



SE Market 5 Plex Deal Summary

Deal Summary

**5 Units of Boutique Urban Living in SE Portland
(2900 rentable sqft) Studio, 1br, and 2br Units**

October, 2023

EXECUTIVE SUMMARY:

01 > Project Overview:

- Value-add project of **5 Unit Turnkey**
 - Total project cost = **\$773,625**
 - Required Equity = **\$229,875**
 - Debt = **\$543,750**
- 3741 SE Market
- The property is in SE Portland on Hawthorne next to a bustling retail and restaurant area

02 > Financial Structure And Metrics:

- Total project budget = \$773,625
 - \$229,875 Equity
 - Sponsor/Manager will be investing at least \$116,000, 51% of needed equity capital.
 - \$543,750 acquisition debt will be a hard money loan through Merchants Mortgage. A hard money loan is a risky maneuver, but in this situation it is what allowed us to close the deal.
 - The Sponsor has sourced the deal, placed it under contract, will qualify for a loan, manage the value add project, and oversee property management to maximize the project's value.
 - The Sponsor is planning to refinance the property immediately after acquisition and will likely provide a return of capital quickly.
 - Proforma returns indicate an estimated 18.9% IRR return, depending on the year of sale. Sale will depend on where market conditions are at said time.
 - Standard Equity minimum cash investment: \$2,000 = 0.87% ownership
- **100% due by November 8th 2023**

03 > Investor Benefits:

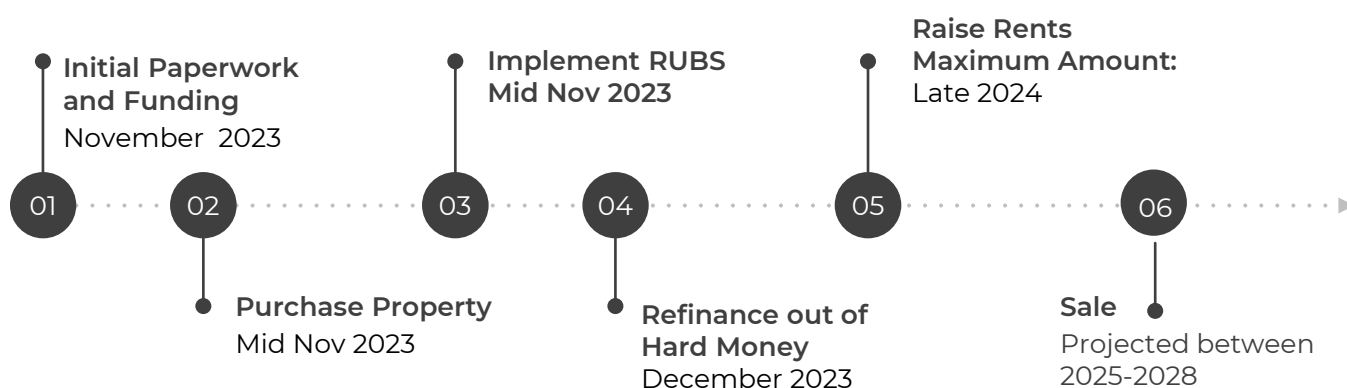
- **Lowest Possible Risk Profile:**
 - Although, this asset has a low cash on cash return, we believe we are stepping into roughly \$300,000 of equity on day one because the purchase price is so low.
 - This Property is in an A+ location in just off Hawthorne Blvd in Portland Oregon a near multiple dining hotspots.
 - This value-add opportunity is a very light lift and improvements in property management.
 - Experienced team focused on increasing NOI and increasing property value featuring in-house property management, construction, and asset management.
 - We estimate a sale at 3-5 years to maximize the IRR on this particular deal.
- **Steady Simple Growth and Improvement Plan:**
 - The team has specific experience in this market and with this type of property.
 - High IRR deal due to lower rents and securing a very low purchase price.
- **Other Investment Benefits:**
 - Provides an opportunity for diversification of investment type
 - Inflationary hedge: Rent and property value appreciation has exceeded inflation in the past.

- **Risk is limited to cash investment:** Managing member guarantees all debt.
- **Income Taxes:** Initial passive losses during pre-stabilization period can be used to offset passive income from other investments.
 - Cost segregation strategy will provide a passive K-1 loss between 50-75% of initial contribution.
 - Annual depreciation will create paper losses to reduce taxable income.

04 > Preferred Return

- Investments will receive an annual preferred return of 7% and distributed quarterly unless there is a cash shortfall, then preferred returns will be accrued and paid out as cash is available.
- Priority of positive cash flow is paid to the preferred return balance until fully paid; thereafter, cash flow will be distributed on Pro Rata basis.
- Investors will receive 7% preferred returns that are paid quarterly.

05 > Project Timeline:



06 > Operations:

- Distributions will be reviewed and issued at the sole discretion of the Sponsor / Managing Member.
- Cashflow is projected to improve over time with increased rents and turning over tenants..
- Refinance or Sale will be based on Market Conditions

07 > Refinance:

- Upon stabilization, Sponsors will review the opportunity to refinance the property. Funds disbursed from the refinance shall first pay any accrued preferred returns. Then any proceeds from the refinance shall reduce the member's initial capital contributions.
- The number of unit shares will remain the same, but the value of the shares will be reduced pro-rata by the amount of money distributed from the return capital from the refinance.
- Preferred returns will be based upon the new capital amount after the refinance.

FREQUENTLY ASKED QUESTIONS

How long will the value-add project take?

The value-add project is mainly composed of implementing RUBS and sending rent increases as the property as the previous landlord did not raise rents or implement RUBS. RUBS will be implemented upon purchase.

What's the anticipated time period from the time I invest until a sale is achieved?

We anticipate a sale or major capital event to occur between 2-5 years from the time of investment. Various determining factors include the current cap rates, lending environment and occupancy levels; sale or refinance timeframe solely depends on the current market conditions. Managing members are motivated to accomplish a successful sale or refinance since they will be investors as well.

What state will the LLC be formed?

Oregon

When will I start seeing distributions?

The project is being acquired with a Hard Money loan and unfortunately due to the high interest rate environment, cash flow will be unlikely. In the event there is a cash flow, it will all be distributed to LLC members based on pro-rata shares.

Who are the Operators?

AJ and Chris Shepard have been managing properties since 2006 and performing multifamily value-add projects since 2014. They are experts in both investment and residential real estate transactions. They pride themselves as leaders in the local real estate market and property management community.

How many of these projects have you completed?

Uptown Syndication has executed six (6) multifamily value-add syndication acquisitions since 2020. As well, Chris and AJ Shepard currently own 350 units in Portland and Uptown Properties manages 700 units.

What is the estimated time needed to achieve stabilized occupancy of 90-95%?

The property is already stabilized. All we need to do is implement our value add plan by sending out rent increases and RUBS notices.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

PROPERTY PHOTOS:



SE MARKET ST 5 PLEX PHOTOS



SE MARKET ST 5 PLEX PHOTOS



SE MARKET 5 PLEX PHOTOS:



SE MARKET 5 PLEX PHOTOS:



NEARBY ATTRACTION PHOTOS:

© 2023



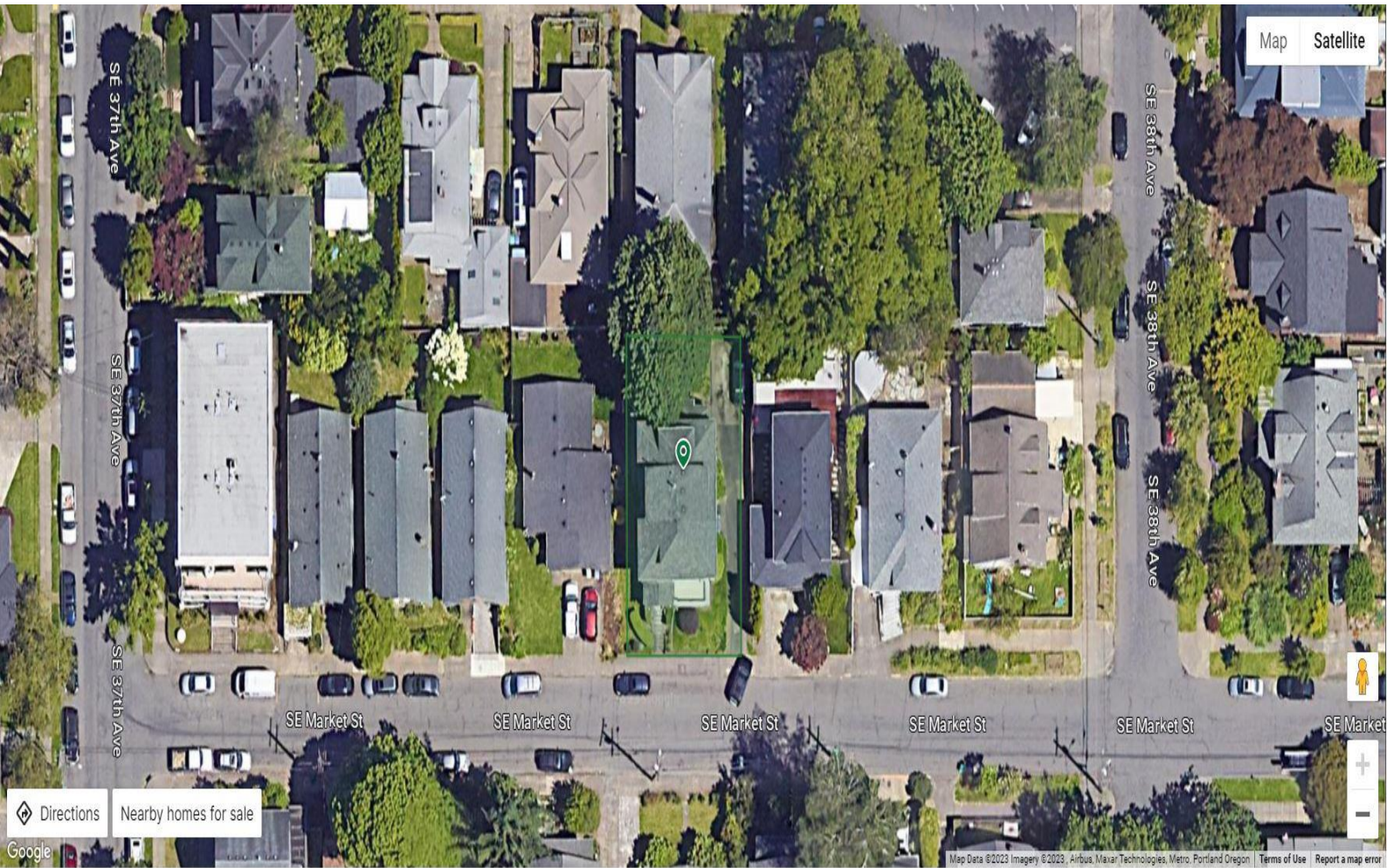
© 2023



© 2023



PROPERTY PHOTOS:



3741 SE Market St, Portland, OR

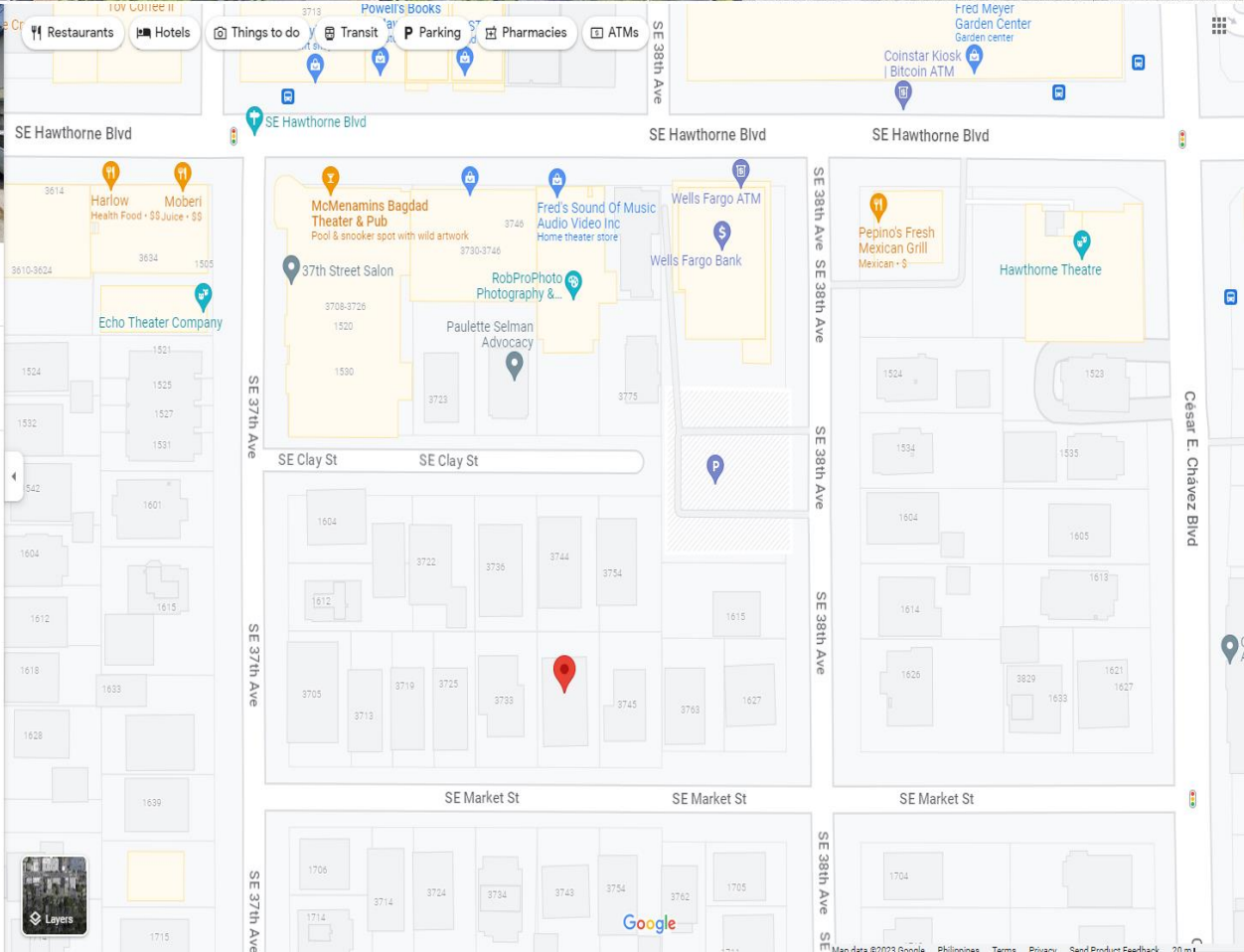
3741 SE Market St
Building

- Directions
- Save
- Nearby
- Send to phone
- Share

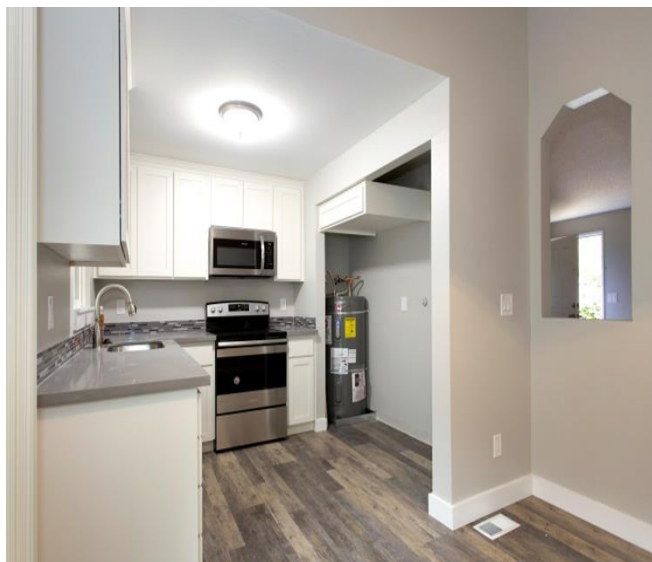
3741 SE Market St, Portland, OR 97214, USA

- Suggest an edit on 3741 SE Market St
- Add a missing place
- Add your business
- Add a label

Photos



UPTOWN SYNDICATION TRACK RECORD



Syndication of 9 Units – SW 68th was acquired in December 2019.
Purchased for \$1.2M and raised \$400,000 of investor funds.
Project is to be listed for sale for \$2.3MM for a 37% IRR.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



**4633 SW
HUBER**



Syndication of 12 Units – 4633 SW Huber was acquired in September 2020. Purchased for \$1.7M and raised \$600,000 of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



Syndication of 21 Units – 6970 SW King was acquired in April 2021. Purchased for \$3.45M and raised \$1M of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



EXECUTIVE ARMS



Syndication of 25 Units – Executive Arms was acquired in June 2021. Purchased for \$3.2M and raised \$1.1M of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



**TAPIOLA
MANOR**



Syndication of 30 Units – Tapiola Manor was acquired in March 2022. Purchased for \$6.3M and raised \$2M of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



**CEDAR MILL
COURTYARD**



Syndication of 47 Units – Cedar Mill was acquired in April 2023. Purchased for \$10.7M and raised \$5.1M of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.

UPTOWN SYNDICATION TRACK RECORD



Syndication of 12 Units – Summerfield was acquired in June 2023. Purchased for \$3.2M and raised \$1.4M of investor funds.

Legal Disclaimer

The following is a preliminary summary only of select terms of a proposed offering and is not intended to be an offering memorandum or a solicitation of investment. If an offering is made, investors should review the definitive Offering Memorandum to be prepared and distributed by the project sponsor prior to making an investment decision. Further, there can be no assurances as to the nature or extent of the actual returns to investors from the proposed project.