

# Beacon Manor Apartments

2502 St. Elmo Ave., Memphis TN 38127



OFFERING MEMORANDUM



# Beacon Manor Apartments

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*Exclusively Marketed by:*

### **Curtis Braden**

Principal Broker

(901) 881-2070

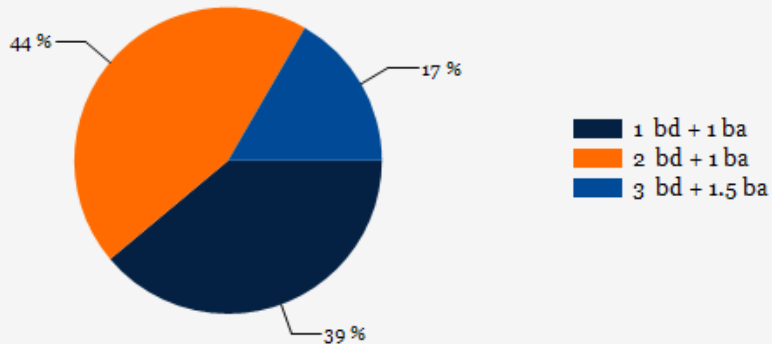
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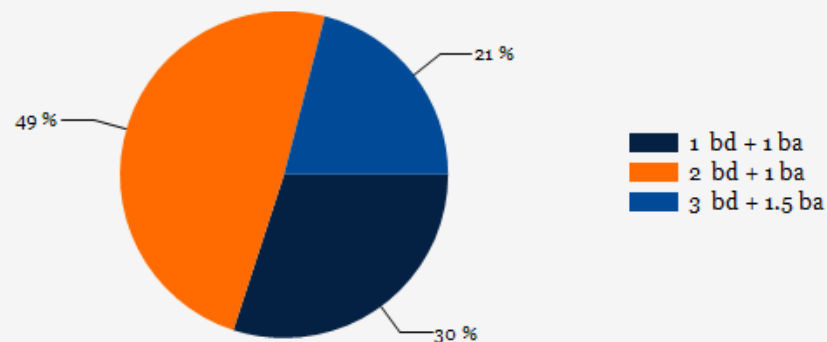


Unit Mix	# Units	Square Feet	Current Rent	Actual		Market		
				Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
1 bd + 1 ba	28	500	\$450	\$0.90	\$12,600	\$500	\$1	\$14,000
2 bd + 1 ba	32	720	\$550	\$0.76	\$17,600	\$600	\$0.83	\$19,200
3 bd + 1.5 ba	12	840	\$599	\$0.71	\$7,188	\$700	\$0.83	\$8,400
<b>Totals/Averages</b>	<b>72</b>	<b>654</b>	<b>\$519</b>	<b>\$0.81</b>	<b>\$37,388</b>	<b>\$578</b>	<b>\$0.90</b>	<b>\$41,600</b>

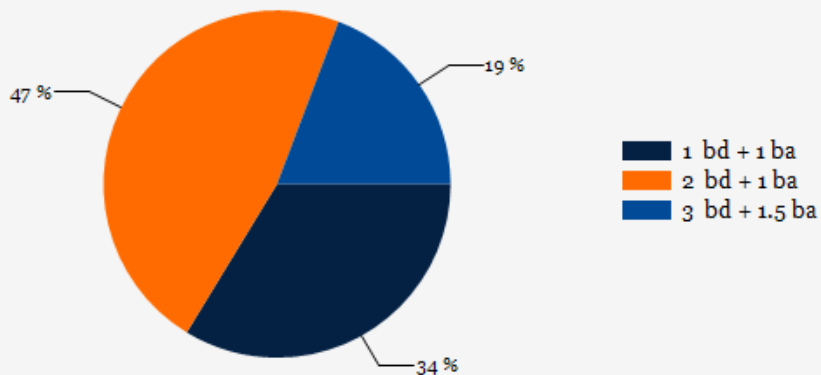
Unit Mix Summary



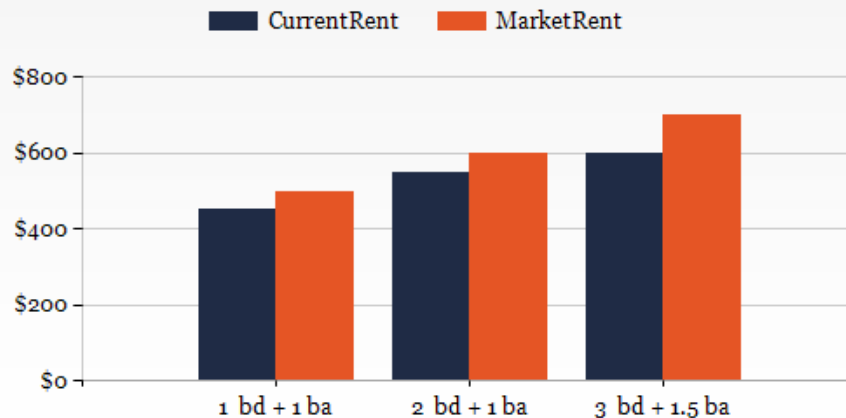
Unit Mix SF



Unit Mix Revenue



Actual vs. Market Revenue



**PROPERTY FEATURES**

NUMBER OF UNITS	72
BUILDING SF	53,334
LAND SF	342,382
LAND ACRES	8.70
YEAR BUILT	1973
YEAR RENOVATED	2017
# OF PARCELS	1
ZONING TYPE	RS-6
BUILDING CLASS	C
LOCATION CLASS	C
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	9
NUMBER OF PARKING SPACES	144
PARKING RATIO	2/1

**MECHANICAL**

HVAC	Central
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**UTILITIES**

WATER	MLG&W
TRASH	MLG&W
GAS	MLG&W
ELECTRIC	MLG&W

**CONSTRUCTION**

FOUNDATION	Slab
FRAMING	Wood
EXTERIOR	Brick/Siding
PARKING SURFACE	Asphalt
ROOF	Flat
LANDSCAPING	Trees



Achaean Ave

N Trezevant St

Brooksville Dr

Barbouville Dr

Beacon Manor  
Apartments

N Trezevant St

Barbouville Dr

St Elmo Ave

The Church of  
Jesus Christ of Latter...







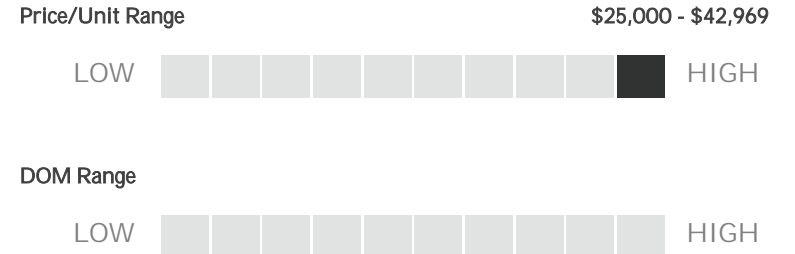


1



**2780 Raleigh LaGrange**  
 2780 Raleigh LaGrange  
 Memphis, TN 38128

TOTAL UNITS	32
YEAR BUILT	1974
SALE PRICE	\$1,375,000
PRICE/UNIT	\$42,969
PRICE/SF	\$37.34
CLOSING DATE	6/12/2018
DISTANCE	6.3 miles

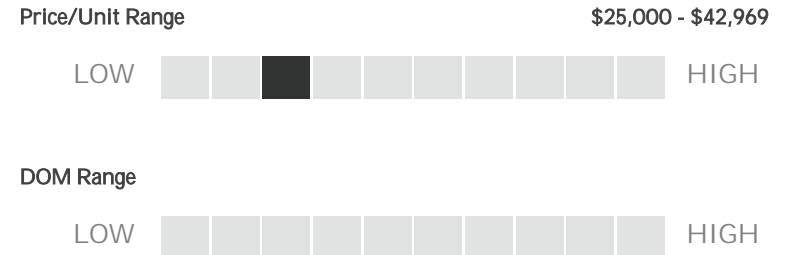


2



**2783 Beverly Hills Rd**  
 2783 Beverly Hills  
 Memphis, TN 38128

TOTAL UNITS	22
YEAR BUILT	1972
SALE PRICE	\$649,000
PRICE/UNIT	\$29,500
PRICE/SF	\$23.67
CLOSING DATE	5/23/2018
DISTANCE	6.3 miles



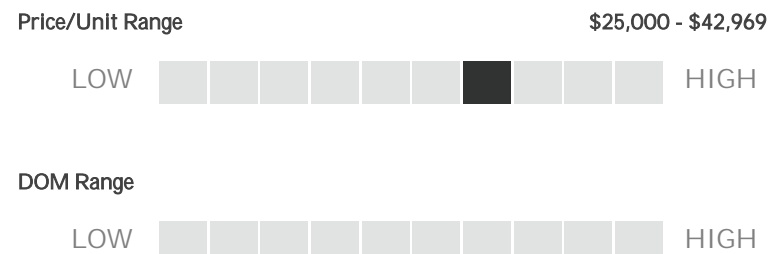
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**Berclair Apts**

972 Berclair  
Memphis, TN 38122

TOTAL UNITS	31
YEAR BUILT	1962
SALE PRICE	\$1,112,821
PRICE/UNIT	\$35,897
PRICE/SF	\$52.29
CLOSING DATE	6/26/2019
DISTANCE	10.5 miles



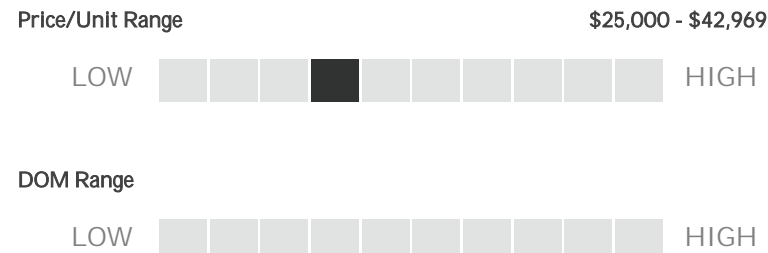
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**Given Apts**

3803 Given Ave  
Memphis, TN 38122

TOTAL UNITS	30
YEAR BUILT	1961
SALE PRICE	\$925,000
PRICE/UNIT	\$30,833
PRICE/SF	\$26.04
CLOSING DATE	8/1/2018
DISTANCE	7.9 miles



S



**Beacon Manor Apartments**

2502 St. Elmo Ave.  
Memphis, TN 38127





TOTAL UNITS	72
YEAR BUILT	1973
ASKING PRICE	\$1,800,000
PRICE/UNIT	\$25,000
PRICE/SF	\$33.75
CAP RATE	9.09 %
GRM	4.01
OCCUPANCY	80.00 %

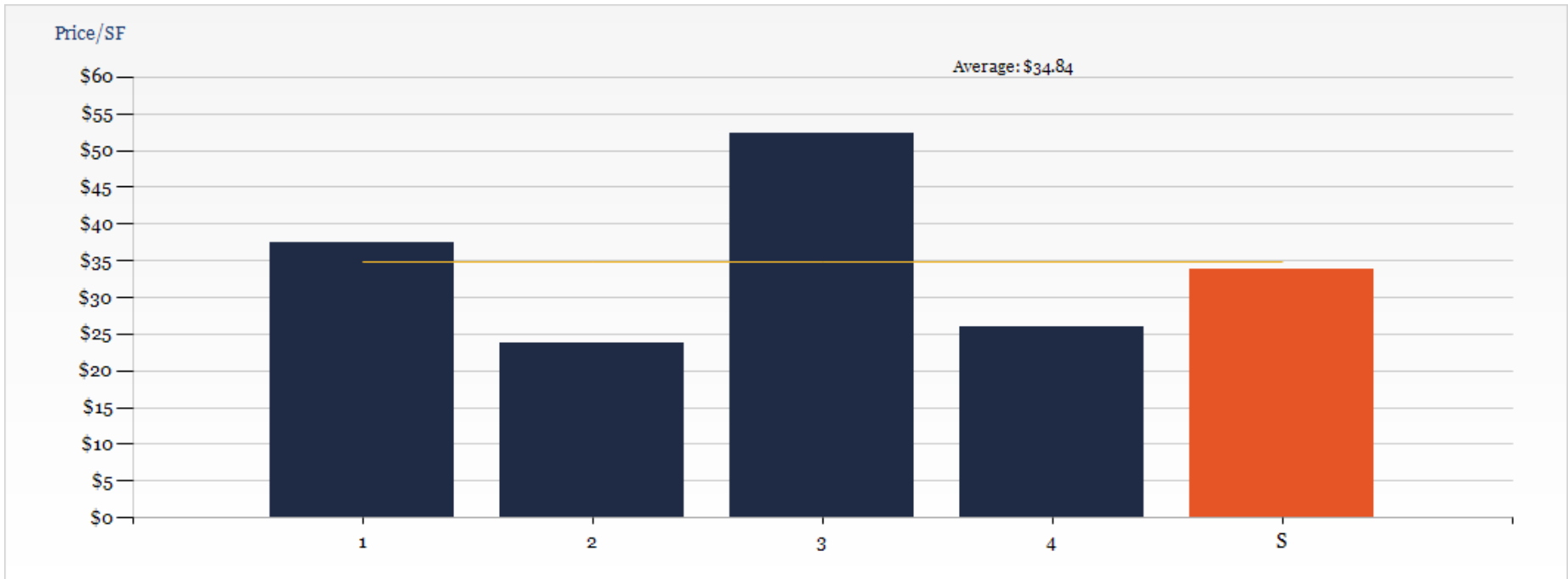
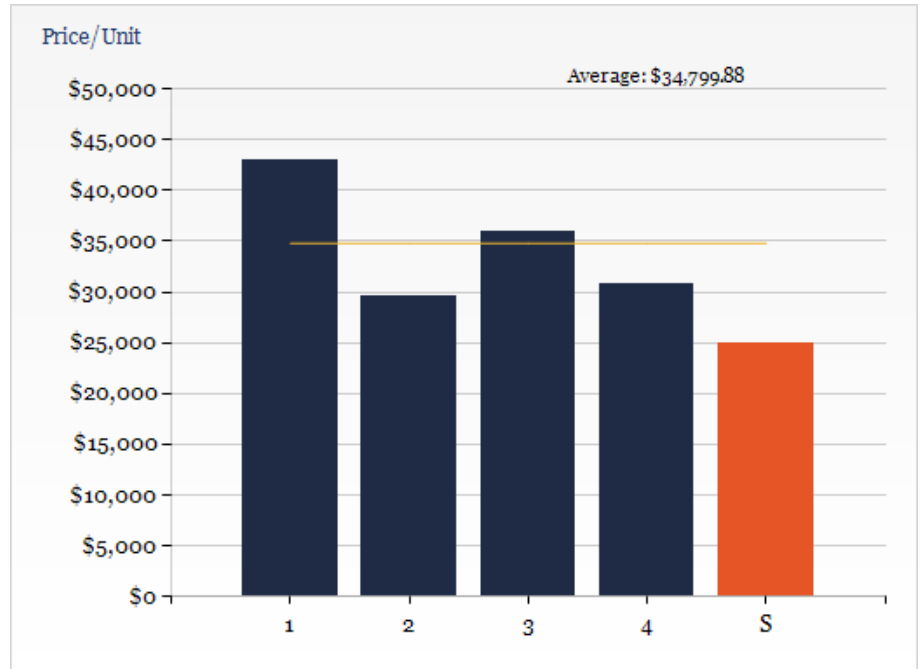
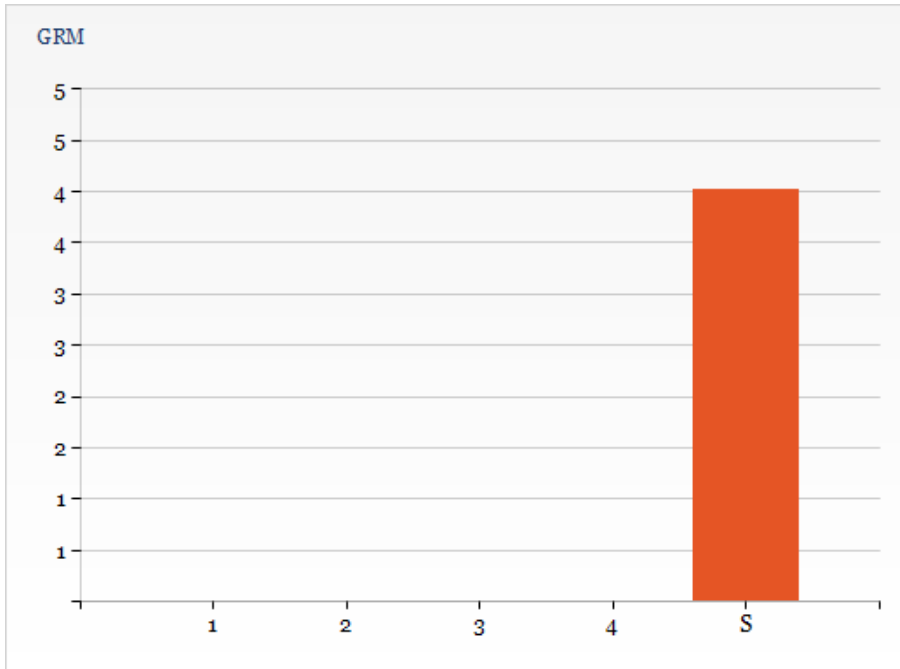
Cap Rate Range 9.09 % - 9.09 %



Price/Unit Range \$25,000 - \$42,969



	PROPERTY	Units	Built	Sale Price	Price/Unit	PSF	Close Date	DISTANCE (mi)
1	 <p>The Springs Apartments REEDY &amp; COMPANY 2780 Raleigh LaGrange Road Memphis, TN 38128</p>	32	1974	\$1,375,000	\$42,969	\$37.34	6/12/2018	6.30
2	 <p>2783 Beverly Hills Memphis, TN 38128</p>	22	1972	\$649,000	\$29,500	\$23.67	5/23/2018	6.30
3	 <p>972 Berclair Memphis, TN 38122</p>	31	1962	\$1,112,821	\$35,897	\$52.29	6/26/2019	10.50
4	 <p>3803 Given Ave Memphis, TN 38122</p>	30	1961	\$925,000	\$30,833	\$26.04	8/1/2018	7.90
<b>AVERAGES</b>		<b>29</b>	<b>1967</b>	<b>\$1,015,455.25</b>	<b>\$34,800</b>	<b>\$34.84</b>	<b>9/22/2018</b>	<b>7.75</b>
<b>SUBJECT</b>		<b>72</b>	<b>1973</b>	<b>\$1,800,000</b>	<b>\$25,000</b>	<b>\$33.75</b>		

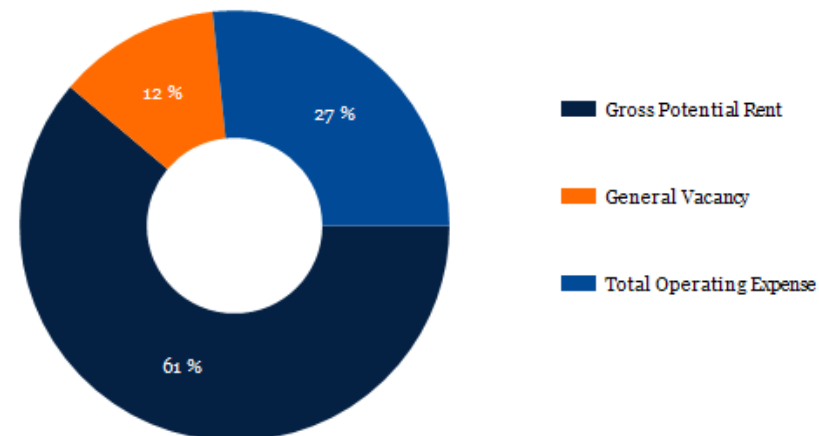




#	Address	City
S	2502 St. Elmo Ave.	Memphis

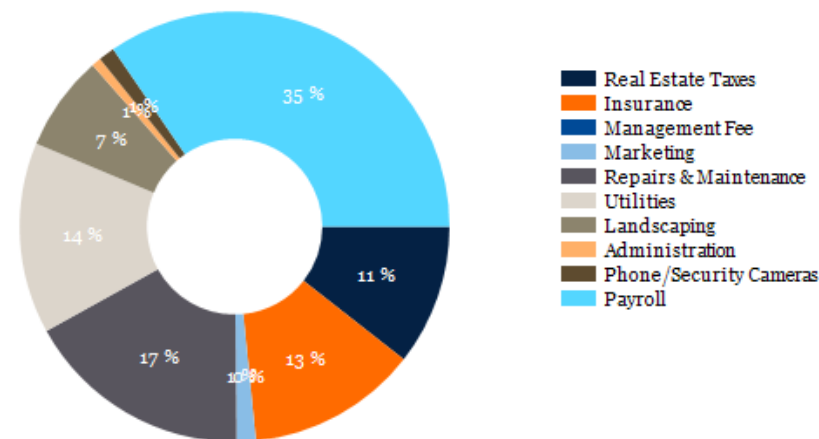
INCOME	CURRENT	PRO FORMA
<b>Gross Potential Income</b>	<b>\$448,656</b>	<b>\$499,200</b>
Less: General Vacancy	\$89,731	\$24,960
<b>Effective Gross Income</b>	<b>\$358,925</b>	<b>\$474,240</b>
Less: Expenses	\$195,385	\$215,094
<b>Net Operating Income</b>	<b>\$163,540</b>	<b>\$259,146</b>

REVENUE ALLOCATION



EXPENSES	Per Unit	CURRENT	Per Unit	PRO FORMA
Real Estate Taxes	\$245	\$17,620	\$278	\$20,000
Insurance	\$297	\$21,396	\$306	\$22,000
Management Fee	\$399	\$28,714	\$527	\$37,939
Marketing	\$33	\$2,400	\$33	\$2,400
Repairs & Maintenance	\$396	\$28,500	\$500	\$36,000
Utilities	\$332	\$23,939	\$332	\$23,939
Landscaping	\$167	\$12,000	\$167	\$12,000
Administration	\$17	\$1,200	\$17	\$1,200
Phone/Security Cameras	\$28	\$2,016	\$28	\$2,016
Payroll	\$800	\$57,600	\$800	\$57,600
<b>Total Operating Expense</b>	<b>\$2,714</b>	<b>\$195,385</b>	<b>\$2,987</b>	<b>\$215,094</b>
Expense / SF		\$3.66		\$4.03
% of EGI		54.44 %		45.36 %

DISTRIBUTION OF EXPENSES



**GLOBAL**

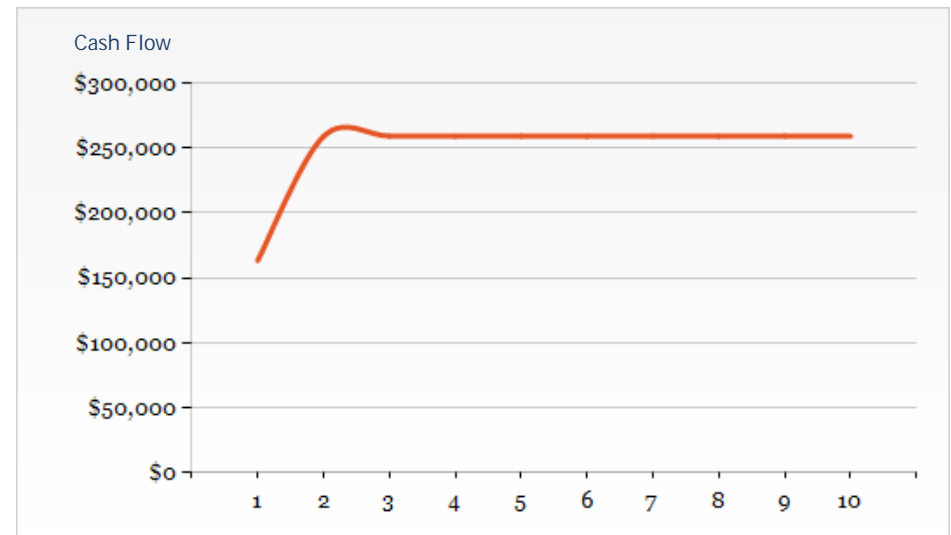
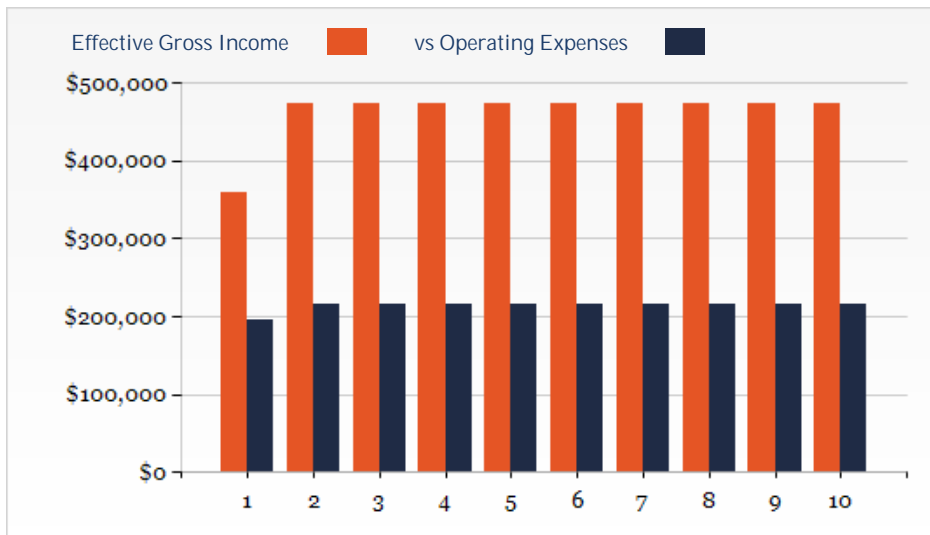
Sale Price	\$1,800,000
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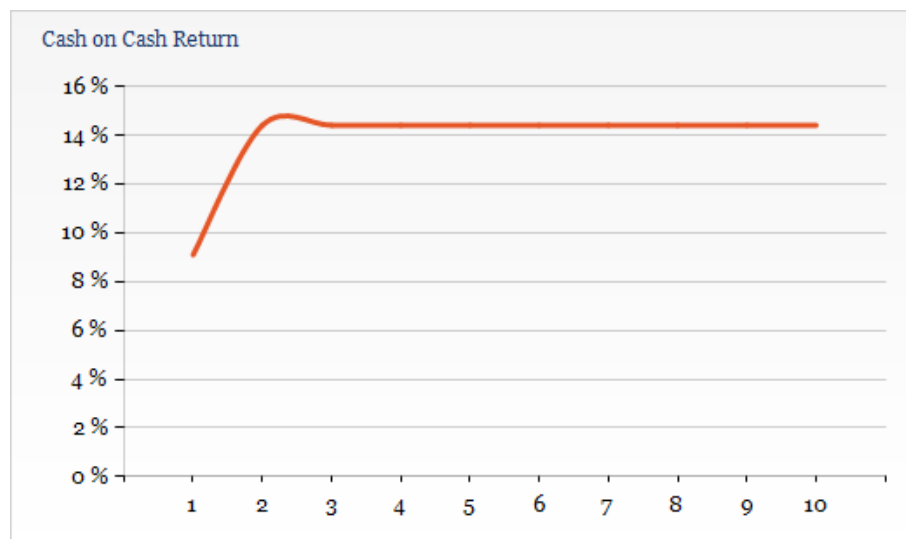
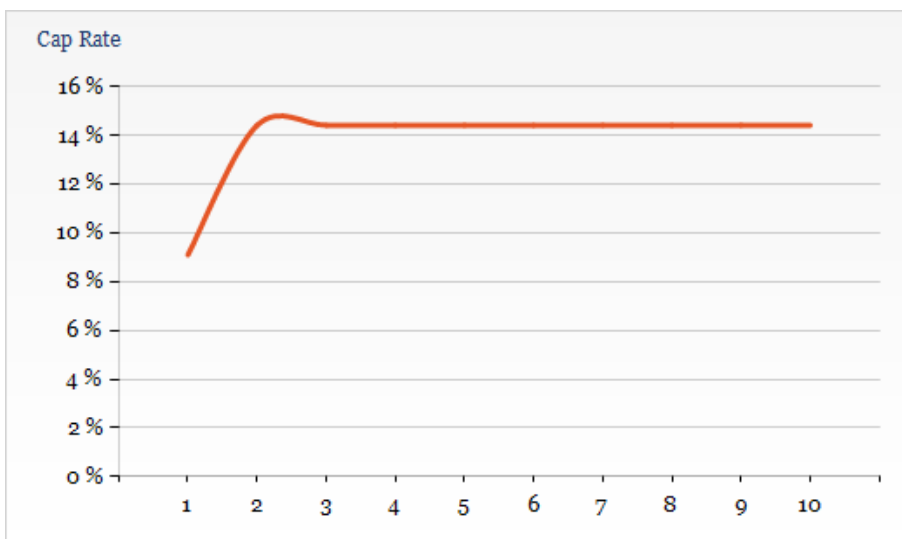


**CASH FLOW**

Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Gross Potential Revenue</b>										
Gross Rental Income	\$448,656	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200
Gross Potential Income	\$448,656	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200	\$499,200
General Vacancy	\$89,731	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960
<b>Effective Gross Income</b>	<b>\$358,925</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>	<b>\$474,240</b>
<b>Operating Expenses</b>										
Real Estate Taxes	\$17,620	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Insurance	\$21,396	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000
Management Fee	\$28,714	\$37,939	\$37,939	\$37,939	\$37,939	\$37,939	\$37,939	\$37,939	\$37,939	\$37,939
Marketing	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Repairs & Maintenance	\$28,500	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
Utilities	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939	\$23,939
Landscaping	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Administration	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Phone/Security Cameras	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016	\$2,016
Payroll	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600	\$57,600
Total Operating Expense	\$195,385	\$215,094	\$215,094	\$215,094	\$215,094	\$215,094	\$215,094	\$215,094	\$215,094	\$215,094
<b>Net Operating Income</b>	<b>\$163,540</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>	<b>\$259,146</b>



Calendar Year	CURRENT	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Financial Metrics</b>										
Cash on Cash Return b/t	9.09 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %
CAP Rate	9.09 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %	14.40 %
Operating Expense Ratio	54.43 %	45.35 %	45.35 %	45.35 %	45.35 %	45.35 %	45.35 %	45.35 %	45.35 %	45.35 %
Gross Multiplier (GRM)	4.01	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61	3.61
Breakeven Ratio	54.44 %	45.36 %	45.36 %	45.36 %	45.36 %	45.36 %	45.36 %	45.36 %	45.36 %	45.36 %
Price / SF	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75	\$33.75
Price / Unit	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Income / SF	\$6.72	\$8.89	\$8.89	\$8.89	\$8.89	\$8.89	\$8.89	\$8.89	\$8.89	\$8.89
Expense / SF	\$3.66	\$4.03	\$4.03	\$4.03	\$4.03	\$4.03	\$4.03	\$4.03	\$4.03	\$4.03



5 YEAR SENSITIVITY ANALYSIS					
EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE/UNIT	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
0.25%	\$103,658,320	\$1,439,699	\$1,944	\$103,658,320	129.05%
0.50%	\$51,829,160	\$719,849	\$972	\$51,829,160	100.54%
0.75%	\$34,552,773	\$479,900	\$648	\$34,552,773	85.74%
1.00%	\$25,914,580	\$359,925	\$486	\$25,914,580	76.02%
1.25%	\$20,731,664	\$287,940	\$389	\$20,731,664	68.91%
1.50%	\$17,276,387	\$239,950	\$324	\$17,276,387	63.37%
1.75%	\$14,808,331	\$205,671	\$278	\$14,808,331	58.86%
2.00%	\$12,957,290	\$179,962	\$243	\$12,957,290	55.10%
2.25%	\$11,517,591	\$159,967	\$216	\$11,517,591	51.88%

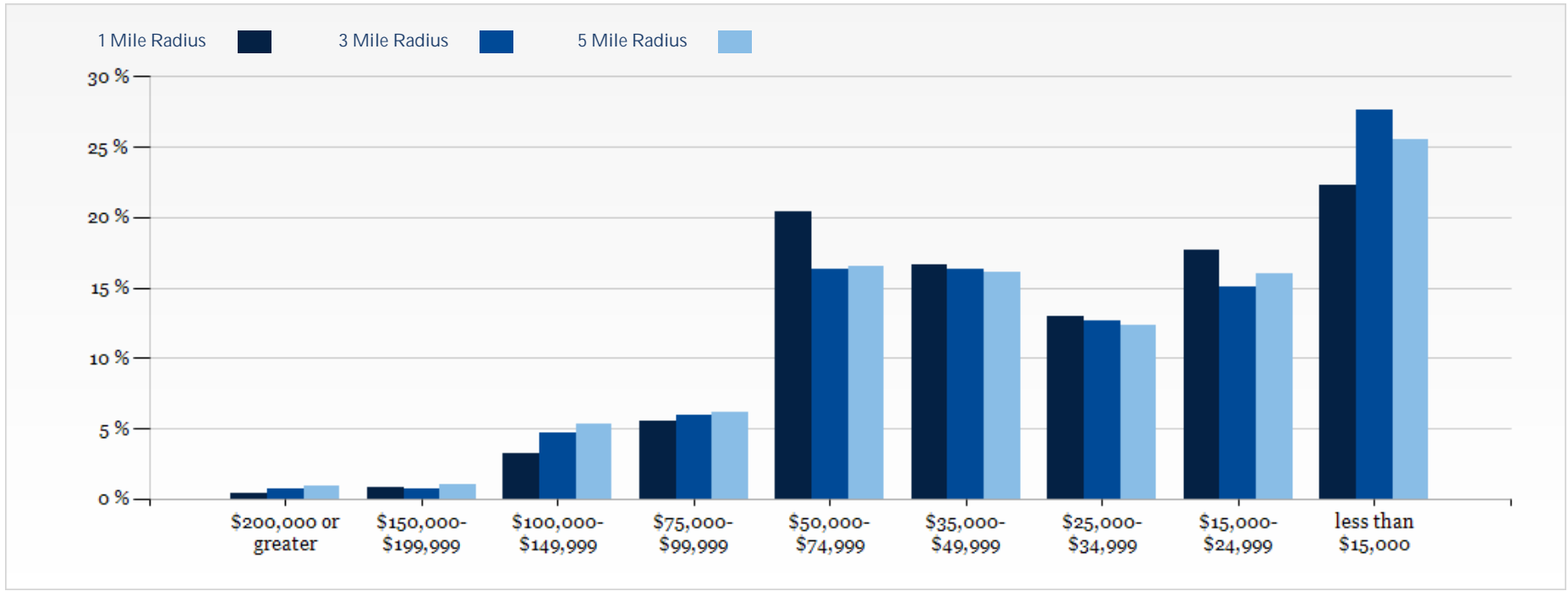
10 YEAR SENSITIVITY ANALYSIS					
EXIT CAP RATE	PROJECTED SALES PRICE	SALES PRICE/UNIT	SALES PRICE PSF	PROCEEDS AFTER LOAN PAYOFF	IRR
0.25%	\$103,658,320	\$1,439,699	\$1,944	\$103,658,320	53.93%
0.50%	\$51,829,160	\$719,849	\$972	\$51,829,160	44.57%
0.75%	\$34,552,773	\$479,900	\$648	\$34,552,773	39.52%
1.00%	\$25,914,580	\$359,925	\$486	\$25,914,580	36.13%
1.25%	\$20,731,664	\$287,940	\$389	\$20,731,664	33.61%
1.50%	\$17,276,387	\$239,950	\$324	\$17,276,387	31.64%
1.75%	\$14,808,331	\$205,671	\$278	\$14,808,331	30.02%
2.00%	\$12,957,290	\$179,962	\$243	\$12,957,290	28.66%
2.25%	\$11,517,591	\$159,967	\$216	\$11,517,591	27.49%

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	12,742	57,030	117,710
2010 Population	11,588	52,260	108,482
2019 Population	11,731	51,472	106,499
2024 Population	11,859	51,598	106,490
2019 African American	10,973	45,514	86,114
2019 American Indian	9	103	243
2019 Asian	29	132	459
2019 Hispanic	98	1,169	7,022
2019 White	548	4,386	13,553
2019 Other Race	26	667	4,386
2019 Multiracial	145	663	1,699
2019-2024: Population: Growth Rate	1.10 %	0.25 %	0.00 %

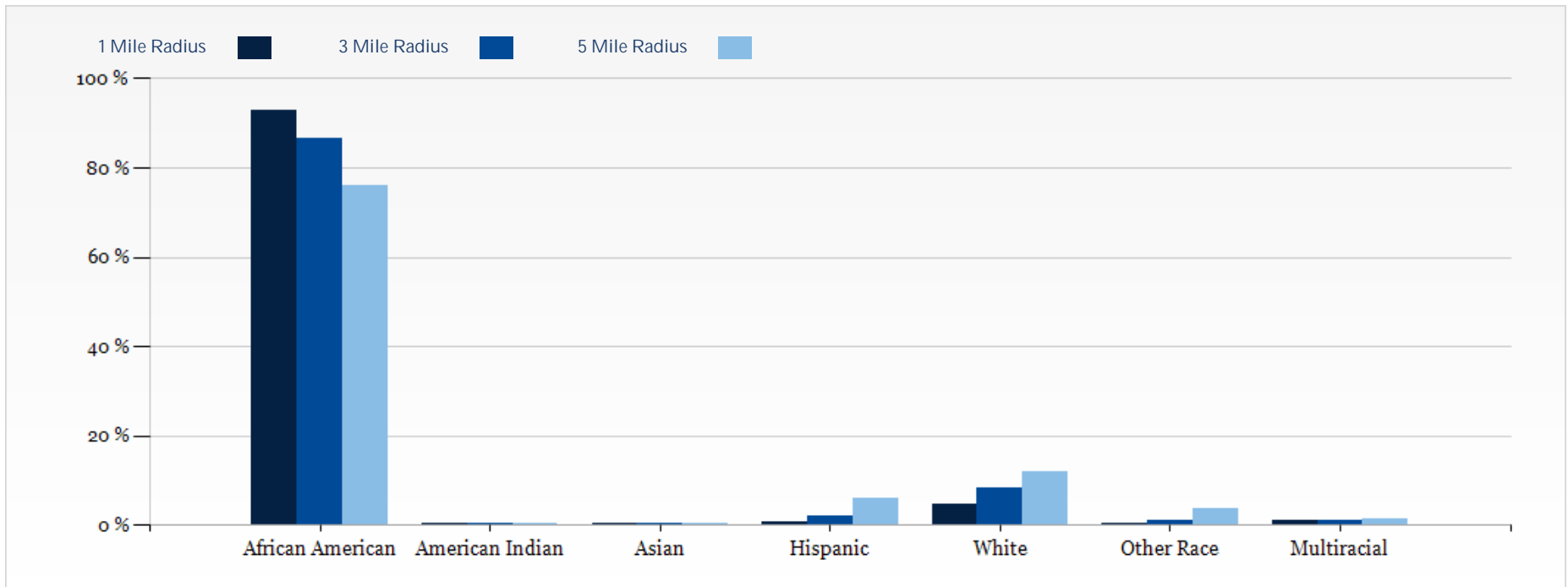
2019 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	843	4,791	9,513
\$15,000-\$24,999	669	2,617	5,975
\$25,000-\$34,999	490	2,189	4,594
\$35,000-\$49,999	631	2,837	6,005
\$50,000-\$74,999	773	2,834	6,149
\$75,000-\$99,999	210	1,029	2,288
\$100,000-\$149,999	120	815	1,980
\$150,000-\$199,999	31	130	395
\$200,000 or greater	15	130	352
Median HH Income	\$32,190	\$30,116	\$31,181
Average HH Income	\$40,715	\$40,799	\$42,907

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	4,229	20,696	45,534
2010 Total Households	3,707	17,580	38,085
2019 Total Households	3,781	17,370	37,252
2024 Total Households	3,824	17,427	37,201
2019 Average Household Size	3.10	2.95	2.84
2000 Owner Occupied Housing	2,898	12,867	25,759
2000 Renter Occupied Housing	1,108	6,438	16,136
2019 Owner Occupied Housing	2,068	8,771	17,953
2019 Renter Occupied Housing	1,714	8,599	19,299
2019 Vacant Housing	615	3,672	8,722
2019 Total Housing	4,396	21,042	45,974
2024 Owner Occupied Housing	2,133	9,077	18,522
2024 Renter Occupied Housing	1,692	8,349	18,679
2024 Vacant Housing	627	3,841	9,158
2024 Total Housing	4,451	21,268	46,359
2019-2024: Households: Growth Rate	1.15 %	0.35 %	-0.15 %

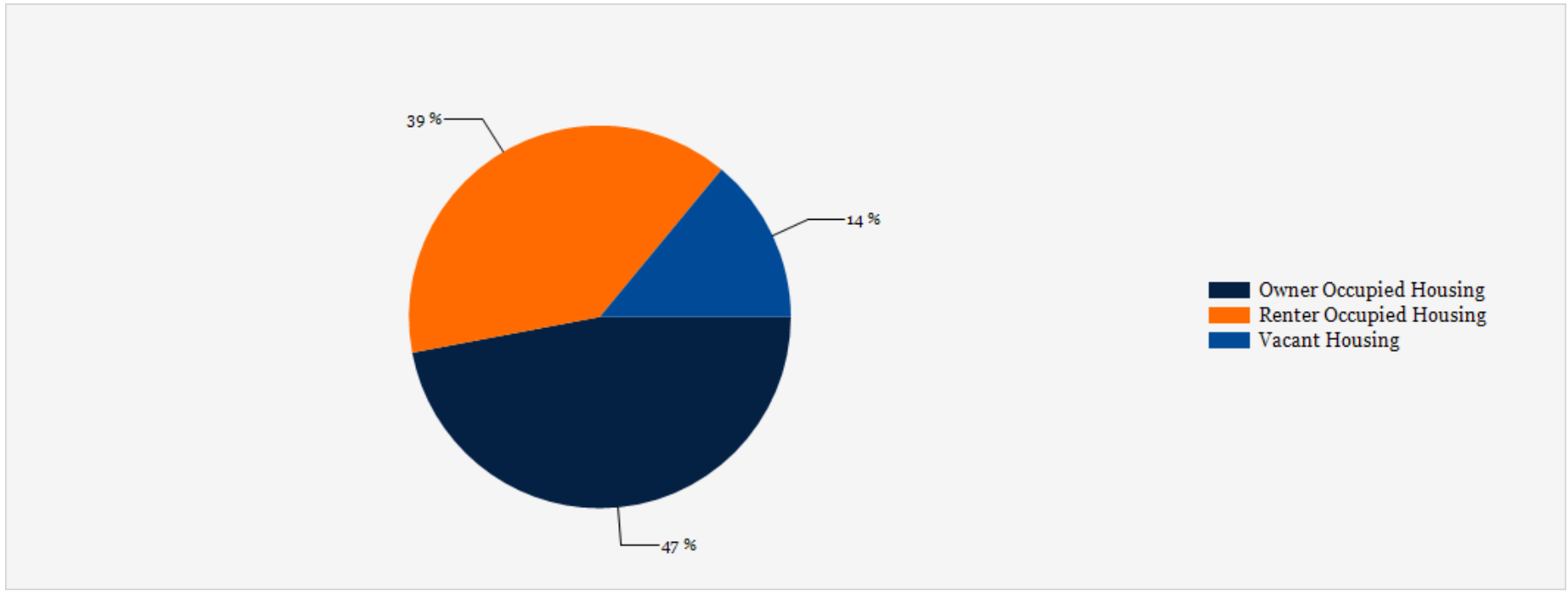
2019 Household Income



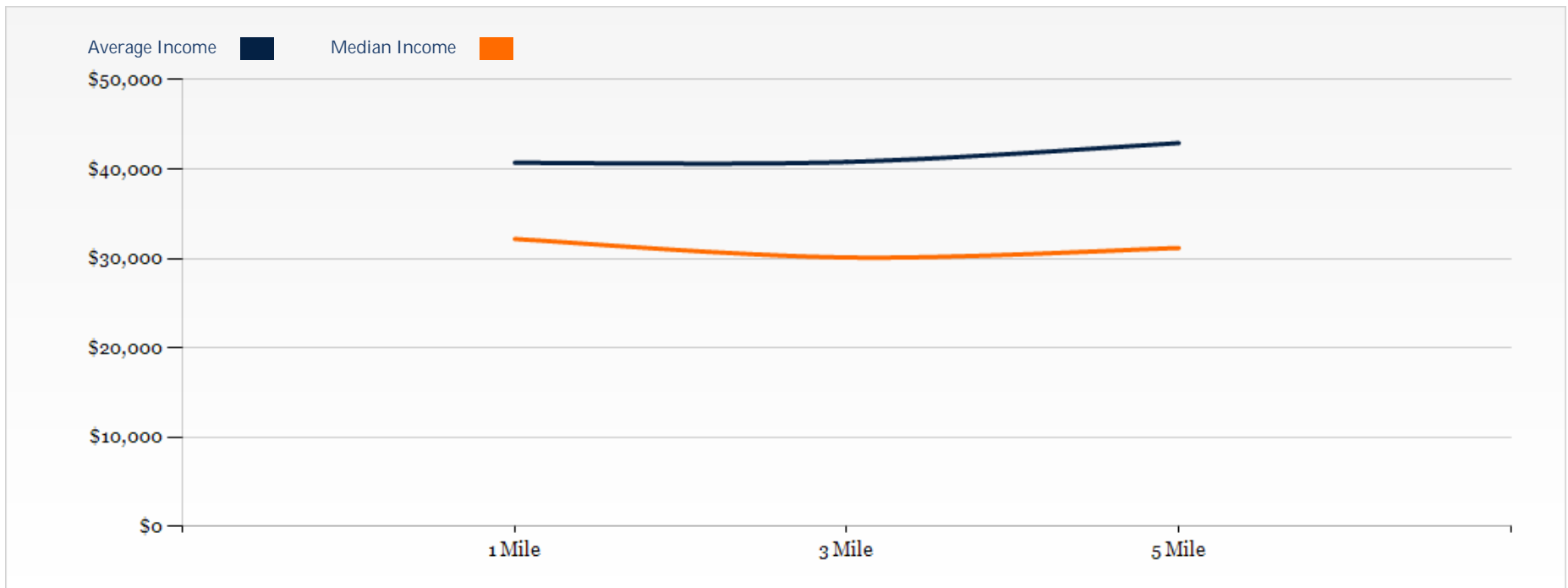
2019 Population by Race



2019 Household Occupancy - 1 Mile Radius



2019 Household Income Average and Median



# Beacon Manor Apartments

*Exclusively Marketed by:*

**Curtis Braden**

Principal Broker

(901) 881-2070

License # TN: 284224, MS19110, AR AB00069049

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