

Multifamily Acquisition Model

ACQUISITION DETAIL		
Apartment Name	Testing Place	
Year Built	1982	
Last Year Renovated	N/A	
Product Type	3 Story Garden Style	
Unit Count	157	
Building Count	10	
Avg Unit Size	815	
Apt Sq Ft	127,934	
Land Acreage	5.54 Acres	
Address	123 Experiment Ln	
City	Allentown	
State	PA	
Submarket	Leigh County	
Rent Type	Market	
Purchase Price	15,000,000	
Purchase Price/Unit	95,541	
Purchase Cap Rate	3.56%	
Effective Cap Rate	3.46%	
Closing Costs (Disposition)	3.25%	
Basis	Unlevered	15,238,390
	Levered	15,418,429
	Levered / Unit	98,207
	Total Equity	10,917,447
Closing Date	6/22/2025	
Date Updated	1/10/2025	

DISPOSITION DETAIL		
Month of Disposition	84	
Market Cap Rate Today	6.50%	
Cap Rate Expansion/Yr	15 bps	
Exit Cap Rate	7.55%	
F-12 NOI at Sale	2,239,848	
Exit Valuation	29,666,863	
Exit Valuation/Unit	188,961	

MULTIFAMILY INPUTS		
In-Place Occupancy	91.1%	
Yr-1 Vacancy	8.9%	
Yr-2 Vacancy	7.0%	
Yr-3+ Vacancy - Stabilized	5.0%	
Credit Loss	3%	
Staff/Model Units	1	
Resident Retention at Lease Renewal (Stabilized)	65%	
Average Lease Term	12 Months	

RENT GROWTH ASSUMPTIONS		
Yr 1	3.00%	3.00%
Yr 2	2.50%	5.58%
Yr 3	2.50%	8.21%
Yr 4	2.25%	10.65%
Yr 5	2.00%	12.86%
Yr 6+	2.00%	15.12%

EXPENSE GROWTH ASSUMPTIONS		
Yr 1	2.00%	2.00%
Yr 2	2.00%	4.04%
Yr 3	2.00%	6.12%
Yr 4	2.00%	8.24%
Yr 5	2.00%	10.41%
Yr 6+	2.00%	12.62%

SEPARATE EXPENSE GROWTH ASSUMPTIONS		
INSURANCE		
Yr 2	3.00%	3.00%
Yr 3	3.00%	6.03%
Yr 4	3.00%	9.27%
Yr 5	3.00%	12.55%
Yr 6+	3.00%	15.93%

TAXES		
Yr 1	3.00%	3.00%
Yr 2	3.00%	3.00%
Yr 3	3.00%	6.03%
Yr 4	3.00%	9.27%
Yr 5	3.00%	12.55%
Yr 6+	3.00%	15.93%

DEBT ASSUMPTIONS - ACQUISITION (SENIOR)		
Loan To Value (LTV)	65.0%	9,750,000
Amortized DSCR (Min)	1.25x	4,500,982
Debt Yield (Min)	6.00%	8,893,671
NOI for Sizing	F-12	
Loan Amount	4,500,982	
Payoff at Loan Maturity	-3,587,347	
Loan To Cost (LTC)	29.2%	
Interest Rate (W)	7.25%	
Amortization Period (N) (Years)	20	
Monthly Payment (PMT)	426,896	35,575
MO PMT	326,321	27,193
Yr 1 Amortized DSCR	1.25	
Yr 1 Debt Yield	11.9%	

THE OPPORTUNITY AT A GLANCE		
	T-12	Per Unit/Yr
Apartment Rent (GPR)	2,245,956	14,305.45
Economic Loss	-422,179	-2,689.04
Retail Rent (NNN per Apt Unit)	0	0.00
Other Income	138,378	881.39
Expenses	-1,176,260	-7,432.10
NOI	785,895	5,005.70
Cost Basis	15,418,429	
T-12 UROC	5.10%	

SCENARIOS		
1) Close Loss to Lease & Stabilized Concession		
Adjusted Yr-1 NOI	1,447,545	
Trended RDC	9.39%	
Market Cap Rate	6.50%	
Post Acquisition Yield Spread	2.89%	
Spread > 125bps?	Has Potential	
2) Close Economic Loss - 75%		
Adjusted Yr-1 NOI	1,272,063	
Trended RDC	8.25%	
Market Cap Rate	6.50%	
Post Acquisition Yield Spread	1.75%	
Spread > 125bps?	Has Potential	
3) Close Economic Loss - 50%		
Adjusted Yr-1 NOI	1,025,915	
Trended RDC	6.65%	
Market Cap Rate	6.50%	
Post Acquisition Yield Spread	0.15%	
Spread > 125bps?	Pass	

UNLEV. RETURN METRICS	
IRR	18.96%
EMx	2.76x
Avg CoC	12.19%
Equity In	15,067,875
Gross Distributions	41,658,877
Profit	26,591,002

LEV. RETURN METRICS	
IRR	21.46%
EMx	3.19x
Yr-1 CoC	0.42%
Avg CoC	12.92%

Development Model

Project Details				
Date Last Updated	3/24/2025			
Project Name	THE ELLINGTON AT OVIDEO PARK			
Project Address	234 E Mitchell Hammock Rd			
City	Oviedo			
State	FL			
Projected Start Date	10/1/2024	10/1/2024	0	Land Closing
Construction Start Date (months post close)	6 Months	4/1/2025	6	Construction Start
Vertical Start (after construction start)	4 Months	8/1/2025	10	Vertical Start
Final C/O (after construction start) - Leasing Start	18 Months	10/1/2026	24	Final C/O
Stabilized Physical Occupancy	94.00%	11/1/2027	37	Stabilization
Collections Loss	2.00%	2/1/2028	40 Months post stabilization	Sale Date
Revenue Inflation	2.50%	19 Months after Operation Start		
Expense Inflation	2.50%	3 Months post stabilization		
# of Pre-Leases	25 Leases			
Monthly Absorption	20 Move-Ins Per Month			
Lease-Up Concession	150.00%			
Stabilized Concession	50.00%			
Turnover Rate	50.00%			

Unit Mix - Apartments

Residential Over Retail

Model Count	Unit Type	# of Units	%	Unit SF	Monthly Rent	\$/SF	Monthly \$\$	Annual \$\$
1	A1	70	23.6%	652	\$1,720	\$2.64	\$120,400	\$1,444,800
1	A2	64	21.6%	727	\$1,767	\$2.43	\$113,088	\$1,357,056
	A3	25	8.4%	790	\$1,765	\$2.23	\$44,125	\$529,500
	A4	18	6.1%	832	\$1,848	\$2.22	\$33,264	\$399,168
	B1	48	16.2%	1,019	\$2,380	\$2.34	\$114,240	\$1,370,880
	B2	34	11.5%	1,057	\$2,436	\$2.30	\$82,824	\$993,888
	B4	37	12.5%	1,182	\$2,549	\$2.16	\$94,313	\$1,131,756
	Premiums				\$0		\$0	\$0
2	Total	296	100.0%	255,478	\$602,254	\$2.36	\$602,254	\$7,227,048
	Per Available Unit			863	\$2,035			\$24,416

Other Income

Summary
Project
Model
Unit
Mo 40
Exit C
Dev.

CONDO
Calendar
A1
A2

LOI Template

[BROKER/SELLER NAME]
[TITLE]
[COMPANY]
[CITY, ST]

sent via email: [BROKER/SELLER EMAIL]

RE: LETTER OF INTENT TO PURCHASE [PROPERTY NAME]

Dear [BROKER NAME],

This Letter of Intent is intended to set forth the basic business terms and conditions upon which the undersigned Purchaser proposes to purchase the Property. The obligations of the parties to purchase and sell the Property according to the terms of this Letter of Intent are contingent upon and subject to the joint execution of a formal, definitive, and binding contract of sale (the "Contract"). Accordingly, please consider the following proposed terms for the Contract:

Property: Fee simple interest in the land and improvements for a [X.X] square foot building on [x.xx] acres of land located at [PROPERTY ADDRESS] (the "Property").

Purchaser: [Name of Legal Entity] and/or assigns

Purchase Price: Twelve million one hundred twenty-five thousand dollars (\$12,125,000). Pricing is subject to Purchaser's satisfactory review and approval of all lease documents, tenant financials, and due diligence including any required material capital expense items. It is assumed that the Property requires no significant capital repairs.

New Lease: Four new leases shall be fully executed under the terms represented in the below rent roll.

Earnest Money: Purchaser shall place a fully refundable deposit of five thousand dollars (\$5,000) within five (5) business days of the parties' execution of the Contract as Earnest Money. All Earnest Money will be placed by the Title Company (as hereinafter defined) in an interest-bearing account accruing for the benefit of Purchaser and shall be applicable to the Purchase Price at Closing.

Inspection Period: Purchaser shall have sixty (60) days to review the subject Property. Seller shall provide Purchaser with copies of any and all studies, leases, reports and other documents in Seller's possession or under Seller's reasonable control concerning environmental, soil, survey and other conditions in existence at the Property ("Due Diligence Materials") including all of the applicable items

Development Cost Curve

Land	Cost	Start Date	End Date	Curve Type	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Land Purchase Price	\$7,500,000	Month 1	Month 1	Linear	7,500,000	-	-	-	-	-	-	-	-	-
Commissions	\$1,500,000	Month 1	Month 1	Linear	1,500,000	-	-	-	-	-	-	-	-	-
Closing Costs	\$187,500	Month 1	Month 1	Linear	187,500	-	-	-	-	-	-	-	-	-
Title Insurance	\$0	Month 17	Month 17	Linear	-	-	-	-	-	-	-	-	-	-
Total	\$9,187,500	Month 1	Month 17		9,187,500	-	-	-	-	-	-	-	-	-

Hard Costs	Cost	Start Date	End Date	Curve Type	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
General Conditions	\$2,800,000	Month 3	Month 8	Linear	-	-	466,667	466,667	466,667	466,667	466,667	466,667	-	-
Site Work	\$7,500,000	Month 4	Month 9	Normal	-	-	-	1,071,429	1,714,286	1,928,571	1,714,286	1,071,429	-	-
Vertical Hard Costs	\$38,000,000	Month 2	Month 18	Front Loaded	-	3,122,170	4,823,605	5,490,477	5,442,646	4,939,371	4,185,031	3,334,838	2,500,557	1,667,222
Offsites	\$20,000	Month 6	Month 11	Rear Loaded	-	-	-	-	-	69	883	3,354	7,067	-
Tenant Improvements	\$0	Month 7	Month 12	Linear	-	-	-	-	-	-	-	-	-	-
Contingencies	\$2,416,000	Month 5	Month 13	Normal	-	-	-	-	161,067	281,867	362,400	402,667	402,667	-
Other Input	\$0	Month 3	Month 15	Front Loaded	-	-	-	-	-	-	-	-	-	-
Other Input	\$0	Month 1	Month 16	Rear Loaded	-	-	-	-	-	-	-	-	-	-
Other Input	\$0	Month 1	Month 17	Normal	-	-	-	-	-	-	-	-	-	-
Other Input	\$0	Month 1	Month 18	Front Loaded	-	-	-	-	-	-	-	-	-	-
Total	\$50,736,000	Month 1	Month 18		-	3,122,170	5,290,271	7,028,572	7,784,665	7,616,545	6,729,267	5,278,954	2,910,290	2,667,222

Soft Costs	Cost	Start Date	End Date	Curve Type	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Land Use Attorney	\$75,000	Month 1	Month 4	Linear	18,750	18,750	18,750	18,750	-	-	-	-	-	-
Environmental Attorney	\$0	Month 2	Month 5	Normal	-	-	-	-	-	-	-	-	-	-
Architect	\$250,000	Month 3	Month 6	Front Loaded	-	-	174,569	68,966	6,466	-	-	-	-	-
Landscape Architecture	\$0	Month 1	Month 7	Rear Loaded	-	-	-	-	-	-	-	-	-	-
Civil Engineering	\$250,000	Month 1	Month 8	Linear	31,250	31,250	31,250	31,250	31,250	31,250	31,250	31,250	-	-
Surveys	\$50,000	Month 1	Month 7	Normal	5,357	8,929	10,714	10,714	8,929	5,357	-	-	-	-
Soils Engineering	\$0	Month 1	Month 6	Front Loaded	-	-	-	-	-	-	-	-	-	-
Zoning Consultant	\$0	Month 1	Month 5	Rear Loaded	-	-	-	-	-	-	-	-	-	-
Traffic Consultant / Study	\$0	Month 1	Month 4	Normal	-	-	-	-	-	-	-	-	-	-
Wetlands / Enviro. Consultant	\$0	Month 1	Month 3	Front Loaded	-	-	-	-	-	-	-	-	-	-
Interior Design Fees	\$20,000	Month 1	Month 2	Linear	10,000	10,000	-	-	-	-	-	-	-	-

Pipeline Tracker

Status	Asset	Notes	Last Updated	Location	CoStar Submarket	Buildable Acres	# Units
Active	Active Deal 1	Submitted revised LOI at \$4.75M (MF only), awaiting seller fees	4/8/2024	28.008738, -81.968992			
Active	Active Deal 2	Josh sent draft LOI to Mike/Matthew 5.8	5/8/2024				
Active	Active Deal 3	Assignment to DRH; DRH running with entitlements	5/9/2024				
Active	Active Deal 4	Need confirmation from Mike;	5/9/2024				
Active	Active Deal 5						
PSA	PSA Deal 1	Closing Projected 10/2024 (negotiations ongoing)	5/8/2024				
PSA	PSA Deal 2	Closing Projected 9/2024 (trips ongoing)	3/20/2024				
PSA	PSA Deal 3	Next Step - NTP	3/20/2024				
PSA	PSA Deal 4	Closing Projected 3/2025	4/15/2024				
PSA	PSA Deal 5	Probably not progressing, awaiting seller turn of PSA	5/15/2024				
Under Construction	Under Construction Deal 1	x units delivered, Final CO pending final site inspections	4/5/2024				
Under Construction	Under Construction Deal 2	x units delivered; Building 4 CO 4/12/2024; Final CO 5/1/2024	4/5/2024				
Under Construction	Under Construction Deal 3	x units delivered; Building 5 CO 4/12/2024	4/5/2024				
Under Construction	Under Construction Deal 4	First CO 9/27/2024	3/25/2024				
Under Construction	Under Construction Deal 5	First CO 11/15/2024	4/4/2024				
Sold	Sold Deal 1	Sold for \$99.65M, 4.25% cap	8/25/2022				
Sold	Sold Deal 2	Sold for \$79.2M, 5.40% cap	11/20/2023				
Sold	Sold Deal 3	Sold for \$80.2M, 5.25% cap	12/15/2023				
Sold	Sold Deal 4	Sold for \$54.2M, 6.25% cap	3/1/2024				
Sold	Sold Deal 5	Sold for \$95.2M, 4.55% cap	6/1/2021				
Dead	Dead Deal 1	Bid/ask spread	5/1/2024				
Dead	Dead Deal 2	Bid/ask spread	3/20/2024				
Dead	Dead Deal 3	Timing isn't right	4/5/2024				
Dead	Dead Deal 4	Bid/ask spread	4/25/2024				
Dead	Dead Deal 5	Equity partner(s) didn't like	4/25/2024				
Total/Average		25		1	0	0.00	0
Active	5			1	0	0.00	0
PSA	5			0	0	0.00	0
Under Construction	5			0	0	0.00	0
Sold	5			0	0	0.00	0
Dead	5			0	0	0.00	0