



PEARL AT SUN VALLEY

2321 7TH ST NW, CENTER POINT, AL 35215

OFFERING MEMORANDUM



48 UNITS



BIRMINGHAM, AL



BUILT 1987



EXECUTIVE SUMMARY

- 4 INVESTMENT HIGHLIGHTS
- 6 PROPERTY OVERVIEW

MARKET OVERVIEW

- 9 LOCATION OVERVIEW
- 12 AREA OVERVIEW

COMPARABLES

- 13 COMPARABLES

FINANCIAL ANALYSIS

- 20 INVESTMENT SUMMARY
- 21 HISTORICAL CASH FLOW

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EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS

▶ VALUE-ADD OPPORTUNITY

Nearly half of the units have been partially/fully renovated. New owner can finish the renovation process & boost rents to market.

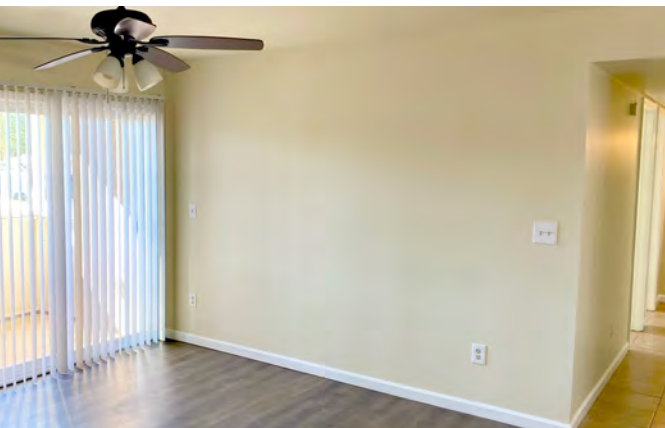
▶ ATTRACTIVE LOAN ASSUMPTION

Investors may assume the loan at a sub 5% interest rate. This provides a much more desirable rate than what banks are currently offering in the market.

▶ NEWER BUILT PRODUCT

The property was built in the late 80's making it much newer in comparison to the other nearby properties. Majority of the nearby complexes are 70's built.





PROPERTY INFORMATION

Address: 2321 7th Street NW, Center Point, AL 35215
 Land Area: 2.57 acres
 Zoning: R-3 Multifamily Residential

MECHANICAL/ELECTRICAL/PLUMBING

HVAC: Split / air handler, condenser units
 Water Heater: Electric water heaters
 Electrical: Copper wiring
 Plumbing Supply: PEX
 Plumbing Outlet: PVC
 Water Meter: Master metered for water
 Fire Protection: Battery operated smoke detectors



BUILDING DESCRIPTION

Year Built: 1987 - Units 41-48 Remodeled in 2018
 Total Units: 48
 Exterior Materials: Brick, vinyl, wood patios
 Doors: 6 panel
 Windows: Varies
 Framing: Wood framing
 Ground Floor: Concrete Slab
 Elevated Floors: Plywood/concrete
 Roof Construction: Pitched
 Roof Covering: Composition Shingles
 Foundation: Concrete

FLOOD HAZARD

Panel Number: 0239H
 Date: March 21, 2019
 Flood Zone: Zone X

PROPERTY TAXES

Parcel ID Number: 13 00 13 2 012 002.000
 Tax Year: 2023
 Appraised Value: \$3,003,500.00
 Assessed Value: \$600,700.00
 Taxes: \$43,839.98
 Millage Rate: 72.98

UNIT INTERIORS

KITCHENS

large countertop space
walk-in kitchen
dishwasher
fridge
stove included

BATHROOMS

all new low/flow elongated toilets
new shower heads
aerators
4-piece bathroom accessory kits

MISCELLANEOUS

walk in closets
washer dryer hookups in unit
large spacious floor plans
private patio's with additional storage room on exterior
dining room area

COMMUNITY AMENITIES

On-site groundskeeper
security cameras
solar lights on building exteriors

UTILITY/ SERVICE	PROVIDER	SEPARATELY METERED	RESIDENTS PAY DIRECTLY
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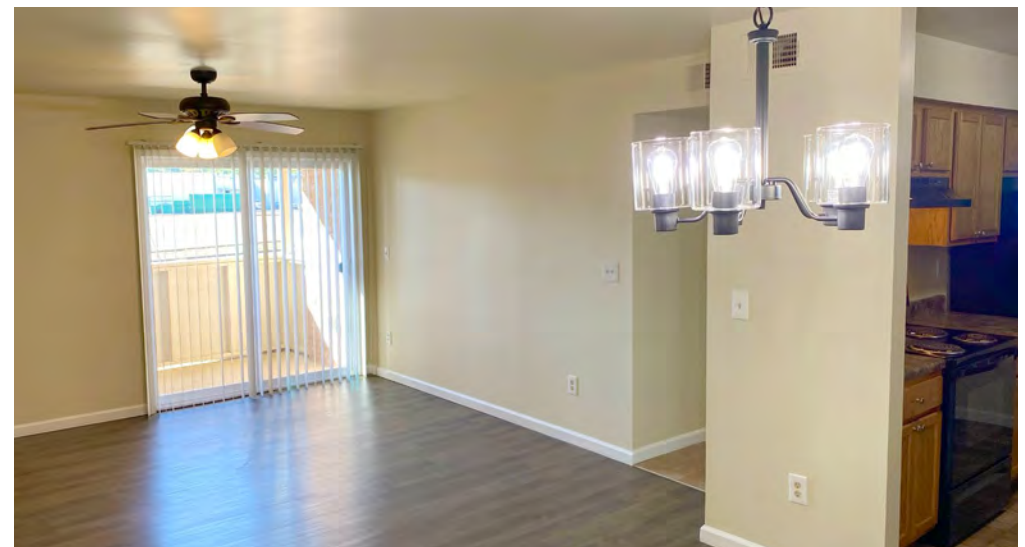
Electricity	Alabama Power	Yes	Yes
Gas	N/A	N/A	N/A
Water/ Sewer	Birmingham Water Works	No	No
Trash	Moore Coal	N/A	No
Pest Control	Stark Exterminators	N/A	No
Cable TV/Internet	Spectrum	Tenant pays	Yes

SCHOOL ZONING

Elementary	Sun Valley Elementary School
Middle	Erwin Middle School
Intermediate	Erwin Intermediate School
High	Cedar Point High School

PARKING

Total Surface Spaces	82
Handicap Spaces	2





MARKET OVERVIEW

WHY CHOOSE BIRMINGHAM?

Birmingham is the largest city in Alabama and one of the top 50 metros in the US with an MSA population of 1,120,755. One of the largest financial centers in the Southeast, the city is home to major banking institutions including PNC Bank and Regions Financial. A regional hub for healthcare, there are 21 hospitals in the region that employ over 63,000 residents. A blend of both medical and education disciplines, the University of Alabama at Birmingham boasts an enrollment of +22,500 students and an employee count of over 28,000, making it a major demand driver in the city. A new report shows the **University of Alabama at Birmingham's annual economic impact in Alabama of \$12.1B in 2022**. In 2022, approximately 1,500 new jobs were added and more than \$183M in capital investments were invested in Birmingham. An affordable tax climate, low cost of living, and charming overall appeal are trademarks of the metro. Expanding capital investment represents confidence in the Birmingham business climate and continued economic growth.

ACCESS TO BIRMINGHAM'S TOP EMPLOYERS

EMPLOYER	JOBS
University of Alabama at Birmingham	28,000
Regions Financial Corp.	9,000
St. Vincent's Health System	5,100
Children's of Alabama	5,000
AT&T	4,517
Honda Manufacturing of Alabama	4,500
Baptist Health System, Inc.	4,459
Alabama Power Co.	3,982
Mercedes-Benz U.S. International, Inc.	3,500
Blue Cross-Blue Shield of Alabama	3,100
Alabama Power Company	3,092
PNC Bank	2,285
Grandview Medical Center	2,172
U.S. Postal Service	2,000

5 INTERSTATES

PROVIDE ACCESS TO OVER 80% OF THE U.S. POPULATION IN A TWO-DAY DRIVE

ALABAMA HAS

#1 BUSINESS CLIMATE

IN THE NATION

ACCORDING TO *BUSINESS FACILITIES*

20,000

PROSPECTIVE EMPLOYEES GRADUATE ANNUALLY FROM THE BIRMINGHAM REGION'S 26 COLLEGES/UNIVERSITIES

\$2.5 BILLION

INVESTED IN DOWNTOWN REVITALIZATION SINCE 2010

BIRMINGHAM-SHUTTLESWORTH INTERNATIONAL AIRPORT OFFERS

100+ FLIGHTS

TO 21 AIRPORTS AND 18 CITIES

ALABAMA IS HOME TO THE

LOWEST

PROPERTY TAXES IN THE NATION

COST OF LIVING IS

91%

OF THE NATIONAL AVERAGE, ONE OF THE LOWEST AMONG SOUTHEAST METROS

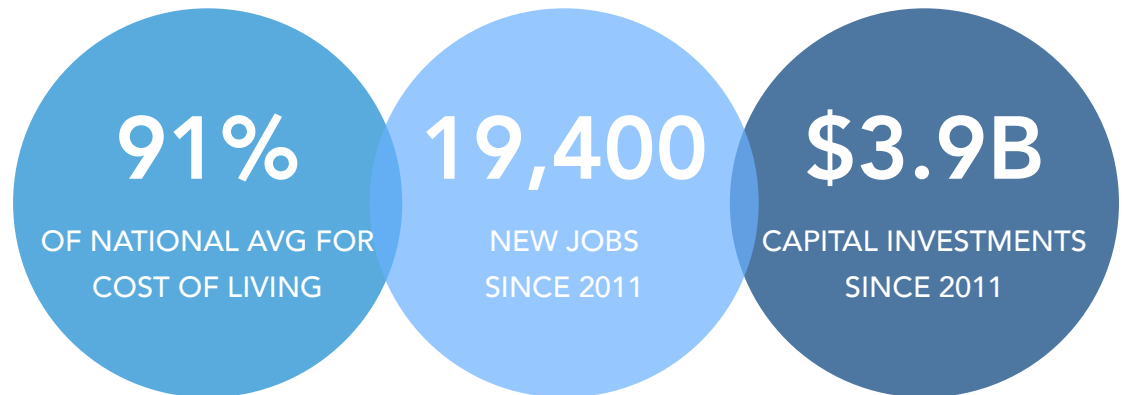
LOW COST OF LIVING

Living in the Greater Birmingham Region offers a lifestyle where more is less – literally. The Birmingham region has the **third lowest cost of living of any major metropolitan city in the Southeast**. Cost of living staples like housing, utilities, groceries and our unique Southern amenities are well within reach of your next paycheck. We're more than just affordable, we're the best value out there.



VIBRANT ECONOMY

The Birmingham region's legacy is built on iron and steel. Founded on a culture of entrepreneurship and resiliency, Birmingham is home to a diverse and dynamic range of companies and communities. From multi-national corporations manufacturing next-generation vehicles to start-ups developing ground-breaking technologies, today's Birmingham continues to boast a diverse community of innovators. Since 2011, the Birmingham region has announced **over 19,400 new jobs and \$3.9 billion in capital investment**.



HEALTHCARE EPICENTER

Anchored by UAB, the healthcare industry in the **Birmingham metro drives the area economy and employs over 59,000 people**. Birmingham currently has the highest concentration of health care and technical jobs in any of the top 50 MSAs in the country. From groundbreaking research at the University of Alabama at Birmingham (UAB) and Southern Research to the Lakeshore Foundation's commitment to developing novel approaches and technologies for people with chronic health conditions and physical disabilities, there's no doubt that Birmingham's commitment to health care is strong. Health Care in Birmingham includes the largest health care cluster in Alabama. Birmingham houses a world class research base, highly skilled workforce and strengths in emerging fields including gene editing and gamma delta t cell immunotherapy.



Grandview Medical Center:

\$280M, 372 bed facility completed in the of fall 2015




St. Vincent's:

5,100 employees / 409 beds / \$266M in community benefit and care of persons living in poverty in 2016



Children's of Alabama:

5,000 Employees / \$400M – 760K SF facility / 3rd largest pediatric facility in the country



Baptist Health Systems:

Largest healthcare network in AL / 77 outpatient offices / 1,300 doctors / 5,000 employees



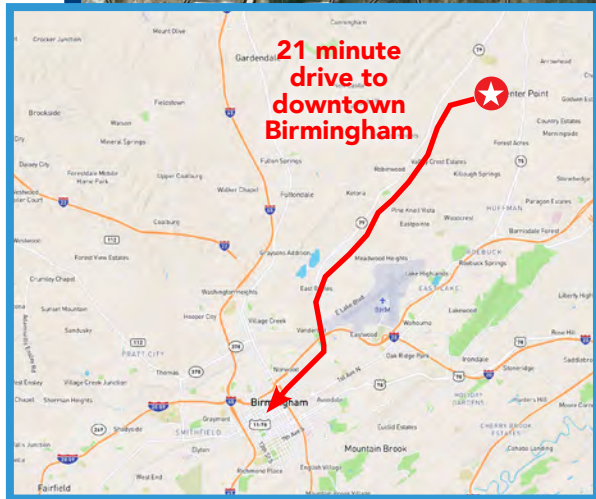
1600+
ACTIVE CLINICAL RESEARCH TRIALS



75+
HEALTH CARE COMPANIES



59,000
HEALTH CARE WORKERS EMPLOYED IN BIRMINGHAM

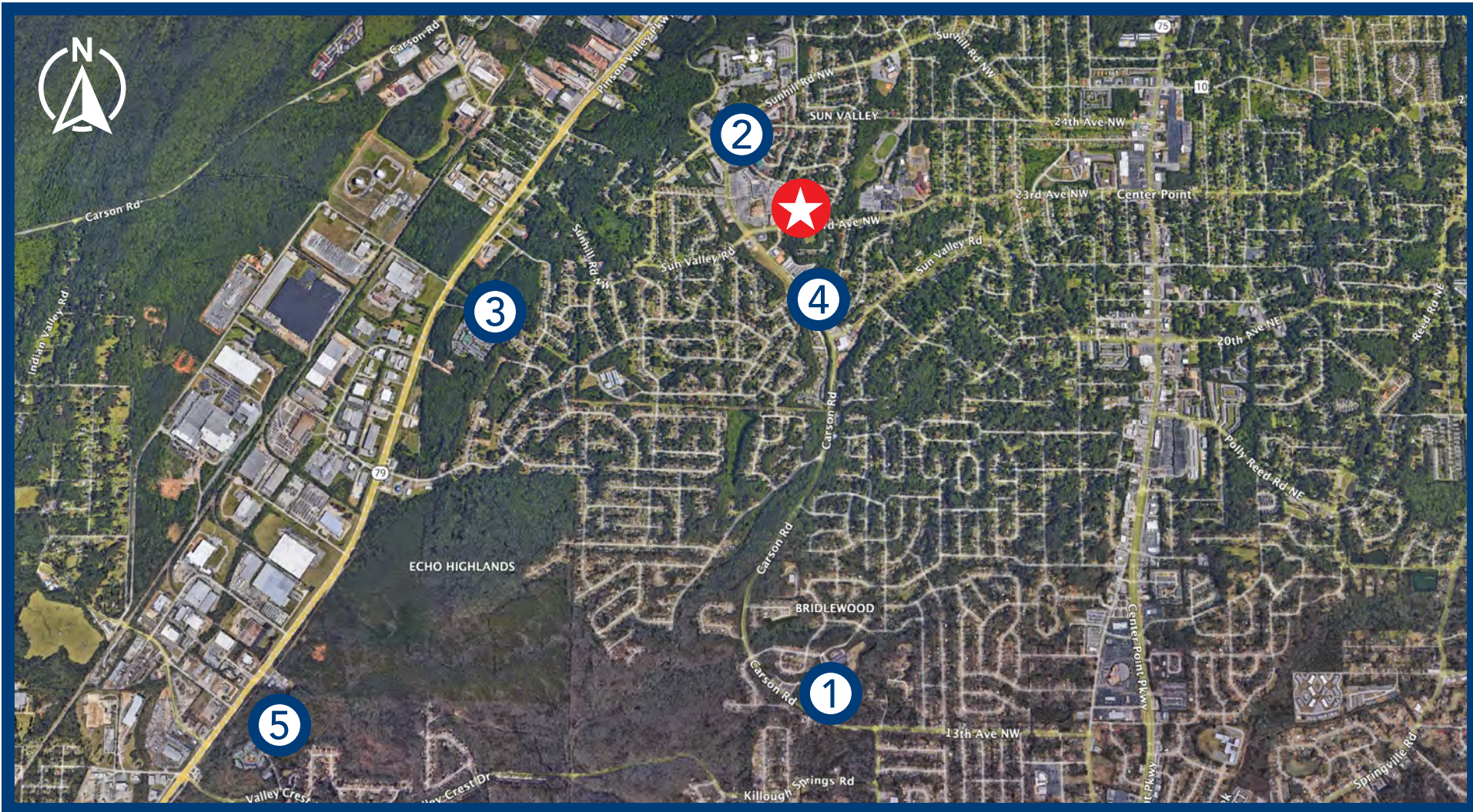


Pearl at Sun Valley is located in the city of Center Point, a Birmingham suburb with over 16,000 residents. The property is only 0.3 miles from Jefferson State Community College - The Jefferson Campus, and is situated nearby local schools and the community center.

The property is also located only ±12 miles (21 minute drive) to downtown Birmingham, making it an ideal location for easy access to the downtown core.



COMPARABLES



	Property	Year Built	# Units	Occupancy	Avg. SF	Mkt Rent	Mkt/SF
★	Pearl at Sun Valley	1987	48	92%	900	\$905	\$1.01
1	Carson Crest	1974	97	95%	1,170	\$1,125	\$0.96
2	Madison Park	1980	332	83%	1,047	\$1,017	\$1.03
3	Village Square Landings	1982	250	94%	923	\$938	\$1.04
4	The Branch at Carson Springs	1997	144	99%	1,027	\$959	\$0.93
5	The Park at Sunderland	1986	268	95%	951	\$1,038	\$1.10

 **Pearl at Sun Valley**



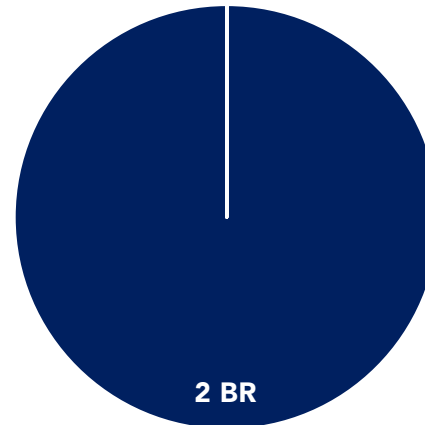
2301 7th St NW
 Center Point, AL 35215
 Year Built: 1987
 Units: 48
 Occupancy: 92%

Type	Units	SF	Market Rents	Market Rents/SF
2 BR / 1 BA	48	900	\$905	\$1.01
Total/Avg	48	900	\$905	\$1.01

UTILITIES

TYPE	PAID BY
Electric	Tenant
Water/Sewer	Owner
Trash	Owner

UNIT MIX:



① Carson Crest



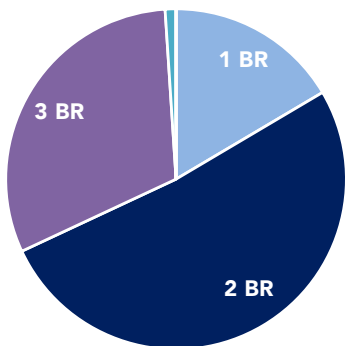
1401 Carson Rd
 Birmingham, AL 35215
 Year Built: 1974
 Units: 97
 Occupancy: 95%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	16	895	\$951	\$1.06
2 BR / 1.5 BA	50	1,150	\$1,051	\$0.91
3 BR / 1.5 BA	3	1,253	\$1,122	\$0.90
3 BR / 1.5 BA	27	1,350	\$1,350	\$1.00
4 BR / 1.5 BA	1	1,500	\$1,500	\$1.00
Total/Avg	97	1,170	\$1,125	\$0.96

UTILITIES

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

UNIT MIX:



② Madison Park



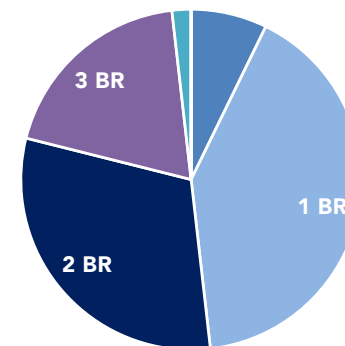
2349 8th St NW
 Birmingham, AL 35215
 Year Built: 1980
 Units: 332
 Occupancy: 83%

Type	Units	SF	Market Rents	Market Rents/SF
Studio	24	500	\$651	\$1.30
1 BR / 1 BA	64	682	\$820	\$1.20
1 BR / 1 BA	72	730	\$835	\$1.14
2 BR / 1 BA	6	1,130	\$1,122	\$0.99
2 BR / 1.5 BA	96	1,360	\$1,199	\$0.88
3 BR / 2.5 BA	64	1,446	\$1,235	\$0.85
4 BR / 2.5 BA	6	1,596	\$1,429	\$0.90
Total/Avg	332	1,047	\$1,017	\$1.03

UTILITIES

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

UNIT MIX:



③ Village Square Landings



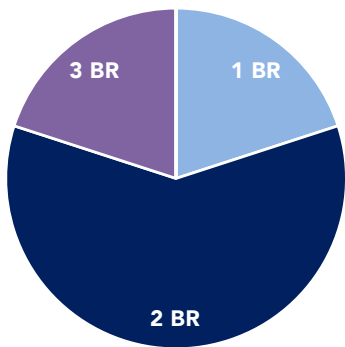
4141 Pinson Valley Pkwy
 Birmingham, AL 35215
 Year Built: 1982
 Units: 250
 Occupancy: 94%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	50	612	\$784	\$1.28
2 BR / 1 BA	100	960	\$904	\$0.94
2 BR / 1.5 BA	50	960	\$969	\$1.01
3 BR / 2 BA	50	1,124	\$1,130	\$1.01
Total/Avg	250	923	\$938	\$1.04

UTILITIES

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

UNIT MIX:



④ The Branch at Carson Springs



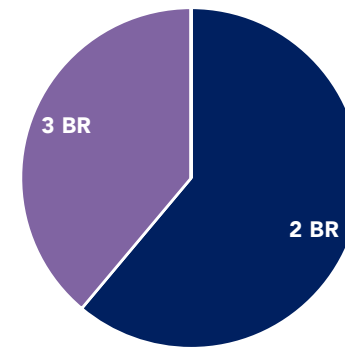
1950 Carson Rd
 Birmingham, AL 35215
 Year Built: 1997
 Units: 144
 Occupancy: 99%

Type	Units	SF	Market Rents	Market Rents/SF
2 BR / 1 BA	88	980	\$920	\$0.94
3 BR / 2 BA	56	1,100	\$1,020	\$0.93
Total/Avg	144	1,027	\$959	\$0.93

UTILITIES

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

UNIT MIX:



⑤ The Park at Sunderland



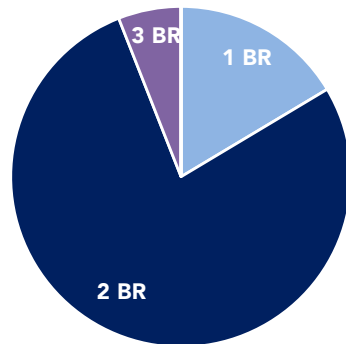
660 Valley Crest Dr
 Birmingham, AL 35215
 Year Built: 1986
 Units: 268
 Occupancy: 95%

Type	Units	SF	Market Rents	Market Rents/SF
1 BR / 1 BA	44	709	\$989	\$1.39
2 BR / 2 BA	208	984	\$1,020	\$1.04
3 BR / 2 BA	16	1,185	\$1,399	\$1.18
Total/Avg	268	951	\$1,038	\$1.10

UTILITIES

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

UNIT MIX:





PEARL AT SUN VALLEY FINANCIALS

DEAL OVERVIEW

Address	2321 7th Street Northwest Center Point, AL 35215		
Year Built	1987	Asset Quality	B
Analysis Start Date	Dec-24	Hold Period	5 years

INVESTMENT SUMMARY

	Funding Req.	IRR	Eq. Mult.
Unleveraged	\$ 4,305,668	12.66%	1.69x
Leveraged	\$ 2,313,827	18.00%	2.08x
			-

UNIT SUMMARY

Rent Roll as of 11/30/23 (adjusted)

	Units					Market Rent		In-Place Rent	
	Avg. Size	Occup.	Vacant	Non-Rev.	Total	per unit	per sf	per unit	per sf
2 Bedroom	900 sf	43 units	4 units	1 units	48 units	\$ 905	\$ 1.01	\$ 827	\$ 0.92
Total / Average	900 sf	43 units	4 units	1 units	48 units	\$ 905	\$ 1.01	\$ 827	\$ 0.92

DEBT SUMMARY

Funding	Assumable 1
Loan to Value	49%
Loan Amount	\$ 1,991,841
Terms	
Funding Month	Dec-24
Loan Term	112 months
Interest Type	Fixed
Interest Rate	4.78%
Interest-Only Period	12 months
Amortization Period	30 years

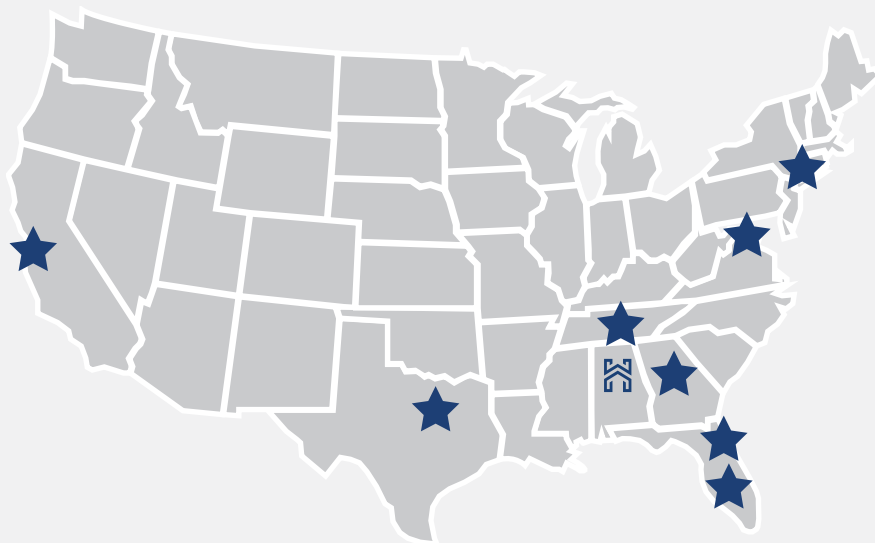
HISTORICAL CASH FLOW					PROJECTED CASH FLOW		
	T12 Annualized		T6 Annualized		Pro Forma Yr 1		
	May-24	Per Unit	May-24	Per Unit	Nov-25	Per Unit	Notes
OPERATING REVENUE							
Potential Market Rent	\$ 367,292	\$ 7,823	\$ 378,839	\$ 8,155	\$ 521,280	\$ 10,860	
(Loss to Lease) / Gain to Lease	-	-	-	-	(\$ 41,702)	(\$ 869)	
Gross Potential Revenue	\$ 367,292	\$ 7,823	\$ 378,839	\$ 8,155	\$ 479,578	\$ 9,991	
Vacancy (incl. Renovation Downtime)	-	-	-	-	(\$ 26,064)	(\$ 543)	
Concessions	(\$ 2,550)	-	-	-	(\$ 2,255)	(\$ 47)	
Collection Loss / Bad Debt	-	-	-	-	(\$ 26,919)	(\$ 561)	
Base Rental Revenue	\$ 364,742	\$ 7,823	\$ 378,839	\$ 8,155	\$ 421,734	\$ 8,786	
Other Residential Income	\$ 43,760	\$ 1,163	\$ 63,810	\$ 1,240	\$ 55,800	\$ 1,163	
Other Income	\$ 43,760	\$ 1,163	\$ 63,810	\$ 1,240	\$ 55,800	\$ 1,163	
EFFECTIVE GROSS REVENUE	\$ 408,502	\$ 8,985	\$ 442,648	\$ 9,395	\$ 477,534	\$ 9,949	
OPERATING EXPENSES							
Repair & Maintenance	\$ 26,277	\$ 547	\$ 26,277	\$ 547	\$ 26,400	\$ 550	
Contract Services	\$ 13,410	\$ 279	\$ 13,410	\$ 279	\$ 13,200	\$ 275	
Landscaping / Grounds	\$ 1,363	\$ 28	\$ 1,363	\$ 28	\$ 2,400	\$ 50	
Personnel	-	-	-	-	\$ 4,800	\$ 100	
Marketing / Advertising	\$ 3,994	\$ 83	\$ 3,994	\$ 83	\$ 4,800	\$ 100	
Administrative Expenses	\$ 4,506	\$ 94	\$ 4,506	\$ 94	\$ 4,800	\$ 100	
Turnover / Make-Ready	\$ 3,047	\$ 63	\$ 3,047	\$ 63	\$ 4,800	\$ 100	
Electricity	\$ 9,160	\$ 191	\$ 9,160	\$ 191	\$ 9,160	\$ 191	
Water & Sewer	\$ 45,505	\$ 948	\$ 45,505	\$ 948	\$ 45,505	\$ 948	
Insurance	\$ 22,757	\$ 474	\$ 22,757	\$ 474	\$ 26,400	\$ 550	
Real Estate Taxes	\$ 32,332	\$ 674	\$ 32,332	\$ 674	\$ 43,840	\$ 913	
Property Management Fee	\$ 12,630	\$ 263	\$ 12,630	\$ 263	\$ 14,326	\$ 298	
TOTAL OPERATING EXPENSES	\$ 174,981	\$ 3,645	\$ 174,981	\$ 3,645	\$ 200,430	\$ 4,176	
NET OPERATING INCOME							
Net Operating Income (bef. Reserves)	\$ 233,521	\$ 5,340	\$ 267,667	\$ 5,750	\$ 277,103	\$ 5,773	
Replacement Reserves	\$ 12,000	\$ 250	\$ 12,000	\$ 250	\$ 12,000	\$ 250	
NET OPERATING INCOME (AFT. RESERVES)	\$ 221,521	\$ 5,090	\$ 255,667	\$ 5,500	\$ 265,103	\$ 5,523	



With more than 21 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 nearly \$8 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
- Charlotte, NC
- Nashville, TN
- Dallas, TX
- Los Angeles, CA
- New York, NY
- San Francisco, CA
- Richmond, VA

- London, UK
- Madrid, Spain
- Paris, France
- Luxembourg City, Luxembourg

COMPANY STRUCTURE



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.



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This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Harbert Multifamily Advisors has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Harbert Multifamily Advisors has not verified, and will not verify, any of the information contained herein, nor has Harbert Multifamily Advisors conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.