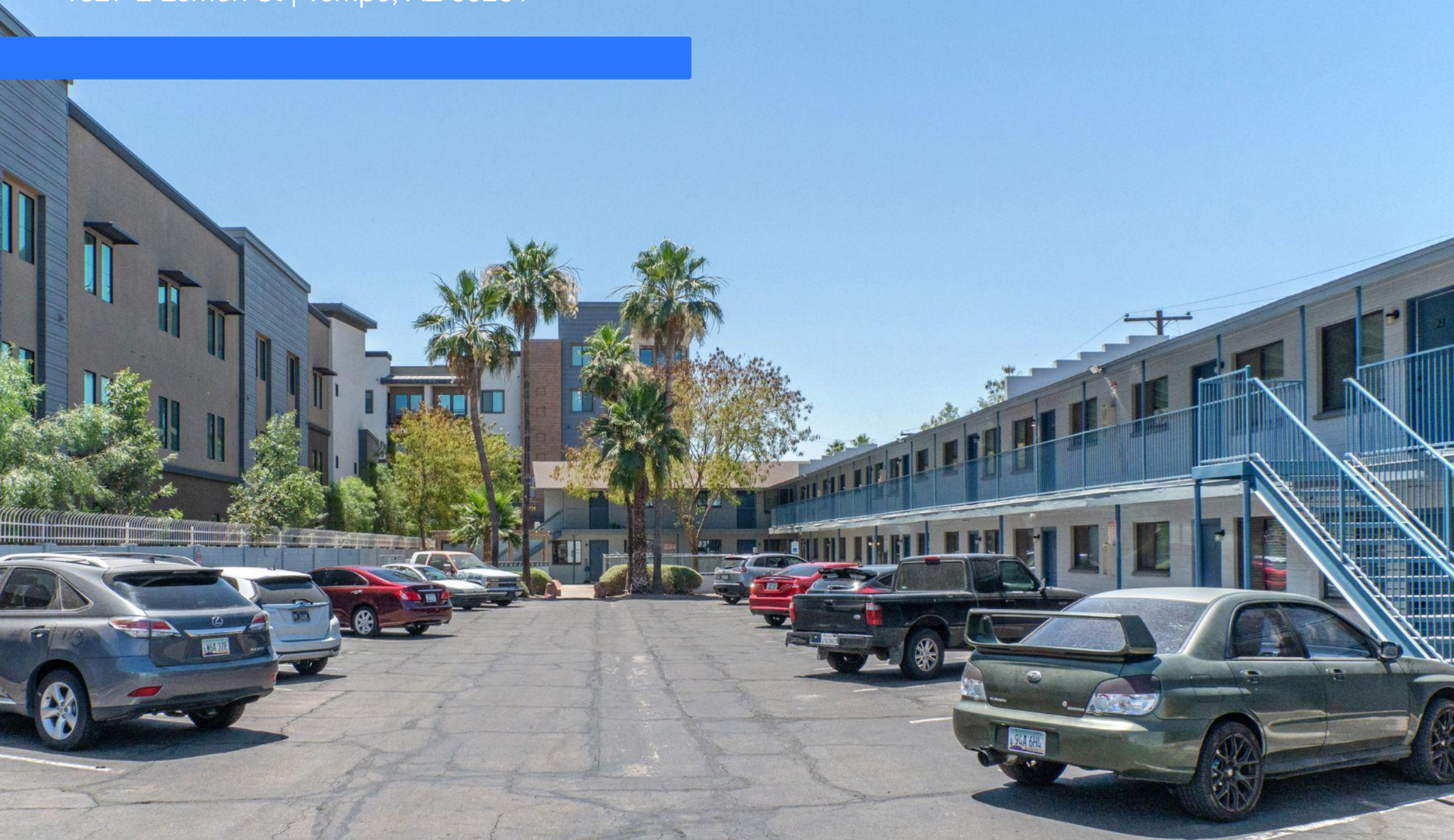
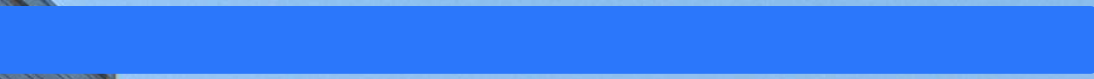


Alegre Park

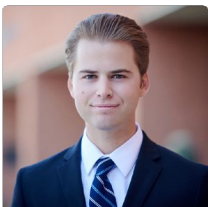
1827 E Lemon St | Tempe, AZ 85281



Multifamily Investment Opportunity
Offering Memorandum

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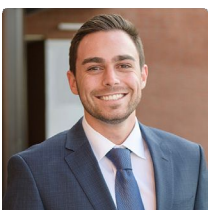
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Arizona State University
±1 Mi Away | ±78,000 Students | 76.4% Off-Campus Students

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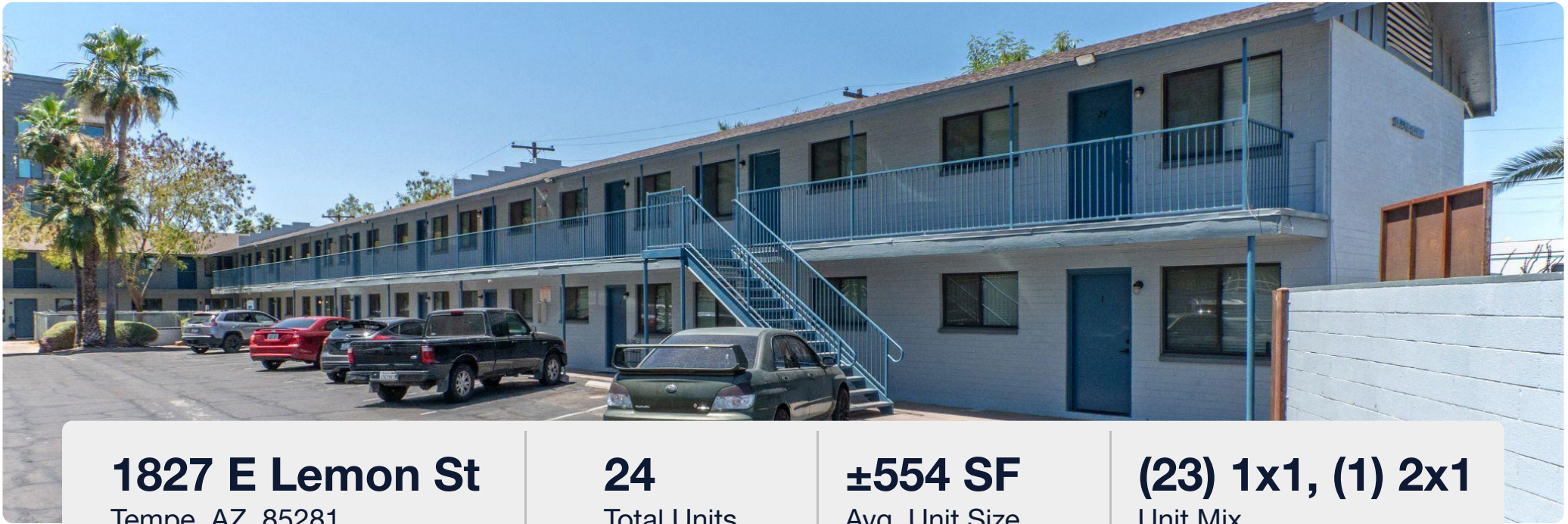




1827 E Lemon St | Tempe, AZ 85281

Property Overview

Executive Summary



1827 E Lemon St

Tempe, AZ, 85281

24

Total Units

±554 SF

Avg. Unit Size

(23) 1x1, (1) 2x1

Unit Mix

The Opportunity

We are pleased to present the exclusive offering of **Alegre Park**, a **24-unit multifamily community** located in the heart of Tempe. Originally built in 1961 and **extensively renovated in 2024**, the property offers investors the opportunity to acquire a well-positioned asset with strong in-place cash flow and continued upside in one of the Valley's most supply-constrained rental markets.

The property consists primarily of efficiently designed **one-bedroom units** with renovated interiors **featuring quartz countertops, shaker cabinetry, recessed LED lighting, brushed nickel hardware, and modern electric appliances**. Additional capital improvements include **new exterior paint, bike racks**, and a community **pet recreation area**.

Healthy renter demand continues to support the Tempe multifamily market, with Phoenix recording roughly **16,000+ units of annual absorption** and quarterly leasing activity now outpacing new deliveries as construction pipelines begin to moderate. Investors have the **opportunity to capitalize on current supply pressures** and ride the wave of future rent growth as market fundamentals strengthen. The asset offers an attractive combination of **stable in-place income, operational upside, and long-term positioning within a highly desirable infill location** driven by proximity to employment, education, and lifestyle amenities.

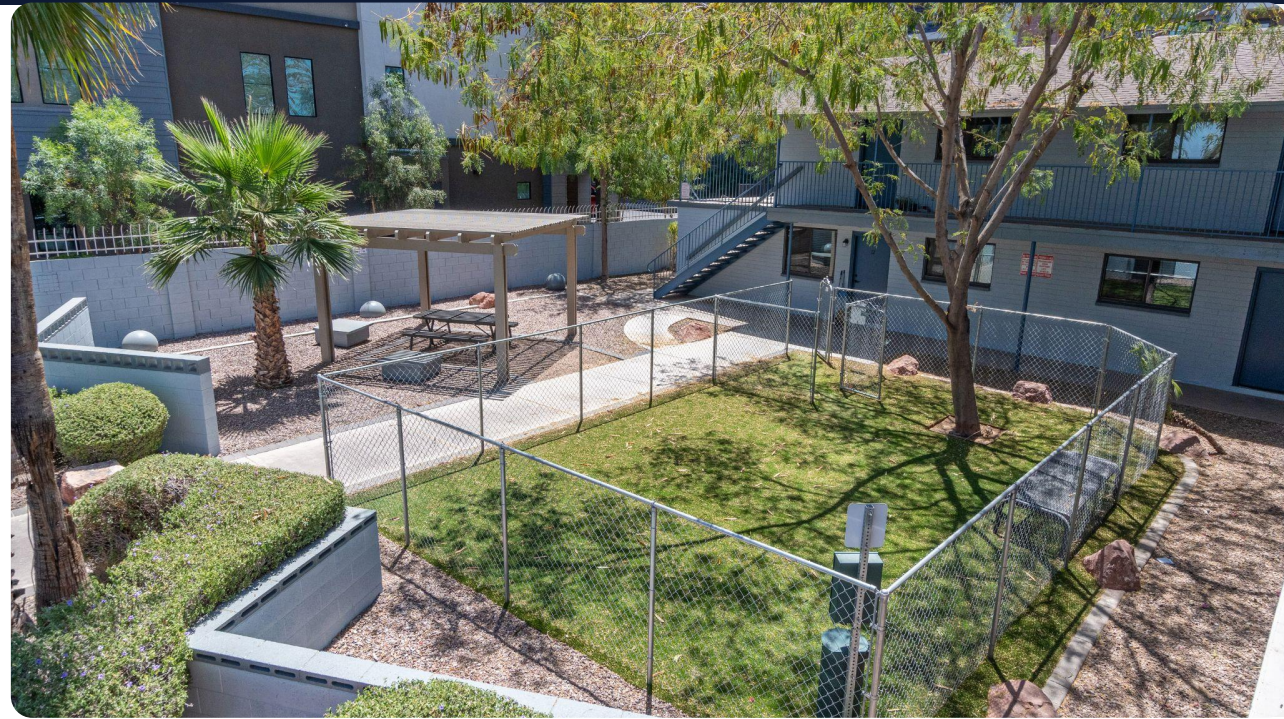
Investment Highlights

Investment Highlights

- **Total Units:** 24
- **Year Built / Renovated:** 1961 / 2024
- **Net Rentable Area:** ±13,300 SF
- **Average Unit Size:** ±554 SF
- **Unit Mix:** (23) 1x1 Units | (1) 2x1 Units
- **Parcel Size:** ±0.56 Acres or ±24,393 SF
- **List Price:** \$3,800,000 | \$158,000 Per Unit | \$286 Per SF
- **Current Cap Rate:** 5.75%
- **Year 1 Cap Rate:** 6.11%
- **Pro Forma Cap Rate:** 7.30%

Property Details

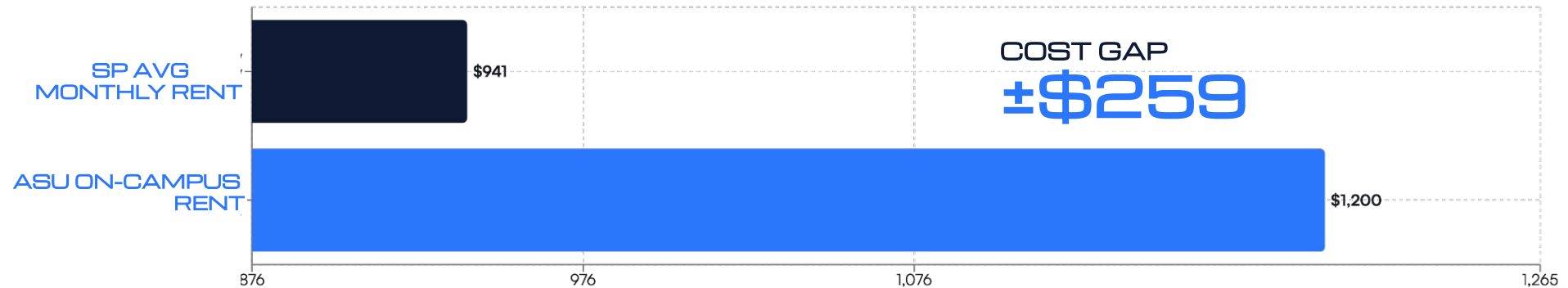
- **Construction:** Block
- **Roof Type:** Composition Shingle
- **Laundry:** On-Site
- **Electrical:** Individually Metered
- **Water / Sewer / Gas:** Master Metered
- **Air Conditioning:** Mini Split Systems
- **Parking:** Asphalt
- **New Exterior Paint**
- **Interiors:** Renovated with Electric Appliances, Shaker Cabinetry, Brushed Nickel Hardware, Quartz Countertops, & Recessed LED Lighting



ASU RENT ADVANTAGE

SP VS. ON CAMPUS HOUSING | TEMPE, AZ

Located approximately one mile from Arizona State University, the subject property offers students a lower-cost off-campus alternative near the core Tempe academic and lifestyle corridor. Lower costs will help drive consistent tenant demand and provide the opportunity for upside.



TEMPE / ASU CORRIDOR

1.4 mi To ASU

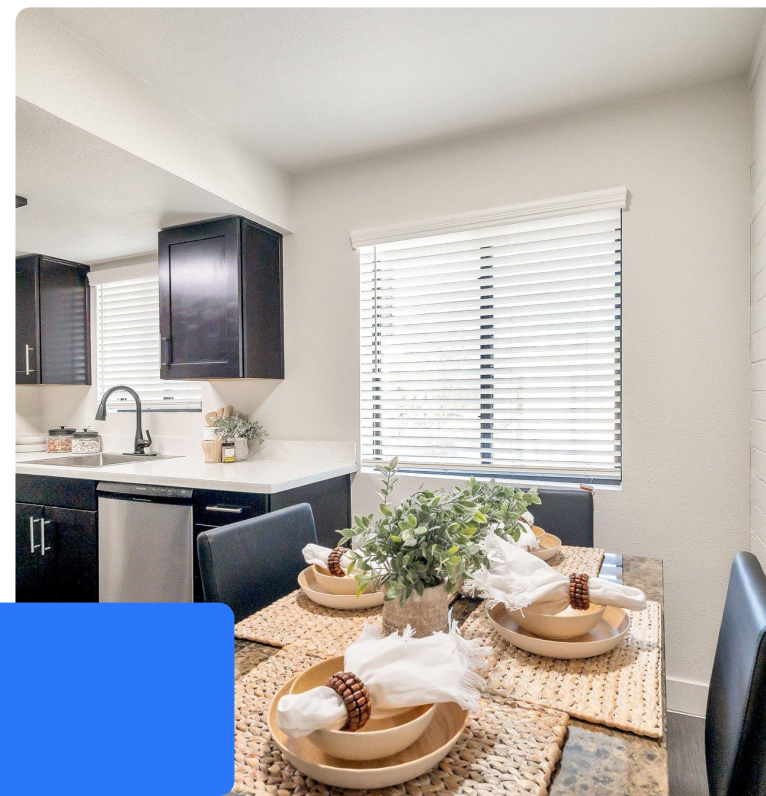
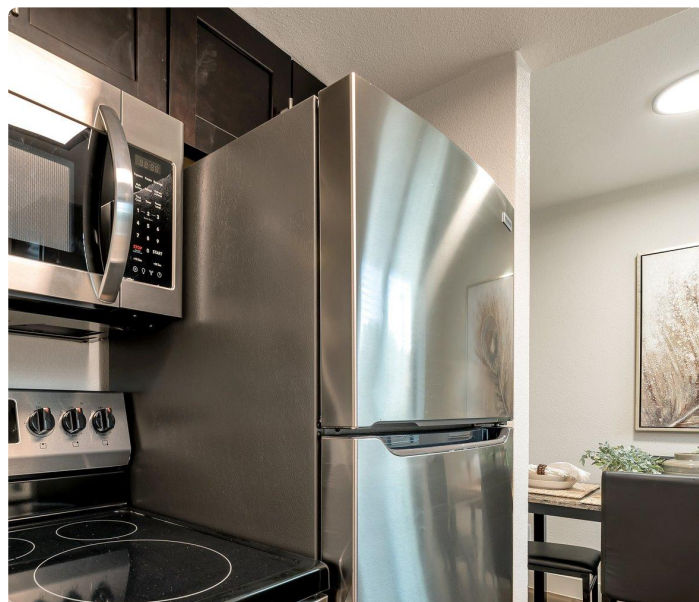
76.4% UNDERGRADS OFF CAMPUS

\$259 MONTHLY SAVINGS

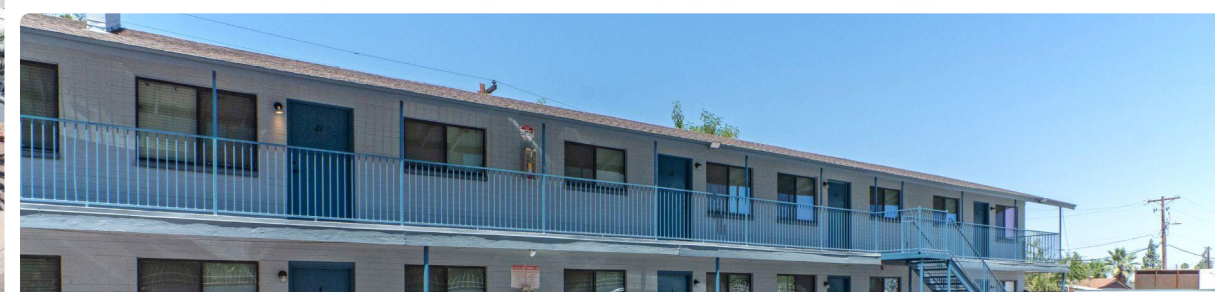
NEIGHBORHOOD & LIFESTYLE

Tempe's ASU-adjacent neighborhoods benefit from year-round student demand, walkable access to campus amenities, and immediate connectivity to downtown dining, recreation, and employment nodes.

- **ASU Proximity:** Approximately one mile from the Tempe campus, supporting bike, rideshare, and short-drive access for students.
- **Cost Advantage:** Subject market rent of \$941 per month sits below the academic-year monthly equivalent for ASU on-campus housing.
- **Off-Campus Demand:** ASU reports 76.4% of degree-seeking undergraduates live off campus or commute, representing roughly 50,000 students.



Interior Photos
Renovated Interiors Featuring Modern Finishes



Exterior Photos
Well-Positioned Multifamily Asset In Rapidly Evolving Tempe



1827 E Lemon St | Tempe, AZ 85281

Financial Overview

Rent Roll

Unit #	Unit Type	Size (SF)	Current Rent	Annual Rent	Year 1 Rent	Y1 - Annual Rent	PF Rent	PF Annual Rent	Rent PSF	Y1 - Rent PSF	PF Rent PSF
11	1x1	550	-	-	\$1,015	\$12,180	\$1,175	\$14,100	-	\$1.85	\$2.14
16	1x1	550	-	-	\$1,015	\$12,180	\$1,175	\$14,100	-	\$1.85	\$2.14
24	1x1	550	\$900	\$10,800	\$1,015	\$12,180	\$1,175	\$14,100	1.64	\$1.85	\$2.14
3	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	1.55	\$1.85	\$2.14
6	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
8	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
15	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
19	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
22	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
23	1x1	550	\$850	\$10,200	\$1,015	\$12,180	\$1,175	\$14,100	\$1.55	\$1.85	\$2.14
2	1x1	550	\$899	\$10,788	\$1,015	\$12,180	\$1,175	\$14,100	\$1.63	\$1.85	\$2.14
18	1x1	550	\$899	\$10,788	\$1,015	\$12,180	\$1,175	\$14,100	\$1.63	\$1.85	\$2.14
20	1x1	550	\$1,000	\$12,000	\$1,015	\$12,180	\$1,175	\$14,100	\$1.82	\$1.85	\$2.14
13	1x1	550	\$1,095	\$13,140	\$1,095	\$13,140	\$1,175	\$14,100	\$1.99	\$1.99	\$2.14
17	1x1	550	\$1,095	\$13,140	\$1,095	\$13,140	\$1,175	\$14,100	\$1.99	\$1.99	\$2.14
5	1x1	550	\$1,120	\$13,440	\$1,120	\$13,440	\$1,175	\$14,100	\$2.04	\$2.04	\$2.14
21	1x1	550	\$1,145	\$13,740	\$1,145	\$13,740	\$1,175	\$14,100	\$2.08	\$2.08	\$2.14
1	1x1	550	\$1,180	\$14,160	\$1,180	\$14,160	\$1,175	\$14,100	\$2.15	\$2.15	\$2.14
4	1x1	550	\$1,180	\$14,160	\$1,180	\$14,160	\$1,175	\$14,100	\$2.15	\$2.15	\$2.14
7	1x1	550	\$1,180	\$14,160	\$1,180	\$14,160	\$1,175	\$14,100	\$2.15	\$2.15	\$2.14
9	1x1	550	\$1,180	\$14,160	\$1,180	\$14,160	\$1,175	\$14,100	\$2.15	\$2.15	\$2.14
10	1x1	550	\$1,180	\$14,160	\$1,180	\$14,160	\$1,175	\$14,100	\$2.15	\$2.15	\$2.14
14	1x1	550	\$1,245	\$14,940	\$1,245	\$14,940	\$1,175	\$14,100	\$2.26	\$2.26	\$2.14
12	2x1	650	\$1,345	\$16,140	\$1,345	\$16,140	\$1,425	\$17,100	\$2.07	\$2.07	\$2.19
Total		13,300	\$22,593	\$271,116	\$26,140	\$313,680	\$28,450	\$341,400			
Average		554	\$941	\$11,297	\$1,089	\$13,070	\$1,185	\$14,225	\$1.70	\$1.96	\$2.14

Pro Forma Comparison

	T-12	%/\$/Unit	Year 1	%/\$/Unit	Pro Forma	%/\$/Unit
Scheduled Market Rent	\$313,680	\$13,070	\$313,680	\$13,070	\$341,400	\$14,225
Less: Physical Vacancy	\$(13,064)	-4.2%	(21,958)	-7.0%	\$(17,070)	-5.0%
Less: Concessions/Bad Debt/Other	\$(13,064)	-4.2%	(6,274)	-2.0%	\$(3,414)	-1.0%
Less: Loss To Lease	\$(13,064)	-4.2%	(3,137)	-1.0%	\$(3,414)	-1.0%
Net Rental Income	\$274,488	88%	\$282,312	90%	\$317,502	93%
Plus: Rubs	\$16,753	\$698	\$17,280	\$720	\$17,280	\$720
Plus: Administrative Fees	\$1,905	\$79	\$1,920	\$80	\$1,920	\$80
Plus: Late Fees	\$4,480	\$187	\$4,488	\$187	\$4,488	\$187
Plus: Other Income	\$4,260	\$177	\$4,248	\$177	\$4,248	\$177
Total Other Income	\$27,398	\$1,142	\$27,936	\$1,164	\$27,936	\$1,164
Effective Gross Income (EGI)	\$301,886	\$12,579	\$310,248	\$12,927	\$345,438	\$14,393
Operating Expenses						
Apartment Prep/Turnover		-	\$8,400	\$350	\$8,400	\$350
Administrative	\$11,694	\$487	\$2,400	\$100	\$2,400	\$100
Marketing	\$4,383	\$183	\$3,600	\$150	\$3,600	\$150
Contract Services	\$5,800	\$242	\$6,000	\$250	\$6,000	\$250
Repairs & Maintenance	\$17,939	\$747	\$9,600	\$400	\$9,600	\$400
Utilities	\$11,779	\$491	\$11,784	\$491	\$11,784	\$491
Payroll	\$3,380	\$141	-	-	-	-
Total Controllable Expenses	\$54,974	\$2,291	\$41,784	\$1,741	\$41,784	\$1,741
Management Fee	\$11,694	3.87%	\$15,684	5.00%	\$17,272	5.00%
Insurance	\$5,964	\$248	\$9,600	\$400	\$9,600	\$400
Real Estate Taxes	\$10,701	\$446	\$10,969	\$457	\$10,969	\$457
Total Non-Controllable Expenses	\$28,359	\$694	\$36,253	\$1,511	\$37,841	\$1,577
Total Operating Expenses	\$83,332	\$3,472	\$78,037	\$3,252	\$79,625	\$3,318
Net Operating Income	\$218,554	\$9,106	\$232,211	\$9,675	\$265,813	\$11,076
Cap Rate @ \$3,800,000	5.75%		6.11%		7.00%	
Expense Ratio	28%		25%		23%	

Financial Summary

\$3,800,000

Price

\$158,000

Price Per Unit

\$286

Price Per SF

5.75%

Cap Rate

Property Facts

MSA	Tempe
Submarket	ASU
Year Built	1961
Occupancy	100%
Total Units	24
Net Rentable Area	±13,300 SF
Average Unit Size	±554 SF

Rent Analysis

Current Market Rent	\$941
Current Market Rent PSF	\$1.70
Rent Comp Average Rent	\$1,156
Rent Comp Average Rent PSF	\$1.89
Variance to Rent Comp Average Rent	\$214
Market Rent Potential Upside	23%
Proforma Rent	\$1,185
Proforma Rent PSF	\$2.14

Loan Terms

Loan Amount	\$2,470,000
Loan to Value	65%
Interest Rate	6.00%
Term	10
Amortization Period	30
Interest Only (Years)	3
Annual Debt Service (I/O)	\$148,237

Residual

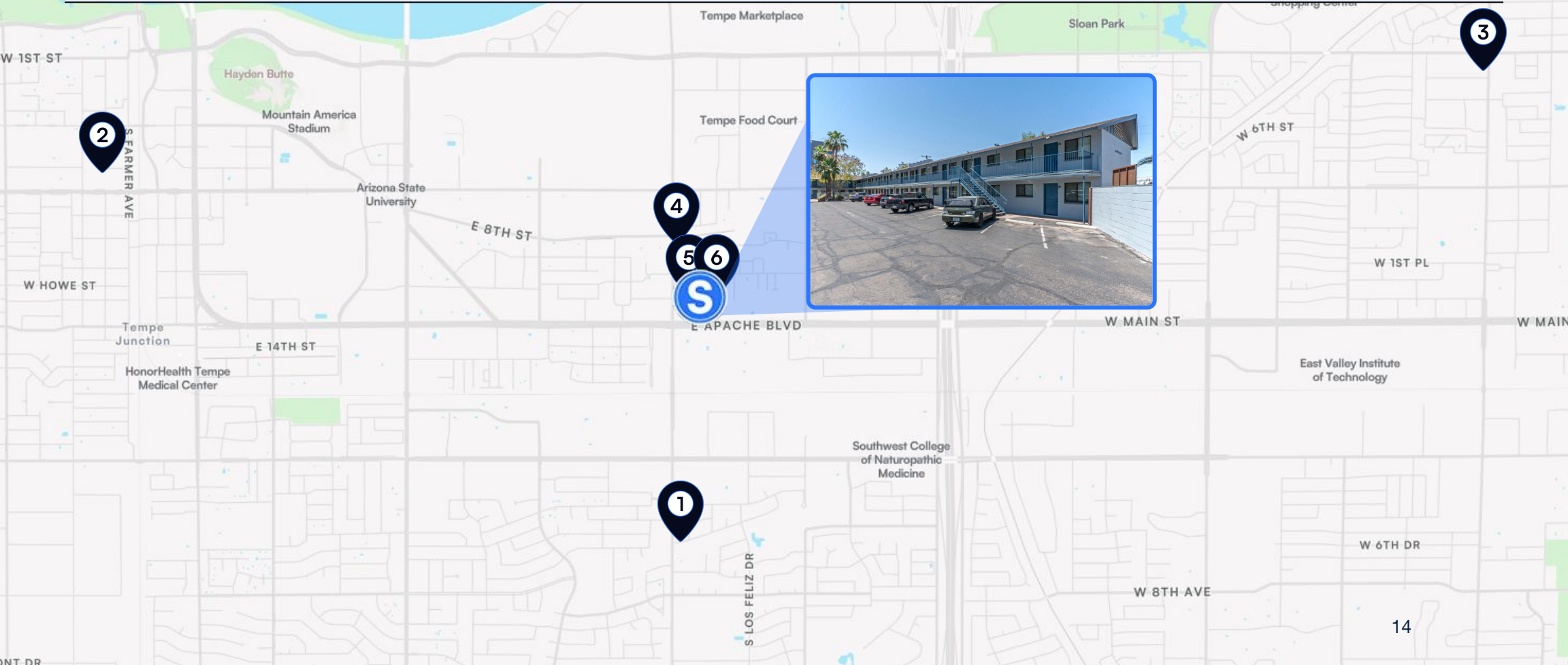
Holding Period	10
Cap Rate	6.25%
Residual Value	\$4,981,600
Per Unit	\$207,567

Investor Projected Returns

Current Cash on Cash Return (I/O)	5.29%
Year 1 Cash on Cash Return (I/O)	6.27%
Pro Forma Cash on Cash Return (I/O)	8.78%
Equity Multiple	2.80

Sales Comparables

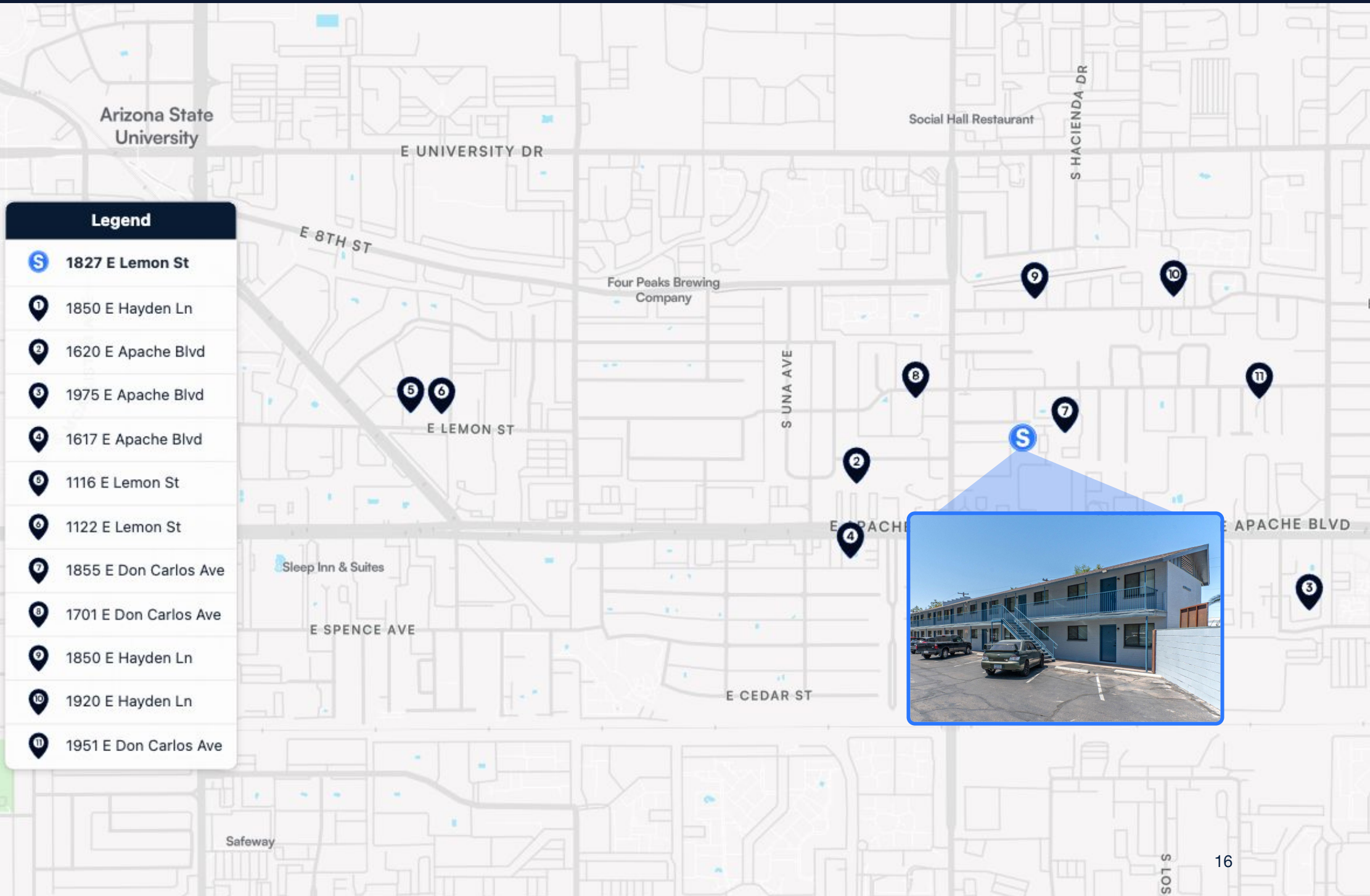
Property Address	Property Name	Sale Date	Year Built	Current Cap Rate	PF Cap Rate	# Units	Sale Price	Price Per Unit	Price PSF
S 1827 E Lemon St	Alegre Park	-	1961	5.75%	7.00%	24	\$3,800,000	\$158,000	\$286
1 1806 E Concorda Dr	McClintock Townhomes	1/27/26	1963	-	-	44	\$7,400,000	\$168,182	\$160
2 626 S Wilson St	Venture on Wilson	4/21/26	1960	4.98%	-	12	\$2,400,000	\$200,000	\$327
3 830 N Alma School Rd	Haven Rio	8/29/25	1986	6.45%	7.04%	44	\$9,950,000	\$226,136	\$272
4 1820 E Hayden Ln	Azara Tempe	11/25/25	1981	-	-	56	\$10,400,000	\$185,714	\$236
5 1825 E Don Carlos Ave	Don Carlos	11/1/24	1979	5.42%	5.58%	14	\$3,175,000	\$226,786	\$375
6 1835 E Don Carlos Ave	The Atrium	TBD	1972	5.79%	6.89%	39	\$6,278,000	\$160,974	\$286
Average			1974	5.66%	6.50%	35	\$6,600,500	\$194,632	\$276



Rent Comparables

Property Address	Property Name	Year Built	Unit Mix	Unit Size (SF)	Current Rent	Rent PSF
 1827 E Lemon St	Alegre Park	1961	1x1 2x1	554	\$941	\$1.70
 1850 E Hayden Ln	Azara Tempe	1981	1x1	650	\$1,095	\$1.68
 1620 E Apache Blvd	Aces on Apache	1950	1x1	450	\$1,250	\$2.78
 1975 E Apache Blvd	La Paloma	1985	1x1	655	\$1,300	\$1.98
 1617 E Apache Blvd	Apache Lofts	1971	1x1	560	\$1,096	\$1.96
 1116 E Lemon St	The Ivy	1960	1x1	450	\$1,195	\$2.66
 1122 E Lemon St	George Ann	1962	1x1	600	\$999	\$1.67
 1855 E Don Carlos Ave	Element At Tempe North	1987	2x1	750	\$1,254	\$1.67
 1701 E Don Carlos Ave	Emerson Park	1962	2x1	810	\$1,110	\$1.37
 1850 E Hayden Ln	Azara Tempe	1981	2x1	826	\$1,395	\$1.69
 1920 E Hayden Ln	Evergreen on Hayden Lane	1984	2x1	775	\$1,225	\$1.58
 1951 E Don Carlos Ave		1984	2x1	720	\$1,275	\$1.77
Average		1973	-	659	\$1,199	\$1.89
Average 1x1		1968	1x1	561	\$1,156	\$2.12
Average 2x1		1980	2x1	776	\$1,252	\$1.62

Rent Comparables Map





1827 E Lemon St | Tempe, AZ 85281

Market Overview

Tempe, AZ

190,114
Total Population

\$79,663
Median HH Income

78,279
of Households

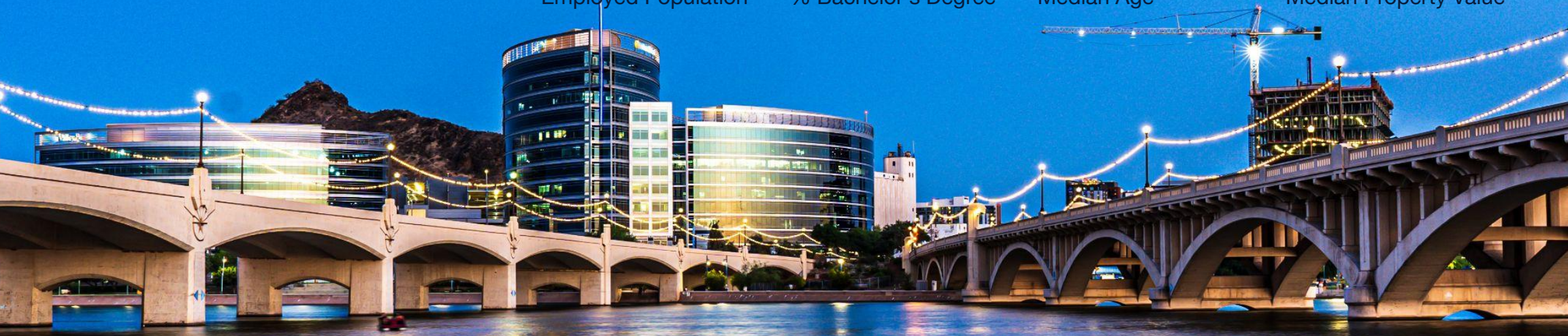
57.7%
Rental Percentage

111,606
Employed Population

50.0%
% Bachelor's Degree

30.0
Median Age

\$455,400
Median Property Value



Local Neighborhood Overview

Located in the heart of Tempe, the subject property at 1827 E Lemon Street benefits from immediate proximity to Arizona State University, one of the nation’s largest public universities with more than 55,000 students attending the Tempe campus alone. The surrounding neighborhood is characterized by a dynamic mix of student housing, established residential communities, retail amenities, and expanding employment centers that continue to support strong long-term rental demand. Residents enjoy convenient access to Mill Avenue, Tempe Town Lake, Tempe Marketplace, and the area’s growing employment corridor, creating an attractive live-work-play environment for students, young professionals, and families alike.

Tempe continues to experience sustained economic and population growth driven by its highly educated workforce, regional connectivity, and expanding technology and innovation sectors. The property benefits from excellent accessibility to Loop 101, Loop 202, and U.S. Route 60, providing direct connectivity throughout the greater Phoenix metropolitan area. Nearby employers including State Farm, Amazon, Salt River Project, Deloitte, and numerous technology firms within the ASU Research Park and Novus Innovation Corridor contribute to a deep employment base and stable housing demand. Combined with ongoing mixed-use development, public infrastructure investment, and a nationally recognized university presence, the neighborhood surrounding the property remains well-positioned for continued growth and long-term investment stability.

Property Demographics

Population	1-Mile	3-Mile	5-Mile
Five-Year Projection	33,528	156,350	350,196
Current Year Estimate	33,168	157,265	357,088
2020 Census	27,708	149,335	348,717
Growth Current Year-Five-Year	1.08%	-0.58%	-1.93%
Growth 2020-Current Year	19.71%	5.31%	2.40%
Households	1-Mile	3-Mile	5-Mile
Five-Year Projection	16,207	69,832	154,389
Current Year Estimate	15,833	69,451	155,557
2020 Census	12,909	63,212	145,148
Growth Current Year-Five-Year	2.36%	0.55%	-0.75%
Growth 2020-Current Year	22.65%	9.87%	7.17%
Income	1-Mile	3-Mile	5-Mile
Average Household Income	\$80,708	\$100,933	\$107,448



Arizona State University (ASU), founded in 1885 and headquartered in Tempe, Arizona, is one of the largest public research universities in the United States and a major driver of innovation and workforce development in the Greater Phoenix metropolitan area. The university serves more than 140,000 students across undergraduate, graduate, and professional programs offered through multiple campuses and extensive online platforms. ASU offers 350+ degree programs spanning business, engineering, sustainability, healthcare, technology, law, and the arts. Recognized nationally for research, entrepreneurship, and academic innovation, the university maintains strong partnerships with leading industries including semiconductor manufacturing, aerospace, healthcare, and financial services. ASU's research initiatives and technology transfer programs contribute significantly to regional economic growth while helping support Arizona's expanding advanced manufacturing and technology sectors. Beyond academics, Arizona State University plays a central role in the cultural and economic vitality of the Phoenix region. The university is a major employer and attracts students, faculty, and visitors from around the world, supporting local housing demand, retail activity, and hospitality industries. Through Division I athletics, major campus events, conferences, and innovation hubs such as the ASU Research Park and SkySong Innovation Center, the university fosters entrepreneurship and collaboration between academia and industry. Combined with its strong emphasis on research, community engagement, and workforce development, ASU continues to serve as a cornerstone institution driving long-term growth and innovation throughout the Greater Phoenix area.

± 1 Mi

Distance From SP

± 78,000

On-Campus Enrollment

350+ Programs

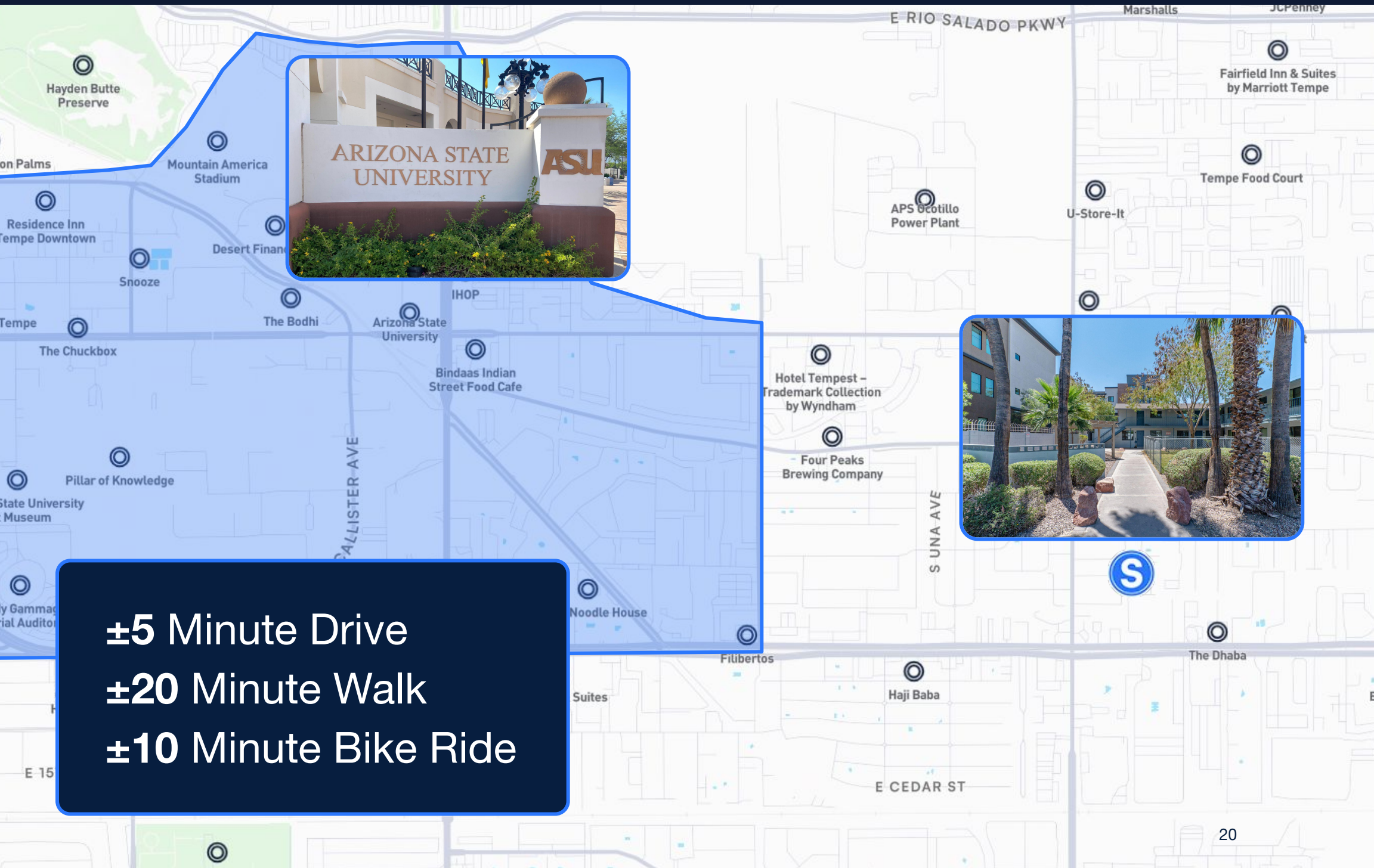
Student Life

76.4%

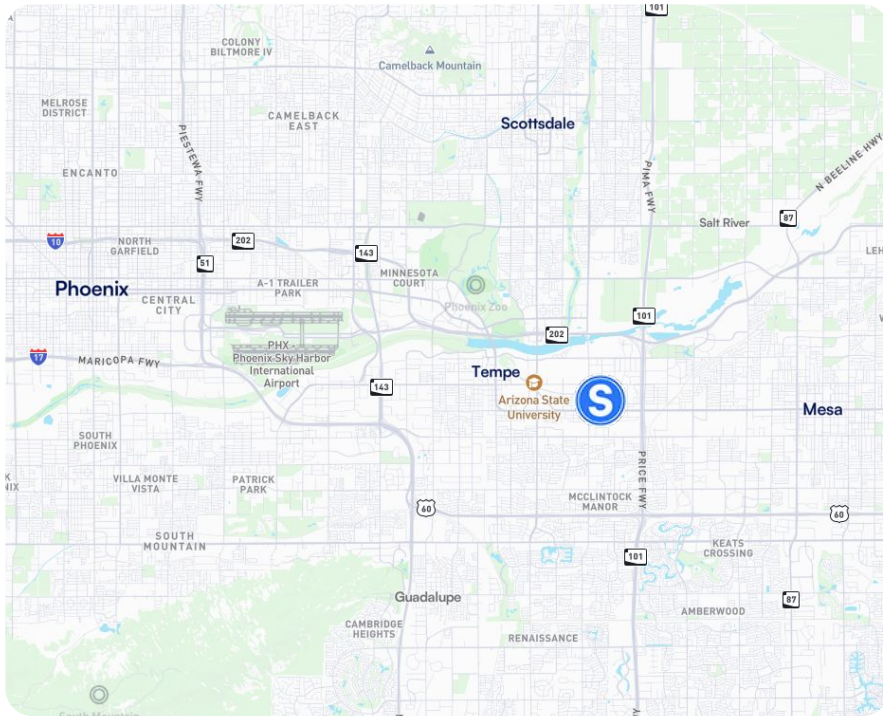
Students Living Off-Campus



Close Proximity To ASU Campus



±5 Minute Drive
±20 Minute Walk
±10 Minute Bike Ride



The Student Housing Opportunity in Tempe, AZ

Tempe's student housing market continues to benefit from sustained enrollment growth at Arizona State University, one of the nation's largest public universities, alongside rapid job creation throughout the Phoenix Metro. Expansion in technology, semiconductor manufacturing, and financial services has strengthened renter demand across the East Valley. Leasing momentum remains healthy as institutional investment activity continues to target high-growth Sunbelt university markets. Occupancy across Tempe multifamily and student-oriented properties remains above national averages, supported by strong absorption trends and limited walkable supply near campus.

Multifamily Data in 2025

\$1.2B+
Estimated Student Housing
Investment Volume

76.4%
Students Living
Off Campus

94.3%
Average
Occupancy

\$1,140
Average Rent
Per Bed



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EXCLUSIVELY LISTED BY



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1827 E Lemon St | Tempe, AZ 85281

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at ### 1827 E Lemon St, Tempe, AZ, 85281 ("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.

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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.

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[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

Unit Mix	Unit #	# of Units	Rent Assumptions				
			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
S	Subject Property	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	\$11,028	\$0.94
1	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	\$1,000	\$1.05
2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
4	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
S	Subject Property	3500 Turtle Creek Dr	77641	1978	34	2 x 2	1,128	\$11,028	\$0.94
1	Carriage Park Apartments	5252 Twin City Hwy, Groves, TX	77619	2007	80	2 x 2	950	\$1,000	\$1.05
2	Ambroise Village	3901 TX-73, Port Arthur, TX	77642	2007	30	2 x 2	960	\$1,100	\$1.15
3	Sunset Way	3280 Central Mall Dr	77642	2010	40	2 x 2	963	\$1,000	\$1.04
4	Cedar Ridge Apartments	7601 9th Avenue, Port Arthur	77642	1982	88	2 x 2	884	\$1,000	\$1.13