



# KNOB CREEK APARTMENTS

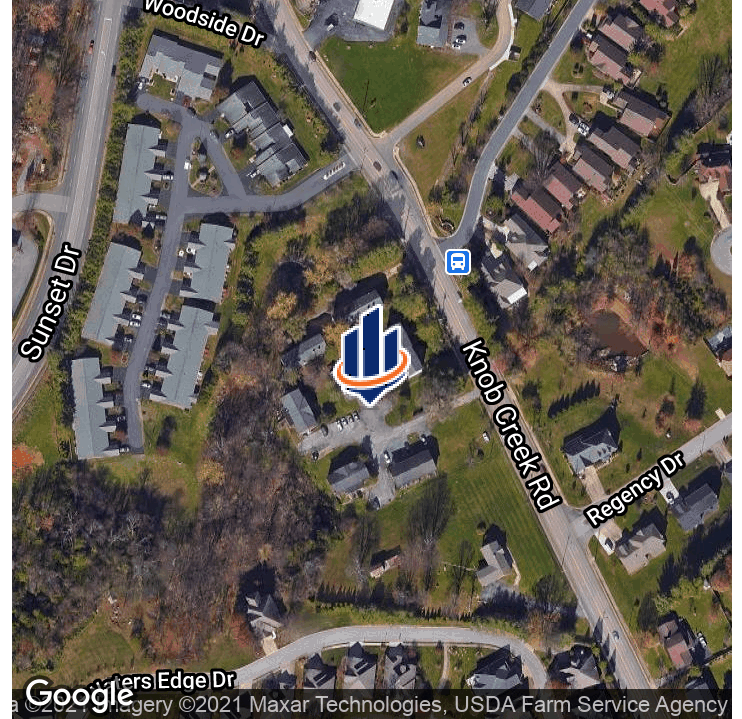
1901 KNOB CREEK ROAD  
JOHNSON CITY, TN 37604

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# Property Summary



## OFFERING SUMMARY

Sale Price:	\$875,000
Appraised Value:	\$1,175,000
Units:	28
Price / Unit:	\$34,821
Lot Size:	2.45 Acres
Zoning:	R3-R4
Occupancy:	82%

## PROPERTY OVERVIEW

This property is an incredible opportunity for value-add investors. The property features 28 units that are comprised of townhomes and flats. Rents are well below market. The property has maintained an occupancy above 80% for the past 12 months and collections have remained steady throughout the COVID-19 pandemic. The property has been approved for an additional 4 townhomes to be built. In 2017, the property was appraised for \$1,175,000. With renovations, Knob Creek Apartments has tremendous upside.

Note: The property was originally 36 units. Due to recent developments nearby and sinkholes in the neighborhood, flooding occurs at the north corner of the site. The flooding led to 8 basement units being gutted and left vacant. An engineer report has been done to determine what would be needed to fix the flooding issue. Please contact Cohl Morgan and Kevin Tipton for more information.

## PROPERTY HIGHLIGHTS

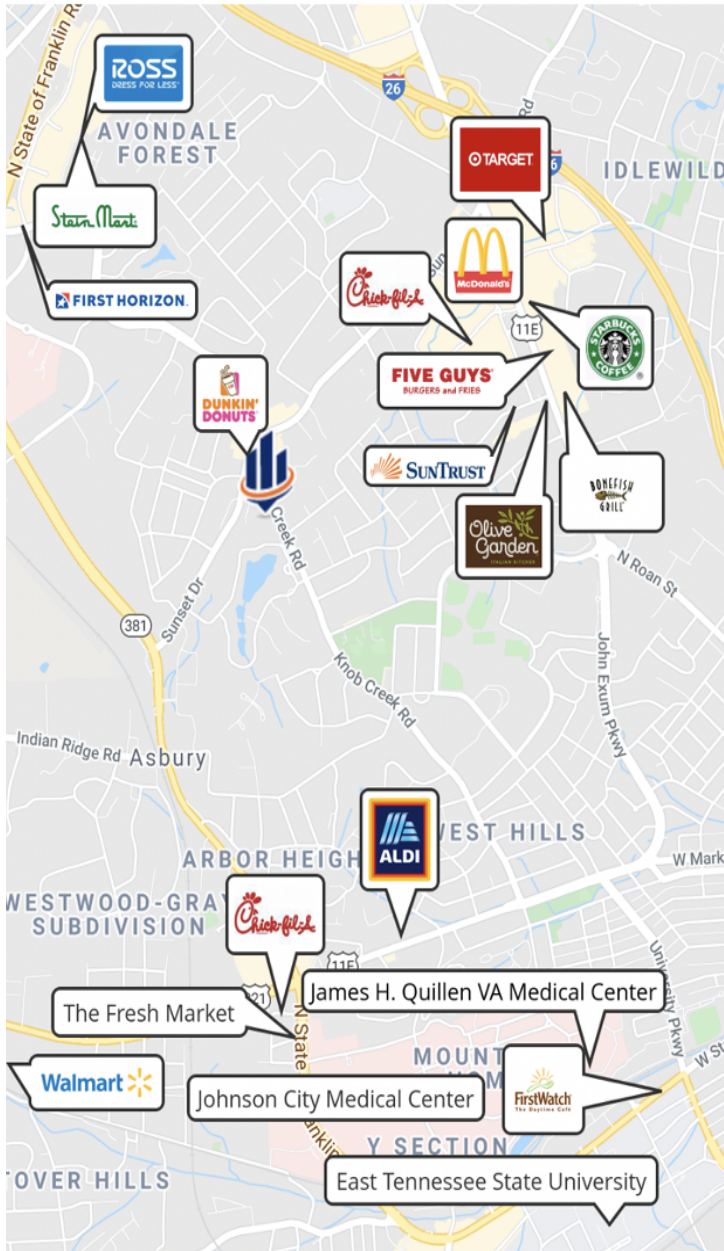
- Value-add Opportunity in Booming Johnson City
- Rents Well Below Market
- Approved for Four Additional Townhome Units

# Location Description



## LOCATION DESCRIPTION

Johnson City, located near the eastern tip of Tennessee, is part of the region known as the "Tri-Cities". The Tri-Cities include Kingsport, Tennessee, and Bristol, Virginia with a combined population of 786,489. In 2018, Livability.com named Johnson City as one of the top 100 places to live. Knob Creek Apartments is within 5 miles of East Tennessee State University which has a total enrollment of over 14,000 students. Major healthcare providers are also located within 5 miles of the property, such as James H. Quillen VA Medical Center, Ballad Health, and Frontier Health, which employ a combined 12,000 people. Also located nearby are numerous retailers and restaurants, including: Chick-fil-A, The Fresh Market, ALDI, and Starbucks.



# Unit Mix Summary



Knob Creek Rd

Regency Dr

Wal Ct

UNIT TYPE	COUNT	AVG SIZE (SF)	AVG RENT	AVG RENT/SF
1BD/1BA Flats	4	600	\$350	\$0.58
2BD/1.5BA Townhomes	16	900	\$575	\$0.64
2BD/1BA Flats	8	800	\$450	\$0.56
<b>Totals/Averages</b>	<b>28</b>	<b>23,200</b>	<b>\$14,200</b>	<b>\$0.61</b>

# Rent Roll



Knob Creek Rd

Regency Dr

...al Ct

Current Rent Roll				
September 2020				
Unit	Rent	Amount Paid	BR/BA	Notes
HV-1	\$ 600.00	\$ -	2BR/1.5BA	Vacant
HV-2	\$ 600.00	\$ 600.00	2BR/1.5BA	
HV-3	\$ 625.00	\$ 625.00	2BR/1.5BA	
HV-4	\$ 600.00	\$ 600.00	2BR/1.5BA	
1	\$ 500.00	\$ 550.00	2BR/1BA	
2	\$ 450.00	\$ 450.00	2BR/1BA	
3	\$ 500.00	\$ 600.00	2BR/1BA	
4	\$ 450.00	\$ -	2BR/1BA	Vacant
5				Office
6	\$ 500.00	\$ 500.00	2BR/1BA	
7	\$ 450.00	\$ 450.00	2BR/1BA	
8	\$ 500.00	\$ -	2BR/1BA	Vacant
9	\$ 500.00	\$ 500.00	2BR/1BA	
10	\$ 500.00	\$ 1,060.00	2BR/1.5BA	
11	\$ 500.00	\$ -	2BR/1.5BA	
12	\$ 500.00	\$ 500.00	2BR/1.5BA	
13	\$ 475.00	\$ 475.00	2BR/1.5BA	
14				Down Unit
15				Down Unit
16				Down Unit
17				Down Unit
18	\$ 450.00	\$ 145.00	2BR/1BA	
19	\$ 450.00	\$ 300.00	2BR/1BA	
20	\$ 450.00	\$ 450.00	2BR/1BA	
21	\$ 475.00	\$ 475.00	2BR/1BA	
22				Down Unit
23				Down Unit
24				Down Unit
25				Down Unit
26	\$ 450.00	\$ 450.00	2BR/1BA	
27	\$ 475.00	\$ 100.00	2BR/1BA	
28	\$ 475.00	\$ 475.00	2BR/1BA	
29	\$ 450.00	\$ 450.00	2BR/1BA	
30	\$ 350.00	\$ 350.00	1BR/1BA	
31	\$ 350.00	\$ -	1BR/1BA	Held Vacant
32	\$ 350.00	\$ -	1BR/1BA	Held Vacant
33	\$ 350.00	\$ -	1BR/1BA	Held Vacant
<b>Total:</b>	<b>\$13,325</b>	<b>\$10,105</b>		



Owner's Financials	
October 2019-September 2020	
<b>Income</b>	
Gross Income	\$115,289
<b>Expenses</b>	
Maintenance	\$6,917
Insurance	\$10,188
Utilities	\$12,168
Taxes	\$15,275
<b>Net Operating Income</b>	<b>\$70,741</b>

# Pro Forma Rent Roll



Knob Creek Rd

Regency Dr

...al Ct

Pro Forma Rent Roll		
If Renovated		
Unit	Rent	BR/BA
1	\$ 800.00	2BR/1.5BA
2	\$ 800.00	2BR/1.5BA
3	\$ 800.00	2BR/1.5BA
4	\$ 800.00	2BR/1.5BA
5	\$ 750.00	2BR/1BA
6	\$ 750.00	2BR/1BA
7	\$ 750.00	2BR/1BA
8	\$ 750.00	2BR/1BA
9	\$ 750.00	2BR/1BA
10	\$ 750.00	2BR/1BA
11	\$ 750.00	2BR/1BA
12	\$ 750.00	2BR/1BA
13	\$ 750.00	2BR/1.5BA
14	\$ 750.00	2BR/1.5BA
15	\$ 750.00	2BR/1.5BA
16	\$ 750.00	2BR/1.5BA
17	\$ 750.00	2BR/1BA
18	\$ 750.00	2BR/1BA
19	\$ 750.00	2BR/1BA
20	\$ 750.00	2BR/1BA
21	\$ 750.00	2BR/1BA
22	\$ 750.00	2BR/1BA
23	\$ 750.00	2BR/1BA
24	\$ 750.00	2BR/1BA
25	\$ 650.00	1BR/1BA
26	\$ 650.00	1BR/1BA
27	\$ 650.00	1BR/1BA
28	\$ 650.00	1BR/1BA
<b>Total:</b>	<b>\$20,800</b>	

# Pro Forma NOI & Valuation



Knob Creek Rd

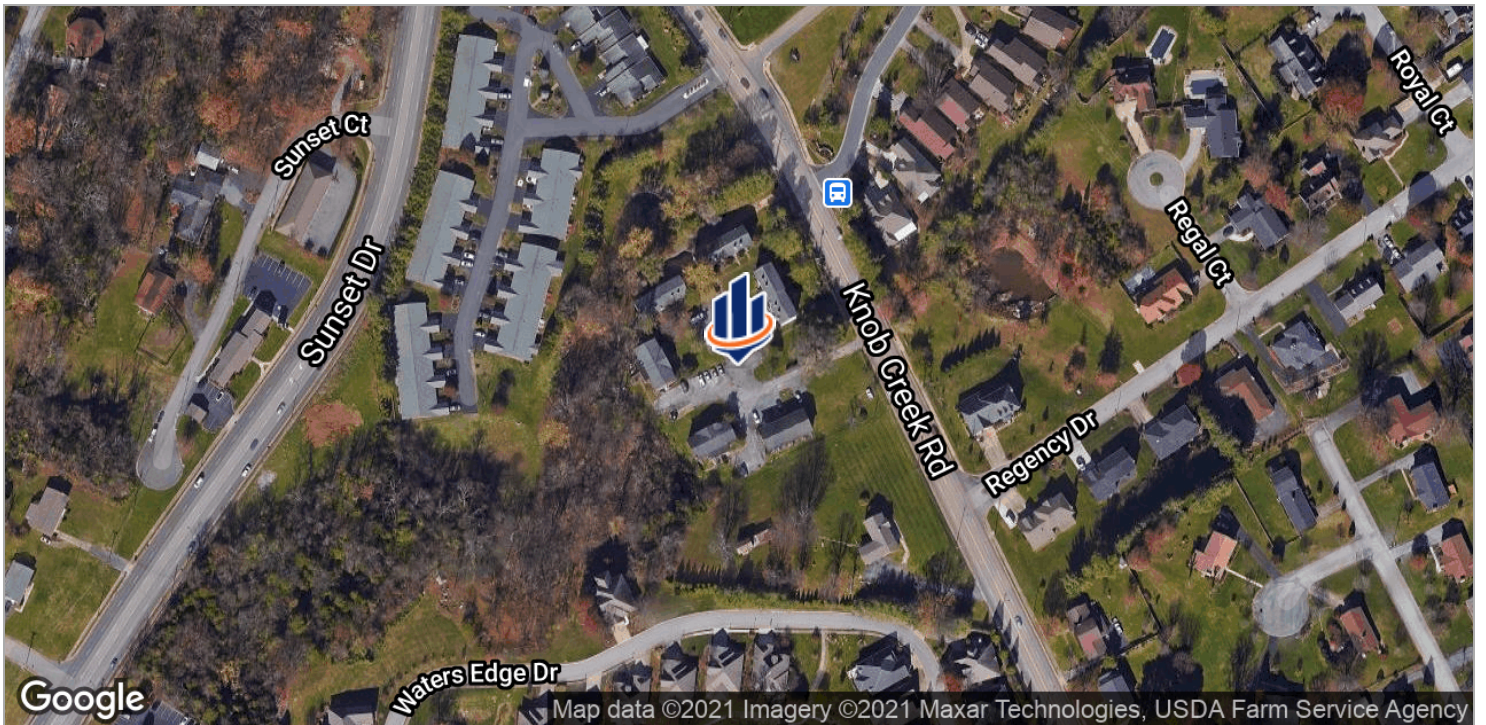
Regency Dr

Val Ct

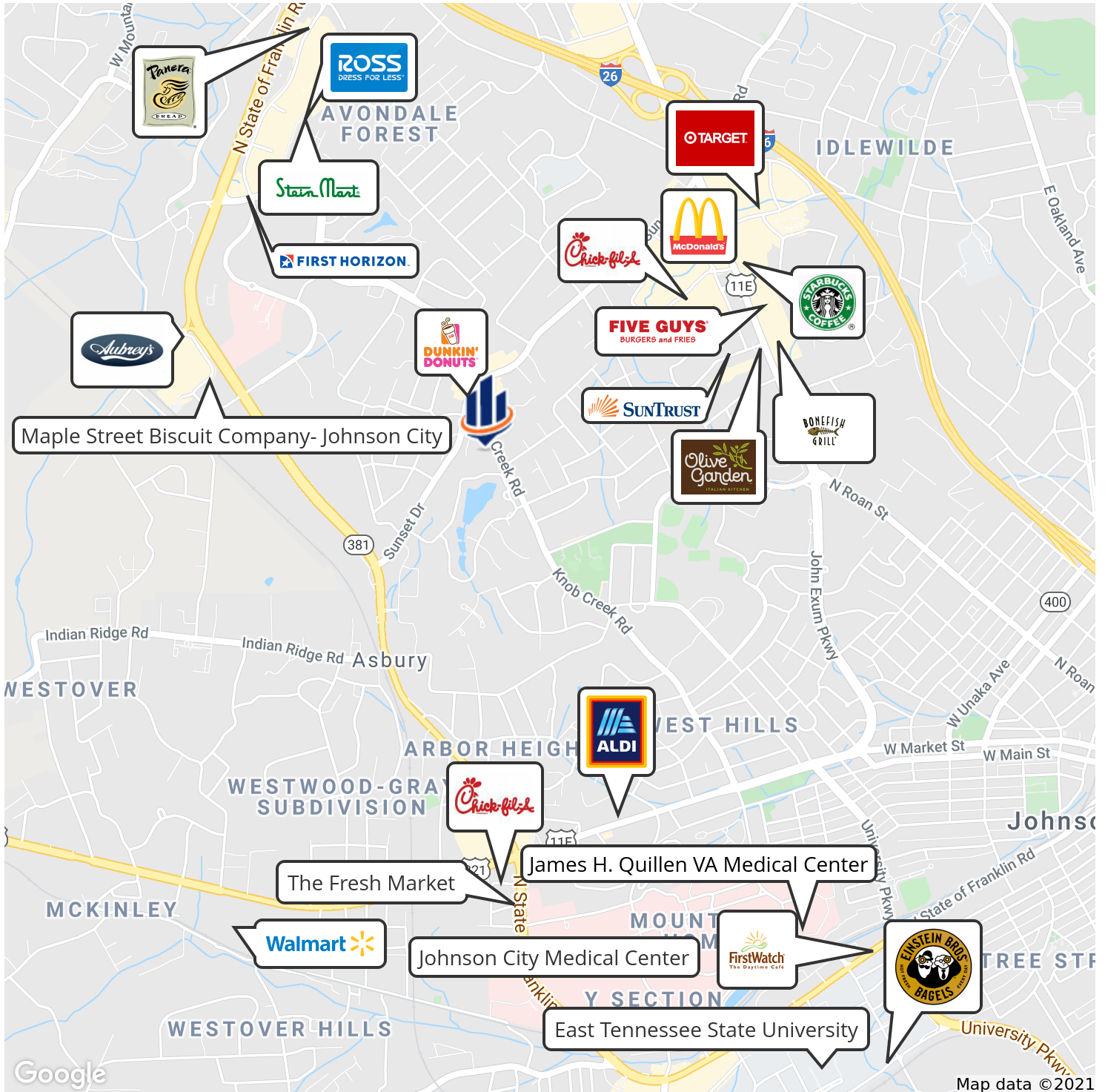
<b>Pro Forma NOI</b>	
If Renovated and Stabilized	
<b>Gross Income</b>	\$249,600
<b>Expenses</b>	
Vacancy	\$9,984
Turnover	\$5,000
Property Management	\$19,968
Maintenance	\$12,480
Utilities	\$13,000
Insurance	\$14,000
Landscaping	\$4,000
Pest Control	\$1,500
Taxes	\$18,000
<b>Total Expenses</b>	\$97,932
<b>Net Operating Income</b>	\$151,668

<b>Valuation</b>	
If Renovated and Stabilized	
<b>Net Operating Income</b>	\$151,668
<b>Cap Rate</b>	7.5%
<b>Price</b>	\$2,022,240
<b>Units</b>	28
<b>Price Per Unit</b>	\$72,223

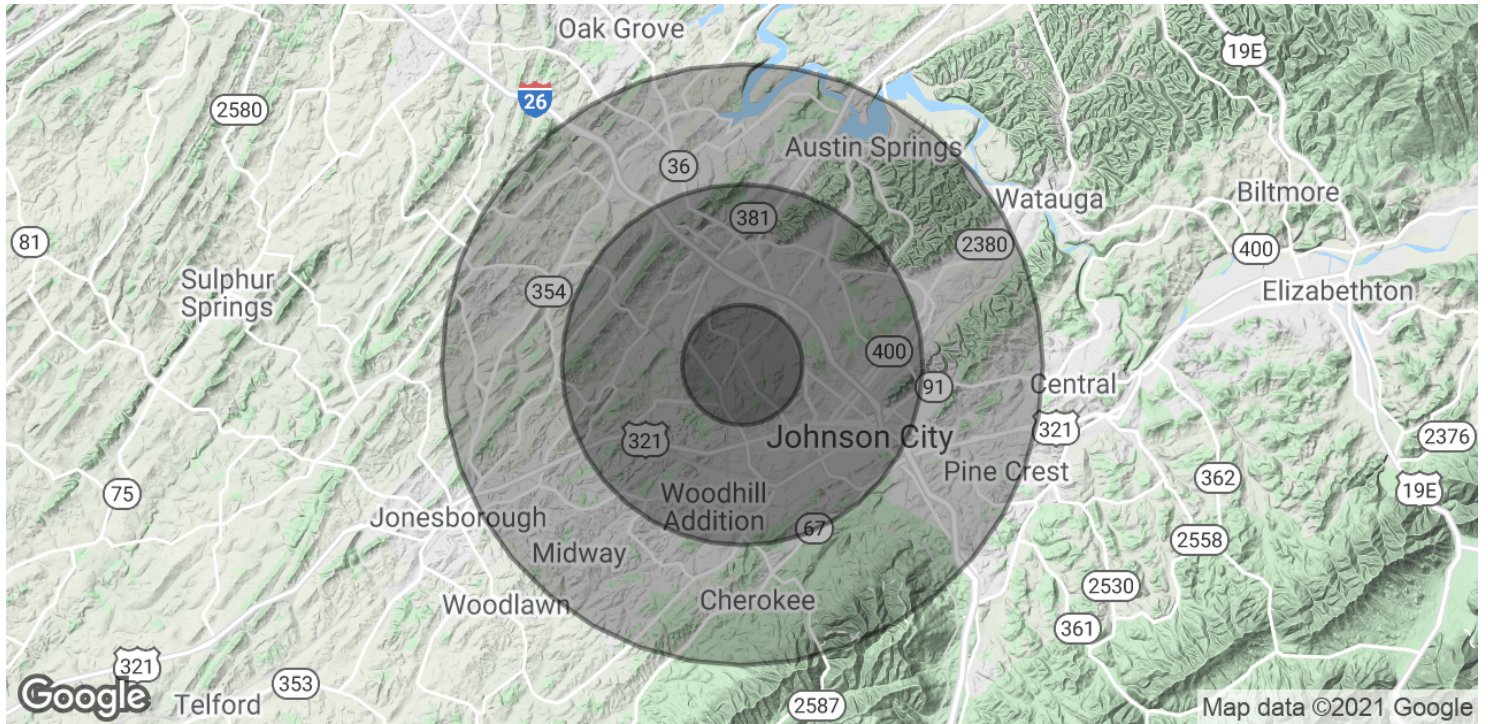
# Location Maps



# Retailer Map



# Demographics



<b>POPULATION</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
Total Population	4,233	38,568	76,307
Average age	46.8	40.9	38.0
Average age (Male)	46.3	40.1	37.0
Average age (Female)	47.7	41.2	38.9
<b>HOUSEHOLDS &amp; INCOME</b>	<b>1 MILE</b>	<b>3 MILES</b>	<b>5 MILES</b>
Total households	1,858	16,278	32,235
# of persons per HH	2.3	2.4	2.4
Average HH income	\$73,740	\$55,839	\$54,834
Average house value	\$124,713	\$130,844	\$136,600

\* Demographic data derived from 2010 US Census

# Additional Photos





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