



# BAYTREE APARTMENTS

100 Baytree Lane | Bessemer City, NC 28016

**OFFERING MEMORANDUM**

# FURMAN

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CAPITAL ADVISORS

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## INVESTMENT TEAM



**Kay Hill**  
Managing Director/Shareholder  
khill@furmancap.com  
864 678 5997



**Bern DuPree**  
Director/Shareholder  
bdupree@furmancap.com  
864 678 5986



**Trey Snellings**  
Senior Associate  
tsnellings@furmancap.com  
864 678 5960



**Ari Laurenza**  
Analyst & Transaction Coordinator  
alaurenza@furmancap.com  
864 678 5994

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**INVESTMENT**  

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**HIGHLIGHTS**

Baytree Apartments  
Bessemer City, NC

# INVESTMENT HIGHLIGHTS

## Executive Summary

### PROPERTY SUMMARY

|                       |  |
|-----------------------|--|
| Address               | 100 Baytree Ln.<br>Bessemer City, NC 28016                 |
| Total Land Size       | 2.36 Acres   |
| Parcel Number         | 151685   |
| Year Built            | 1968   |
| Number of Units       | 33   |
| Number of Buildings   | 6  |
| Average SF per Unit   | 858  |
| Average Rent per Unit | \$889  |
| Parking               | 2 spaces/unit; partially repaved 2019-2020                 |
| Exterior              | Vinyl Siding and Brick Veneer in Good Condition            |
| Roofing               | Shingle; 2 replaced and 4 repaired 2018-2019               |
| Windows               | Double Pane and Insulated; replaced 2016-2017              |
| Wiring                | Copper and Remediated Aluminum                             |
| Plumbing              | Copper and Pex in Good Condition                           |
| Heat/AC               | Electric HVACs in Good Condition                           |
| Electric              | provided by Duke Energy and paid by Resident               |
| Water/Sewer           | provided by City of Bessemer City and paid by Landlord     |
| Trash Removal         | provided by New Hope Waste Management and paid by Landlord |
| Cable/Internet        | paid by resident   |
| Pest Control          | provided by Circle S and paid by Landlord                  |

### UNIT MIX

| Unit Type    | Number    | Avg Size   | Avg Asking Rent |
|--------------|-----------|------------|-----------------|
| 1/1          | 17        | 700        | \$844           |
| 2/1.5        | 16        | 1,025      | \$938           |
| <b>Total</b> | <b>33</b> | <b>858</b> | <b>\$889</b>    |

### SPACE FEATURES

- Heating
- Kitchen
- Oven
- Range

# INVESTMENT HIGHLIGHTS

## Property Overview

- Baytree Townhomes is located in Bessemer City, NC which boasts a convenient location along the I-85 corridor and is roughly 6 miles from the suburban city of Gastonia, NC and 25 miles from Charlotte
- The property enjoys a desirable location directly across the street from Bessemer City High School and walking distance to Downtown, shops and restaurants
- New economic drivers coming to the market include an Amazon delivery station and a 120-acre industrial park which is expected to increase the employer base in the city by 115%
- Area rental comps support rental premiums exceeding on average \$280 over in-place rents with light interior upgrades
- Considerable heavy lifting has already been completed on the exteriors including but not limited to: New Porches, HVACs, Plumbing and fixtures (this includes W&D hookups), Cabinets, Flooring, Appliances, Windows and Electrical Upgrades



# FINANCIALS

Cap Ex

**Current ownership has invested \$1,047,000 in capital expenditures since acquisition in 2015**

## 2015-2017

|  |         |
|--|---------|
| New Porches  | 100,000 |
| New HVAC systems   | 230,000 |
| New Plumbing & fixtures                                  | 92,000  |
| <i>Including W&amp;D hookups &amp; new Water Heaters</i> |         |
| New Cabinets   | 100,000 |
| New Appliances   | 45,000  |
| New Flooring   | 165,000 |
| New Windows  | 85,000  |
| Update electrical  | 45,000  |
| Landscaping & Tree Work                                  | 40,000  |
| Exterior/Interior Doors & Trim                           | 60,000  |

## 2018-2019

|                            |        |
|----------------------------|--------|
| Roofs on several buildings | 35,000 |
|----------------------------|--------|

## 2019-2020

|                             |        |
|-----------------------------|--------|
| Partially paved parking lot | 40,000 |
|-----------------------------|--------|

## 2021-2022

|                         |        |
|-------------------------|--------|
| New Water Lines & Meter | 10,000 |
|-------------------------|--------|

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**MARKET**

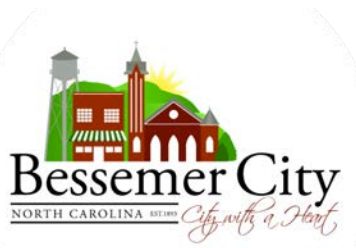
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OVERVIEW

Baytree Apartments  
Bessemer City, NC

# MARKET OVERVIEW

Bessemer City, NC



Bessemer City is a small suburban city in Gaston County, North Carolina, United States. The population is 5,340. The city is approximately 6 miles northwest of Gastonia and 25 miles west of Charlotte. It was settled in 1756 and founded in 1893.

Bessemer City is a place that celebrates its family-oriented, small town character especially through its heart, a thriving central business district, seeking a safe, well-maintained community that supports new growth.

Bessemer City is in the mining business. One of our largest industries is FMC Lithium, Inc. They are the largest producers of lithium in both Americas. Lithium is used in pharmaceuticals, batteries, ceramics, etc.





# MARKET OVERVIEW

Bessemer City, NC



Bessemer City is seeing a dramatic development spike with big projects in the industrial and residential sectors, along with a significant downtown adaptive-reuse project. The City is expecting 115% growth in its square footage for large business space. With the e-commerce boom, Bessemer City is in a position to capitalize on the expanded growth outside of Charlotte.

The industrial activity is led by a recently announced 120-acre industrial project called Edgewood85 Commerce Park, which will total one million square feet of space. In addition, another proposed project will consist of a 260,000 square foot spec industrial building at Southridge Business Park called project Foundry.

In Bessemer City's downtown, a \$31 million dollar project has been proposed to redevelop the Osage Mill building into 139 workforce apartments and ground-floor commercial space. Construction is expected to start Spring 2022.

In addition, Amazon.com Inc. has confirmed it is establishing a delivery station in Bessemer City. The facility will be a delivery station of around 180,000 square feet and will create 150 full-time jobs.

Led by the growing industrial market along the Interstate 85 corridor and the new Catawba Two Kings Casino in Kings Mountain, more growth in the area is expected.



# MARKET OVERVIEW

Charlotte, NC



Charlotte is the largest city in the state of North Carolina and the second-largest city in the southeastern United States. Located several miles east of the Catawba River and southeast of Lake Norman, the largest man-made lake in North Carolina.

Its modern city center (Uptown) is home to the Levine Museum of the New South, which explores post-Civil War history in the South, and hands-on science displays at Discovery Place. Uptown is also known for the NASCAR Hall of Fame, which celebrates the sport of auto racing through interactive exhibits and films.

Charlotte will keep you entertained, from major music events to professional sports games to cultural festivals and beyond.

Charlotte International Airport, the second largest hub for American Airlines and on the East Coast, is the second largest airport. It serves more than 140 nonstop destinations worldwide and more than 700 departures/landings daily. In 2015, Charlotte airport handled 44.8 million passengers, reaching a new record.



## Major Employers in Charlotte, NC



**COMPASS**  
GROUP®  
**Financial**  
(200,000+ employees)



**BANK OF AMERICA**  
**Financial**  
(200,000+ employees)

**Honeywell**  
**Technology & Manufacturing**  
(103,000+ employees)



Carolinas HealthCare System  
**Healthcare**  
(75,000+ employees)



**Electrolux**  
**Manufacturer**  
(55,400+ employees)



**MITSUBISHI**  
**CHEMICAL**  
**Chemicals**  
(54,111+ employees)



**UTC Aerospace Systems**  
**Technology**  
(40,984+ employees)



**JACOBSEN**  
**Machinery**  
(35,000+ employees)



**DUKE**  
**ENERGY**®  
**Energy**  
(27,535+ employees)

**NUCOR**®  
**Mining & Metals**  
(26,001+ employees)



**belk**  
**Retail**  
(25,000+ employees)



**JW**  
**JELD-WEN**  
WINDOWS & DOORS  
**Manufacturing**  
(23,300 employees)



**Chiquita Brands**  
**Food Products**  
(20,000+ employees)



**Harris**  
**Teeter**  
Neighborhood Food & Pharmacy  
**Retail**  
(20,000+ employees)



**CLARIANT**  
**Chemicals**  
(17,901+ employees)

3

# **LOCATION**

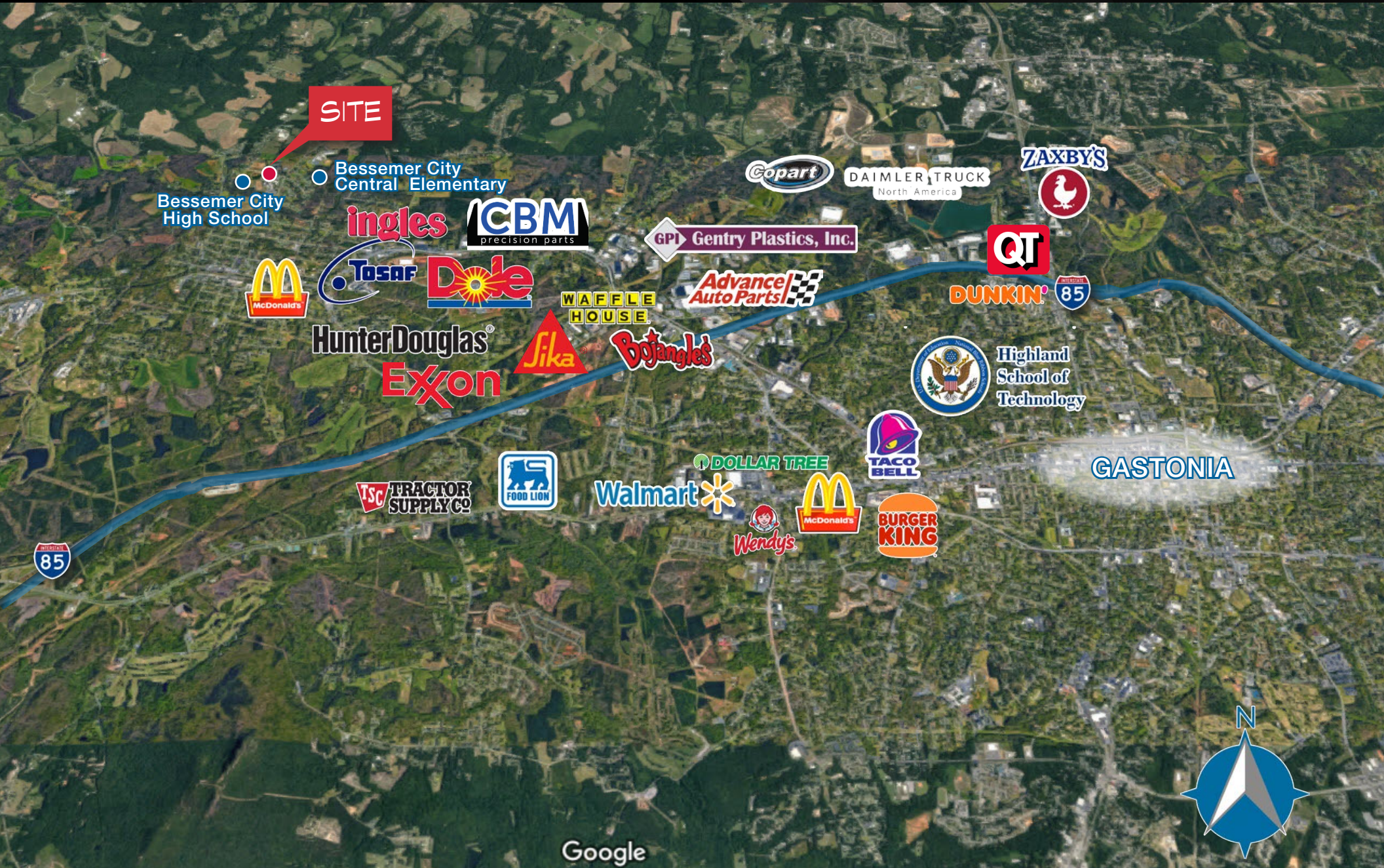
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## OVERVIEW

Baytree Apartments  
Bessemer City, NC

# LOCATION OVERVIEW

RETAIL MAP



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**PROPERTY**

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GALLERY

Baytree Apartments  
Bessemer City, NC

# PROPERTY GALLERY

Exterior Photos



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**DEMOGRAPHIC**  

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**TRENDS**

Baytree Apartments  
Bessemer City, NC



# DEMOGRAPHIC TRENDS

100 Baytree Ln. | Bessemer City, NC 28016

## POPULATION TRENDS

5-Mile

2010 **33,109**

2021 **35,227**

2026 **36,697**



2021 Population

## HOUSEHOLD TRENDS

5-Mile

2010 **12,655**

2021 **13,481**

2026 **14,047**



2021 Households

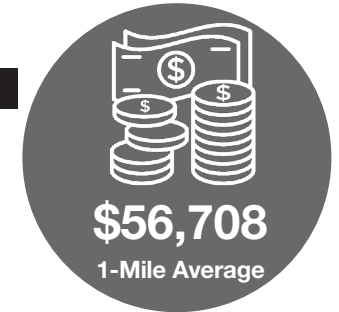
## AVERAGE HOUSEHOLD INCOME

2021

1-Mile **\$56,708**

3-Miles **\$58,334**

5-Miles **\$59,181**



## DAYTIME EMPLOYMENT

2021

1-Mile **598**

3-Miles **2,895**

5-Miles **11,599**



5-Mile Daytime Employment

## MEDIAN AGE TRENDS

2021

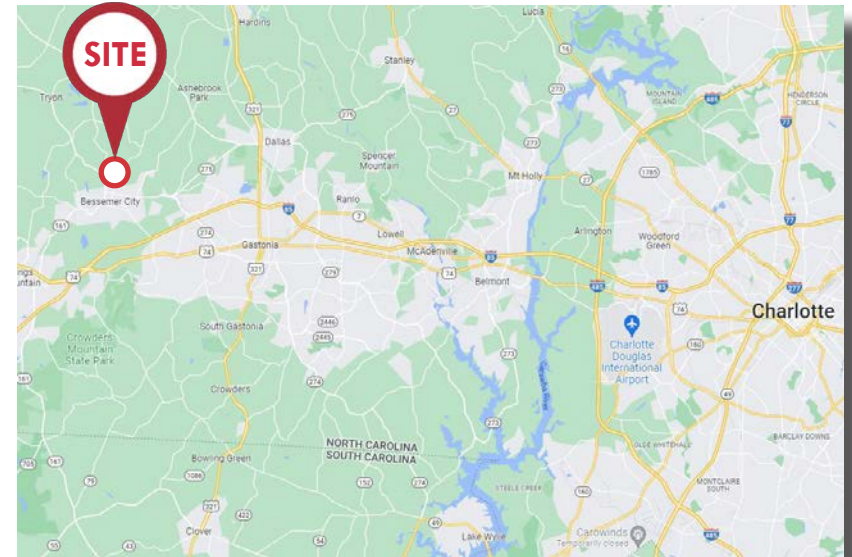
1-Mile **37.3**

3-Mile **38.7**

5-Mile **39.1**



5-Mile Median Age Trend



5

**PROPERTY**

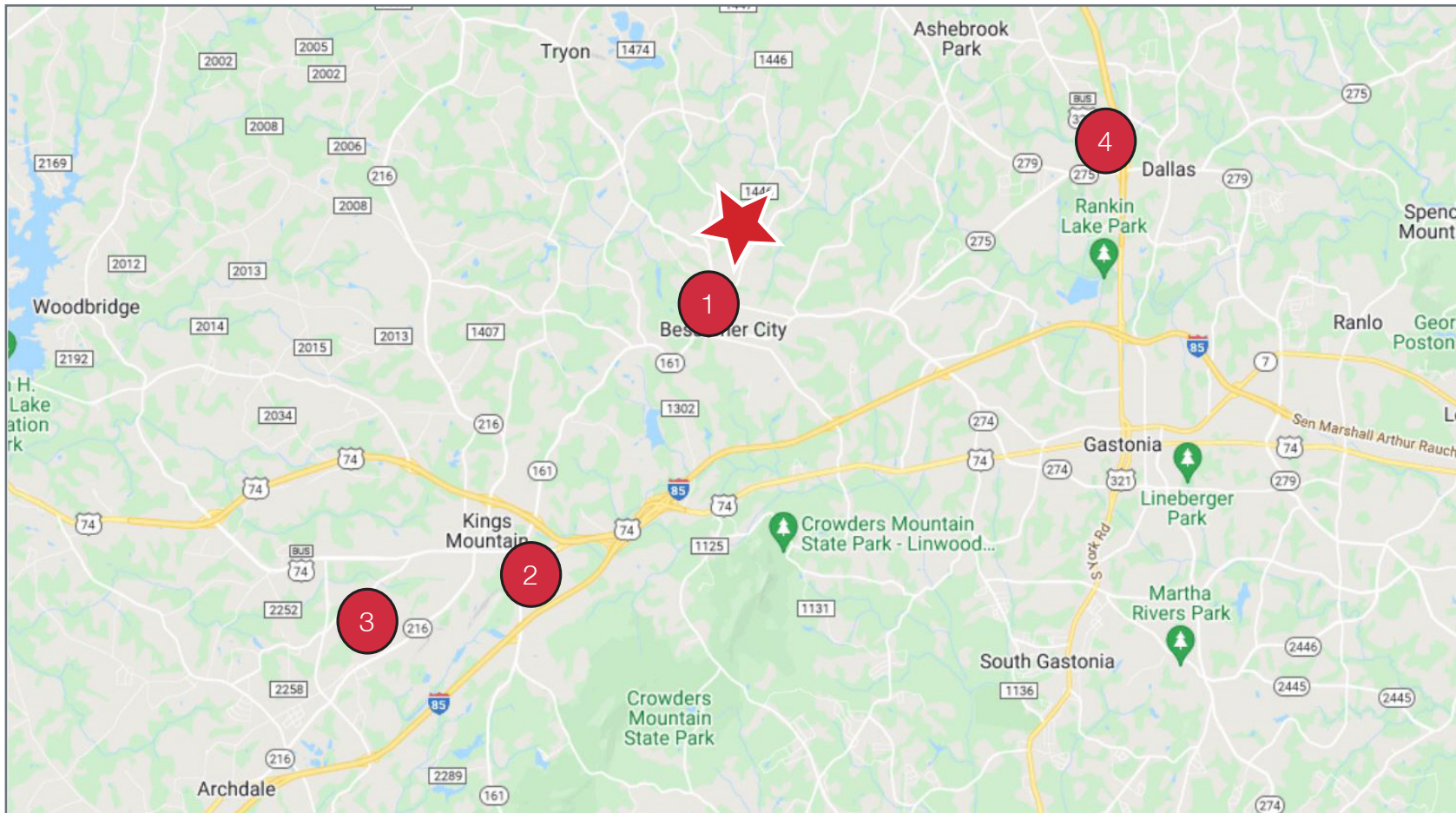
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COMPARABLE

Baytree Apartments  
Bessemer City, NC

# COMPARABLE

## Rent Properties



| PROPERTY   | TOTAL UNITS | YEAR BUILT | AVG SF | ASKING RENT | ASKING RENT/SF |
|--|-------------|------------|--------|-------------|----------------|
|  Baytree Apartments | 33          | 1968       | 858    | \$738       | \$0.86         |
| 1 Park Terrace Apartment Homes   | 50          | 1979       | 780    | \$1,281     | \$1.64         |
| 2 Mountainview Townhomes   | 100         | -          | 700    | \$813       | \$1.02         |
| 3 Chesterfield Apartments  | 50          | 1975       | 844    | \$645       | \$0.76         |
| 4 Captain's Quarters   | 32          | 1996       | 840    | \$681       | \$0.81         |

# COMPARABLE

## Rent Properties

### 1 Park Terrace Apartment Homes



309 Park Terrace Dr.  
Bessemer City, NC 28016

Year Built: 1979  
Total Units: 50  
Property Type: Garden  
Total Area (SF): 38,880

#### Unit Mix

| Bed/Bath         | Units     | SF         | Asking Rent    | Per/SF        |
|------------------|-----------|------------|----------------|---------------|
| 1 Bed / 1 Bath   | 16        | 624        | \$1,175        | \$1.88        |
| 2 Bed / 1 Bath   | 28        | 816        | \$1,295        | \$1.59        |
| 3 Bed / 1 Bath   | 6         | 1,024      | \$1,495        | \$1.46        |
| <b>Total/Avg</b> | <b>50</b> | <b>780</b> | <b>\$1,281</b> | <b>\$1.64</b> |

#### Unit Amenities

Air Conditioning  
Cable Ready  
Carpet  
Dishwasher  
Kitchen  
Range  
Tub/Shower  
Washer/Dryer Hookup  
Wheelchair Accessible (Rooms)

#### Site Amenities

24 Hour Access  
Property Manager on Site

### 2 Mountainview Townhomes



612 Charles St.  
Kings Mountain, NC 28086

Year Built: -  
Total Units: 100  
Property Type: Garden  
Total Area (SF): 91,266

#### Unit Mix

| Bed/Bath         | Units      | SF         | Asking Rent  | Per/SF        |
|------------------|------------|------------|--------------|---------------|
| 1 Bed / 1 Bath   | 33         | -          | \$710        | -             |
| 2 Bed / 2 Bath   | 33         | 800        | \$812        | \$1.02        |
| 3 Bed / 2 Bath   | 34         | -          | \$914        | -             |
| <b>Total/Avg</b> | <b>100</b> | <b>800</b> | <b>\$813</b> | <b>\$1.02</b> |

#### Unit Amenities

Air Conditioning  
Kitchen  
Oven Range  
Refrigerator  
Tub/Shower

#### Site Amenities

24 Hour Access  
Controlled Access  
Gated  
Public Transportation  
Storage Space

# COMPARABLE

## Rent Properties

### 3 Chesterfield Apartments



1 Chesterfield Ct.  
Kings Mountain, NC 28086

Year Built: 1975  
Total Units: 50  
Property Type: Garden  
Total Area (SF): 40,104

#### Unit Mix

| Bed/Bath         | Units     | SF         | Asking Rent  | Per/SF        |
|------------------|-----------|------------|--------------|---------------|
| 1 Bed / 1 Bath   | 14        | 700        | \$495        | \$0.71        |
| 2 Bed / 1 Bath   | 12        | 800        | \$599        | \$0.75        |
| 2 Bed / 1 Bath   | 12        | 900        | \$703        | \$0.78        |
| 4 Bed / 1.5 Bath | 12        | 1,000      | \$807        | \$0.81        |
| <b>Total/Avg</b> | <b>50</b> | <b>844</b> | <b>\$645</b> | <b>\$0.76</b> |

#### Unit Amenities

Kitchen  
Oven  
Range  
Tub/Shower

#### Site Amenities

Property Manager on Site

### 4 Captain's Quarters



1001-1004 Captain's Quarters Dr.  
Dallas, NC 28034

Year Built: 1996  
Total Units: 32  
Property Type: Garden  
Total Area (SF): 32,256

#### Unit Mix

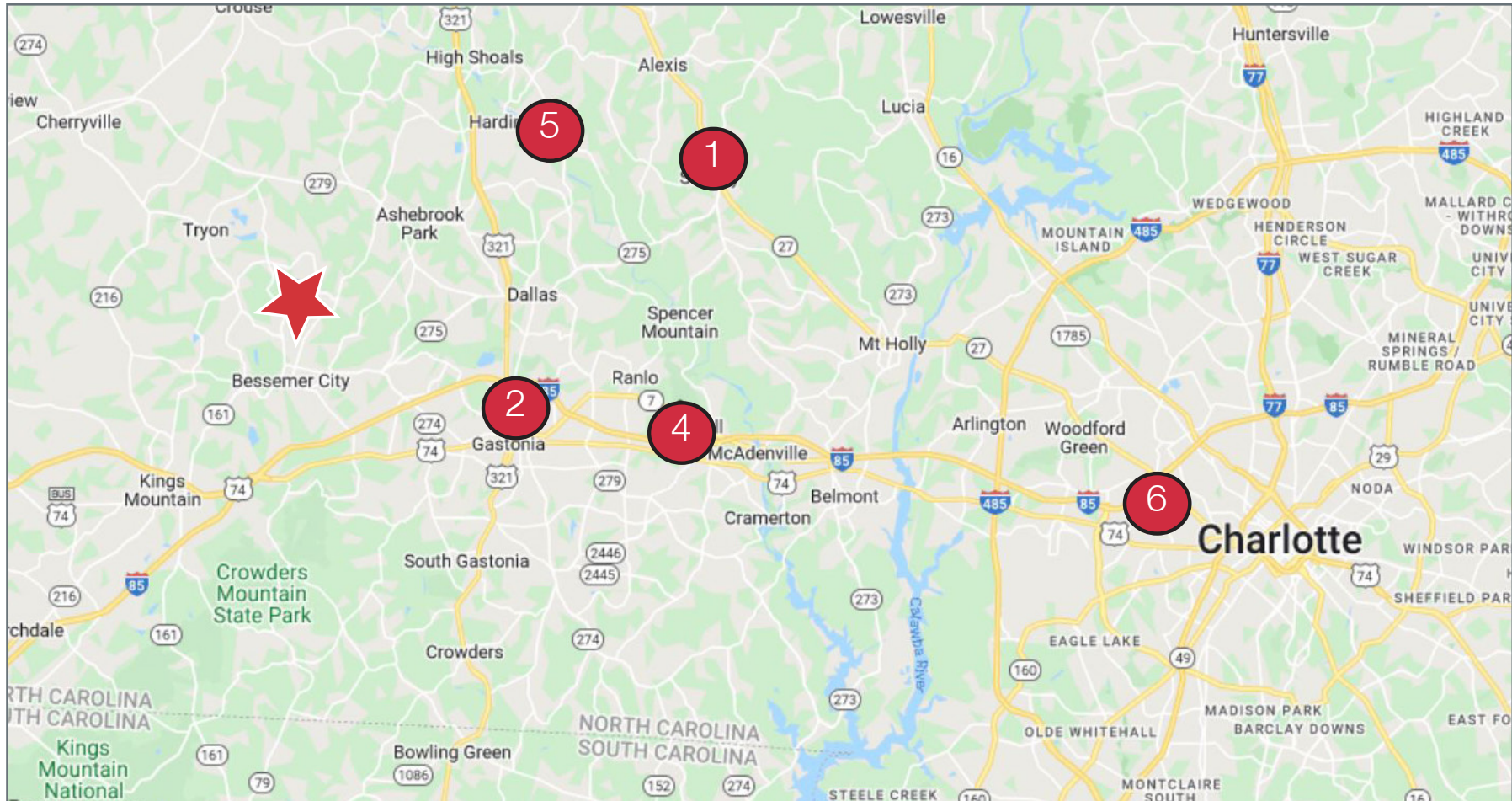
| Bed/Bath         | Units     | SF         | Asking Rent  | Per/SF        |
|------------------|-----------|------------|--------------|---------------|
| 2 Bed / 1 Bath   | 32        | 840        | \$681        | \$0.81        |
| <b>Total/Avg</b> | <b>32</b> | <b>840</b> | <b>\$681</b> | <b>\$0.81</b> |


#### Space Features

Air Conditioning  
Storage Space  
Washer/Dryer Hookup  
Wheelchair Accessible (Rooms)

# COMPARABLE

## Sale Properties



|   | PROPERTY                  | # UNITS | YEAR      | ACRES | SALE DATE | SALE        | PRICE/UNIT |
|---|---------------------------|---------|-----------|-------|-----------|-------------|------------|
|  | Baytree Apartments        | 33      | 1968      | 2.36  | TBD       | TBD         | TBD        |
| 1   | Riverbend Place           | 30      | 1989      | 2.16  | Sep 2021  | \$2,850,000 | \$142,500  |
| 2   | Armstrong Apartments      | 18      | 1920/2013 | 0.91  | Nov 2021  | \$2,450,000 | \$136,111  |
| 3   | Gardner Ridge Apartments  | 50      | 1988      | 3.51  | Sep 2021  | \$6,500,000 | \$130,000  |
| 4   | Northway at Gardner Ridge | 56      | 1989      | 3.43  | Dec 2021  | \$6,075,000 | \$108,482  |
| 5   | 204 Sams Trl.             | 34      | 1985      | 22.60 | Oct 2021  | \$3,300,000 | \$97,059   |
| 6   | Queen's Gate              | 28      | 1969      | 1.85  | Mar 2021  | \$2,650,000 | \$94,643   |

# COMPARABLE

## Sale Properties

### 1 Riverbend Place



201 Fieldcrest Pl.  
Stanley, NC 28164

Year Built: 1989  
Total Units: 30  
Property Type: Low-Rise  
Total Area (SF): 25,639 SF  
Sale Price: \$2,850,000 SF  
Price/Unit: \$142,500

#### Unit Mix

| Bed/Bath         | Units     | SF | Asking Rent | Per/SF |
|------------------|-----------|----|-------------|--------|
| 1 Bed / 1 Bath   | 30        | -  | -           | -      |
| <b>Total/Avg</b> | <b>30</b> |    |             |        |

#### Unit Amenities

Cable Ready  
Carpet  
Dishwasher  
Disposal  
Grill  
Kitchen  
Oven  
Range

#### Site Amenities

Fitness Center  
Laundry Facilities

### 2 Armstrong Apartments



102 W. 2nd Ave.  
Gastonia, NC 28052

Year Built: 1920/2013  
Total Units: 18  
Property Type: Low-Rise  
Total Area (SF): 19,672 SF  
Sale Price: \$2,450,000 SF  
Price/Unit: \$136,111

#### Unit Mix

| Bed/Bath         | Units     | SF           | Asking Rent  | Per/SF        |
|------------------|-----------|--------------|--------------|---------------|
| 1 Bed / 1 Bath   | 6         | 1,000        | \$786        | \$0.79        |
| 2 Bed / 1.5 Bath | 12        | 1,400        | \$1,100      | \$0.79        |
| <b>Total/Avg</b> | <b>18</b> | <b>1,267</b> | <b>\$995</b> | <b>\$0.79</b> |

#### Space Features

Air Conditioning  
Balcony  
Dishwasher  
Hardwood Floors  
Heating  
Patio  
Washer/Dryer Hookup  
Wheelchair Accessible (Rooms)

# COMPARABLE

## Sale Properties

### 3 Gardner Ridge Apartments



3999 Gardner Ridge Dr.  
Gastonia, NC 28056

Year Built: 1988  
Total Units: 50  
Property Type: Garden  
Total Area (SF): 56,042 SF  
Sale Price: \$6,500,000  
Price/Unit: \$130,000

#### Unit Mix

| Bed/Bath         | Units     | SF           | Asking Rent    | Per/SF        |
|------------------|-----------|--------------|----------------|---------------|
| 1 Bed / 1 Bath   | 10        | 815          | \$1,198        | \$1.47        |
| 2 Bed / 2 Bath   | 30        | 1,031        | \$1,353        | \$1.31        |
| 3 Bed / 2 Bath   | 10        | 1,187        | \$1,599        | \$1.35        |
| <b>Total/Avg</b> | <b>50</b> | <b>1,019</b> | <b>\$1,371</b> | <b>\$1.35</b> |

#### Unit Amenities

Cable Ready  
Dishwasher  
Disposal  
Heating  
Kitchen  
Range  
Refrigerator  
Storage Space  
Washer/Dryer Hookup

#### Site Amenities

24 Hour Access  
Maintenance on site  
Picnic Area  
Property Manager on Site

### 4 Northway at Gardner Ridge



4132 Gardner Ridge Dr.  
Gastonia, NC 28054

Year Built: 1989  
Total Units: 56  
Property Type: Garden  
Total Area (SF): 45,864 SF  
Sale Price: \$6,075,000  
Price/Unit: \$108,482

#### Unit Mix

| Bed/Bath         | Units     | SF         | Asking Rent  | Per/SF        |
|------------------|-----------|------------|--------------|---------------|
| 1 Bed / 1 Bath   | 56        | 750        | \$925        | \$1.23        |
| <b>Total/Avg</b> | <b>56</b> | <b>750</b> | <b>\$925</b> | <b>\$1.23</b> |

#### Unit Amenities

Dishwasher  
Microwave  
Oven  
Range  
Washer/Dryer

#### Site Amenities

Controlled Access  
Public Transportation



# COMPARABLE

## Sale Properties

### 5 204 Sams Trl.



204 Sams Trl.  
Dallas, NC 28034

Year Built: 1985  
Total Units: 34  
Property Type: Garden  
Total Area (SF): 31,800 SF  
Sale Price: \$3,300,000  
Price/Unit: \$97,059

#### Unit Mix

| Bed/Bath         | Units     | SF         | Asking Rent | Per/SF   |
|------------------|-----------|------------|-------------|----------|
| 1 Bed / 1 Bath   | 34        | 670        | -           | -        |
| <b>Total/Avg</b> | <b>34</b> | <b>670</b> | <b>-</b>    | <b>-</b> |

#### Unit Amenities

Cable Ready  
Carpet  
Dishwasher  
Disposal  
Grill  
Kitchen  
Oven  
Range

#### Site Amenities

Fitness Center  
Laundry Facilities

### 6 Queen's Gate



2432 Pruitt St.  
Charlotte, NC 28208

Year Built: 1969  
Total Units: 28  
Property Type: Garden  
Total Area (SF): 27,870 SF  
Sale Price: \$2,650,000  
Price/Unit: \$94,643

#### Unit Mix

| Bed/Bath         | Units     | SF         | Asking Rent  | Per/SF        |
|------------------|-----------|------------|--------------|---------------|
| 2 Bed / 1 Bath   | 1         | 730        | \$672        | \$0.92        |
| 2 Bed / 1 Bath   | 3         | 843        | \$776        | \$0.92        |
| 2 Bed / 1.5 Bath | 21        | 1,000      | \$852        | \$0.85        |
| 3 Bed / 1 Bath   | 3         | 1,037      | \$965        | \$0.93        |
| <b>Total/Avg</b> | <b>28</b> | <b>978</b> | <b>\$850</b> | <b>\$0.87</b> |

#### Space Features

Air Conditioning  
Dishwasher  
Heating  
Oven  
Refrigerator  
Washer/Dryer Hookup

5

**FINANCIAL**

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OVERVIEW

Baytree Apartments  
Bessemer City, NC

# FINANCIALS

## Pro Forma Assumptions

### Year 1 Pro Forma Assumptions

#### INCOME

**GROSS POTENTIAL RENT:** Gross potential rent is determined by asking rents at current market levels, assuming all units are renovated and achieving a premium, and is anticipated to increase by 4% annually in years 3-5.

**VACANCY LOSS:** Vacancy loss is forecast at 5.00%.

**OTHER INCOME:** Other income is based on market operations.



#### EXPENSE

**REPAIRS & MAINTENANCE EXPENSE:** Repairs and maintenance expense is based on market and historical operations.

**UTILITIES EXPENSE:** Utilities expense is based on historical operations.

**GENERAL & ADMINISTRATIVE EXPENSE:** General & administrative expense is based on market and historical operations.

**MANAGEMENT FEE:** Management fee is based on market and historical operations.

**INSURANCE:** Insurance is based on historical operations.

**TAXES:** Taxes in Gaston County are set to reassess in 2023. Year 2 expense is based on actual millage rates and projected assessed value. Taxes are estimates only.

# FINANCIALS

## Rent Analysis

### Baytree Apartments - Bessemer City, NC

#### YEAR 1 Rent Growth

|                             | Monthly         | Annually         |
|-----------------------------|-----------------|------------------|
| Market Rent                 | \$32,950        | \$395,400        |
| Leases Under Schedule       | (\$9,480)       | (\$113,760)      |
| Per Unit                    | (\$287)         | (\$3,447)        |
| <b>Gross Potential Rent</b> | <b>\$23,470</b> | <b>\$281,640</b> |

| Unit Type    | Units     | Rent         | SF            | Rent/SF       | Monthly         | Annual           |
|--------------|-----------|--------------|---------------|---------------|-----------------|------------------|
| 1/1          | 17        | \$950        | 700           | \$1.36        | \$16,150        | \$193,800        |
| 2/1.5        | 16        | \$1,050      | 1,025         | \$1.02        | \$16,800        | \$201,600        |
| <b>Total</b> | <b>33</b> | <b>\$998</b> | <b>28,300</b> | <b>\$1.16</b> | <b>\$32,950</b> | <b>\$395,400</b> |

|              | 50%             |          | \$75      |       | 50%        |           | \$290           |                    | Leases Under Sched. | Gross Pot. Rent |
|--------------|-----------------|----------|-----------|-------|------------|-----------|-----------------|--------------------|---------------------|-----------------|
|              | Leases Expiring | Renewals | Rent Inc. | Total | New Leases | Rent Inc. | Total Rent Inc. |                    |                     |                 |
| January      | 1               | 1        | \$75      | \$38  | 1          | \$145     | \$183           | (9,297.50)         | \$23,653            |                 |
| February     | 2               | 1        | \$75      | \$75  | 1          | \$290     | \$365           | (8,932.50)         | \$24,018            |                 |
| March        | 2               | 1        | \$75      | \$75  | 1          | \$290     | \$365           | (8,567.50)         | \$24,383            |                 |
| April        | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (8,020.00)         | \$24,930            |                 |
| May          | 5               | 3        | \$75      | \$188 | 3          | \$725     | \$913           | (7,107.50)         | \$25,843            |                 |
| June         | 1               | 1        | \$75      | \$38  | 1          | \$145     | \$183           | (6,925.00)         | \$26,025            |                 |
| July         | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (6,377.50)         | \$26,573            |                 |
| August       | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (5,830.00)         | \$27,120            |                 |
| September    | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (5,282.50)         | \$27,668            |                 |
| October      | 0               | 0        | \$75      | \$0   | 0          | \$0       | \$0             | (4,187.50)         | \$28,763            |                 |
| November     | 6               | 3        | \$75      | \$225 | 3          | \$870     | \$1,095         | (3,457.50)         | \$29,493            |                 |
| December     | 4               | 2        | \$75      | \$150 | 2          | \$580     | \$730           |                    |                     |                 |
| <b>Total</b> | <b>33</b>       |          |           |       |            |           |                 | <b>(79,267.50)</b> | <b>\$316,133</b>    |                 |

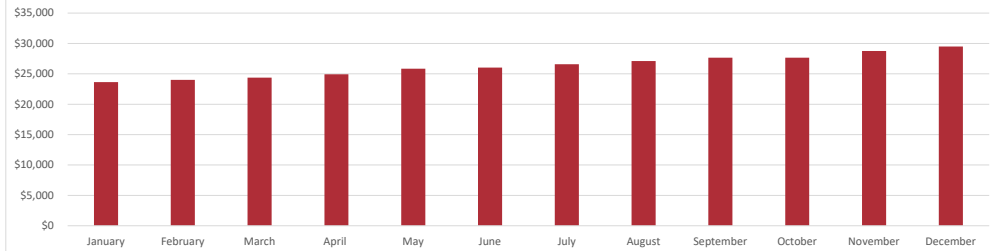
#### YEAR 2 Rent Growth

|                             | Monthly         | Annually         |
|-----------------------------|-----------------|------------------|
| Market Rent                 | \$32,950        | \$395,400        |
| Leases Under Schedule       | (3,458)         | (41,490)         |
| <b>Gross Potential Rent</b> | <b>\$29,493</b> | <b>\$353,910</b> |

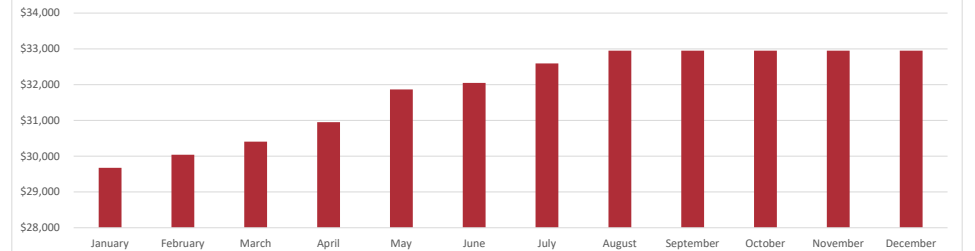
| Unit Type    | Units     | Rent         | SF            | Rent/SF       | Monthly         | Annual           |
|--------------|-----------|--------------|---------------|---------------|-----------------|------------------|
| 1/1          | 17        | \$950        | 700           | \$1.36        | \$16,150        | \$193,800        |
| 2/1.5        | 16        | \$1,050      | 1,025         | \$1.02        | \$16,800        | \$201,600        |
| <b>Total</b> | <b>33</b> | <b>\$998</b> | <b>28,300</b> | <b>\$1.16</b> | <b>\$32,950</b> | <b>\$395,400</b> |

|              | 50%             |          | \$75      |       | 50%        |           | \$290           |                    | Leases Under Sched. | Gross Pot. Rent |
|--------------|-----------------|----------|-----------|-------|------------|-----------|-----------------|--------------------|---------------------|-----------------|
|              | Leases Expiring | Renewals | Rent Inc. | Total | New Leases | Rent Inc. | Total Rent Inc. |                    |                     |                 |
| January      | 1               | 1        | \$75      | \$38  | 1          | \$145     | \$183           | (3,275.00)         | \$29,675            |                 |
| February     | 2               | 1        | \$75      | \$75  | 1          | \$290     | \$365           | (2,910.00)         | \$30,040            |                 |
| March        | 2               | 1        | \$75      | \$75  | 1          | \$290     | \$365           | (2,545.00)         | \$30,405            |                 |
| April        | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (1,997.50)         | \$30,953            |                 |
| May          | 5               | 3        | \$75      | \$188 | 3          | \$725     | \$913           | (1,085.00)         | \$31,865            |                 |
| June         | 1               | 1        | \$75      | \$38  | 1          | \$145     | \$183           | (902.50)           | \$32,048            |                 |
| July         | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | (355.00)           | \$32,595            |                 |
| August       | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | \$0                | \$32,950            |                 |
| September    | 3               | 2        | \$75      | \$113 | 2          | \$435     | \$548           | \$0                | \$32,950            |                 |
| October      | 0               | 0        | \$75      | \$0   | 0          | \$0       | \$0             | \$0                | \$32,950            |                 |
| November     | 6               | 3        | \$75      | \$225 | 3          | \$870     | \$1,095         | \$0                | \$32,950            |                 |
| December     | 4               | 2        | \$75      | \$150 | 2          | \$580     | \$730           | \$0                | \$32,950            |                 |
| <b>Total</b> | <b>33</b>       |          |           |       |            |           |                 | <b>(13,070.00)</b> | <b>\$382,330</b>    |                 |

#### YEAR 1 RENT GROWTH



#### YEAR 2 RENT GROWTH



# FINANCIALS

## Financial Summary & Proforma

### Baytree Apartments - Bessemer City, NC

|  | TRAILING-12<br>12/31/2021  |                | T-3 INCOME/T-12 EXPENSES<br>12/31/2021 |                | FCA PRO FORMA<br>YEAR 1 |                | EXTENDED PRO FORMA |                   |                   |                   |
|--|----------------------------|----------------|--|----------------|-------------------------|----------------|--------------------|-------------------|-------------------|-------------------|
|  | TOTAL                      | PER UNIT       | TOTAL                                  | PER UNIT       | TOTAL                   | PER UNIT       | YEAR 2<br>TOTAL    | YEAR 3<br>TOTAL   | YEAR 4<br>TOTAL   | YEAR 5<br>TOTAL   |
| <b>Income</b>                                |                            |                |  |                |                         |                |                    |                   |                   |                   |
| Market Rent                                  | \$240,685                  | \$7,293        | \$280,620                              | \$8,504        | \$395,400               | \$11,982       | \$395,400          | \$411,216         | \$427,665         | \$444,771         |
| Gain/(Loss) to Lease                         | \$0                        | \$0            | \$0                                    | \$0            | (\$79,268)              | (\$2,402)      | (\$13,070)         | \$0               | \$0               | \$0               |
| <b>Total Gross Potential Rent</b>            | <b>\$240,685</b>           | <b>\$7,293</b> | <b>\$280,620</b>                       | <b>\$8,504</b> | <b>\$316,133</b>        | <b>\$9,580</b> | <b>\$382,330</b>   | <b>\$411,216</b>  | <b>\$427,665</b>  | <b>\$444,771</b>  |
| Vacancy Loss                                 | INCOME DETAIL NOT PROVIDED |                | INCOME DETAIL NOT PROVIDED             |                | (\$15,807)              | 5.00%          | (\$19,770)         | (\$20,561)        | (\$21,383)        | (\$22,239)        |
| <b>Total Deductions</b>                      |                            |                |  |                | <b>(\$15,807)</b>       | <b>5.00%</b>   | <b>(\$19,770)</b>  | <b>(\$20,561)</b> | <b>(\$21,383)</b> | <b>(\$22,239)</b> |
| <b>NET RENTAL INCOME</b>                     | <b>\$240,685</b>           | <b>\$7,293</b> | <b>\$280,620</b>                       | <b>\$8,504</b> | <b>\$300,326</b>        | <b>\$9,101</b> | <b>\$362,560</b>   | <b>\$390,655</b>  | <b>\$406,281</b>  | <b>\$422,533</b>  |
| Late Fees and Other Income                   | \$0                        | \$0            | \$0                                    | \$0            | \$1,650                 | \$50           | \$1,683            | \$1,717           | \$1,751           | \$1,786           |
| <b>Total Other Income</b>                    | <b>\$0</b>                 | <b>\$0</b>     | <b>\$0</b>                             | <b>\$0</b>     | <b>\$1,650</b>          | <b>\$50</b>    | <b>\$1,683</b>     | <b>\$1,717</b>    | <b>\$1,751</b>    | <b>\$1,786</b>    |
| <b>TOTAL OPERATING INCOME</b>                | <b>\$240,685</b>           | <b>\$7,293</b> | <b>\$280,620</b>                       | <b>\$8,504</b> | <b>\$301,976</b>        | <b>\$9,151</b> | <b>\$364,243</b>   | <b>\$392,372</b>  | <b>\$408,032</b>  | <b>\$424,319</b>  |
| <b>Expenses</b>                              |                            |                |  |                |                         |                |                    |                   |                   |                   |
| General Repairs & Maintenance                | \$6,000                    | \$182          | \$6,000                                | \$182          | \$10,000                | \$303          | \$10,200           | \$10,404          | \$10,612          | \$10,824          |
| Landscaping                                  | \$6,600                    | \$200          | \$6,600                                | \$200          | \$7,000                 | \$212          | \$7,140            | \$7,283           | \$7,428           | \$7,577           |
| <b>Subtotal Repairs &amp; Maintenance</b>    | <b>\$12,600</b>            | <b>\$382</b>   | <b>\$12,600</b>                        | <b>\$382</b>   | <b>\$17,000</b>         | <b>\$515</b>   | <b>\$17,340</b>    | <b>\$17,687</b>   | <b>\$18,041</b>   | <b>\$18,401</b>   |
| Utilities                                    | \$25,624                   | \$776          | \$25,624                               | \$776          | \$26,393                | \$800          | \$27,185           | \$28,000          | \$28,840          | \$29,706          |
| General & Administrative                     | \$4,330                    | \$131          | \$4,330                                | \$131          | \$10,000                | \$303          | \$10,200           | \$10,404          | \$10,612          | \$10,824          |
| Management Fee                               | \$14,441                   | \$438          | \$14,441                               | \$438          | \$18,119                | 6.00%          | \$21,855           | \$23,542          | \$24,482          | \$25,459          |
| Insurance                                    | \$12,570                   | \$381          | \$12,570                               | \$381          | \$12,500                | \$379          | \$12,625           | \$12,751          | \$12,879          | \$13,008          |
| Property Tax                                 | \$10,602                   | \$321          | \$10,602                               | \$321          | \$10,602                | \$321          | \$52,800           | \$53,328          | \$53,861          | \$54,400          |
| <b>TOTAL EXPENSES</b>                        | <b>\$80,167</b>            | <b>\$2,429</b> | <b>\$80,167</b>                        | <b>\$2,429</b> | <b>\$94,614</b>         | <b>\$2,867</b> | <b>\$142,004</b>   | <b>\$145,713</b>  | <b>\$148,715</b>  | <b>\$151,798</b>  |
| <b>NET OPERATING INCOME</b>                  | <b>\$160,518</b>           | <b>\$4,864</b> | <b>\$200,453</b>                       | <b>\$6,074</b> | <b>\$207,362</b>        | <b>\$6,284</b> | <b>\$222,239</b>   | <b>\$246,659</b>  | <b>\$259,317</b>  | <b>\$272,521</b>  |
| Capital Reserves                             | \$8,250                    | \$250          | \$8,250                                | \$250          | \$8,250                 | \$250          | \$8,250            | \$8,250           | \$8,250           | \$8,250           |
| <b>NET OPERATING INCOME (After Reserves)</b> | <b>\$152,268</b>           | <b>\$4,614</b> | <b>\$192,203</b>                       | <b>\$5,824</b> | <b>\$199,112</b>        | <b>\$6,034</b> | <b>\$213,989</b>   | <b>\$238,409</b>  | <b>\$251,067</b>  | <b>\$264,271</b>  |

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101 E. WASHINGTON STREET, SUITE 400 | GREENVILLE, SC 29601

864.235.6855 | [FURMANCAPITAL.COM](http://FURMANCAPITAL.COM)