



HIGHLAND VILLAGE

1024 DAY STREET RD, MONTGOMERY, AL

Offering Memorandum

Asking Price:
\$4.4M

PROPERTY DESCRIPTION

Highland Village is an 88-unit market-rate apartment complex that offers clean and safe living spaces. Located in Montgomery, Alabama, the complex has been managed by the same owner since 2009. The property is fully stabilized and producing \$400k NOI. One of the biggest advantages of Highland Village apartments is its potential for future income and asset appreciation. Market rates for rental properties in Montgomery are significantly higher and still expected to rise in the coming years, and this complex is poised to benefit from that trend. Since 2023, rents at Highland Village have increased by \$58 on average, resulting in a \$40k increase in NOI YoY, and there is room for further organic rent growth from units with long term tenants at below market rates.

PROPERTY HIGHLIGHTS

- Stabilized property with > 90% economic occupancy
- Room for organic rent growth
- Experienced in-place manager wanting to stay on

LOCATION DESCRIPTION

Explore the vibrant city of Montgomery, AL, where history and modernity intersect. The area is a hub of culture, with world-class museums such as the Montgomery Museum of Fine Arts and the Legacy Museum. The property is located only 2 miles from Maxwell Air Force Base with 12,000 employees, and 2 miles from an amazing new whitewater rafting recreational facility delivered in 2023.



PROPERTY SUMMARY



88
TOTAL UNITS

1969
YEAR BUILT

\$650
AVG RENT

>90%
OCCUPANCY



OFFERING SUMMARY

Sale Price:	\$4,400,000
Number of Units:	88
Lot Size:	6.23 Acres
Building Size:	54,296 SF
NOI:	\$404,280.00
Cap Rate:	9.19%

EXTERIOR PICTURES



INTERIOR PICTURES





FINANCIAL ANALYSIS

PRO FORMA

Highland Village

1024 Day Street Rd, Montgomery, AL 36108

Quick Metrics

Price

\$ 4,400,000

Per Unit

50,000

Price Per Sq Ft

4251

Current GRM

6.41

10 Year IRR(75/25)

24%

7 Year IRR(75/25)

27%

5 Year IRR(75/25)

32%



	<u>Units:</u>		<u>Price</u>	<u>Price Per Unit</u>	<u>Price per sq ft</u>	<u>Current GRM</u>
	88		\$ 4,400,000	50,000	4,251	6.41

<u>Unit Mix</u>	<u>Sq.ft</u>	<u>No Units</u>	<u>Average Rent</u>	<u>GPI</u>	<u>Market Rent</u>	<u>GPI</u>
1B1B	494	16	\$550	\$8,800	\$575	\$9,200
2B1B	670	56	\$650	\$36,400	\$725	\$40,600
3B1.5B	790	16	\$750	\$12,000	\$825	\$13,200
Total	1035	88	\$650	\$686,400	\$716	\$756,000

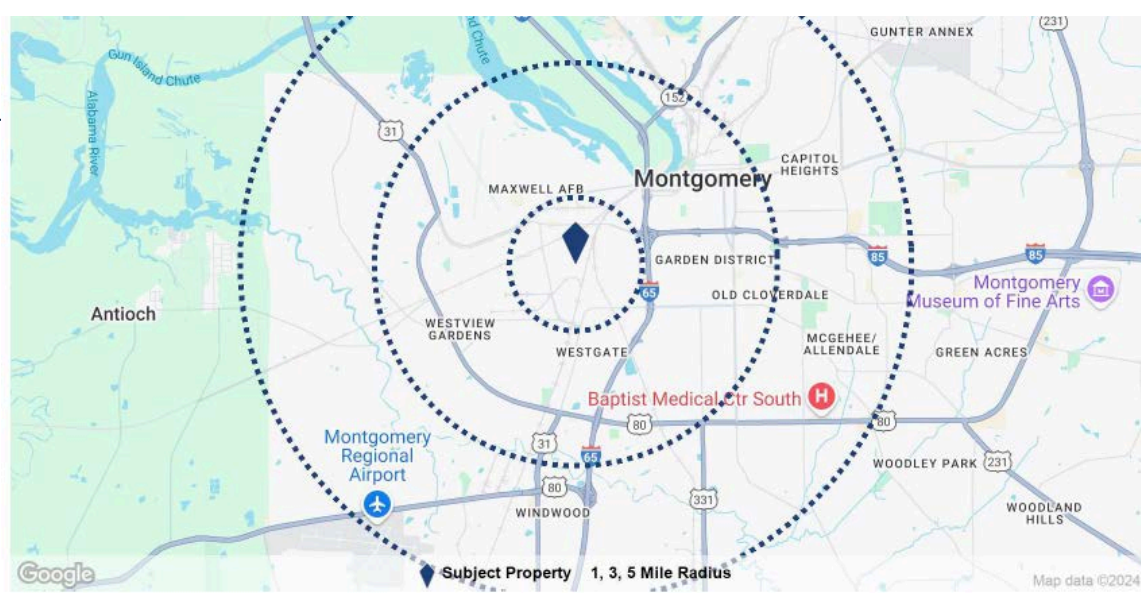
PRO FORMA

		Current	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Rental Income		657,600	756,000	778,680	802,040	826,102	850,885
Vacancy	4%	-	(30,240)	(31,147)	(32,082)	(33,044)	(34,035)
Lease up / Loss to Lease	2%	-	(15,120)	(15,574)	(16,041)	(16,522)	(17,018)
Late Fees		18,000	18,540	19,096	19,669	20,259	20,867
Security Deposit forfeits		7,800	8,034	8,275	8,523	8,779	9,042
Application Fees		1,800	1,854	1,910	1,967	2,026	2,087
Laundry Income		7,200	7,416	7,638	7,868	8,104	8,347
Eff Income		692,400	746,484	768,879	791,945	815,703	840,174
		Increase:	7.8%	3.0%	3.0%	3.0%	3.0%
			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Payroll	\$955	\$84,000	\$86,520	\$89,116	\$91,789	\$94,543	\$97,379
Management	\$0	\$0	\$29,859	\$30,755	\$31,678	\$32,628	\$33,607
G&A	\$177	\$15,600	\$16,068	\$16,550	\$17,047	\$17,558	\$18,085
Advertising	\$58	\$5,064	\$5,216	\$5,372	\$5,534	\$5,700	\$5,871
R&M	\$376	\$33,120	\$44,000	\$45,320	\$46,680	\$48,080	\$49,522
Legal and Professional	\$182	\$16,032	\$4,400	\$4,532	\$4,668	\$4,808	\$4,952
Turnover	\$33	\$2,880	\$8,800	\$9,064	\$9,336	\$9,616	\$9,904
Utilities including Trash	\$957	\$84,228	\$86,755	\$89,357	\$92,038	\$94,799	\$97,643
Grounds	\$109	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805	\$11,129
Insurance	\$286	\$25,200	\$52,800	\$54,384	\$56,016	\$57,696	\$59,427
Taxes	\$141	\$12,396	\$22,000	\$22,660	\$23,340	\$24,040	\$24,761
Total		\$288,120	\$366,306	\$377,295	\$388,614	\$400,273	\$412,281
	Per Unit:	\$3,274	\$4,163	\$4,287	\$4,416	\$4,549	\$4,685
		42%	49%	49%	49%	49%	49%
NOI		\$404,280	\$380,178	\$391,583	\$403,331	\$415,431	\$427,894
	CAP	9.2%	8.6%	8.9%	9.2%	9.4%	9.7%



DEMOGRAPHICS

Demographic Data



	1 Mile	3 Mile	5 Mile
Population			
2024 Population	5,137	36,732	81,431
2029 Population	5,329	37,410	81,497
Pop Growth 2024-2029	3.7%	1.9%	0.1%
2024 Average Age	38	39	39
Households			
2024 Households	2,241	14,649	32,571
2029 Households	2,329	14,989	32,655
Household Growth 2024-2029	3.9%	2.3%	0.3%
Median Household Income	\$14,887	\$29,143	\$34,319
Average Household Size	2.2	2.1	2.3
Average HH Vehicles	1	1	2
Housing			
Median Home Value	\$67,412	\$79,055	\$89,488
Median Year Built	1969	1960	1963

Regional Map





SALES COMPS

Sales Comparables



SUBJECT PROPERTY

1024 Day Street Rd
Montgomery, AL 36108

Sale Price: \$4,400,000 Building SF: 54,296 SF
No. Units: 88 Price / Unit: \$50,000
Year Built: 1969



3453 AUDOBON RD

Montgomery, AL
36111

Sale Price: \$6,500,000 No. Units: 106
Price / Unit: \$61,320 Year Built: 1953
Sale Date: 05/22/2023

2



501 CLAYTON ST

Montgomery, AL
36104

Sale Price: \$2,900,000 No. Units: 60
Price / Unit: \$48,333 Year Built: 1946
Sale Date: 04/14/2023

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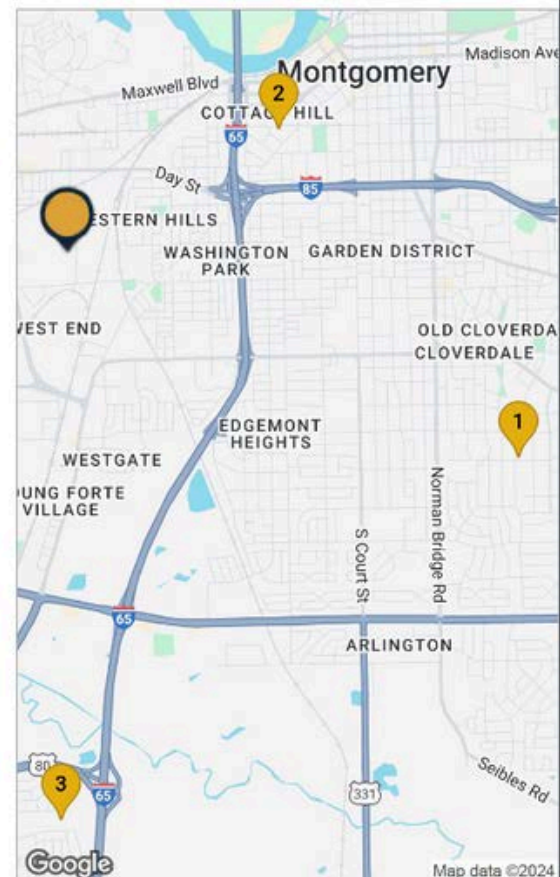
4921 HATTON AVE

Montgomery, AL
36108

Sale Price: \$3,600,000 No. Units: 80
Price / Unit: \$45,000 Year Built: 1980
Sale Date: 11/09/2022

Sales Comparables Summary

	NAME/ADDRESS	PRICE	NO. UNITS	YEAR BUILT	PRICE/UNIT					
★	Highland Village 1024 Day Street Rd Montgomery, AL	\$4,400,000	88	1969	\$50,000					
1	3453 Audobon Rd Montgomery, AL	\$6,500,000	106	1953	\$61,321					
2	501 Clayton St Montgomery, AL	\$2,900,000	60	1946	\$48,333					
3	4921 Hatton Ave Montgomery, AL	\$3,600,000	80	\$45,000		AVERAGES	\$4,333,333	82	1959	\$51,551
	AVERAGES	\$4,333,333	82	1959	\$51,551					



A photograph of a two-story brick building with a gabled roof, surrounded by a parking lot with several cars. The image is overlaid with a semi-transparent yellow filter. A dark blue geometric shape is in the bottom left corner.

ADVISOR PAGE



STEVE NUNNELLEY

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BIO

Steven Nunnelley, the Managing Partner at Vulcan Group has had experience at both Berkadia Real Estate Advisors and SVN international. After only seven months with Berkadia, Nunnelley was ranked 55th in the company for 2020. He was recruited and trained by David Oakley, who was Berkadia's top producer before moving on into multifamily development. He is noted for his ability to secure the best terms and negotiate favorable outcomes for all parties involved.

EDUCATION

University of Kentucky - Finance



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The Vulcan Group and Seller strongly recommend that prospective purchasers conduct an in-depth investigation of every physical and financial aspect of the property to determine if the property meets their needs and expectations. We also recommend that prospective purchasers consult with their tax, financial and legal advisors on any matter that may affect their decision to purchase the property and the subsequent consequences of ownership.

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