

# Braden Creek/Park Place Apartments

## An Off-Market Opportunity Gets Results



### Asset Valuation Summary

**Purchase Date:** October 2014

**Purchase Price:** \$12,588,320

**Equity:** \$4,350,000

**NOI at Purchase:** \$633,328

**Average Rent:** \$505

**Sale Date:** June 2018

**Sale Price:** \$17,631,342

**Equity Multiple:** 1.7x

**NOI at Sale:** \$794,529

**Average Rent:** \$548

### Acquisition

- Sourced off-market through existing broker relationships.
- Sellers inherited properties and did not have prior apartment management experience.
- Attractive price per unit based on sale comps for similar quality properties and unit mix at purchase.
- Opportunity to improve property operations, reduce expenses and increase asking rates to market rent at comparable properties.
- Ability to attract high-quality tenants and increase rental rates by addressing resident needs and improving customer service response time.
- Aii owns five properties in same submarket.

### Transformation

- Increased asset value with \$1 million capital improvement plan, including aluminum wire retrofit and upgrades to roofing, club house, pools, parking lots, landscaping and laundry facilities.
- Increased rental rates based on interior upgrades for some units such as new appliances, cabinet hardware and wood plank flooring.
- Developed Community Network of Property Managers in local area to share market knowledge, ideas and awareness.
- Partnered with local police and fire departments to strengthen community ties.
- Strategic partnership with YMCA to allow residents to utilize YMCA facilities at a discounted rate.

### Realization

- Found a regional buyer who self-manages and was backed by institutional equity.
- Buyer interested in increasing presence in this submarket.
- Equity multiple of 1.7x in 3.7 years
- Rental rates increased by 8.38%
- NOI increased by 25.45%
- Gross IRR: 16.31%
- Net IRR: 14.25%