

3325-3331 Garden View

3365-3371 Garden View

Investment Opportunity Highlights:

7% Cash on Cash Return

Up to 20% IRR

Eight Shares Available, \$55,000/ea



Apartment Syndication



The Team



AJ Shepard

- Born in Portland Oregon
 - Graduated from University of Washington with a Bachelors Of Science in **Mechanical Engineering.**
 - Masters in **Engineering Systems Management** at Texas A&M
 - **10+ Years Experience** in Contracting starting as a Project Manager at Phoenix Industrial.
 - Co-Founder of Uptown Properties managing 350 units and owning 70 units
- NARPM® RMP™
 - President of Portland Area NARPM Chapter
 - Board Member of the Rental Housing Association of Portland
 - Realtor™
 - Investor
 - Licensed, Bonded, and Insured General Contractor and Plumbing Contractor in Oregon.



The Team



Chris Shepard

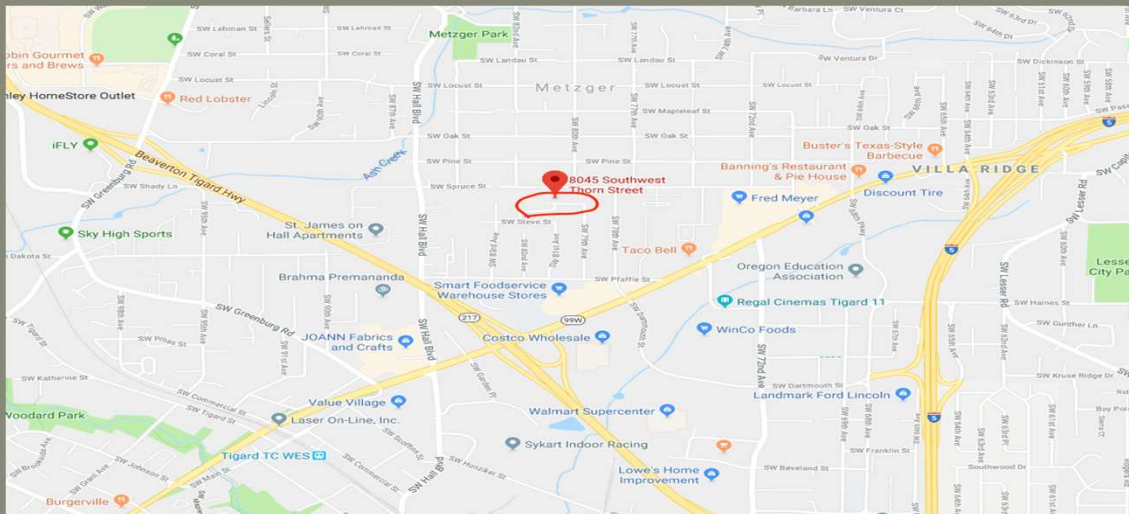
- IREM CMP™ (Certified Property Manager)
- Licensed Principal Broker in Oregon
- Realtor™
- Investor
- Licensed, Bonded, and Insured General Contractor and Plumbing Contractor in Oregon.
- Excellent Golfer (do not bet against, will lose money)
- Born in Portland Oregon
- Graduated with a Bachelor of Science in **Business Finance** at the University of Arizona.
- Started investing in real estate in 2006.
- Successfully completed 1031 exchanges
- Personally Negotiated, Bought, and Sold over 50 properties in the past 10 years
- Co-Founded Uptown Properties and developed strategic plan for growth since 2014.



Track Record

Thorn Street Portfolio – 14 home tract purchased in 2014.

- Successfully negotiated and closed deal with an owner carried contract of \$2.5m with a purchase price of \$2.95m
- Took revenues in 2015 from \$13,000 to \$21,185 in 2019
- Tract of Homes Remains in Portfolio as a buy and hold investment and cashflows \$5,000/m





Track Record

Twenty Unit LLC Partnership

- Purchased 5 four-plexes over the course 4 years
- Used 1m line of credit to purchase and then refinance all deals sequentially.
- Over 4 years \$1.9m of cash invested. Refinance of \$1.57m capital returned.
- Guaranteed Cash on Cash Return of 7% for our Partner.
- Purchase price of plexes totaling \$3,228,500
- Current Portfolio Value - \$3,875,000
- If we sold today there would be a 650k gain with 300k payback of initial capital for a 25% Average Rate of Return
- Rent Revenue per month of \$25,665

The Opportunity

- 3325-3331 & 3365-3371 SW Garden View
- 8 Plex – 2br/1.5ba units in Portland OR
- 1 Block N of Canyon Rd and .5m E of 217



Value Add

- Find an asset underperforming and under value
- Create a plan to have it operate under its highest and best use
- Refinance after value has been added to the property to maximize capital and returns.



Apartment Syndication Investment Highlights

- Purchase price of 1.22 Million
- Close in Portland Oregon
- Initial Investment of \$440,000
- Return of 300k upon refinance (~1 year)
- After Refi 7-9% cash on cash return
- 25% IRR on remaining 140k investment
- 700% ROI on remaining 140k over 10 years
- 850k Net Sale Proceeds after 10 years



Apartment Syndication Property Details and Location

PROPERTY SPECIFICS

- 8 Units, 2 Buildings – All 2bd/1.5 ba units
- Currently 4 units vacant (50% occupancy)
- 852 sq ft ea
- Townhome style with 2 beds upstairs and ½ bath down
- Current rents are at 1100-1300
- Projected New rents are 1300-1500

PROPERTY BENEFITS

- Easy access to Hwy 26 and 217
- Great School Districts
- Very Close to Beaverton Downtown (Being revitalized and developed, 7 min)
- Close to Downtown Portland (12 min)



Apartment Syndication Improvements and Value Add

Value Add Project \$140,000:

Units 3371, 3369 and 3331

- New Kitchen
- New Flooring
- New Bath Vanities
- New Doors and Hardware
- Update Fixtures
- Approximately 18k ea

Unit 3325 Minor Repairs

Site Work:

- New Front Doors
- Prep and Paint Exterior
- Landscaping
- Fencing
- Replace Gutters
- Pressure wash and stain decks



Apartment Syndication
Financial Projections Assumptions

Income Growth: 3%

Expense Growth: 2%

Vacancy: 5%

Expense per unit: \$250/yr

Property Management 5%

Asset Management 2%

Cap Rate on Exit: 5.75%



Apartment Syndication
The Opportunity

Yearly Income Projections Years 1-5 and 10

Yearly Income Projection	YR. 1	YR. 2	YR. 3	YR. 4	YR. 5	YR. 10
Gross Apartment Income	\$ 127,980	\$ 131,819	\$ 135,774	\$ 139,847	\$ 144,043	\$ 166,985
Apartment RUB	\$ 4,800	\$ 4,896	\$ 4,994	\$ 5,094	\$ 5,196	\$ 5,736
Utilities	\$ (4,800)	\$ (4,896)	\$ (4,994)	\$ (5,094)	\$ (5,196)	\$ (5,736)
Property Management	\$ (6,399)	\$ (6,591)	\$ (6,789)	\$ (6,992)	\$ (7,202)	\$ (8,349)
Asset Management	\$ (2,560)	\$ (2,636)	\$ (2,715)	\$ (2,797)	\$ (2,881)	\$ (3,340)
Landscaping	\$ (2,500)	\$ (2,550)	\$ (2,601)	\$ (2,653)	\$ (2,706)	\$ (2,988)
Apartment Vacancy	\$ (6,399)	\$ (6,591)	\$ (6,789)	\$ (6,992)	\$ (7,202)	\$ (8,349)
Insurance	\$ (2,400)	\$ (2,436)	\$ (2,473)	\$ (2,510)	\$ (2,547)	\$ (2,744)
Taxes	\$ (13,500)	\$ (13,838)	\$ (14,183)	\$ (14,538)	\$ (14,901)	\$ (16,860)
Maintenance	\$ (5,000)	\$ (5,125)	\$ (5,253)	\$ (5,384)	\$ (5,519)	\$ (5,124)
Apartment Expenses	\$ (2,000)	\$ (2,040)	\$ (2,081)	\$ (2,122)	\$ (2,165)	\$ (2,390)
NOI	\$ 87,222	\$ 90,013	\$ 92,890	\$ 95,858	\$ 98,919	\$ 116,841
Yrly. Payments	(\$65,477)	(\$78,279)	(\$78,279)	(\$78,279)	(\$78,279)	(\$78,279)
Net Cashflow	\$ 21,746	\$ 11,734	\$ 14,611	\$ 17,579	\$ 20,640	\$ 38,562
Debt Coverage Ratio	133%	115%	119%	122%	126%	149%



Apartment Syndication The Opportunity

Projected Sale Proceeds after 10 years

			No Refi	Refinance
Sale Price - NOI Yr. 10	5.75%	Cap Rate	\$ 2,046,763	\$ 2,046,763
(Perm. Debt Balance - yr. end 10)			\$ (751,012)	\$ (1,020,397)
(Cost of Sale @ 1.5%)			\$ (30,701)	\$ (30,701)
Sale Proceeds Net of Debt and COS			\$ 1,265,049	\$ 995,664
	Return of Equity		\$ 425,000	\$ 171,899
	Net Sale Profits		\$ 840,049	\$ 823,766

Cash On Cash Return Calculation

		Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr. 10
Return on Capital	NOI \$	88,502	\$ 91,361	\$ 94,309	\$ 100,484	\$ 103,717	\$ 107,050	\$ 110,488	\$ 114,033	\$ 117,689
	Total Cost \$	1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276	\$ 1,326,276
	ROC	6.67%	6.89%	7.11%	7.58%	7.82%	8.07%	8.33%	8.60%	8.87%

	Investors ROI - Yr. 10	Refinance
Cumulative Payout	\$ 338,343	\$ 203,712
Net Sale Profits	\$ 840,049	\$ 823,766
Investment	\$ 425,000	\$ 171,899
	Total	\$ 1,199,377
	ROI	377%

Overall Investment ROI
W/ out Refinance & W/ Refinance



Apartment Syndication Rental Income Detail

Residential Space				1st Floor		Per Annum
	Studio	1- BR	2-BR	PSF/Month	Rent/Mo	
3325			852	\$ 1.64	\$ 1,395	\$ 16,740
3327			852	\$ 1.52	\$ 1,295	\$ 15,540
3329			852	\$ 1.52	\$ 1,295	\$ 15,540
3331			852	\$ 1.64	\$ 1,395	\$ 16,740
3371			852	\$ 1.64	\$ 1,395	\$ 16,740
3369			852	\$ 1.64	\$ 1,395	\$ 16,740
3367			852	\$ 1.52	\$ 1,295	\$ 15,540
3365			852	\$ 1.41	\$ 1,200	\$ 14,400
Area	-	-	6,816	\$ 1.56	\$ 10,665	\$ 127,980
# of Units	0	0	8	8		

Gross Apartment Income	\$	127,980
Apartment RUB	\$	4,800
Utilities	\$	(4,800)
Property Management	\$	(6,399)
Asset Management	\$	(2,560)
Landscaping	\$	(2,500)
Apartment Vacancy	\$	(5,119)
Insurance	\$	(2,400)
Taxes	\$	(13,500)
Maintenance	\$	(5,000)
Apartment Expenses	\$	(2,000)
NOI	\$	88,502

Current Rents:

3325 : \$Vacant
 3327 : \$1295
 3329 : \$1295
 3331 : \$Vacant
 3365 : \$1200
 3367 : \$1295
 3369 : \$Vacant
 3371 : \$Vacant

- Management Fee at 5%
- Asset Management Fee at 2%
- Ongoing Landscaping at \$200/mo
- Vacancy at 4%
- Insurance is quoted
- Ongoing Maintenance for turn of other 4 units adds up to 50k over 10 years
- Apartment Expenses is a contingency



Apartment Syndication Existing Conditions



More Pictures Available on request



Apartment Syndication Existing Conditions



3 units in poor condition:
Replace all flooring
Replace all cabinets
Replace appliances

All very cosmetic repairs approximately
2-3 months of construction total



Apartment Syndication Track Record

- 12225 SW Longhorn Lane:
- Purchase Price: 350k
- Construction: 140k
- Appraisal value after construction 575k.
- Rents went from 700 to 1295



- 6817 SW Oak:
- Purchase Price: 330k
- Construction: 90k
- Appraisal Value of 600k
- Duplex Rented at 2395 / 1595





Apartment Syndication Track Record



<- Longhorn

Oak ->



Apartment Syndication Track Record

- 7210 SW Brier:
 - Purchase Price: 100k
 - Construction: 105k
 - Finished Basement and added 900 sq ft
- 11551 SW 64th
 - Purchase Price: 132k
 - Construction: 20k
 - Added Bathroom





Apartment Syndication Track Record

- Uptown Properties
 - Currently Manages over 350 Units
 - Staff of 12 (and hiring)
 - Manage 2 apartment complexes above 60 units (both with onsite managers)
 - Manage owned portfolio of 80+ units
- Uptown Construction
 - Performs maintenance and project work
 - 4 employees with a huge network of subs
 - Competitive rates of \$55 / hr and 15% markup on subs
 - Completed over 20 projects on owned portfolio
 - Completed over 1000 work orders over the course of 7 years



Apartment Syndication Track Record

○ Summary:

- Uptown Properties is an established property management company capable of producing quality results of management.
- Uptown Construction is an established contracting company that produces quality product available to rent at a great rate and in a timely manner
- AJ and Chris Shepard have a proven track record with many owned investments and will be investing in this deal.



Apartment Syndication FAQ

● FAQ

- What are other comparable MFH in the general area? What are their rents /sq ft?
Can the rent bump 10-20% be absorbed by the market? - Multiple listings at 1300-1400 for 2x1 800 sq ft.
- Is it in a high crime rate area? – Great area, very low crime. At the bottom of the hill from a very well off neighborhood.
- What is current Occupancy / what is economic Vacancy? - Economic vacancy in Portland is around 3-4% which is very strong market for rentals. New units in are coming online in the 0 and 1 bd market. 2 bd room market does not have a lot of new buildings.
- Why is the current seller selling? - Owner passed away and estate is selling
- What is the asset management fee and how is it calculated – 2% of the income of the property (not including RUBS).
- What type of model, Yield play, Value add or Hybrid – This is a value add and Hybrid as a Refinance quickly will return a good portion of the investment required
- How many people are going to be involved in the deal, how much cash is needed, what's the minimum investment. - 425k is required, Shepard's have put up 100k and minimum of 50k. Max of 6 investors.