

For Sale

Value-Add 40-Unit Multifamily Property

NEXT TO RIDGECREST AREA AND THE MAX Q DEVELOPMENT

3612, 3616, 3620 Crest Ave. SE | Albuquerque, NM 87108

NEQ Gibson & Carlisle Blvds. SE



Sale Price
\$2,350,000



Building SF: $\pm 24,000$
Land: ± 1.21 Acres

HIGHLIGHTS

- Property is fully gated
- On-site, shared laundry
- 2.4 miles from UNM main campus
- 1 mile from Ridgecrest Park
- All units are individually metered for gas and electricity

NAISunVista

got space

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HIGHLIGHTS

SALE PRICE \$2,350,000

- Before Tax IRR: 26.3%
- After Tax IRR: 20.69%
- Actual GRM: 8.10
- Pro Forma GRM: 6.00
- Asking Cap Rate: 6.52%
- Pro Forma Cap Rate: 10.29%

AVAILABLE

- 40 Units: (32) 1 Bed/1 Bath (±560 SF)
(8) 2 Bed/1 Bath (±680 SF)
- Total Building SF: ±24,000
- Land: ±1.21 Acres

PROPERTY OVERVIEW

This property has tremendous value for an investor. The 1-bed/1-bath units are approximately 33% below market rate for renovated units, and the 2-bed/1-bath units are approximately 46% below market rate for renovated units. The property has a fully-gated, quiet entrance off of Crest Ave. SE and the three buildings are configured in a "U" shape. With estimated renovation costs between \$400,000-\$500,000, the property could be entirely repositioned as an high-end apartment complex. There is an on-site, shared laundry facility and all units are individually metered for gas and electric so tenants can pay their respective utility bills. The landlord can pay for water, sewer, and refuse.

The property is surrounded by single and multi-family homes, many of which have been renovated. Bandelier Elementary School is 1 mile north, UNM main campus is 2.4 miles northwest, and Ridgcrest Park is 1 mile north of the property.






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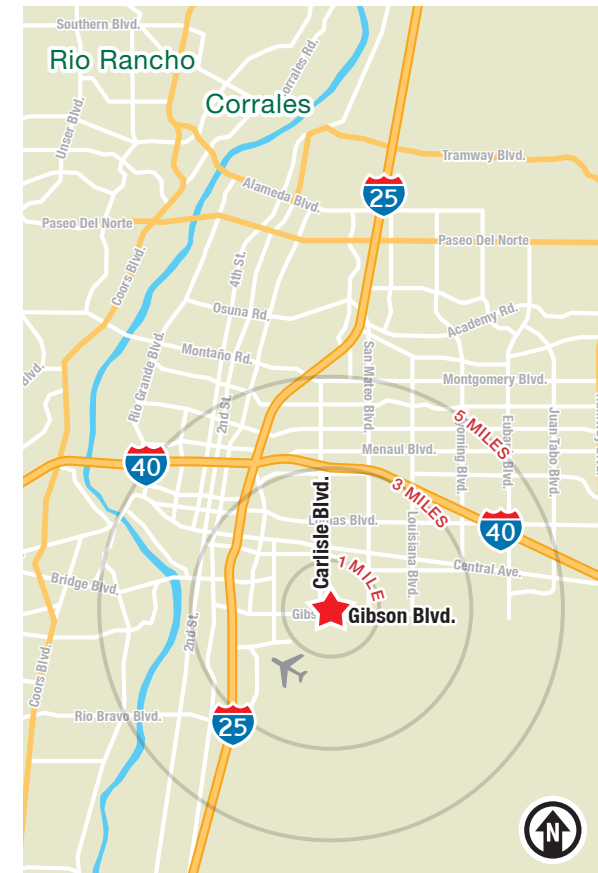
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LOCATION

Demographics	1 mile	3 mile	5 mile
 Total Population	8,644	79,621	191,685
 Average HH Income	\$69,319	\$57,272	\$59,290
 Daytime Employment	2,521	73,358	181,753

2021 Forecasted by Esri



SITE

Bldgs: ±24,000 SF
Land: ±1.21 Acres



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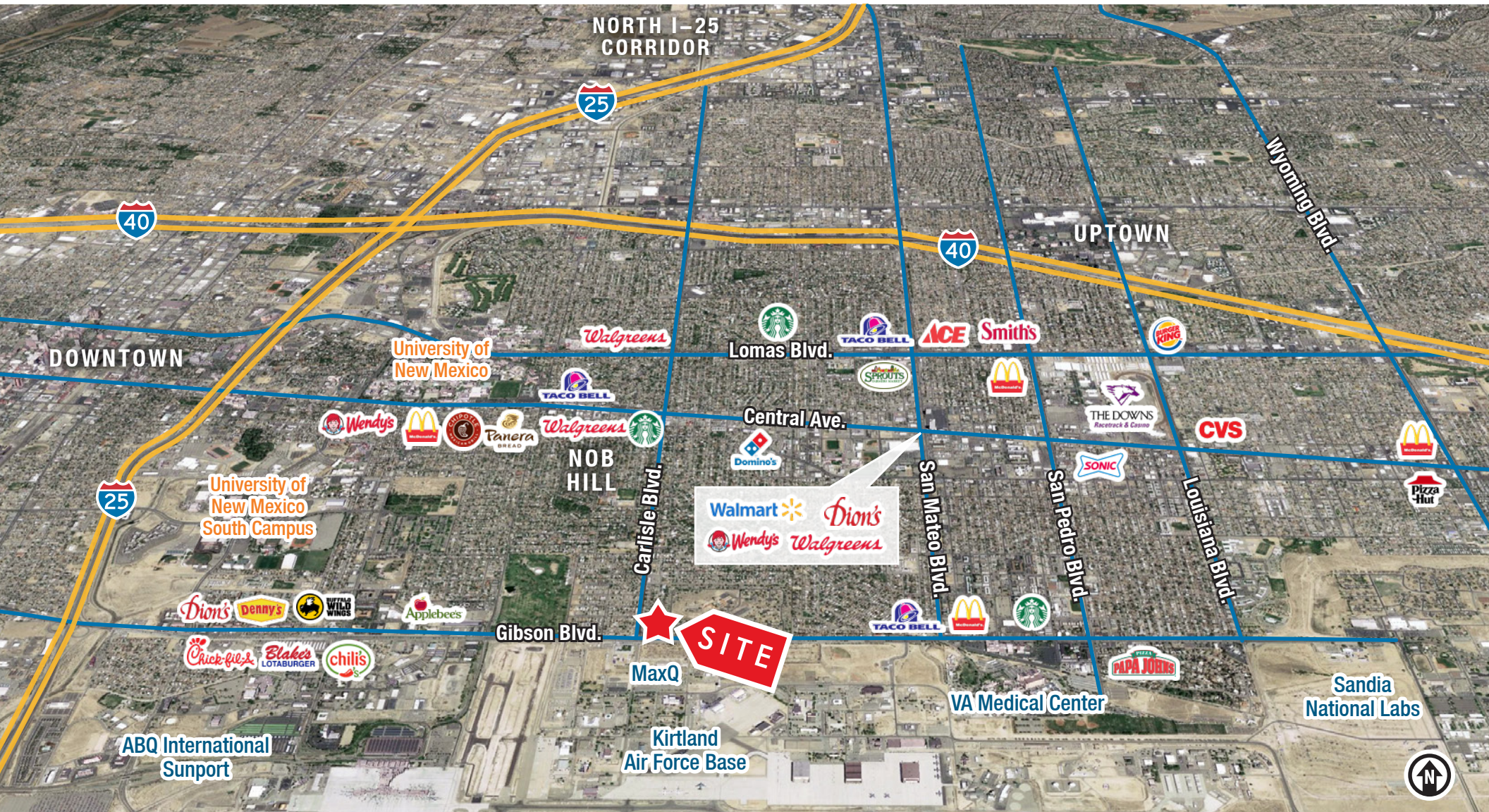
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LOCATION



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PRO FORMA OPERATING STATEMENT

		GRM		8.10	Pro Forma GRM		6.00
Operating Income		Monthly	Annual	Notes on Actual Cash-Flow	Monthly	Annual	Notes on Pro Forma
Number of Units		40	40	8x 2 Bedroom-1 Bathroom Units (680 SF) 32X 1 Bedroom-1 Bathroom Units (560 SF)	40	40	8x 2 Bedroom-1 Bathroom Units (680 SF) 32X 1 Bedroom-1 Bathroom Units (560 SF)
Average Monthly Rent per Unit		604.75	7,257.00		815.95	815.95	
Total Rental Income		24,190.00	290,280.00	April 2022 Rent Roll at Full Occupancy	32,638.00	391,656.00	Pro Forma Rent Roll
% Vacancy and Credit Losses		7.00%	7.00%	Broker Estimate (27% Vacant May 2022)	7.00%	7.00%	Broker Estimate
Total Vacancy Loss		1,693.30	20,319.60		2,284.66	27,415.92	
Fees		80.00	960.00	Broker Estimate: Late Fees	33.33	400.00	Broker Assumption
Other Monthly Income (laundry, vending, parking, etc.)		210.00	2,520.00	Broker Estimate: \$4.00/load x 70 loads/month (Assume CSC ServiceWorks Lease takes 25%)	281.25	3,375.00	Broker Estimate: \$5.00/load x 75 loads/month (Assume CSC ServiceWorks takes 25%)
Other Monthly Income (laundry, vending, parking, etc.)					45.00	540.00	\$15/ Month Pet Fee
Gross Monthly Operating Income		22,786.70	273,440.40		30,712.92	368,555.08	4,315.00
Operating Expenses		Monthly	Annual	Based on Owner P&L (10/1/21-4/30/22) Prorated to 1 Year and Broker Estimates	Monthly	Annual	Broker Estimates
Property Management Fees		2,283.51	27,402.14	Owner Actual Prorated to 1 Year	2,457.03	29,484.41	8% of Pro Forma GOI
Repairs and Maintenance		2,050.80	24,609.64	Broker Estimate (9% of GOI)	1,996.34	23,956.08	Broker Estimate (6.5% of GOI)
Real Estate Taxes		1,196.29	14,355.48	Bernalillo County Tax Assessor Actual 2021	1,232.18	14,786.14	2021 Actual + 3%
Rental Property Insurance		810.05	9,720.57	Owner Actual 2021	834.35	10,012.19	2021 Estimate + 3%
Replacement Reserve		455.73	5,468.81	2% of GOI	455.73	5,468.81	2% of 2021 GOI
Utilities							
- Water and Sewer and Refuse		2,846.03	34,152.31	ABQ Water Authority Average over 12 Months	2,931.41	35,176.88	2021 Actual + 3%
-Gas and Electricity		160.03	1,920.32	Owner Actual Prorated to 1 year: Master Meter for Laundry Facility	389.83	4,677.93	2021 Actual + 3% + 3x Housing Tenants (Gas and Electricity Typically Included in Rent)
Accounting and Legal		83.33	1,000.00	Broker Estimate	95.83	1,150.00	Broker Estimate
Landscaping and Security		125.00	1,500.00	Broker Estimate	166.67	2,000.00	Broker Estimate
Monthly Operating Expenses		10,010.77	120,129.26	Expense Ratio= 44%	10,559.37	126,712.44	Expense Ratio= 34%
				0.43932522			
Net Operating Income (NOI)					Pro Forma Net Operating Income (NOI)		
Total Annual Operating Income		273,440.40			368,555.08		
Total Annual Operating Expense		120,129.26			126,712.44		
Annual Net Operating Income		153,311.14			241,842.65		
Capitalization Rate and Valuation					Pro Forma Capitalization Rate and Valuation		
Actual Capitalization Rate		6.52%			10.29%		
Property Valuation (Sales Price)		\$ 2,350,000.00			\$ 2,350,000.00		
Actual Purchase Price		\$ 2,350,000.00			2,350,000.00		
Loan Information				Return Including Renovation Budget: 40x Interiors (\$7,000/Unit) + \$40,000 Parking Lot + \$129,696 Roof Replacements + \$50,000 Exteriors and Stair Cases *Broker is not a General Contractor and does not Guarantee the Budget is Accurate			
Down Payment		587,500.00	75 LTV	587,500.00	587,500.00	75 LTV	
Loan Amount		1,762,500.00		1,762,500.00	1,762,500.00		
Acquisition Costs and Loan Fees		21,125.00	Broker Estimate: Loan Fees, inspection costs	494,696.00			
Deferred Maintenance		\$129,696	Cost to Replace Roofs				
Length of Mortgage (years)		25	Commercial Property Loan Amortization Period	25	25	Commercial Property Loan Amortization Period	
Annual Interest Rate		5.200%	Loan Rate Estimate	5.200%	5.200%	Loan Rate Estimate	
Initial Investment		738,321.00		1,082,196.00	587,500.00		
Monthly Mortgage Payment (PI)		10,509.81		10,509.81	10,509.81		
Annual Interest		90,816.54		90,816.54	90,816.54		
Annual Principal		35,301.24		35,301.24	35,301.24		
Total Annual Debt Service		126,117.77		126,117.77	126,117.77		
Cash Flow and ROI							
Total Monthly Cash Flow (before taxes)		2,266.11		2,266.11	9,643.74		
Total Annual Cash Flow (before taxes)		27,193.36		27,193.36	115,724.87		
Cash on Cash Return (ROI)		3.68%		2.51%	19.70%		

Note: This spreadsheet should only be used for informational and educational purposes. Please verify calculations and seek professional assistance before making financial decisions.

PRO FORMA CASH FLOW ANALYSIS

Property Name	3612 Crest Ave SE	Acquisition Price	\$2,350,000
Location	NEQ Carlisle Blvd SE/Gibson Blvd SE	Plus Acquisition Costs	\$498,696
Type of Property	Multifamily	Plus Loan Costs	\$18,800
Size of Property (sf/units)	40 Units	Minus Mortgages	\$1,880,000
Purpose of Analysis	Invetsment Analysis	Equals Initial Investment	\$987,496
Prepared by	Sarah Raboff and Jim Wible		
Date Prepared	May 10, 2022		

MORTGAGE DATA

COST RECOVERY DATA

BASIS DATA

	1st Mortgage	2nd Mortgage		Improvements	Personal Property		
Amount	\$1,880,000		Value	\$752,600		Acquisition Price	\$2,350,000
Interest Rate	5.20%		C. R. Method	SL		Acquisition Costs	\$498,696
Amortization Period	25		Useful Life	39.0		Total Acquisition Basis	\$2,848,696
Loan Term	5		In Service Date	1-Jan	1-Jan		
Payments/Year	12		Date of Sale	31-Dec	31-Dec		
Periodic Payment	\$11,210.47		12 Months % age	2.564%			
Annual Debt Service	\$134,526		11.5 Months % age	2.461%			
Loan Fees/Costs	\$18,800						

TAXABLE INCOME

End of Year	1	2	3	4	5	6	7	8
1 POTENTIAL RENTAL INCOME	\$290,280	\$391,656	\$399,489	\$407,479	\$415,628	\$423,941		
2 -Vacancy & Credit Losses	\$20,320	\$27,416	\$27,964	\$28,524	\$29,094	\$29,676		
3 EFFECTIVE RENTAL INCOME	\$269,960	\$364,240	\$371,525	\$378,955	\$386,534	\$394,265		
4 +Other Income (collectable)	\$3,480	\$4,315	\$4,401	\$4,489	\$4,579	\$4,671		
5 GROSS OPERATING INCOME	\$273,440	\$368,555	\$375,926	\$383,445	\$391,114	\$398,936		
6 TOTAL OPERATING EXPENSES	\$119,852	\$126,094	\$128,616	\$131,189	\$133,812	\$136,489		
7 NET OPERATING INCOME	\$153,588	\$242,461	\$247,310	\$252,256	\$257,301	\$262,447		
8 -Interest-First Mortgage	\$96,871	\$94,866	\$92,753	\$90,529	\$88,186			
9 -Interest-Second Mortgage								
10 -Cost Recovery-Improvements	\$18,521	\$19,297	\$19,297	\$19,297	\$18,521			
11 -Cost Recovery-Personal Property								
12 -Loan Costs Amortization	\$3,760	\$3,760	\$3,760	\$3,760	\$3,760			
13 -								
14 -								
15 REAL ESTATE TAXABLE INCOME	\$34,436	\$124,538	\$131,500	\$138,670	\$146,835			
16 Tax Liability (Savings) at 37.0%	\$12,741	\$46,079	\$48,655	\$51,308	\$54,329			

CASH FLOW

17 NET OPERATING INCOME (Line 7)	\$153,588	\$242,461	\$247,310	\$252,256	\$257,301			
18 -Annual Debt Service	\$134,526	\$134,526	\$134,526	\$134,526	\$134,526			
19 -								
20 -								
21 -								
22 CASH FLOW BEFORE TAXES	\$19,063	\$107,935	\$112,784	\$117,730	\$122,776			
23 -Tax Liability (Savings) (Line 16)	\$12,741	\$46,079	\$48,655	\$51,308	\$54,329			
24 CASH FLOW AFTER TAXES	\$6,321	\$61,856	\$64,129	\$66,422	\$68,447			

INVESTMENT PERFORMANCE METRICS

Measures of Investment Performance

Before Tax				After Tax			
EOY	\$			EOY	\$		
0	(\$987,496)			0	(\$987,496)		
1	\$19,063			1	\$6,321		
2	\$107,935			2	\$61,856		
3	\$112,784			3	\$64,129		
4	\$117,730			4	\$66,422		
5	\$122,776			5	\$68,447		
		+	\$2,456,544			+	\$2,164,341
IRR =	26.30%			IRR =	20.69%		
NPV @	<input type="text"/>		=	NPV @	<input type="text"/>		=

End of Year	1	2	3	4	5	6	7
Value Using Acquisition Cap Rate	\$3,710,000	\$3,784,000	\$3,860,000	\$3,937,000	\$4,016,000		
Loan Balance	\$1,842,345	\$1,802,685	\$1,760,913	\$1,716,916	\$1,670,576		
Loan to Value	49.66%	47.64%	45.62%	43.61%	41.60%		
Debt Service Coverage Ratio	1.14	1.80	1.84	1.88	1.91		
Return on Asset	6.54%	10.32%	10.52%	10.73%	10.95%		
Before Tax Cash on Cash	1.93%	10.93%	11.42%	11.92%	12.43%		
After Tax Cash on Cash	0.64%	6.26%	6.49%	6.73%	6.93%		
Acquisition Cap Rate	6.54%						
Gross Rent Multiplier	8.10						
Effective Tax Rate	21.34%						

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RENT ROLL

*The Pro Forma rental rates are based on data collected from hotpads.com, apartments.com, carm.com, zumper.com, and craigslist.com. Broker does not guarantee that the buyer will lease at the pro forma rates		<div> <div>April Rent Roll 2022 (Tenants pay Gas and Electricity *except for 2 tenants)</div> <div>Fully Occupied Projection</div> <div>Renovated MKT Rate (tenant pays gas/electric) HUD FV Rate</div> </div>						
Apartment Number	Property Address	Unit Mix	Unit SF	Monthly rent	Rent/SF	Monthly rent	Pro Forma Rate	Pro Forma Rent/SF
A	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$996.00	\$1.46
B	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$996.00	\$1.46
C	3612 Crest Ave SE	2 bed-1 bath	680	\$625.00	\$0.92	\$625.00	\$996.00	\$1.46
D	3612 Crest Ave SE	2 bed-1 bath	680	Vacant	\$0.00	\$700.00	\$900.00	\$1.32
E	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$900.00	\$1.32
F	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$900.00	\$1.32
G	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$900.00	\$1.32
H	3612 Crest Ave SE	2 bed-1 bath	680	\$700.00	\$1.03	\$700.00	\$900.00	\$1.32
A	3616 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$800.00	\$1.43
B	3616 Crest Ave SE	1 bed-1 bath	560	\$595.00	\$1.06	\$595.00	\$800.00	\$1.43
C	3616 Crest Ave SE	1 bed-1 bath	560	\$550.00	\$0.98	\$550.00	\$800.00	\$1.43
D	3616 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$595.00	\$800.00	\$1.43
E	3616 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$800.00	\$1.43
F	3616 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$800.00	\$1.43
G	3616 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$575.00	\$800.00	\$1.43
H	3616 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$575.00	\$800.00	\$1.43
I	3616 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$575.00	\$800.00	\$1.43
J	3616 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$600.00	\$800.00	\$1.43
K	3616 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$800.00	\$1.43
L	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$800.00	\$1.43
A	3620 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$800.00	\$1.43
B	3620 Crest Ave SE	1 bed-1 bath	560	\$595.00	\$1.06	\$595.00	\$800.00	\$1.43
C	3620 Crest Ave SE	1 bed-1 bath	560	\$550.00	\$0.98	\$550.00	\$775.00	\$1.38
D	3620 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$595.00	\$775.00	\$1.38
E	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
F	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
G	3620 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$595.00	\$775.00	\$1.38
H	3620 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$595.00	\$775.00	\$1.38
I	3620 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$600.00	\$775.00	\$1.38
J	3620 Crest Ave SE	1 bed-1 bath	560	Vacant	\$0.00	\$575.00	\$775.00	\$1.38
K	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
L	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
M	3620 Crest Ave SE	1 bed-1 bath	560	\$550.00	\$0.98	\$550.00	\$775.00	\$1.38
N	3620 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$775.00	\$1.38
O	3620 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$775.00	\$1.38
P	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
Q	3620 Crest Ave SE	1 bed-1 bath	560	\$575.00	\$1.03	\$575.00	\$775.00	\$1.38
R	3620 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$775.00	\$1.38
S	3620 Crest Ave SE	1 bed-1 bath	560	\$595.00	\$1.06	\$595.00	\$775.00	\$1.38
T	3620 Crest Ave SE	1 bed-1 bath	560	\$600.00	\$1.07	\$600.00	\$775.00	\$1.38
				\$17,610.00		\$24,190.00	\$32,638.00	



The information contained is believed reliable. While we do not doubt the accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projection, opinion, assumption or estimated uses are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on many factors which should be evaluated by your tax, financial, and legal counsel. You and your counsel should conduct a careful independent investigation of the property to determine that it is suitable to your needs.

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