



EVERGREEN APARTMENTS
ANYTOWN, USA

Executive Summary

Overview

ArborCrowd Raise \$3.53MM	Targeted IRR 14% – 16%	Targeted Equity Multiple 1.60x – 2.00x	Targeted Hold Period 3 – 5 years
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ArborCrowd is proud to introduce Evergreen Apartments.

This investment presents a value-add opportunity bolstered by strong real estate fundamentals. The total capitalization of the deal is \$37 million.

Affiliates of The Apartment Company, LLC (the “Sponsor”) and ArborCrowd purchased the property in an off-market transaction in January 2019. The Sponsor is investing over 70% of the equity in this transaction, and ArborCrowd is looking to raise \$3.53 million from the crowd to co-invest in this opportunity.

Nestled in the suburb of Anytown just a few miles from downtown, the property is a sprawling 300-unit apartment community that comprises 5 buildings and an onsite clubhouse.

Neighboring the property is the lush and vibrant Anytown Memorial Park, which provides entertainment and recreation for residents with a playground, baseball field, two full-length basketball courts and two pools. And there is a plethora of retail options thanks to the adjacent Anytown Shopping Plaza and a \$150 million retail center, Family Square, minutes away. Furthermore, Evergreen Apartments has immediate access to the interstate, which links residents to major job centers.

Property Details

- No. of Buildings**
5 apartment buildings and 1 clubhouse
- Units**
300
- Avg. Unit Size**
1,040 square feet
- Occupancy**
85% (as of January 2019)
- Amenities**
12,000-square-foot clubhouse, elevators, and planned recreation rooms, and business and fitness centers

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The business plan encompasses transforming the previously mismanaged and underperforming apartment complex into a desirable residential community in order to capitalize on the market demand for well-priced, quality apartments, of which there is a lack of supply.

To achieve this, the Sponsor and its affiliates have allotted \$5 million to renovate and remodel every apartment and overhaul the property’s common areas and clubhouse. The Sponsor expects that these improvements will generate an average rental premium of over \$330 per unit per month, achieving a significant potential return on investment.

Renovation Highlights

Interior

- Stainless steel appliances
- Vinyl plank flooring
- New kitchen cabinetry
- New bathrooms
- Granite countertops
- Upgraded LED lighting

Exterior

- Corridor improvements
- New roofs
- Lobby revitalization
- Elevator cab repairs
- Clubhouse renovation
- Parking lot resurfacing

Market Overview

- Anytown is widely considered the “Business Capital of the World,” as many major insurance and logistics companies are headquartered downtown.
- The Anytown metro area has a workforce of 700,000 employees. Since 2011 roughly 50,000 jobs were added and another 25,000 are expected to be created in the next 5 years.
- Average asking rents have risen consistently since 2011 and are expected to continue trending upward.³ The market has strong demand for higher-end, well-priced “Class B” and “B+” units but limited inventory of such product.

Key Market Factors

- **Lack of Supply:** Anytown has a limited supply of reasonably priced, high-quality apartments. Newly constructed units lease at an average monthly rent of more than \$2,000,³ while the more economically priced “Class B” and “C” products lack the quality finishes and amenities that most of the area’s working-class residents desire.
- **Strong Demand:** Nearly 500,000 residents, who have an average annual household income of \$65,000, live within a 3-mile radius of the property.⁴ It is therefore anticipated that with renovations and improved management, Evergreen Apartments will be considerably attractive to Anytown’s working-class residents.

1. Source #1 2. Source #2 3. Source #3 4. Source #4

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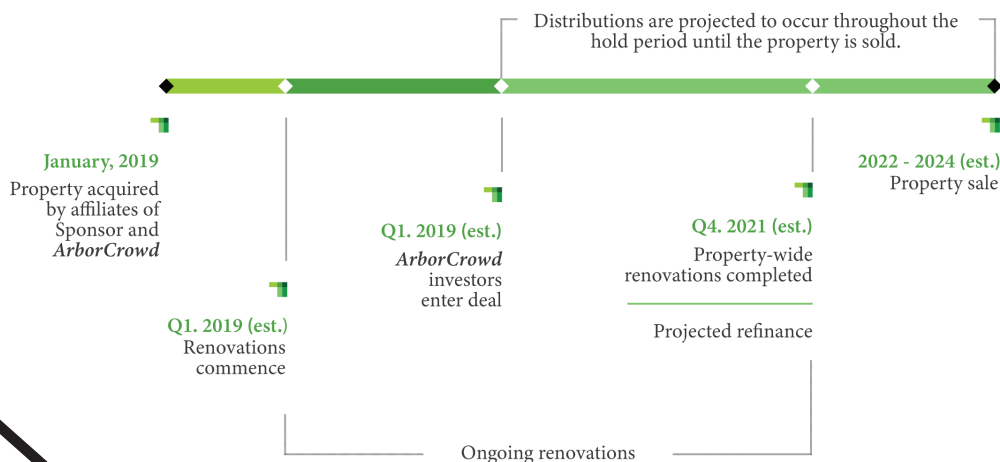


The Sponsor currently manages over 2,400 units in the Anytown metro area. With more than 20 years of combined experience in owning multifamily complexes and cultivating strong relationships with brokers and contractors, the Sponsor has

demonstrated the capability to reposition properties and deliver returns to its investors. The Sponsor aims to replicate a repositioning strategy at Evergreen Apartments that it has successfully employed at The Plaza, a property located 1 mile away.

Year Founded	Units Under Management	Asset Value At Purchase	Estimated Current Value
2004	5,000	\$300 million	\$400 million

Timeline



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Deal Capitalization

Evergreen Apartments Capitalization	
Arbor Loan	\$25,000,000
ArborCrowd Investors	\$3,395,000
Sponsor Equity	\$8,609,691
Total Capitalization	\$37,004,691

About ArborCrowd

ArborCrowd is the first Real Estate Institution to launch a Crowdfunding Platform, opening up our exclusive network of opportunities to a new class of investors.

We hand select every one of our deals from our proprietary network, and choose the ones that survive our rigorous underwriting process.

Our thorough offering materials are there to help investors make the most informed decisions.



Ivan Kaufman
Co-Founder
& CEO



Adam Kaufman
Co-Founder &
Managing Director

Synergies

ArborCrowd is part of The Arbor Family of Companies, which includes Arbor Management Acquisition Company and Arbor Realty Trust (NYSE: ABR), a leading publicly traded commercial mortgage real estate investment trust.

These independent commercial real estate enterprises operate in different corners of the industry, while sharing leadership. The synergies created by these companies have resulted in a deep-rooted and proprietary network of relationships in the commercial real estate industry.

Contact Us

 Questions?

If you have any questions about this opportunity, please email investorrelations@arborcrowd.com or call 844-365-1200, and an ArborCrowd team member will promptly return your inquiry.

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