

Class A Apartment Complex For Sale

4425 31st Avenue South
Fargo, ND



List Price: \$3,575,000/Building or \$10,700,000 for 3 building package plus additional land

Property Information

◇ Total Buildings:	3
◇ Sq. Ft./Building:	70,013
◇ Units/Building:	42
◇ Land Size/Acre:	9.2
◇ Total Units:	126
◇ Year Built:	2006/2007/2008
◇ Unit Mix:	12 3bed/2bath: 1,495 sq. ft. 12 1bed/1 bath: 905 sq. ft. 18 2bed/2 bath: 1,310 sq. ft.
◇ Additional Land Area:	2.24A (site planned for 4th building)

Property Summary

- ◇ Three buildings with 42 units per building.
- ◇ Single garage included with each one bedroom unit; double garage included with each two and three bedroom unit.
- ◇ Lease up complete on buildings 1 and 2. Third building began leasing in November 2008—65% occupancy as of March 1, 2009.
- ◇ Attractive long term assumable financing in place:
 - Building 1—\$2.5MM @ 5.8% through 2016
 - Building 2—\$2.5MM @ 6.1% through 2018
- ◇ Current actual vacancy on leased up buildings approximately 3%.
- ◇ Market vacancy for all classes in this area of Fargo 5.2%.
- ◇ Seller willing to close on newest building after target occupancy level of 85% is achieved.
- ◇ Washer/Dryer in each unit.
- ◇ Located in fast growing area of Fargo, near major intersec-

NAI North Central
Commercial Real Estate Services, Worldwide.

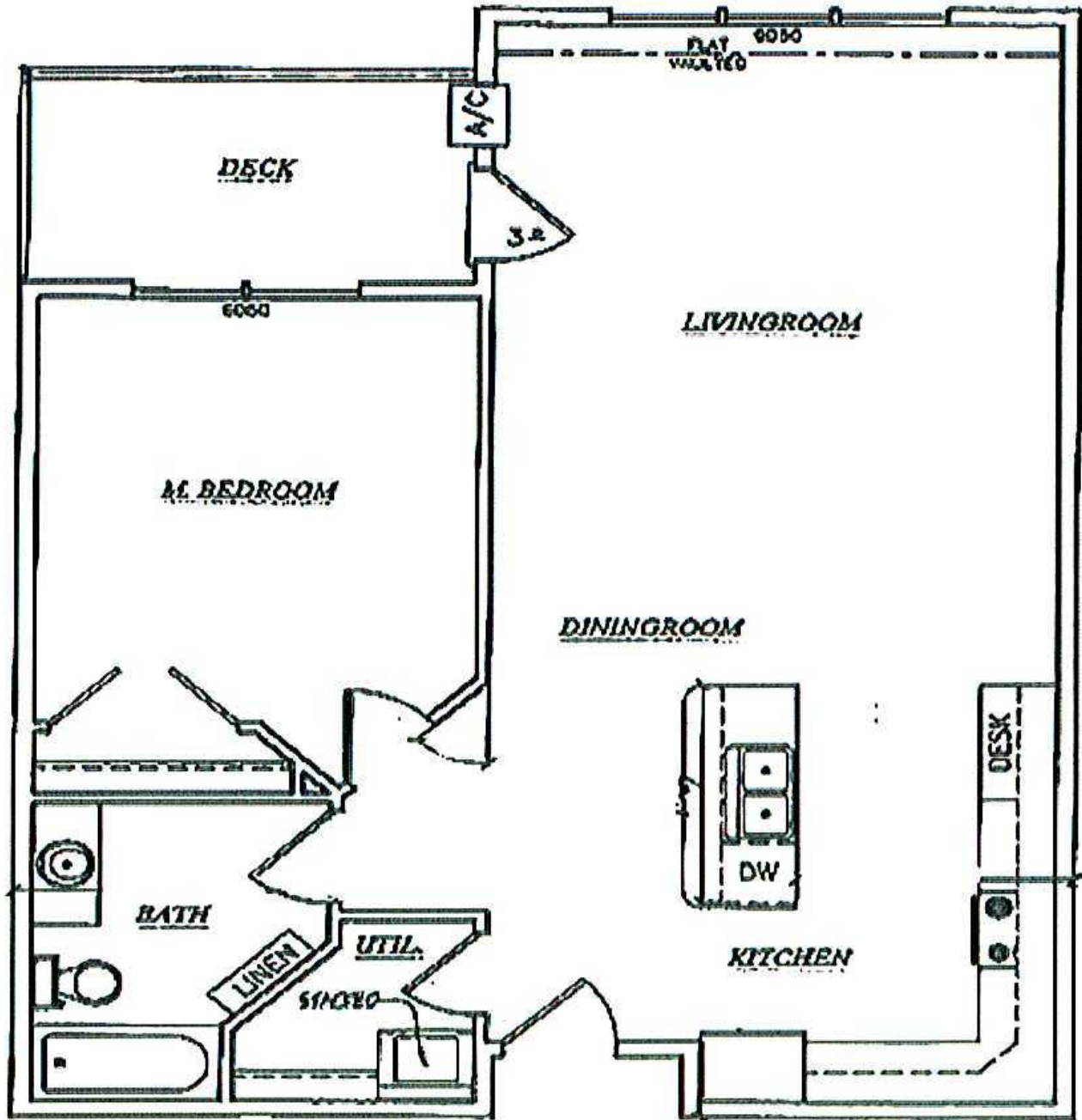
The information contained herein has been given to us by the owner of the property or other sources we deem reliable, we have no reason to doubt its accuracy, but we do not guarantee it. All information should be verified prior to purchase or lease.

Clint Dreyer, Broker Associate

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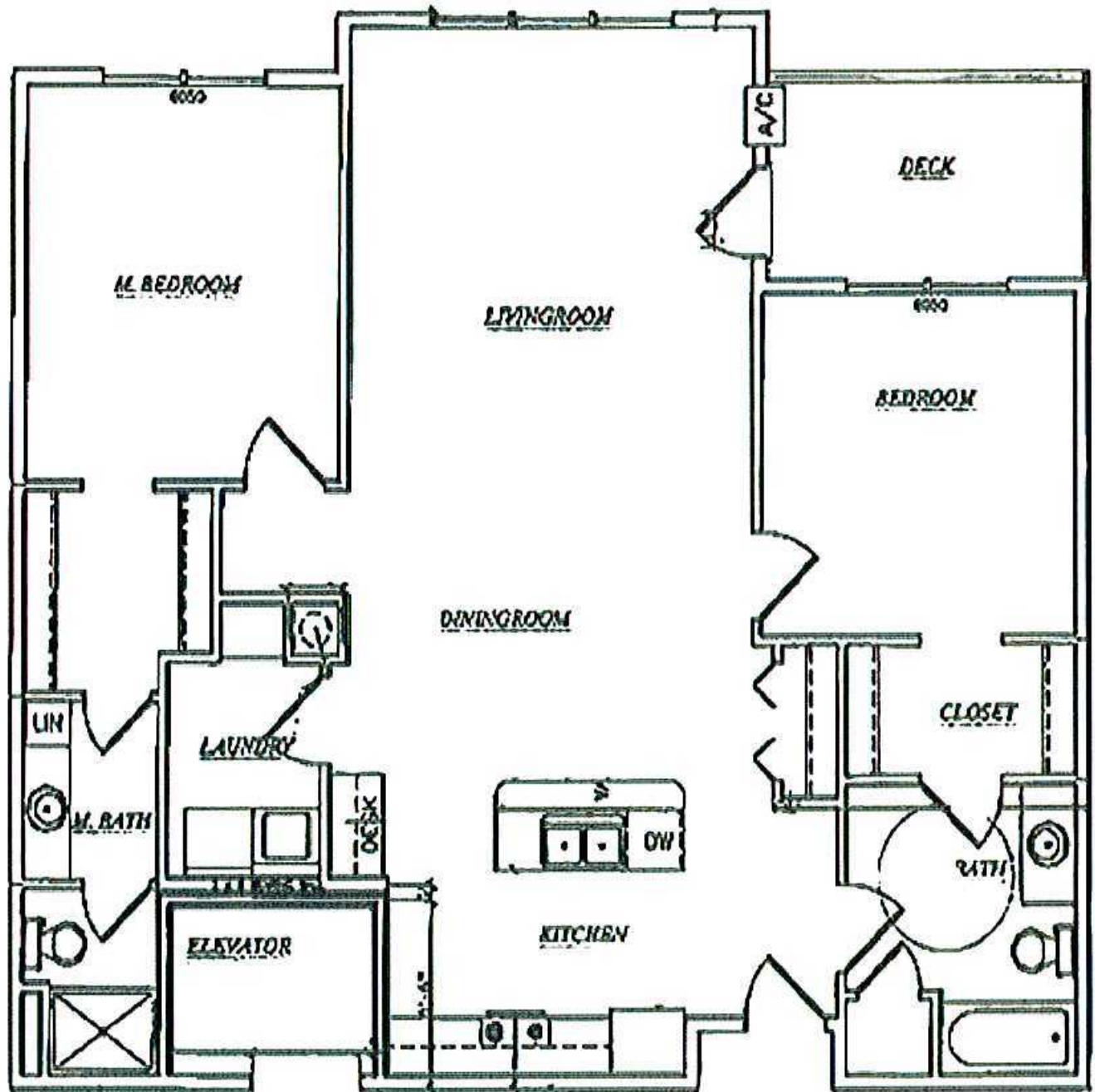
Email: cdreyer@nainorthcentral.com
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One-Bedroom Floor Plan



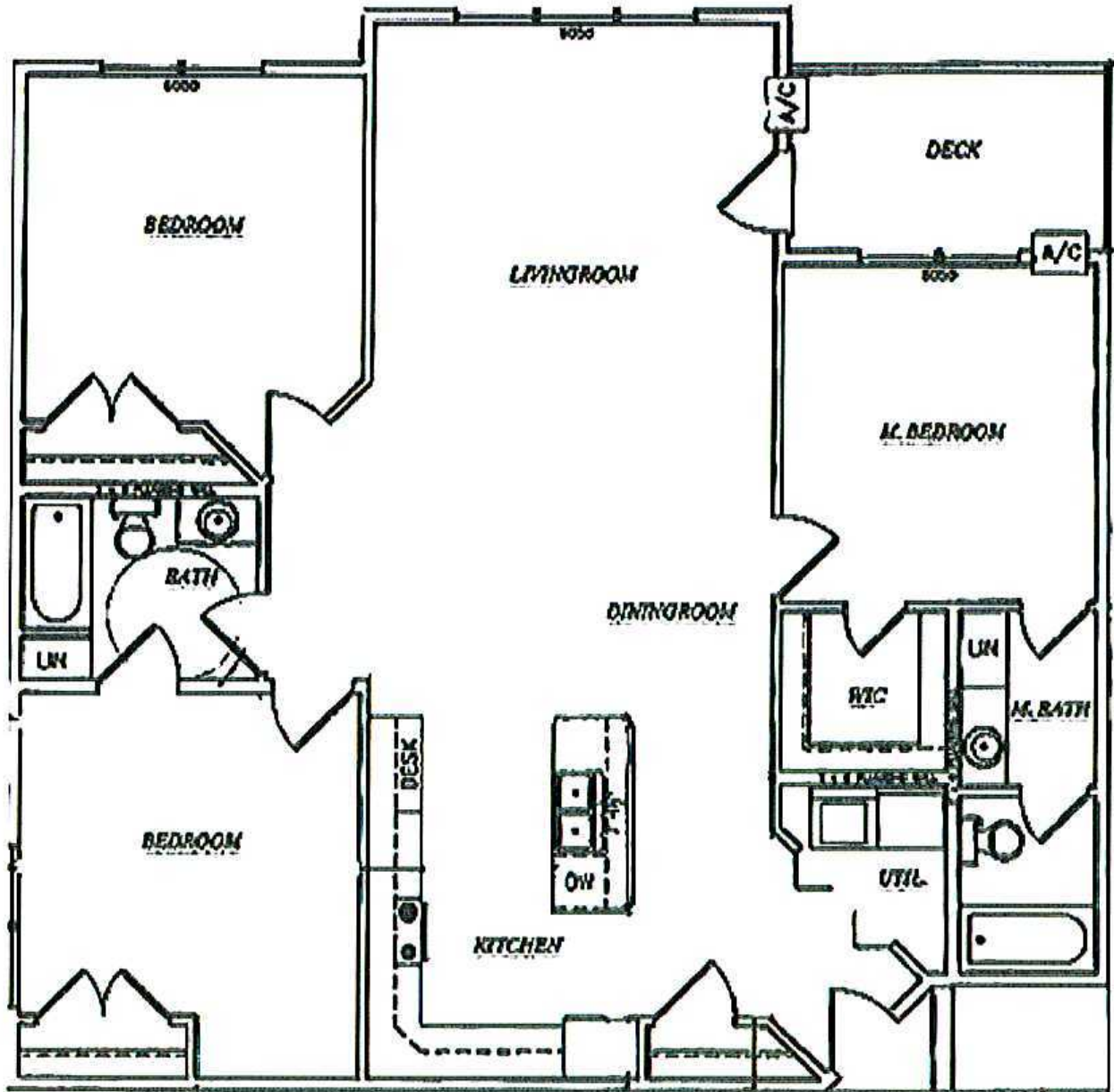
1 bedroom - w/vaulted ceilings - approx. 905 sq ft

Two-Bedroom Floor Plan



2 bedroom/2 bath - w/vault - approx 1310 sq ft

Three-Bedroom Floor Plan



3 bedroom/2 bath - w/vault - approx 1495 sq ft

Property Name Old Orchard I
 Location 4425 31st Ave S, Fargo, ND
 Type of Property Multi-family
 Size of Property 42 (Sq. Ft./Units)

Purpose of analysis Actuals 2008

Assessed/Appraised Values		
Land	<u>273,000</u>	<u>9%</u>
Improvements	<u>2,807,400</u>	<u>91%</u>
Personal Property	<u>0</u>	<u>0%</u>
Total	<u>3,080,400</u>	<u>100%</u>

Adjusted Basis as of: 9-Mar-09 \$3,575,000

Annual Property Operating Data

Purchase Price	<u>3,575,000</u>
Plus Acquisition Costs	<u> </u>
Plus Loan Fees/Costs	<u> </u>
Less Mortgages	<u>2,681,250</u>
Equals Initial Investment	<u>893,750</u>

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	<u>\$2,681,250</u>	<u>\$17,112</u>	<u>12</u>	<u>5.9%</u>	<u>25</u>	<u>25</u>
2nd	<u> </u>	<u> </u>	<u>12</u>	<u> </u>	<u> </u>	<u> </u>

ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1 POTENTIAL RENTAL INCOME	<u>9,754</u>		<u>409,655</u>	
2 Less: Vacancy & Cr. Losses		(<u>20,483</u>	of PRI)
3 EFFECTIVE RENTAL INCOME			<u>389,172</u>	
4 Plus: Other Income (collectable)			<u>340</u>	
5 GROSS OPERATING INCOME			<u>389,512</u>	
OPERATING EXPENSES:				
7 Real Estate Taxes	<u>1,545</u>	<u>16.7%</u>	<u>64,872</u>	
8 Personal Property Taxes				
9 Property Insurance	<u>155</u>	<u>1.67%</u>	<u>6,500</u>	
10 Off Site Management	<u>375</u>	<u>4.04%</u>	<u>15,739</u>	
11 Payroll	<u>120</u>	<u>1.29%</u>	<u>5,040</u>	Residential Manager (\$10/month/unit)
12 Expenses/Benefits				
13 Taxes/Worker's Compensation				
14 Repairs and Maintenance	<u>347</u>	<u>3.74%</u>	<u>14,584</u>	
Utilities:				
15 Garbage			<u>3,341</u>	
16 Gas & Electric			<u>22,576</u>	
17 Water			<u>11,868</u>	
18 Telephone			<u>372</u>	
19 Accounting and Legal			<u>46</u>	
20 Licenses/Permits				
21 Advertising			<u>2,289</u>	
22 Supplies			<u>47</u>	
23 Miscellaneous Contract Services:				
24 Painting			<u>5,862</u>	
25 Snow removal/lawn care			<u>4,935</u>	
26				
27 Carpet Cleaning			<u>562</u>	
28 Pest Control			<u>158</u>	
29 TOTAL OPERATING EXPENSES	<u>3,815</u>	<u>40.0%</u>	<u>160,230</u>	
30 NET OPERATING INCOME			<u>229,282</u>	
31 Less: Annual Debt Service			<u>205,342</u>	
32 Less: Participation Payments (from Assumptions)			<u>-</u>	
33 Less: Leasing Commissions			<u>-</u>	
34 Less: Funded Reserves			<u>-</u>	
35 CASH FLOW BEFORE TAXES			<u>23,940</u>	

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The statements and figures herein, while not guaranteed, are secured from sources we believe authoritative.

Prepared for: _____

Prepared by: _____

Annual Property Operating Data

Property Name Old Orchard II
 Location 3120 44th Street S
 Type of Property Multi-family
 Size of Property 42 (Sq. Ft./Units)
 Purpose of analysis Actuals 2008

Purchase Price 3,575,000
 Plus Acquisition Costs _____
 Plus Loan Fees/Costs _____
 Less Mortgages 2,681,250
 Equals Initial Investment 893,750

Assessed/Appraised Values
 Land 281,000 10%
 Improvements 2,624,000 90%
 Personal Property 0 0%
 Total 2,905,000 100%

Adjusted Basis as of: 9-Mar-09 \$3,575,000

	Balance	Periodic Pmt	Pmts/Yr	Interest	Amort Period	Loan Term
1st	\$2,681,250	\$17,112	12	5.9%	25	25
2nd			12			

ALL FIGURES ARE ANNUAL	\$/SQ FT or \$/Unit	% of GOI		COMMENTS/FOOTNOTES
1 POTENTIAL RENTAL INCOME	9,814		412,190	
2 Less: Vacancy & Cr. Losses		(of PRI)	12,387	
3 EFFECTIVE RENTAL INCOME			399,803	
4 Plus: Other Income (collectable)			116	
5 GROSS OPERATING INCOME			399,919	
OPERATING EXPENSES:				
7 Real Estate Taxes	1,462	15.4%	61,396	
8 Personal Property Taxes				
9 Property Insurance	180	1.89%	7,568	
10 Off Site Management	386	4.05%	16,199	
11 Payroll	130	1.37%	5,460	Residential Manager (\$10/month/unit)
12 Expenses/Benefits				
13 Taxes/Worker's Compensation				
14 Repairs and Maintenance	243	2.55%	10,189	
Utilities:				
15 Garbage			3,300	
16 Gas & Electric			21,700	
17 Water			11,089	
18 Telephone			395	
19 Accounting and Legal			4,744	
20 Licenses/Permits				
21 Advertising			4,626	
22 Supplies			130	
23 Miscellaneous Contract Services:				
24 Painting			1,000	
25 Snow removal/lawn care			3,074	
26 Cleaning			801	
27 Replacements			1,883	Carpet and appliance replacements
28				
29 TOTAL OPERATING EXPENSES	3,815	40.0%	160,230	
30 NET OPERATING INCOME			239,689	
31 Less: Annual Debt Service			205,342	
32 Less: Participation Payments (from Assumptions)			-	
33 Less: Leasing Commissions			-	
34 Less: Funded Reserves			-	
35 CASH FLOW BEFORE TAXES			34,347	

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Labor

Job Service ND and MN Department of Employment & Economic Development

Measure		Month	Most Recent	Year Earlier	% Change	
Unemployment Rate	F-M MSA	Dec-08	3.4%	2.8%		Notes: Unemployment Rate, Labor Force, & Employed data are not seasonally adjusted. *These numbers are quarterly/weekly wages and have been prorated by GFMEDC to demonstrate an annual wage for the quarter. It is important to note there are quarterly fluctuations in wages such as 4th quarter bonuses in addition to some seasonal effects.
	ND	Dec-08	3.4%	3.3%		
	MN	Dec-08	6.8%	4.9%		
	US	Dec-08	7.1%	4.8%		
Labor Force	F-M MSA	Dec-08	120,325	118,806	1.3%	
	ND	Dec-08	364,929	361,617	0.9%	
	MN	Dec-08	2,937,716	2,924,237	0.5%	
	US	Dec-08	154,349,000	153,705,000	0.4%	
Employed	F-M MSA	Dec-08	112,206	115,497	-2.8%	
	ND	Dec-08	352,537	349,645	0.8%	
	MN	Dec-08	2,727,050	2,780,641	-1.9%	
	US	Dec-08	143,350,000	146,334,000	-2.0%	
Wage Growth - Quarterly Total & Average Annual Salary	Cass	2nd Qtr-08 Annualized	\$910,381,095 \$36,348*	\$845,180,193 \$34,892*	7.7% 4.2%	
	Clay	2nd Qtr-08 Annualized	\$135,132,004 \$29,692*	\$126,747,551 \$28,652*	6.6% 3.6%	

Property

Nat'l Association of Home Builders - MSA Housing Units Authorized by Building Permits

Year To Date	Dec 2008	Dec 2007	% Change
Total Units	1,210	1,590	-24%
Single Family	770	980	-21%
Multi-Family	440	610	-28%

Transportation

Hector International Airport

	Dec 2008	Dec 2007	% Change	YTD 2008	YTD 2007	% Change
Total Passengers	57,631	50,329	14.5%	648,137	599,168	8.2%

Consumers

ND Office of State Tax Commissioner

	3rd Qtr 2008	3rd Qtr 2007	% Change	YTD 2008	YTD 2007	% Change
Taxable Sales & Purchases (Cass County)	\$685,318,553	\$634,980,559	7.9%	\$1,840,248,219	\$1,720,160,867	7.0%

For more information on N.D. state and local sales & use tax, visit www.nd.gov/tax/salesanduse.

Aerial View

