

OFFERING MEMORANDUM

NORTHGATE TERRACE APARTMENTS

1057 N MAIN ST, ARAB, AL 35016



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INVESTMENT OVERVIEW

*We are pleased to introduce **Northgate Terrace Apartments** in Arab, AL. In this section we have provided a high-level summary of the property, location, and investment. We have also outlined our investment thesis for potential buyers' consideration.*



EXECUTIVE SUMMARY

This asset consists of 16 units built in 1970, located in the city of Arab in Marshall County, AL. This all-brick property is located in the well established City of Arab, positioned for growth in line with Huntsville, AL and Marshall County. This is a great opportunity for investors looking for a low maintenance property with impressive potential ROI.

INVESTMENT

Northgate Terrace Apartments presents investors with a great opportunity to acquire a turn-key, small-cap multifamily asset in Arab, Alabama. Located just off Highway 231, Northgate Terrace Apartments offers Arab locals looking for two bedroom housing a central location at a fair price. Based on these factors, as well as Northgate Terrace's consistently high occupancy, there is opportunity for new ownership to increase rents to realize additional income.

INVESTMENT HIGHLIGHTS

- Located near the heart of Arab, Alabama, in fast-growing Marshall County & just south of Huntsville, AL
- Consistent tenant interest, occupancy is stabilized above 93%
- Opportunity for long-term growth and income generation

MARKET

MARSHALL COUNTY, AL

Centered between Huntsville and Birmingham in North Alabama, Marshall County features four major cities: Albertville, Arab, Boaz, and Guntersville. Located in the hills of Northeast Alabama, just South of Huntsville, yet convenient to Chattanooga and Birmingham, Marshall County, AL is seen by many businesses as the perfect place to relocate, expand, or start a new business. The location, incentives, and growth have been key factors in Marshall County having the lowest unemployment rate of the surrounding counties.

In addition to a thriving job market, Marshall County is also known for its outdoor recreation. Nestled in the foothill of the Appalachian Mountain Range, there is a bevy of activities for residents of this area interested in exploring nature.

ARAB, AL

Arab, a charming city nestled in the heart of Alabama, has undergone significant growth and development in recent years, transforming itself into a vibrant community that balances modernity with a deep appreciation for its rich history. This city of approximately 8,500 residents has become a beacon of progress, attracting new businesses, fostering community engagement, and enhancing the overall quality of life for its inhabitants.



PROPERTY

Northgate Terrace Apartments is a well built and maintained all brick apartment community. This property maintains high occupancy in the popular Huntsville Suburb of Arab, AL. The building sits on 1.74 manicured acres in a prime location.

INVESTMENT OVERVIEW

PROPERTY NAME	Northgate Terrace Apartments
ADDRESS	1057 N Main St, Arab, AL 35016
MARKET	North, AL - Arab, AL
YEAR BUILT	1970
NUMBER OF UNITS	16
OCCUPANCY	91%
RENTABLE FT ²	11,200
RENOVATIONS	Partial
RENT TYPE	Market
LAND AREA FT ²	1.74 Acres

FINANCIAL OUTLOOK

Northgate Terrace provides a strong investment opportunity for new ownership as it maintains a steady income - achieving asking rents and high occupancy - while seeing lowered expenses, thanks to the investments of current ownership. In the following insights and charts we highlight the **consistent income** and naturally **reduced expenses** that new ownership will inherit.

CONSISTENT INCOME

As seen in the graph on the right, Northgate Terrace consistently collects roughly the same amount each month. We have modeled a slight increase to income in Year 1, with vacancy and loss-to-lease being shaved marginally year-over-year. Beginning in Year 1, we have modeled a reduced expense structure. Reducing expenses will have a direct correlation on the resulting Net Operating Income, which we believe can increase by over 45% in Year 1.

REDUCED EXPENSES

- **Turnover** at Northgate Terrace has been notably high in the recent T-12 due to capital expenditures, leading to an adjustment to a normalized \$425/door starting in Year 1.
- The current ownership's **insurance expense** is approximately \$1,400/door, but we have projected a reduced insurance cost of \$850/door, aligning with recent figures for comparable properties in the area.
- Additionally, we anticipate a higher tax assessment value post-sale, so we have modeled an increase in **property taxes** beginning in Year 1.



PROPERTY

Northgate Terrace Apartments is a 16 unit, 2-story garden style, all brick property in Arab, AL.

In this section we outline the key details about this property, provide submarket case studies, and provide an image gallery of the property.



PROPERTY SUMMARY

OVERVIEW

PROPERTY NAME	Northgate Terrace Apartments
ADDRESS	1057 N Main St, Arab, AL 35016
MARKET SUBMARKET	North Central AL - Arab, AL
YEAR BUILT	1970
NUMBER OF UNITS	16
OCCUPANCY	91%
RENTABLE FT ²	11,200 ft ²
RENT TYPE	Market

PROPERTY

LAND AREA	1.74 Acres
SITE LAYOUT	2 Buildings
FLOOD ZONE	B and X
PARKING	Surface Lot
EXTERIOR MATERIALS	Brick
ROOF	Pitched Shingle
FOUNDATION	Slab
STYLE	2-Story Garden

UNIT MIX SUMMARY

UNIT TYPE	# UNITS	UNIT SIZE	EFFECTIVE	PSF	GPI	MARKET	PSF	GPI
2 BD 1 BA	16	700	\$735	\$1.05	\$141,120	\$775	\$1.11	\$148,800
Total	16	11,200	\$735	\$1.05	\$141,120	\$775	\$1.11	\$148,800

UNITS

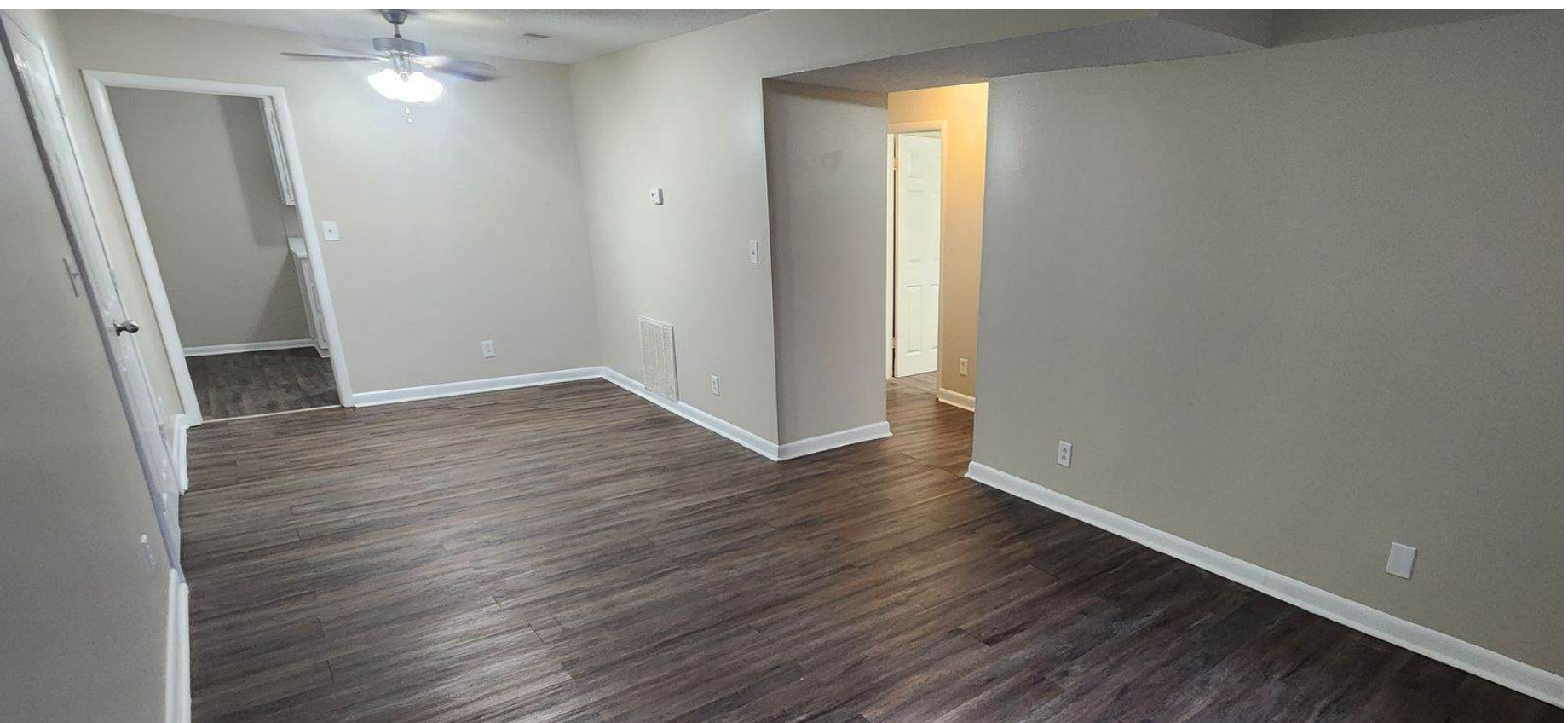
LAUNDRY	In Unit Hookups
AVERAGE UNIT SIZE	700 ft ²
CENTRAL HVAC	Yes
PETS	Allowed With Pet Fee

AMENITIES

Refrigerator
Dishwasher
Range/Oven
Washer/Dryer Hookups
Central HVAC
LVT Flooring throughout
Ample Parking







MARKET & SUBMARKET

Northgate Terrace Apartments is located in Marshall County's Arab, AL. This growing suburb of Huntsville, AL is popular with commuters and local workers alike.



LOCATION HIGHLIGHTS

MARKET | MARSHALL COUNTY, AL

Centered between Huntsville and Birmingham in North Alabama, Marshall County features four major cities: Albertville, Arab, Boaz, and Guntersville.

Located in the hills of Northeast Alabama, just South of Huntsville, yet convenient to Chattanooga and Birmingham, Marshall County, AL is seen by many businesses as the perfect place to relocate, expand, or start a new business. With two jet-capable airports, four major four-lane highways, ports on the Tennessee River, access to rail, and close proximity to three major interstates, Marshall County is seen as a perfect location for manufacturers and the agriculture industry. The location, incentives, and growth have been key factors in Marshall County having the lowest unemployment rate of the surrounding counties.

In addition to a thriving job market, Marshall County is also known for its outdoor recreation. Nestled in the foothill of the Appalachian Mountain Range, there is a bevy of activities for residents of this area interested in exploring nature. The proximity to Lake Guntersville has increased tourism and business growth around the recreational fishing industry. Marshall County is an excellent location for businesses and investors alike.



SUBMARKET | ARAB, AL

Situated in Northeast Alabama's Marshall County, Arab rests atop Brindlee Mountain, one of the state's highest elevations. Over 8,300 residents have chosen to call Arab home, with around 53,000 people in the surrounding retail trade area. The town is conveniently located just a thirty-minute drive from Huntsville and the Redstone Arsenal, and an hour from Birmingham. Atlanta is a three-hour journey away, while Nashville is two hours distant, and the picturesque Lake Guntersville is a quick fifteen-minute drive down the mountain. Historic Downtown Arab, where two of the state's main routes—US Highway 231 and AL Highway 69—intersect, serves as a beloved venue for weekly and monthly outdoor public events, including concerts, car shows, holiday block parties, festivals, and more.

For over 25 consecutive years, the Arab City School System has consistently ranked among the top-performing school systems in Alabama. The Arab City Park is renowned for its stunning landscaping and attention to detail, featuring a splash pad and pool, an 18-hole disc golf course, basketball and tennis courts, sand volleyball, shaded walking trails, playgrounds, covered pavilions, and an amphitheater. Additionally, the Thompson-Eidson Soccer Complex boasts four lighted soccer fields, a six-lane track, a one-mile walking trail set in a natural environment, along with locker rooms and shower facilities.



ECONOMIC INSIGHTS

For numerous industries, selecting Marshall County was a logical decision. Companies such as Newman Technology, TS TECH Alabama, Mueller Corporation, Kappler USA, Pilgrim's Pride, and Tyson Foods, Inc. discovered the ideal location, workforce, infrastructure, and resources within Marshall County.

ECONOMIC ENVIRONMENT

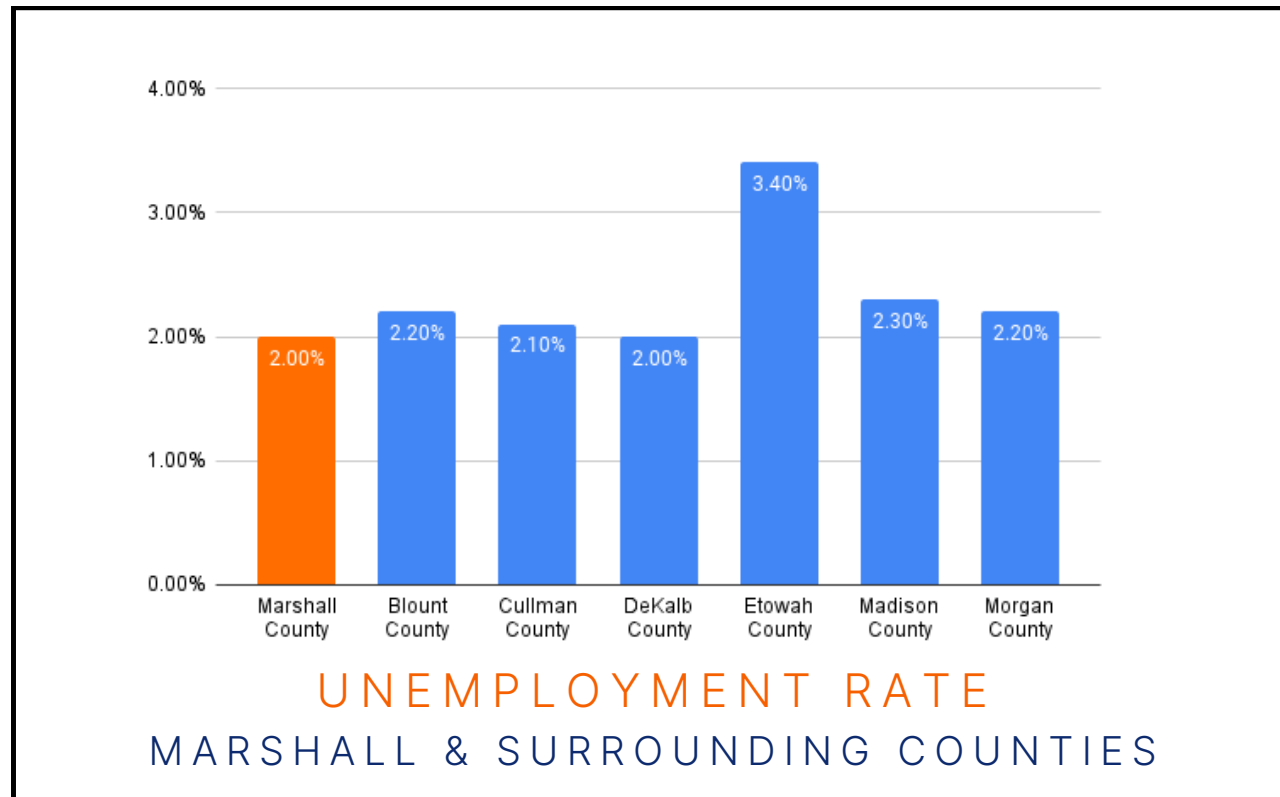
A diverse range of industries has opted to establish or relocate in Marshall County, where they have encountered a welcoming and cost-effective environment, complemented by an exceptional workforce.

TRAINABLE WORKERS AND FREE WORKFORCE PROGRAMS

One of the most significant benefits of setting up operations in Marshall County, Alabama, is the availability of workforce recruitment and training programs for new and expanding businesses. Many of these programs come at no cost to the employer and can be tailored to specific needs.

SMALL TOWN PRICES WITH BIG CITY ADVANTAGES

The four primary cities in Marshall County—Albertville, Arab, Boaz, and Guntersville—form a regional area reminiscent of a larger city. This allows businesses to enjoy lower living costs while still having access to essential resources. Additionally, the county is conveniently located less than three hours from major Southeastern markets, including Huntsville, Birmingham, Atlanta, Nashville, and Chattanooga.



KEY INDUSTRIES & EMPLOYERS

AEROSPACE & AVIATION

Advanced Flight Solutions, BK Aerospace, Metal Research, Inc.

Agriculture, Food & Natural Resources

Southern Parallel Forest Products (lumber processing), Tucker Milling (performance-based feeds), Parallel 33 (lumber processing), Pilgrim's Pride (poultry), Wayne Farms (poultry), Tyson Foods (poultry), AlaTrade Foods (poultry)

BIOSCIENCE

Laysan Bio, Inc., Agri-Flavors, Inc.

MODERN MANUFACTURING

Atrion Medical Products, Inc. (medical devices), Colormasters, LLC, Dixie Grinders, Inc., DR1V, A Division of Tenneco (auto components), FSGGroup, Highline Warren, HFI, Inc., Huhtamaki, HYCO Alabama, LLC, JST Corporation, Kappler, Inc., Marshall Precision Manufacturing, Mueller Corporation, Newman Technology, Parker-Hannifin, Pinnacle Manufacturing, Progress Rail, PTS-Inc., Southern Metal Fabricators, Inc., Syncro, Inc., TS TECH Alabama

CONSTRUCTION & DESIGN

Paragon Decors, Inc., Shutters By Design, Kabco Builders, Inc.

RECYCLING

ICD Melting Solutions, Roy Tech Environ, AR Recycling

OTHER INDUSTRY SECTORS:

MEDIA & MARKETING, TRANSPORTATION, DISTRIBUTION, AND LOGISTICS



SUBMARKET OVERVIEW

ARAB, AL

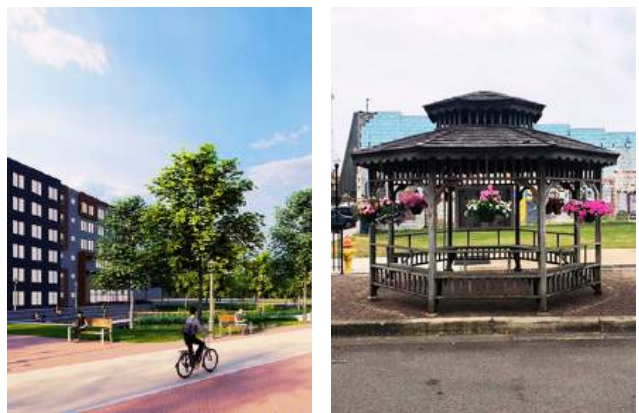
Arab, a charming city nestled in the heart of Alabama, has undergone significant growth and development in recent years, transforming itself into a vibrant community that balances modernity with a deep appreciation for its rich history. This city of approximately 8,500 residents has become a beacon of progress, attracting new businesses, fostering community engagement, and enhancing the overall quality of life for its inhabitants.

STRATEGIC LOCATION FOR ECONOMIC GROWTH

One of the key drivers of Arab's growth is its strategic location. Situated in the northeastern part of the state, Arab benefits from its proximity to larger urban centers like Huntsville while maintaining the allure of a close-knit community. This advantageous location has made Arab an attractive destination for businesses looking to capitalize on regional economic opportunities.

Arab's proximity to Huntsville and easy commute to major employers like Redstone Arsenal results in a sizable portion of its population are employed in Huntsville, and 72.9%* of Arab's population are white collar workers. As Huntsville continue to grow, the surrounding areas like Arab offer a lower cost of living and quieter lifestyle for it's workers.

* U.S. Census Bureau release, the 2022 American Community Survey



COMMITMENT TO EDUCATION

The city's commitment to education has played a pivotal role in its growth. Arab boasts a well-regarded school system that prioritizes academic excellence, drawing families seeking quality education for their children. The presence of educational institutions has created a skilled workforce, further fueling the city's economic development.



DEMOGRAPHIC HIGHLIGHTS | CITY OF ARAB

Population	8,498	561.8 per Mi ²
Household Income	Median: \$50,32	Average: \$70,934
Renter Population	Rent: 33%	Own: 67%

AMENITIES & DEMOGRAPHICS



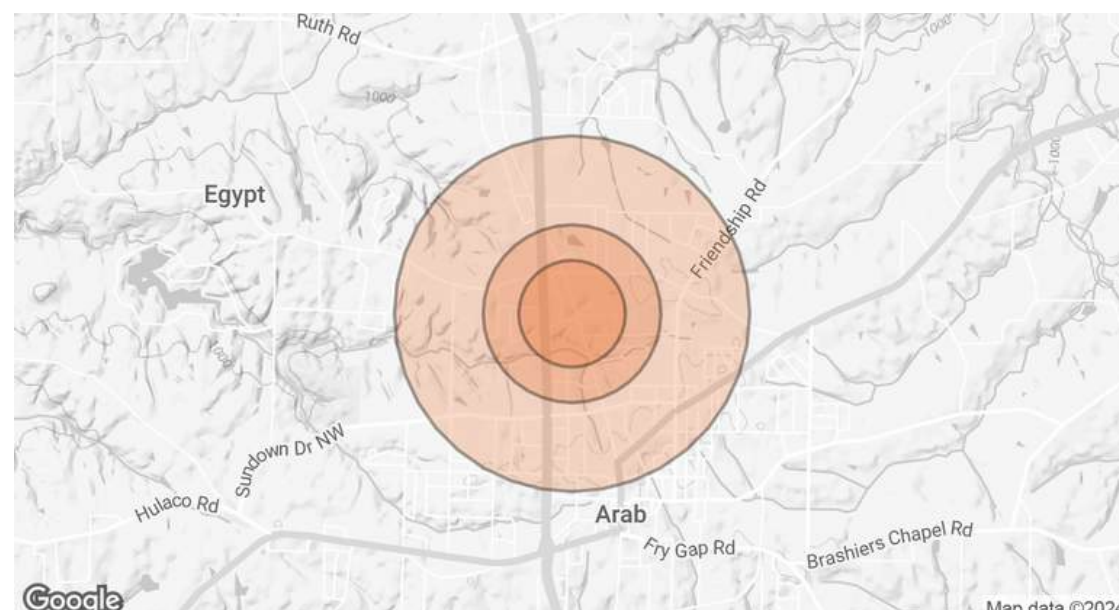
SUBMARKET AMENITIES

BUSINESS	DISTANCE (MILES)	BUSINESS	DISTANCE (MILES)
Pearl's of Grace Boutique & Gifts	0.1	Walmart Supercenter	0.5
Grumpy's Pizza	0.1	McDonald's	0.5
Wendy's	0.2	Waffle House	0.7
Arby's	0.2	Little Caesar's	0.8
Domino's Pizza	0.2	Los Arcos	0.9
Tractor Supply Co.	0.3	Sonic	0.9
CVS Pharmacy	0.3	Downtown Arab	1.2
Scooter's Coffee	0.4	Four Knight's Coffee	1.2
Zaxby's	0.4	Southern General	1.2
KFC	0.5	Deep South Mercantile	1.2

SUBMARKET DEMOGRAPHICS

POPULATION	0.3 MILES	0.5 MILES	1 MILE
Total Population	117	484	2,353
Average Age	44	44	43
Average Age (Male)	43	42	41
Average Age (Female)	45	45	45

HOUSEHOLDS & INCOME	0.3 MILES	0.5 MILES	1 MILE
Total Households	48	195	951
# of Persons per HH	2.4	2.5	2.5
Average HH Income	\$81,572	\$85,782	\$87,505
Average House Value	\$239,560	\$243,643	\$243,560



HUNTSVILLE, AL



MARKET INTRODUCTION

Huntsville is the most populous city in the U.S. state of Alabama. It is the county seat of Madison County with portions extending into Limestone County and Morgan County. It is located in the Appalachian region of northern Alabama south of the state of Tennessee.

For over fifty years, Huntsville has been linked with space exploration and national defense. The metro area benefits from the presence of the U.S. Army/Redstone Arsenal Base that currently employs more than 40,000 people, and is trending to employ nearly 50,000 by 2025. Furthermore, Huntsville has attracted government defense contractors in the tech and manufacturing sectors, including Boeing, Polaris, NASA, Lockheed Martin, GE Aviation, and Northrop Grumman.

Situated in the scenic Appalachian foothills of northern Alabama, this community is a hub of cutting-edge technology for both civilian and military use, with Redstone Arsenal, Cummings Research Park, and NASA's Marshall Space Flight Center playing key roles in the local economy.

This dedication to intellectual pursuits extends to the local schools, which rank among the finest in the state. Despite being home to a significant and distinctive scientific community, Huntsville maintains a timeless Southern charm. The city boasts beautiful historic architecture, particularly in the Twickenham and Old Town Historic Districts.

LOCATION FUNDAMENTALS

POPULATION	221,986
MEDIAN HOUSEHOLD INCOME	\$67,874
AVG COMMUTE TIME	22 Minutes

AWARDS & ACCOLADES

Huntsville continues to experience persistent and tremendous growth, while consistently ranked among the highest per capita incomes and lowest costs of living, as well as one of the top places to live every year, including the Number One in US World Report's '22-'23 Rankings. Additionally, Huntsville was named the #5 City in the US for Millenials in 2024 by Commercial Cafe.

Other Recent Accolades include:

#1 Best Job Market in U.S. | SmartAsset | 2023, Best Place to Retire for Affordability | Southern Living | 2023, Huntsville Among Most Charming Cities in the Appalachians | World Atlas | 2023, #1 City in North America for Tech Growth Potential | CBRE | 2023, #4 Most Affordable City in the U.S. to Live | Msn.com | 2023, #1 Best Place to Live in Alabama | U.S. News & World Report | 2023, #2 Best Place to Live in the U.S. | U.S. News & World Report | 2023, #6 Best Botanical Garden in North America | USA Today | 2023, #1 Madison County Named Best Place to Live | The Times-Tribune | 2023, #15 in U.S. for Strong Economy with Affordable Housing | USA Today | 2023, 2023 South's Best Cities | Southern Living | 2023, Best Places to Live in America | StudyFinds | 2023, Huntsville Named the Nation's Fourth-most Prosperous City | AL.com | 2023.



ECONOMIC GROWTH & DEVELOPMENT

DEFENSE AND TECHNOLOGY

The metro area benefits from the presence of the U.S. Army/Redstone Arsenal Base that currently employs more than 40,000 people, and is trending to employ nearly 50,000 by 2025. Furthermore, Huntsville has attracted government defense contractors in the tech and manufacturing sectors, including Boeing, Polaris, NASA, Lockheed Martin, GE Aviation, and Northrop Grumman.



U.S. ARMY

REDSTONE ARSENAL'S GROWTH

The development of the Redstone Arsenal has supplied more than 4,000 new jobs within the past few years. The Arsenal is projected to have a workforce nearing 50,000 by 2025. \$2 billion of planned capital expenditures is said to keep Redstone Arsenal expanding for years to come. As the Arsenal grows, so does the Tennessee Valley. The continued impact that the Redstone Arsenal makes on the Tennessee Valley is one of the many factors that makes Huntsville one of the best places to live in the nation.



FBI EXPANSION

In 2023, the FBI added 500 new jobs to the 1800 already located in Huntsville for a total of 2,300 new jobs. These are a mix of current FBI Employees and new hires in the Huntsville Metro Area.

ADDITIONAL INDUSTRIES



MAZDA TOYOTA
MANUFACTURING

MANUFACTURING | MAZDA TOYOTA

In 2021, Mazda Toyota completed the construction of their \$2.3 billion auto plant that assembles 300,000 vehicles per year. This plant provided jobs for 4,000 employees.



FULLFILLMENT | AMAZON

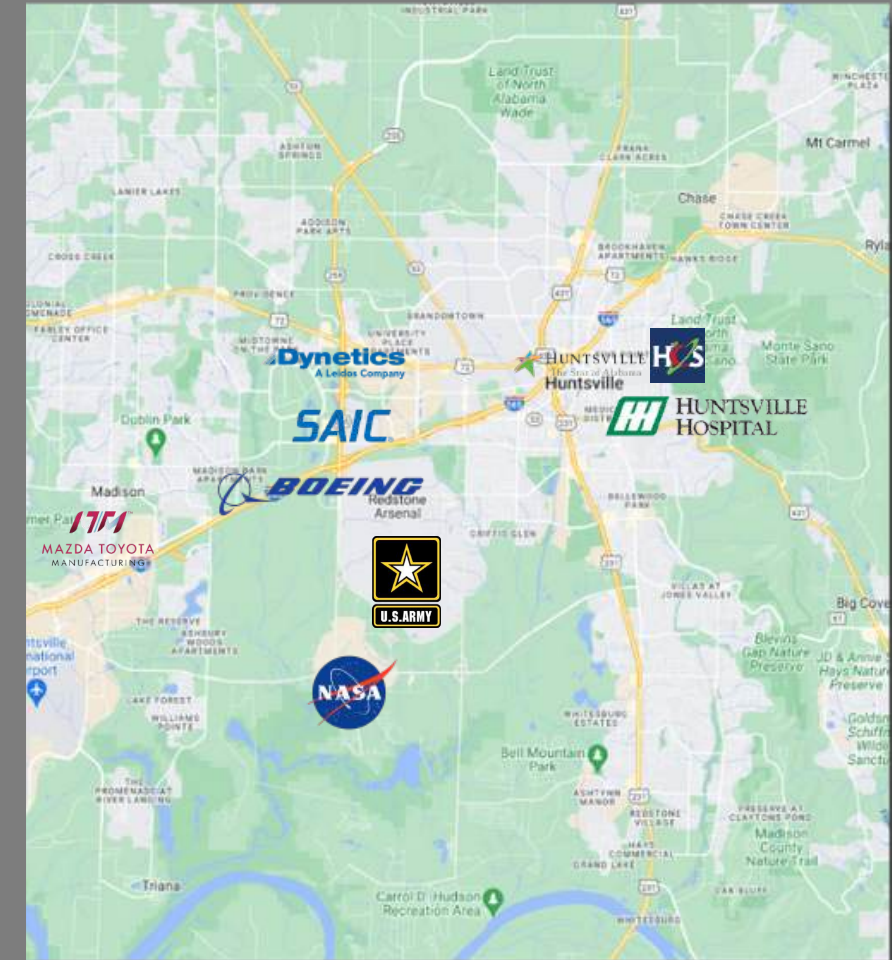
Amazon had the grand opening of their new fulfillment center in 2022. This facility provided 500 jobs to Rocket City.



DATA CENTERS | FACEBOOK

Huntsville is now home to one of Facebook's Data Centers- an investment of more than \$1 billion. The Facebook campus is located in North Huntsville Industrial Park.

MAJOR EMPLOYERS



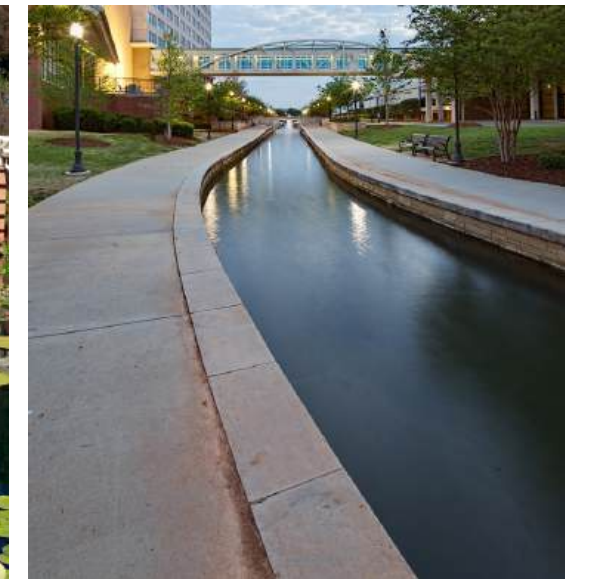
COMPANY	INDUSTRY	EMPLOYEES
U.S. Army/Redstone Arsenal	Government	44,000
Huntsville Hospital	Health Care	19,500
NASA/Marshall Space Flight Center	Government	7,000
Mazda Toyota Manufacturing USA, Inc	Automotive, Manufacturing	4,000
The Boeing Company	Research & Development	3,300
Huntsville City Schools	Education	2,349
Dynetics, Inc.	Research & Development	1,900
SAIC	Research & Development	2,500
City of Huntsville	Government	2,450

MARKET FUNDAMENTALS

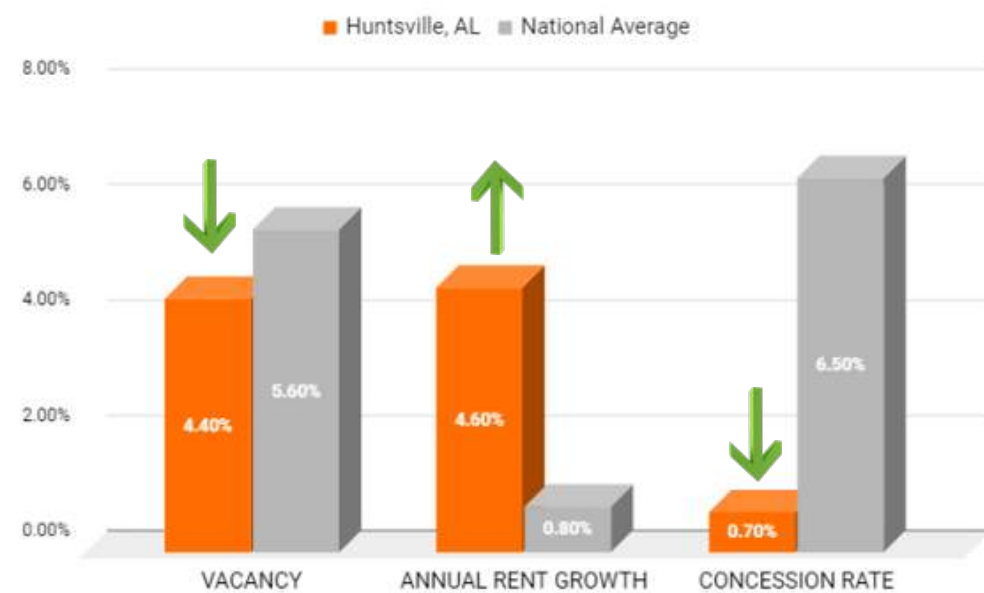
MULTIFAMILY MARKET & ECONOMY

Not surprisingly, the Huntsville market has generally outperformed the national market for years, and with the accelerating, massive growth in this market, promises to continue to do so for the foreseeable future. Many areas in the Sunbelt region of the US have seen record construction of multifamily product; this has been in response to record *growth* in this area.

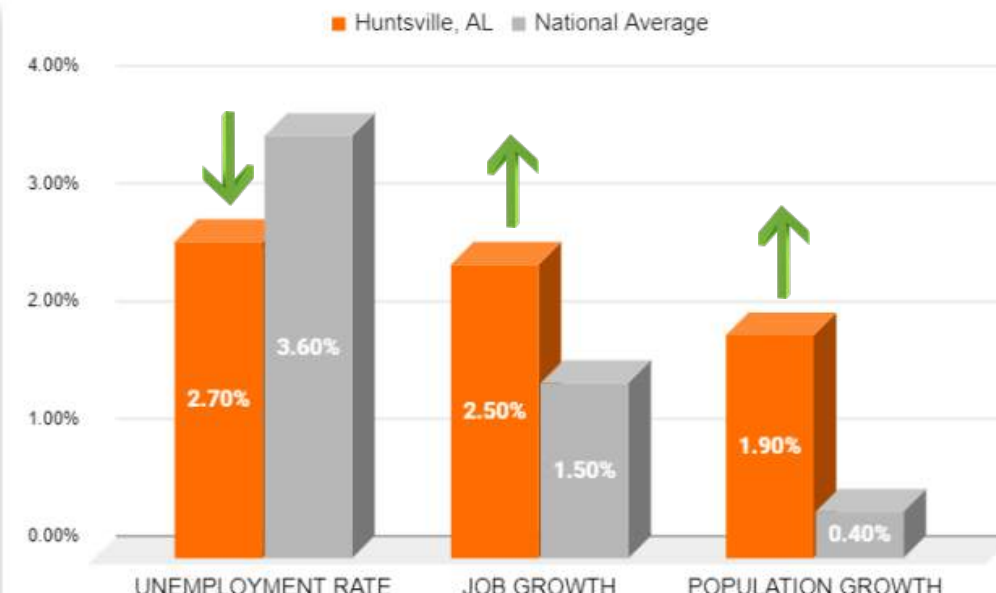
MULTIFAMILY	HUNTSVILLE, AL	NATIONAL AVERAGE
VACANCY	4.4%	5.6%
MARKET RENT	\$1,169	\$1,667
ANNUAL RENT GROWTH	4.6%	0.8%
CONCESSION RATE	0.7%	6.5%
MARKET SALES PRICE/UNIT	\$145k	\$71k
MARKET CAP RATE	5.56%	5.6%
ECONOMY	HUNTSVILLE, AL	NATIONAL AVERAGE
UNEMPLOYMENT RATE	2.7%	3.6%
JOB GROWTH	2.5%	1.5%
POPULATION GROWTH	1.9%	0.4%



MULTIFAMILY MARKET

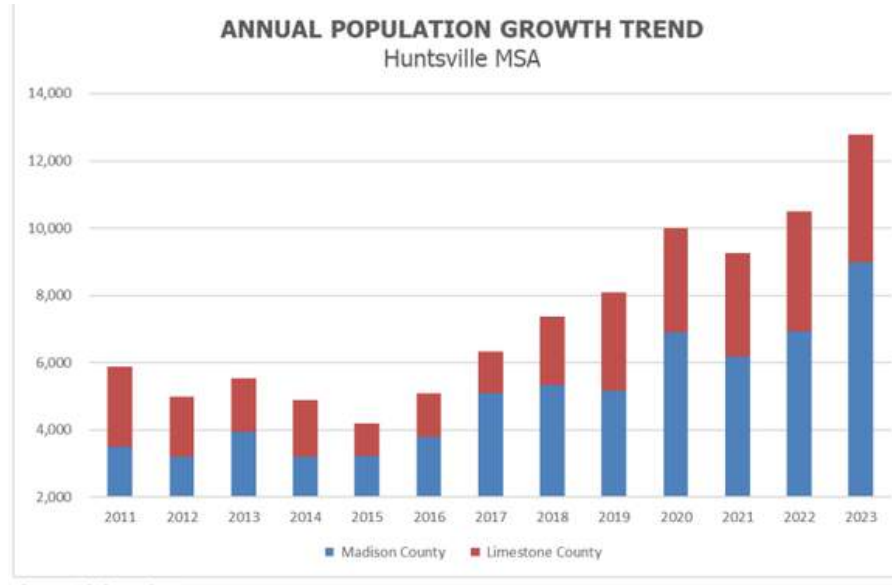
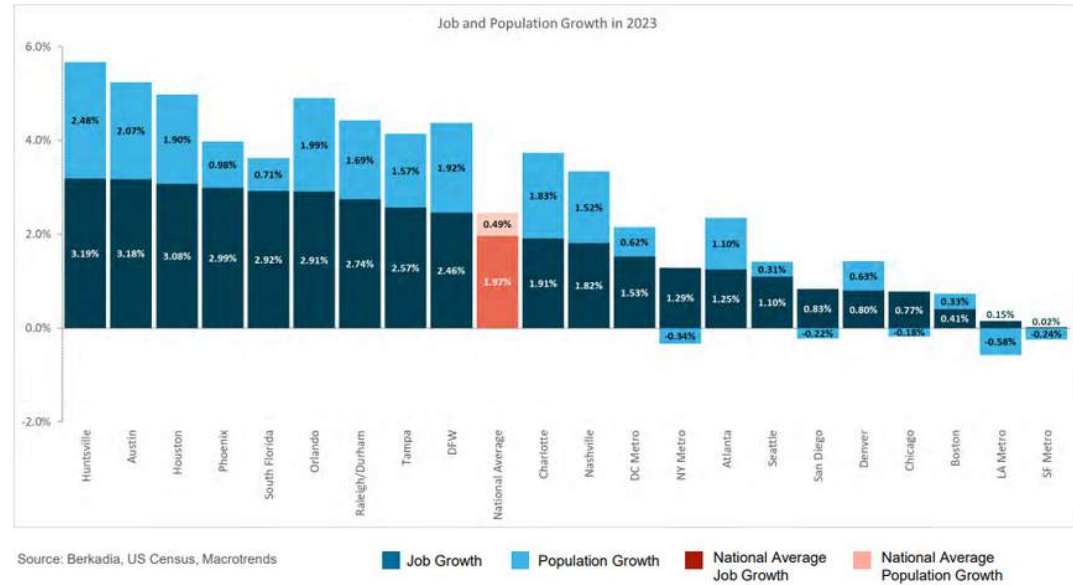


ECONOMY



THE MULTIFAMILY MARKET IN HUNTSVILLE

ECONOMIC & POPULATION GROWTH



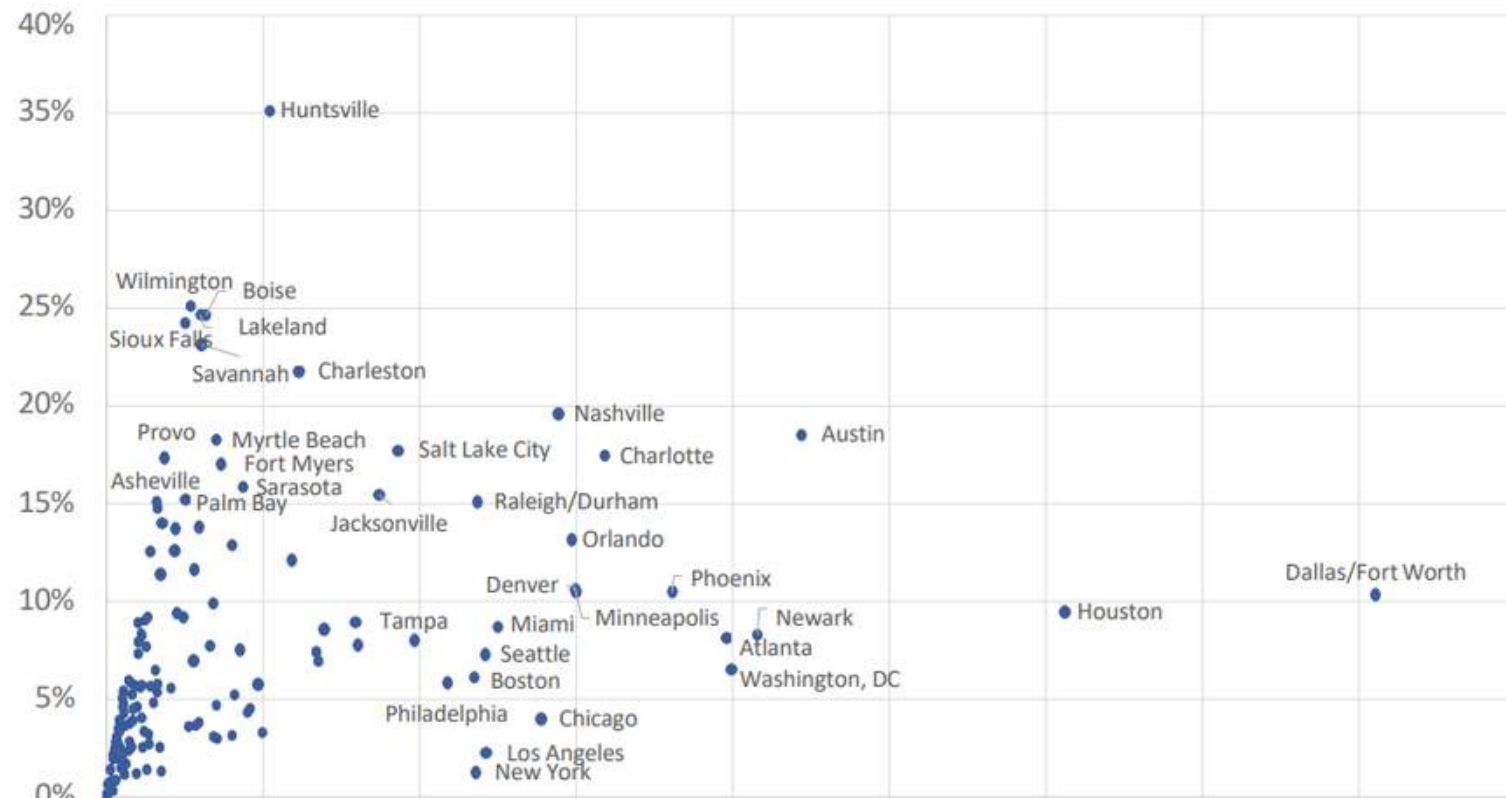
HUNTSVILLE IS FASTEST GROWING SUNBELT CITY

Both job and population growth in Huntsville, Alabama, outpace every city in the Southeast United States. The adjacent chart reveals that in 2023 Huntsville job growth was 3.19%, outpacing Austin and Houston, placing second and third. The same held true for population growth, as Huntsville’s overall population grew 2.48% in 2023, growing 24% faster than second place Austin.

Not only is this growth impressive, and proving consistent over time, but it also represents job growth that is high tech and high paying, with incomes pushing over \$100,000/year.

You can see in the adjacent chart that Huntsville had added over 40,000 people since 2020, and the growth is trending higher, with over 12,000 people moving to the MSA in 2023. Early projections indicate that the growth has not slowed in 2024 either, as people from around the country flock to Huntsville and its high tech, high paying jobs, and award-winning quality of life.

This highlights why we are predicting that the supply-demand in the multifamily market will balance by 2025, and by the end of 2026 we will be facing a shortage of housing and, consequently, higher rents than most are now projecting. .



Source: RealPage

HUNTSVILLE RENTER HOUSEHOLDS + 33% SINCE 2022

Data from RealPage shows that Huntsville, a metropolitan area of about 514,000, recorded renter household growth of 15.1% in 2023.

Huntsville was the only city in double digits and far exceeded some of the hottest real estate markets around the country – Nashville, Tennessee; Charlotte, North Carolina; Raleigh-Durham, North Carolina; Austin, Texas and a number of Florida cities.

Further, Net apartment demand from March 2020 to March 2024 surged 35% in Huntsville, 10-15% higher than in the next closest cities, including Boise, Savanna, and Charleston (see chart). This demand promises to continue, if not increase as Huntsville’s growth outpaces every other city in the Sunbelt region, representing an area whose growth by percentage makes it one of the fastest growing on the globe.

FINANCIALS

In this section of the Offering Memorandum, you will find our detailed analysis of this investment. Included in our analysis are our Underwriting Assumptions, the Property Details, Cash Flow Projections, Annual Operating Comparison, and Sales and Rent Comps.



UNDERWRITING ASSUMPTIONS

In our analysis of Northgate Terrace Apartments, we have modeled the continuation of the current expense structure beginning in the Year 1 Pro Forma aside from reductions to Turnover and Insurance expenses. The table below displays Northgate Terrace's T-12 expenses followed by the Year 1 Pro Forma expense structure that will reduce overall costs. Each highlighted line is further elaborated upon within our Expense Justifications.

INITIAL FEEDBACK

In our analysis, we were able to back into T-12, T-3, and T-1 economic vacancy percentages using the current average effective rent. Through this, we discovered that the majority of economic vacancy loss belonged to loss-to-lease.

EXPENSES

TURNOVER

Turnover is especially high in Northgate Terrace's most recent T-12, which ownership has confirmed that capital expenditures contributed to such a high turnover expense. Beginning in Year 1, we have adjusted the turnover expense to a normalized \$425/door.

INSURANCE

Current ownership's insurance expense totals out around \$1,400/door. Starting in Year 1, we have modeled a significantly lower insurance expense at \$850/door - the insurance expense figure that comparable properties in the area have been able to secure in recent months.

TAXES

The sale of this asset will most likely result in a higher tax assessment value, therefore we have modeled property tax increasing beginning in Year 1.

	CURRENT		PRO FORMA		
	P&L EXPENSE	PER DOOR	YEAR 1	PER DOOR	DIFFERENCE
PAYROLL	-	-	-	-	-
MANAGEMENT	9,628	7.17%	10,339	7.2%	-
G&A	320	20	327	20	+2%
R&M	7,428	464	7,577	474	+2%
LEGAL AND PROFESSIONAL	1,881	118	1,919	120	+2%
TURNOVER	17,280	1,080	6,800	425	-60.6%
ADVERTISING/MARKETING	-	-	-	-	-
EXTERMINATOR	712	44	726	45	+2%
DUMPSTER RENT	2,837	177	2,894	181	+2%
UTILITIES	-	-	-	-	-
GROUNDS	3,215	201	3,279	205	+2%
INSURANCE	22,652	1,416	13,600	850	-40%
TAXES	7,260	454	9,819	614	+35.2%
TOTAL	\$73,214	\$4,576	\$57,280	\$3,580	-21.8%

Note: All 2% increases are standard inflationary increases.

PROPERTY DETAILS

PROPERTY SUMMARY

Property:	Northgate Terrace Apartments	Ownership	Bryan Brezic
Address:	1057 N Main St, Arab, AL 35016	Management	Self
Units:	16	Occupancy	91%
Yr Built:	1970	UW Occupancy	95%
Total SF:	11,200	Hold Period	5YR
Avg. Unit SF:	700	Rent Type	Market

UNIT MIX SUMMARY

Unit Type	# Units	Unit Size	Effective	PSF	GPI	Market	PSF	GPI
2 BD 1 BA	16	700	\$735	\$1.05	\$141,120	\$775	\$1.11	\$148,800
Total	16	11,200	\$735	\$1.05	\$141,120	\$775	\$1.11	\$148,800

VALUATION SUMMARY

Sales Price	\$1,520,000
Per Unit	\$95,000
Per SF	\$135.71
Cash on Cash Hold Period	5.18%
Cap Rate T-12	4.02%
Cap Rate T-3	3.95%
Cap Rate T-1	3.89%
Cap Rate T-3 Expense Adjusted	5.00%
Cap Rate going YR 1 TA	5.68%
10 Year IRR	8.84%
7 Year IRR	8.51%
5 Year IRR	7.99%

PROPOSED DEBT STRUCTURE

Loan to Value:	39%
Down Payment:	\$927,200
Loan Amount:	\$592,800
Interest Rate:	6.50%
Amortization (Months):	300
Interest Only (Months):	12
Monthly I/O Payment:	\$3,211
Monthly P&I Payment:	\$4,003
Debt Coverage Ratio	1.25

PROPERTY TAXES

PROJECTED TAXES

State	AL	2023 Tax Value	\$1,067,651	Appraised Price	\$1,444,000
County	Marshall	Assessed Value	\$213,530	Assessed Value	\$288,800
City	Arab	Millage Rate	3.40%	Estimated Tax Rate	0.0340
		Real Property Tax	\$7,260	Pro Forma Property Tax	\$9,819
		Additional Fees	0	Additional Fees	0
		Property Tax Rebate	0	Property Tax Rebate	0
		Personal Property Tax	0	Personal Property Tax	0
Assessment Ratio	20%	2023 Total Property Taxes	\$7,260	Total Pro Forma Taxes	\$9,819

CASH FLOW PROJECTIONS

FORECAST ASSUMPTIONS

Market Rent Growth	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Loss to Lease	3.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Vacancy	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Other Income Growth	-39.77%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Expense Growth	-21.76%	2.43%	2.18%	2.18%	2.18%	2.18%	2.19%	2.19%	2.19%	2.19%

CASH FLOW PROJECTIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Scheduled Market Rents	152,892	157,097	161,809	166,664	171,664	176,814	182,118	187,581	193,209	199,005
Loss to Lease	(5,351)	(3,142)	(3,236)	(3,333)	(3,433)	(3,536)	(3,642)	(3,752)	(3,864)	(3,980)
Gross Potential Income	147,541	153,955	158,573	163,330	168,230	173,277	178,476	183,830	189,345	195,025
Vacancy	(7,645)	(7,855)	(8,090)	(8,333)	(8,583)	(8,841)	(9,106)	(9,379)	(9,660)	(9,950)
Other Income	3,698	3,772	3,847	3,924	4,003	4,083	4,164	4,248	4,333	4,419
Effective Income	143,594	149,871	154,330	158,921	163,650	168,519	173,534	178,698	184,017	189,494
Payroll	-	-	-	-	-	-	-	-	-	-
Management	10,339	10,791	11,112	11,442	11,783	12,133	12,494	12,866	13,249	13,644
Administrative	327	333	340	347	354	361	368	375	383	390
Repairs & Maintenance	7,577	7,728	7,883	8,041	8,201	8,365	8,533	8,703	8,878	9,055
Legal & Professional	1,919	1,957	1,996	2,036	2,077	2,118	2,161	2,204	2,248	2,293
Turnover	6,800	6,936	7,075	7,216	7,361	7,508	7,658	7,811	7,967	8,127
Advertising & Marketing	-	-	-	-	-	-	-	-	-	-
Exterminator	726	740	755	770	786	801	818	834	851	868
Utilities	2,894	2,952	3,011	3,071	3,133	3,195	3,259	3,325	3,391	3,459
Dumpster	-	-	-	-	-	-	-	-	-	-
Grounds	3,279	3,345	3,412	3,480	3,550	3,621	3,693	3,767	3,842	3,919
Insurance	13,600	13,872	14,149	14,432	14,721	15,015	15,316	15,622	15,935	16,253
Taxes	9,819	10,016	10,216	10,420	10,629	10,841	11,058	11,279	11,505	11,735
Total Operating Expenses	57,280	58,670	59,949	61,256	62,593	63,960	65,357	66,786	68,248	69,742
NOI before Reserves	86,314	91,201	94,381	97,665	101,057	104,559	108,177	111,912	115,769	119,752
Replacement Reserves	0	0	0	0	0	0	0	0	0	0
NOI after Reserves	86,314	91,201	94,381	97,665	101,057	104,559	108,177	111,912	115,769	119,752
Annual Debt Service	38,532	48,032	48,032	48,032	44,963	44,963	44,963	44,963	44,963	44,963
Cash Return	47,782	46,238	49,418	52,702	56,094	59,597	63,214	66,949	70,806	74,789
Cash on Cash Return	5.15%	4.99%	5.33%	5.68%	6.05%	6.43%	6.82%	7.22%	7.64%	8.07%
Debt Coverage Ratio	1.92	2.03	2.10	2.17	2.25	2.33	2.41	2.49	2.57	2.66

ANNUAL OPERATING COMPARISON

	T-12 INCOME/EXPENSES		T-3 INCOME/ T-12 EXPENSES		T-1 INCOME/ T-12 EXPENSES		YEAR 1 PRO FORMA	
	Annual	Per Unit	Annual	Per Unit	Annual	Per Unit	Annual	Per Unit
Scheduled Market Rents	148,800	9,300	148,800	9,300	148,800	9,300	152,892	9,556
Loss to Lease	(12,574)	(786)	(8,928)	(558)	(7,589)	(474)	(5,351)	(334)
Gross Potential Income	\$136,226	8,514	\$139,872	8,742	\$141,211	8,826	\$147,541	9,221
Vacancy	(5,475)	(342)	(12,772)	(798)	(9,511)	(594)	(7,645)	(478)
Other Income	3,625	227	6,139	384	600	38	3,698	231
Effective Income	\$134,377	8,399	\$133,239	8,327	\$132,300	8,269	\$143,594	9,468
Payroll	0	0	0	0	0	0	0	0
Management	9,628	602	9,628	602	9,628	602	10,339	646
G&A	320	20	320	20	320	20	327	20
R&M	7,428	464	7,428	464	7,428	464	7,577	474
Legal and Professional	1,881	118	1,881	118	1,881	118	1,919	120
Turnover	17,280	1,080	17,280	1,080	17,280	1,080	6,800	425
Advertising/Marketing	0	0	0	0	0	0	0	0
Exterminator	712	44	712	44	712	44	726	45
Utilities	2,837	177	2,837	177	2,837	177	2,894	181
Dumpster Rent	0	0	0	0	0	0	0	0
Grounds	3,215	201	3,215	201	3,215	201	3,279	205
Insurance	22,652	1,416	22,652	1,416	22,652	1,416	13,600	850
Taxes	7,260	454	7,260	454	7,260	454	9,819	614
Total Operating Expenses	\$73,214	4,576	\$73,214	4,576	\$73,214	4,576	\$57,280	3,580
NOI before Reserves	\$61,163	3,823	\$60,025	3,752	\$59,086	3,693	\$86,314	5,395
Replacement Reserves							0	
NOI after Reserves	\$61,163	3,823	\$60,025	3,752	\$59,086	3,693	\$86,314	5,395
Cap Rate		4.02%		3.95%		3.89%		5.68%

SALES COMPARABLES



**NORTHGATE TERRACE
APARTMENTS**



310 TAYLOR ST



**THE COLONY
APARTMENTS**



THE PAVILLION



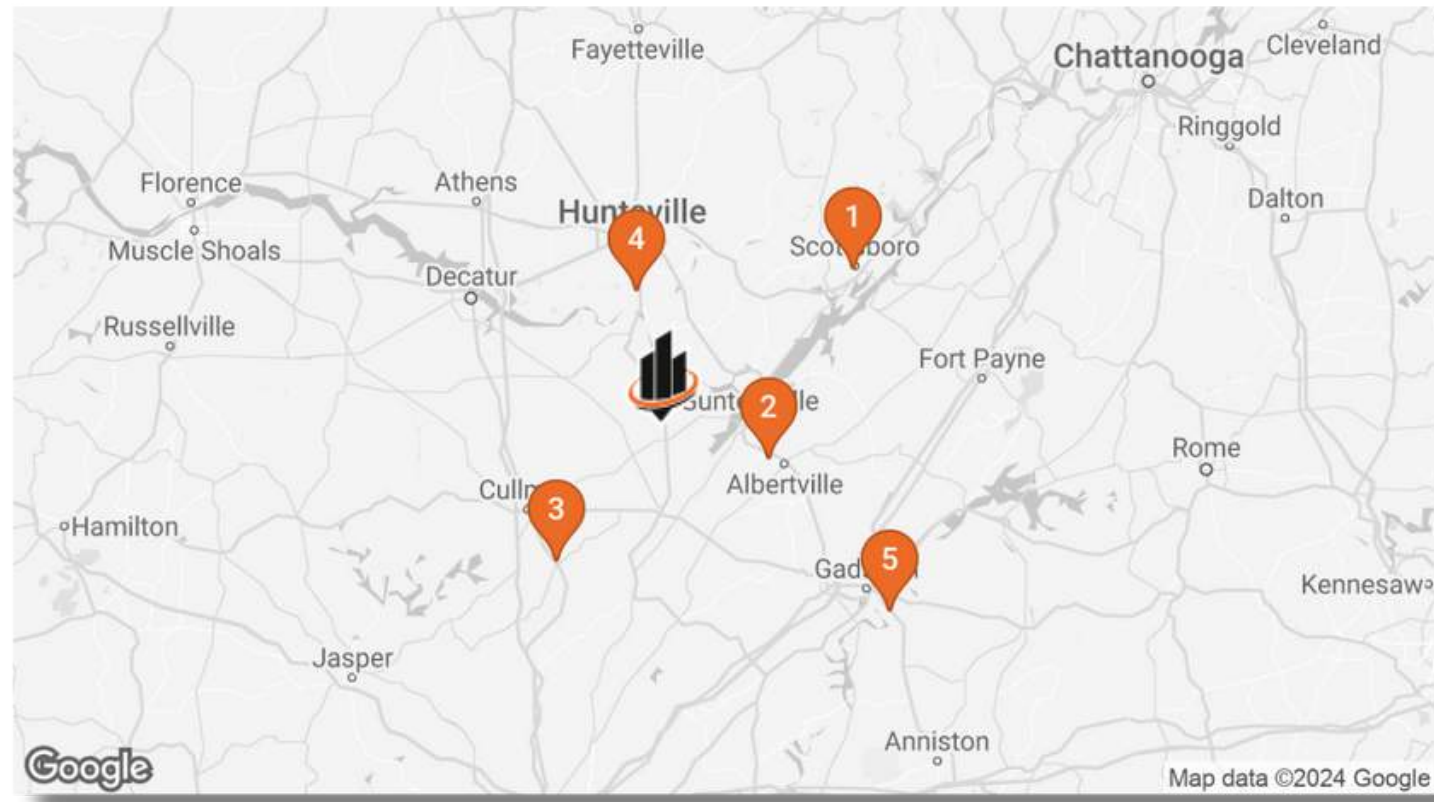
**THE COTTAGES AT
GLENVIEW**



**PINE RIDGE
APARTMENTS**

ADDRESS	1057 N Main St	--	2020 AL Hwy 205 St	401 College Dr NE	2500 Redstone Rd SW	305 W Air Depot Rd
CITY	Arab, AL	Scottsboro, AL	Albertville, AL	Hanceville, AL	Huntsville, AL	Gadsden, AL
UNITS	16	7	56	142	90	112
AVG. RENT	\$735	--	\$583	\$797	\$926	\$885
BLDG. SF	11,200	6,732	51,184	93,436	46,350	93,968
SALE DATE	--	9/2022	2/2023	8/2022	12/2022	5/2022
YR BUILT	1970	1970/2022	1999	1995	1984/2000	1979
PRICE	\$1,520,000	\$465,000	\$2,800,000	\$12,070,000	\$6,880,000	\$6,680,000
PRICE/UNIT	\$95,000	\$66,429	\$50,000	\$85,000	\$76,444	\$59,643
GRM	10.22	--	7.15	8.89	6.88	5.62
PRICE/SF	\$135.71	\$69.07	\$54.70	\$129.18	\$148.44	\$71.09
AMI (2 MI.)	\$47,545	\$42,178	\$48,913	\$33,976	\$76,167	\$43,053

SALES COMPARABLES



Northgate Terrace Apartments
1057 N Main St
Arab, AL
\$1,520,000
\$95,000 per unit



The Pavillion
401 College Dr NE
Hanceville, AL
\$12,070,000
\$85,000 per unit



310 Taylor St
--
Scottsboro, AL
\$465,000
\$66,429 per unit



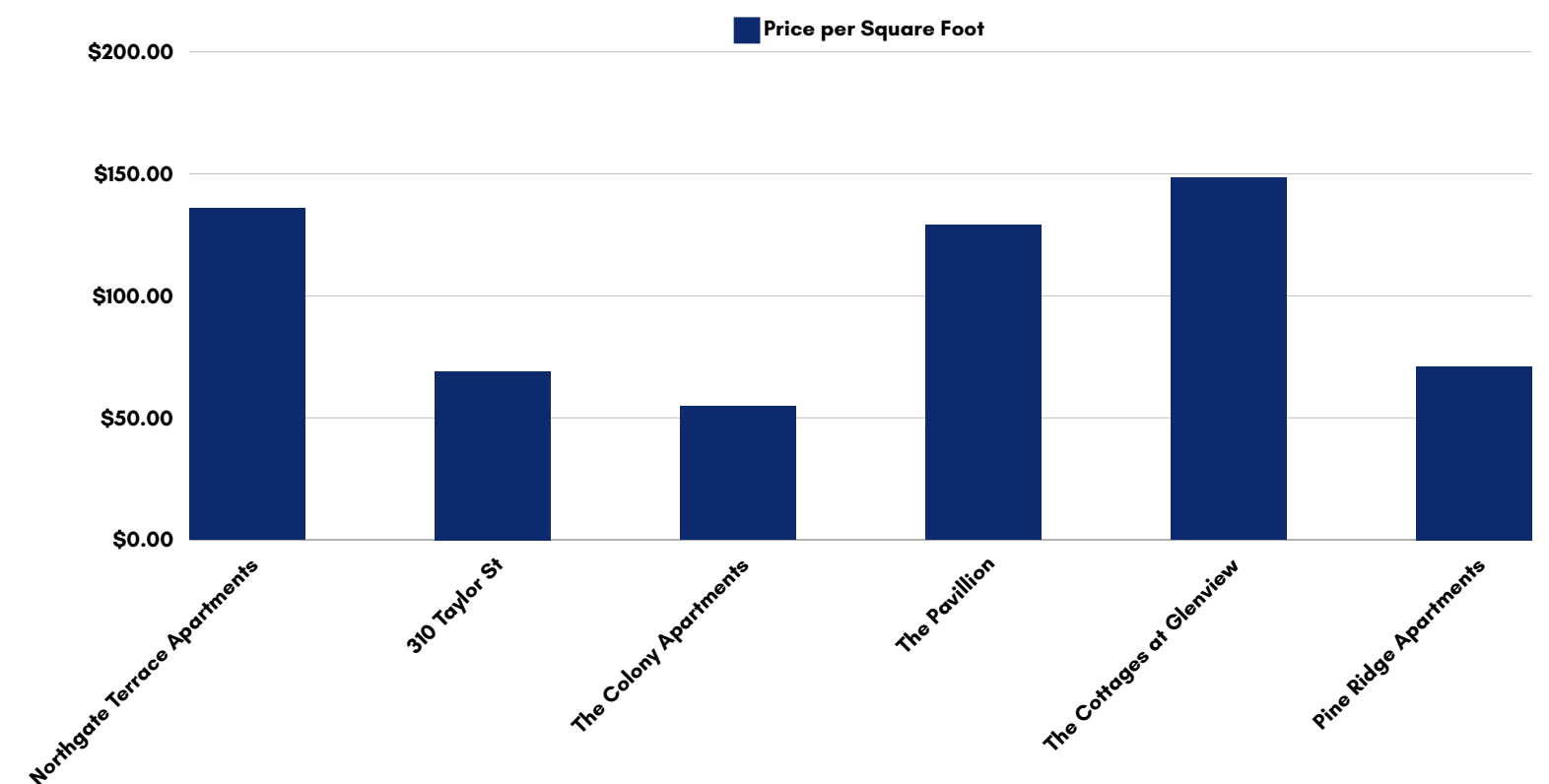
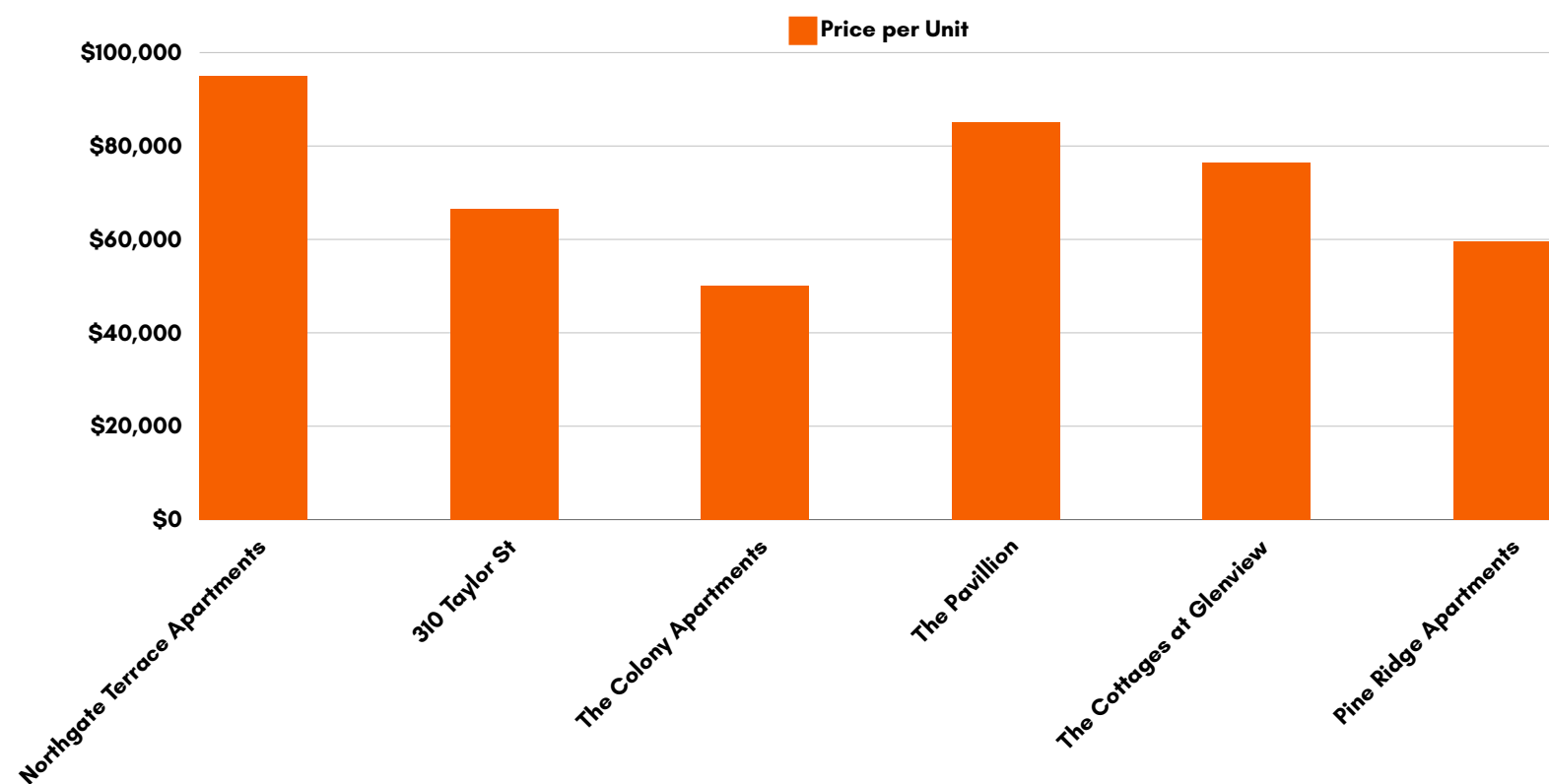
The Cottages at Glenview
2500 Redstone Rd SW
Huntsville, AL
\$6,880,000
\$76,444 per unit



The Colony Apartments
2020 AL Hwy 205 St
Albertville, AL
\$2,800,000
\$50,000 per unit



Pine Ridge Apartments
305 W Air Depot Rd
Gadsden, AL
\$6,680,000
\$59,643 per unit



RENT COMPARABLES



**NORTHGATE TERRACE
APARTMENTS**



**MONTREAT
VILLAGE**



**MAGNOLIA
APARTMENTS**



**HIGHLAND RIDGE
APARTMENTS**



**WESTGATE
APARTMENTS**



PINE RIDGE COLONY

ADDRESS	1057 N Main St	317 4th St SE	104 1st Ave NE	13361 US Hwy 431	113 S Cahill Rd	640 Greenview St
CITY	Arab, AL	Arab, AL	Arab, AL	Guntersville, AL	Albertville, AL	Albertville, AL
YR BUILT	1970	1971	1999	1974	6/3	1986
BUILDING SF	11,200	43,740	50,250	72,930	55,800	63,576
UNITS	16	54	50	78	3/12	72
AVG. UNIT SIZE	700	810	1,005	935	775	883
ASK RENT	\$775	\$697	\$665	\$777	\$471	\$571
AVG. RENT/SF	\$1.11	\$0.86	\$0.66	\$0.83	\$0.61	\$0.65
AMI (2 MI.)	\$47,545	\$47,255	\$48,959	\$52,348	\$47,590	\$47,931

RENT COMPARABLES

UNIT MIX COMPARISON



NORTHGATE TERRACE APARTMENTS (subject property)

Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
2 BD 1 BA	16	\$775	700	\$1.11



MONTREAT VILLAGE

Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
1 BD 1.5 BA	24	\$599	600	\$1.00
2 BD 1 BA	6	\$678	625	\$1.08
2 BD 1.5 BA	12	\$782	725	\$1.08
3 BD 1 BA	2	\$730	600	\$1.22
3 BD 1.5 BA	8	\$808	1025	\$0.79
4 BD 2 BA	2	\$938	1237	\$0.76



MAGNOLIA APARTMENTS

Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
1 BD 1 BA	15	\$503	750	\$0.67
2 BD 1 BA	15	\$670	1000	\$0.67
3 BD 1 BA	20	\$782	1200	\$0.65



HIGHLAND RIDGE APARTMENTS

Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
1 BD 1 BA	10	\$608	575	\$1.06
2 BD 1 BA	24	\$710	900	\$0.79
2 BD 1.5 BA	32	\$811	975	\$0.83
3 BD 1.5 BA	4	\$963	1200	\$0.80
3 BD 2 BA	8	\$963	1200	\$0.80



WESTGATE APARTMENTS

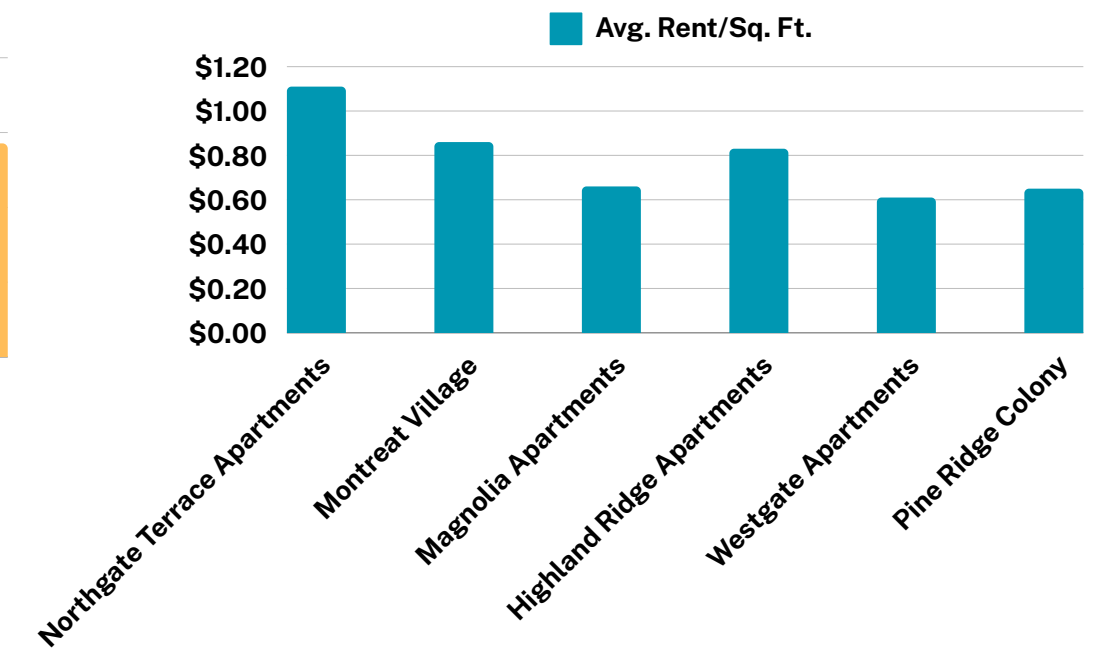
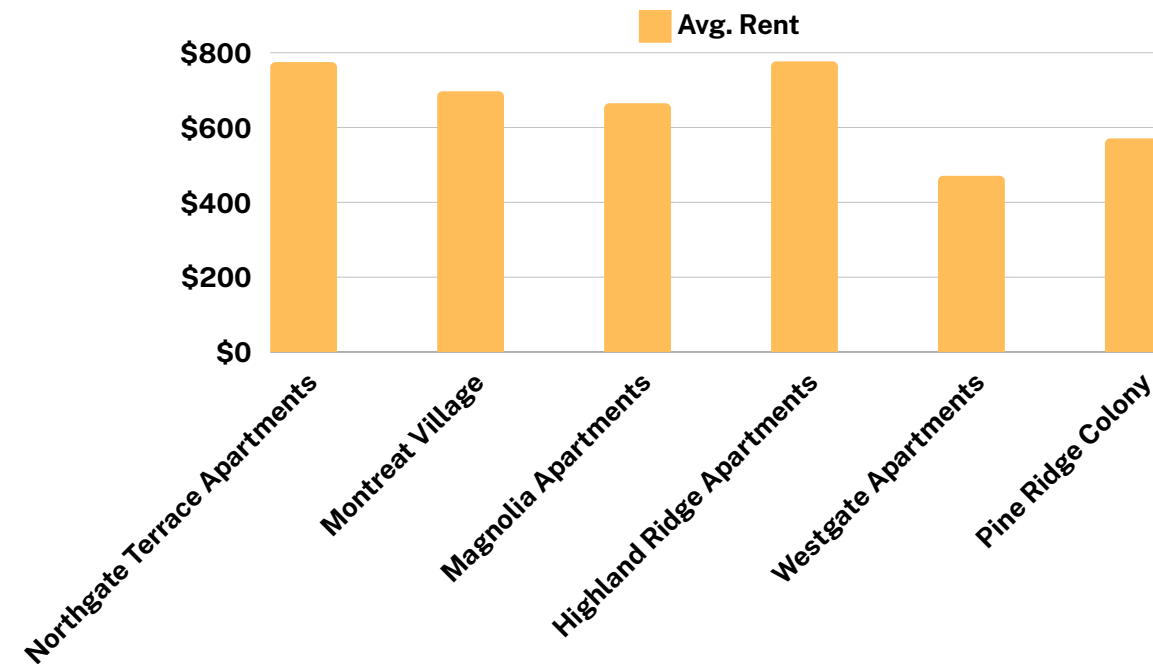
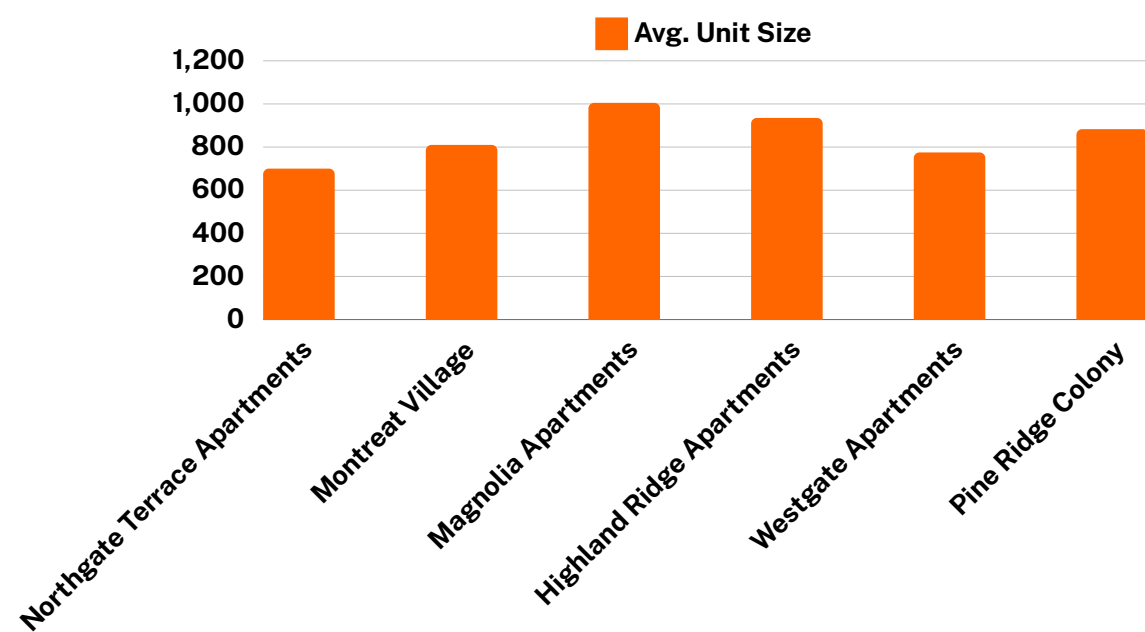
Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
1 BD 1 BA	36	\$424	650	\$0.65
2 BD 1 BA	36	\$517	900	\$0.57



PINE RIDGE COLONY

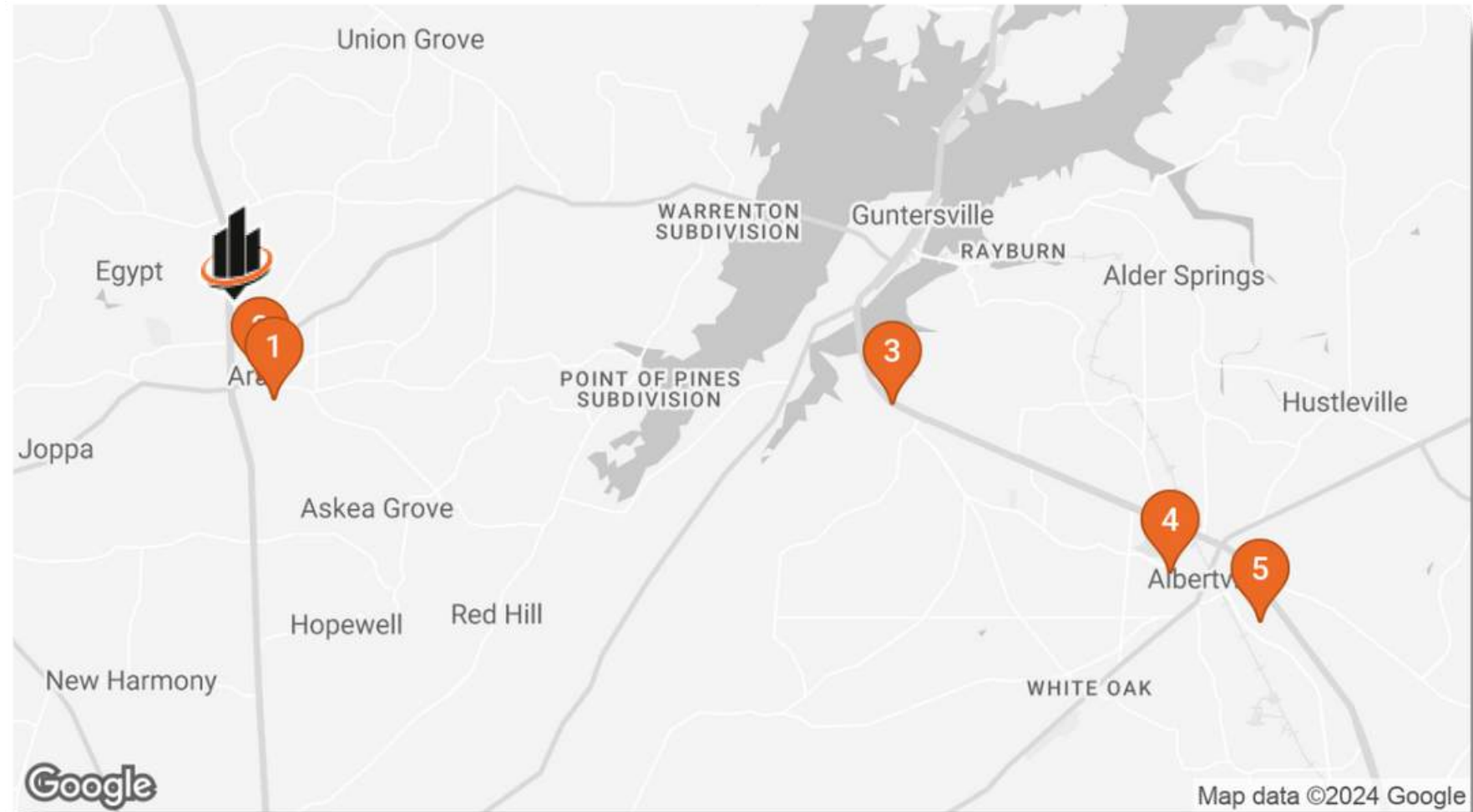
Unit Type	# of Units	Asking Rent	Square Feet	Rent/SF
Studio	24	\$483	700	\$0.69
2 BD 1 BA	48	\$615	974	\$0.63

AVERAGE RENT COMPARISONS



RENT COMPARABLES

COMPARABLES' LOCATIONS



Northgate Terrace Apartments
1057 N Main St
Arab, AL
Average Rent: \$775



Magnolia Apartments
104 1st Ave NE
Arab, AL
Average Rent: \$665



Westgate Apartments
113 S Cahill Rd
Albertville, AL
Average Rent: \$471



Montreat Village
317 4th St SE
Arab, AL
Average Rent: \$697



Highland Ridge Apartments
13361 US Hwy 431
Guntersville, AL
Average Rent: \$777



Pine Ridge Colony
640 Greenview St
Albertville, AL
Average Rent: \$571



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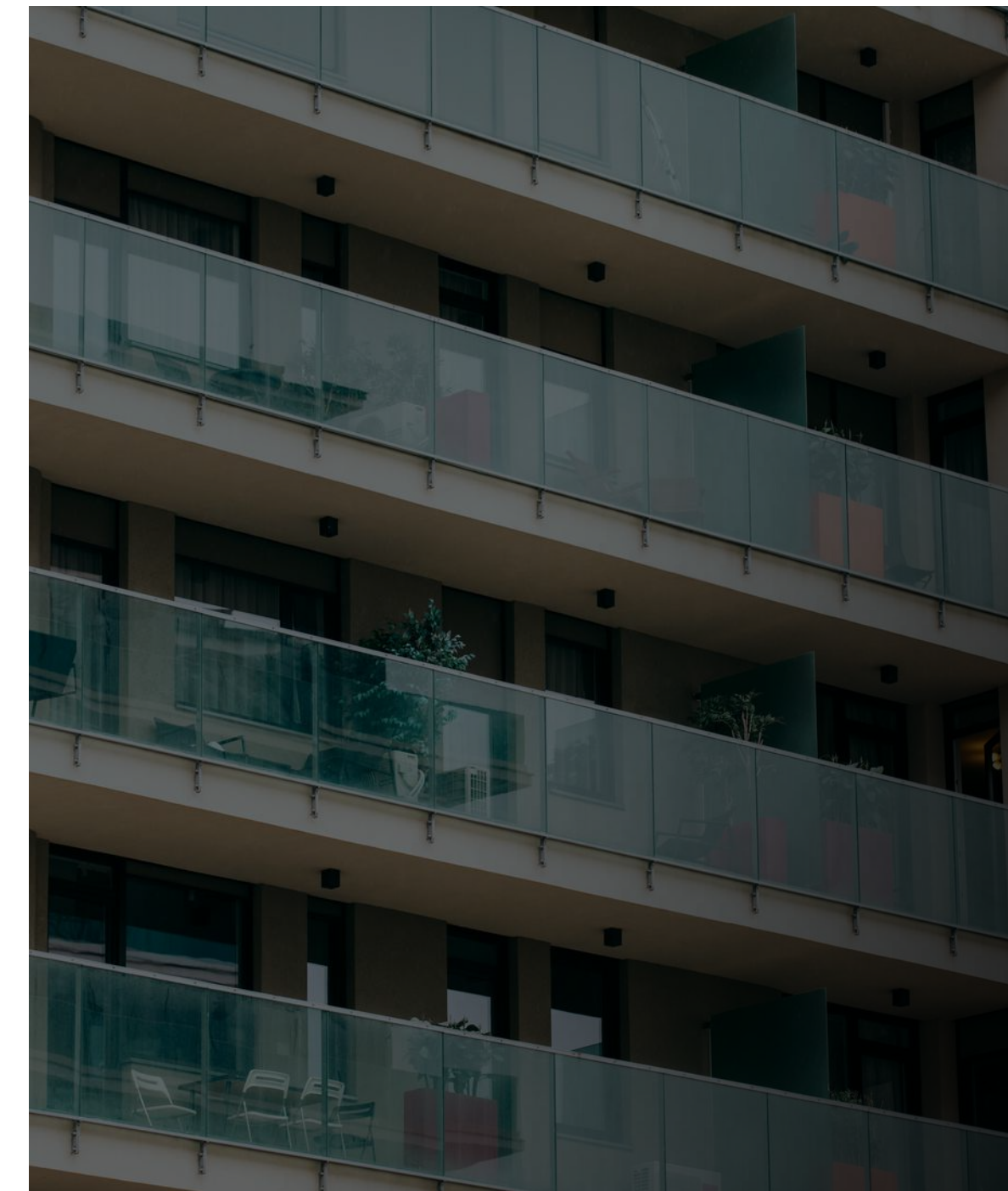
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2,000+

Advisors and Staff

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Total value of sales & lease transactions

8

Countries & expanding

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57M+

SF in properties managed

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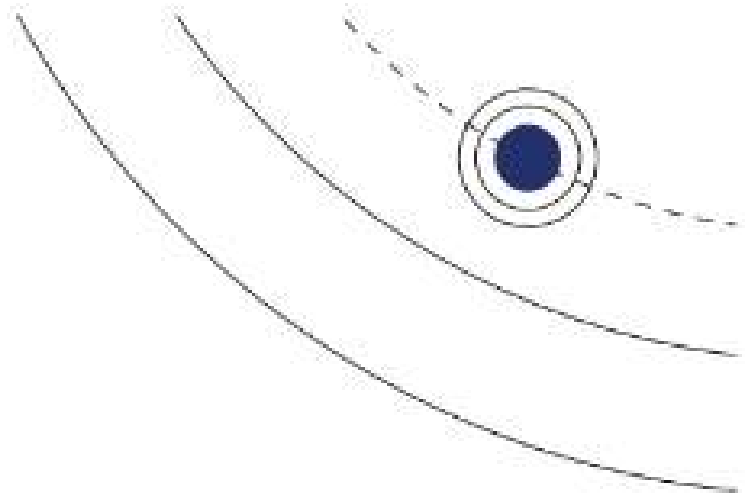
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The 9.6% report

A REPORT ON THE PRICING
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The Result?

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