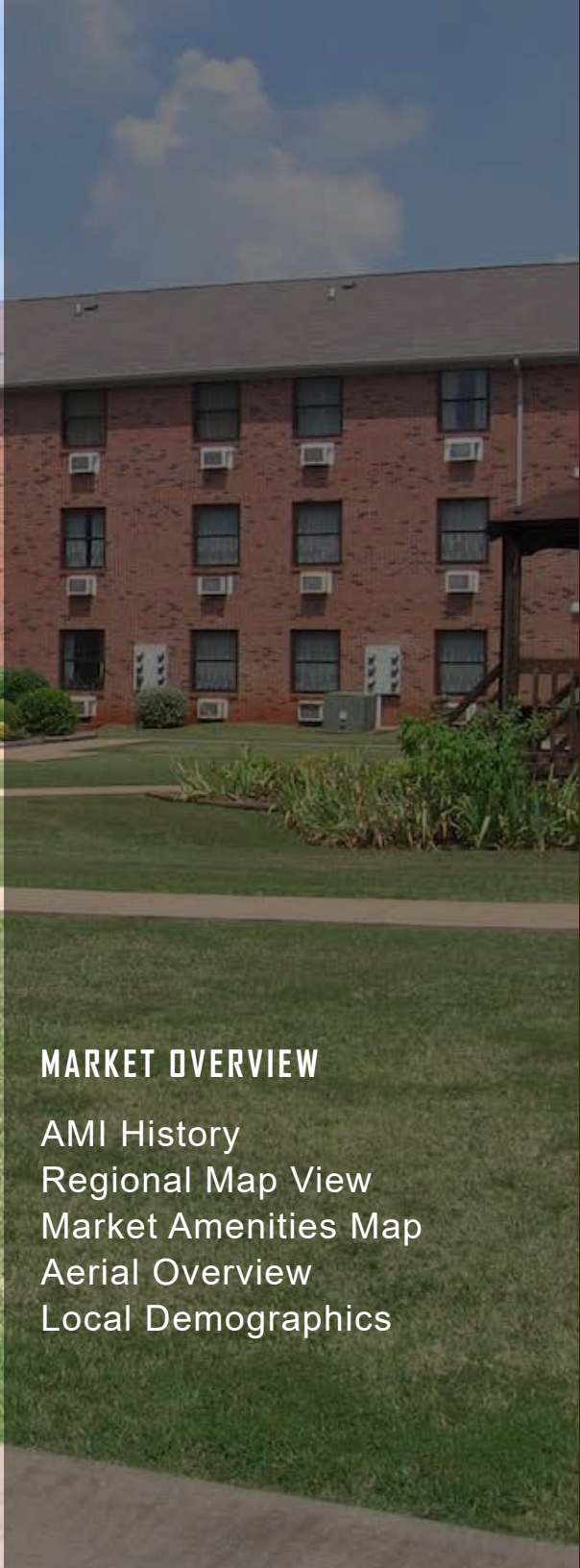
- Rent Comparable Summary
- Sales Comparable Summary

RENT COMPARABLE SUMMARY

	Property	City	Total Units	Year Built / Renovated	Occ.	1 Bedroom Sq Ft	1 Bedroom Rent	Type
★	Village Square	Russellville	64	1983	61%	573	\$850	HAP (M2M)
1	Stonecrest Apartments	Russellville	48	2005	93%	780	\$355	LIHTC
2	Regency Plaza Apartments	Russellville	64	1980	96%	661	\$425	HAP
3	Creekstone Apartments	Russellville	48	-	-	848	\$455	LIHTC
4	Charles Place Apartments	Russellville	48	-	-	780	\$355	LIHTC
Average 1 Bedroom Rent							\$398	

SALES COMPARABLE SUMMARY

	Property	City	Sale Date	Sale Price	Total Units / Beds	Year Built	Price per Unit / Bed	Type
★	Village Square	Russellville	-	\$1,600,000	64	1983	\$25,000	HAP (M2M)
1	Cullman Manor	Cullman	1/18/2023	\$2,375,000	50	1978	\$47,500	HAP
2	Creekwood Village	Tuscaloosa	12/15/2022	\$6,539,227	124	1971	\$52,736	HAP / LIHTC
3	Sherwood Apartments	Montgomery	11/9/2022	\$3,600,000	80	1980	\$45,000	HAP / LIHTC
Average Price / Unit							\$48,412	

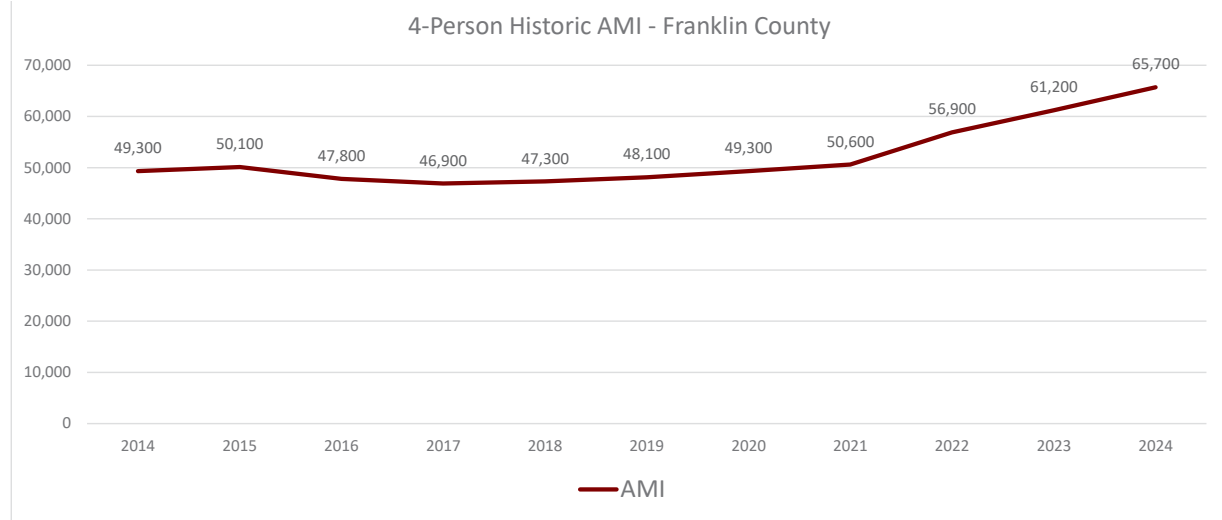


MARKET OVERVIEW

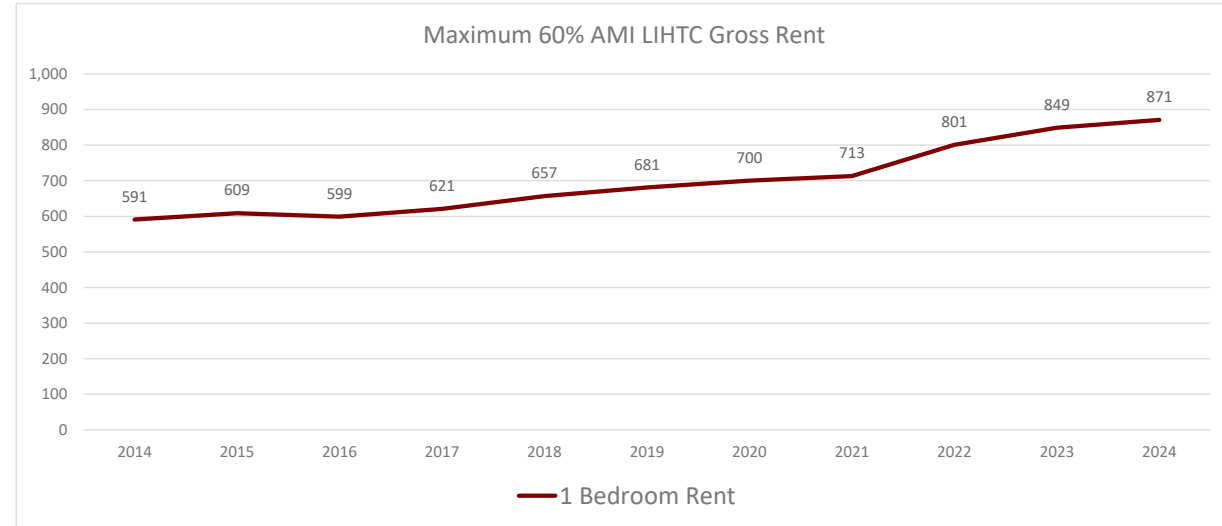
- AMI History
- Regional Map View
- Market Amenities Map
- Aerial Overview
- Local Demographics

AMI HISTORY

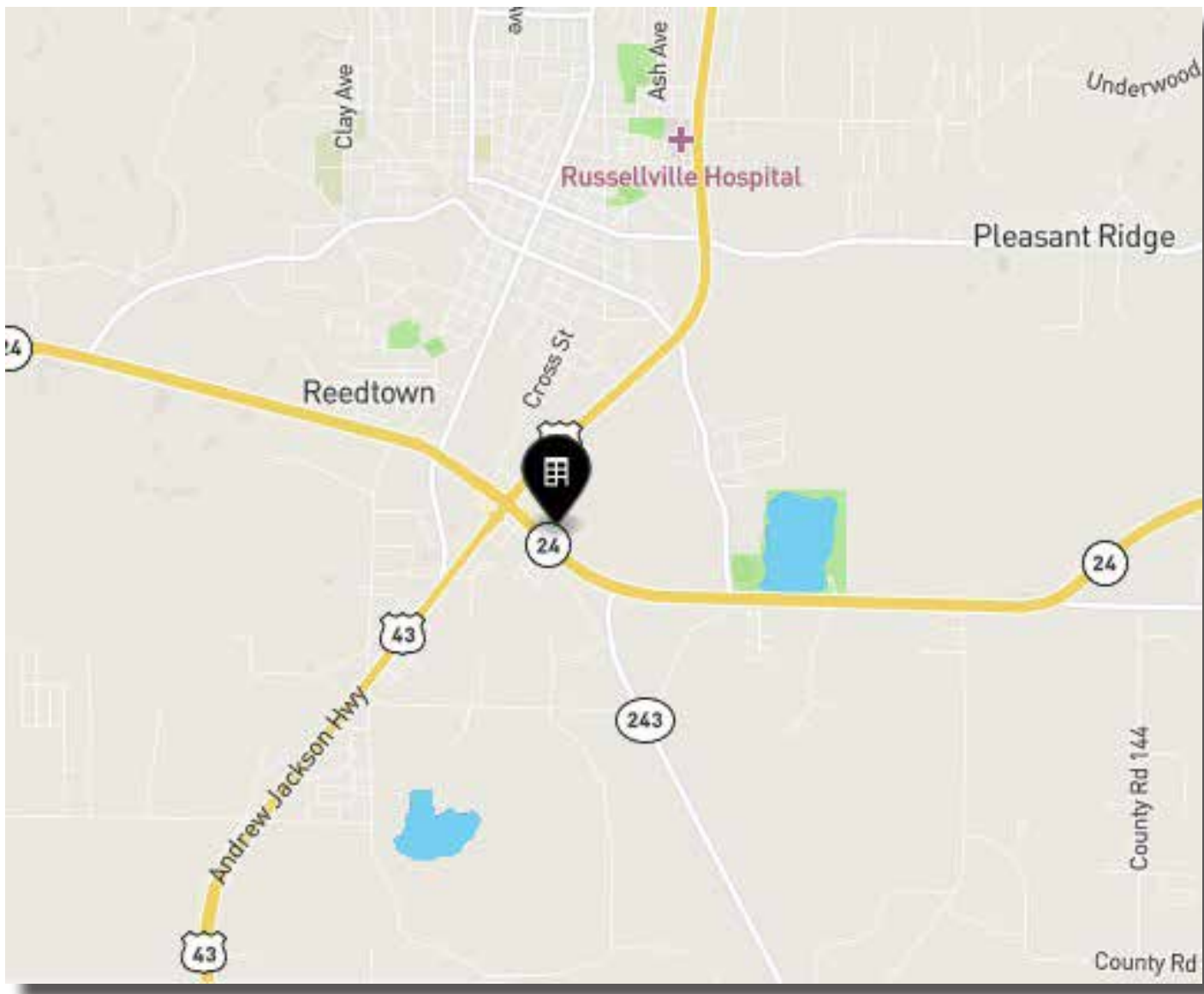
AMI Growth Rate		
Year	AMI	% Change
2014	49,300	-
2015	50,100	1.62%
2016	47,800	-4.59%
2017	46,900	-1.88%
2018	47,300	0.85%
2019	48,100	1.69%
2020	49,300	2.49%
2021	50,600	2.64%
2022	56,900	12.45%
2023	61,200	7.56%
2024	65,700	7.35%
5yr Average		6.50%
10yr Average		3.02%

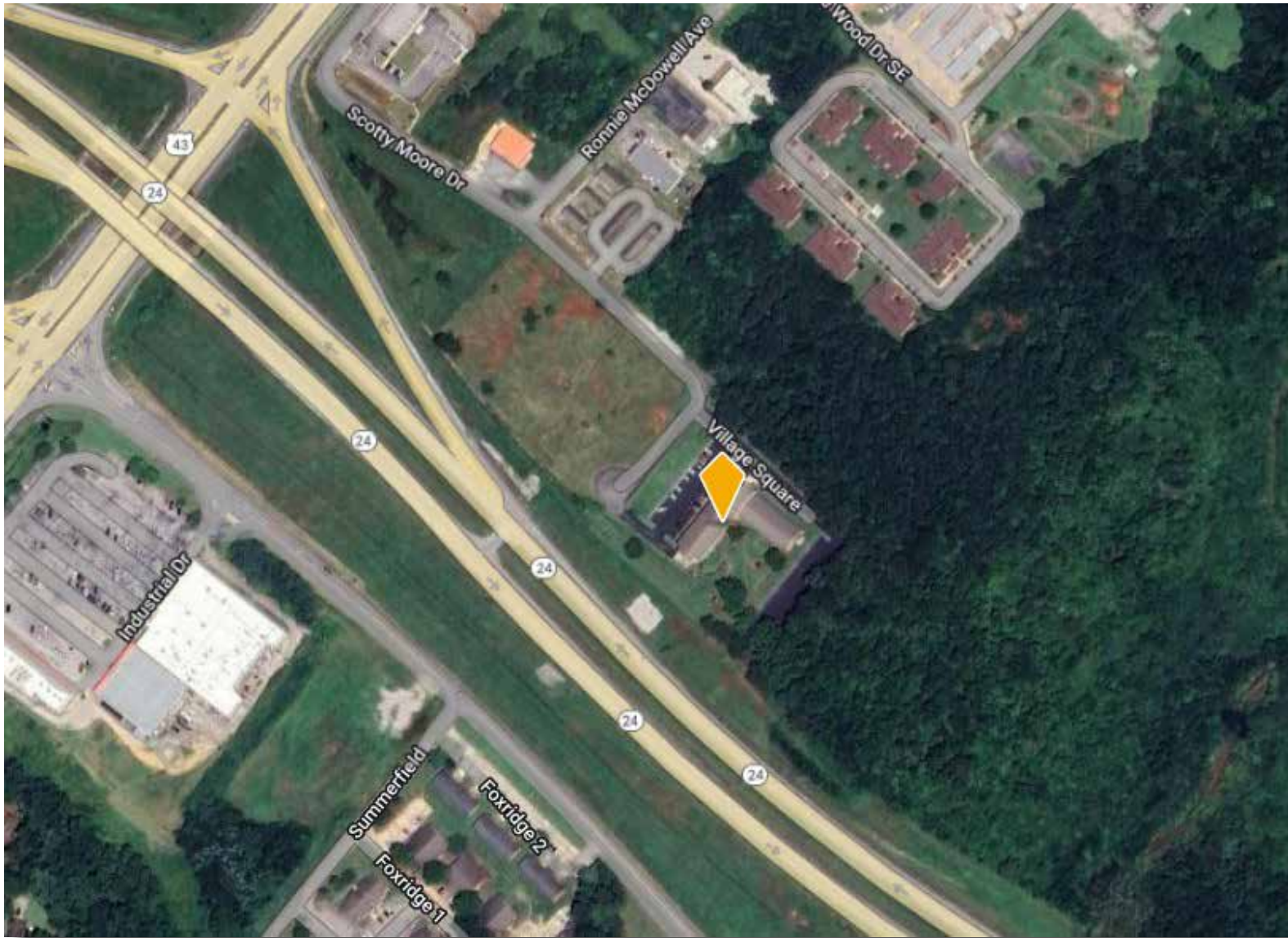


Max 60% AMI LIHTC Gross Rent		
1 Bedroom		
Year	Rent	% Change
2014	591	-
2015	609	3.05%
2016	599	-1.64%
2017	621	3.67%
2018	657	5.80%
2019	681	3.65%
2020	700	2.79%
2021	713	1.86%
2022	801	12.34%
2023	849	5.99%
2024	871	2.59%
5yr Average		5.11%
10yr Average		4.01%

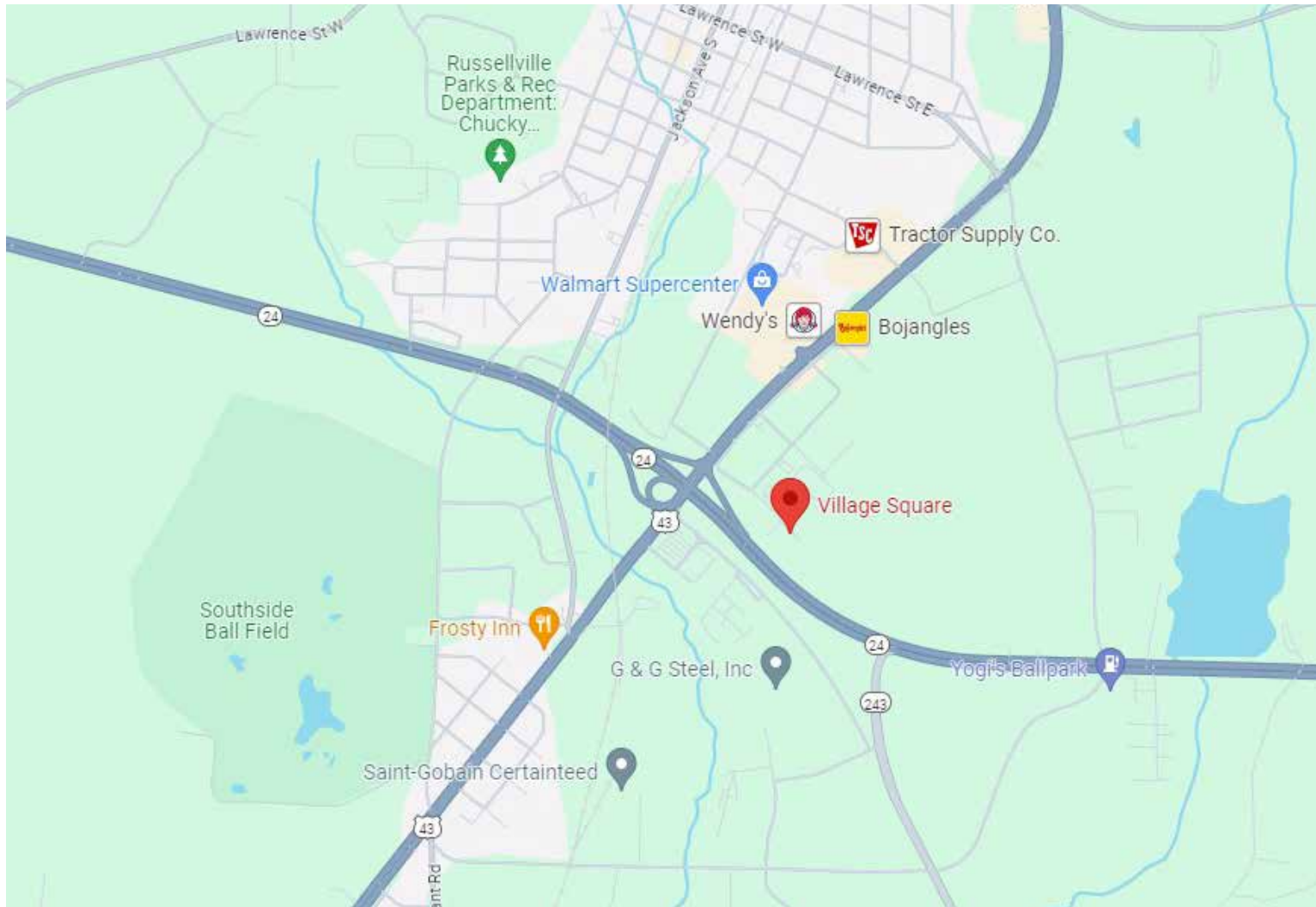


REGIONAL MAP





AMENITIES OVERVIEW



LOCAL DEMOGRAPHICS

Population:	2 Mile Radius	5 Mile Radius	10 Mile Radius
2010 Population	7,107	14,373	24,247
2023 Population	7,387	15,171	24,726
2028 Population Projection	7,537	15,520	25,184
Annual Growth 2010-2023	0.30%	0.40%	0.20%
Annual Growth 2023-2028	0.40%	0.50%	0.40%
Households:	2 Mile	5 Mile	10 Mile
2010 Households	2,665	5,317	9,218
2023 Households	2,769	5,607	9,389
2028 Household Projection	2,822	5,728	9,550
Annual Growth 2010-2023	0.20%	0.30%	0.10%
Annual Growth 2023-2028	0.40%	0.40%	0.30%
Owner Occupied	1,500	3,582	6,527
Renter Occupied	1,322	2,146	3,023
Income:	2 Mile	5 Mile	10 Mile
Avg Household Income	\$47,914	\$54,764	\$56,040
Median Household Income	\$37,427	\$42,810	\$43,475
< \$25,000	1,011	1,701	2,841
\$25,000 - 50,000	747	1,503	2,428
\$50,000 - 75,000	589	1,183	1,814
\$75,000 - 100,000	191	509	1,147
\$100,000 - 125,000	101	331	518
\$125,000 - 150,000	18	106	169
\$150,000 - 200,000	99	237	378
\$200,000+	12	37	92
Housing	2 Mile	5 Mile	10 Mile
Median Home Value	\$89,441	\$107,118	\$117,922
Median Year Built	1969	1973	1974

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