VALUE ADD APARTMENT OPPORTUNITY



THE MCENERY COMPANY



OFFERING OVERVIEW

Address: 6711-6817 Tara Lane, New Orleans, LA 70127

Property Overview: The McEnery Company is pleased to present a rare opportunity to acquire this excellent value add apartment community. Significant existing cash flow in place with tremendous upside potential achieved through lease-up, managerial improvement and repositioning of the unit mix. Located in the New Orleans East Sub-Market, the asset consists of Seventy-Nine (79) units currently in place with immediate opportunity to increase an estimated 99 units while maintaining and growing cash flow. The campus consists of eight (8) individual buildings located on separate parcels of record. Current economic trends indicate an urgent and ongoing need for affordable housing units in this market. Market based pro formas are included herein; and additional information and financials available upon request.

Please contact Troy Hagstette or Parke McEnery for additional information.



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The information contained herein has been obtained from sources that we deem reliable. No representation or warranty is made as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, or other conditions, or withdrawal without notice. Licensed in Louisiana.



PROPERTY OVERVIEW

Plaza Park - Current Unit Mix - 79 units

One Bedroom 22 Units Two Bedroom 20 Units Three Bedroom 37 Units

Address: 6711-6817 Tara Lane

new orleans, Louisiana 70127

TOTAL GBA: 76,600 SF (ESTIMATE)

TOTAL SITE: 120,960 SF / 2.77 AC (PER ASSESSOR)

AVE UNIT SIZE: 969 SQUARE FEET



Plaza Park - VALUE ADD				
Unit Mix				
CURRENT	Size (sf)	# of Units	Monthly Rent	Total Monthly & Annua
One Bedrooms	600	22	\$600.00	\$13,200
Two Bedrooms	950	20	\$800.00	\$16,000
Three Bedrooms	1,200	37	\$1,010.00	\$37,370
				Monthly
Total		79		\$66,570
				Annual
			AS IS PGI	\$798,840
SCOPE: CONVERT 20 THREE BEDE	ROOMS			
PROPOSED w/ 10% rent increases				
One Bedrooms	600	62	\$660.00	\$491,040
Two Bedrooms	950	20	\$880.00	\$211,200
Three Bedrooms	1,200	17	\$1,111.00	\$226,644
Total		99		
Total		33		
Proposed				



PLAZA PARK - VALUE ADD		
FLACA PARK - VALUE ADD		
Potential Gross Income	\$92	28,884
Economic Occupancy Factor	9	2.00%
Effective Gross Income	\$85	64,573
Expenses		
Line Item	Expense per SF	Annual Expense
Propety Management	\$0.89	\$68,365.86
Property Taxes	\$0.76	\$58,115.51
Property Insurance	\$0.65	\$49,790.00
Reserves Allowance	\$0.50	\$38,300.00
General Repairs & Maintenance	\$1.25	\$95,750.00
On-site Maintenance	\$0.39	\$30,000.00
Landscaping	\$0.25	\$19,150.00
Common Area Utilities	\$0.20	\$15,320.00
Waste Removal	\$0.35	\$26,810.00
Total Expenses	\$5.24	\$401,601.38



<u>Acquisition</u>		<u>Total</u>	Per SF of GBA
Sale Price		\$3,250,000	\$42.43
Closing Costs		\$35,000	\$0.46
Total Acquisition Costs		\$3,285,000	\$42.89
Direct Construction Costs (Real Estate Only)			
Cost to Convert 20 Three Bedrooms into 40 One Bedrooms	\$25,000 per UNIT	\$500,000	\$6.53
Total Direct Costs		\$500,000	\$6.53
Indirect Costs			
Design and Engineering		\$15,000	\$0.20
Financing Costs - Appraisal, loan fees, loan closing costs		\$15,000	\$0.20
8% Contingency on Hard Costs		\$40,000	\$0.5
Interim Construction Interest		\$12,500	\$0.1
TOTAL ACQUISITION & DEVELOPMENT COSTS		\$3,867,500	\$50.4
EFFECTIVE TOTAL ACQUISITION & DEVELOLPMENT COST		\$3,867,500	\$50.4



PLAZA PARK VALUE ADD			
INITIAL CASH CALL			
Sale Price	\$3,250,000		
Closing Costs	\$35,000		
TOTAL CASH INVESTMENT	\$3,285,000		
FINANCED COSTS			
Direct Construction Costs	\$500,000		
Indirect Costs	\$82,500		
Developer Fee	\$0		
Project Management	\$0		
TOTAL FINANCED COSTS	\$3,867,500		
Owner Equity Contribution	(\$966,875)		
ACTUAL LOAN AMOUNT	\$2,900,625		
Projected Loan Terms	Monthly	<u>Annual</u>	
Amortization (months)	300	25	years
Rate (Monthly)	0.0042	0.05	interest rate
7 Year Balloon			
Loan Amount	\$2,900,625		
Debt Service	(\$16,957)	(\$203,481.18)	



			_	_		
Year	0	1	2	3	4	5
Potential Gross Income		\$928,884	\$947,462	\$966,411	\$985,739	\$1,005,454
Occupancy Level		92%	92%	92%	92%	92%
Effective Gross Revenue		\$854,573	\$871,665	\$889,098	\$906,880	\$925,018
Property Management		(\$68,366)	(\$69,733)	(\$71,128)	(\$72,550)	(\$74,001)
Property Taxes		(\$58,116)	(\$59,278)	(\$60,463)	(\$61,673)	(\$62,906)
Property Insurance		(\$49,790)	(\$50,786)	(\$51,802)	(\$52,838)	(\$53,894)
Reserves Allowance		(\$38,300)	(\$38,300)	(\$38,300)	(\$38,300)	(\$38,300)
General Repairs & Maintenance		(\$95,750)	(\$97,665)	(\$99,618)	(\$101,611)	(\$103,643)
On-Site Maintenance		(\$30,000)	(\$30,600)	(\$31,212)	(\$31,836)	(\$32,473)
Landscaping		(\$19,150)	(\$19,533)	(\$19,924)	(\$20,322)	(\$20,729)
Common Area Utilities		(\$15,320)	(\$15,626)	(\$15,939)	(\$16,258)	(\$16,583)
Waste Removal		(\$26,810)	(\$27,346)	(\$27,893)	(\$28,451)	(\$29,020)
Total Operating Expenses		(\$401,601)	(\$408,867)	(\$416,279)	(\$423,838)	(\$431,549)
Total Operating Expense Ratio		-46.99%	-46.91%	-46.82%	-46.74%	-46.65%
Net Annual Cash Flow		\$452,972	\$462,797	\$472,819	\$483,042	\$493,469
Annual Debt Service		(\$203,481)	(\$203,481)	(\$203,481)	(\$203,481)	(\$203,481)
PRE TAX CASH FLOWS	(\$966,875)	\$249,491	\$259,316	\$269,338	\$279,560	\$289,987
DCR		(2.23)	(2.27)	(2.32)	(2.37)	(2.43)

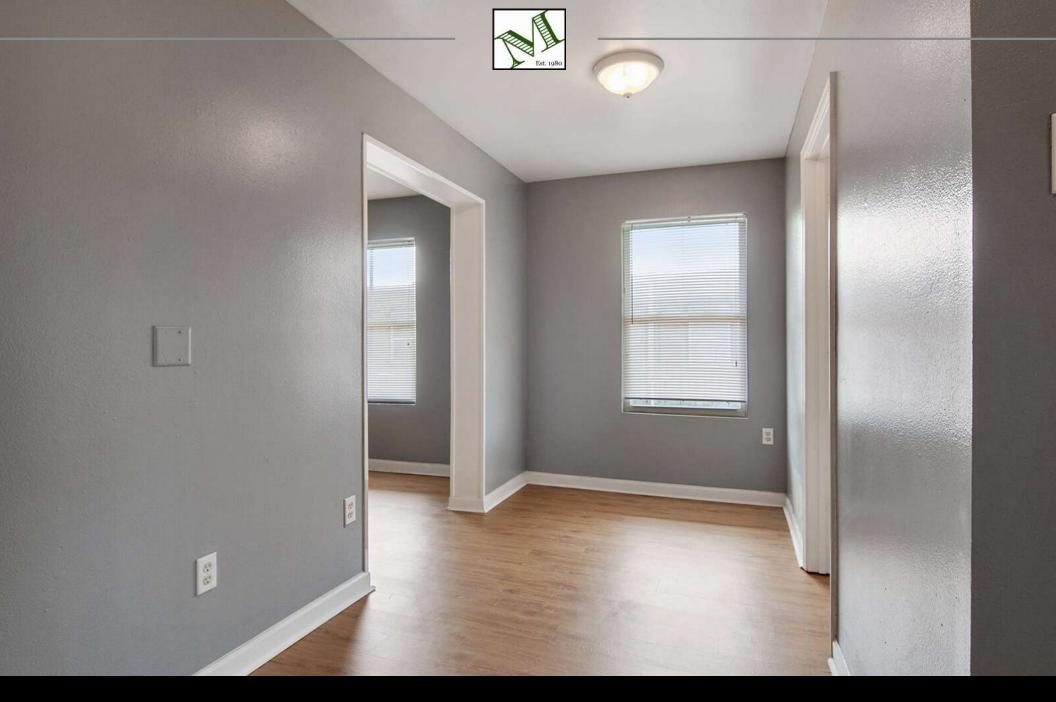


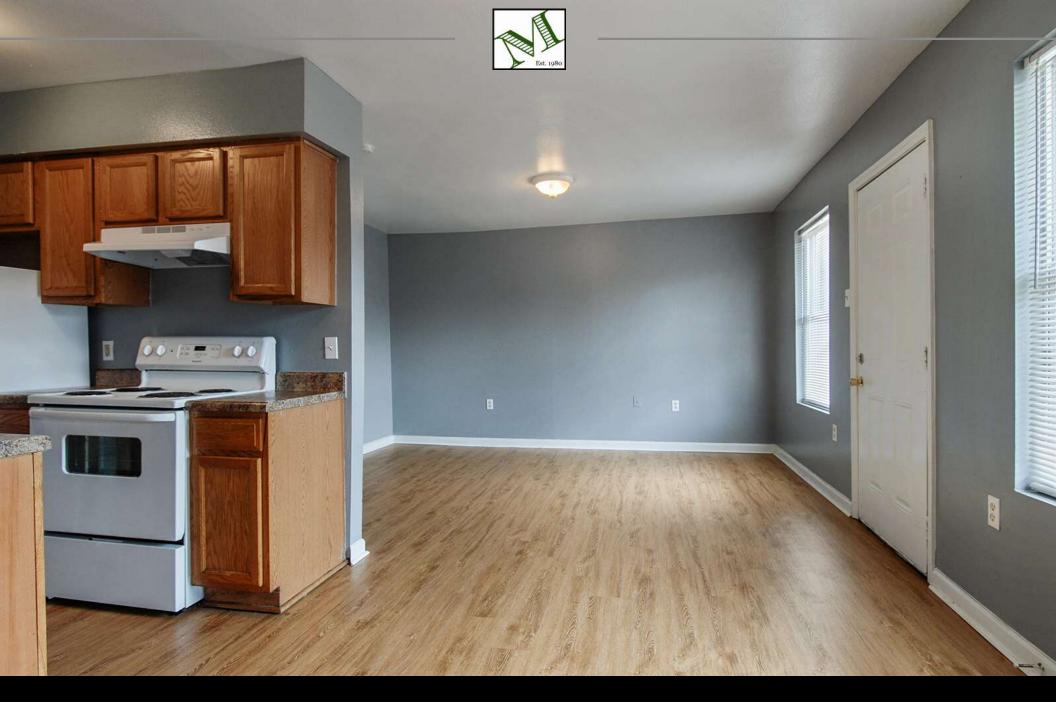
PROPERTY PHOTOS

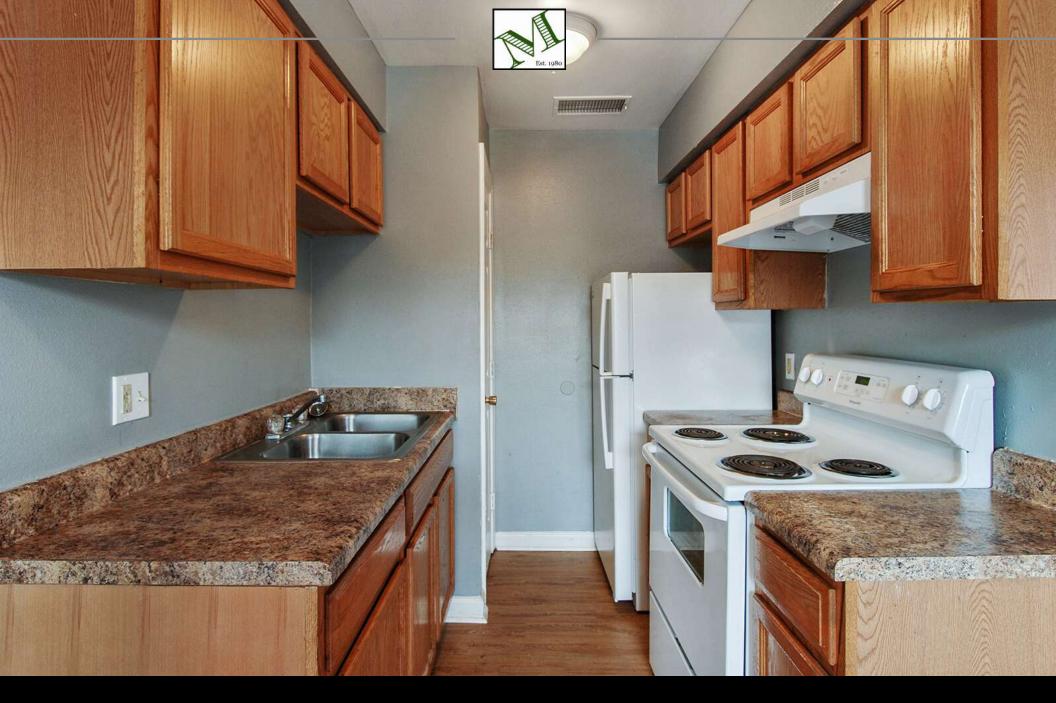


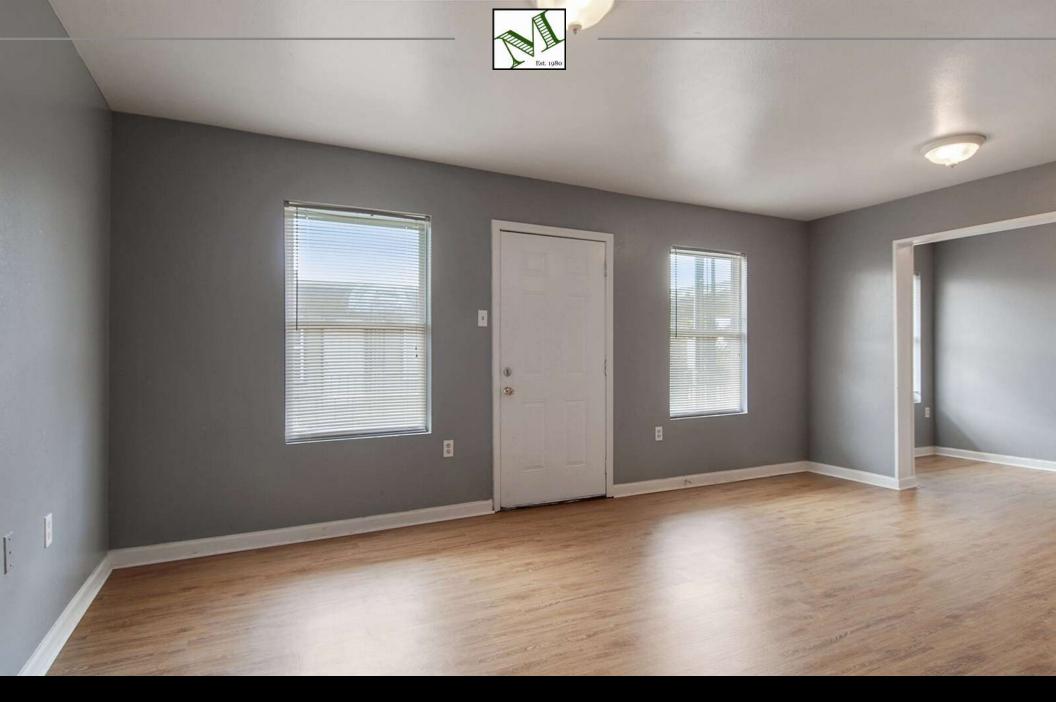
THE MCENERY COMPANY

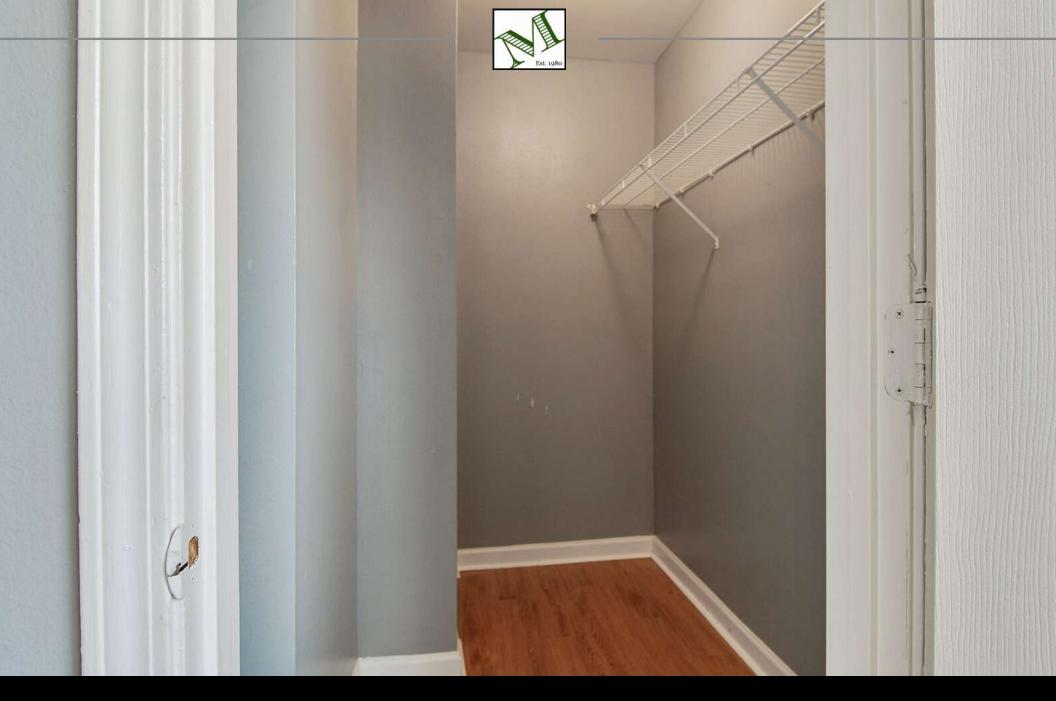










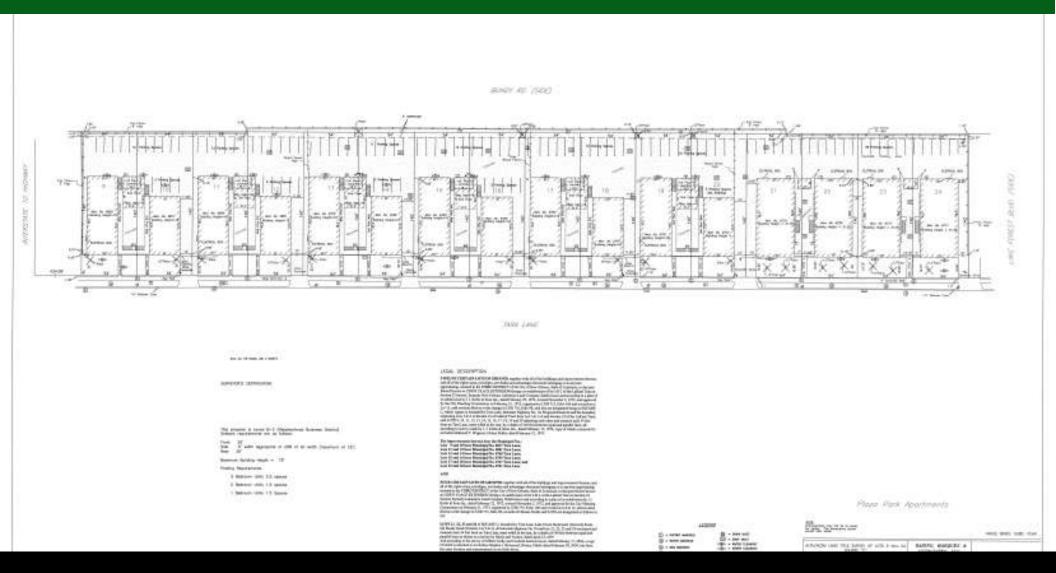






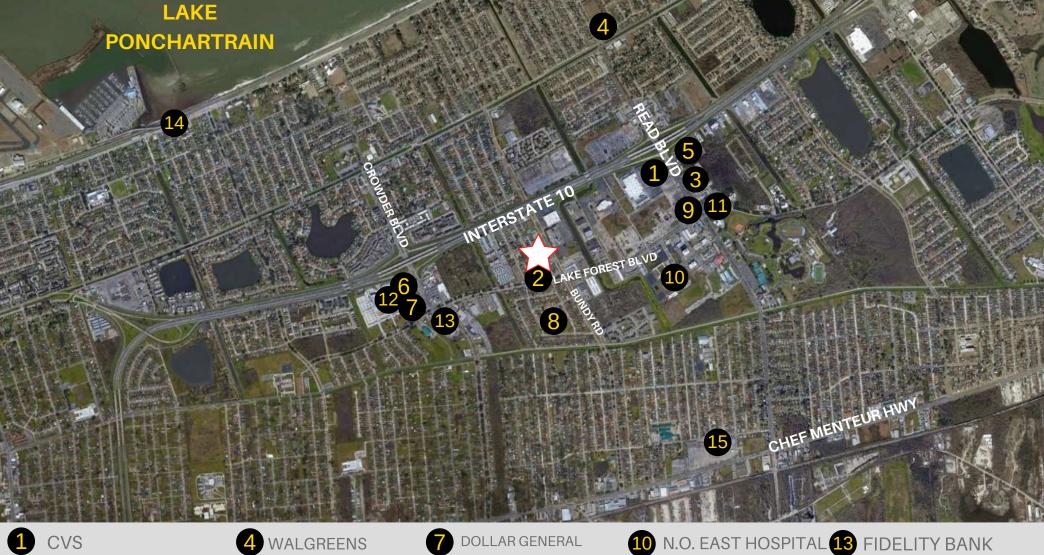


SURVEY





POINTS OF INTEREST MAP



THE DOUGHNUT BAKERY 5 POPEYE'S

PJ'S COFFEE

- 6 WALGREENS
- SAVE-A-LOT

PLANET FITNESS

- 8 WIMBLEDON PLAYGROUND 11 WHITNEY BANK
- 14 DEANIE'S RESTAURANT
- 15 WINN DIXIE





RENT COMP LOCATIONS

NO. OF RENT
COMPS
17

<u>Avg. Rent per</u>

<u>Unit</u>

\$820

AVG. RENT PER

SF

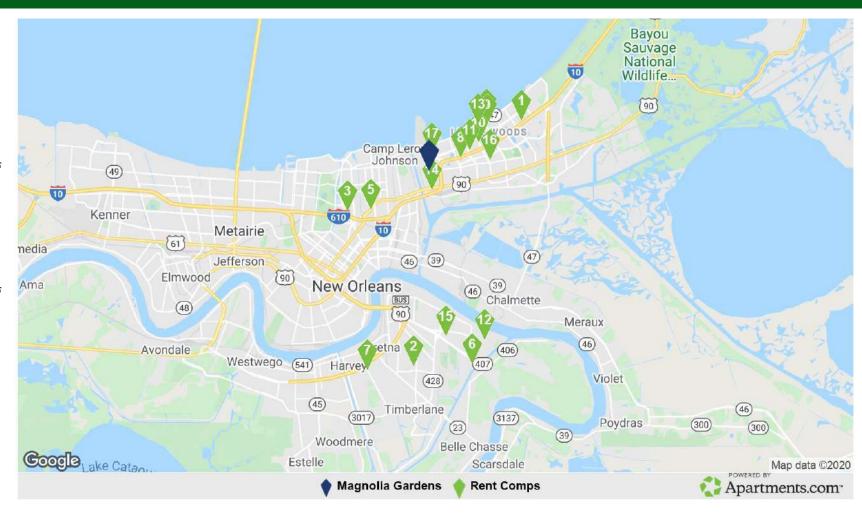
\$0.94

AVG.

VACANCY

<u>Rate</u>

7.4%







RENT SUMMARY STATISTICS

Unit Breakdown	Low	Average	Median	High
Total Units	80	341	304	802
Studio Units	0	15	0	200
One Bedroom Units	16	162	120	556
Two Bedroom Units	48	125	124	217
Three Bedroom Units	0	30	0	194
Property Attributes	Low	Average	Median	High
Year Built	1962	1979	1976	2010
Number of Floors	2	2	3	3
Average Unit Size	640 SF	872 SF	823 SF	1,220 SF
Vacancy Rate	0.0%	7.4%	5.0%	19.9%
Star Rating	****	★ ★ ★ ★ ★ 2.7	****	****

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RENT COMPARABLES SUMMARY

				Prop	perty Size	Aski	ng Rent Per	Month Per L	Init	
Pro	perty Name/Address	Rating	Yr Built	Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	Rent/SI
Ŷ	Carmel Brook 12345 N I-10 Service Rd	****	150	554	722	ā	\$779	\$978	-	\$1.16
•	Magnolia Gardens 6001 Downman Rd	****	1960	117	658	₹.	\$667	\$911	u s	\$1.15
2	Louisburg Square Apartm 608 Farmington PI	****	1962	304	640	5	\$600	\$785	\$1,050	\$1.07
3	Columbia Parc at the Bay 1400 Milton St	****	2010	565	1,074	100 100 100 100 100 100 100 100 100 100	\$931	\$1,120	\$1,370	\$1.06
4	Arbors On The Lake 10500 Hayne Blvd	****	1983	132	868	ā	\$825	\$955	-	\$1.05
5	Elysian Courtyards Of Ge 3000 Gentilly Blvd	****	1976	150	817	- 	\$798	\$893	-	\$1.04
6	Forest Isle 5000 Woodland Dr	****	1974	707	798	\$690	\$726	\$1,073	-	\$1.03
Ŷ	Westchase Apartments 1013 Manhattan Blvd	****	1975	380	775	\$680	\$742	\$864	-	\$1.00
8	Laguna Creek 6881 Parc Brittany Blvd	****	1981	216	750		\$652	\$804	-	\$0.98
9	Orwood Creek 10151 Curran Blvd	****	網	216	776	i =	\$670	\$809	-	\$0.95
0	Willowbrook Apartments 7001 Bundy Rd	****	1984	408	799	-	\$700	\$820	æ	\$0.95

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RENT COMPARABLES SUMMARY

				Prop	perty Size	Aski	ng Rent Per	Month Per L	Jnit	
Pr	operty Name/Address	Rating	Yr Built	Units	Avg Unit SF	Studio	1 Bed	2 Bed	3 Bed	Rent/SF
•	Walnut Square 8501 I 10 Service Rd	****	2009	209	1,041) -	\$770	\$895	\$995	\$0.90
1	St James at Preston Place 3300 Preston Pl	****	1973	80	836	:=	\$625	\$750	\$850	\$0.89
13	Pontchartrain Oaks 9696 Hayne Blvd	****	1986	302	823	1=1	\$651	\$801	1-	\$0.88
1	6000 CHEF MENTEUR H 6000 Chef Menteur High	****	1970	100	871	-	\$675	\$775	\$875	\$0.87
13	Parc Fontaine 3101 Rue Parc Fontaine	****	1969	802	930	÷	\$632	\$899	\$1,129	\$0.79
16	Laguna Reserve 5131 Bundy Rd	****	1978	348	974	*	\$685	\$758	\$919	\$0.77
•	Georgetown of New Orlea 6419 Derbyshire Dr	****	1968	321	1,219	1-	\$690	\$825	\$940	\$0.73

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RENT COMPARABLES - PHOTOS



Carmel Brook

12345 N I-10 Service Rd 554 Units / 3 Stories

Rent/SF \$1.16, Vacancy 19.0% Owner: Rhodium Capital Advisors



Magnolia Gardens

6001 Downman Rd 117 Units / 2 Stories

Rent/SF \$1.15, Vacancy 19.7% Owner: Amnon Hadash



🛂 Louisburg Square Apartments 🕾

608 Farmington PI 304 Units / 2 Stories

Rent/SF \$1.07, Vacancy 5.9% Owner: Samia Companies LLC



1400 Milton St 565 Units / 2 Stories

Rent/SF \$1.06, Vacancy 0%

Owner: Columbia Residential, LLC



Arbors On The Lake

10500 Hayne Blvd 132 Units / 3 Stories

Rent/SF \$1.05, Vacancy 0.8% Owner: Providence Investments



🔮 Elysian Courtyards Of Genti... 🔈

3000 Gentilly Blvd 150 Units / 3 Stories

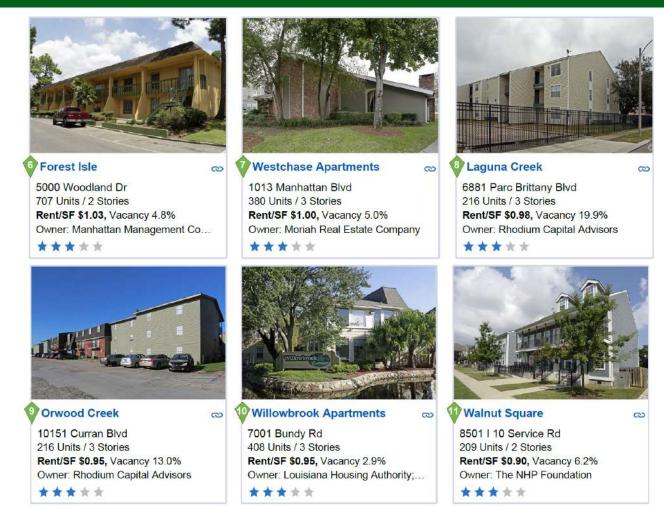
Rent/SF \$1.04, Vacancy 0%

Owner: Renaissance Neighborhood...





RENT COMPARABLES - PHOTOS







RENT COMPARABLES - PHOTOS



St James at Preston Place

3300 Preston PI 80 Units / 2 Stories Rent/SF \$0.89, Vacancy 2.5% Owner: Keith Crawford





Pontchartrain Oaks

9696 Hayne Blvd 302 Units / 3 Stories Rent/SF \$0.88, Vacancy 0% Owner: Pop Hayne, A Louisiana Limit...





4 6000 CHEF MENTEUR HWY...

6000 Chef Menteur Highway 100 Units / 2 Stories Rent/SF \$0.87, Vacancy 10.0%

Owner: TB&FLLC





Parc Fontaine

3101 Rue Parc Fontaine 802 Units / 3 Stories Rent/SF \$0.79, Vacancy 9.9%

Owner: Global Ministries Foundation



Laguna Reserve

5131 Bundy Rd 348 Units / 3 Stories Rent/SF \$0.77, Vacancy 13.8% Owner: Rhodium Capital Advisors



W Georgetown of New Orleans

6419 Derbyshire Dr 321 Units / 2 Stories

Rent/SF \$0.73, Vacancy 5.0%

Owner: Multi-Family Mission Ministries





RENT COMPARABLES BY BEDROOM

STUDIO COMPS

1BR COMPS

TWO BR COMPS

THREE BR COMPS

\$688

\$710

\$889

\$1,136

Current Conditions in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Total Number of Units	250	2,755	2,129	504
Vacancy Rate	4.9%	8.3%	7.2%	5.3%
Asking Rent Per Unit	\$688	\$710	\$889	\$1,136
Asking Rent Per SF	\$1.30	\$1.05	\$0.87	\$0.85
Effective Rents Per Unit	\$684	\$706	\$883	\$1,131
Effective Rents Per SF	\$1.29	\$1.04	\$0.87	\$0.85
Concessions	0.6%	0.7%	0.6%	0.5%
Changes Past Year in Rent Comps	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Year-Over-Year Effective Rent Growth	1.2%	3.4%	4.4%	1.9%
Year-Over-Year Vacancy Rate Change	-0.1%	-0.9%	-2.2%	-1.1%
12 Month Net Absorption in Units	1	-8	45	19





RENT COMPARABLES BY BEDROOM

<u>Studio Comps</u>

\$688

1BR COMPS

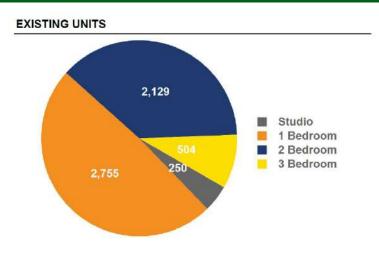
\$710

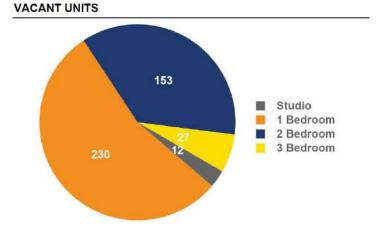
TWO BR COMPS

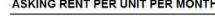
\$889

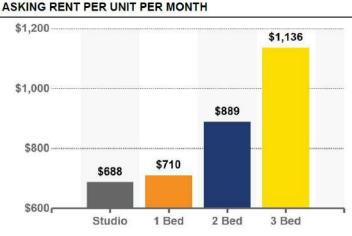
THREE BR COMPS

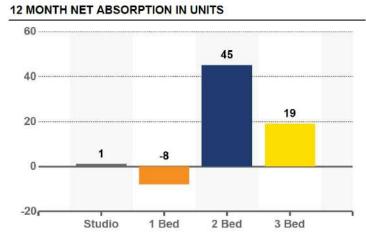
\$1,136















One BR Rent Comparables

				Change	in Rent
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
Columbia Parc at the Bayou Di 1400 Milton St	****	\$931 \$913 \$946	\$1.19	0.0%	1.7%
Arbors On The Lake 10500 Hayne Blvd	****	\$825 \$825	\$1.23	0.0%	2.7%
Elysian Courtyards Of Gentilly 3000 Gentilly Blvd	****	\$798 \$797	\$1.11	0.1%	1.9%
Carmel Brook 12345 N I-10 Service Rd	****	\$779 \$734 \$ 848	\$1.23	0.0%	11.2%
Walnut Square 8501 I 10 Service Rd	****	\$770 \$770	\$1.26	0.0%	0.0%
Westchase Apartments 1013 Manhattan Blvd	****	\$742 \$615 \$775	\$1.06	0.0%	2.0%
Forest Isle 5000 Woodland Dr	****	\$726 \$695 1 \$765	\$1.09	0.0%	0.6%
Willowbrook Apartments 7001 Bundy Rd	****	\$700	\$1.06	0.0%	0.0%

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One BR Rent Comparables

				Change	e in Rent
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
Georgetown of New Orleans 6419 Derbyshire Dr	****	\$690 	\$0.96	0.0%	3.0%
Laguna Reserve 5131 Bundy Rd	****	\$685 	\$0.91	0.0%	0.9%
6000 CHEF MENTEUR HWY 6000 Chef Menteur Highway	****	\$675 	\$0.96	0.0%	6.3%
Orwood Creek 10151 Curran Blvd	****	\$670 	\$1.03	0.0%	8.1%
Magnolia Gardens 6001 Downman Rd	****	\$667 \$650 \$675	\$1.18	0.0%	2.6%
Laguna Creek 6881 Parc Brittany Blvd	****	\$652 	\$1.06	0.0%	-18.8%
Pontchartrain Oaks 9696 Hayne Blvd	****	\$651 \$651	\$1.16	0.2%	1.9%
Parc Fontaine 3101 Rue Parc Fontaine	****	\$632 \$610 \$655	\$0.84	0.0%	2.7%

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One BR Rent Comparables

				Change	in Rent
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
St James at Preston Place 3300 Preston Pl	****	\$625 	\$0.93	0.3%	3.1%
Louisburg Square Apartments 608 Farmington Pl	****	\$600 	\$1.09	0.0%	0.0%
50.0 000-0-110001 100	\$200	\$600 \$1,000 \$1,4	100 \$1,800		

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TWO BR RENT COMPARABLES

				Change in Rent	
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
Columbia Parc at the Bayou Di 1400 Milton St	****	\$1,120 \$1,065 \$1,165	\$1.03	0.0%	2.4%
Forest Isle 5000 Woodland Dr	****	\$1,073 \$855 \$1,195	\$0.88	0.0%	0.2%
Carmel Brook 12345 N I-10 Service Rd	****	\$978 	\$1.03	0.0%	10.3%
Arbors On The Lake 10500 Hayne Blvd	****	\$955 \$955	\$0.97	0.0%	2.8%
Magnolia Gardens 6001 Downman Rd	***	\$911 \$850 \$1,000	\$1.11	0.0%	13.9%
Parc Fontaine 3101 Rue Parc Fontaine	****	\$899 \$860 \$920	\$0.75	0.0%	13.5%
Walnut Square 8501 I 10 Service Rd	****	\$895 \$895	\$0.98	0.0%	0.0%
Elysian Courtyards Of Gentilly 3000 Gentilly Blvd	****	\$893 \$878 \$898	\$0.98	0.0%	1.3%

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TWO BR RENT COMPARABLES

				Change in Rent	
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
Westchase Apartments 1013 Manhattan Blvd	****	\$864 \$808 \$955	\$0.89	0.0%	0.9%
Georgetown of New Orleans 6419 Derbyshire Dr	****	\$825 I	\$0.77	0.0%	-2.5%
Willowbrook Apartments 7001 Bundy Rd	****	\$820 I	\$0.86	0.0%	0.0%
Orwood Creek 10151 Curran Blvd	****	\$809 \$795 \$839	\$0.89	0.0%	7.7%
Laguna Creek 6881 Parc Brittany Blvd	****	\$804 	\$0.93	0.0%	-8.6%
Pontchartrain Oaks 9696 Hayne Blvd	****	\$801 \$801	\$0.72	0.2%	3.9%
Louisburg Square Apartments 608 Farmington PI	****	\$785 \$710 \$850	\$1.06	0.0%	0.3%
6000 CHEF MENTEUR HWY 6000 Chef Menteur Highway	****	\$775 	\$0.86	0.0%	5.4%

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TWO BR RENT COMPARABLES

				Change	in Rent
Property Name/Address	Rating	One Bedroom Rent Per Unit	Rent/SF	Quarter	Year
Laguna Reserve 5131 Bundy Rd	****	\$758 I	\$0.72	0.0%	-0.5%
St James at Preston Place 3300 Preston Pl	****	\$750 	\$0.89	0.0%	15.4%
	\$0	\$500 \$1,000 \$1,5	\$2,000	I	

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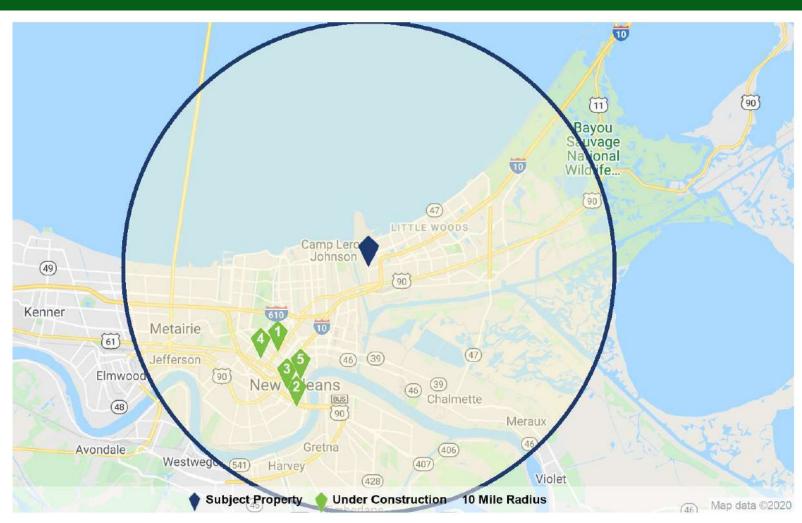
Under Construction Properties

PROPERTIES 5

<u>UNITS</u> 290

PERCENT OF
INVENTORY
0.5%

Avg. # of <u>units</u> 58



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Under Construction Summary Statistics

	Low	Average	Median	High
Property Size in Units	13	72	33	210
Number of Stories	3	9	4	29
Average Unit Size	686 SF	743 SF	743 SF	800 SF
Star Rating	****	★ ★ ★ ★ ★ 3.0	****	****
Estimated Delivery Date	May 2020	Oct 2020	Nov 2020	Mar 2021
Months to Delivery	1	6	7	11
Construction Period in Months	11	17	16	24





Under Construction Completion Schedule

COMPLETIONS WITHIN NEXT 3 MONTHS

Pro	perty Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
•	St. Peter Residential 2630 St Peter St	****	50	3	Jan-2019	May-2020	Broadmoor, L.L.C.

COMPLETIONS 3-6 MONTHS AWAY

Pro	perty Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
2	Delaneaux 1325 Annunciation St	****	210	4	Sep-2018	Sep-2020	Edward Communities Mark C Rodriguez

COMPLETIONS MORE THAN 6 MONTHS AWAY

Pro	pperty Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
3	The Odeon at South Mar 745 S Rampart St	****	-	29	Jan-2019	Nov-2020	The Domain Companies The Domain Companies
4	3100 Banks St	****	13	3	Jan-2020	Dec-2020	Green Coast Enterprises NORF 2 GCE Green 3100 Banks
5	535-537 Iberville St	****	17	6	Jan-2020	Mar-2021	_

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