



Terrace Hill El Paso, TX

310 Unit Class B Multi-family

Value-Add Investment
Opportunity



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Terrace Hill El Paso, TX 310 Unit Multi-family Value-Add Investment Opportunity



Meet the Team



Experienced Multi-Family Operators

- Collectively we have invested in thousands of doors as both GP's and LP's
 - Current holdings valued over \$200 million

Combined, we have over 4,000 multi-family units in:

- Cincinnati and Cleveland, Ohio
 - Albuquerque, NM
 - Salt Lake City, UT,
- Dallas and El Paso, TX)
- Northern California
 - Atlanta (GA)
 - Phoenix, AZ
 - Tampa, FL



Sam Newell, CEO & Founder, Multi-Family Investment Club

Sam started his syndication company with one goal – buy conservative multi-family investment properties with high cash-flow and double-digit returns. He's committed to bringing opportunities to as many of his friends, family, and clients as possible, helping them prosper from the growth and security that well-bought multi-family assets offer. Now, with over 1,200 doors across 5 states, Sam and his team are dedicated to finding risk-mitigated properties and sending out monthly distributions to their loyal investor partners.

Meet the Team

Steeve Breton, Founder, Velocity Capital

Steeve brings years of hands-on real estate experience to investors, including multi-family repositioning, re-development and investment in over 3,000 apartment units. He holds an MBA from Babson College's Olin School of Business. Prior to launching Velocity Capital, he consistently delivered multi-million-dollar IT systems solutions in the Financial and Biotech industries, helping employers realize substantial ROI.

Since 2013 he has leveraged his business operations experience, conservative approach, and analytical skills to spot properties with potential, clearly assess risk, invest wisely and manage assets to maximize returns.

Michael Young, Founder, Princeton Pacific Properties

Mr. Young is an active Real Estate Investor and owner specializing in manufactured housing communities and apartment buildings currently controlling over 1,000 units. Mr. Young was among the first developers in the state of California to bring "stick built" prefab homes in a mobile home park setting in 1984.

Michael also owns Princeton Pacific Properties and personally brokers approximately 100 homes per year with a career in helping over 2,700 families and individuals representing their sales since 1990.



Princeton Pacific Properties

Meet the Team



Ed Kaminsky, Founder Kaminsky Real Estate Group

Ed Kaminsky is an expert in the Real Estate industry. He has been named one of the Top 100 of America's Top Performing Real Estate agents by The Wall Street Journal, and was awarded Best Marketing Campaign for a property in 2013, by Leaders in Luxury. Ed has been licensed and practicing Real Estate in the South Bay and greater Los Angeles communities since 1987. Ed and his dynamic team have been featured on ESPN, FOX, NBC, ABC, BRAVO!, HGTV and THE FINE LIVING.



Matt Jensen, Asset Management/Investor Relations

Matthew Jensen has 15 years of experience advising institutional and high net worth investors. He co-founded SIG Equity Partners, a LA-based commercial real estate investment and advisory firm. There, he developed strategic partnerships as well as secure equity commitments for acquisitions ranging from \$50-150 million from a variety of capital partners including private equity funds, family offices and high net worth investors. Matt has originated over \$5 billion in debt and equity financings during his career. He graduated with honors from the University of San Diego and currently holds or has held his Series 7, 22, 63 and 65 licenses and held a California real estate license.



Investment Highlights

“4th Safest City in the US”

Significant CAPEX Completed

- New roofs, new HVAC
- Little deferred maintenance

Current Market Rents

\$100-200 higher than in-place rents

Nearby Entertainment

Topgolf, Alamo Drafthouse, iFly Indoor Skydiving,
Outdoor Dining

Diversified Job Market

One of North America's largest trade hubs with a newly built Amazon Fulfillment Center, one of the US's largest Army bases, University of Texas, El Paso, Las Palmas Medical Center and more



Investment Highlights

\$27.3M

Purchase Price

\$28M Bank Appraisal

\$88K

Price per door

3-5 Year

Investment Term

\$1.1M

Rehab Budget

506(c)

Accredited
Investors
Only

\$10.9M

Total Raise

*The projections shown above are intended for illustrative purposes only to facilitate analysis and are not guaranteed by Sponsors. These forecasts are based on real estate trends (including occupancy and rent trends), and Sponsor(s)' calculated estimates, and they involve risks, variables and uncertainties. Sponsor(s) make no representations or warranties that any investor will, or is likely to, attain the projected returns shown above since hypothetical or simulated performance is not an indicator or assurance of future results. Please review the financials disclaimers on page 2 and *Risk Factors* in PPM.

*The equity multiple assumes a 5.65% Exit Cap rate. Exit Cap rate is Sponsor(s)' best estimate, but no one can predict what Cap Rates will be at exit. Actual Cap rates will likely be different and could be higher or lower. Higher Exit Cap would result in lower sales price and lower investor returns.

Investment Offering

\$100k
Minimum
Investment

17-19%
Average Annual
Return

8 -10%
Cash Flows
(6% Preferred)

70/30
Income Split
(LP/GP)
30/70 after 17%
AAR

~1.55x
Equity Multiple
(In 4 Years)

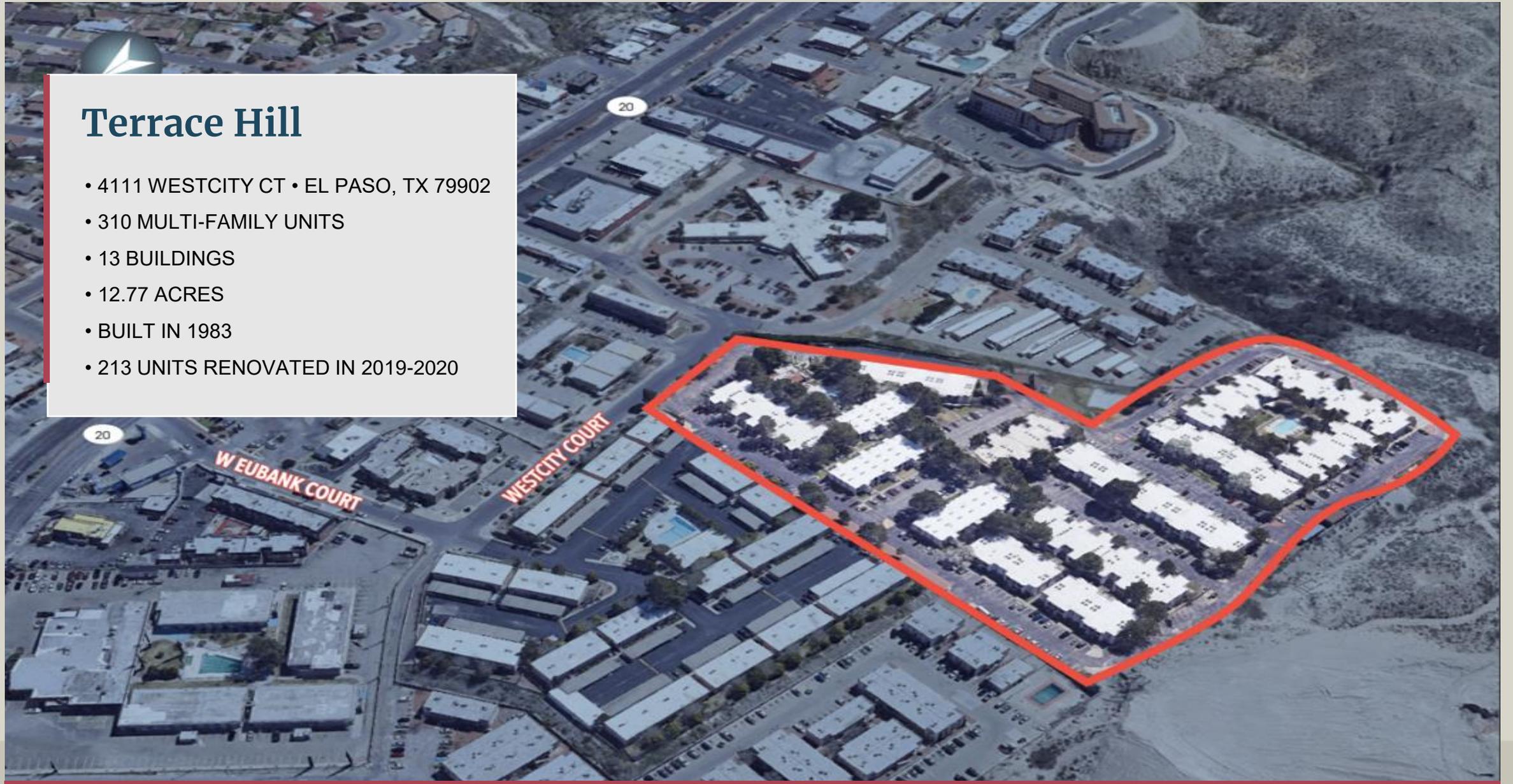
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Location



Terrace Hill

- 4111 WESTCITY CT • EL PASO, TX 79902
- 310 MULTI-FAMILY UNITS
- 13 BUILDINGS
- 12.77 ACRES
- BUILT IN 1983
- 213 UNITS RENOVATED IN 2019-2020





El Paso Area Statistics

#1 Best-run city in Texas – *WalletHub*

#1 Lowest cost of living – *Forbes*

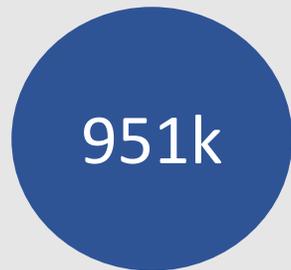
#1 Most affordable major U.S. City - *Move.org*

#1 Top retirement destination for downtown living - *Where to Retire*

#4 Hottest real estate markets to watch – *Trulia*

#5 Safest large US city – *Advisor Smith, 2020*

#7 Best city to raise a family - *SmartAsset*



Population
(MSA)



Median
Household
Income



Median Home
Value



Job Growth

Source: Dept of Numbers



Neighborhood Statistics



Median Household
Income



Median Home
Value



Avg. Occupancy



Unemployment
Rate
Over last 5 years



Household
Income Growth
Over last 5 years



Avg. Market
Rent



Rent Growth
Last Year



Avg Rent
Growth
Over last 3 years

Source: Neighborhood Scout, CoStar



El Paso Rent Growth

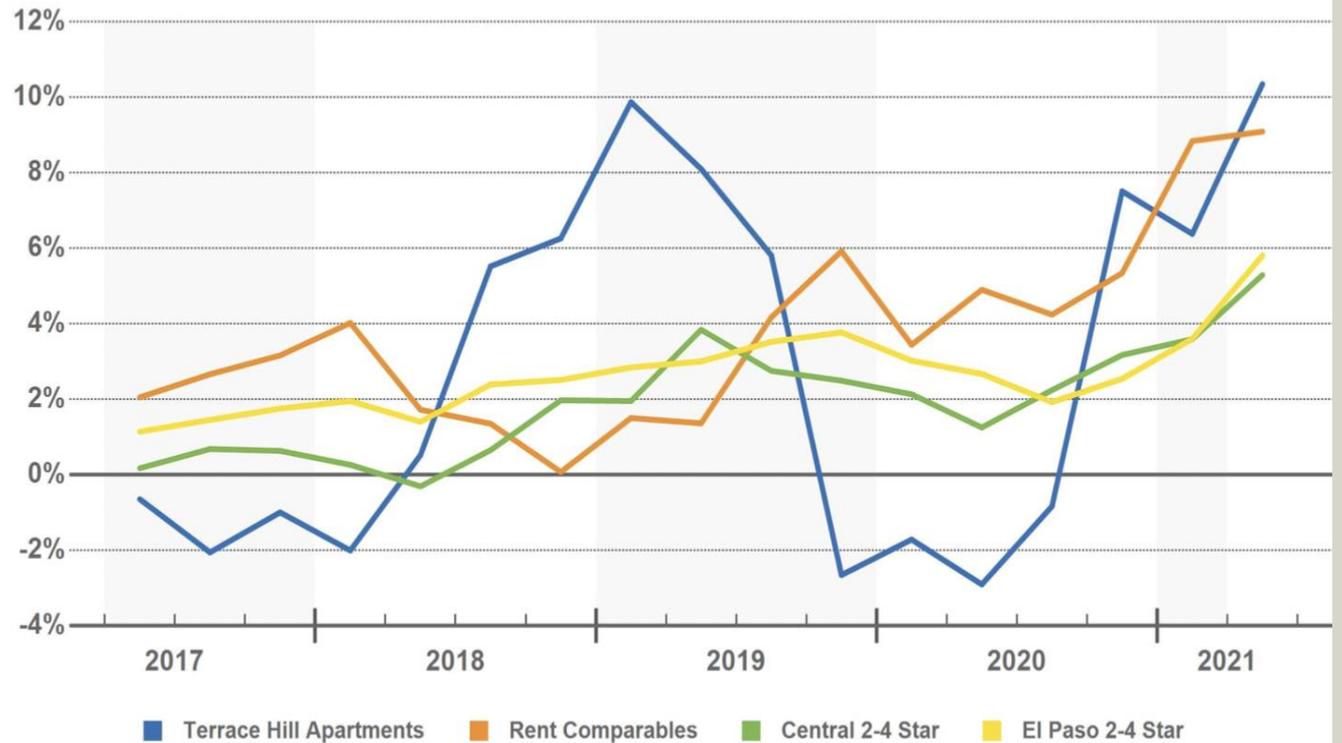
2021 Effective Rent Growth
Averaged >7%

Current Market Rents
are \$100-200 higher

Note:

Current owner gave rent discounts during
2019-2020 renovation period.

ANNUAL EFFECTIVE RENT GROWTH



Job Diversity

Industries



Occupations



Developments

WILLIAM BEAUMONT ARMY MEDICAL CENTER

- Located at Spur 601 and Loop 375, the new 1.1 million-square-foot, 135-bed William Beaumont Army Medical Center opened during 2020.
- The \$1.37 billion hospital features state-of-the-art technology, equipment, and a trauma center, including 10 operating rooms equipped with laser and robotic surgery.

WESTSTAR TOWER

- Slated for completion in 2021, WestStar Tower at Hunt Plaza is an 18-story, LEED® certified high-rise skyscraper located in Downtown El Paso.
- The 442,000-square-foot, state-of-the-art office tower will feature ground-level retail space and landscaped green space with outdoor seating and dining.



Lifestyle Highlights

SUNLAND TOWNE CENTRE

- Located at the NEC of I-10 and Sunland Park Drive, Sunland Towne Centre is a 656,000-square-foot shopping center anchored by Target, DICK'S Sporting Goods, Marshall's, and Office Depot.

SUNLAND PARK RACETRACK & CASINO

- Located in nearby Sunland Park, NM, Sunland Park Racetrack & Casino is New Mexico's premier gaming destination, featuring a state-of-the-art horse track, a 100,000-square-foot casino with over 700 slot machines and pari-mutuel betting, restaurants, a hotel, and live entertainment.





West Corporation (1.9 miles)

Intrado (formerly West Corp.) is an innovative, cloud-based global provider of communication and network infrastructure services. Intrado employs over 9,600 individuals worldwide with over 1,000 employees at its northwest El Paso office.



Hospitals of Providence (4.3 miles)

The Hospitals of Providence is part of Tenet Healthcare, a nationwide health system encompassing 65 hospitals and 510 outpatient centers, 112,000 employees, and revenue of \$18.5 billion in FY 2019. The Hospitals of Providence employ more than 5,300 medical professionals and support staff, making it the second largest private employer in El Paso.

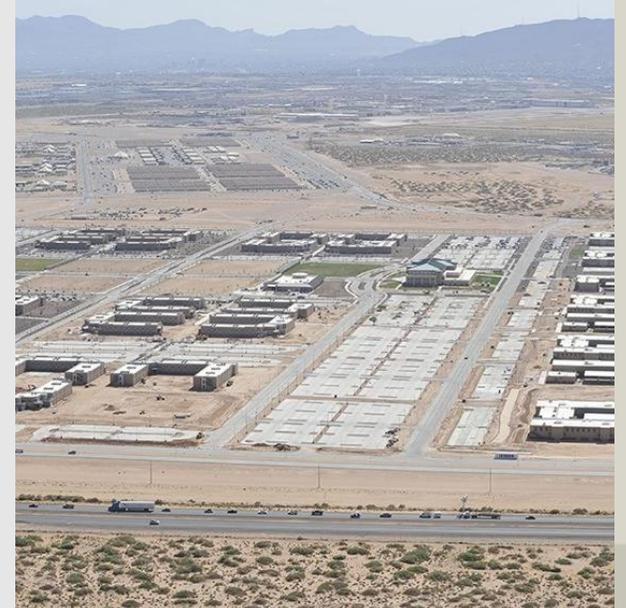
University of El Paso

UTEP is a top-tier RI research university with an enrollment of more than 25,000 students, offering 72 bachelor's degree, 72 master's, and 22 doctoral programs. UTEP generates an economic impact of more than \$1.4 billion annually to the local economy and employs more than 3,100 faculty and staff, making it one of the largest employers in the metro.



US Army Fort Bliss

Located in El Paso, TX, Fort Bliss is the largest installation in FORSCOM (U.S. Army Forces Command) and second-largest Army post overall in the nation. Fort Bliss is the largest employer in El Paso with over 45,300 military and civilian personnel, generating over \$23.1 billion annually to the Texas economy with a total employment of more than 136,000 direct and indirect jobs.



Business Plan



Value Add

Continuing our long-term investment strategy, Terrace Hill is a stabilized property with a risk-mitigated value-add opportunity. Several renovations and improvements will help push this community to a solid B+ Multifamily asset and attract higher end renters who stay longer.

Interiors Renovations & Increased Income

Current ownership has upgraded 213 of the 310 units. With a CAPEX budget of \$1,100,000, we will renovate the remaining 97 units to achieve market rents. Upgrades will include luxury vinyl plank flooring, new appliances, faux granite countertops, painted cabinets, backsplashes, ceiling fans, and all new plumbing fixtures and lighting.

Terrace Hill is currently achieving **rent increases of > \$150** on renovated units, with many units achieving multiple rent increases post renovation as the demand for renovated units continues to grow. We will also use RENTmaximizer, a dynamic multi-family revenue management system, to increase income and occupancy across all units. Rent increase projections are based on rents the property is already achieving.

Exterior Improvements

We will improve the exteriors with fresh landscaping, drainage repairs, resurface/restripe parking lots, general paint and carpentry, and upgraded pool furniture and grill stations. The modernized, more attractive exteriors will draw higher quality tenants, facilitate leasing and support higher rents.

Management Efficiencies

We will also achieve economies of scale by combining management with Desert Peaks, a 160-unit property that we own just **3** miles away. Our property management company, FPI, has over 130,000 units under management and considerable advantage in sourcing materials and labor to accomplish our business plan.

Interior Unit Upgrades



- ❖ Minimal Updates Required
- ❖ Continue Interior Upgrades for \$150+ rent increase

- ❖ Strategic Premium Upgrades
- ❖ Black Appliances

- ❖ Modern Light Fixtures
- ❖ Tile Backsplash



Financials

INCOME	1	2	3	4	5
Average Monthly Rent	\$815	\$896	\$977	\$1,006	\$1,036
Gross Potential Income	\$3,033,059	\$3,333,696	\$3,634,334	\$3,743,364	\$3,855,665
- Vacancy	(\$181,984)	(\$200,022)	(\$218,060)	(\$224,602)	(\$231,340)
- Concessions, Loss to Lease, Bad Debt	(\$151,653)	(\$166,685)	(\$181,717)	(\$187,168)	(\$192,783)
Effective Gross Income	\$2,699,422	\$2,966,990	\$3,234,558	\$3,331,594	\$3,431,542
Other Income	\$383,712	\$395,223	\$407,080	\$419,292	\$431,871
Total Net Income	\$3,083,134	\$3,362,213	\$3,641,638	\$3,750,887	\$3,863,413
EXPENSES					
General/Admin	\$70,830	\$72,955	\$75,144	\$77,398	\$79,720
Payroll	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653
Management Fee	\$118,701	\$129,445	\$140,203	\$144,409	\$148,741
Repairs and Maintenance	\$44,882	\$46,228	\$47,615	\$49,044	\$50,515
Contract Services	\$23,994	\$24,714	\$25,455	\$26,219	\$27,005
Advertising	\$47,419	\$48,842	\$50,307	\$51,816	\$53,371
Gas & Electric	\$66,580	\$68,577	\$70,635	\$72,754	\$74,936
Water & Sewer	\$159,694	\$164,485	\$169,419	\$174,502	\$179,737
Trash Removal	\$28,573	\$29,430	\$30,313	\$31,222	\$32,159
Legal	\$0	\$0	\$0	\$0	\$0
Tax	\$500,000	\$515,000	\$530,450	\$546,364	\$562,754
Insurance	\$95,000	\$97,850	\$100,786	\$103,809	\$106,923
Turnover	\$40,000	\$41,200	\$42,436	\$43,709	\$45,020
Deposit to Replacement Reserve	\$77,500	\$77,500	\$77,500	\$77,500	\$77,500
Total Expenses	\$1,573,173	\$1,625,226	\$1,678,533	\$1,726,564	\$1,776,036
Net Operating Income (NOI)	\$1,509,961	\$1,736,987	\$1,963,105	\$2,024,323	\$2,087,378
Debt Service					
Principal	\$0	\$0	\$0	\$0	\$0
Interest	\$686,677	\$686,677	\$686,677	\$686,677	\$686,677
Total Debt Service	\$686,677	\$686,677	\$686,677	\$686,677	\$686,677
Cash Flow available for Distribution	\$823,284	\$1,050,310	\$1,276,428	\$1,337,646	\$1,400,701

Member Returns Based On Specific \$ Invested \$100,000

	1	2	3	4	5	Return \$	Return %
Beginning Member Capital Account Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000		
% of Overall Membership Ownership for \$ Invested	0.9%	0.91%	0.91%	0.9%	0.9%		
Member Cashflow	\$6,444	\$7,833	\$9,216	\$9,585	\$9,964	\$43,041	
Cash on Cash Return	6.44%	7.83%	9.22%	9.58%	9.96%		
Average Cash on Cash Return to Date	6.44%	7.14%	7.83%	8.27%	8.61%		
Net Proceeds/Profits from Refinance or Sale					\$45,272	\$45,272	
Average Annual Return to Date	6.44%	7.14%	7.83%	8.27%	17.66%		
Return of Member Capital					\$100,000		
Ending Member Capital Account Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$0		
Total Return in Investment	\$6,444	\$7,833	\$21,643	\$9,585	\$55,236	\$88,314	88.31%
Average Annual Return							17.66%
IRR							15.46%
Average Cash on Cash Return							8.61%

FAQ's

What are the investor requirements to invest in this deal?

ALL investors must be accredited investors.

What is the minimum/maximum amount I can invest?

The minimum investment will be \$100,000.

Can I invest money from my IRA?

Yes, you can if you have a self-directed IRA. Consult with your accountants and IRA facilitators.

What is the timeline for this investment?

We're set to close by November 2021. Shares in our investments typically go quickly, so please email/call one of us to commit your investment as soon as possible.

How will profits be distributed to investors?

Profits will be distributed on a quarterly basis. As a 70/30 Investor split and 6% preferred return.

Is due diligence complete?

Yes, we conducted unit-by-unit in person inspections accompanied by a professional building inspector who inspected all mechanical, sewer, roof and building systems. We also performed an audit of all leases and service contracts.

Next Steps

Reserve your spot



mficlub.invportal.com

Questions?



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