



HARBERT  
MULTIFAMILY ADVISORS

OFFERING MEMORANDUM

# PEBBLE CREEK



EXPIRED LIHTC OPPORTUNITY



24 UNITS



BUTLER, AL



BUILT 1999

Formerly **ROCK**







# PEBBLE CREEK

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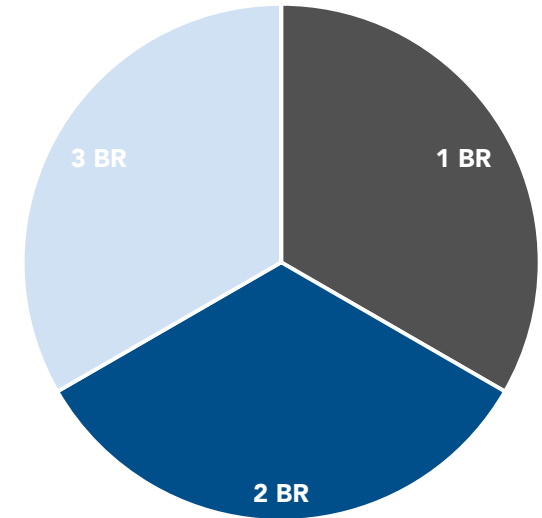
PEBBLE CREEK

## PROPERTY OVERVIEW

**Pebble Creek**

803 Vanity Fair Ave  
Butler, AL 36904  
Choctaw County

Year Built	1999
No. of Units	24
Acres	2.00
Units Per Acre	12.00
Total Sq Ft	22,024
Current Occupancy	100%



## UNIT MIX SUMMARY

Type	No. Units	Unit SF	LIHTC Rents		Post QC Rents	
			Mkt Rent	PSF	Mkt Rent	PSF
1 BR / 1 BA	8	745	\$348	\$0.47	\$400	\$0.54
2 BR / 1 BA	8	906	\$409	\$0.45	\$500	\$0.55
3 BR / 2 BA	8	1,102	\$450	\$0.41	\$525	\$0.48
<b>Total/Avg</b>	<b>24</b>	<b>918</b>	<b>\$402</b>	<b>\$0.44</b>	<b>\$475</b>	<b>\$0.52</b>
QC growth over LIHTC					18.1%	

## PEBBLE CREEK

Pebble Creek is a 24-unit, garden-style, multifamily property that was built in 1999 using Low Income Housing Tax Credits (LIHTC). Located in Butler, AL, just north of the Choctaw General Hospital, the property has completed its initial compliance period and is poised to begin the qualified contract process. Pebble Creek's rents are below those at nearby comps, yet its interior and exterior design are superior. By removing affordability restrictions, Pebble Creek is primed to increase rents over 18% and reduce operating expenses by 32%. It is a turnkey asset with brick exteriors, pitched roofs, steel framed stairs and railings, and double-pane windows. The unit mix consists of one, two, and three bedroom floorplans that average 918 square feet and all include washer and dryer connections.















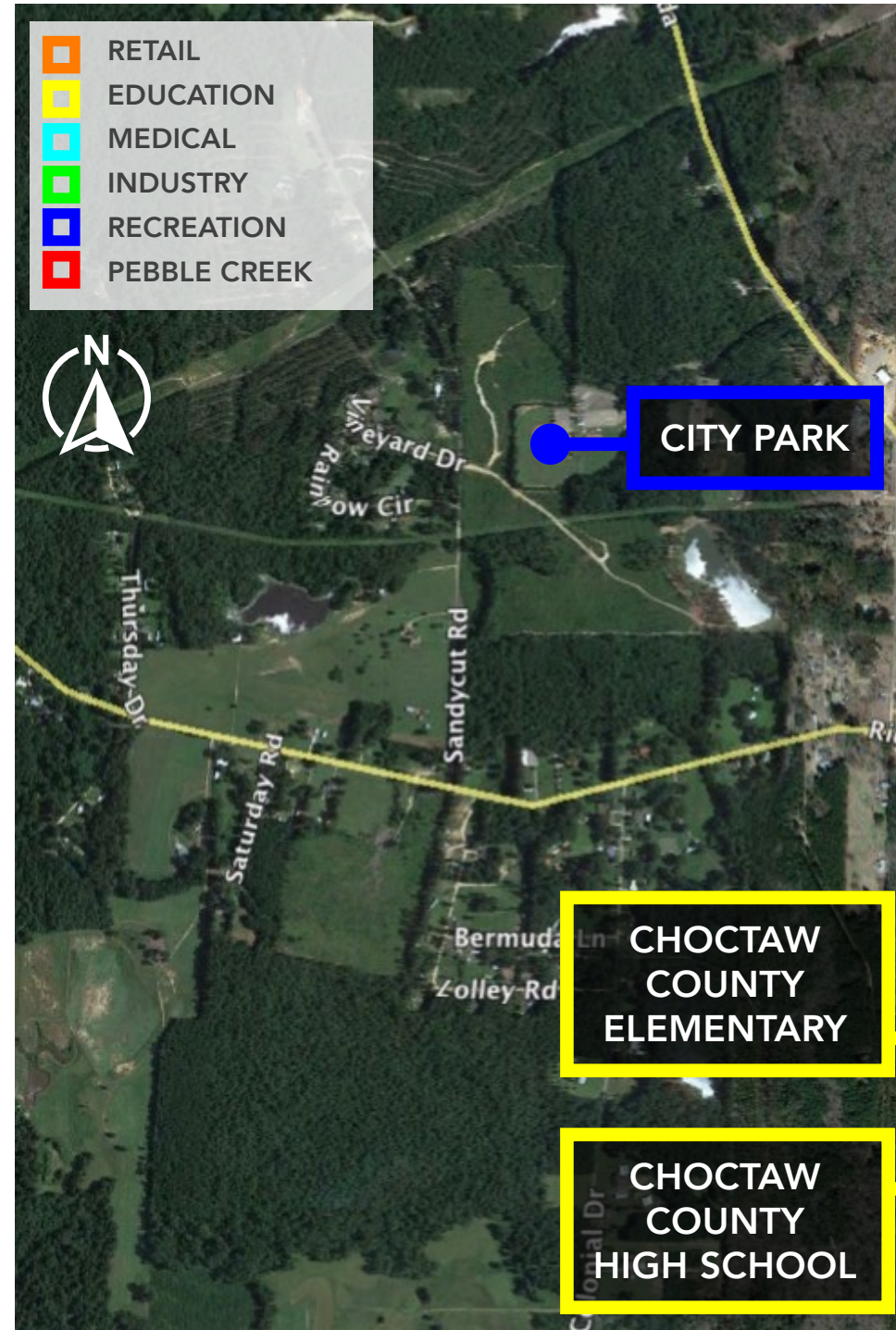
# PEBBLE CREEK

## BUTLER, AL (CHOCTAW COUNTY)

Butler serves as the county seat of Choctaw County, which has a population of 13,185. Primarily serviced by AL-10 and AL-17, residents of Butler are given easy access to the areas' top employers. The largest employer in Choctaw County is Georgia Pacific (800 employees), followed by McAbee Construction (245 employees), Rush Health Systems (110 employees), Willow Trace Nursing Center (100 employees), and Mid Star Timber (85 employees).

### TOP AREA EMPLOYERS

EMPLOYER	EMPLOYEES
Georgia Pacific Naheola Mill	800
McAbee Construction Inc	245
Rush Health Systems	110
Willow Trace Nursing Care	100
Mid Star Timber	85
Lassiter Lumber	84
Choctaw County Board of Education	75
Piggly Wiggly	36
Patrician Academy	35
Ramey's	30



PEBBLE CREEK





GEORGIA PACIFIC  
NAHEOLA MILL  
800 EMPLOYEES

PEBBLE CREEK

Rush  
Health Systems  
CHOCTAW GENERAL  
HOSPITAL  
110 EMPLOYEES

DOWNTOWN  
BUTLER

PATRICIAN  
ACADEMY





## ADDRESS

803 Vanity Fair Ave , Butler, AL 36904

## LOCATION

This property is located in northeast Butler, serviced by major thoroughfares in AL-17 and AL-10. The property is walking distance to a major employer at the Choctaw General Hospital in Rush Health Systems.

## SITE LAYOUT

This property consists of 3 two-story garden style apartment buildings that comprise 24-units and 1 building that serves as an office. The property features a large green space along Vanity Fair Ave along with ample parking spaces.

## LAND AREA

This site sits on ±2 acres.

## ZONING

The property is zoned Multifamily Residential

## UTILITIES

Water is metered by unit and paid for separately by the resident. Electric is also metered by unit and paid for separately by the resident. This property is serviced by a waste management company.

## ACCESS / SIGNAGE / VISIBILITY

This property features upgraded signage along Vanity Fair Ave.



## JURISDICTION AND TAXES

Jurisdiction:	Choctaw County
Parcel ID number:	15 13 04 17 3 001 001.006
Assessment Ratio:	20%
Tax Rate:	0.73%
Tax Year:	2018

## BUILDING DESCRIPTION

Year Built:	1999
Total Units	24
Total Rentable SF:	22,024
Average SF:	918
Building Style:	Garden
Stairs/Breezeways	Painted steel framed stairs and railings.
Exterior Materials:	Brick and solid vinyl
Doors	Metal clad entrance doors with wood frame. Interior doors are hollow core 6 panel or flush panel.
Windows:	Double-pane, Aluminum thermal break windows.
Framing:	Wood
Roof Construction:	Pitched
Roof Covering:	Shingle
Foundation:	Slab





## UNIT INTERIORS

### KITCHENS

Kitchens feature wood cabinets, laminate countertops, and stainless steel double sinks. Kitchens also feature electric ranges, refrigerators, disposals, microwaves, and dishwashers.

### BATHROOMS

Bathrooms feature white countertops, fiberglass shower/tubs, white commode, and wood cabinets.

### MISCELLANEOUS

Units feature vinyl floor coverings and carpet.

### COMMUNITY AMENITIES

Large Green Space  
Community Laundry Building  
Benches and picnic around property  
Outdoor Grilling area  
Playground



## PEBBLE CREEK

UTILITY/ SERVICE	PROVIDER	SEPARATELY METERED	RESIDENTS PAY DIRECTLY
Electricity	Alabama Power	Yes	Yes
Gas	N/A	N/A	N/A
Water/ Sewer	Utilities Board Town of Butler	Yes	Yes

## FLOOD HAZARD

Panel Number:	01023C0277D
Date:	3-Sep-10
Flood Zone:	Zone X
Flood Insurance Required	No

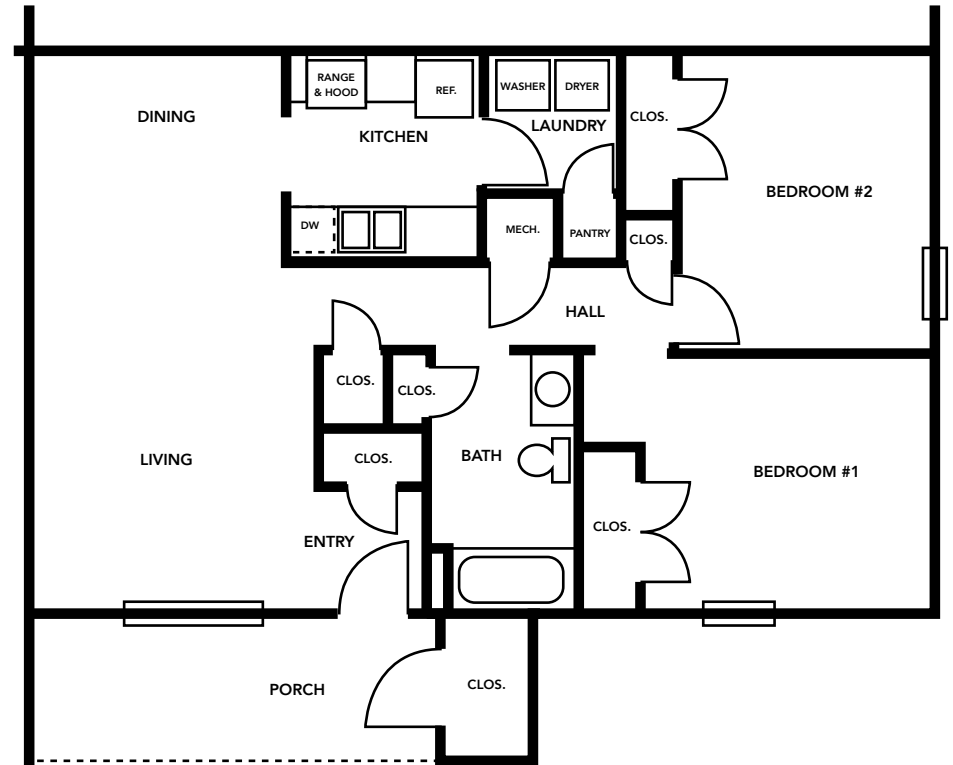
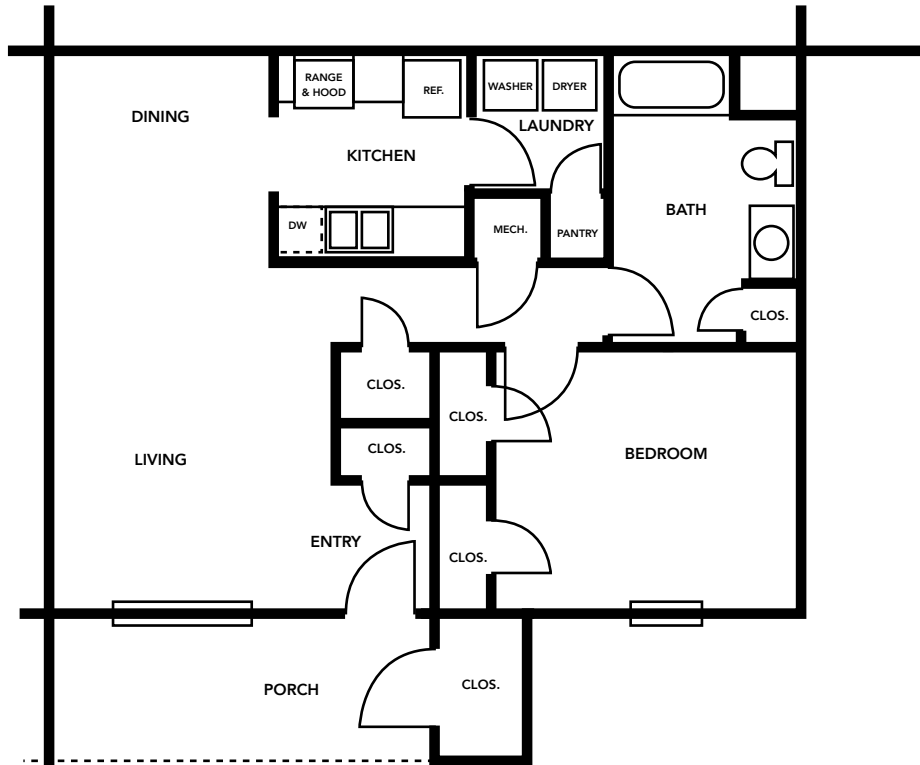
## MECHANICAL / ELECTRICAL PLUMBING

HVAC:	1 BR's feature 1.5 ton units, 2 BR's feature 2 ton units , 3 BR's feature 2.5 ton units.
Water Heater:	1 and 2 BR's feature 30 gal low boy. 3 BR's feature 40 gal low boy, and community building features 85 gal storage tank.
Electrical:	Copper Wiring
Plumbing Supply:	Copper
Plumbing Outlet:	PVC
Water Meter:	Metered by unit.
Fire Protection:	All units include smoke detectors and fire extinguishers.

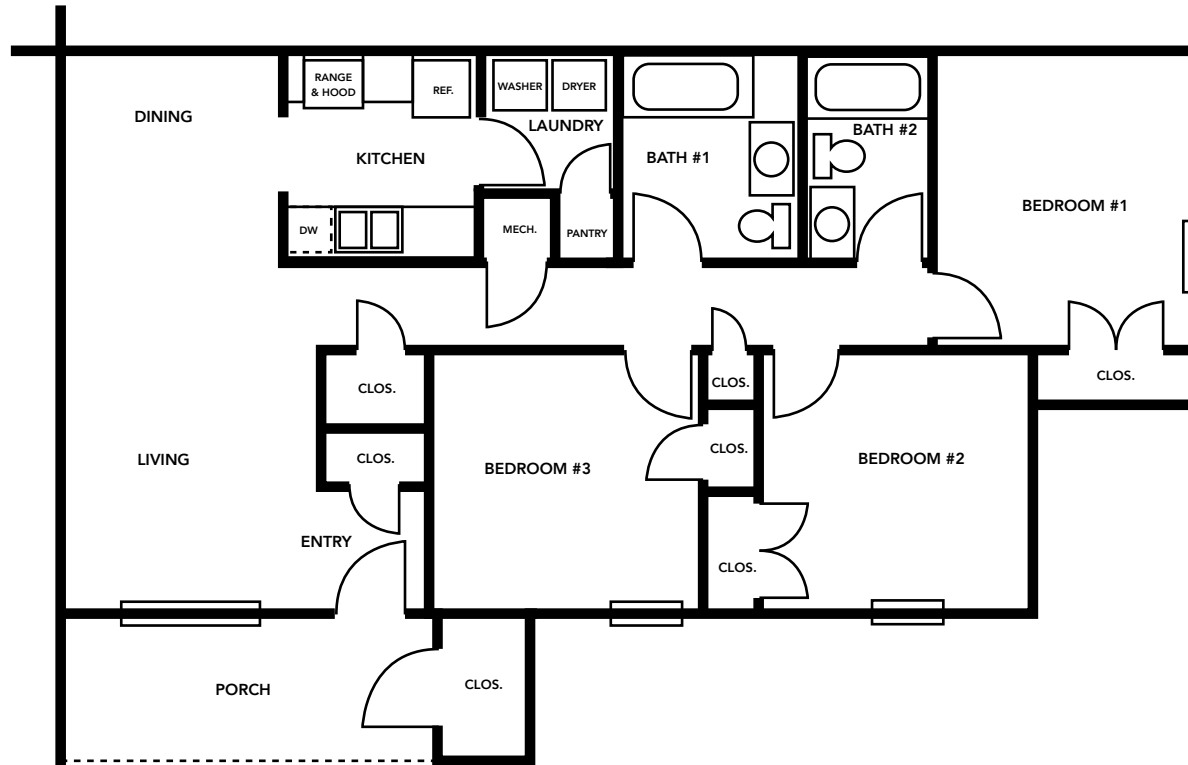
## SCHOOL ZONING

Elementary	Choctaw Elementary (PK-6)
High	Choctaw High School (7-12)









**THREE BEDROOM**  
 PEBBLE CREEK  
 1,102 SF



## PROPERTY OVERVIEW

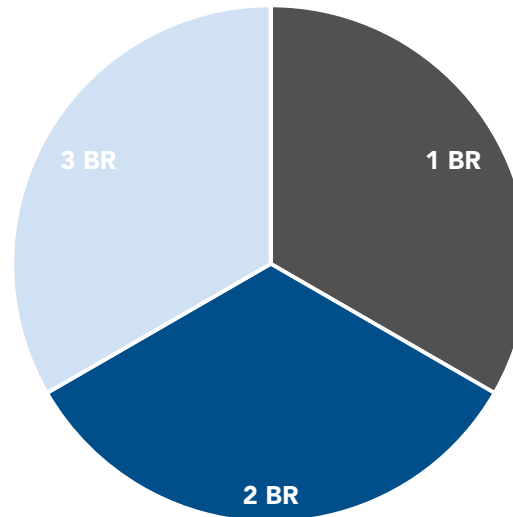
### Pebble Creek

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QC growth over LIHTC					18.1%	





# HISTORICAL & PROFORMA

	March 2019 T-12		March 2019 T-3 / T-12		HMA Stabilized Post QC		Notes
	Total	Per Unit	Total	Per Unit	Total	Per Unit	
INCOME							
Current Market Rents (CMR)	\$110,115	\$4,588	\$110,964	\$4,624	\$150,261	\$6,261	
Projected Rent Increase	-	-	-	-	3,005	125	
Scheduled Market Rents (SMR)	\$110,115	\$4,588	\$110,964	\$4,624	\$153,267	\$6,386	
Less: Loss to Lease	(2,051)	(85)	(1,840)	(77)	(1,533)	(64)	
Gross Potential Rent (GPR)	\$108,064	\$4,503	\$109,124	\$4,547	\$151,734	\$6,322	
Less: Vacancy Loss	(6,124)	(255)	(1,624)	(68)	(7,587)	(316)	
Less: Non-Revenue Units	(4,908)	(205)	(4,908)	(205)	(6,366)	(265)	
Less: Concessions	(261)	(11)	(120)	(5)	(303)	(13)	
Less: Credit Loss	(455)	(19)	-	-	(379)	(16)	
Total Effective Income (EI)	\$96,316	\$4,013	\$102,472	\$4,270	\$137,099	\$5,712	
Add: Other Income	3,131	130	4,060	169	3,524	147	
Add: Laundry Income	166	7	524	22	187	8	
Total Income (TI)	\$99,613	\$4,151	\$107,055	\$4,461	\$140,809	\$5,867	
EXPENSES							
Leasing & Advertising	\$904	\$38	\$904	\$38	\$1,273	\$53	Proforma
Administrative	15,382	641	15,382	641	4,075	170	Proforma
Water & Sewer	1,072	45	1,072	45	1,138	47	T12
Electric & Gas	8,438	352	8,438	352	8,955	373	T12
Repair & Maintenance	27,951	1,165	27,951	1,165	6,367	265	Proforma
Turnkey	2,142	89	2,142	89	6,367	265	Proforma
Pest Control & Garbage	1,505	63	1,505	63	1,597	67	T12
Payroll	25,336	1,056	25,336	1,056	25,469	1,061	Proforma
Grounds	3,640	152	3,640	152	3,863	161	T12
Total Controllable Expenses	\$86,371	\$3,599	\$86,371	\$3,599	\$59,104	\$2,463	
Management Fee	9,296	387	9,296	387	5,484	228	4% of EI
Taxes	7,728	322	7,728	322	8,308	346	Actual
Insurance	5,232	218	5,232	218	6,367	265	Proforma
Total Operating Expenses	\$108,627	\$4,526	\$108,627	\$4,526	\$79,264	\$3,303	
NET OPERATING INCOME (NOI)	(\$9,015)	(\$376)	(\$1,572)	(\$66)	\$61,545	\$2,564	



# CASH FLOW

		QC Process	Grace Period			Fully Stabilized	
	FY0	FY1	FY2	FY3	FY4	FY5	FY6
Operating Revenue							
Current Market Rents (CMR)		\$115,872	\$118,769	\$144,427	\$147,315	\$150,261	\$153,267
Projected Rent Increase		2,897	25,658	2,889	2,946	3,005	3,065
Scheduled Market Rents (SMR)		\$118,769	\$144,427	\$147,315	\$150,261	\$153,267	\$156,332
Less: Loss to Lease		(1,782)	(21,664)	(14,732)	(7,513)	(1,533)	(1,563)
Gross Potential Rent (GPR)		\$116,987	\$122,763	\$132,584	\$142,748	\$151,734	\$154,769
Less: Vacancy Loss		(5,849)	(6,138)	(6,629)	(7,137)	(7,587)	(7,738)
Less: Non Revenue Units		(4,908)	(5,150)	(5,562)	(5,989)	(6,366)	(6,493)
Less: Concessions		(234)	(246)	(265)	(285)	(303)	(310)
Less: Credit Loss		(292)	(307)	(331)	(357)	(379)	(387)
Total Effective Income		\$105,703	\$110,922	\$119,795	\$128,980	\$137,099	\$139,841
Add: Other Income		3,131	3,225	3,321	3,421	3,524	3,629
Add: Laundry Income		166	171	176	181	187	192
Total Income (TI)		\$109,000	\$114,317	\$123,293	\$132,582	\$140,809	\$143,663
Operating Expenses							
Leasing & Advertising		\$904	\$1,200	\$1,224	\$1,248	\$1,273	\$1,299
Administrative		\$15,382	\$3,840	3,917	3,995	4,075	4,157
Water & Sewer		\$1,072	\$1,072	1,094	1,116	1,138	1,161
Electric & Gas		\$8,438	\$8,438	8,607	8,779	8,955	9,134
Repair & Maintenance		\$27,951	\$6,000	6,120	6,242	6,367	6,495
Turnkey		\$2,142	\$6,000	6,120	6,242	6,367	6,495
Pest Control & Garbage		\$1,505	\$1,505	1,535	1,565	1,597	1,629
Payroll		\$25,336	\$24,000	24,480	24,970	25,469	25,978
Grounds		\$3,640	\$3,640	3,713	3,787	3,863	3,940
Total Controllable Expenses		\$86,371	\$55,695	\$56,809	\$57,945	\$59,104	\$60,286
Management Fee		9,513	4,437	4,792	5,159	5,484	5,594
Taxes		7,728	7,829	7,986	8,146	8,308	8,475
Insurance		5,232	6,000	6,120	6,242	6,367	6,495
Total Operating Expenses		\$108,844	\$73,962	\$75,707	\$77,493	\$79,264	\$80,849
Net Operating Income (NOI)		\$156	\$40,356	\$47,586	\$55,090	\$61,545	\$62,813
Cash Flow Assumptions		Proforma	FY2	FY3	FY4	FY5	FY6
Rent Growth		2.50%	21.60%	2.00%	2.00%	2.00%	2.00%
Loss to Lease		1.50%	15.00%	10.00%	5.00%	1.00%	1.00%
Vacancy Loss		5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Non-Rev Units		4.20%	4.20%	4.20%	4.20%	4.20%	4.20%
Concessions		0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Credit Loss		0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Other Income Growth			3.00%	3.00%	3.00%	3.00%	3.00%
Expenses Growth			2.00%	2.00%	2.00%	2.00%	2.00%
Replacement Reserves			0.00%	0.00%	0.00%	0.00%	0.00%







## PEBBLE CREEK - RENT COMPARABLES



	Property	Status	Year Built	# Units	Occupancy	Avg. SF	Mkt Rent	Mkt/SF
★	Pebble Creek	Affordable	1999	24	100%	918	\$402	\$0.44
1	Butler Cove	Affordable	2008	33	100%	1,362	\$486	\$0.36
2	Pinebrook	Affordable	1980	55	98%	817	\$477	\$0.58



## Pebble Creek



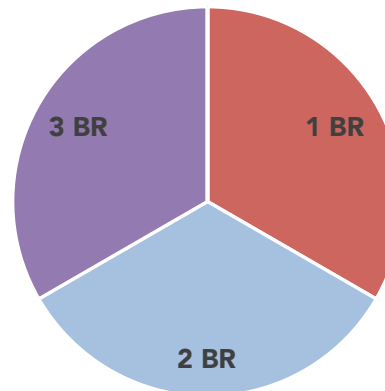
803 Vanity Fair Ave  
Butler, AL 36904  
Year Built: 1999  
Units: 24  
Occupancy: 100%

Type	Units	SF	Market Rents	Market Rents/SF	Post QC Rents	Post QC Rents/SF
1 BR / 1 BA	8	745	\$348	\$0.47	\$400	\$0.54
2 BR / 1 BA	8	906	\$409	\$0.45	\$500	\$0.55
3 BR / 2 BA	8	1,102	\$450	\$0.41	\$525	\$0.48
<b>Total/Avg</b>	<b>24</b>	<b>918</b>	<b>\$402</b>	<b>\$0.44</b>	<b>\$475</b>	<b>\$0.52</b>

### UTILITIES

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

### UNIT MIX:



### COMMENTS:

The property currently has affordable rent restrictions. Post QC rents are assumptions



## ① Butler Cove



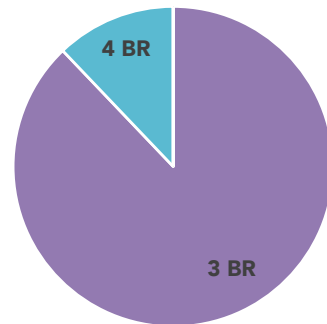
201 Spring Drive  
Butler, AL 36904  
Year Built: 2008  
Units: 33  
Occupancy: 100%

Type	Units	SF	Market Rents	Market Rents/SF
3 BR / 2 BA	29	1,350	\$480	\$0.36
4 BR / 2 BA	4	1,450	\$530	\$0.37
<b>Total/Avg</b>	<b>33</b>	<b>1,362</b>	<b>\$486</b>	<b>\$0.36</b>

### UTILITIES

TYPE	PAID BY
Electric	Tenant
Water/Sewer	Tenant
Gas	None Present
Trash	None Present

### UNIT MIX:



### COMMENTS:

Rent restricted property

## ② Pinebrook



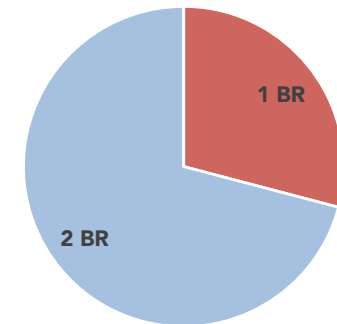
611 Vanity Fair Ave  
Butler, AL 36904  
Year Built: 1980  
Units: 55  
Occupancy: 98%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	16	701	\$401	\$0.57
2 BR / 1 BA	39	864	\$508	\$0.59
<b>Total/Avg</b>	<b>55</b>	<b>817</b>	<b>\$477</b>	<b>\$0.58</b>

### UTILITIES

TYPE	PAID BY
Electric	Tenant
Water/Sewer	Tenant
Gas	None Present
Trash	Property

### UNIT MIX:



### COMMENTS:

Rent restricted property



# PEBBLE CREEK - RENT COMPARABLES

## 1 Bedroom Rents

Descending Order by Market Rent

Property	Status	Type	SF	Mkt. Rents	Mkt. Rent/SF
Pinebrook	Affordable	1 BR / 1 BA	701	\$401	\$0.57
Pebble Creek	Market Rate (Post QC)	1 BR / 1 BA	745	\$400	\$0.54
Pebble Creek	Affordable	1 BR / 1 BA	745	\$348	\$0.47

## 2 Bedroom Rents

Descending Order by Market Rent

Property	Status	Type	SF	Mkt. Rents	Mkt. Rent/SF
Pinebrook	Affordable	2 BR / 1 BA	864	\$508	\$0.59
Pebble Creek	Market Rate (Post QC)	2 BR / 1 BA	906	\$500	\$0.55
Pebble Creek	Affordable	2 BR / 1 BA	906	\$409	\$0.45

## 3 Bedroom Rents

Descending Order by Market Rent

Property	Status	Type	SF	Mkt. Rents	Mkt. Rent/SF
Pebble Creek	Market Rate (Post QC)	3 BR / 2 BA	1,102	\$525	\$0.48
Butler Cove	Affordable	3 BR / 2 BA	1,350	\$480	\$0.36
Pebble Creek	Affordable	3 BR / 2 BA	1,102	\$450	\$0.41

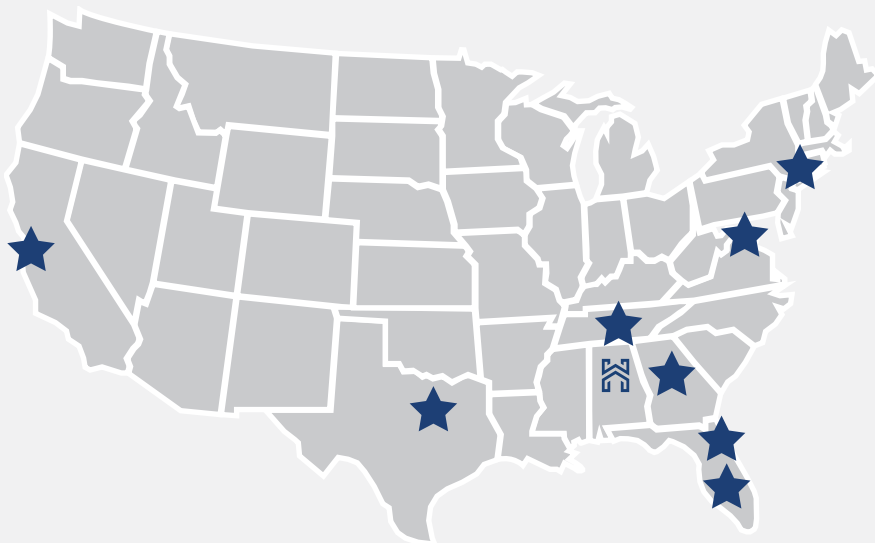




With more than 16 years of multifamily brokerage and advisory experience, Rock Apartment Advisors is now Harbert Multifamily Advisors (HMA).

HMA remains the same longstanding privately-held multifamily advisory firm backed by our seasoned brokerage team that has been serving the Southeast since 2003. Now, our brand update better showcases the institutional resources available through our association with Harbert Management Corporation, one of the region's largest and most well-respected investment management firms with over \$6 billion in assets under management.

Our association to the Harbert family of companies provides access to institutional resources and respected reputation in the commercial real estate industry, elevating HMA's brand presence, market footprint and product types.



#### HMC OFFICE LOCATIONS

Birmingham, AL  
Atlanta, GA  
Nashville, TN  
Orlando, FL  
Jacksonville, FL  
Dallas, TX  
New York, NY  
San Francisco, CA  
Richmond, VA

London, UK  
Madrid, Spain  
Paris, France

## COMPANY STRUCTURE



**HARBERT**  
REALTY SERVICES



**ABOUT HMA**



# OUR HISTORY

- Founded in 2003, Harbert Multifamily Advisors (formerly Rock Apartment Advisors) is an independent multifamily advisory firm.
- HMA, based in Birmingham, Alabama, has billions in transaction volume across the Southeast.
- With a proven history of multifamily specialization, attention to detail and a collaborative team approach with our seasoned brokers, HMA has developed a reputation for providing competitive advisory services that maximize value and build relationships beyond the transaction.

## CORE VALUES

### OWNER MINDED

We promise transparency and will provide honest, competitive property valuations to drive maximum value for our clients. We approach every transaction – from valuation to closing – with an owner’s mentality, treating your assets like our own with explicit attention to detail.

### RELATIONSHIP DRIVEN

Our hard-earned reputation was built on longstanding client relationships that extend beyond the transaction. Our seasoned brokers personally oversee each project from start to finish, upholding our commitment to quality over quantity.

### TEAM FOCUS

We believe the best results come from a collaborative team strategy. Our brokers work collectively on each assignment to generate the best results for our clients.

#### SAMPLE TRANSACTIONS



**AVENUES ON 61ST**  
128 beds - Savannah, GA



**PINNACLE POINTE**  
150 units – Crestview, FL



**JACKSON PORTFOLIO**  
399 units – Jackson, MS



**SILVER OAK / 700**  
78 units – Birmingham, AL





**HARBERTMULTIFAMILY.COM**

Formerly **ROCK**

Same team of experts. Same quality service. New look and capabilities.