

# MUSEUM LOFTS

138 Huling Ave  
Memphis, TN 38103



OFFERING MEMORANDUM





# MUSEUM LOFTS

## DISCLOSURES

Today's presentation is not an offer to sell, or the solicitation of an offer to buy securities. We are not attorneys, not CPAs, and not financial advisors. We encourage you to speak with your own advisors about the offering and the terms related to it. Anything you learn today is for informational purposes only. The information provided during this presentation, including information regarding targeted returns and investment performance, is provided by the sponsor of the investment opportunity and is subject to change. Forward-looking statements, hypothetical information or calculations, financial estimates and targeted returns are inherently uncertain. The investment opportunity we will discuss today is an illiquid investment into a real property and you should be prepared to hold onto this investment for the long term. There is no secondary market for this investment and there is no current liquidity for this investment. Direct and indirect purchases of real property involve significant risk, including but not limited to, market risks, property specific risks and environmental risks, and loss of capital. Investments are NOT insured by the FDIC, not Bank Deposits, NOT guaranteed by Morning Sky Capital and may lose value.

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## CONTACT

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**Kevin Casaus**

Managing Director

[kcasaus@comehometolindy.com](mailto:kcasaus@comehometolindy.com)

(505) 463 8356



LINDY Communities

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# INVESTMENT SUMMARY

## HIGHLIGHTS

### PRICE

Market

- New Construction
- Below-Market Rents — Mark-to-market opportunity
- Highly Walkable — Close to downtown Memphis attractions
- Assumable Loan — 2.94% fixed rate, interest-only, over 6 years of term remaining

## BUILDING INFORMATION

### STREET ADDRESS

138 Huling Ave  
Memphis, TN 38103

### COUNTY

Shelby

### UNITS

68

### BUILDING SIZE

89,750 SF

### LOT SIZE

0.74 Acres

### YEAR BUILT

2020

### STORIES

3

## PROPERTY OVERVIEW

Museum Lofts is newly delivered 68-unit luxury community in Memphis' thriving Downtown Central Business District with a prime address across from the National Civil Rights Museum. Of great appeal to today's urban renter, Museum Lofts features cutting-edge contemporary residences with sleek finishes, well-designed features, secure podium parking and a popular amenities package in close proximity to Downtown's employment base of 69,000 jobs, as well as over 20,000 jobs in the Medical District.





## INVESTMENT HIGHLIGHTS

- **Prime South Main Location** – Situated in the high-traffic South Main District directly across from the National Civil Rights Museum, the city's second most visited cultural site.
- **Tax Incentive Advantage** – Transferable PILOT (Payment-In-Lieu-of-Tax) abatement available (contact broker for details).
- **Stable, Low-Maintenance Operations** – Predictable cash flows with minimal Repairs and Maintenance exposure on the expense side.
- **Appealing Tenant Amenities** – Onsite podium parking, landscaped courtyard with lounge seating, and a second-story fitness center overlooking the lobby.
- **Downtown Growth Momentum** – Over \$4 billion in the current development pipeline; urbanization has driven job growth, favorable economic conditions, and infrastructure improvements enhancing quality of life.
- **Regional Mega-Development Wave** – 580-acre Google campus coming soon to West Memphis, part of \$30 billion in new-to-market investments (including Ford Motor Co., U.S. Steel, Amplify Cell Technologies, and xAI) equal to 30% of the region's GDP.
- **Irreplaceable Debt** – Loan Balance: \$8,147,000, Fixed Rate: 2.94%, Structure: Full-Term Interest Only, Maturity: 10/1/2031



## PROPERTY SUMMARY

- Loft-style studio, 1-bedroom, 2-bedrooms floor plans
- Laundry closet equipped with washer & dryer
- WiFi available
- Modern dark wood cabinetry, granite countertops, subway tile backsplash and sleek black appliances
- 10 foot ceilings, large windows, luxury vinyl plank flooring, porcelain tile, and urban finishes
- Keypad accessible ground floor podium parking
- Timed exterior lighting and security cameras
- Lobby and Leasing office
- Glass-front second-floor fitness center
- Landscaped common space courtyard with lounge areas
- South Main District in the heart of Downtown Memphis featuring a wide array of dining and entertainment options
- Excellent Walkability (Walk Score 83) – Ideal for foot traffic to local amenities



# UNIT MIX

| UNITS     | TYPE              | UNIT SF | ASKING RENT    | MONTHLY INCOME  | ANNUAL RENTAL INCOME | PSF RENTS     |
|-----------|-------------------|---------|----------------|-----------------|----------------------|---------------|
| 3         | 2B/2Ba-The Palace | 1,263   | \$2,095        | \$6,285         | \$75,420             | \$1.66        |
| 39        | 1B/1Ba-The Delta  | 830     | \$1,410        | \$54,990        | \$659,880            | \$1.70        |
| 3         | 1B/1Ba-The Bluff  | 830     | \$1,495        | \$4,485         | \$53,820             | \$1.80        |
| 12        | 1B/1Ba-The Stax   | 668     | \$1,295        | \$15,540        | \$186,480            | \$1.94        |
| 2         | 1B/1Ba-The Sun    | 580     | \$1,225        | \$2,450         | \$29,400             | \$2.11        |
| 9         | 1B/1Ba-Rock&Soul  | 580     | \$1,175        | \$10,575        | \$126,900            | \$2.03        |
| <b>68</b> |                   |         | <b>\$1,387</b> | <b>\$94,325</b> | <b>\$1,131,900</b>   | <b>\$1.78</b> |



# INCOME STATEMENTS

|                             | T-12             | PER UNIT        | T-3              | PER UNIT        | T-1                | PER UNIT        |
|-----------------------------|------------------|-----------------|------------------|-----------------|--------------------|-----------------|
| <b>INCOME</b>               |                  |                 |                  |                 |                    |                 |
| APARTMENT RENT              | \$861,515        | \$12,669        | \$886,620        | \$13,039        | \$988,752          | \$14,540        |
| PARKING INCOME              | \$50,819         | \$747           | \$51,350         | \$755           | \$55,176           | \$811           |
| OTHER INCOME                | \$24,405         | \$359           | \$27,054         | \$398           | \$26,076           | \$383           |
| <b>TOTAL INCOME</b>         | <b>\$936,739</b> | <b>\$13,776</b> | <b>\$965,024</b> | <b>\$14,192</b> | <b>\$1,070,004</b> | <b>\$15,735</b> |
| <b>EXPENSES</b>             |                  |                 |                  |                 |                    |                 |
| G&A                         | \$17,596         | \$259           | \$14,396         | \$212           | \$13,080           | \$192           |
| MARKETING                   | \$36,140         | \$531           | \$48,758         | \$717           | \$38,952           | \$573           |
| UTILITIES                   | \$29,205         | \$429           | \$29,604         | \$435           | \$24,456           | \$360           |
| PAYROLL                     | \$117,541        | \$1,729         | \$123,884        | \$1,822         | \$133,416          | \$1,962         |
| R&M                         | \$41,098         | \$604           | \$45,572         | \$670           | \$41,098           | \$604           |
| CONTRACT SERVICES           | \$20,535         | \$302           | \$25,242         | \$371           | \$19,440           | \$286           |
| INSURANCE                   | \$33,486         | \$492           | \$33,764         | \$497           | \$33,204           | \$488           |
| TAXES                       | \$53,586         | \$788           | \$54,420         | \$800           | \$54,420           | \$800           |
| MANAGEMENT FEE              | \$27,901         | \$410           | \$28,806         | \$424           | \$31,956           | \$470           |
| <b>TOTAL EXPENSES</b>       | <b>\$377,088</b> | <b>\$5,545</b>  | <b>\$404,446</b> | <b>\$5,948</b>  | <b>\$390,022</b>   | <b>\$5,736</b>  |
| <b>NET OPERATING INCOME</b> | <b>\$559,651</b> | <b>\$8,230</b>  | <b>\$560,578</b> | <b>\$8,244</b>  | <b>\$679,982</b>   | <b>\$10,000</b> |

# PROFORMA

| INCOME               |       |             | PER UNIT  |
|----------------------|-------|-------------|-----------|
| Apartment Rent       |       | \$1,235,000 | \$18,162  |
| Vacancy @            | 7.50% | \$(92,625)  | \$(1,362) |
| Concessions @        | 1.50% | \$(18,525)  | \$(272)   |
| Bad Debt @           | 1.50% | \$(18,525)  | \$(272)   |
| Parking Income       |       | \$60,000    | \$882     |
| Other Income         |       | \$30,000    | \$441     |
| Total Income         |       | \$1,195,325 | \$17,578  |
| EXPENSES             |       |             |           |
| G&A                  |       | \$20,000    | \$294     |
| Marketing            |       | \$40,000    | \$588     |
| Utilities            |       | \$30,000    | \$441     |
| Payroll              |       | \$108,800   | \$1,600   |
| R&M                  |       | \$48,000    | \$706     |
| Contract Services    |       | \$20,000    | \$294     |
| Insurance            |       | \$35,000    | \$515     |
| Taxes                |       | \$55,000    | \$809     |
| Management Fee @     | 3.00% | \$37,050    | \$545     |
| Total Expenses       |       | \$393,850   | \$5,792   |
| NET OPERATING INCOME |       | \$801,475   | \$11,786  |



# COMPS

## 1-BED/1-BATH RENT COMPARABLES

| PROPERTY                     | ADDRESS                    | AVG SF | # UNITS | ASKING RENT | RENT/SF |
|------------------------------|----------------------------|--------|---------|-------------|---------|
| Museum Lofts                 | 1835 Union                 | 649    | 26      | \$1,271     | \$1.96  |
| The Landing Residences       | 1 Dr Martin Luther King Dr | 705    | 149     | \$1,844     | \$2.62  |
| Pressbox Lofts               | 195 Madison Ave            | 705    | 22      | \$1,445     | \$2.05  |
| Tennessee Brewery Apartments | 495 Tennessee St           | 686    | 203     | \$1,368     | \$1.99  |
| The Oliver                   | 7 Vance Ave                | 678    | 145     | \$1,750     | \$2.58  |
| The Rise                     | 420 Monroe                 | 755    | 88      | \$1,563     | \$2.07  |

## 2-BED/2-BATH RENT COMPARABLES

| PROPERTY                     | ADDRESS                    | AVG SF | # UNITS | ASKING RENT | RENT/SF |
|------------------------------|----------------------------|--------|---------|-------------|---------|
| Museum Lofts                 | 1835 Union                 | 861    | 42      | \$1,458     | \$1.69  |
| The Landing Residences       | 1 Dr Martin Luther King Dr | 1,350  | 64      | \$3,296     | \$2.44  |
| Pressbox Lofts               | 195 Madison Ave            | 1,125  | 10      | \$2,145     | \$1.91  |
| Tennessee Brewery Apartments | 495 Tennessee St           | 1,162  | 55      | \$2,129     | \$1.83  |
| The Oliver                   | 7 Vance Ave                | 1,260  | 44      | \$3,404     | \$2.70  |
| The Rise                     | 420 Monroe                 | 1,101  | 43      | \$2,209     | \$2.01  |

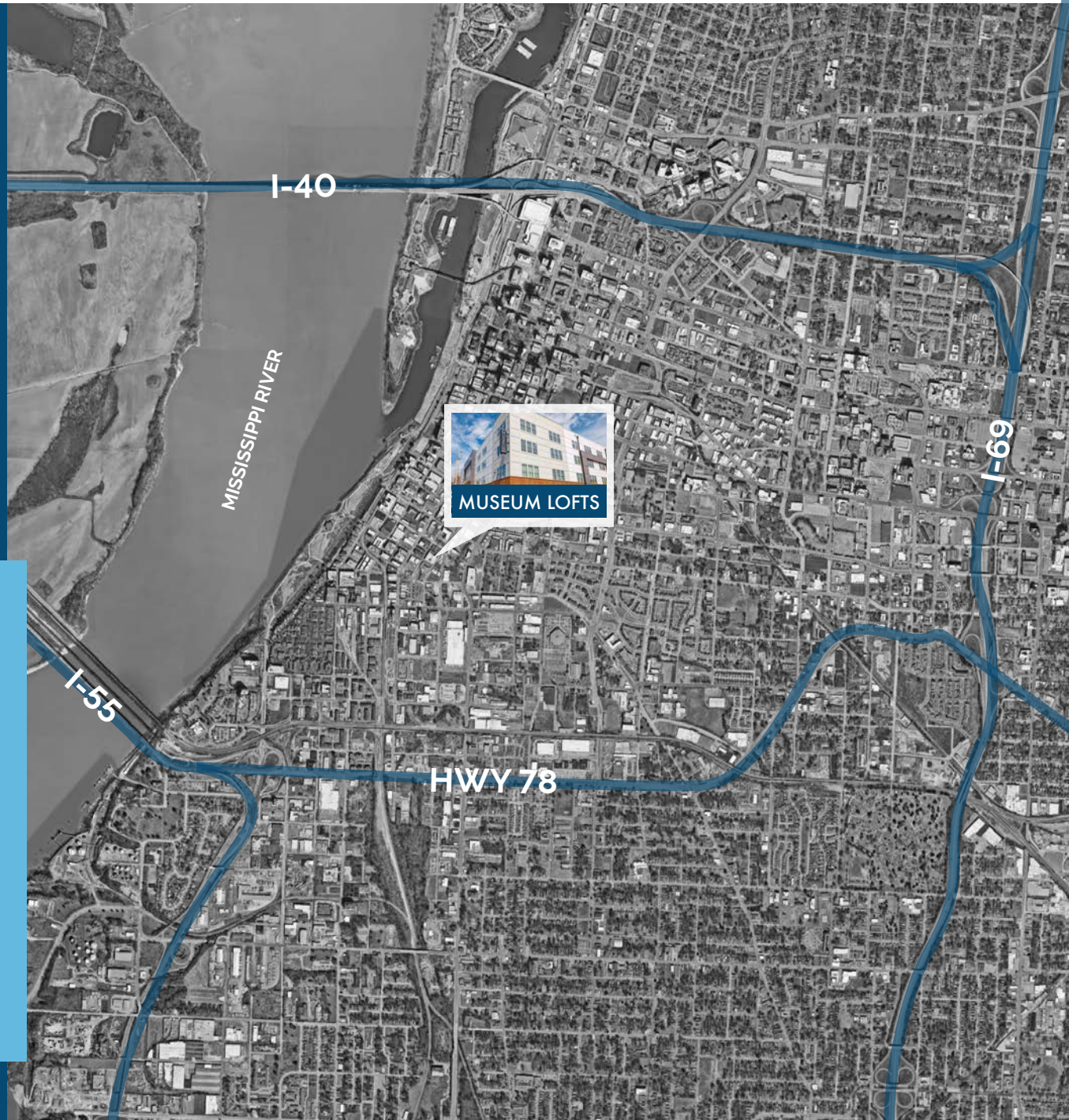


# LOCATION HIGHLIGHTS

Located in the heart of Downtown Memphis, the Museum Lofts sit within a district that has undergone significant revitalization, emerging as a vibrant urban neighborhood with a rich cultural identity. The South Main Arts District, where the property is located, continues to attract residents, businesses, and tourists alike with its walkable streets, historic architecture, and dynamic blend of art, music, and local flavor.

The Memphis economy is bolstered by key sectors such as Healthcare, Transportation & Logistics, Education, and Tourism. South Main offers a curated mix of boutique retail, chef-driven restaurants, art galleries, and live music venues, all contributing to its eclectic and energetic atmosphere. Nearby attractions such as the National Civil Rights Museum, the Orpheum Theatre, and Tom Lee Park along the Mississippi River enhance the area's appeal, while local events and festivals foster a strong sense of community. With its compelling mix of history, innovation, and connectivity, the neighborhood surrounding 138 Huling Avenue continues to thrive as a premier destination to live, work, and explore in Memphis.

As demand for urban living and adaptive reuse projects increases, South Main presents strong potential for long-term real estate investment. The area's steady growth, coupled with public and private investment in infrastructure and placemaking, supports rising property values and sustained tenant demand.



# MARKET OVERVIEW - MEMPHIS

## MEMPHIS AS AN EMERGING HUB

- Memphis is quickly becoming a powerhouse in the world of artificial intelligence (AI)
- Strong academic institutions (e.g., University of Memphis) and local tech incubators fuel growth in AI talent
- The city is attracting AI-driven companies, startups, and investors, driving innovation, including Dell Technologies, Super Micro, and Nvidia

## KEY DEVELOPMENTS IN MEMPHIS

- xAI (founded by Elon Musk) purchased a massive local property for \$80 million, signaling major investment in Memphis.
- Bitcoin mining operations are being planned for the area near Hickory Hill, further bolstering the city's tech economy.
- xAI is also leading a water recycling project, focusing on sustainability and tech innovation in Memphis.
- These projects are expected to create high-paying jobs and generate increased demand for housing.

## WELL-ROUNDED ECONOMY

- **Global Distribution Powerhouse** – Home to FedEx's global headquarters and World Hub, Memphis is one of the nation's largest logistics centers, supported by five Class One railroads, 12 highways, three interstates, and direct Mississippi River access.
- **Strategic Transportation Network** – Features the only two Mississippi River bridges between St. Louis and Vicksburg in a major metro area, plus I-40, one of America's busiest freight corridors.
- **Major Manufacturing Expansion** – Ford's new Blue Oval Truck Plant just outside Memphis will create thousands of jobs and strengthen the regional manufacturing base.
- **Healthcare Mega-Investments** – St. Jude Children's Research Hospital (\$13B expansion) and Regional One Health (\$1B new campus) are transforming Memphis into a global healthcare hub.
- **Diverse, Growth-Oriented Economy** – Strong logistics, manufacturing, and medical sectors provide a stable foundation for emerging tech and AI growth in the Memphis market.



# DEMOGRAPHICS



| 2025 SUMMARY                  | 1 MILE    | 3 MILES  | 5 MILES  |
|-------------------------------|-----------|----------|----------|
| Population                    | 11,168    | 61,736   | 121,169  |
| Households                    | 7,625     | 31,429   | 58,778   |
| Families                      | 2,075     | 12,194   | 24,959   |
| Average Household Size        | 1.39      | 1.88     | 1.98     |
| Owner Occupied Housing Units  | 1,443     | 8,811    | 21,065   |
| Renter Occupied Housing Units | 6,182     | 22,618   | 37,713   |
| Median Age                    | 36.5      | 38.0     | 38.2     |
| Median Household Income       | \$69,148  | \$46,679 | \$48,820 |
| Average Household Income      | \$107,245 | \$77,633 | \$78,080 |

| 2030 SUMMARY                  | 1 MILE    | 3 MILES  | 5 MILES  |
|-------------------------------|-----------|----------|----------|
| Population                    | 11,849    | 63,197   | 122,028  |
| Households                    | 8,325     | 32,958   | 60,568   |
| Families                      | 2,226     | 12,472   | 25,179   |
| Average Household Size        | 1.35      | 1.84     | 1.94     |
| Owner Occupied Housing Units  | 1,536     | 9,262    | 22,014   |
| Renter Occupied Housing Units | 6,789     | 23,696   | 38,554   |
| Median Age                    | 37.8      | 39.2     | 39.4     |
| Median Household Income       | \$76,817  | \$53,868 | \$55,495 |
| Average Household Income      | \$116,584 | \$86,618 | \$87,951 |



# INVESTMENT SALES CONTACT

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**Kevin Casaus**

Managing Director

[kcasaus@comehometolindy.com](mailto:kcasaus@comehometolindy.com)

(505) 463 8356