

For Sale

Competitively-Priced Value-Add 22-Unit Multifamily

RECENT MAJOR CAPITAL IMPROVEMENTS

7600 Central Ave. SE | Albuquerque, NM 87108

SEQ Central Ave. & Louisiana Blvd. SE



SALE PRICE

\$1,325,000

In-Place Cap Rate: 8.79%
Gross Rent Multiplier: 6.54
Price/Unit: \$60,227



AVAILABLE

Building SF: ±8,831
Land: ±0.63 Acres

- **Year-End 2 Pro Forma Cap Rate: 10.13%**
Market & Section 8 Lease Rates (2024).
- **Year-End 2 Pro Forma Cap Rate: 11.96%**
100% Section 8 Lease Rates (2024).
- **Value-Add:** Lease rates are 27.08% below 2024 Section 8 Voucher Standards
- **Gated Property:** Perimeter & Automatic Car Gate
- **2023-24 Capital Improvements:**
 - Porch landings & awnings
 - Wrought-iron perimeter fence
 - New common electrical panel
 - Welded crawl space security covers
 - Additional Unit: Shell space conversion
 - Exterior paint and stucco repair

NAI SunVista

got space

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COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

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PROPERTY OVERVIEW

The Pioneer Apartments is a competitively priced value-added multifamily opportunity in an under-supplied multifamily sector, affordable housing. Since 2018, the building has undergone substantial renovations to provide secure and clean housing for low-income Albuquerque residents. Over the past fifteen (15) months, the owner invested nearly \$120,000 in capital improvements, including a 6-ft tall wrought iron perimeter fence, welded crawl space covers, a new electrical panel, exterior paint, stucco repair, and unit awning replacements. Additionally, the owner converted a shell space into a unit and is in the process of converting a former maintenance/laundry room into a unit. Upon completion of the former mechanical/laundry room, the Pioneer Apartments will have 23 residential units. The 22-unit building is an excellent candidate for an alliance with subsidized housing agencies.

Value-Add Potential: The current lease rates are 27.08% below Albuquerque Housing Authority's (AHA) 2024 Payment Standards for full-service structures (utilities included) in zip code 87108. Respectively, the current lease rates are 23.83% below the Albuquerque metro low-income (60% of Area Median Income) rent limits.

Location: 7600 Central Ave. SE, the "Pioneer Apartments" sit in the heart of the International District. A robust neighborhood that is centered around Central Avenue, which is historically a part of U.S. Route 66. This area is known for its diverse culture and also boasts the New Mexico State Fair Grounds and a numerous amount of international restaurants and stores. The Pioneer Apartments are located on the new ART Bus route and just across the street from the newly-built International District Public Library. The property also sits just East of the newly-renovated and well-maintained Cinnamon Tree Apartment Complex.

Undersupplied Affordable Housing: There is a dire need for affordable rental units in the Albuquerque MSA, which was exacerbated by 16.76% year-over-year rent growth in the wake of the pandemic (2021-2022). In a June 2024 KAOT article, a specialist of the Health, Housing, and Homelessness Department stated that "we need about 30,000 housing units to really meet the needs of the whole city." As of 2023, nearly half of Albuquerque's renter population is categorized as "cost-burdened," which indicates that at least 30% of renters' income is allocated to housing costs. Despite the nearly 4,075 multifamily under underway and 9,700 units in permitting/planning stages as of June 2023, only 8% were deemed "fully affordable" communities.

Improvements & Amenities: In addition to the owner's nearly \$120,000 investment in capital improvements over the past 15 months, the owner invested nearly \$42,000 in interior unit repairs and upgrades across 13 of the existing units. Between 2018 and 2019, the property underwent a hotel/motel to multifamily conversion, which entailed new TPO roofs, windows, doors, security doors, PVC sewer lines, automatic gates, and interiors.

Utilities & HVAC: The Pioneer Apartments include master (single) electrical, gas, and water meters. The heating sources are wall-mounted furnaces. The building is air-conditioned by roof-mounted evaporative coolers and through-the-wall AC units in the studio units.

*Sarah Raboff & Luke Scarpa is neither a licensed accountant, CPA, NMLS nor MLO. Broker does not guarantee the accuracy of projected after-tax returns nor acquisition loan terms. Please consult your tax, lender, and financials professionals.

*100% Subsidized Financing Assumption: 80% Loan-to-Value (LTV), 7-Year Term, 5.65% Fixed Rate Loan Amortized over 30 Years. *

Conventional Financing Assumption: 75% Loan-to-Value (LTV), 7-Year Term, 6.25% Fixed Rate Loan Amortized over 30 Years.

***Assumed Taxable Income Deductions Captured: Loan Interest, Assessed Improvements Cost-Recovery (Depreciation), Loan Cost Amortization, and a 30% Ordinary Income Tax Rate. ***

INVESTMENT HIGHLIGHTS

SALE PRICE \$1,325,000

- Price/Existing Unit: \$60,227.00
- Price/Units+#13 (incomplete): \$57,609.00

ACQUISITION

- Cap Rate: 8.79%
- Gross Rent Multiplier: 6.54
- Conventional Pre-Tax Cash-on-Cash: 12.52%
- HUD Pre-Tax Cash-on-Cash Return: 13.15%
- Conventional (75 LTV) DSCR: 1.59*
- HUD (80 LTV) DSCR: 1.48*

YEAR-END 2 PRO FORMA

- Market Leases Cap Rate: 10.13%
- Section 8 Leases Cap Rate: 11.96%
- Market Income GRM: 5.56
- Section 8 Income GRM: 4.95
- Conventional Pre-Tax Cash-on-Cash: 17.68%
- HUD Pre-Tax Cash-on-Cash: 27.75%

YEAR-END 5 PRO FORMA

- Market Income Valuation: \$1,933,416
7.55% Disposition Cap Rate
- Section 8 Income Valuation: \$2,263,383
7.55% Disposition Cap Rate
- Market Income Pre-Tax IRR: 35.46%
- Section 8 Income Pre-Tax IRR: 50.74%



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Rent Roll (1): October 2024 & 100% Section 8 Pro Forma

| # of Type | Type | SF | Max Rent | Avg. Rate | Avg. \$/SF/Mo. | Year-End 2 Pro Forma <i>*Section 8 Voucher Rates*</i> | Pro Forma \$/SF/Mo. | Pro Forma Rate Growth |
|---|--|-----------|--------------------|---|----------------|--|---------------------|-----------------------|
| 13 | 1 Bed-1 Bath | 450 | \$920 | \$844 | \$1.88 | \$1,036 | \$2.30 | 22.76% |
| 8 *9* | Studio | 234 | \$800 | \$622 | \$2.66 | \$841 | \$3.59 | 35.24% |
| 1 | 2 Bed-1 Bath | 850 | \$940 | \$940 | \$1.11 | \$1,258 | \$1.48 | 33.83% |
| <p><i>*Purple Text: Full-Service Section 8 Voucher Leases*</i> <i>*Red Text: Full-Service Market Leases*</i> <i>*Unit 10's Tenant Receives Abated Rent in Exchange for On-site Services (grounds clean-up & security).*</i> <i>*Landlord Pays ALL Utilities: Gas, Electricity, Water, Sewer, & Refuse.</i></p> | | | | | | | | |
| Unit | Type | Unit SF | Lease Rates | \$/SF/Mo. | End Date | <i>*Full-Service*</i> 100% Section 8 Voucher | \$/SF/Mo. | Rent Growth |
| 1 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$1,036 | \$2.30 | 0.00% |
| 2 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | M-t-M | \$1,036 | \$2.30 | 23.33% |
| 3 | Studio | 234 | \$600 | \$2.56 | M-t-M | \$841 | \$3.59 | 40.17% |
| 4 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$1,036 | \$2.30 | 0.00% |
| 5 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$1,036 | \$2.30 | 0.00% |
| 6 | Studio | 234 | \$550 | \$2.35 | N/A | \$841 | \$3.59 | 52.91% |
| 7 | Studio | 234 | \$600 | \$2.56 | 11/30/2024 | \$841 | \$3.59 | 40.17% |
| 8 | 1 Bed-1 Bath | 450 | \$810 | \$1.80 | M-t-M | \$1,036 | \$2.30 | 27.90% |
| 9 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | 02/28/2025 | \$1,036 | \$2.30 | 23.33% |
| *10* | Studio | 234 | \$400 | \$1.71 | 12/31/2024 | \$841 | \$3.59 | 110.25% |
| 11 | Studio | 234 | \$800 | \$3.42 | M-t-M | \$841 | \$3.59 | 5.13% |
| 12 | 1 Bed-1 Bath | 450 | \$800 | \$1.78 | 10/31/2024 | \$1,036 | \$2.30 | 29.50% |
| 13 | Studio | TBD | Under-Construction | N/A | N/A | \$841 | TBD | N/A |
| 14 | 1 Bed-1 Bath | 450 | \$920 | \$2.04 | M-t-M | \$1,036 | \$2.30 | 12.61% |
| 15 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$1,036 | \$2.30 | 0.00% |
| 16 | Studio | 234 | \$600 | \$2.56 | 05/21/2025 | \$841 | \$3.59 | 40.17% |
| 17 | Studio | 234 | \$600 | \$2.56 | 12/31/2024 | \$841 | \$3.59 | 40.17% |
| 18 | 1 Bed-1 Bath | 450 | \$800 | \$1.78 | 06/30/2025 | \$1,036 | \$2.30 | 29.50% |
| 19 | 1 Bed-1 Bath | 450 | \$865 | \$1.92 | M-t-M | \$1,036 | \$2.30 | 19.77% |
| 20 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | 07/31/2025 | \$1,036 | \$2.30 | 23.33% |
| 21 | 1 Bed-1 Bath | 450 | \$880 | \$1.96 | 03/31/2025 | \$1,036 | \$2.30 | 17.73% |
| 22 | Studio | 300 | \$825 | \$2.75 | 12/31/2024 | \$841 | \$2.80 | 1.94% |
| 23 | 2/1.00 | 850 | \$940 | \$1.11 | M-t-M | \$1,258 | \$1.48 | 33.83% |
| Totals | | | \$13,510 | \$1.75 | | \$22,295 | \$2.70 | 65.03% |
| <p><i>*The Pro Forma rental rates are based on data collected from the SWMLS, broker's sold listings, hotpads.com, apartments.com, carm.com, zumper.com, and craigslist.com. Broker does not guarantee that the buyer will lease the units at the below listed pro forma rates.*</i></p> | | | | | | | | |
| Albuquerque Housing 2024 Payment Standards 87108 | | | | | | | | |
| # of BRs | Studio | 1 Bedroom | 2 Bedroom | | | | | |
| Rate | \$841 | \$1,036 | \$1,258 | <i>*AHA Pricing Guidance Applies to Full Service Leases (Landlord Pays All Utilities).*</i> | | | | |
| Albuquerque Housing 2024 Monthly Tenant Utility Allowances | | | | | | | | |
| # of BRs | Studio | 1 Bedroom | 2 Bedroom | | | | | |
| Electricity | \$ 40.00 | \$ 44.00 | \$ 58.00 | | | | | |
| Sources | Air Conditioning, Cooking, Lighting, and Refrigerator. | | | | | | | |
| Gas | \$ 37.00 | \$ 41.00 | \$ 48.00 | | | | | |
| Sources | Heating, Hot Water, and Cooking Range. | | | | | | | |
| Water | \$ 26.00 | \$ 28.00 | \$ 33.00 | | | | | |
| Sewer | \$ 19.00 | \$ 21.00 | \$ 24.00 | | | | | |
| Refuse | \$ 19.00 | \$ 19.00 | \$ 19.00 | | | | | |
| <i>*Broker sourced 2024 AHA Payment Standards for Zip Code 87108 from abqha.org. Broker does not guarantee the accuracy of AHA housing guideline.*</i> | | | | | | | | |

For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Investment Analysis (1): Acquisition & 100% Section 8 Pro Forma Operating Cash Flow *Pre-Tax*

| Acquisition Cash-Flow Analysis | | | | | Pro Forma Valuation: Year-End Two (2) | | |
|---|---------------------|----------------|----------------------------|---|---|---------------------------------------|--|
| October 2024 Rent Roll & September 2024 T-12 Expenses | | | | | Projected August-2024 24-Month Base Rent Growth: 32.06% | | |
| Prepared by Sarah Raboff, Partner, NAI SunVista | | | | | Pro Forma GRM: 4.95 | | |
| GRM: 6.54 | | | | | Pro Forma GRM: 4.95 | | |
| Operating Income | Monthly | Annual | Notes: Operating Income | Monthly | Annual | Notes: Pro Forma Income | |
| Number of Multifamily Units | 22 | 22 | # of Type & Occupancy | 23 | 23 | 2024 Section 8 Payment Standards | |
| 1 Bed-1 Bath Avg. Rent: \$855 | 10,971 | 131,647 | 13 Units 69.2% | 13,468 | 161,616 | \$1,036 *Utilities Included* | |
| Studio/Efficiency Avg. Rent: \$605 | 4,975 | 59,700 | *8* Units 100% | 7,569 | 90,828 | *9 Units* \$841*Utilities Included* | |
| 2 Bed-1 Bath Avg. Rent: \$940 | 940 | 11,280 | 13 Units 100% | 1,258 | 15,096 | \$1,258 *Utilities Included* | |
| Total Rental Income | 16,886 | 202,627 | Avg. Rate @ 100% Occupancy | 22,295 | 267,540 | Ref. Pro Forma Rent Roll (+ 1 Unit) | |
| % Vacancy and Credit Losses | 5.00% | 5.00% | Broker Assumption | 5.00% | 5.00% | Broker Assumption | |
| Total Vacancy, Losses, & Concessions | 844 | 10,131 | | 1,115 | 13,377 | | |
| Damage Fees | 469 | 5,627 | Sept-24 T-12 | 478 | 5,739 | Sept-24 T-12 + 2% | |
| Court Costs | 66 | 790 | Sept-24 T-12 | 67 | 806 | Sept-24 T-12 + 2% | |
| Late & Posting Fees | 38 | 452 | Sept-24 T-12 | 38 | 461 | Sept-24 T-12 + 2% | |
| Sheriff Liaison & Security Fees | (38) | (455) | Sept-24 T-12 | (39) | (464) | Sept-24 T-12 + 2% | |
| Gross Operating Income | 16,576 | 198,909 | | 21,725 | 260,705 | | |
| Operating Expenses | Monthly | Annual | % of GOI | Monthly | Annual | Notes: Pro Forma Operating Expenses | |
| Management Fees | | | | | | | |
| Management Flat Fee | 1,133 | 13,597 | 6.8% | 1,738 | 20,856 | 8.00% of YE 2 Projected GOI | |
| Admin Fees | 45 | 539 | 0.3% | 46 | 550 | Sept 2024 T-12 + 2% | |
| Renewal Fees | 4 | 50 | 0.0% | 4 | 51 | Sept 2024 T-12 + 2% | |
| Project Fees | 41 | 497 | 0.2% | 42 | 507 | Sept 2024 T-12 + 2% | |
| Permit & Legal Fees | | | | | | | |
| Alarm & Security Monitoring | 267 | 3,200 | 1.6% | 272 | 3,264 | Sept 2024 T-12 + 2% | |
| Permitting | 3 | 36 | 0.0% | | | N/A-2023 & 2024 Unit Conversions | |
| Legal & Court Fees | 217 | 2,604 | 1.3% | 221 | 2,657 | Sept 2024 T-12 + 2% | |
| Marketing Expenses | | | | | | | |
| Advertising | 92 | 1,108 | 0.6% | 94 | 1,130 | Sept 2024 T-12 + 2% | |
| Cleaning & Grounds Maintenance | | | | | | | |
| Landscaping | 324 | 3,883 | 2.0% | 100 | 1,200 | Broker Estimate (Minimal Landscaping) | |
| House Keeping | 76 | 910 | 0.5% | 77 | 928 | Sept 2024 T-12 + 2% | |
| Trash & Dump Fees | 46 | 555 | 0.3% | 47 | 566 | Sept 2024 T-12 + 2% | |
| Pest Control | 91 | 1,092 | 0.5% | 93 | 1,114 | Sept 2024 T-12 + 2% | |
| Repairs & Maintenance | | | | | | | |
| Plumbing | 103 | 1,239 | 0.6% | 105 | 1,264 | Sept 2024 T-12 + 2% | |
| HVAC | 196 | 2,356 | 1.2% | 200 | 2,403 | Sept 2024 T-12 + 2% | |
| Lighting/Electrical | 92 | 1,106 | 0.6% | 94 | 1,128 | Sept 2024 T-12 + 2% | |
| Windows | 66 | 789 | 0.4% | 67 | 805 | Sept 2024 T-12 + 2% | |
| Gates | 55 | 665 | 0.3% | 57 | 678 | Sept 2024 T-12 + 2% | |
| Misc. Repairs | 72 | 867 | 0.4% | 74 | 884 | Sept 2024 T-12 + 2% | |
| Repair Supplies | | | | | | | |
| Supplies & Materials | 567 | 6,810 | 3.4% | 579 | 6,946 | Sept 2024 T-12 + 2% | |
| Maintenance Labor | | | | | | | |
| General Maintenance & WO Labor | 792 | 9,508 | 4.8% | 808 | 9,698 | Sept 2024 T-12 + 2% | |
| Unit Turnover & Make Ready's | | | | | | | |
| Make Ready | 83 | 1,000 | 0.5% | 333 | 4,000 | Broker Assumption | |
| Painting | 86 | 1,036 | 0.5% | 88 | 1,057 | Sept 2024 T-12 + 2% | |
| Delivery | 6 | 70 | 0.0% | 6 | 71 | Sept 2024 T-12 + 2% | |
| Utilities | | | | | | | |
| Natural Gas | 407 | 4,884 | 2.5% | 415 | 4,982 | June 2024 T-12 + 2% | |
| Electricity | 534 | 6,405 | 3.2% | 544 | 6,533 | June 2024 T-12 + 2% | |
| Water, Sewer, and Trash | 549 | 6,584 | 3.3% | 560 | 6,715 | June 2024 T-12 + 2% | |
| Property Taxes, Insurance, & License/Permits | | | | | | | |
| County Property Taxes | 469 | 5,628 | 2.8% | 1,058 | 12,702 | 2025 Taxable Value Calculation | |
| Property & Liability Insurance | 369 | 4,426 | 2.2% | 583 | 7,000 | Broker Estimate | |
| Annual Lender Reserves (0.50% of GOI) | 83 | 995 | 0.5% | 217 | 2,607 | Estimated Annual Reserves | |
| Operating Expenses | 6,870 | 82,436 | 41.44% | 8,525 | 102,296 | 39.24% | |
| Net Operating Income (NOI) | | | | Year-End 2 Net Operating Income (NOI) | | | |
| Annual Net Operating Income | 116,473 | | | 158,410 | | | |
| Capitalization Rate and Valuation | | | | Year-End 2 Capitalization Rate Acquisition Price | | | |
| Capitalization Rate | 8.79% | | | 11.96% | | | |
| Property Valuation (Sales Price) | \$ 1,325,000 | | | \$ 1,325,000 | | | |
| Purchase Price | \$ 1,325,000 | | | \$ 1,325,000 | | | |



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Investment Analysis (1): Acquisition & 100% Section 8 Pro Forma Cash-on-Cash *Pre-Tax*

| Acquisition Financing Projection | | | | | |
|--|------------------|---|-----------------------|------------------|---|
| HUD Section 8 Financing *Non-LIHTC & Non-Tax Exempt* | | | | | |
| Loan-to-Value (LTV): 80% | | | | | |
| Fixed Interest Rate: 5.65% | | | | | |
| Projected Acquisition Loan Information | | | Pro Forma: Year-End 2 | | |
| Down Payment | 265,000 | 20% | | 265,000 | 20% |
| Loan Amount | 1,060,000 | 80% | | 1,060,000 | 80% |
| Loan Origination Fee | 10,600 | Estimate: 1% Origination Fee. | | 10,600 | Estimate: 1% Origination Fee. . |
| Other Loan Fees | 5,240 | Estimate: App. (0.30%); Inspec. (0.10%), \$1k FHA Other Fees. | | 5,240 | Estimate: App. (0.30%); Inspec. (0.10%), \$1k FHA Other Fees. |
| Mortgage Insurance Premium (MIP) | 5,300 | Estimate: 0.50% of Loan Amount | | 5,300 | Estimate: 0.50% of Loan Amount |
| Acquisition Costs | 1,000 | Estimate: \$1,000 Title Fees. | | 1,000 | Estimate: \$1,000 Title Fees. |
| Length of Mortgage (years) | 30 | Estimated Loan Amortization. | | 30 | Estimated Loan Amortization. |
| Annual Interest Rate | 5.65% | Estimate: 7-Year Fixed Interest Rate. | | 5.65% | Estimate: 7-Year Fixed Interest Rate. |
| Initial Investment | 287,140.00 | | | 287,140.00 | |
| Monthly P&I | 6,118.70 | | | 6,118.70 | |
| Annual Interest | 59,890 | Months 1-12 Interest Payment. | | 59,085 | Months 13-25 Interest Payment. |
| Annual Principal | 18,834 | Months 1-12 Principal Payment. | | 19,640 | Months 13-25 Principal Payment. |
| Mortgage Insurance Premium (MIP) | 5,300.00 | Acquisition Mortgage Insurance Fee *above* | | 5,300.00 | Estimate: 0.50% of Loan Amount |
| Total Annual Debt Service | 78,724.39 | DSCR: | 1.48 | 78,724.39 | DSCR: 2.01 |
| Before Tax Cash Flow and ROI | | | | | |
| Total Monthly Cash Flow (before taxes) | 3,587 | | | 7,082 | |
| Total Annual Cash Flow (before taxes) | 37,749 | | | 79,685 | |
| Cash on Cash Return (ROI) | 13.15% | | | 27.75% | |

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| 7600 Central SE: 2024 & 2025 Tax Bill Calculations | | | | | | | |
|--|---------------|-------------|---------------|-----------|--------------|---------------------|--------------|
| Tax Year | 2023 | | 2024 | | | 2025 | |
| Summary | Taxable | Tax | Taxable | Y-o-Y (+) | Tax Calc. | Projected Y-o-Y (+) | Tax Calc. |
| Tax | \$ 117,298.00 | \$ 5,627.50 | \$ 257,041.00 | 119.135% | \$ 12,331.82 | 3.000% | \$ 12,701.78 |

Source: Bernalillo County Treasurer's Office. 2025 Calculations are estimates. Broker does not guarantee future assessed property values.



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Investment Analysis (1): 100% Section 8 Cash Flow Projection *After-Tax*

| Projected Acquisition Financing | | | | | | |
|---|-------------|------------|------------|------------|--|------------|
| HUD Section 8 Loan *Non-LIHTC & Non-Tax Exempt* | | | | | | |
| Loan-to-Value (LTV): 80% | | | | | | |
| Fixed Interest-Rate: 5.65% | | | | | | |
| End of Year | Acquisition | 1 | 2 | 3 | 4 | 5 |
| Potential Rental Income (YE 3,4,5: 2.5% Y-o-Y Growth) | \$ 202,627 | \$ 235,083 | \$ 267,540 | \$ 274,229 | \$ 281,084 | \$ 288,111 |
| -Vacancy & Credit Losses (5%) | \$ 10,131 | \$ 11,754 | \$ 13,377 | \$ 13,711 | \$ 14,054 | \$ 14,406 |
| Effective Rental Income | \$ 192,495 | \$ 223,329 | \$ 254,163 | \$ 260,517 | \$ 267,030 | \$ 273,706 |
| +Other Income (collectible) (YE 3,4,5: 2% Y-o-Y Growth) | \$ 6,414 | \$ 6,478 | \$ 6,542 | \$ 6,673 | \$ 6,807 | \$ 6,943 |
| Gross Operating Income | \$ 198,909 | \$ 229,807 | \$ 260,705 | \$ 267,190 | \$ 273,837 | \$ 280,649 |
| Operating Expenses (YE 3, 4, 5: 2% Y-o-Y Growth) | \$ 81,442 | \$ 91,217 | \$ 100,992 | \$ 103,006 | \$ 105,059 | \$ 107,154 |
| <i>Annual Lender Reserves Deposit Estimate (0.5% of GOI)</i> | \$ 995 | \$ 1,149 | \$ 1,304 | \$ 1,336 | \$ 1,369 | \$ 1,403 |
| Total Operating and Lender Reserves Expenses | \$ 82,436 | \$ 92,366 | \$ 102,296 | \$ 104,342 | \$ 106,428 | \$ 108,557 |
| <i>*Deductible Against Taxable Income*</i> | | | | | | |
| <i>*Tax Savings on Net Loss*</i> | | | | | | |
| Net Operating Income | \$ 116,473 | \$ 137,441 | \$ 158,410 | \$ 162,849 | \$ 167,408 | \$ 172,092 |
| | | | | | Year-End 5 Valuation @ 7.55% Cap Rate | |
| | | | | | \$2,279,357.85 | |
| (less) Loan Interest <i>*Projected 5.65% Fixed Rate.*</i> | \$ 59,890 | \$ 59,890 | \$ 59,085 | \$ 58,234 | \$ 57,334 | \$ 56,385 |
| Annual Principal Payment | \$ 18,834 | \$ 18,834 | \$ 19,640 | \$ 20,491 | \$ 21,390 | \$ 22,340 |
| Sum Principal + Interest | \$ 78,724 | \$ 78,724 | \$ 78,724 | \$ 78,724 | \$ 78,724 | \$ 78,724 |
| Mortgage Insurance Premium (0.25% of Loan Amount) | \$ - | \$ - | \$ 5,300 | \$ 5,300 | \$ 5,300 | \$ 5,300 |
| Debt Service + Mortgage Insurance Premium | \$ 78,724 | \$ 78,724 | \$ 84,024 | \$ 84,024 | \$ 84,024 | \$ 84,024 |
| | | | | | | |
| (less) Cost Recovery-Improvements <i>*Assessed Improvements Value 2024: 85.41%*</i> | \$ 29,270 | \$ 32,892 | \$ 29,270 | \$ 29,270 | \$ 29,270 | \$ 29,270 |
| (less) Loan Cost Amortization | \$ 1,514 | \$ 1,514 | \$ 1,514 | \$ 1,514 | \$ 1,514 | \$ 1,514 |
| Real Estate Taxable Income | \$ 25,799 | \$ 43,145 | \$ 68,541 | \$ 73,831 | \$ 79,289 | \$ 84,922 |
| Tax Liability at 30% Assumed Ordinary Income Rate | \$ 7,740 | \$ 12,943 | \$ 20,562 | \$ 22,149 | \$ 23,787 | \$ 25,477 |
| Net Operating Income | \$ 116,473 | \$ 137,441 | \$ 158,410 | \$ 162,849 | \$ 167,408 | \$ 172,092 |
| (less) Total Annual Debt Service | \$ 78,724 | \$ 78,724 | \$ 84,024 | \$ 84,024 | \$ 84,024 | \$ 84,024 |
| | | | | | | |
| Pre-Tax Cash-Flow | \$ 37,749 | \$ 58,717 | \$ 74,385 | \$ 78,824 | \$ 83,384 | \$ 88,067 |
| (less) Tax Liability (30%) | \$ 7,740 | \$ 12,943 | \$ 20,562 | \$ 22,149 | \$ 23,787 | \$ 25,477 |
| After-Tax Cash Flow | \$ 30,009 | \$ 45,774 | \$ 53,823 | \$ 56,675 | \$ 59,597 | \$ 62,590 |
| After-Tax Cash-on-Cash Return | 10.45% | 15.94% | 18.74% | 19.74% | 20.76% | 21.80% |

**Sarah Raboff, Partner, NAI SunVista, is neither a licensed CPA, NMLS nor MLO. The after-tax cash flow figures are estimates and shall not be considered tax or financial advice.*

| 7600 Central SE: Property Tax Assessment Summary | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|--------------------|
| Tax Year | 2023 | | | 2024 | | | 23 vs. 24 |
| Assessment | Improv. | Total | Taxable | Improv. | Total | Taxable | % Change |
| Value | \$ 239,395 | \$ 351,931 | \$ 117,298 | \$ 658,664 | \$ 771,200 | \$ 257,041 | 85.41% 119.135% |

Source: Bernalillo County Office of the Treasurer.



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For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Investment Analysis (1): 100% Section 8 Projected Sales Proceeds *After-Tax*

| Projected After-Tax Sales Proceeds | | |
|--|--------------|--|
| Projected Acquisition Financing | | |
| Loan Product: HUD Section 8 Loan *Non-LIHTC & Non-Tax Exempt* | | |
| Leverage (LTV): 80% | | |
| Projected Fixed Interest Rate: 5.65% | | |
| End of Year | Five (5) | Notes |
| Principal Balance | \$ 968,845 | Loan Amount less(-) Yrs. 1-5 Principal Payments. |
| Sale Price *7.55% Disposition Cap Rate.* | \$ 2,279,358 | YE 5 NOI @ 7.55% Cap Rate. |
| Adjusted Basis Calculation | | |
| Basis At Acquisition | \$ 1,336,540 | \$1.325 M + \$11,540 (Projected Appraisal, Inspection & Escrow Fees). |
| Plus (+) Capital Improvements *Assumption* | \$ 50,000 | Placeholder 5-Yr Capex (\$10,000/Yr.) |
| Less (-) Depreciation Taken (Straight Line Cost-Recovery) | \$ 149,973 | Purchase Price (\$1,325,000) + Closing Costs (\$11,540)=Acquisition Basis (\$1,336,540). Acquisition Basis (\$1,336,540) x 85.41% (2024 Improvements %)= \$1,141,539 / 39 Yrs (Commercial Straight-Line Depreciation)=\$29,270/Yr. Partial Cost-Recovery Yr. 1 (2.461% of \$1,141,539). |
| Equals (=) Adjusted Basis | \$ 1,236,567 | |
| Capital Gain Calculation | | |
| Sale Price *7.55% Disposition Cap Rate | \$ 2,279,358 | |
| Less (-) Cost of Sale (6%) | \$ 136,761 | |
| Less (-) Adjusted Basis | \$ 1,236,567 | |
| Equals (=) Gain or Loss | \$ 906,030 | |
| Less (-) Depreciation Taken (Straight Line Cost-Recovery) | \$ 149,973 | |
| Equals (=) Taxable Capital Gain From Appreciation | \$ 756,056 | |
| Pre-Tax Sale Proceeds Calculation | | |
| Sale Price | \$ 2,279,358 | |
| Less (-) Cost of Sale | \$ 136,761 | |
| Less (-) Loan Principal Balance | \$ 968,845 | |
| Equals (=) Pre-Tax Sale Proceeds | \$ 1,173,751 | |
| After-Tax Sale Proceeds Calculation | | |
| Pre-Tax Sale Proceeds | \$ 1,173,751 | |
| Loan Amortization Tax Savings (Yrs. 6-7) *30% Assumed Tax Rate | \$ 909 | *Assumed 30% Ordinary Income Tax Rate* |
| Less (-) Deprecation Recapture | \$ 37,493 | *Assumed 25% Tax Rate* |
| Less (-) State & Federal Capital Gain Tax | \$ 151,211 | *Assumed 20% Tax Rate* |
| Equals (=) Post-Tax Sales Proceeds | \$ 985,955 | |

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For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Rent Roll (2): October 2024 & Market Leases Pro Forma

| # of Type | Type | SF | Max Rent | Avg. Rate | Avg. \$/SF/Mo. | Year-End 2 Pro Forma <i>*Full-Service Market*</i> | Pro Forma \$/SF/Mo. | Pro Forma Rate Growth |
|--|--------------|---------|--------------------|---------------|----------------|--|---------------------|-----------------------|
| 13 | 1 Bed-1 Bath | 450 | \$920 | \$844 | \$1.88 | \$900 | \$2.00 | 6.65% |
| 8 *9* | Studio | 234 | \$825 | \$622 | \$2.66 | \$800 | \$3.42 | 28.64% |
| 1 | 2 Bed-1 Bath | 850 | \$940 | \$940 | \$1.11 | \$950 | \$1.12 | 1.06% |
| <p><i>*Red Text: Full-Service Market Rate Leases*</i> <i>*Purple Text: Full-Service Section 8 Voucher Leases*</i> <i>*Unit 10's Tenant Receives Abated Rent in Exchange for On-site Services (grounds clean-up & security).*</i> <i>*Landlord Pays ALL Utilities: Gas, Electricity, Water, Sewer, & Refuse.</i></p> | | | | | | | | |
| Unit | Type | Unit SF | Lease Rates | \$/SF/Mo. | End Date | <i>*Full-Service*</i> Pro Forma Market Rate | \$/SF/Mo. | Rent Growth |
| 1 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$900 | \$2.00 | 0.00% |
| 2 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | M-t-M | \$900 | \$2.00 | 7.14% |
| 3 | Studio | 234 | \$600 | \$2.56 | M-t-M | \$800 | \$3.42 | 33.33% |
| 4 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$900 | \$2.00 | 0.00% |
| 5 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$900 | \$2.00 | 0.00% |
| 6 | Studio | 234 | \$550 | \$2.35 | N/A | \$800 | \$3.42 | 45.45% |
| 7 | Studio | 234 | \$600 | \$2.56 | 11/30/2024 | \$800 | \$3.42 | 33.33% |
| 8 | 1 Bed-1 Bath | 450 | \$810 | \$1.80 | M-t-M | \$900 | \$2.00 | 11.11% |
| 9 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | 02/28/2025 | \$900 | \$2.00 | 7.14% |
| *10* | Studio | 234 | \$400 | \$1.71 | 12/31/2024 | \$800 | \$3.42 | 100.00% |
| 11 | Studio | 234 | \$800 | \$3.42 | M-t-M | \$800 | \$3.42 | 0.00% |
| 12 | 1 Bed-1 Bath | 450 | \$800 | \$1.78 | 10/31/2024 | \$900 | \$2.00 | 12.50% |
| 13 | Studio | TBD | Under-Construction | N/A | N/A | \$800 | TBD | N/A |
| 14 | 1 Bed-1 Bath | 450 | \$920 | \$2.04 | M-t-M | \$900 | \$2.00 | -2.17% |
| 15 | 1 Bed-1 Bath | 450 | Vacant | \$0.00 | N/A | \$900 | \$2.00 | 0.00% |
| 16 | Studio | 234 | \$600 | \$2.56 | 05/21/2025 | \$800 | \$3.42 | 33.33% |
| 17 | Studio | 234 | \$600 | \$2.56 | 12/31/2024 | \$800 | \$3.42 | 33.33% |
| 18 | 1 Bed-1 Bath | 450 | \$800 | \$1.78 | 06/30/2025 | \$900 | \$2.00 | 12.50% |
| 19 | 1 Bed-1 Bath | 450 | \$865 | \$1.92 | M-t-M | \$900 | \$2.00 | 4.05% |
| 20 | 1 Bed-1 Bath | 450 | \$840 | \$1.87 | 07/31/2025 | \$900 | \$2.00 | 7.14% |
| 21 | 1 Bed-1 Bath | 450 | \$880 | \$1.96 | 03/31/2025 | \$900 | \$2.00 | 2.27% |
| 22 | Studio | 300 | \$825 | \$2.75 | 12/31/2024 | \$800 | \$2.67 | -3.03% |
| 23 | 2/1.00 | 850 | \$940 | \$1.11 | M-t-M | \$950 | \$1.12 | 1.06% |
| Totals | | | \$13,510 | \$1.75 | | \$19,850 | \$2.44 | 46.93% |
| <p><small>*The Pro Forma rental rates are based on data collected from the SWMLS, broker's sold listings, hotpads.com, apartments.com, carm.com, zumper.com, and craigslist.com. Broker does not guarantee that the buyer will lease the units at the below listed pro forma rates.*</small></p> | | | | | | | | |

For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Investment Analysis (2): Acquisition & Market Leases Pro Forma Operating Cash Flow *Pre-Tax*

| Acquisition Cash-Flow Analysis | | | | Pro Forma Valuation: Year-End Two (2) | | | |
|---|--|--------------|---------|---|---------|---------|---------------------------------------|
| October 2024 Rent Roll & September 2024 T-12 Expenses | | | | Projected August-2024 24-Month Base Rent Growth: 17.58% | | | |
| Prepared by Sarah Raboff, Partner, NAI SunVista | | | | Pro Forma GRM: 5.56 | | | |
| GRM: 6.54 | | | | | | | |
| Operating Income | | Monthly | Annual | Notes: Operating Income | Monthly | Annual | Notes: Pro Forma Income |
| Number of Multifamily Units | | 22 | 22 | # of Type & Occupancy | 23 | 23 | 2024 Section 8 Payment Standards |
| 1 Bed-1 Bath Avg. Rent: \$844 | | 10,971 | 131,647 | 13 Units 69.2% | 11,700 | 140,400 | \$900 *Utilities Included* |
| Studio/Efficiency Avg. Rent: \$622 | | 4,975 | 59,700 | *8 Units 100% | 7,200 | 86,400 | *9 Units* \$800*Utilities Included* |
| 2 Bed-1 Bath Avg. Rent: \$940 | | 940 | 11,280 | 13 Units 100% | 950 | 11,400 | \$950 *Utilities Included* |
| Total Rental Income | | 16,886 | 202,627 | Avg. Rate @ 100% Occupancy | 19,850 | 238,200 | Ref. Pro Forma Rent Roll (+ 1 Unit) |
| % Vacancy and Credit Losses | | 5.00% | 5.00% | Broker Assumption | 5.00% | 5.00% | Broker Assumption |
| Total Vacancy, Losses, & Concessions | | 844 | 10,131 | | 993 | 11,910 | |
| Damage Fees | | 469 | 5,627 | Sept-24 T-12 | 478 | 5,739 | Sept-24 T-12 + 2% |
| Court Costs | | 66 | 790 | Sept-24 T-12 | 67 | 806 | Sept-24 T-12 + 2% |
| Late & Posting Fees | | 38 | 452 | Sept-24 T-12 | 38 | 461 | Sept-24 T-12 + 2% |
| Sheriff Liaison & Security Fees | | (38) | (455) | Sept-24 T-12 | (39) | (464) | Sept-24 T-12 + 2% |
| Gross Operating Income | | 16,576 | 198,909 | | 19,403 | 232,832 | |
| Operating Expenses | | Monthly | Annual | % of GOI | Monthly | Annual | Notes: Pro Forma Operating Expenses |
| Management Fees | | | | | | | |
| Management Flat Fee | | 1,133 | 13,597 | 6.8% | 1,552 | 18,627 | 8.00% of YE 2 Projected GOI |
| Admin Fees | | 45 | 539 | 0.3% | 46 | 550 | Sept 2024 T-12 + 2% |
| Renewal Fees | | 4 | 50 | 0.0% | 4 | 51 | Sept 2024 T-12 + 2% |
| Project Fees | | 41 | 497 | 0.2% | 42 | 507 | Sept 2024 T-12 + 2% |
| Permit & Legal Fees | | | | | | | |
| Alarm & Security Monitoring | | 267 | 3,200 | 1.6% | 272 | 3,264 | Sept 2024 T-12 + 2% |
| Permitting | | 3 | 36 | 0.0% | | | N/A-2023 & 2024 Unit Conversions |
| Legal & Court Fees. | | 217 | 2,604 | 1.3% | 221 | 2,657 | Sept 2024 T-12 + 2% |
| Marketing Expenses | | | | | | | |
| Advertising | | 92 | 1,108 | 0.6% | 94 | 1,130 | Sept 2024 T-12 + 2% |
| Cleaning & Grounds Maintenance | | | | 0.0% | | | |
| Landscaping | | 324 | 3,883 | 2.0% | 100 | 1,200 | Broker Estimate (Minimal Landscaping) |
| House Keeping | | 76 | 910 | 0.5% | 77 | 928 | Sept 2024 T-12 + 2% |
| Trash & Dump Fees | | 46 | 555 | 0.3% | 47 | 566 | Sept 2024 T-12 + 2% |
| Pest Control | | 91 | 1,092 | 0.5% | 93 | 1,114 | Sept 2024 T-12 + 2% |
| Repairs & Maintenance | | | | | | | |
| Plumbing | | 103 | 1,239 | 0.6% | 105 | 1,264 | Sept 2024 T-12 + 2% |
| HVAC | | 196 | 2,356 | 1.2% | 200 | 2,403 | Sept 2024 T-12 + 2% |
| Lighting/Electrical | | 92 | 1,106 | 0.6% | 94 | 1,128 | Sept 2024 T-12 + 2% |
| Windows | | 66 | 789 | 0.4% | 67 | 805 | Sept 2024 T-12 + 2% |
| Gates | | 55 | 665 | 0.3% | 57 | 678 | Sept 2024 T-12 + 2% |
| Misc. Repairs | | 72 | 867 | 0.4% | 74 | 884 | Sept 2024 T-12 + 2% |
| Repair Supplies | | | | | | | |
| Supplies & Materials | | 567 | 6,810 | 3.4% | 579 | 6,946 | Sept 2024 T-12 + 2% |
| Maintenance Labor | | | | | | | |
| General Maintenance & WO Labor | | 792 | 9,508 | 4.8% | 808 | 9,698 | Sept 2024 T-12 + 2% |
| Unit Turnover & Make Ready's | | | | | | | |
| Make Ready | | 83 | 1,000 | 0.5% | 333 | 4,000 | Broker Assumption |
| Painting | | 86 | 1,036 | 0.5% | 88 | 1,057 | Sept 2024 T-12 + 2% |
| Delivery | | 6 | 70 | 0.0% | 6 | 71 | Sept 2024 T-12 + 2% |
| Utilities | | | | | | | |
| Natural Gas | | 407 | 4,884 | 2.5% | 415 | 4,982 | June 2024 T-12 + 2% |
| Electricity | | 534 | 6,405 | 3.2% | 544 | 6,533 | June 2024 T-12 + 2% |
| Water, Sewer, and Trash | | 549 | 6,584 | 3.3% | 560 | 6,715 | June 2024 T-12 + 2% |
| Property Taxes, Insurance, & License/Permits | | | | | | | |
| County Property Taxes | | 469 | 5,628 | 2.8% | 1,058 | 12,702 | 2025 Taxable Value Calculation |
| Property & Liability Insurance | | 369 | 4,426 | 2.2% | 583 | 7,000 | Broker Estimate |
| Annual Lender Reserves (0.50% of GOI) | | 83 | 995 | 0.5% | 97 | 1,164 | Estimated Annual Reserves |
| Operating Expenses | | 6,870 | 82,436 | 41.44% | 8,219 | 98,623 | 42.36% |
| Net Operating Income (NOI) | | | | Year-End 2 Net Operating Income (NOI) | | | |
| Total Annual Operating Income | | 198,909 | | 232,832 | | | |
| Total Annual Operating Expense | | 82,436 | | 98,623 | | | |
| Annual Net Operating Income | | 116,473 | | 134,209 | | | |
| Capitalization Rate and Valuation | | | | Year-End 2 Capitalization Rate Acquisition Price | | | |
| Capitalization Rate | | 8.79% | | 10.13% | | | |
| Property Valuation (Sales Price) | | \$ 1,325,000 | | \$ 1,325,000 | | | |
| Purchase Price | | \$ 1,325,000 | | \$ 1,325,000 | | | |



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For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Investment Analysis (2): Acquisition & Market Leases Cash-on-Cash *Pre-Tax*

| Acquisition Financing Projection | | | | | | | |
|--|------------------|--|-------------|-----------------------|--|-------------|--|
| Conventional 7-Year Fixed Loan Amortized Over 30 Years | | | | | | | |
| Loan-to-Value (LTV): 75% | | | | | | | |
| Fixed Interest Rate: 6.25% | | | | | | | |
| Projected Acquisition Loan Information | | | | Pro Forma: Year-End 2 | | | |
| Down Payment | 331,250 | 25% | | 331,250 | 25% | | |
| Loan Amount | 993,750 | 75% | | 993,750 | 75% | | |
| Loan Origination Fee | 9,938 | Estimate: 1% Origination Fee. | | 9,938 | Estimate: 1% Origination Fee. | | |
| Other Loan Fees | 1,700 | Estimate: Appraisal & Reporting Fees. | | 1,700 | Estimate: Appraisal & Reporting Fees. | | |
| Acquisition Costs | 1,000 | Estimate: \$1,000 Title & \$1,100 Inspection Fees. | | 1,000 | Estimate: \$1,000 Title & \$1,100 Inspection Fees. | | |
| Length of Mortgage (years) | 30 | Estimated Loan Amortization. | | 30 | Estimated Loan Amortization. | | |
| Annual Interest Rate | 6.25% | Estimate: 7-Year Fixed Interest Rate. | | 6.25% | Estimate: 7-Year Fixed Interest Rate. | | |
| Initial Investment | 343,888 | | | 343,888 | | | |
| Monthly P&I | 6,118.69 | | | 6,118.69 | | | |
| Annual Interest | 62,109 | Months 1-12 Interest Payment. | | 61,358 | Months 13-25 Interest Payment. | | |
| Annual Principal | 11,315 | Months 1-12 Principal Payment. | | 12,067 | Months 13-25 Principal Payment. | | |
| Total Annual Debt Service | 73,424.28 | DSCR: | 1.59 | 73,424.28 | DSCR: | 1.83 | |
| Before Tax Cash Flow and ROI | | | | | | | |
| Total Monthly Cash Flow (before taxes) | 3,587 | | | 5,065 | | | |
| Total Annual Cash Flow (before taxes) | 43,049 | | | 60,785 | | | |
| Cash on Cash Return (ROI) | 12.52% | | | 17.68% | | | |

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| 7600 Central SE: 2024 & 2025 Tax Bill Calculations | | | | | | | |
|--|---------------|-------------|---------------|-----------|--------------|---------------------|--------------|
| Tax Year | 2023 | | 2024 | | | 2025 | |
| Summary | Taxable | Tax | Taxable | Y-o-Y (+) | Tax Calc. | Projected Y-o-Y (+) | Tax Calc. |
| Tax | \$ 117,298.00 | \$ 5,627.50 | \$ 257,041.00 | 119.135% | \$ 12,331.82 | 3.000% | \$ 12,701.78 |

Source: Bernalillo County Treasurer's Office. 2025 Calculations are estimates. Broker does not guarantee future assessed property values.



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For Sale

COMPETITIVELY-PRICED VALUE-ADD 22-UNIT MULTIFAMILY

7600 Central Ave. SE | Albuquerque 87108

Investment Analysis (2): Market Leases Cash Flow Projection *After-Tax*

| Projected Acquisition Financing | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|---------------------------------------|-------------------|
| Conventional 7-Year Fixed Loan Amortized Over 30 Years | | | | | | |
| Loan-to-Value (LTV): 75% | | | | | | |
| Fixed Interest-Rate: 6.25% | | | | | | |
| End of Year | Acquisition | 1 | 2 | 3 | 4 | 5 |
| Potential Rental Income (YE 3,4,5: 2.5% Y-o-Y Growth) | \$ 202,627 | \$ 220,413 | \$ 238,200 | \$ 244,155 | \$ 250,259 | \$ 256,515 |
| -Vacancy & Credit Losses (5%) | \$ 10,131 | \$ 11,021 | \$ 11,910 | \$ 12,208 | \$ 12,513 | \$ 12,826 |
| Effective Rental Income | \$ 192,495 | \$ 209,393 | \$ 226,290 | \$ 231,947 | \$ 237,746 | \$ 243,690 |
| +Other Income (collectible) (YE 3,4,5: 2% Y-o-Y Growth) | \$ 6,414 | \$ 6,478 | \$ 6,542 | \$ 6,673 | \$ 6,807 | \$ 6,943 |
| Gross Operating Income | \$ 198,909 | \$ 215,871 | \$ 232,832 | \$ 238,620 | \$ 244,553 | \$ 250,632 |
| Operating Expenses (YE 3, 4, 5: 2% Y-o-Y Growth) | \$ 81,442 | \$ 89,450 | \$ 97,459 | \$ 99,402 | \$ 101,385 | \$ 103,406 |
| Annual Lender Reserves Deposit Estimate (0.5% of GOI) | \$ 995 | \$ 1,079 | \$ 1,164 | \$ 1,193 | \$ 1,223 | \$ 1,253 |
| Total Operating and Lender Reserves Expenses | \$ 82,436 | \$ 90,530 | \$ 98,623 | \$ 100,595 | \$ 102,607 | \$ 104,660 |
| <i>*Deductible Against Taxable Income*</i> | | | | | | |
| <i>*Tax Savings on Net Loss*</i> | | | | | | |
| Net Operating Income | \$ 116,473 | \$ 125,341 | \$ 134,209 | \$ 138,025 | \$ 141,945 | \$ 145,973 |
| | | | | | Year-End 5 Valuation @ 7.55% Cap Rate | |
| | | | | | \$1,933,415.59 | |
| (less) Loan Interest *Projected 6.25% Fixed Rate.* | \$ 62,109 | \$ 62,109 | \$ 61,358 | \$ 60,559 | \$ 59,710 | \$ 58,809 |
| Annual Principal Payment | \$ 11,315 | \$ 11,315 | \$ 12,067 | \$ 12,865 | \$ 13,714 | \$ 14,616 |
| Sum Principal + Interest | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 |
| | | | | | | |
| (less) Cost Recovery-Improvements *Assessed Improvements Value 2024: 85.41%* | \$ 29,077 | \$ 27,907 | \$ 29,077 | \$ 29,077 | \$ 29,077 | \$ 29,077 |
| (less) Loan Cost Amortization | \$ 1,420 | \$ 1,420 | \$ 1,420 | \$ 1,420 | \$ 1,420 | \$ 1,420 |
| Real Estate Taxable Income | \$ 23,867 | \$ 33,905 | \$ 42,355 | \$ 46,970 | \$ 51,739 | \$ 56,668 |
| Tax Liability at 30% Assumed Ordinary Income Rate | \$ 7,160 | \$ 10,171 | \$ 12,707 | \$ 14,091 | \$ 15,522 | \$ 17,000 |
| Net Operating Income | \$ 116,473 | \$ 125,341 | \$ 134,209 | \$ 138,025 | \$ 141,945 | \$ 145,973 |
| (less) Total Annual Debt Service | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 | \$ 73,424 |
| Pre-Tax Cash-Flow | \$ 43,049 | \$ 51,917 | \$ 60,785 | \$ 64,601 | \$ 68,521 | \$ 72,549 |
| (less) Tax Liability (30%) | \$ 7,160 | \$ 10,171 | \$ 12,707 | \$ 14,091 | \$ 15,522 | \$ 17,000 |
| After-Tax Cash Flow | \$ 35,889 | \$ 41,746 | \$ 48,078 | \$ 50,510 | \$ 52,999 | \$ 55,548 |
| After-Tax Cash-on-Cash Return | 10.44% | 12.14% | 13.98% | 14.69% | 15.41% | 16.15% |

*Sarah Raboff, Partner, NAI SunVista, is neither a licensed CPA, NMLS nor MLO. The after-tax cash flow figures are estimates and shall not be considered tax or financial advice.

| 7600 Central SE: Property Tax Assessment Summary | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|-----------|-----------|
| Tax Year | 2023 | | | 2024 | | | | 23 vs. 24 |
| Assessment | Improv. | Total | Taxable | Improv. | Total | Taxable | % Improv. | % Change |
| Value | \$ 239,395 | \$ 351,931 | \$ 117,298 | \$ 658,664 | \$ 771,200 | \$ 257,041 | 85.41% | 119.135% |

Source: Bernalillo County Office of the Treasurer.

Investment Analysis (2): Market Leases Projected Sales Proceeds *After-Tax*

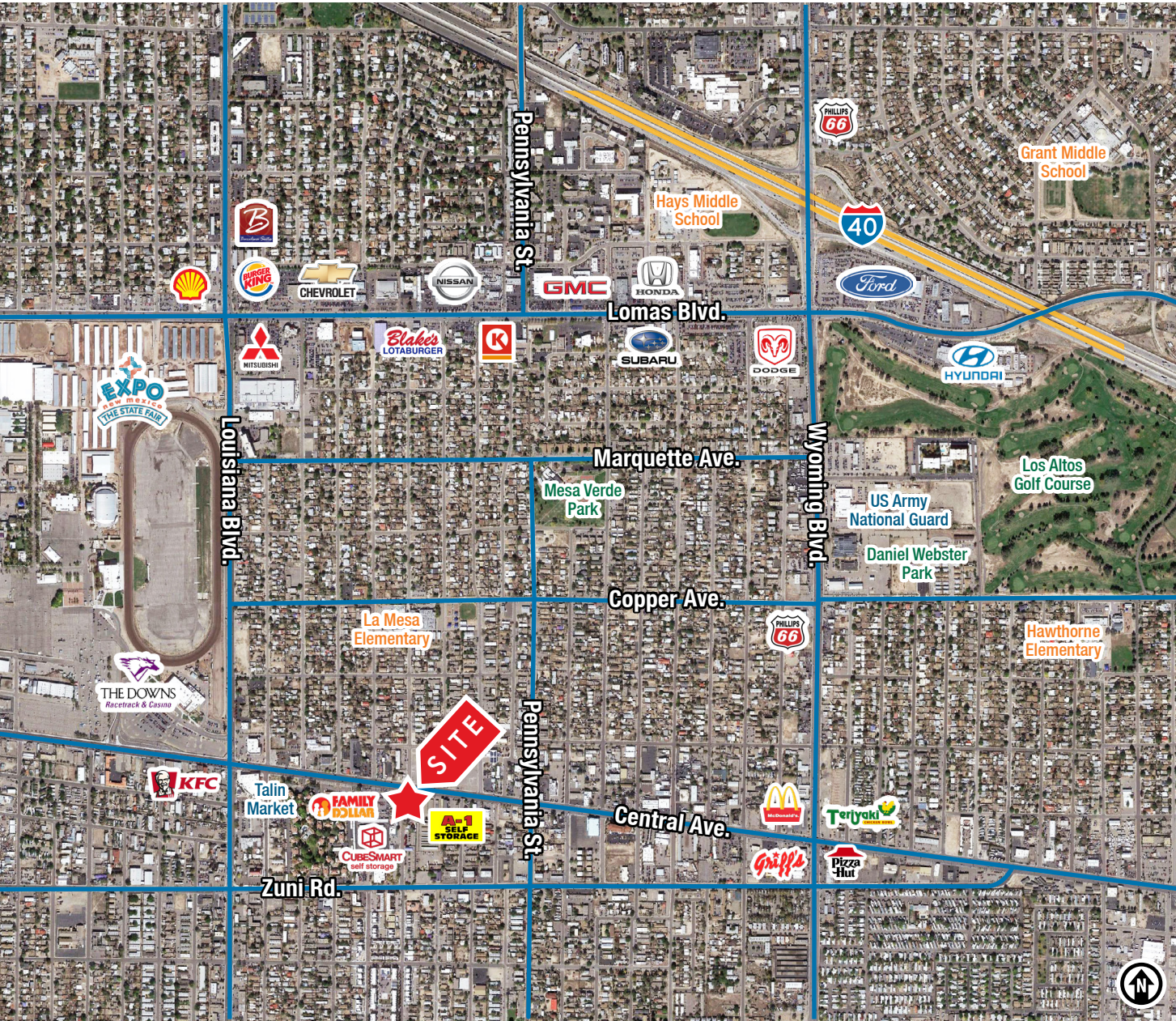
| Projected After-Tax Sales Proceeds | | |
|--|--------------|---|
| Projected Acquisition Financing | | |
| Conventional 7-Year Fixed Loan Amortized Over 30 Years | | |
| Leverage (LTV): 75% | | |
| Projected Fixed Interest Rate: 6.25% | | |
| End of Year | Five (5) | Notes |
| Principal Balance | \$ 931,874 | Loan Amount less(-) Yrs. 1-5 Principal Payments. |
| Sale Price *7.55% Disposition Cap Rate.* | \$ 1,933,416 | YE 5 NOI @ 7.55% Cap Rate. |
| Adjusted Basis Calculation | | |
| Basis At Acquisition | \$ 1,327,700 | \$1.325 M + \$2,700 (Projected Appraisal, Inspection & Escrow Fees). |
| Plus (+) Capital Improvements *Assumption* | \$ 50,000 | Placeholder 5-Yr Capex (\$10,000/Yr.) |
| Less (-) Depreciation Taken (Straight Line Cost-Recovery) | \$ 144,214 | Purchase Price (\$1,325,000) + Closing Costs (\$2,700)=Acquisition Basis (\$1,327,700). Acquisition Basis (\$1,327,700) x 85.41% (2024 Improvements %)= \$1,133,989 / 39 Yrs (Commercial Straight-Line Depreciation)= \$29,077Yr. Partial Cost-Recovery Yr. 1 (2.461% of \$1,133,989). |
| Equals (=) Adjusted Basis | \$ 1,233,486 | |
| Capital Gain Calculation | | |
| Sale Price *7.55% Disposition Cap Rate | \$ 1,933,416 | |
| Less (-) Cost of Sale (5%) | \$ 96,671 | |
| Less (-) Adjusted Basis | \$ 1,233,486 | |
| Equals (=) Gain or Loss | \$ 603,259 | |
| Less (-) Depreciation Taken (Straight Line Cost-Recovery) | \$ 144,214 | |
| Equals (=) Taxable Capital Gain From Appreciation | \$ 459,045 | |
| Pre-Tax Sale Proceeds Calculation | | |
| Sale Price | \$ 1,933,416 | |
| Less (-) Cost of Sale | \$ 96,671 | |
| Less (-) Loan Principal Balance | \$ 931,874 | |
| Equals (=) Pre-Tax Sale Proceeds | \$ 904,871 | |
| After-Tax Sale Proceeds Calculation | | |
| Pre-Tax Sale Proceeds | \$ 904,871 | |
| Loan Amortization Tax Savings (Yrs. 6-7) *30% Assumed Tax Rate | \$ 852 | *Assumed 30% Ordinary Income Tax Rate* |
| Less (-) Depreciation Recapture | \$ 36,053 | *Assumed 25% Tax Rate* |
| Less (-) State & Federal Capital Gain Tax | \$ 91,809 | *Assumed 20% Tax Rate* |
| Equals (=) Post-Tax Sales Proceeds | \$ 777,860 | |

Sarah Raboff, Partner of NAI SunVista, is neither a licensed CPA, NMLS nor MLO. The after-tax income is based on estimates and shall not be considered tax or financial advice.

For Sale

COMPETITIVELY PRICED VALUE-ADD 22-UNIT MULTIFAMILY

3410-3422 Vail Ave. SE | Albuquerque, NM 87106



LOCATION

| Demographics | 1 mile | 3 mile | 5 mile |
|--------------------|----------|----------|----------|
| Total Population | 22,731 | 109,781 | 252,995 |
| Average HH Income | \$47,120 | \$77,140 | \$82,669 |
| Daytime Employment | 5,558 | 73,248 | 174,900 |

2024 Forecasted by Esri



NAI SunVista

The information contained is believed reliable. While we do not doubt the accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projection, opinion, assumption or estimated uses are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on many factors which should be evaluated by your tax, financial, and legal counsel. You and your counsel should conduct a careful independent investigation of the property to determine that it is suitable to your needs.

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