

Villas



On 8

Premier Student Housing



Marcus & Millichap

Renovated in 2018

Offering Memorandum



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Marcus & Millichap

“Walk-to-Class” Irreplaceable, Class-A Location



144 Beds / 36 Units



97% Leased



*2018 Effective Year Built

“Buying” a 12%+ Return Up-Front, at Acquisition

- Current Owner acquired the asset in early 2017 and completed a heavy remodel in 2018, giving an effective year built of 2018. Having achieved his 5-Year hold return, he is selling to redeploy equity.
- Rents have been steadily increased and occupancy is now nearly optimum, thus the Seller is willing to give the new owner an initial double-digit cash-on-cash return for a newly remodeled, turn-key, stabilized asset that is not only the best-in-class but is also walk-to-class close.
- The Fort Valley State Multi-Housing Market, Market-rate, and Student Housing are Fully Occupied.
- Strategic Management Partners (SMP), a Top-25 management firm based in Atlanta Georgia, desires to remain in place and has approved the pricing of the management fee and the onsite management and maintenance payroll for the property used in the underwriting.
- Thoughts from **Brenda Stewart, Regional Manager of SMP** on Villas on 8:

“Villas on 8, located just 2 blocks from the university, is a safe, highly desirable property that is an “athlete’s enclave” of sorts. Villas on 8 has been a game-changer for student housing in Fort Valley with the level of upgrades and growth potential which can be taken to the next level by adding amenities like volleyball and a student study lounge”

3

“Walk-to-Class”



Actual Year Built: 1999 | Effective Year Built: 2018
Immediate Top-Line Add | Best of Class | Build-Out Additional 216 Beds

Villas



On 8



Property Overview

Operating Statement

Income	Current		Pro Forma		Per SF	Per Unit	Per Bed
Gross Scheduled Rent	1,036,800		1,067,904		29.66	29,664	7,416
Physical Vacancy	(51,840)	5.0%	(53,395)	5.0%	(1.48)	(1,483)	(371)
Economic Vacancy							
137 Occupied Beds, 10 Month Leases,	(164,160)	15.8%	(168,729)	15.8%	(4.69)	(4,687)	(1,172)
Bad Debt	(18,000)	1.7%	(18,154)	1.7%	(0.50)	(504)	(126)
Concession		0.0%	0		0.00	0	0
Total Vacancy	(\$234,000)	22.6%	(\$240,278)	22.5%	(\$7)	(\$6,674)	(\$1,669)
Economic Occupancy	77.43%		77.50%				
Effective Rental Income	802,800		827,626		22.99	22,990	5,747
Other Income							
Laundry					0.00	0	0
All Other Income	92,446		92,446		2.57	2,568	642
Total Other Income	\$92,446		\$92,446		\$2.57	\$2,568	\$642
Effective Gross Income	\$895,246		\$920,072		\$25.56	\$25,558	\$6,389
Expenses	Current		Pro Forma		Per SF	Per Unit	Per Bed
Real Estate Taxes	77,910		77,910		2.16	2,164	541
Insurance	20,700		20,700		0.58	575	144
Utilities - Common Electric, Water, Internet	117,841		117,841		3.27	3,273	818
*Water Bill Reduced by \$19,000 w/ Save 1					0.00	0	0
					0.00	0	0
					0.00	0	0
					0.00	0	0
Repairs & Maint. / Trash/Landscape/Pest/	36,137		38,120		1.06	1,059	265
					0.00	0	0
					0.00	0	0
Marketing & Advertising	18,235		18,235		0.51	507	127
Payroll	95,562		95,562		2.65	2,655	664
					0.00	0	0
General & Administrative	18,362		19,673		0.55	546	137
Safety Services	19,139		21,675		0.60	602	151
Operating Reserves	0		0		0.00	0	0
Management Fee	31,334	3.5%	32,203	3.5%	0.89	895	224
Total Expenses	\$435,220		\$441,919		\$12.28	\$12,276	\$3,069
Expenses as % of EGI	48.6%		48.0%				
Net Operating Income	\$460,026		\$478,153		\$13.28	\$13,282	\$3,321

Notes and assumptions to the above analysis are on the following page.

Pricing Detail

Summary

Price	\$5,600,000	
Down Payment	\$1,960,000	35%
Number of Units / Beds	36 Units	144 Beds
Price Per Unit / Bed	\$155,556 / Unit	\$38,889 / Bed
Price Per SqFt	\$155.56	
Rentable SqFt	36,000	
Lot Size	7.00 Acres	
Effective Year Built	2018	

Returns

	Current	Pro Forma
CAP Rate	8.21%	8.54%
GRM	5.40	5.24
Cash-on-Cash	12.83%	13.76%
Debt Coverage Ratio	2.21	2.29

Financing

	1st Loan
Loan Amount	\$3,640,000
Loan Type	New
Interest Rate	4.00%
Amortization	30 Years
Year Due	2028

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# Of Beds	Unit Type	Current Rents	Market Rents
144	4x2	\$600	\$600

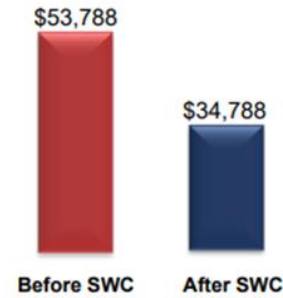
Water Conservation Program

OVERHAUL PROGRAM UTILITY MANAGEMENT • NATIONWIDE

Includes 0.8 GPF Niagara Stealth Round



Villas on 8	Apartment	Elizabeth Will-Hibbetts
36 Units	Fort Valley, Georgia	469-604-6545
72 Baths	0 Half Baths	elizabeth@savecoservices.com



Annual Water & Sewer Cost

Annual Savings **\$19,000**
COST SAVINGS 35% CONSUMPTION SAVINGS %

Cap Rate	5%	5.5%	6%
Asset Value Boost	\$380,000	\$345,455	\$316,667

The information provided is an estimate and based on the following property information...

Full Analysis	NO
Actual Water Bills	NO
Property Inspection	NO
Analysis Expires On	3/30/22

PROGRAM PRICE OPTIONS

TYPE	AVAILABLE	PRICE	DOWN PAYMENT	MONTHLY PAYMENT	TERM	SHARED SAVINGS %
CASH	Yes	\$33,160				
FINANCE	TBD					
SHARED SAVINGS	TBD					

WHY WORK WITH US

- Our results! We achieve within 5% of our projected savings 95% of the time
- Speed and efficiency! We install at 40-60 toilets per day, increasing ROI
- Fannie/Freddie Green Support • Guarantee of savings
- City rates increase 3% annually on average

The Only Choice for Off-Campus Housing

Villas on 8 is a 1999-Year Built asset whereas, post-remodel, the Peach County Property Appraisers rates it a 2018-Effective Year Built property. Currently, the Owner only insists on 10-month leases for 144 beds, whereas, at most other schools, students expect to sign 12-month leases. All off-campus competition have 12-month leases. This situation offers the new Owner a tremendous opportunity to generate top-line growth with the signing of new leases in August 2022 simply by going to 12-month leases.

There is no direct competition for this property off-campus.

And *on campus*, there is only one choice for students:

Wildcat Commons Residence Hall

- 2006/2007 built – Five Building
 - 950 student property

Wildcat Commons Residence Hall Apartments (See Image)

- 4 bed/2 bath - \$3,117 per semester
- 2 bed/2 bath - \$3,557 per semester

[Click the link below](#) to view video testimonials of residents sharing their thoughts on the remodel upgrades and the quality of life at *Villas on 8*.

(Convenient, Safe, New, Home-feel, Best Place to stay in Fort Valley, Excellent Staff)

[Testimonials](#)

On-campus at \$7,100 annually for 2007 product versus *Villas on 8* at \$6,000 annually @ 10-month leases, or \$7,200 annually if you changed to 12-months leases or raised rents to COMP levels for *Villas on 8*, that is, EFFECTIVELY a 2018-built asset.

Interior Photos





Interior Photos



Interior Photos



Interior Photos



Interior Photos

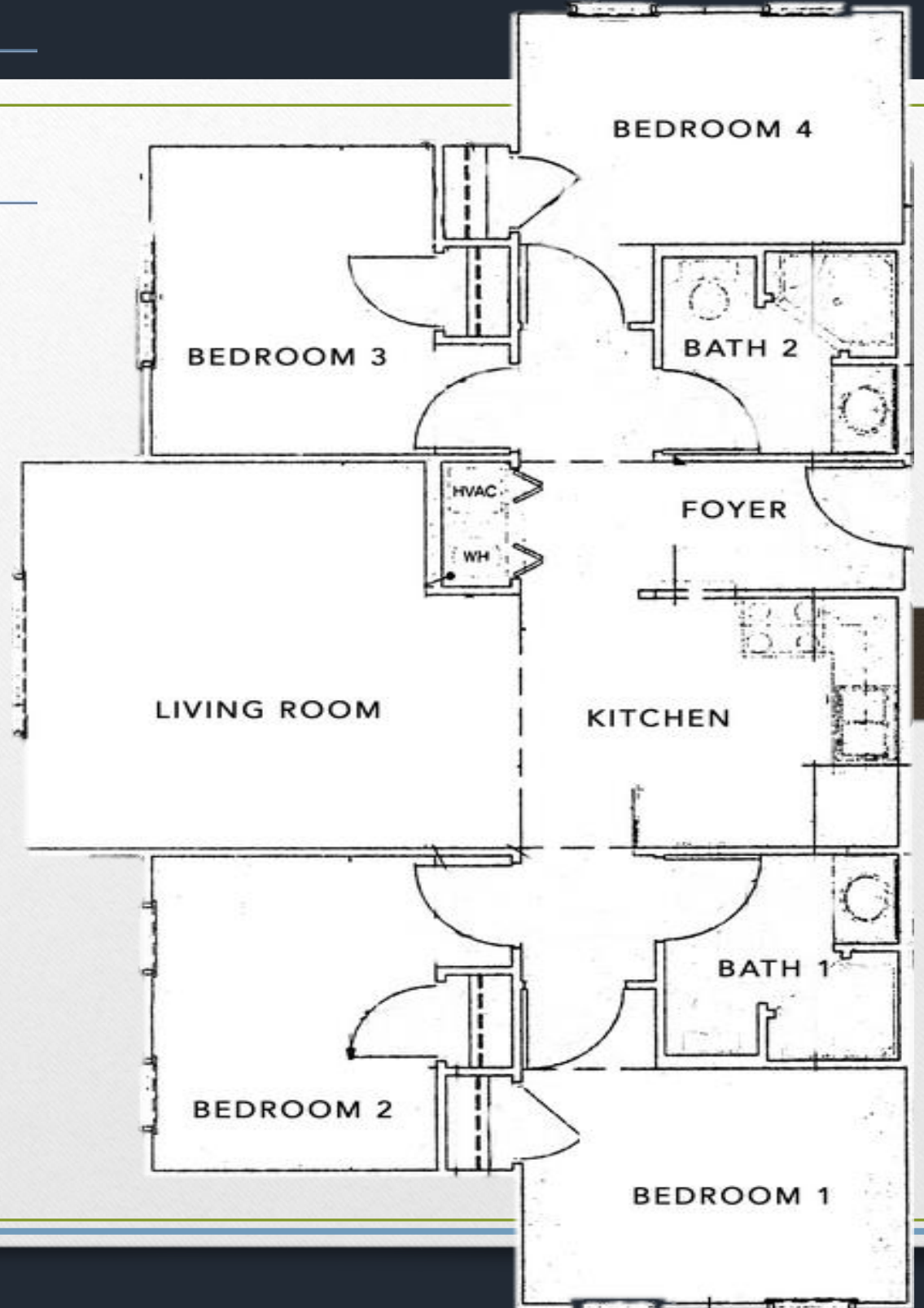


Villas

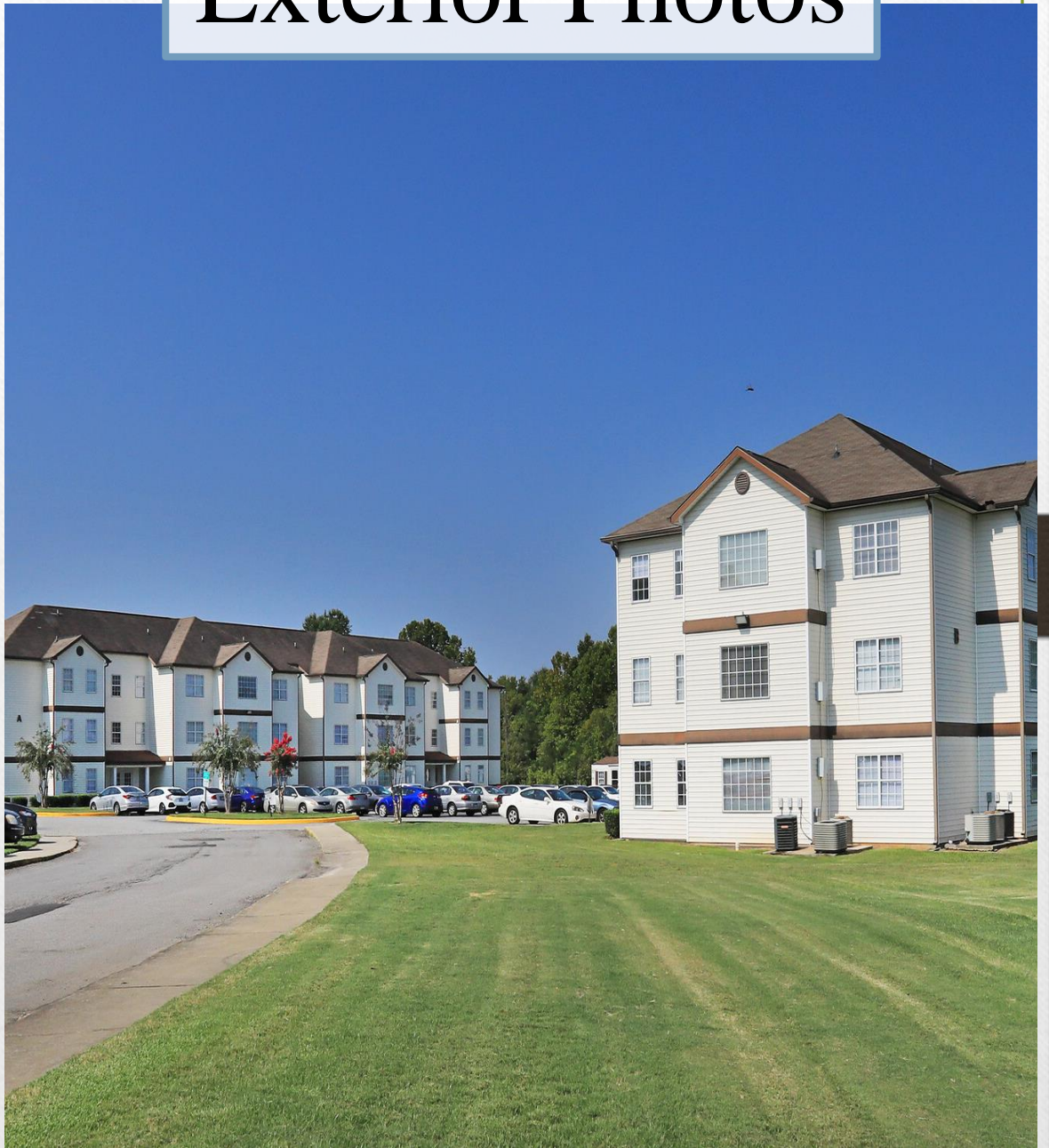


On 8

Floor Plan



Exterior Photos



The Buyer has the opportunity to build-out three new buildings or 216 beds.

FUTURE EXPANSION

ADDITIONAL PARKING



Villas

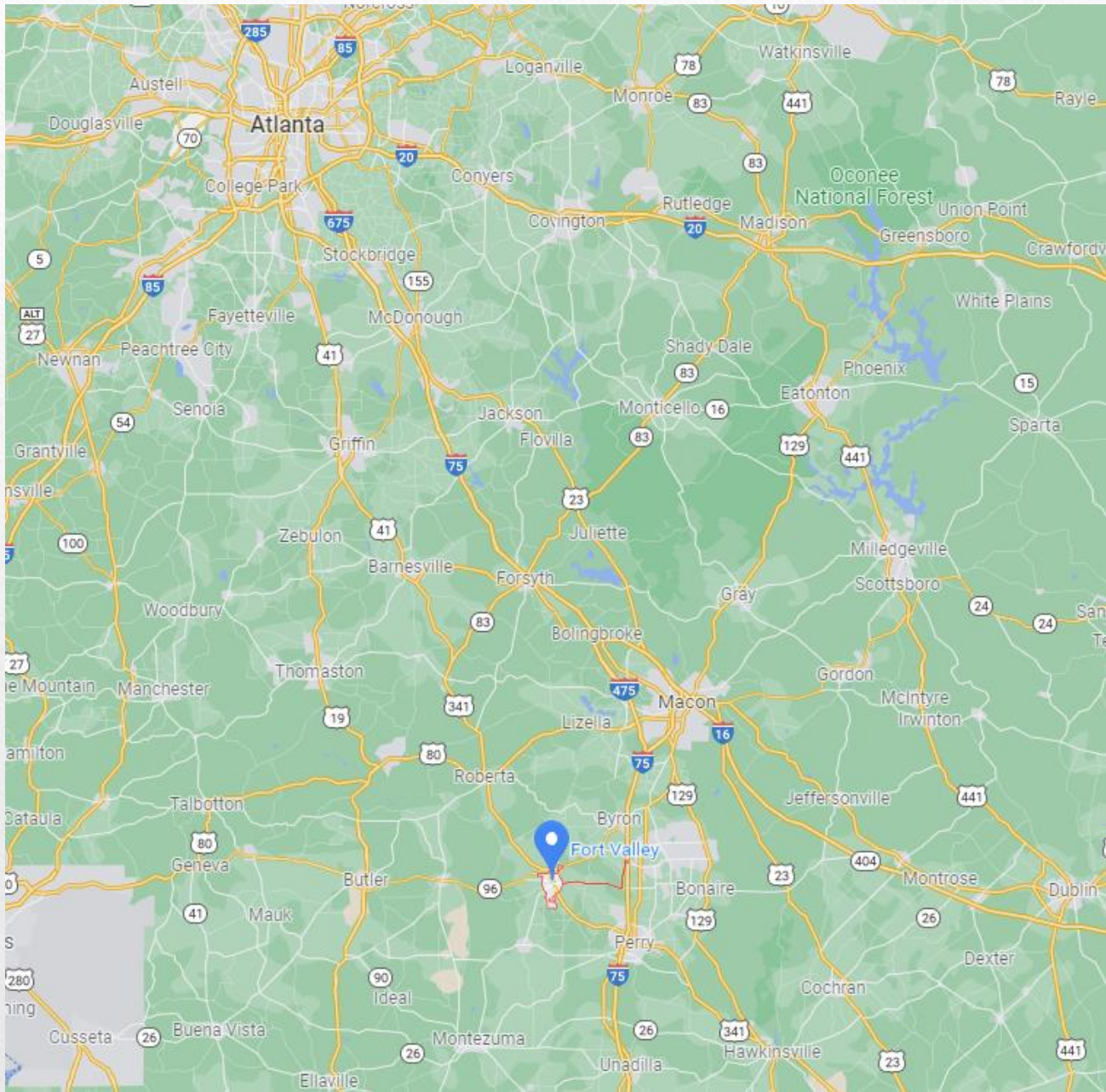


On 8



Just Two Blocks From Campus | 'Walk-to-Class' Location

Market Overview



The background of the slide features a large, faint watermark of the Seal of the State of Georgia. The seal is circular with a hatched outer border. Inside, the words "STATE OF GEORGIA" are arched across the top, and "1776" is at the bottom. The central part of the seal depicts a figure of Liberty standing between two pillars, with a banner above her. The word "CONSTITUTION" is written in an arch above the figure. The entire seal is rendered in a light gray color.

Fort Valley, Georgia

Why Fort Valley, Georgia?

- Georgia is open for business & staying that way
- Western States and Northern States are not ideal for student housing and are losing kids to the Southern States
- Georgia, and even more particularly, South Georgia IS Ideal

Why Fort Valley University?

- FVSU's 1,365- acre main campus is the second largest primary college campus in Georgia.
- FVSU's is about to receive the benefits of increased enrollment and offerings enhancement due to the MILLIONS it will receive for tuition assistance, operational and physical plant improvements via the **Infrastructure Bill** and the **Build Back Better Bill**.

Georgia



Fort Valley State University

About Fort Valley State University

- FVSU has been recognized for [four consecutive years as the top](#) public historically black college in Georgia.
- This #1 ranking includes US News and World Report, 2019 and 2020 Best Colleges rankings, and the Washington Monthly, 2019.
- In 2018, Diverse Issues in Higher Education listed FVSU as a top 10 producer of African Americans with bachelor's degrees in mathematics, engineering technology, family and consumer sciences, computer and information systems, psychology, and history in the state of Georgia.
- The National Science Foundation provides more funding for science, technology, engineering, and math research at FVSU than at any other public teaching college in Georgia, putting it in the top 10 for NSF-funded STEM research among all colleges in the state.



THOROUGHNESS • FAITHFULNESS • TRUTH



Fort Valley State University



COVID-19

As COVID cases rise, Gov. Kemp sees no reason to add restrictions again, encourages vaccination

Jozsef Papp
Augusta Chronicle
Jul 23, 2021
View Comments

0:11
1:02

As Georgia sees a surge in new COVID-19 cases fueled by the more infectious Delta variant, Gov. Brian Kemp says the state will not be implementing restrictions, and he encouraged people to get vaccinated.

"I don't see any reason we would even need to go back and have further restrictions at this point. We've been out of restrictions in Georgia for a long time now. We've been through peaks and valleys before. We know how to deal with this," Kemp said Friday. "We are not going to have a statewide mask mandate. Dr. (Kathleen) Toomey and I believe that mandates don't work."

Best Colleges
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HBCUs, Other Minority-Serving Institutions to Get \$10B Through Build Back Better

Biden's spending plan prioritizes funding for HBCUs, tribal colleges and universities, Hispanic-serving institutions, and other minority-serving schools.

by Matthew Arrojas
Published on November 5, 2021 · Updated on November 10, 2021

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CNN US Crime + Justice Energy + Environment Extreme Weather Space + Science LIVE TV Editor

Georgia's governor signs order letting businesses ignore local Covid-19 rules

By Devon M. Sayers, Rebekah Riess and Jason Hanna, CNN
Updated 4:38 PM ET, Fri August 20, 2021

More from CNN

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Decisive. Adaptable. Committed.

(CNN) Georgia Gov. Brian Kemp signed an executive order Thursday (**Aug 19**) allowing businesses to disregard local rules regarding [Covid-19](#) -- a move decried by Democrats, as coronavirus cases in the state [rise](#).

It was not immediately clear what impact the order would have on current local ordinances, such as mask mandates in Savannah, which apply to city buildings but not to businesses, and Atlanta, where the [mayor's order](#) says violations won't be enforced against businesses.

Kemp said Thursday [his executive order](#) "will ensure that business cannot be forced to follow local government ordinances regarding Covid-19."

"Local governments will not be allowed to force businesses to be the city's mask police, the vaccine police or any other burdensome restriction that will only lead to employees being let go, revenue tanking and businesses closing their doors," the governor said.

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