

# MAIN STREET TOWNHOMES

3205 NORTH MAIN STREET | CLOVIS, NM



OFFERING MEMORANDUM  
CAPITAL MARKETS | INVESTMENT PROPERTIES





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# EXECUTIVE SUMMARY



# MAIN STREET TOWNHOMES

3205 NORTH MAIN STREET

CLOVIS, NM 88101

Price: \$2,882,980

Price per unit: \$115,319

Price per square foot: \$103

LIHTC - Family

Units: 25

Rentable square feet: 28,056

Year built: 2002

Initial TCCP ended: 2016

Final year of LIHTC restrictions: 2046

Qualified Contract eligible



## PROPERTY FEATURES

- A mix of three- and four-bedroom units featuring a patio, dishwasher, garbage disposal, additional storage, and air conditioning
- Community amenities include a playground, clubhouse, on-site laundry facility, and basketball court

## DESIRABLE LOCATION

- Less than a mile from a major retail intersection featuring a Walmart Supercenter, Lowe's Home Improvement, PetSmart, Big 5 Sporting Goods, Applebee's Grill + Bar, and more
- Only 15 minutes from Cannon Air Force Base, which employs around 5,800 military and civilian personnel
- Under three miles from Hillcrest Park, which houses the second-largest zoo in New Mexico, an aquatic center, par-3 golf course, youth recreation center, soccer fields, dog park, and botanical garden
- Just six minutes from Plains Regional Medical Center, the largest hospital between Albuquerque and Lubbock
- Within a mile from North Plains Mall, which houses over 50 retailers including JCPenney, Stage, Bath & Body Works, and Maurices





## AFFORDABLE RESTRICTIONS

Main Street Townhomes currently operates under the Section 42 Low Income Housing Tax Credit (LIHTC) program, and has the following restrictions. Buyer must agree to maintain the affordable restrictions through the extended use period, including operating the property in compliance with state and federal regulatory agreements.

INITIAL TCCP ENDED: 2016  
 FINAL YEAR OF RESTRICTIONS: 2046

CURRY COUNTY, NM  
 (CURRY COUNTY, NM)

2020 4-PERSON AMI: \$51,700

- LIHTC LURA: Restricts 19 units at 40% AMI and the remaining units at 50% AMI
- HOME LURA: Restricts (3) three-bedroom units and (1) two-bedroom units to the lesser of fair market rents for comparable units in the area as established by HUD, 30% of adjusted income of a family whos income equals 65% AMI, or 50% AMI with the tenant portion of rents not to exceed 30% of the families adjusted income

2020 INCOME LIMITS	40% AMI	50% AMI
1 person	\$ 15,600	\$ 19,500
2 people	\$ 17,800	\$ 22,250
3 people	\$ 20,040	\$ 25,050
4 people	\$ 22,240	\$ 27,800
5 people	\$ 24,040	\$ 30,050
6 people	\$ 25,800	\$ 32,250

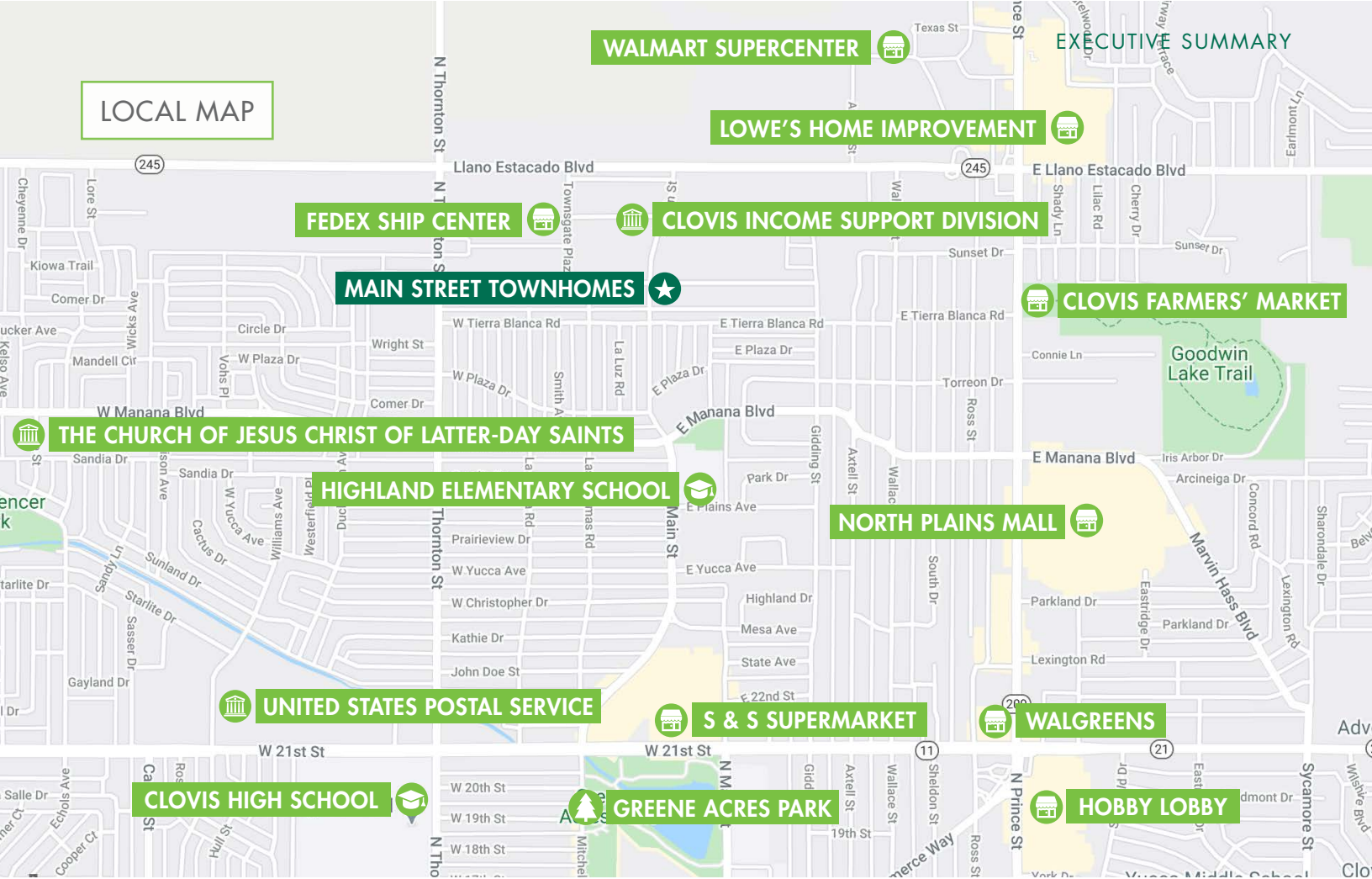
## PROPERTY DETAILS

YEAR BUILT	2002
NUMBER OF BUILDINGS	8 (7 residential   1 clubhouse)
NUMBER OF UNITS	25
NUMBER OF STORIES	1 & 2
PARCEL NUMBER	1211012214415
ZONING	
LOT SIZE	1.93 acres
DENSITY	12.95 units/acre
PARKING SPACES	57
PARKING RATIO	2.28 spaces/unit
LANDSCAPING	Mature trees, shrubs, and grass
TOPOGRAPHY	Flat
IN-UNIT WASHER/DRYER	No
EXTERIOR	Vinyl
PARKING SURFACE	Asphalt
ROOF	Shingles

## AERIAL MAP



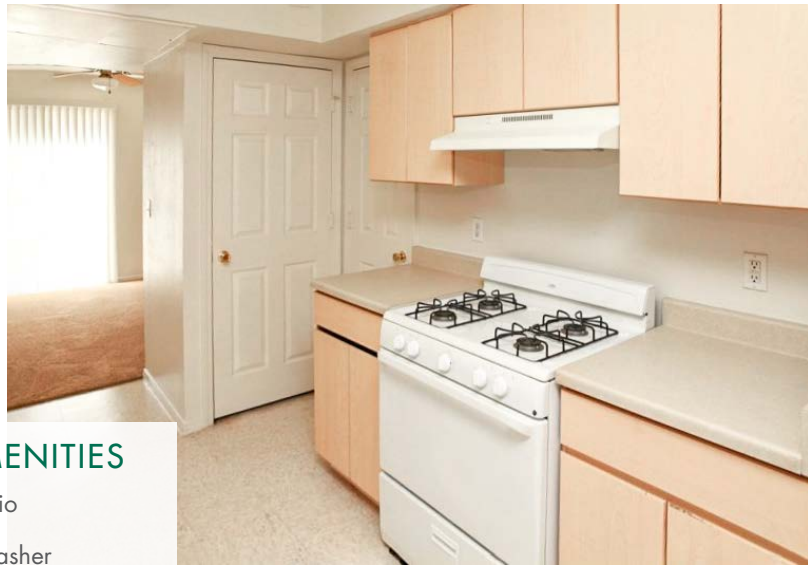
LOCAL MAP



REGIONAL MAP







UNIT AMENITIES

Patio

Dishwasher

Garbage disposal

Additional storage

Air conditioning





## COMMUNITY AMENITIES

- Playground
- Clubhouse
- On-site laundry facility
- Basketball court





**SCHOOLS**

- » HIGHLAND ELEMENTARY SCHOOL (0.5 MILE)
- » MARSHALL MIDDLE SCHOOL (1.4 MILES)
- » CLOVIS HIGH SCHOOL (1.3 MILES)
- » CLOVIS COMMUNITY COLLEGE (4.9 MILES)

**GROCERY STORES**

- » S & S SUPERMARKET (0.9 MILE)
- » LOWE'S MARKETPLACE (1.5 MILES)
- » ALBERTSONS (1.7 MILES)

**NEIGHBORHOOD AMENITIES**

- » CLOVIS-CARVER PUBLIC LIBRARY (1.9 MILES)
- » CURRY COUNTY MANAGER (1.9 MILES)
- » LYCEUM THEATRE (2.1 MILES)
- » NORMAN & VI PETTY ROCK & ROLL MUSEUM (2.2 MILES)
- » PLAINS REGIONAL MEDICAL CENTER (2.3 MILES)
- » CLOVIS LANDFILL (5.1 MILES)

**PARKS AND RECREATION**

- » GREENE ACRES PARK (1.1 MILES)
- » CLOVIS ROCK GYM (1.5 MILES)
- » HILLCREST PARK ZOO (2.8 MILES)
- » ST. BERNARD FARMS (4.3 MILES)
- » CURRY COUNTY FAIRGROUNDS (4.4 MILES)
- » CLOVIS FUN CENTER (5.3 MILES)

**RETAIL AND RESTAURANTS**

- » APPLEBEE'S GRILL + BAR (0.8 MILE)
- » WALMART SUPERCENTER (0.9 MILE)
- » FAMILY DOLLAR (0.9 MILE)
- » LOWE'S HOME IMPROVEMENT (1.0 MILE)
- » NORTH PLAINS MALL (1.1 MILES)
- » JCPENNEY, STAGE, BATH & BODY WORKS, MAURICES, BUCKLE, HIBBETT SPORTS, JOURNEYS, RUE21, ZALES
- » BIG LOTS (1.6 MILES)
- » PRINCE STREET SHOPPING CENTER (1.6 MILES)
- » ALBERTSONS, HOBBY LOBBY, IHOP, DOLLAR GENERAL, GOODWILL, HARBOR FREIGHT TOOLS, DOMINO'S PIZZA

**TRANSPORTATION**

- » BNSF CLOVIS RAILYARD (2.8 MILES)
- » US-60 / US-84 (4.2 MILES)
- » CLOVIS GREYHOUND STATION (7.6 MILES)
- » CLOVIS MUNICIPAL AIRPORT (8.4 MILES)

# CLOVIS, NEW MEXICO

Main Street Townhomes lies in Clovis, the county seat of Curry County. Clovis serves as the commercial center of the High Plains region of east New Mexico and west Texas. The city is a thriving hub of cowboys, rock & roll music, and agriculture.

## CANNON AIR FORCE BASE

Cannon Air Force Base is situated under seven miles west of Clovis. Spanning 3,789 acres, the base is home to the 27th Special Operations Wing. Around 5,800 military and civilian personnel work on base, and Cannon has a total population of over 20,000 active duty, family, civilians, and retirees.

## INFRASTRUCTURE

Clovis Area Transit System (CATS) provides public transportation for Clovis and the surrounding region. Funded by a Federal Transit Administration grant, CATS offers reservation-based on-demand service to anywhere in the city for just 75 cents.

Clovis is a major hub of the BNSF railway, which employs around 400 people in the Clovis area. South of the city is a BNSF-certified 240-acre industrial park featuring direct access to the railway, US-60, and US-70.

Clovis Municipal Airport (CVN) is located just 10 minutes from Mesquite Village. The city-owned airport is primarily used for general aviation, but also offers daily commercial service via Denver Air Connection to Denver International Airport, subsidized by the U.S. Department of Transportation's Essential Air Service program.

## ECONOMY

Clovis' economy is primarily agricultural, with the surrounding land filled with farms, ranches, and dairies. There are over 640 farms in Curry County, which generate \$480 million in sales each year, the highest in the state (USDA Agriculture Census, 2017). Top crops grown in the county include cotton, wheat, corn, and sorghum. The region is ideal for farming, thanks to its temperate climate, fertile soil, and abundant rainfall. Residents can purchase locally-grown produce at the Clovis Farmers' Market, held every Tuesday and Saturday from July to October at the Goodwin Lake Trail parking lot. Operated by the New Mexico Department of Agriculture, the market accepts EBT/SNAP cards, WIC vouchers, and CSFP Senior Nutrition Vouchers.

There are around 60 dairies within 25 miles of Clovis, and Curry County is the second-largest milk producer in the state. The county's dairy farms produce 238 million gallons of milk a year, generating an annual economic impact of \$2.6 billion. The region's beef cattle ranches contribute \$155 million annually to the county.

## SOUTHWEST CHEESE

Just south of Clovis is Southwest Cheese Company, one of the largest milk processing plants in the world. It processes 5.1 billion pounds of milk each year, producing various cheeses and whey protein that are supplied to leading brands such as McDonald's, Kraft, and Sysco. Southwest Cheese was created in 2005 with \$200 million by a joint venture between Glanbia and the dairy cooperatives of the Greater Southwest Agency. In 2016, it underwent a \$140 million expansion that increased capacity by 30%. It has become the largest cheddar producer in North America, generating around 10% of the U.S. market share. Southwest Cheese is dedicated to sustainability and community outreach, such as investing \$25 million in a state-of-the-art wastewater treatment system. The company and its 400+ employees inject around \$2 million in direct spending annually into the local economy.

## 🎵 THE CLOVIS SOUND 🎵

Clovis has a rich musical heritage, known for its "Clovis sound" in the 50s and 60s that had a major influence on rock & roll music. Clovis was home of the Norman Petty Recording Studio, where famous musicians including Buddy Holly, Waylon Jennings, and Roy Orbison recorded their hit songs. Memorabilia and artifacts of the "Clovis sound" are displayed at the Norman & Vi Petty Rock & Roll Museum in downtown Clovis. Since 1987, more than 15,000 people flock from around the world to the annual Clovis Music Festival, which features live performances and guided tours of the Norman Petty Studio. In 2017, the festival was combined with the annual "Draggin' Main" event, culminating in a celebration of rock & roll music and cars cruising down Main Street.



# FINANCIAL ANALYSIS





## PROPERTY INFORMATION

**Main Street Townhomes**  
**3205 North Main Street**  
**Clovis, NM 88101**  
**Curry County**

Year Built 2002  
 Number of Units 25  
 Property Type LIHTC - Family  
 Projected Closing Date April 1, 2021  
 Hold Period 10 Years

Management Kay-Kay Realty  
 Placed In Service July 31, 2002  
 End of TCCP December 31, 2016  
 Final Year of LIHTC Restrictions 2046 (Ext Use: 30 Yrs)  
 Qualified Contract Eligible Yes  
 Right of First Refusal No  
 Opportunity Zone No

### Purchase Price **\$2,882,980**

Per Unit \$115,319  
 Per SF \$103  
 Total Acquisition Costs \$2,945,480  
 Cost Per Unit \$117,819  
 Cost Per SF \$105  
 Exit Cap Rate 7.50%  
 Exit Cost of Sale 5.25%

Total Debt \$250,000  
 Aggregate LTV 8.7%  
 Aggregate LTC 8.5%  
 Equity \$2,695,480



## SOURCES AND USES

Uses of Funds	Total \$	Per Unit \$
Purchase Price	\$2,882,980	\$115,319
Due Diligence and Closing	\$35,000	\$1,400
Capital Improvements	\$25,000	\$1,000
Financing Costs	\$2,500	\$100
<b>Total Uses of Funds</b>	<b>\$2,945,480</b>	<b>\$117,819</b>

Sources of Funds	Total \$	Total %
First Mortgage	\$250,000	8.5%
Total Debt	\$250,000	8.5%
Total Equity	\$2,695,480	91.5%
<b>Total Sources of Funds</b>	<b>\$2,945,480</b>	<b>100.0%</b>

## FINANCING ASSUMPTIONS

### First Mortgage - New Financing

Original Loan Amount	\$250,000	Loan to Value	8.7%
Loan Amount at Start of Analysis	\$250,000	Loan to Cost	8.5%
Proposed or Existing Origination Date	Proposed April 1, 2021	Term Maturity Date	10.0 Years March 1, 2031
Permanent Interest Rate	4.00%	Amortizing Annual Debt Service	\$15,835
Interest Rate Method	30/360	Amortizing DSCR (Year 0)	3.19
Interest-Only Period (In Months)	0	Amortizing DSCR (Year 1)	3.47
Amortization (In Months)	300		
Loan Constant	6.33%		
Loan Origination Fee	1.00%		

### Notes

Analysis reflects new financing.

Potential lender escrow requirements have not been included.

Underwritten loan proceeds based on minimum DSCR requirements using lender NOI of \$21,300. Adjustments include removal of any Section 8 voucher overhang, minimum economic loss requirements, and expense adjustments per Agency guidelines with consideration for historical occupancy and budgeted management changes by a new owner.

## INTEREST RATE SENSITIVITY ANALYSIS

		+10bps	+20bps	+30bps	+40bps
Interest Rate	<b>4.00%</b>	<b>4.10%</b>	<b>4.20%</b>	<b>4.30%</b>	<b>4.40%</b>
Sale Price	\$2,883,000	\$2,873,000	\$2,863,000	\$2,853,000	\$2,843,000
<b>Value Loss</b>		<b>\$10,000</b>	<b>\$20,000</b>	<b>\$30,000</b>	<b>\$40,000</b>

Value loss assumes Year 0 cash-on-cash returns remain constant following an increase in interest rates.



## UNIT MIX

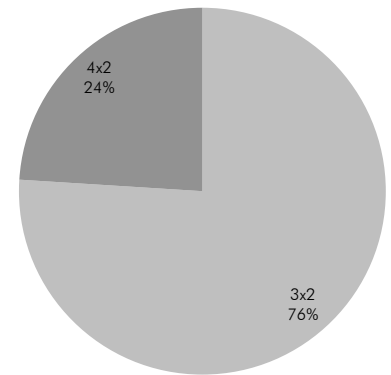
Unit Type	AMI %	# of Units	SF	Current Asking Rent	Year 1 Rent Growth	Year 1 Rents	2020 Max Allowable Rent	Utility Allowance	Net Max Rent
3x2	40	3	1,013	485	11	496	578	93	485
3x2	50	3	1,013	630	14	644	723	93	630
3x2	40	12	1,122	485	11	496	578	93	485
3x2	50	1	1,122	630	14	644	723	93	630
4x2	40	4	1,232	540	12	552	645	105	540
4x2	50	2	1,232	701	16	717	806	105	701
<b>Total</b>		<b>25</b>	<b>28,056</b>	<b>\$13,357</b>	<b>\$301</b>	<b>\$13,658</b>	<b>\$15,754</b>	<b>\$2,397</b>	<b>\$13,357</b>
<b>Average</b>			<b>1,122</b>	<b>\$534</b>	<b>\$12</b>	<b>\$546</b>	<b>\$630</b>	<b>\$96</b>	<b>\$534</b>

### Notes

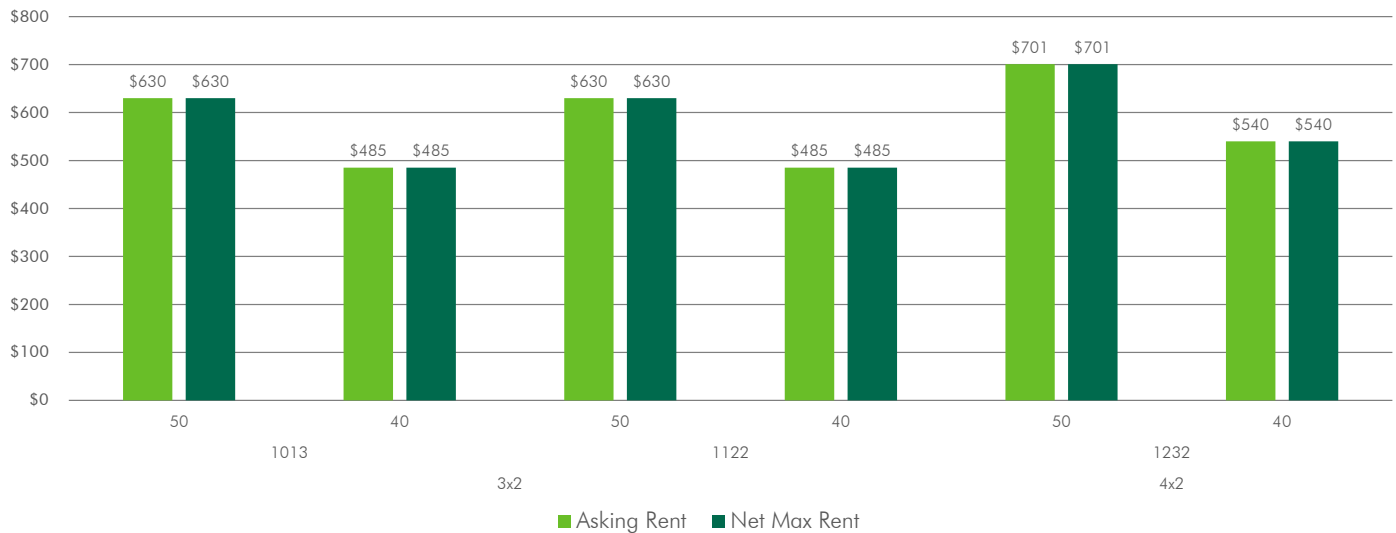
- The number of residents utilizing Section 8 vouchers is unknown
- Current asking rents reflect the November 24, 2020 rent roll
- Current asking rents are at net max rents

### Affordability Restrictions

- LIHTC LURA: Restricts 19 units at 40% AMI and the remaining units at 50% AMI. Final year of restrictions is 2046. Property is qualified contract eligible. A three-year decontrol period applies upon a successful qualified contract execution
- HOME LURA: Restricts (3) three-bedroom units and (1) two-bedroom unit to the lesser of fair market rents for comparable units in the area as established by HUD, 30% of adjusted income of a family whose income equals 65% AMI, or 50% AMI with the tenant portion of rents not to exceed 30% of the families adjusted income. Final date of restrictions is the earlier of full repayment of the outstanding balance of the loan or November 27, 2047



Asking Rents vs. Net Max Rents





## OPERATING HISTORY AND PRO FORMA

	2019		November 2020 Trailing 12		Year 0		Year 1			
		Per Unit		Per Unit		Per Unit		Per Unit		
<b>Income</b>										
Market Rent		164,614	6,585	160,284	6,411	160,284	6,411	163,890	6,556	(1)
Gain-to-Lease	0.00%	0	0	(10,379)	(415)	(13,380)	(535)	(13,681)	(547)	(2)
<b>Gross Potential Rent</b>		<b>\$164,614</b>	<b>6,585</b>	<b>\$170,663</b>	<b>6,827</b>	<b>\$173,664</b>	<b>6,947</b>	<b>\$177,571</b>	<b>7,103</b>	(3)
Vacancy (-)	10.94%	18,017		7,455		20,840		17,757		(4)
Bad Debt (-)	0.60%	988		988		868		888		
Concessions (-)	0.00%	0		0		0		0		
Total Economic Loss	11.55%	\$19,005	760	\$8,443	338	\$21,708	868	\$18,645	746	
<b>Net Rental Income</b>		<b>\$145,609</b>	<b>5,824</b>	<b>\$162,220</b>	<b>6,489</b>	<b>\$151,956</b>	<b>6,078</b>	<b>\$158,926</b>	<b>6,357</b>	
Bad Debt Recovery	0.00%	0		0		217		222		
Damages/Cleaning/Forf. Dep.		1,217		405		405		415		
Termin./MTM/Late/NSF		1,345		1,425		1,425		1,461		
Utility Reimbursements		824		672		672		689		
Misc. Income (App, Pet, Other)		865		2,392		2,392		2,452		
Total Other Income		\$4,251	170	\$4,894	196	\$5,111	204	\$5,238	210	
<b>Effective Gross Income</b>		<b>\$149,860</b>	<b>5,994</b>	<b>\$167,114</b>	<b>6,685</b>	<b>\$157,067</b>	<b>6,283</b>	<b>\$164,165</b>	<b>6,567</b>	
<b>Operating Expenses</b>										
Real Estate and Other Taxes										
Real Estate Taxes		4,941		4,947		4,947		5,071		(5)
Personal Property/Other		0		75		75		77		
Total Real Estate Taxes		\$4,941	198	\$5,022	201	\$5,022	201	\$5,148	206	
Insurance										
Property		8,927		9,815		9,815		10,060		
Total Insurance		\$8,927	357	\$9,815	393	\$9,815	393	\$10,060	402	
Utilities										
Electricity		3,908		3,890		3,890		3,987		
Gas		1,353		1,201		1,201		1,231		
Water		7,590		1,883		1,883		1,930		
Sewer		3,882		2,784		2,784		2,854		
Garbage Collection		2,631		1,276		1,276		1,308		
Total Utilities		\$19,364	775	\$11,034	441	\$11,034	441	\$11,310	452	
<b>Total Fixed Expenses</b>		<b>\$33,232</b>	<b>1,329</b>	<b>\$25,871</b>	<b>1,035</b>	<b>\$25,871</b>	<b>1,035</b>	<b>\$26,518</b>	<b>1,061</b>	
Contract Services										
Landscaping		2,582		645		645		661		
Pest Control		870		747		747		766		
Fire and Safety Systems		0		617		617		632		
Total Contract Services		\$3,452	138	\$2,009	80	\$2,009	80	\$2,059	82	
Repairs and Maintenance										
General Repairs and Maintenance		8,812		15,064		8,000		8,200		
HVAC and Plumbing		6,680		16,640		6,000		6,150		
Turnover		2,540		810		810		830		
Total Repairs and Maintenance		\$18,032	721	\$32,514	1,301	\$14,810	592	\$15,180	607	(6)
Marketing and Promotion										
Total Marketing and Promotion		\$0	0	\$0	0	\$0	0	\$0	0	
Payroll										
Manager and Leasing		12,869		14,985		14,985		15,360		
Maintenance Staff		22,985		19,796		19,796		20,291		
Subtotal Payroll		\$35,854	1,434	\$34,781	1,391	\$34,781	1,391	\$35,651	1,426	
Payroll Taxes and Benefits	24.72%	8,863		8,812		8,695		8,913		
Staff Apartments		(485)		0		0		0		
Total Payroll		\$44,232	1,769	\$43,593	1,744	\$43,476	1,739	\$44,563	1,783	
Management Fee	5.10%	7,649	306	8,211	328	7,853	314	8,208	328	
Administrative Expenses										
Audit/Accounting Fees		12,450		9,150		0		0		(7)
Legal and Professional Fees		315		160		160		164		
Supplies/Copier/Computer		497		134		134		137		
Phone/Internet/Answering Service		50		183		183		188		
Miscellaneous		4,081		3,572		3,572		3,661		
Total Administrative		\$17,393	696	\$13,199	528	\$4,049	162	\$4,150	166	
<b>Total Variable Expenses</b>		<b>\$90,758</b>	<b>3,630</b>	<b>\$99,526</b>	<b>3,981</b>	<b>\$72,198</b>	<b>2,888</b>	<b>\$74,161</b>	<b>2,966</b>	
LIHTC Monitoring Fee		1,200		1,000		1,000		1,000		
Replacement Reserves		7,500	300	7,500	300	7,500	300	7,500	300	
<b>Total Expenses</b>		<b>\$132,690</b>	<b>5,308</b>	<b>\$133,897</b>	<b>5,356</b>	<b>\$106,569</b>	<b>4,263</b>	<b>\$109,179</b>	<b>4,367</b>	
<b>Net Operating Income</b>		<b>\$17,170</b>	<b>687</b>	<b>\$33,217</b>	<b>1,329</b>	<b>\$50,498</b>	<b>2,020</b>	<b>\$54,986</b>	<b>2,199</b>	
Expenses as a % of EGI		88.54%		80.12%		67.85%		66.51%		

## INCOME AND EXPENSE NOTES

(1) Market Rent Growth: Analysis assumes stabilized rent growth as shown.

(2) Loss-to-Lease: Gain-to-lease reflects Section 8 voucher income above current net max asking rents. Analysis assumes Section 8 voucher income will continue at current levels.

(3) Gross Potential Rent: Year 0 reflects November 2020 financials.

(4) Vacancy: As of November 24, 2020, the property was 88% occupied. Analysis assumes a 90% stabilized occupancy beginning in Year 1.

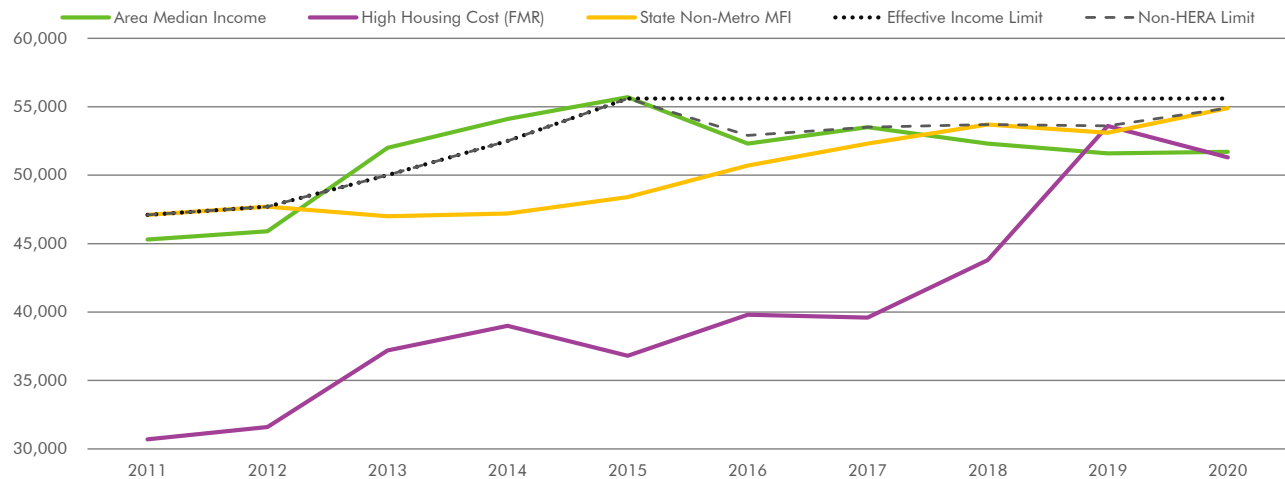
(5) Real Estate Taxes: Analysis assumes real estate taxes will grow at 2.5% for the entirety of the hold period.

(6) Total Repairs and Maintenance: Reduction based on CBRE estimate of market underwriting.

(7) Audit/Accounting Fees: Excludes the audit expense which will not be required after a sale.



## HISTORICAL RENT AND INCOME LIMITS



### Notes

- The property is located in the Curry County, NM Income Limit Area
- The historical Consumer Price Index data below reflects the Western United States and is obtained from the U.S. Bureau of Labor Statistics

	2012	2013	2014	2015	2016	2017	2018	2019	2020
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### Percent Below Effective Peak

Area Median Income							6.31%	7.75%	7.54%
High Housing Cost (FMR)							26.94%	3.73%	8.38%
State Non-Metro MFI							3.54%	4.71%	1.28%

### 4-Person 50% Income Limit

Non-HERA	23,850	25,000	26,250	27,800	26,450	26,750	26,850	26,800	27,450
% Growth		4.82%	5.00%	5.90%	-4.86%	1.13%	0.37%	-0.19%	2.43%
Effective Limit	23,850	25,000	26,250	27,800	27,800	27,800	27,800	27,800	27,800
% Growth		4.82%	5.00%	5.90%	0.00%	0.00%	0.00%	0.00%	0.00%

### 2-Bedroom Rent at 60% AMI

Non-HERA	645	675	709	751	715	723	726	724	742
% Growth		4.65%	5.04%	5.92%	-4.79%	1.12%	0.41%	-0.28%	2.49%
Effective Limit	645	675	709	751	751	751	751	751	751
% Growth		4.65%	5.04%	5.92%	0.00%	0.00%	0.00%	0.00%	0.00%

## HISTORICAL AMI, NON-HERA RENT, CPI, AND FMR

Year	Area Median Income	Non-Hera (2BR @ 60%)	Consumer Price Index	2BR Fair Market Rent
2010	46,300	625	221	523
2011	45,300 -2.16%	636 1.76%	227 2.84%	527 0.76%
2012	45,900 1.32%	645 1.42%	232 2.15%	542 2.85%
2013	52,000 13.29%	675 4.65%	236 1.48%	639 17.90%
2014	54,100 4.04%	709 5.04%	240 1.86%	669 4.69%
2015	55,700 2.96%	751 5.92%	243 1.17%	631 -5.68%
2016	52,300 -6.10%	715 -4.79%	248 1.93%	682 8.08%
2017	53,500 2.29%	723 1.12%	255 2.84%	679 -0.44%
2018	52,300 -2.24%	726 0.41%	263 3.35%	752 10.75%
2019	51,600 -1.34%	724 -0.28%	270 2.69%	920 22.34%
2020	51,700 0.19%	742 2.49%	275 1.69%	880 -4.35%
3-Yr Avg	-1.13%	0.88%	2.58%	9.58%
5-Yr Avg	-1.44%	-0.21%	2.50%	7.28%
10-Yr Avg	1.23%	1.77%	2.20%	5.69%



## GROWTH RATES AND OCCUPANCY ASSUMPTIONS

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ending	Mar-2022	Mar-2023	Mar-2024	Mar-2025	Mar-2026	Mar-2027	Mar-2028	Mar-2029	Mar-2030	Mar-2031
<b>Income Growth</b>										
Rental Income Growth	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Other Income Growth	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
<b>Economic Loss</b>										
Vacancy (-) *	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Bad Debt (-) *	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Concessions (-) *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Economic Loss	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
<b>Expense Growth</b>										
Real Estate and Other Taxes	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Insurance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Utilities	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Contract Services	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Repairs and Maintenance	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Marketing and Promotion	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Payroll	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Management Fee **	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Administrative	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
LIHTC Monitoring Fee	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Replacement Reserves	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes: \* Calculated as a percentage of Gross Potential Rent | \*\* Calculated as a percentage of Effective Gross Income

## 10-YEAR CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Period Ending	Mar-2022	Mar-2023	Mar-2024	Mar-2025	Mar-2026	Mar-2027	Mar-2028	Mar-2029	Mar-2030	Mar-2031
<b>Income</b>										
Market Rents	163,890	167,578	171,348	175,204	179,146	183,177	187,298	191,512	195,821	200,227
Loss-to-Lease (%)	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%	-8.35%
Loss-to-Lease (Gain)	(13,681)	(13,989)	(14,304)	(14,625)	(14,955)	(15,291)	(15,635)	(15,987)	(16,347)	(16,714)
<b>Gross Potential Rent</b>	<b>\$177,571</b>	<b>\$181,567</b>	<b>\$185,652</b>	<b>\$189,829</b>	<b>\$194,100</b>	<b>\$198,468</b>	<b>\$202,933</b>	<b>\$207,499</b>	<b>\$212,168</b>	<b>\$216,942</b>
Vacancy (-)	17,757	18,157	18,565	18,983	19,410	19,847	20,293	20,750	21,217	21,694
Bad Debt (-)	888	908	928	949	971	992	1,015	1,037	1,061	1,085
Concessions (-)	0	0	0	0	0	0	0	0	0	0
<b>Total Economic Loss</b>	<b>\$18,645</b>	<b>\$19,065</b>	<b>\$19,493</b>	<b>\$19,932</b>	<b>\$20,381</b>	<b>\$20,839</b>	<b>\$21,308</b>	<b>\$21,787</b>	<b>\$22,278</b>	<b>\$22,779</b>
% Economic Loss	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%	10.50%
Total Other Income	\$5,238	\$5,369	\$5,503	\$5,641	\$5,782	\$5,926	\$6,074	\$6,226	\$6,382	\$6,541
<b>Effective Gross Income</b>	<b>\$164,165</b>	<b>\$167,871</b>	<b>\$171,662</b>	<b>\$175,538</b>	<b>\$179,501</b>	<b>\$183,555</b>	<b>\$187,699</b>	<b>\$191,938</b>	<b>\$196,272</b>	<b>\$200,704</b>
% Change	4.52%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%	2.26%
<b>Operating Expenses</b>										
Real Estate and Other Taxes	5,148	5,276	5,408	5,543	5,682	5,824	5,970	6,119	6,272	6,429
Insurance	10,060	10,312	10,570	10,834	11,105	11,382	11,667	11,959	12,258	12,564
Utilities	11,310	11,593	11,882	12,179	12,484	12,796	13,116	13,444	13,780	14,124
Contract Services	2,059	2,111	2,163	2,218	2,273	2,330	2,388	2,448	2,509	2,572
Repairs and Maintenance	15,180	15,560	15,949	16,347	16,756	17,175	17,604	18,045	18,496	18,958
Marketing and Promotion	0	0	0	0	0	0	0	0	0	0
Payroll	44,563	45,677	46,819	47,990	49,189	50,419	51,680	52,972	54,296	55,653
Management Fee	8,208	8,394	8,583	8,777	8,975	9,178	9,385	9,597	9,814	10,035
Administrative	4,150	4,254	4,360	4,469	4,581	4,696	4,813	4,933	5,057	5,183
LIHTC Monitoring Fee	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Replacement Reserves	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
<b>Total Expenses</b>	<b>\$109,179</b>	<b>\$111,676</b>	<b>\$114,235</b>	<b>\$116,858</b>	<b>\$119,545</b>	<b>\$122,300</b>	<b>\$125,123</b>	<b>\$128,015</b>	<b>\$130,980</b>	<b>\$134,018</b>
<b>Net Operating Income</b>	<b>\$54,986</b>	<b>\$56,195</b>	<b>\$57,426</b>	<b>\$58,680</b>	<b>\$59,956</b>	<b>\$61,255</b>	<b>\$62,577</b>	<b>\$63,922</b>	<b>\$65,292</b>	<b>\$66,686</b>
% Change	8.89%	2.20%	2.19%	2.18%	2.17%	2.17%	2.16%	2.15%	2.14%	2.13%
Gross Sale Proceeds	0	0	0	0	0	0	0	0	0	908,056
Less Existing Debt Balance	0	0	0	0	0	0	0	0	0	178,398
Less Cost of Sale	0	0	0	0	0	0	0	0	0	47,673
<b>Net Sale Proceeds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$681,985</b>
<b>First Mortgage - New Financing</b>										
Principal Payments	5,943	6,185	6,437	6,700	6,973	7,257	7,552	7,860	8,180	8,514
Interest Payments	9,892	9,650	9,398	9,135	8,862	8,578	8,283	7,975	7,655	7,322
Mortgage Repaid	0	0	0	0	0	0	0	0	0	0
Mortgage Funding Proceeds	0	0	0	0	0	0	0	0	0	0
Loan Fees	0	0	0	0	0	0	0	0	0	0
<b>Total DS - First Mortgage</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>	<b>\$15,835</b>
Net Cash Flow	\$39,151	\$40,360	\$41,591	\$42,845	\$44,121	\$45,420	\$46,742	\$48,087	\$49,457	\$50,851
<b>Total Lev. Cash Flow</b>	<b>\$39,151</b>	<b>\$40,360</b>	<b>\$41,591</b>	<b>\$42,845</b>	<b>\$44,121</b>	<b>\$45,420</b>	<b>\$46,742</b>	<b>\$48,087</b>	<b>\$49,457</b>	<b>\$732,835</b>
Debt Service Coverage Ratio	3.47	3.55	3.63	3.71	3.79	3.87	3.95	4.04	4.12	4.21





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