

# Otero Village

2553 East 1st Street  
Alamogordo, NM 88310



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Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc. (“CBRE”), and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE.

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# Executive Summary

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## Property Features

- A mix of two- and three-bedroom units featuring a balcony or patio, walk-in closet(s) (in select units), dishwasher, garbage disposal, air conditioning, and in-unit washer and dryer connections (in select units)
- Community amenities include an on-site laundry facility, playground, basketball court, and leasing office

## Desirable Location

- Less than a 10-minute drive to Gerald Champion Regional Medical Center, the largest non-government employer in Alamogordo with over 700 staff members
- Just a five-minute drive to New Mexico State - Alamogordo Campus, a two-year public college which houses the Tays Center, a multi-purpose event center with a 13,275 square-foot arena
- Situated just a 20-minute drive from White Sands National Park, a 275-square mile area that includes the world's largest gypsum sand dune field
- Located only a three-minute walk from Hemmerly Desert Foothills Park, which features miles of paved walking trails, cacti and other native wildlife, a picnic pavilion, and a barbecue pit

## Otero Village

2553 East 1st Street  
Alamogordo, NM 88310

**Property Type:**  
LIHTC - Family

**Price:**  
\$2,806,127

**Units:**  
40

**Price Per Unit:**  
\$70,153

**Rentable Square Feet:**  
35,080

**Price Per Square Foot:**  
\$80

**Year Built:**  
2001

**Initial TCCP Ended:**  
December 31, 2015

**Final Year of LIHTC Restrictions:**  
2045

**Final Year of Other Restrictions:**  
2046

# Affordability Restrictions

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

**Initial TCCP Ended:**  
December 31, 2015

**Final Year of Restrictions:**  
2045

**Final Year of Other Restrictions:**  
2046

- LIHTC LURA: Restricts 17 units at 40% AMI, six units at 50% AMI, and 17 units at 60% AMI
- HOME LURA: Restricts seven units at 50% AMI
- 28% of the units are occupied by residents utilizing Section 8 vouchers

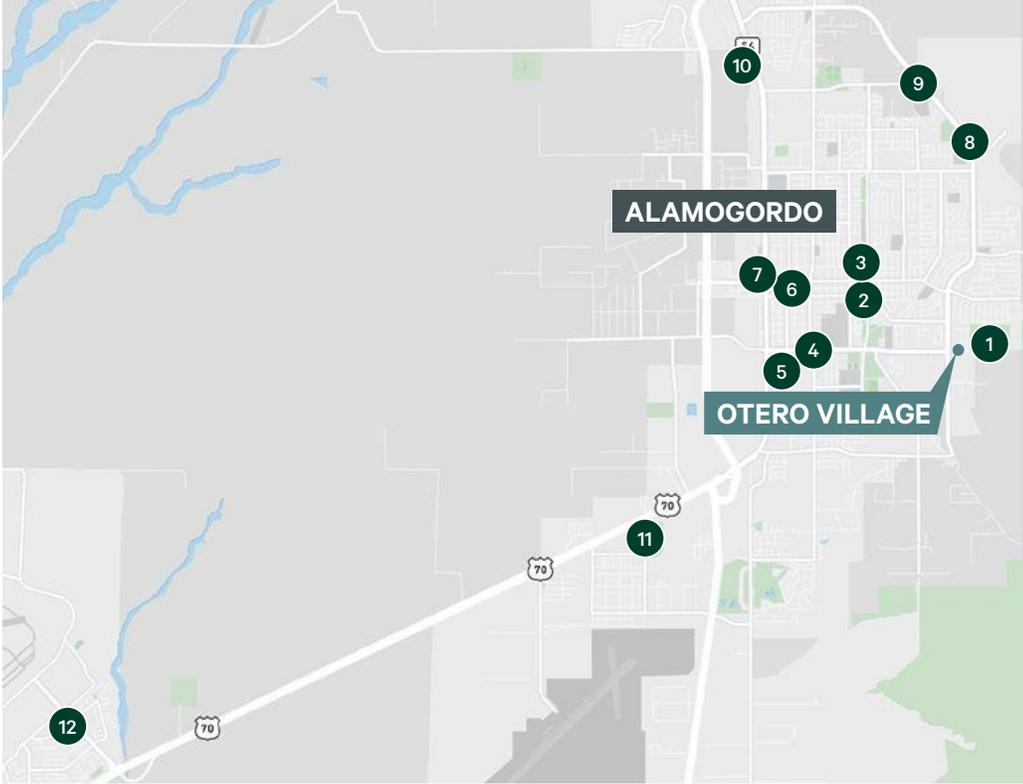
Otero County, NM (Otero County, NM)			
2022 4-Person AMI: \$52,000			
2022 Income Limits	40% AMI	50% AMI	60% AMI
1 person	\$17,080	\$21,350	\$25,620
2 people	\$19,520	\$24,400	\$29,280
3 people	\$21,960	\$27,450	\$32,940
4 people	\$24,400	\$30,500	\$36,600
5 people	\$26,360	\$32,950	\$39,540
6 people	\$28,320	\$35,400	\$42,480

## Property Details

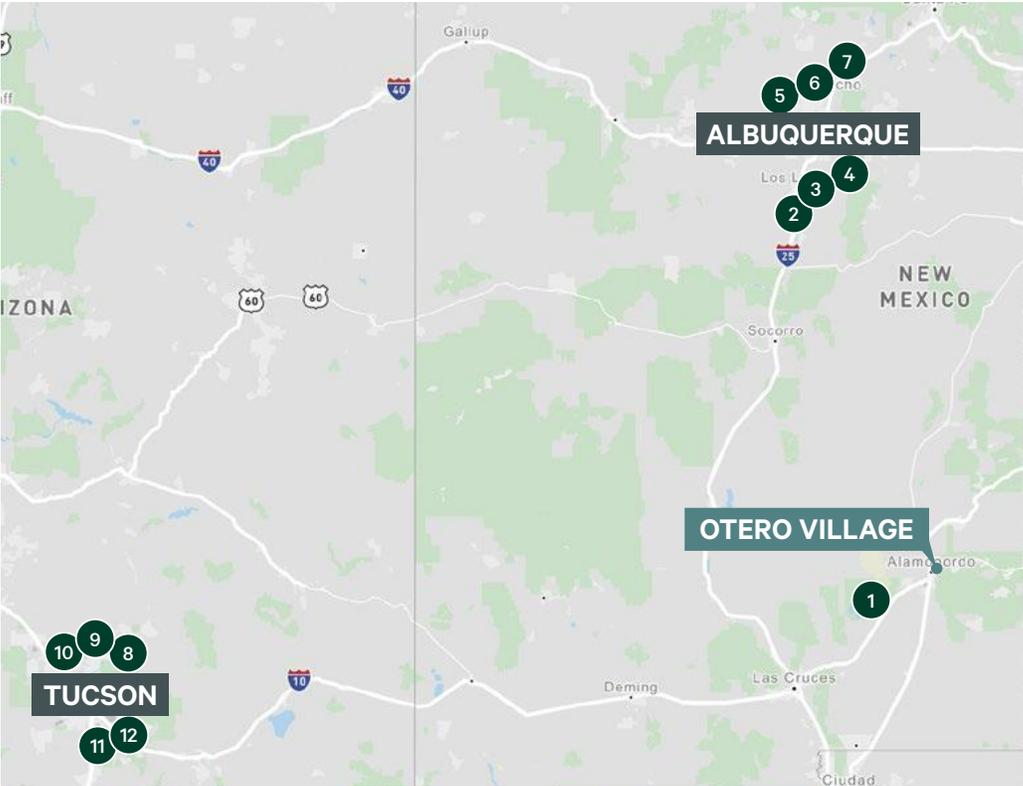
<b>Year Built</b>	2001	<b>Water</b>	City of Alamogordo   Not individually metered
<b>Number of Buildings</b>	6 (5 residential   1 leasing office)	<b>Electric</b>	Public Service Company of New Mexico   Individually metered
<b>Number of Units</b>	40	<b>Gas</b>	New Mexico Gas   Individually metered
<b>Number of Stories</b>	2	<b>Foundation</b>	Concrete
<b>Parcel Number</b>	01N4057094182507	<b>Framing</b>	Wood
<b>Zoning</b>	R-1	<b>Exterior</b>	Painted stucco
<b>Lot Size</b>	2.94 acres	<b>Parking Surface</b>	Asphalt
<b>Density</b>	13.61 units/acre	<b>Roof</b>	Pitched shingles
<b>Parking Spaces</b>	99 uncovered	<b>Age of Roof</b>	5 years
<b>Parking Ratio</b>	2.48 spaces/unit	<b>Plumbing</b>	Copper and PVC
<b>Landscaping</b>	Trees, shrubs, grass	<b>HVAC</b>	Individual ground mounted units
<b>Topography</b>	Flat	<b>Wiring</b>	Copper
<b>In-Unit Washer/Dryer</b>	No	<b>Fire Protection</b>	Harwired fire alarms with battery back-up
<b>Washer/Dryer Connections</b>	In select units		
<b>Rental Washers/Dryers</b>	No		

# Local Map

- 1 Hemmerly Desert Foothills Park
- 2 Alamogordo Public Library
- 3 Alamogordo Family Recreation Center
- 4 Sergeant Willie Estrada Memorial Civic Center
- 5 Walmart Supercenter
- 6 Tularosa Basin Museum of History
- 7 Alameda Park Zoo
- 8 New Mexico State University Alamogordo Campus
- 9 Gerald Champion Regional Medical Center
- 10 White Sands Mall
- 11 Travis C Hooser Ballfield Complex
- 12 Holloman Air Force Base



# Regional Map



- 1 White Sands National Park
- 2 Isleta Amphitheatre
- 3 Albuquerque International Sunport
- 4 National Museum of Nuclear Science and History
- 5 ABQ BioPark Aquarium
- 6 Albuquerque Convention Center
- 7 Sandia Park Tramway
- 8 Agua Caliente Regional Park
- 9 Tucson Botanical Gardens
- 10 University of Arizona
- 11 Pima Air & Space Museum
- 12 Davis Monthan Air Force Base

# Aerial Map



# Unit Amenities

Balcony or patio | Walk-in closet(s) (in select units) | Dishwasher | Garbage disposal | Air conditioning  
| In-unit washer and dryer connections (in select units)



# Community Amenities

On-site laundry facility | Playground | Basketball court | Leasing office



# Alamogordo, NM

Nestled in the Tularosa Basin of southern New Mexico, Alamogordo is the county seat of Otero County with a population of over 31,000 residents. The city is within a half-hour drive of Oliver Lee Memorial State Park and White Sands National Park, which both offer picturesque hiking routes and sites for camping and picnicking. As a charter city, the Alamogordo government supports the preservation of a wide variety of recreational amenities for its citizens, such as multiple city parks, a public golf course, a network of walking paths, and a senior citizens' center.

## Neighborhood Highlights

- Located just a six-minute drive from The Museum of Space History, an accredited Smithsonian Affiliate Museum that includes the International Space Hall of Fame, an exhibit honoring astronauts, scientists, other figures who have advanced U.S. space exploration
- Less than a 10-minute drive from Alameda Park Zoo, a 12-acre area that houses nearly 200 animals of over 90 different species and offers an education center, picnic area, playground, and gift shop



## White Sands National Park

## Economy

With a thriving workforce driven by industries such as service, retail, and tourism, Alamogordo is the economic center of Otero County. The region is home to several renowned national and state parks which offer outdoor activities to visitors and residents alike. Alamogordo is close in proximity to White Sands National Park, a 275 square-mile expanse featuring the largest gypsum sand dune field in the world. A National Park Service report on the Alamogordo area showed that over 780,000 visitors to White Sands National Park spent over \$46.4 million in communities near the park in 2021 (National Park Service, 2022).

Another strong contributor to the local economy is Holloman Air Force Base, which is located only 10 miles from Otero Village. The Base is the largest employer in the area, with over 11,000 daytime staff members from the Alamogordo community. According to the Holloman Air Force Base economic impact statement, the base has generated over \$400 million through payroll, job creation, and contract expenditures. Among its unique facilities are the world's longest high-speed test track, a powerful centrifuge of material for equipping bases in remote areas, and a national radar cross section lab. Spanning over 52,000 acres, Holloman Air Force Base is an evolving center of research, development, and military technology.

## SCHOOLS

- + Yucca Elementary School (0.9 mile)
- + Mountain View Middle School (1.4 miles)
- + Alamogordo High School (1.4 miles)
- + New Mexico State University – Alamogordo Campus (2.2 miles)

## PARKS AND RECREATION

- + Hemmerly Desert Foothills Park (0.2 mile)
- + Washington Park (1.0 mile)
- + Alamogordo Family Recreation Center (1.7 miles)
- + Alameda Park (3.3 miles)
- + Desert Lakes Golf Course (4.0 miles)
- + Travis C Hooser Ballfield Complex (4.3 miles)

## ARTS AND ATTRACTIONS

- + Alamogordo Public Library (1.6 miles)
- + Sergeant Willie Estrada Memorial Civic Center (1.6 miles)
- + The Museum of Space History (2.5 miles)
- + Tularosa Basin Museum of History (2.5 miles)
- + Alameda Park Zoo (2.6 miles)
- + Gerald Champion Regional Medical Center (3.4 miles)
- + McGinn's PistachioLand World's Largest Pistachio (9.6 miles)
- + Holloman Air Force Base (9.8 miles)

## RETAIL AND RESTAURANTS

- + Albertsons Market (1.6 miles)
- + Walmart Supercenter (1.9 miles)
- + O'Reilly Auto Parts (2.2 miles)
- + Lowe's Signature Market (2.4 miles)
- + Big 5 Sporting Goods (4.7 miles)
- + White Sands Mall (4.7 miles)
- Big Lots, Ashley's, Marshalls, Harbor Freight Tools, Ross Dress for Less, Sally Beauty Supply, Subway*
- + Lowe's Home Improvement (5.1 miles)
- + The Home Depot (5.1 miles)

## TRANSPORTATION

- + U.S. Highway 54 On-Ramp (2.5 miles)
- + Alamogordo Greyhound Bus Station (5.1 miles)
- + Alamogordo-White Sands Regional Airport (6.8 miles)

# Financial Analysis

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## Property Information

Otero Village  
2553 1st Street  
Alamogordo, NM 88310  
Otero County

Management Jaxon Texas

Year Built 2001  
Number of Units 40  
Property Type LIHTC - Family

Placed In Service June 28, 2001  
End of TCCP December 31, 2015  
Final Year of LIHTC Restrictions 2045 (Ext Use: 30 Yrs)  
Final Year of Other Restrictions 2046

Projected Closing Date September 1, 2023  
Hold Period 10 Years

Right of First Refusal No  
OCT/DDA Bonus No  
Opportunity Zone No

**Purchase Price \$2,806,127**

Per Unit \$70,153  
Per SF \$80

## Sources and Uses

Uses of Funds	Total \$	Per Unit \$
Purchase Price	\$2,806,127	\$70,153
Due Diligence and Closing	\$35,000	\$875
Capital Improvements	\$40,000	\$1,000
Financing Costs	\$10,400	\$260
<b>Total Uses of Funds</b>	<b>\$2,891,527</b>	<b>\$72,288</b>

Sources of Funds	Total \$	Total %
First Mortgage	\$1,040,000	36.0%
<b>Total Sources of Funds</b>	<b>\$2,891,527</b>	<b>100.0%</b>

## Financing Assumptions

### First Mortgage - New Financing

Original Loan Amount	\$1,040,000	Loan to Value	37.1%
Loan Amount at Start of Analysis	\$1,040,000	Loan to Cost	36.0%
Proposed or Existing Origination Date	Proposed September 1, 2023	Term Maturity Date	10.0 Years August 1, 2033
Permanent Interest Rate	5.80%	Amortizing Annual Debt Service	\$73,227
Interest Rate Method	30/360	Amortizing DSCR (Year 0)	1.52
Interest-Only Period (In Months)	36	Amortizing DSCR (Year 1)	1.55
Amortization (In Months)	360		
Loan Constant	7.04%		
Loan Origination Fee	1.00%		

### Notes

Analysis reflects new financing.

Interest-only period is an estimate based on Agency lender exit tests.

Underwritten loan proceeds based on minimum DSCR requirements using lender NOI of \$88,004. 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.

# Unit Mix

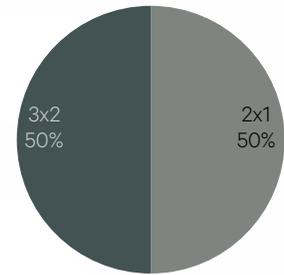
Unit Type	AMI %	# of Units	SF	Current Asking Rent	Year 1 Rent Growth	Year 1 Rents	2022 Max Allowable Rent	Utility Allowance	Net Max Rent
2x1	40	14	814	441	10	451	549	108	441
2x1	50	3	814	538	12	550	686	108	578
2x1	60	3	814	668	15	683	823	108	715
3x2	40	3	940	472	11	483	634	133	501
3x2	50	4	940	622	14	636	793	133	660
3x2	60	13	940	773	17	790	951	133	818
<b>Total</b>		<b>40</b>	<b>35,080</b>	<b>\$23,745</b>	<b>\$534</b>	<b>\$24,279</b>	<b>\$29,650</b>	<b>\$4,820</b>	<b>\$24,830</b>
<b>Average</b>			<b>877</b>	<b>\$594</b>	<b>\$13</b>	<b>\$607</b>	<b>\$741</b>	<b>\$121</b>	<b>\$621</b>

### Notes

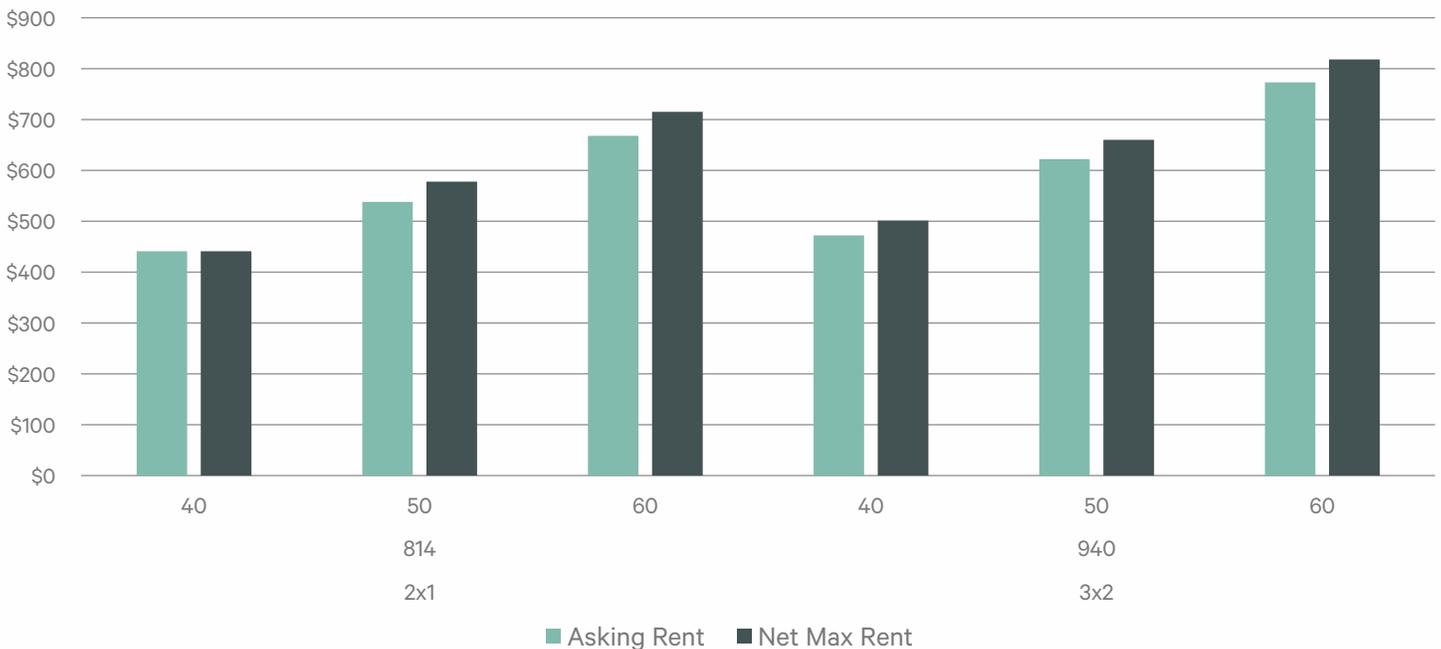
- 28% of the units are occupied by residents utilizing Section 8 vouchers
- Current asking rents reflect the April 5, 2023 rent roll

### Affordability Restrictions

- LIHTC LURA: Restricts 17 units at 40% AMI, 6 units at 50% AMI, and 17 units at 60% AMI. Final year of restrictions is 2045
- HOME LURA: Restricts 7 units at 50% AMI. Final year of restrictions is 2046



## Asking Rents vs. Net Max Rents



# Operating History and Pro Forma

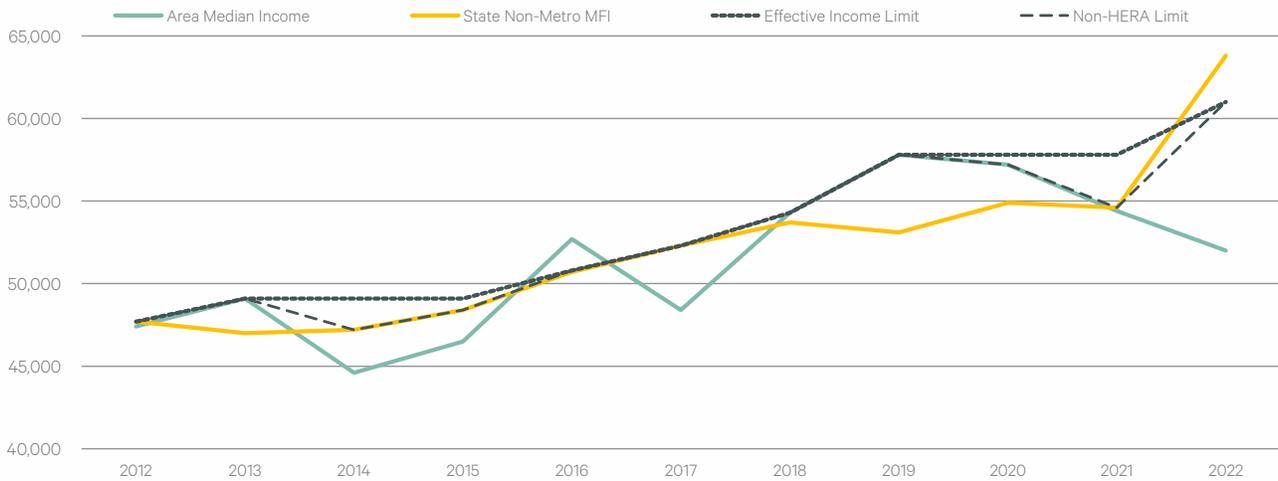
	March 2023 Trailing 12 Months		Year 0		Year 1	
	Per Unit		Per Unit		Per Unit	
<b>Income</b>						
Market Rent	284,940	7,124	284,940	7,124	291,351	7,284
(Section 8 Voucher Overhang)			(32,556)	(814)	(33,289)	(832)
Loss-to-Lease (Gain)	-3.65%	(10,397)	2.30%	6,552	2.30%	6,699
		(260)		164		167
<b>Gross Potential Rent</b>		<b>\$295,337</b>		<b>7,383</b>		<b>\$317,940</b>
				<b>7,774</b>		<b>7,949</b>
Vacancy (-)	0.00%	0	5.00%	15,547	5.00%	15,897
Bad Debt (-)	0.00%	0	0.50%	1,555	0.50%	1,590
Concessions (-)	0.00%	0	0.00%	0	0.00%	0
Total Economic Loss	0.00%	\$0	5.50%	\$17,102	5.50%	\$17,487
		0		428		437
<b>Net Rental Income</b>		<b>\$295,337</b>		<b>\$293,842</b>		<b>\$300,454</b>
		<b>7,383</b>		<b>7,346</b>		<b>7,511</b>
Termin./MTM/Late/NSF		569		569		583
Utility Reimbursements		1,518		1,518		1,555
Misc. Income (App, Pet, Other)		(205)		0		0
Total Other Income		\$1,881		\$2,086		\$2,138
		47		52		53
<b>Effective Gross Income</b>		<b>\$297,218</b>		<b>\$295,928</b>		<b>\$302,592</b>
		<b>7,430</b>		<b>7,398</b>		<b>7,565</b>
<b>Operating Expenses</b>						
Real Estate and Other Taxes						
Real Estate Taxes		10,234		10,234		10,541
Total Real Estate Taxes		\$10,234		\$10,234		\$10,541
		256		256		264
Insurance						
Property Insurance		15,552		20,000		20,600
Total Insurance		\$15,552		\$20,000		\$20,600
		389		500		515
Utilities						
Utilities		13,398		13,398		13,800
Garbage Collection		11,324		11,324		11,663
Total Utilities		\$24,722		\$24,722		\$25,464
		618		618		637
<b>Total Fixed Expenses</b>		<b>\$50,508</b>		<b>\$54,956</b>		<b>\$56,604</b>
		<b>1,263</b>		<b>1,374</b>		<b>1,415</b>
Contract Services						
Landscaping		650		650		666
Total Contract Services		\$650		\$650		\$666
		16		16		17
Repairs and Maintenance						
General Repairs and Maintenance		120,685		40,000		41,000
HVAC and Plumbing		(4,649)		0		0
Total Repairs and Maintenance		\$116,035		\$40,000		\$41,000
		2,901		1,000		1,025
Marketing and Promotion						
Advertising		0		0		0
Total Marketing and Promotion		\$0		\$0		\$0
		0		0		0
Payroll						
Manager and Leasing		30,897		22,000		22,550
Maintenance Staff		0		22,000		22,550
Subtotal Payroll		\$30,897		\$44,000		\$45,100
		772		1,100		1,128
Payroll Taxes and Benefits	0.00%	0	25.00%	11,000	25.00%	11,275
Total Payroll		\$30,897		\$55,000		\$56,375
		772		1,375		1,409
Management Fee	4.42%	13,132	6.00%	17,756	6.00%	18,156
		328		444		454
Administrative Expenses						
Audit/Accounting Fees		2,500		0		0
Legal and Professional Fees		1,021		1,021		1,047
Supplies/Copier/Computer		2,379		2,379		2,438
Phone/Internet/Answering Service		381		381		390
Miscellaneous		376		376		386
Total Administrative		\$6,657		\$4,157		\$4,261
		166		104		107
<b>Total Variable Expenses</b>		<b>\$167,371</b>		<b>\$117,562</b>		<b>\$120,457</b>
		<b>4,184</b>		<b>2,939</b>		<b>3,011</b>
Replacement Reserves		12,000		12,000		12,000
		300		300		300
<b>Total Expenses</b>		<b>\$229,879</b>		<b>\$184,518</b>		<b>\$189,062</b>
		<b>5,747</b>		<b>4,613</b>		<b>4,727</b>
<b>Net Operating Income</b>		<b>\$67,340</b>		<b>\$111,410</b>		<b>\$113,530</b>
		<b>1,683</b>		<b>2,785</b>		<b>2,838</b>
Expenses as a % of EGI		77.34%		62.35%		62.48%

## Income and Expense Notes

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- (1) Section 8 Voucher Overhang: Due to Section 8 vouchers in excess of the current asking rents. As of April 5, 2023, 11 units were using vouchers.
- (2) Loss-to-Lease (Gain): Underwriting assumes all new leases and renewals will be rented at the current asking rents over the first 12 months.
- (3) Gross Potential Rent: Year 0 reflects March 2023 Trailing 12 Months GPR.
- (4) Vacancy: As of April 5, 2023, the property was 95% occupied.
- (5) Real Estate Taxes: Analysis reflects real estate taxes will grow at 3% for the entirety of the hold period.
- (6) Property Insurance: Increase based on CBRE estimate of market underwriting.
- (7) General Repairs and Maintenance: Reduction based on CBRE estimate of market underwriting.
- (8) Total Payroll: Increase based on CBRE estimate of market underwriting.
- (9) Management Fee: Increased percentage based on CBRE estimate of market underwriting.
- (10) 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 Otero 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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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**Percent Below Effective Peak**

Area Median Income		5.59%	-3.61%	8.06%			1.05%	6.25%	17.31%
State Non-Metro MFI	4.03%	1.45%	0.20%	0.00%	1.12%	8.85%	5.28%	5.86%	-4.39%

**4-Person 50% Income Limit**

Non-HERA	23,600	24,200	25,400	26,150	27,150	28,900	28,600	27,300	30,500
% Growth		2.54%	4.96%	2.95%	3.82%	6.45%	-1.04%	-4.55%	11.72%
Effective Limit	24,550	24,550	25,400	26,150	27,150	28,900	28,900	28,900	30,500
% Growth		0.00%	3.46%	2.95%	3.82%	6.45%	0.00%	0.00%	5.54%

**2-Bedroom Rent at 60% AMI**

Non-HERA	637	654	687	706	733	781	772	738	823
% Growth		2.67%	5.05%	2.77%	3.82%	6.55%	-1.15%	-4.40%	11.52%
Effective Limit							781	781	823
% Growth		0.00%	3.62%	2.77%	3.82%	6.55%	0.00%	0.00%	5.38%

## Historical AMI, Non-HERA, CPI, and FMR

Year	Area Median Income		Non-Hera (2BR @ 60%)		Consumer Price Index		2BR Fair Market Rent	
2012	47,400		645		232		542	
2013	49,100	3.59%	663	2.79%	236	1.48%	626	15.50%
2014	44,600	-9.16%	637	-3.92%	240	1.86%	637	1.76%
2015	46,500	4.26%	654	2.67%	243	1.17%	631	-0.94%
2016	52,700	13.33%	687	5.05%	248	1.93%	658	4.28%
2017	48,400	-8.16%	706	2.77%	255	2.84%	667	1.37%
2018	54,300	12.19%	733	3.82%	263	3.35%	697	4.50%
2019	57,800	6.45%	781	6.55%	270	2.69%	717	2.87%
2020	57,200	-1.04%	772	-1.15%	275	1.74%	714	-0.42%
2021	54,400	-4.90%	738	-4.40%	287	4.52%	757	6.02%
2022	52,000	-4.41%	823	11.52%	311	8.01%	726	-4.10%
3-Yr Avg		-3.45%		1.99%		4.76%		0.50%
5-Yr Avg		1.66%		3.27%		4.06%		1.78%
10-Yr Avg		1.21%		2.57%		2.96%		3.08%

# 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	Aug-2024	Aug-2025	Aug-2026	Aug-2027	Aug-2028	Aug-2029	Aug-2030	Aug-2031	Aug-2032	Aug-2033
<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 (-) *	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
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	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
<b>Expense Growth</b>										
Real Estate and Other Taxes	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
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 **	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Administrative	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
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 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Period Ending	Aug-2024	Aug-2025	Aug-2026	Aug-2027	Aug-2028	Aug-2029	Aug-2030	Aug-2031	Aug-2032	Aug-2033	
<b>Unleveraged Acquisition Costs</b>											
Purchase Price	2,806,127										
Due Diligence and Closing	35,000										
Capital Improvements	40,000										
<b>Total Unlev. Acq. Costs</b>	<b>\$2,881,127</b>										
<b>Income</b>											
Market Rents	284,940	291,351	297,907	304,609	311,463	318,471	325,637	332,964	340,455	348,115	355,948
Loss-to-Lease (%)	2.30%	2.30%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Loss-to-Lease (Gain)	6,552	6,699	2,979	3,046	3,115	3,185	3,256	3,330	3,405	3,481	3,559
<b>Gross Potential Rent</b>	<b>\$310,944</b>	<b>\$317,940</b>	<b>\$328,965</b>	<b>\$336,367</b>	<b>\$343,935</b>	<b>\$351,673</b>	<b>\$359,586</b>	<b>\$367,677</b>	<b>\$375,950</b>	<b>\$384,408</b>	<b>\$393,058</b>
Vacancy (-)	15,547	15,897	16,448	16,818	17,197	17,584	17,979	18,384	18,797	19,220	19,653
Bad Debt (-)	1,555	1,590	1,645	1,682	1,720	1,758	1,798	1,838	1,880	1,922	1,965
Concessions (-)	0	0	0	0	0	0	0	0	0	0	0
<b>Total Economic Loss</b>	<b>\$17,102</b>	<b>\$17,487</b>	<b>\$18,093</b>	<b>\$18,500</b>	<b>\$18,916</b>	<b>\$19,342</b>	<b>\$19,777</b>	<b>\$20,222</b>	<b>\$20,677</b>	<b>\$21,142</b>	<b>\$21,618</b>
% Economic Loss	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Total Other Income	\$2,086	\$2,138	\$2,192	\$2,247	\$2,303	\$2,360	\$2,419	\$2,480	\$2,542	\$2,606	\$2,671
<b>Effective Gross Income</b>	<b>\$295,928</b>	<b>\$302,592</b>	<b>\$313,064</b>	<b>\$320,113</b>	<b>\$327,321</b>	<b>\$334,692</b>	<b>\$342,228</b>	<b>\$349,935</b>	<b>\$357,814</b>	<b>\$365,871</b>	<b>\$374,110</b>
% Change	-0.43%	2.25%	3.46%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
<b>Operating Expenses</b>											
Real Estate and Other Taxes	10,234	10,541	10,857	11,183	11,518	11,864	12,220	12,586	12,964	13,353	13,753
Insurance	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
Utilities	24,722	25,464	26,227	27,014	27,825	28,659	29,519	30,405	31,317	32,256	33,224
Contract Services	650	666	683	700	717	735	754	773	792	812	832
Repairs and Maintenance	40,000	41,000	42,025	43,076	44,153	45,256	46,388	47,547	48,736	49,955	51,203
Marketing and Promotion	0	0	0	0	0	0	0	0	0	0	0
Payroll	55,000	56,375	57,784	59,229	60,710	62,227	63,783	65,378	67,012	68,687	70,405
Management Fee	17,756	18,156	18,784	19,207	19,639	20,082	20,534	20,996	21,469	21,952	22,447
Administrative	4,157	4,261	4,367	4,476	4,588	4,703	4,821	4,941	5,065	5,191	5,321
Replacement Reserves	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
<b>Total Expenses</b>	<b>\$184,518</b>	<b>\$189,062</b>	<b>\$193,946</b>	<b>\$198,739</b>	<b>\$203,660</b>	<b>\$208,712</b>	<b>\$213,899</b>	<b>\$219,223</b>	<b>\$224,690</b>	<b>\$230,302</b>	<b>\$236,063</b>
<b>Net Operating Income</b>	<b>\$111,410</b>	<b>\$113,530</b>	<b>\$119,118</b>	<b>\$121,374</b>	<b>\$123,661</b>	<b>\$125,980</b>	<b>\$128,330</b>	<b>\$130,711</b>	<b>\$133,125</b>	<b>\$135,570</b>	<b>\$138,047</b>
% Change	65.45%	1.90%	4.92%	1.89%	1.88%	1.87%	1.87%	1.86%	1.85%	1.84%	1.83%
Gross Sale Proceeds		0	0	0	0	0	0	0	0	0	1,874,077
Less Existing Debt Balance		0	0	0	0	0	0	0	0	0	928,883
Less Cost of Sale		0	0	0	0	0	0	0	0	0	84,333
<b>Net Sale Proceeds</b>		<b>\$0</b>	<b>\$860,861</b>								
<b>First Mortgage - New Financing</b>											
Principal Payments		0	0	0	13,255	14,045	14,882	15,768	16,707	17,703	18,757
Interest Payments		60,320	60,320	60,320	59,971	59,182	58,345	57,459	56,519	55,524	54,470
Mortgage Repaid		0	0	0	0	0	0	0	0	0	0
Mortgage Funding Proceeds	(1,040,000)	0	0	0	0	0	0	0	0	0	0
Loan Fees	10,400	0	0	0	0	0	0	0	0	0	0
<b>Total DS - First Mortgage</b>	<b>(\$1,029,600)</b>	<b>\$60,320</b>	<b>\$60,320</b>	<b>\$60,320</b>	<b>\$73,227</b>						
Net Cash Flow		\$53,210	\$58,798	\$61,054	\$50,434	\$52,753	\$55,103	\$57,484	\$59,898	\$62,343	\$64,820
<b>Total Lev. Cash Flow</b>	<b>(\$1,851,527)</b>	<b>\$53,210</b>	<b>\$58,798</b>	<b>\$61,054</b>	<b>\$50,434</b>	<b>\$52,753</b>	<b>\$55,103</b>	<b>\$57,484</b>	<b>\$59,898</b>	<b>\$62,343</b>	<b>\$925,681</b>
Debt Service Coverage Ratio		1.88	1.97	2.01	1.69	1.72	1.75	1.79	1.82	1.85	1.89

# Rent Comparables

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## Otero Village

Alamogordo, NM  
Year Built: 2001  
Units: 40

## Summary of Rent Comparables

### Two-Bedroom Units

Property	AMI Restrictions	Year Built	Average SF	Low Market Rent	High Market Rent	Average Market Rent	Average Rent PSF	Net Rent After Concessions	Vacancy	Distance to Subject (Miles)
Las Ventanas 2x2		1999	1,104	\$1,269	\$1,566	\$1,418	\$1.28	\$1,418	6%	0.2
Monte Vista Townhome 2x1		1997	1,150	\$965	\$965	\$965	\$0.84	\$965	1%	1.2
Hunter's Ridge 2x1		1997	887	\$897	\$897	\$897	\$1.01	\$897	1%	2.6
Cottonwood Commons 2x2		2008	925	\$785	\$785	\$785	\$0.85	\$785	1%	1.6
Otero Village 2x1	60%	2001	814	\$668	\$668	\$668	\$0.82	\$668	5%	
Otero Village 2x1	50%	2001	814	\$538	\$538	\$538	\$0.66	\$538	5%	
Otero Village 2x1	40%	2001	814	\$441	\$441	\$441	\$0.54	\$441	5%	
<b>Averages</b>			<b>930</b>	<b>\$795</b>	<b>\$837</b>	<b>\$816</b>	<b>\$0.86</b>	<b>\$816</b>	<b>3%</b>	

### Three-Bedroom Units

Property	AMI Restrictions	Year Built	Average SF	Low Market Rent	High Market Rent	Average Market Rent	Average Rent PSF	Net Rent After Concessions	Vacancy	Distance to Subject (Miles)
Las Ventanas 3x2		1999	1,279	\$1,349	\$1,726	\$1,538	\$1.20	\$1,538	6%	0.2
Hunter's Ridge 3x2		1997	1,036	\$1,033	\$1,033	\$1,033	\$1.00	\$1,033	1%	2.6
Cottonwood Commons 3x2		2008	950	\$899	\$899	\$899	\$0.95	\$899	1%	1.6
Otero Village 3x2	60%	2001	940	\$773	\$773	\$773	\$0.82	\$773	5%	
Otero Village 3x2	50%	2001	940	\$622	\$622	\$622	\$0.66	\$622	5%	
Otero Village 3x2	40%	2001	940	\$472	\$472	\$472	\$0.50	\$472	5%	
<b>Averages</b>			<b>1,014</b>	<b>\$858</b>	<b>\$921</b>	<b>\$889</b>	<b>\$0.86</b>	<b>\$889</b>	<b>4%</b>	

# Otero Village

## Subject Property



2553 East 1st Street | Alamogordo, NM 88310

### Property Details

Property Type	LIHTC - Family
Units	40
Occupancy	95.0%
Year Built	2001
Management	Jaxon Texas

### Tenant Charges

Water/Sewer	Included/Landlord Pays
Garbage	Tenant Pays
Electricity	Tenant Pays
Gas Heat	Tenant Pays
Other Charges:	N/A

Unit Type	Square Feet	Asking Rent	Rent Per Square Foot
2x1 (40% AMI)	814	\$441	\$0.54
2x1 (50% AMI)	814	\$538	\$0.66
2x1 (60% AMI)	814	\$668	\$0.82
3x2 (40% AMI)	940	\$472	\$0.50
3x2 (50% AMI)	940	\$622	\$0.66
3x2 (60% AMI)	940	\$773	\$0.82

### Community Amenities

On-site laundry facility | Playground | Basketball court

### Unit Amenities

Balcony or patio | Walk-in closet(s) (in select units) | Dishwasher | Garbage disposal | In-unit washer and dryer connections (in select units)

# Monte Vista Townhome

## Rent Comparable



1776 1st Street | Alamogordo, NM 88310

### Property Details

Property Type	Market Rate
Units	44
Occupancy	99.0%
Year Built	1997
Distance From Subject	1.2 Miles
Management	Pinnacle

### Tenant Charges

Water/Sewer	Tenant Pays (Metered)
Garbage	Tenant Pays
Electricity	Tenant Pays
Gas Heat	Tenant Pays
Other Charges:	N/A

Unit Type	Square Feet	Asking Rent	Rent Per Square Foot
1x1	750	\$808	\$1.08
2x1	1150	\$965	\$0.84

### Community Amenities

Clubhouse | Fitness center | On-site laundry facility

### Unit Amenities

Fireplace | Dishwasher | Garbage disposal | Air conditioning

# Las Ventanas

## Rent Comparable



2200 East First Street | Alamogordo, NM 88310

### Property Details

Property Type	Market Rate
Units	280
Occupancy	94.0%
Year Built	1999
Distance From Subject	0.2 Mile
Management	SunRidge

### Tenant Charges

Water/Sewer	Tenant Pays (Metered)
Garbage	Tenant Pays
Electricity	Tenant Pays
Gas Heat	Tenant Pays
Other Charges: N/A	

Unit Type	Square Feet	Asking Rent	Rent Per Square Foot
1x1	557-913	\$921-1319	\$1.44-1.65
2x2	876-1332	\$1269-1566	\$1.18-1.45
3x2	1092-1465	\$1349-1726	\$1.18-1.24

### Community Amenities

Clubhouse | Fitness center | Swimming pool | Spa | On-site laundry facility | Barbecue and picnic area | Playground | Volleyball court

### Unit Amenities

Dishwasher | Garbage disposal | Air conditioning | In-unit washer and dryer connections

# Cottonwood Commons

## Rent Comparable



1220 Jefferson Avenue | Alamogordo, NM 88310

### Property Details

Property Type	Market Rate
Units	60
Occupancy	99.0%
Year Built	2008
Distance From Subject	1.6 Miles
Management	Tierra Realty

### Tenant Charges

Water/Sewer	Tenant Pays (Metered)
Garbage	Tenant Pays
Electricity	Tenant Pays
Gas Heat	Tenant Pays
Other Charges: N/A	

Unit Type	Square Feet	Asking Rent	Rent Per Square Foot
1x1	800	\$550	\$0.69
2x2	925	\$785	\$0.85
3x2	950	\$899	\$0.95

### Community Amenities

Business center | Clubhouse | Fitness center | On-site laundry facility | Playground

### Unit Amenities

Balcony or patio | Microwave | Dishwasher | Air conditioning | In-unit washer and dryer connections

# Hunter's Ridge

## Rent Comparable



301 Panorama Boulevard | Alamogordo, NM 88310

### Property Details

Property Type	Market Rate
Units	88
Occupancy	99.0%
Year Built	1997
Distance From Subject	2.6 Miles
Management	Hunter's Ridge New Mexico

### Tenant Charges

Water/Sewer	Tenant Pays (Metered)
Garbage	Tenant Pays
Electricity	Tenant Pays
Gas Heat	Tenant Pays
Other Charges: N/A	

Unit Type	Square Feet	Asking Rent	Rent Per Square Foot
1x1	627	\$736	\$1.17
2x1	887	\$897	\$1.01
3x2	1036	\$1033	\$1.00

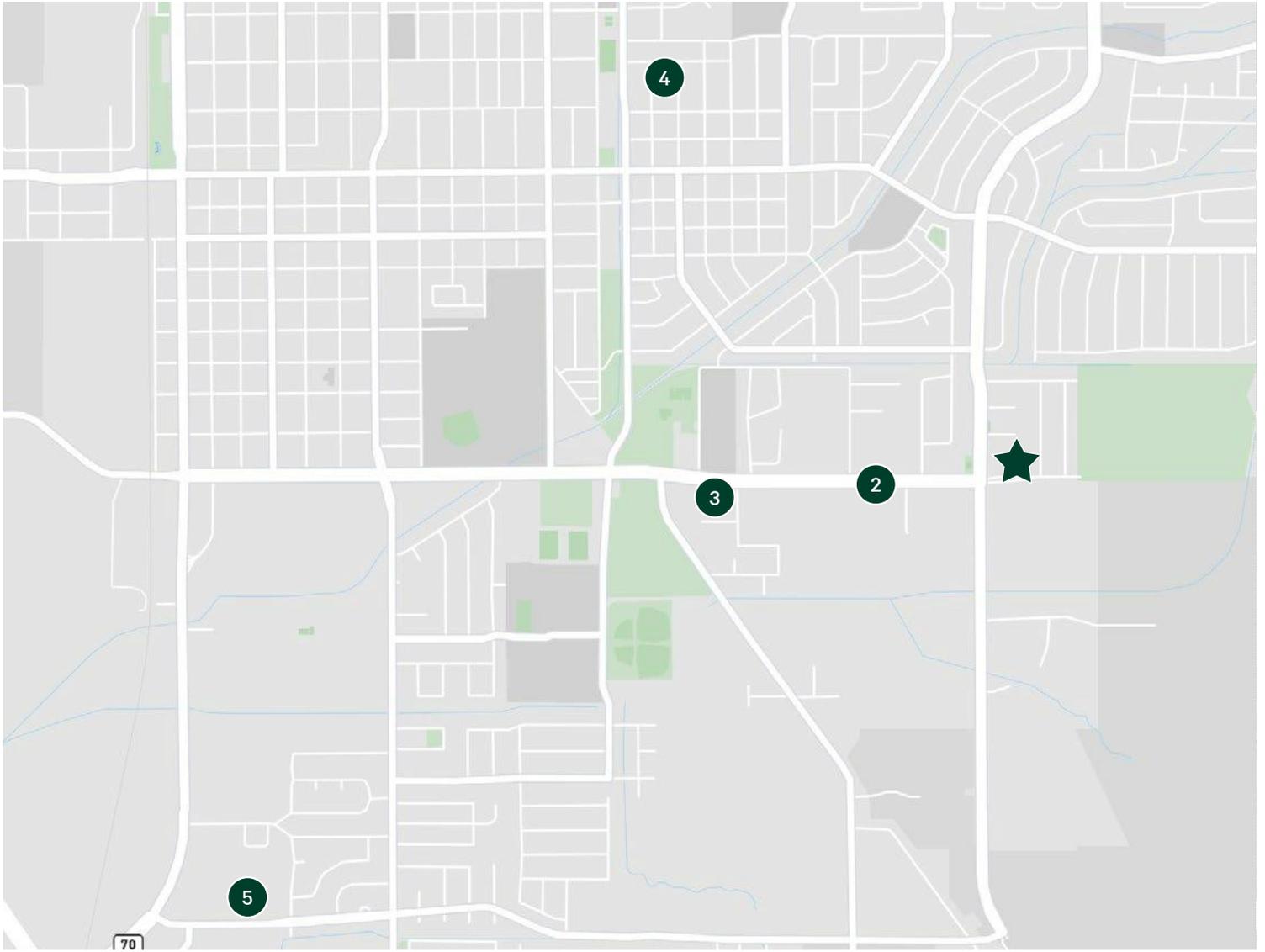
### Community Amenities

Clubhouse | Swimming pool | Spa | On-site laundry facility | Barbecue and picnic area | Playground | Basketball court

### Unit Amenities

Balcony or patio | Fireplace | Microwave | Dishwasher | Garbage disposal | Air conditioning | In-unit washer and dryer connections

# Rent Comparables Map



## Properties

- ★ Otero Village
- 2. Las Ventanas
- 3. Monte Vista Townhome
- 4. Cottonwood Commons
- 5. Hunter's Ridge

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