

THE OAKS



54 UNITS

SYLACAUGA, AL



BUILT 1958

REMODELED 2016

ROCK

OFFERING MEMORANDUM



THE OAKS

600 S BROADWAY AVE, SYLACAUGA, AL 35150

- 4 INVESTMENT SUMMARY
- 8 INVESTMENT HIGHLIGHTS
- 12 LOCATION OVERVIEW
- 18 PROPERTY DESCRIPTION
- 24 FINANCIALS
- 32 COMPARABLES
- 38 ABOUT ROCK

MICAH DODD

Senior Associate
mdodd@rockadvisors.com
205 458 8021

MICHAEL BAKER

Managing Director
mbaker@rockadvisors.com
205 458 8112

DONALD GAMBRIL

Director
dgambril@rockadvisors.com
205 458 8110

BO FARLOW

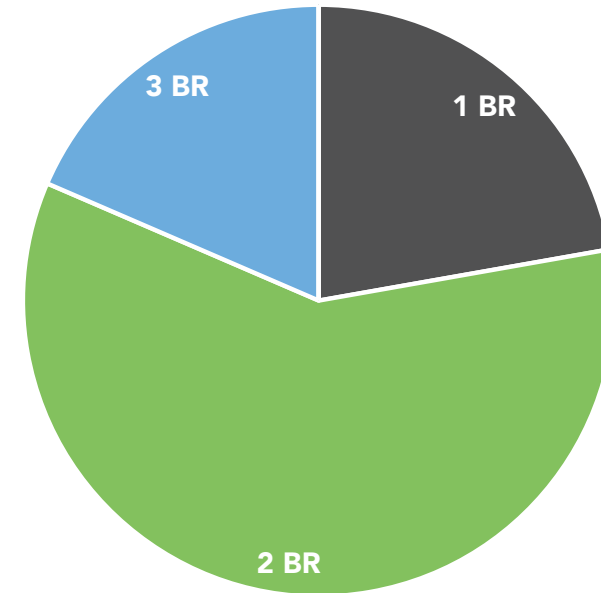
Associate
bfarlow@rockadvisors.com
205 458 8120



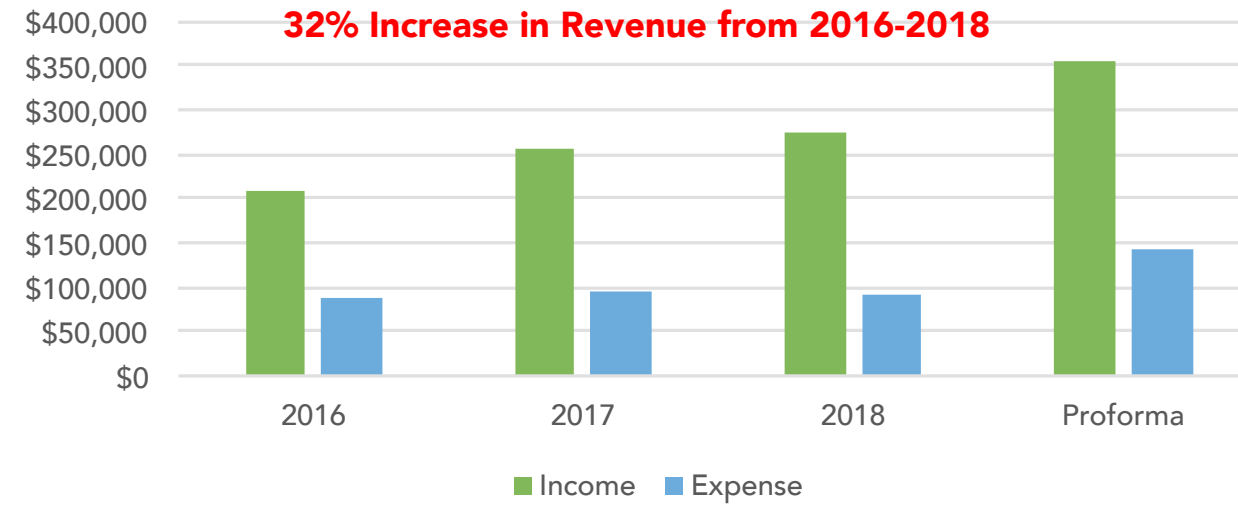
INVESTMENT SUMMARY

UNIT MIX SUMMARY

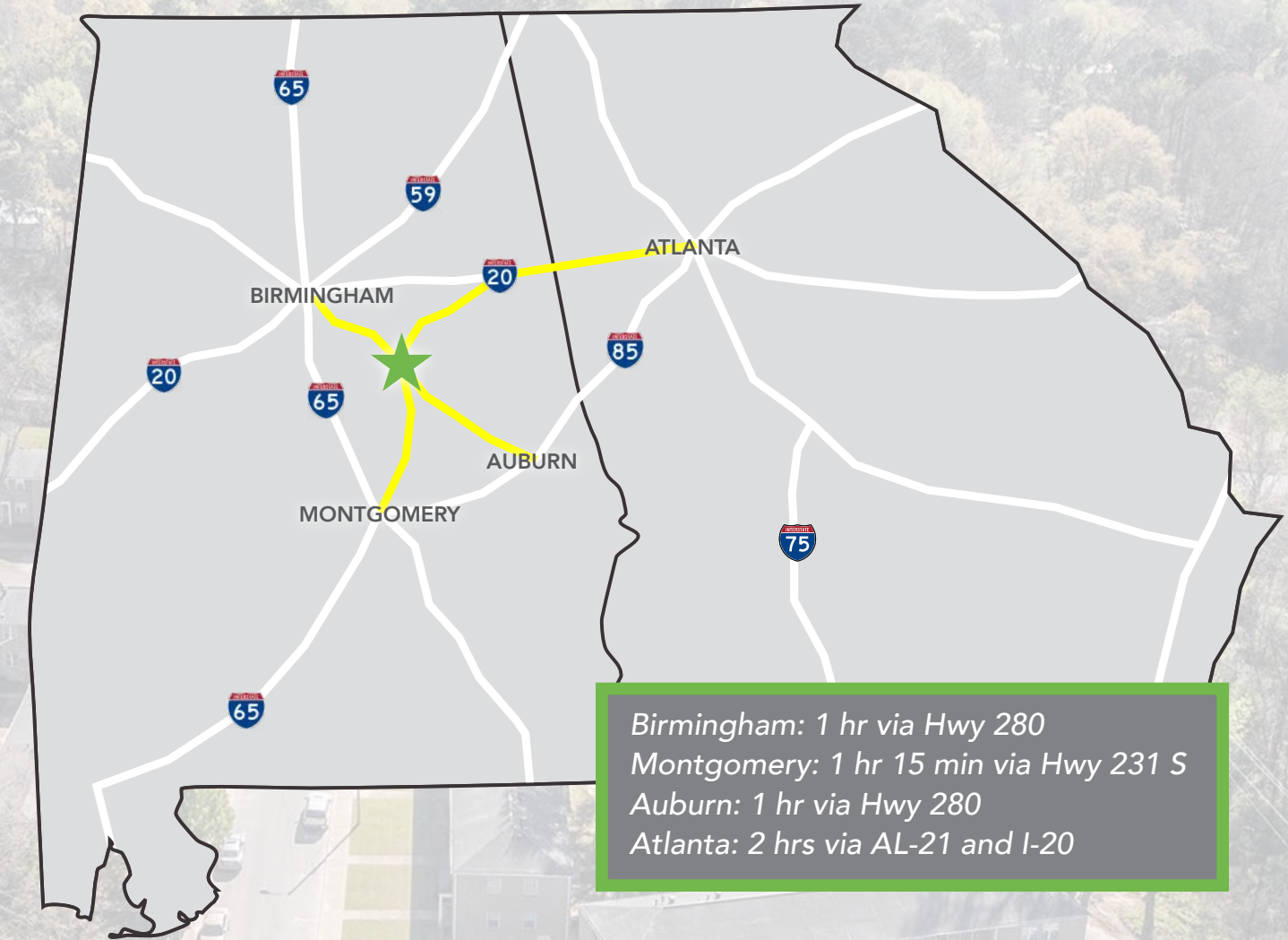
Type	No. Units	Unit SF	Mkt Rent	PSF
1 BR / 1 BA	12	670	\$450	\$0.67
2 BR / 1 BA TH	32	950	\$550	\$0.58
3 BR / 1 BA TH	10	1,100	\$600	\$0.55
Total/Avg	54	916	\$537	\$0.59



Income/Expense Trends



CENTRAL TO MAJOR MARKETS





INVESTMENT
HIGHLIGHTS

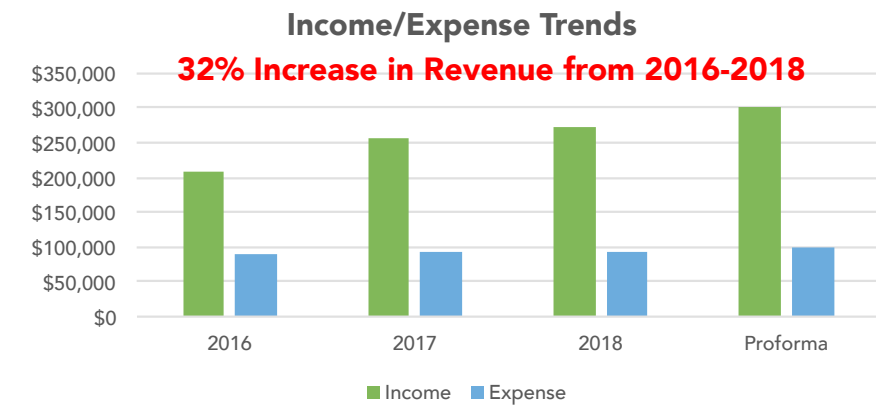
INVESTMENT HIGHLIGHTS

STRONG INCOME TREND

The current owner completed exterior renovations in 2016 and has been continually completing interior renovations as units turn, resulting in a 32% increase in revenue from 2016-2018.

A new owner has the opportunity to bring legacy leases to market levels, increasing revenue an additional 12%.

There is an opportunity to increase other income as well. The current owner recently engaged in a property-wide cable/internet contract, which will result in an \$11,016 increase to NOI annually.



NEWLY RENOVATED INTERIOR & EXTERIOR

The Oaks features popular townhouse style units with a modern paint scheme on brick siding.

Renovated unit interiors (74%) boast new flooring, cabinet fronts, counters, updated bathrooms, fixtures, and appliances.

Fresh landscaping throughout the property along with a re-stripped parking lot offer an astounding first impression of the property.



INVESTMENT HIGHLIGHTS

DESIRABLE CHARACTERISTICS

Units are individually metered for all utilities (water/sewer, gas, and electricity).

The property features an onsite leasing office and laundry facility.

The Oaks offers ample greenspace for a new owner to create community amenities such as a bark park, grilling stations, and playground.

The Oaks benefits from outstanding visibility along S. Broadway Ave, with AADT of 9,840.



INVESTMENT HIGHLIGHTS



EASY ACCESS TO DOWNTOWN AND EMPLOYERS

The Oaks sits just one mile from downtown Sylacauga, featuring restaurants, local retail shops, and entertainment options.

The property is less than one mile from Coosa Valley Medical Center (675 employees) and 35 miles from the Honda Plant (6,500 employees).

The Oaks enjoys easy access to Highway 280, one of the state's major thoroughfares spanning from Birmingham, AL to Savannah, GA.

FREE & CLEAR

The Oaks will be delivered free & clear of any outstanding debt, allowing a new investor to take advantage of historically low rates.



LOCATION
OVERVIEW

SYLACAUGA, ALABAMA

With a resident population of 12,264, the City of Sylacauga is known for its deep rooted southern history and unique qualities. Boasting the nickname of “Alabama’s Best-Kept Secret”, Sylacauga has become an increasingly attractive city for residents and businesses alike. Located in the southern portion of Talladega County, Sylacauga is uniquely positioned to offer an extensive list of opportunities for any potential resident. Sylacauga is home to state of the art medical services, outstanding school systems, recreational activities, plus a strong and growing business environment. Sylacauga’s vibrant downtown is home to many local restaurants such as Buttermilk Hill, Giovanni’s, and August’s Barbeque. Sylacauga also holds the nickname of “The Marble City”, deriving from the beautiful white marble bedrock that the city rests on and celebrating Sylacauga being the home to the first marble industry. Sylacauga celebrates this history with the annual Marble Festival, which draws thousands of people to the city each year.

ECONOMIC DEVELOPMENT/ LOCATION

Sylacauga is uniquely off Highway 280 between Birmingham and Auburn, a route traveled by 15,000+ every day. Sylacauga is home to a recent major development that includes 150,000+ square feet of retail space including Starbucks, TJ Maxx, and Hobby Lobby. Sylacauga provides easy access to three major thoroughfares: I-20, I-65, U.S. 280. This convenient location allows quick travel times to major metro areas including Birmingham (1 hr), Montgomery (1hr 15 min), Atlanta (2hrs), and Auburn (1 hr).

The local economy has a robust and diversified industrial base built on the area’s proximity to transportation routes, raw materials, and strong workforce. The accessibility to large-tract industrial property has especially boosted the development in the automotive and calcium carbonate sectors of the economy.

EMPLOYMENT

The economy of Sylacauga is supported by many different industries, including 140 manufacturing firms, educational services, retail, and finance. The area’s major employers include Honda of Alabama (6,200 employees), Coosa Valley Medical Center (675 employees), Nemak Components (473 employees), and Blue Bell Creameries (300 employees).



EDUCATION

There are four schools that make up the City of Sylacauga school system. Indian Valley Elementary is a fully independent facility that educates K-2. Pinecrest Elementary is a fully independent facility that educates 3-5. Nichols-Lawson Middle is a fully independent facility that educates 6-8. Sylacauga High is a fully independent, state-of-the-art facility that educates 9-12. The four schools serve over 2,400 students in grades K-12. The City of Sylacauga and its citizens provide strong financial support for education. The area is also home to Talladega College and Central Alabama Community College, which provide a college education to over 3,000 students.

TALLADEGA COUNTY TOP EMPLOYERS	
EMPLOYER	EMPLOYEES
Honda of Alabama	6,200
New South Express	1,268
Alabama Institute for Deaf & Blind	1,266
Talladega County Board of Education	955
Legacy Cabinets	688
Coosa Valley Medical Center	675
Kasia North America Inc.	552
Nemak Aluminum Components	473
Fleetwood Metal Industries	375
Baptist Citizen Medical Center	346
Blue Bell Creameries	300





- MEDICAL
- RETAIL
- INDUSTRIAL
- DOWNTOWN
- SITE

FLEETWOOD METAL
375 EMPLOYEES

Arbys

CVS pharmacy

McDonald's

CADENCE
BANCORP, LLC

BURGER KING

Walgreens

SONIC

BLUE BELL CREAMERIES
300 EMPLOYEES

6,200 EMPLOYEES

HONDA

Honda Manufacturing of Alabama

1,268 EMPLOYEES

NSE

New South Express

688 EMPLOYEES

Legacy

CABINETS INC

DOWNTOWN
SYLACAUGA

COOSA VALLEY
MEDICAL CENTER
675 EMPLOYEES

9,840 AADT

THE OAKS

15,000 AADT

Captain D's

SUBWAY

burkes OUTLET

FOUR STAR RESTAURANT

RENASANT BANK

Walmart

QUALITY INN

HOBBY LOBBY

tj-max

REGIONS

Holiday Inn

ZAXBY'S

REAL CHICKEN

Chick-fil-A

THE HOME DEPOT



PROPERTY
DESCRIPTION

ADDRESS

600 S Broadway Ave, Sylacauga AL 35150

LOCATION

The Oaks is located in Sylacauga, Alabama. Sylacauga is uniquely positioned on Highway 280 between Birmingham and Auburn, a route traveled by 15,000+ every day. Sylacauga has become a regional hub for retail development (Starbucks, Home Depot, Hobby Lob- by, etc.) and maintains a strong workforce through manufacturing and small business.

SITE LAYOUT

This property consists of 54 units across ten separate two-story buildings. 42 units are walk-up, townhouse style units while the remaining twelve 1BR units enjoy interior stair- well access. The property also features an office building and laundry facility.

LAND AREA

This site sits on 3.75 acres.

ZONING

The property is zoned M-1 Multiple Family Residential District

UTILITIES

Water/sewer, gas, and electric are provided by Sylacauga Utilities and are paid for individu- ally by the tenant. The property recently entered into a bulk cable/internet agreement with Charter/Spectrum and tenants will be charged \$60/month for cable/internet. The cost to the property is \$40/unit/month for the cable/internet service. The property provides a trash service, which is also provided by Sylacauga Utilities. The property is serviced by S & S Pest Control, and features double bond termite protection, which is also paid for by the property.

ACCESS / SIGNAGE / VISIBILITY

The property enjoys access from S. Broadway Ave. (9,840 AADT) with highly visible signage along the road.

JURISDICTION AND TAXES	
Jurisdiction:	Talladega County
Parcel ID number:	27-09-32-4-010-001.000
Assessment Ratio:	80.00%
Tax Rate:	5.05%
Tax Year:	2018

BUILDING DESCRIPTION	
Year Built:	1958/2016
Total Units	54
Total Rentable SF:	49,400
Average SF:	916
Building Style:	Walk-up, townhouse style & garden
Stairs/Breezeways	Wood, only in 1 bedroom units
Exterior Materials:	Brick
Doors	Metal
Windows:	Double Pane Vinyl
Framing:	Wood
Roof Construction:	Pitched
Roof Covering:	Asphalt Shingle
Foundation:	Slab

MECHANICAL/ELECTRICAL/PLUMBING	
HVAC:	2 ton (1br), 2.5 ton (2br & 3br). Four units have been replaced with heat pumps, and all units have electrical capacity to handle heat pumps.
Water Heater:	40 gallon gas units
Electrical:	Copper Wiring
Plumbing Supply:	Copper
Plumbing Outlet:	Cast Iron
Water Meter:	All units are individually metered
Fire Protection:	All units include smoke detectors

UNIT INTERIORS
KITCHENS
The kitchens feature vinyl flooring, laminate countertops, wood cabinets, electric range, dishwasher, microwave, and a double sink.
BATHROOMS
Bathrooms feature tile floor, tile surround bath tub, commode, and vanity.

MISCELLANEOUS

Units include a combination of hardwood floors, carpet, and laminate. If the hardwood could be refinished, the current owner refinished the hardwoods, if not, carpet or laminate was layed over the hardwood floors. Bedrooms feature walk-in closets and ceiling fans.



UTILITY/ SERVICE	PROVIDER	SEPARATELY METERED	RESIDENTS PAY DIRECTLY
Electricity	Sylacauga Utilities	Yes	Yes
Gas	Sylacauga Utilities	Yes	Yes
Water/ Sewer	Sylacauga Utilities	Yes	Yes
Cable TV/ Internet	Charter Spectrum	Yes	Yes

FLOOD HAZARD	
Panel Number:	01121C0520E
Date:	3.16.16
Flood Zone:	Zone X
Flood Insurance Required	No

SCHOOL ZONING	
Elementary	Indian Valley Elementary School / Pinecrest Elementary School
Middle	Nichols-Lawson Middle School
High	Sylacauga High School





PROPERTY DESCRIPTION



PROPERTY DESCRIPTION



FINANCIALS

PROPERTY OVERVIEW

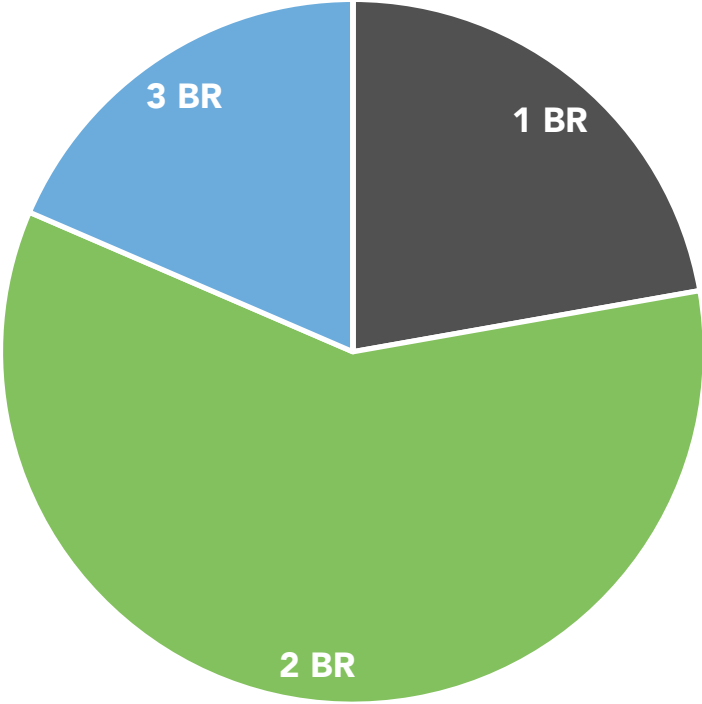
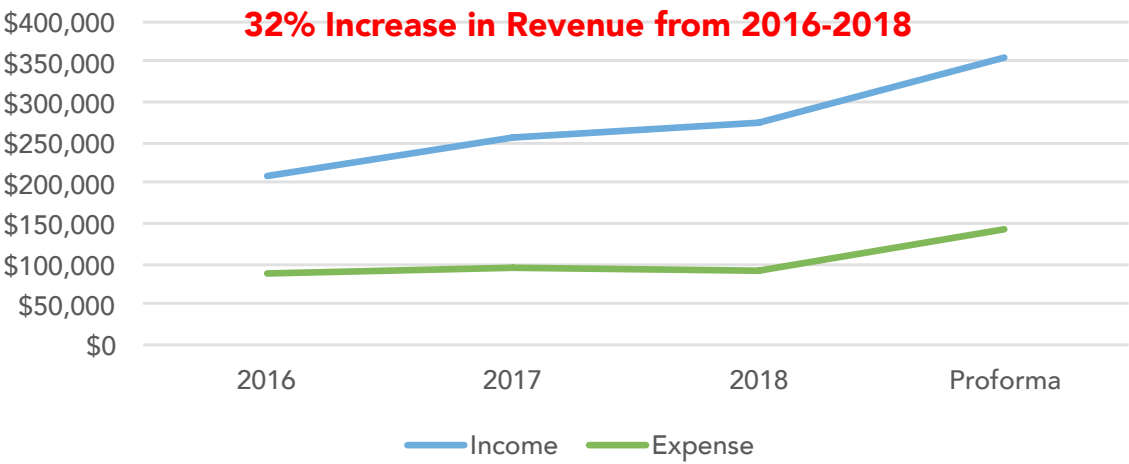
The Oaks
600 S Broadway
Sylacauga, AL 35150
Talladega County

Year Built	1958/2016
No. of Units	54
Acres	3.75
Units Per Acre	14.40
Total Sq Ft	49,440
Current Occupancy	93%

UNIT MIX SUMMARY

Type	No. Units	Unit SF	Mkt Rent	PSF
1 BR / 1 BA	12	670	\$450	\$0.67
2 BR / 1 BA TH	32	950	\$550	\$0.58
3 BR / 1 BA TH	10	1,100	\$600	\$0.55
Total/Avg	54	916	\$537	\$0.59

Income/Expense Trends



HISTORICAL & PROFORMA

	December 2016		December 2017		December 2018		Rock Advisors		Notes
	T-12		T-12		T-12		Proforma		
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	
INCOME									
Current Market Rents (CMR)							\$348,000	\$6,444	
Less: Loss to Lease							(20,880)	(387)	6% of CMR
Gross Potential Rent (GPR)							\$327,120	\$6,058	
Less: Vacancy Loss							(16,356)	(303)	5% of GPR
Less: Concessions							(1,636)	(30)	0.5% of GPR
Less: Credit Loss							(1,636)	(30)	0.5% of GPR
Total Effective Income (EI)							\$307,493	\$5,694	
Add: Other Income							8,100	150	Proforma
Add: Cable Income							36,936	684	Proforma
Total Income (TI)	\$207,676	\$3,846	\$257,217	\$4,763	\$273,505	\$5,065	\$352,529	\$6,528	
EXPENSES									
Leasing & Advertising	\$4,831	\$89	\$3,379	\$63	\$2,388	\$44	\$2,388	\$44	T12
Administrative	2,295	42	4,758	88	5,110	95	5,110	95	T12
Utilities	14,898	276	18,613	345	14,089	261	14,089	261	T12
Repair & Maintenance	8,430	156	6,048	112	7,106	132	16,200	300	Proforma
Pest Control & Garbage	1,770	33	1,870	35	1,770	33	1,770	33	T12
Payroll	21,683	402	24,997	463	26,287	487	26,287	487	T12
Grounds	5,162	96	5,550	103	5,744	106	5,744	106	T12
Cable Expense	-	-	-	-	-	-	25,920	480	Proforma
Total Controllable Expenses	\$59,069	\$1,094	\$65,216	\$1,208	\$62,495	\$1,157	\$97,508	\$1,806	
Management Fee	-	-	-	-	-	-	15,375	285	5% of EI
Taxes	12,545	232	12,110	224	12,142	225	12,142	225	Actual
Insurance	16,764	310	17,322	321	16,237	301	16,237	301	T12
Total Operating Expenses	\$88,378	\$1,637	\$94,647	\$1,753	\$90,873	\$1,683	\$141,261	\$2,616	
NET OPERATING INCOME (NOI)	\$119,298	\$2,209	\$162,569	\$3,011	\$182,633	\$3,382	\$211,268	\$3,912	

PROFORMA ASSUMPTIONS

INCOME

- 6% loss to lease in FY1, dropping to 4% in FY2, and 2% FY3-FY6
- 5% vacancy loss, in-line with market comps
- 0.5% concession loss
- 0.5% credit loss
- \$150/unit in other income, consisting of application fees, laundry income, pet rent, late fees, and renters insurance
- \$684/unit in cable income. The property recently entered into a bulk cable/internet contract with Comcast/Spectrum. Tenants will be charged \$60/month for the service, and the proforma assumes 95% occupancy, resulting in \$60/month x 12 months x 95% occupancy = \$684/unit

EXPENSES

- Leasing & Advertising equal to 2018 expense, \$2,388
- Administrative equal to 2018 expense, \$5,110
- Utilities equal to 2018 expense, \$14,089. Water/sewer is individually metered for all units
- Repair & Maintenance projected to increase to \$16,200 or \$300/unit
- Pest Control & Garbage equal to 2018 expense, \$1,770
- Payroll to equal 2018 expense, \$26,287. The property employs a part-time leasing manager and a part-time maintenance tech, both of which have a long tenure at the property
- Grounds equal to 2018 expense, \$5,744
- Cable expense of \$25,920 or \$480/unit, the cost of the bulk cable/internet contract to the property is \$40/unit/month
- Currently, there is not a management fee in place at The Oaks. The proforma assumes a 5% management fee moving forward
- Taxes to equal 2018 property tax, \$12,142
- Insurance to equal 2018 expense, \$16,237

NOI

- NOI is projected to be \$211,268 in FY1. Income is set to benefit from remaining legacy leases turning over and additional revenue created by the new cable/internet contract. Expenses are set to increase with the cost of the bulk cable/internet implementation and adding in a 5% management fee. Overall, The Oaks is poised for future growth and strong cash flow.

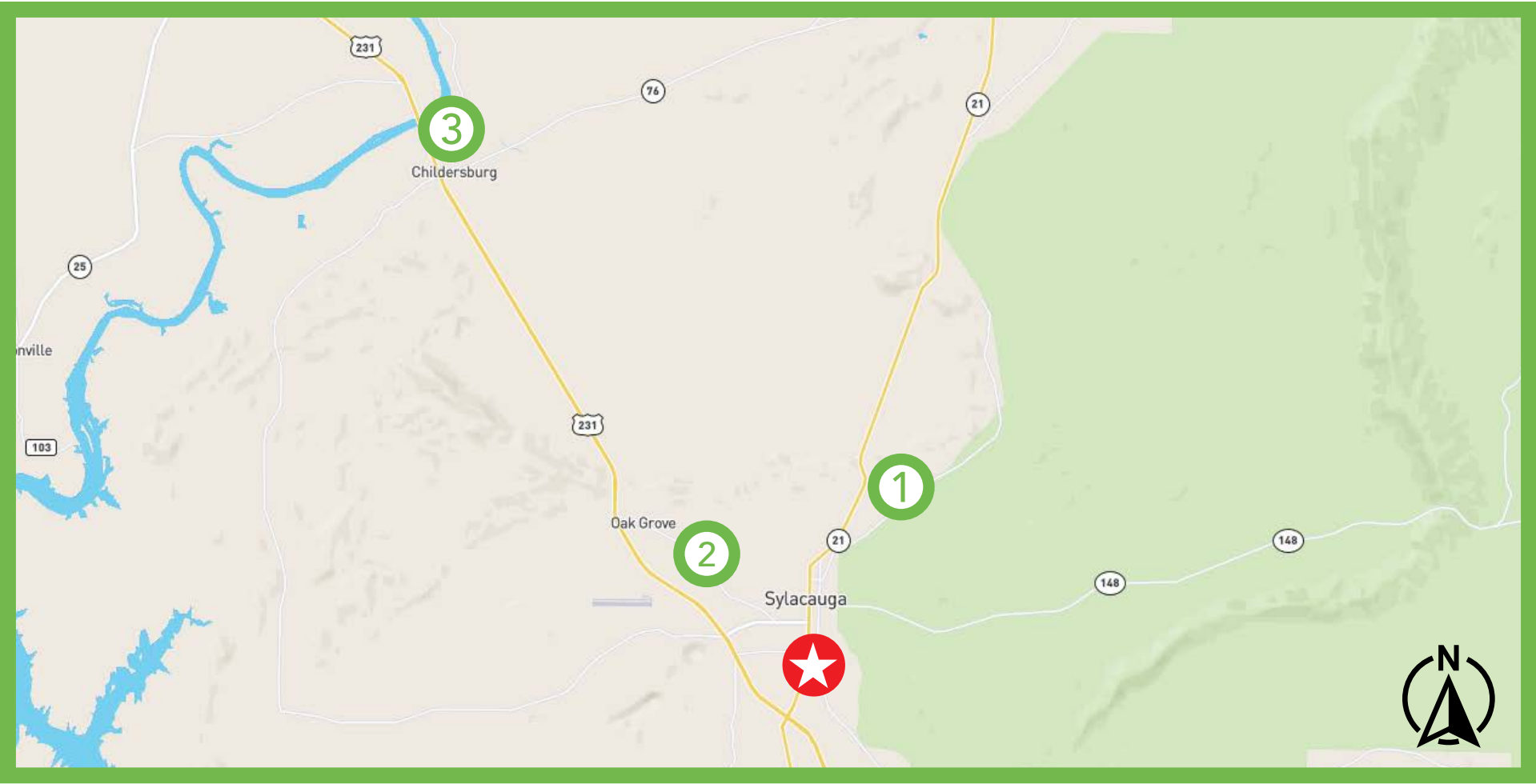
CASH FLOW

	FY0	FY1	FY2	FY3	FY4	FY5	FY6
Operating Revenue							
Current Market Rents (CMR)		\$348,000	\$348,000	\$358,440	\$369,193	\$380,269	\$391,677
Projected Rent Increase		-	10,440	10,753	11,076	11,408	11,750
Scheduled Market Rents (SMR)		\$348,000	\$358,440	\$369,193	\$380,269	\$391,677	\$403,427
Less: Loss to Lease		(20,880)	(14,338)	(7,384)	(7,605)	(7,834)	(8,069)
Gross Potential Rent (GPR)		\$327,120	\$344,102	\$361,809	\$372,664	\$383,844	\$395,359
Less: Vacancy Loss		(16,356)	(17,205)	(18,090)	(18,633)	(19,192)	(19,768)
Total Effective Income		\$307,493	\$323,456	\$340,101	\$350,304	\$360,813	\$371,637
Add: Other Income		8,100	8,343	8,593	8,851	9,117	9,390
Add: Cable Income		36,936	38,044	39,185	40,361	41,572	42,819
Total Income (TI)		\$352,529	\$369,843	\$387,879	\$399,516	\$411,501	\$423,846
Operating Expenses							
Leasing & Advertising		\$2,388	\$2,436	\$2,484	\$2,534	\$2,585	\$2,636
Administrative		5,110	5,213	5,317	5,423	5,532	5,642
Utilities		14,089	14,371	14,658	14,951	15,250	15,556
Repair & Maintenance		16,200	16,524	16,854	17,192	17,535	17,886
Pest Control & Garbage		1,770	1,805	1,842	1,878	1,916	1,954
Payroll		26,287	26,813	27,349	27,896	28,454	29,023
Grounds		5,744	5,859	5,976	6,096	6,217	6,342
Cable Expense		25,920	26,438	26,967	27,507	28,057	28,618
Total Controllable Expenses		\$97,508	\$99,458	\$101,448	\$103,476	\$105,546	\$107,657
Management Fee		15,375	18,492	19,394	19,976	20,575	21,192
Taxes		12,142	12,384	12,632	12,885	13,142	13,405
Insurance		16,237	16,561	16,893	17,230	17,575	17,926
Total Operating Expenses		\$141,261	\$146,896	\$150,366	\$153,567	\$156,839	\$160,181
Net Operating Income (NOI)		\$211,268	\$222,947	\$237,513	\$245,948	\$254,663	\$263,665
Cash Flow Assumptions							
Rent Growth	Proforma	FY2	FY3	FY4	FY5	FY6	
Rent Growth	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Loss to Lease	6.00%	4.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Vacancy Loss	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Concessions	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Credit Loss	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Other Income Growth		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Expenses Growth		2.00%	2.00%	2.00%	2.00%	2.00%	2.00%





COMPARABLES



	Property	Year Built	# Units	Occupancy	Avg. SF	Mkt Rent	Mkt/SF
★	The Oaks	1958 / 2016	54	93%	916	\$537	\$0.59
1	Creekside	2011	97	99%	898	\$590	\$0.66
2	The Landings	1982	80	92%	925	\$524	\$0.57
3	The Willows	1970	44	100%	980	\$475	\$0.48

★ The Oaks

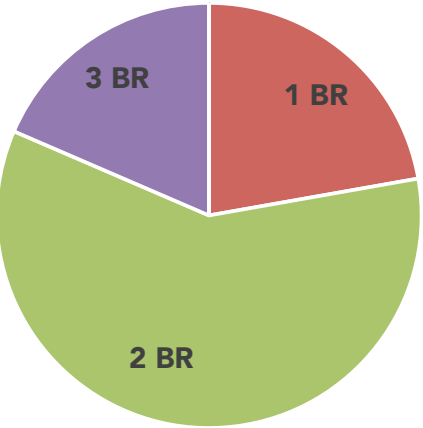


600 S Broadway
Sylacauga, AL 35150
Year Built: 1958 / 2016
Units: 54
Occupancy: 93%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	12	670	\$450	\$0.67
2 BR / 1 BA TH	32	950	\$550	\$0.58
3 BR / 1 BA TH	10	1,100	\$600	\$0.55
Total/Avg	54	916	\$537	\$0.59

UTILITIES	
TYPE	PAID BY
Electric	Tenant
Water/Sewer	Tenant
Gas	Tenant
Trash	Property

UNIT MIX:



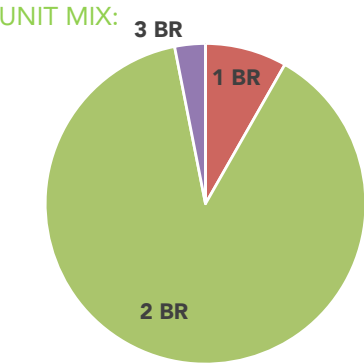
1 Creekside



2301 Motes Road 101
Sylacauga, AL 35150
Year Built: 2011
Units: 97
Occupancy: 99%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	8	600	\$500	\$0.83
2 BR / 2 BA	80	885	\$575	\$0.65
2 BR / 2.5 BA TH	6	1,325	\$800	\$0.60
3 BR / 2 BA	3	1,200	\$800	\$0.67
Total/Avg	97	898	\$590	\$0.66

UTILITIES	
TYPE	PAID BY
Electric	Tenant
Water/Sewer	Tenant
Gas	N/A
Trash	Property



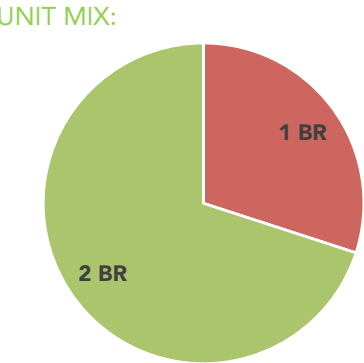
2 The Landings



125 Landing Way
Sylacauga, AL 35150
Year Built: 1982
Units: 80
Occupancy: 92%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	24	750	\$450	\$0.60
2 BR / 1 BA	56	1,000	\$555	\$0.56
Total/Avg	80	925	\$524	\$0.57

UTILITIES	
TYPE	PAID BY
Electric	Tenant
Water/Sewer	Tenant
Gas	N/A
Trash	Property



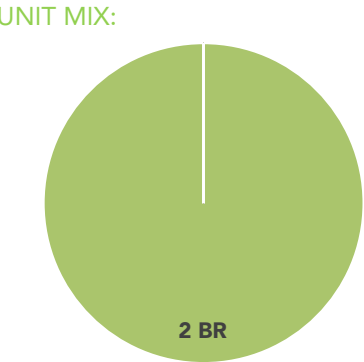
3 The Willows



1300 Coosa Pines Drive
Childersburg, AL 35044
Year Built: 1970
Units: 44
Occupancy: 100%

Type	Units	SF	Market Rents	Market Rents/SF
2 BR / 1 BA TH	44	980	\$475	\$0.48
Total/Avg	44	980	\$475	\$0.48

UTILITIES	
TYPE	PAID BY
Electric	Tenant
Water/Sewer	Property
Gas	N/A
Trash	Property





INDEPENDENT FIRM WITH INSTITUTIONAL RESOURCES

Rock, uniquely positioned as the Southeast’s premier independent multifamily brokerage firm, has provided exceptional service to its clients since 2003. We operate a specialized boutique firm focused on consulting relationships with our clients. We are not just another satellite office merged into a national platform focused on transactional volume to cover overhead. We provide unbiased, honest advisory service through a process that translates into tangible value for our clients both local and institutional.



EXPERIENCE

Rock’s talented team has brokered apartment transactions exceeding \$2 Billion in total sales since its inception in 2003. Our team understands how to position properties for sale and match the correct buyer and capital source for the seller to realize its exit strategy.



TEAM APPROACH

Rock approaches the multifamily brokerage business with a unique team model – collectively working on each transaction. Each team member contributes to and is engaged in every disposition assignment.



INTEGRITY

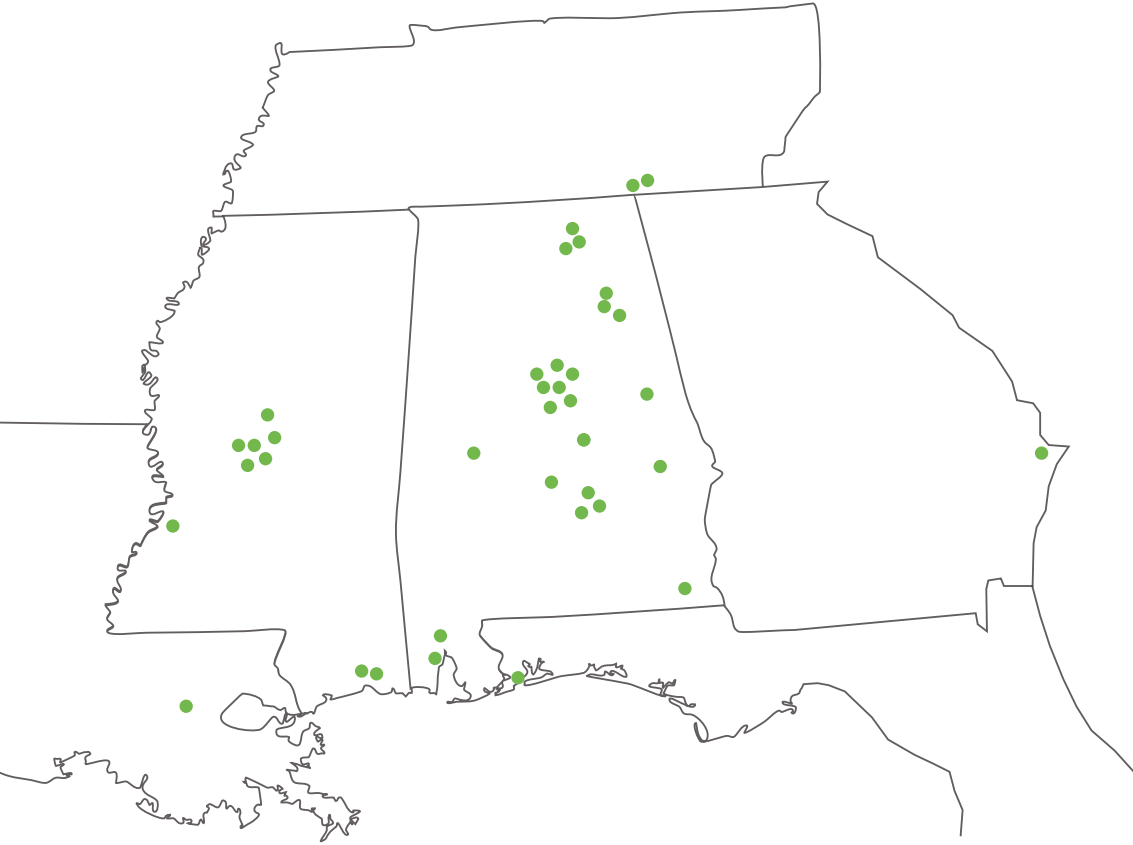
Each team member at Rock engages in the brokerage business with honesty and integrity. We seek to provide realistic and practical assessments of property value, not merely induce owners into signing listing agreements based on unreasonable expectations.



MARKET KNOWLEDGE

Due to our singular focus on the apartment sector and our innovative team approach, we are able to effectively compile relevant market data and collectively understand multi-family markets better than other commercial real estate firms. We leverage our market knowledge to service and benefit our clients.

LOCATION	UNITS	STATUS
Jackson, MS	207	Closed
Savannah, GA	32	Closed
Foley, AL	60	Closed
Birmingham, AL	12	Closed
Sylacauga, AL	80	Closed
Jackson, MS	399	Closed
Gadsden, AL	248	Closed
Jackson, MS	144	Closed
Huntsville, AL	100	Closed
Pensacola, FL	218	Closed
Ridgeland, MS	316	Closed
Jackson, MS	80	Closed
Birmingham, AL	114	Closed
Biloxi, MS	257	Closed
Birmingham, AL	193	Closed
Birmingham, AL	87	Closed
Birmingham, AL	168	Closed
Huntsville, AL	65	Closed
Selma, AL	36	Closed
Montgomery, AL	35	Closed
Birmingham, AL	153	Closed
Birmingham, AL	36	Closed
Baton Rouge, LA	328	Closed
Montgomery, AL	56	Closed
Auburn, AL	214	Closed
Huntsville, AL	336	Closed
Anniston, AL	200	Closed
Birmingham, AL	30	Closed
Biloxi, MS	240	Closed
Dothan, AL	160	Closed
Jackson, MS	280	Closed
Tuscaloosa, AL	244	Closed
Mobile, AL	152	Closed
Gadsden, AL	100	Closed
Natchez, MS	80	Closed
Montgomery, AL	277	Closed
Jackson, MS	528	Closed
Saraland, AL	192	Closed



OVER \$2 BILLION IN SALES



ROCK

Multifamily Focus | Extensive Market Knowledge

www.rockadvisors.com