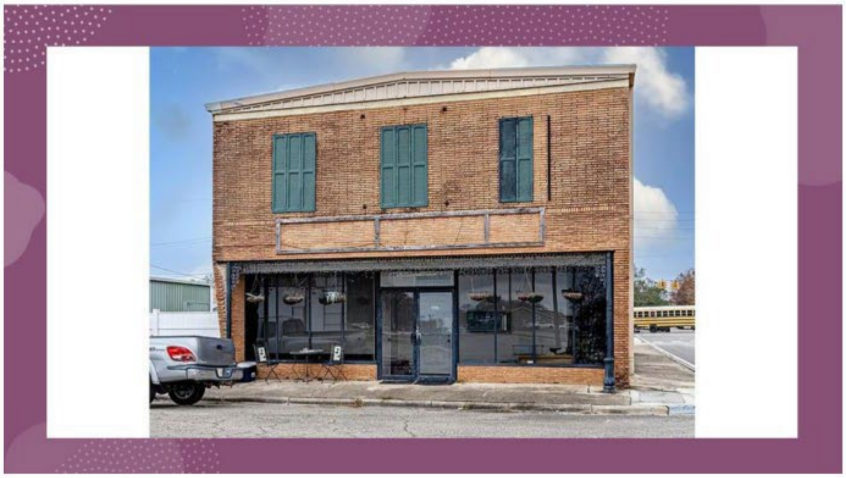
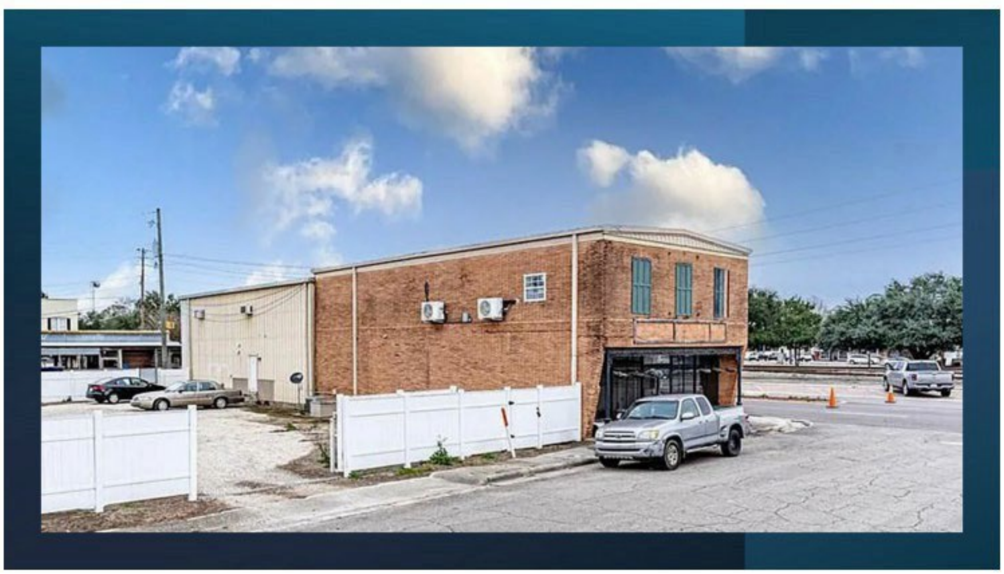
100 ELIZABETH ST – PICAYUNE, MS

OFF-MARKET MULTIFAMILY + CORPORATE HOUSING INVESTMENT OPPORTUNITY

(Unique Downtown Asset with Adjacent Lot Included)





Multifamily Investment Overview & Operating Narrative

Prepared to Supplement Property Inspection, Due Diligence, and Valuation Review

1. Executive Overview

100 Elizabeth Street is a six-unit income-producing multifamily asset located on a prominent corner site in downtown Picayune, Mississippi. The property consists of two residential buildings and an adjoining parcel that conveys with the sale and is currently utilized for tenant parking. The asset benefits from frontage and access along both Main Street and Elizabeth Street, is served by municipal utilities, is located in Flood Zone X, and operates as a legal conforming use within the City of Picayune's C-2 Downtown Commercial zoning district.

The combination of a downtown location, corner-lot configuration, dual-street frontage, and dedicated off-street parking contributes to the property's overall functionality as an income-producing multifamily asset.

From a valuation perspective, the property's operating profile is supported by stable in-place rental income, a diversified unit mix, one identifiable vacancy available for near-term stabilization, and an established furnished corporate rental component with documented operating history. The combination of conventional apartment income and furnished-rental revenue provides multiple income sources within a single asset and supports continued operation as an income-producing multifamily property.

2. Property Configuration and Collateral Strength

The property is a six-unit multifamily asset consisting of three two-bedroom, one-bath apartments and three one-bedroom, one-bath apartments. The unit mix provides a balanced rental profile that appeals to a broad tenant base, including conventional residential tenants and furnished corporate or mid-term rental users.

The site is located in downtown Picayune and includes an adjoining lot currently utilized for tenant parking. This is a meaningful functional advantage for a small multifamily property in a downtown setting, where off-street parking can be limited. The additional parking area improves tenant convenience, supports leasing appeal, and enhances the overall utility of the property.

The property's corner orientation and dual-street frontage are relevant physical characteristics. They improve visibility, access, and site functionality while supporting the property's continued use as an income-producing multifamily asset.

3. Income Structure and Operating Profile – Fully Furnished Corporate Rental

A central operating feature of the asset is that it does not rely solely on conventional apartment income. One of the two-bedroom units is operated as a furnished corporate rental, creating a diversified income stream within the broader multifamily operation.

Documented operating data reflects income from this furnished unit through Airbnb, VRBO, direct bookings, and invoiced stays, totaling approximately $14,429 during the measured period and annualizing to approximately $17,315. The furnishings associated with that unit convey with the sale, allowing continuation of the furnished-rental operation without additional furnishing costs to the buyer.

This is a relevant valuation consideration because the furnished unit represents an already-established operating use rather than a speculative repositioning concept. It demonstrates income flexibility, tenant-demand diversity, and the ability to generate revenue through both traditional apartment leasing and furnished mid-term/corporate rental use.

Additional market data further supports the broader income strength of the asset. Comparable apartment listings and local market feedback indicate that vacancy remains low, concessions are not generally being offered, and rental rates are not typically negotiated down from asking levels. This market backdrop supports the durability of the property's rent structure and reinforces the conclusion that the asset is operating in a healthy demand environment.

4. Market Support and Competitive Position

The property's downtown Picayune location is a meaningful market attribute. The asset is walkable
The property's downtown Picayune location is a meaningful market attribute. The asset is walkable
to shops, restaurants, businesses, and services within the city core, supporting both conventional apartment leasing and furnished-rental demand. Current market observations indicate that two-bedroom apartment rents commonly range from approximately $1,000 to $1,200 per month, while one-bedroom units are generally supportable in the upper-$800 to high-$900 range, consistent with the property's current rent structure and leasing activity.

Additional market indicators support the broader income profile of the asset. Local market observations suggest that multifamily vacancy remains relatively limited, concessions are not commonly offered, and rental rates are generally achieving asking levels. These conditions support the continued operation of the property as an income-producing multifamily asset.

Comparable multifamily sales reviewed within the broader market ranged from approximately $54,500 per unit to $127,500 per unit, averaging approximately $81,438 per unit. These transactions reflect a range of locations, unit counts, conditions, site characteristics, and operating profiles that may serve as useful reference points when evaluating the subject property within its market context.

In addition to its income-producing characteristics, the property benefits from several distinguishing physical attributes, including an adjoining parcel utilized for tenant parking, a downtown corner-lot configuration with dual-street frontage, and an established furnished corporate rental component with documented operating history. Collectively, these features contribute to the property's functionality, marketability, and operational flexibility as a small multifamily asset.

5. Expense Structure and Net Operating Income

The operating expense structure reflects recurring property-level expenses, including real estate taxes, insurance, repairs and maintenance, water and sewer, trash service, lawn and grounds maintenance, and administrative/miscellaneous expenses.

Annual Operating Expenses:

Property Taxes: $4,309.19
Insurance: $3,123.00
Repairs and Maintenance: $7,500.00
Water and Sewer: $4,200.00

Trash Service: $1,200.00
Lawn and Grounds Maintenance: $1,200.00
Administrative and Miscellaneous: $1,200.00

Total Annual Operating Expenses: $22,732.19
Monthly Operating Expense Equivalent: $1,894.35
Stabilized Expense Ratio: 29.8%

Income and expense analysis reflects current annual rental income of $70,200 and stabilized annual gross scheduled rent of $80,400. After applying a 5% vacancy allowance, stabilized effective gross income is $76,380.

Current NOI with one vacancy is approximately $47,467.81. Stabilized NOI at full occupancy is approximately $53,647.81.

These figures demonstrate that the property produces positive net operating income under both current and stabilized occupancy scenarios. The stabilized analysis is primarily based on leasing the one vacant unit and does not depend on speculative redevelopment or aggressive repositioning assumptions.

Current In-Place Rent Roll:

Unit A – $1,400
Unit B – $1,200 Furnished Corporate Rental Unit
Unit C – $1,400
Unit D – $1,000
Unit E – Vacant; Market Rent $850
Unit F – $850

Current Monthly Rental Income: $5,850
Current Annual Rental Income: $70,200
Stabilized Monthly Rental Income: $6,700
Stabilized Annual Gross Scheduled Rent: $80,400Income Durability and Stabilized Operating Performance

The property demonstrates a stable operating profile supported by in-place rental income, diversified unit types, and a clear path to full occupancy. With five of six units producing income and one remaining vacancy available for lease-up, the property's stabilized performance is readily identifiable from the existing rent schedule.

The current rent roll produces $5,850 per month, or $70,200 annually. Upon leasing the vacant unit at its stated market rent of $850 per month, the property's stabilized gross scheduled rent increases to $6,700 per month, or $80,400 annually.

The property's furnished corporate rental component further supports income durability by providing an alternate revenue channel within the existing unit mix. This operating flexibility may allow future ownership to respond to market demand through either conventional leasing or furnished rental use.

From an income approach perspective, the property's stabilized NOI of approximately $53,647.81 provides a meaningful basis for evaluating the asset as a small income-producing multifamily property.

6. Valuation Considerations

100 Elizabeth Street is an income-producing multifamily asset with both current in-place income and identifiable near-term stabilization potential through lease-up of the remaining vacant unit. The property's current operating profile reflects actual rents, recurring operating expenses, and a documented history of occupancy and rental activity.

In addition to its income-producing characteristics, the property benefits from several physical and operational attributes that distinguish it from a typical small multifamily asset. These include its downtown location, corner-lot configuration with dual-street frontage, an adjoining parcel utilized for tenant parking, and an established furnished corporate rental component with documented operating history.

The furnished rental operation is particularly notable because it represents an existing revenue-generating use rather than a speculative future repositioning strategy. The associated furnishings convey with the sale, allowing continuation of operations without additional capital investment.

The property is being sold through an off-market transaction and was not exposed to the market through MLS or broker marketing. The agreed purchase price is $575,000.

The information provided herein is intended solely to supplement the property's operating history, physical characteristics, and market context for valuation review purposes.

Conclusion

100 Elizabeth Street represents a well-positioned six-unit multifamily asset with stable in-place income, identifiable near-term lease-up upside, and favorable real estate fundamentals.

The property's downtown location, corner-lot configuration, adjoining parcel utilized for tenant parking, balanced unit mix, and established furnished corporate rental component collectively enhance its functionality, marketability, and income-producing capability.

With current annual rental income of $70,200, stabilized annual gross scheduled rent of $80,400, stabilized effective gross income of $76,380, and stabilized NOI of approximately $53,647.81, the property demonstrates a strong operating profile supported by actual income and recurring operating expense data.

The information provided herein is intended to supplement the property's operating history, physical characteristics, and market context for valuation review purposes.