The Flats at Rutgers

CONFIDENTIAL OFFERING MEMORANDUM

4847 Rutgers Street NW, Roanoke, VA 24012

CUSHMAN & WAKEFIELD | THALHIMER


102 Units | Attractive Assumable Debt | Roanoke, VA
FR
THE FLATS AT RUTGERS
APARTMENT HOMES
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Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

INVESTMENT HIGHLIGHTS

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Attractive Assumable Agency Financing
Fixed-rate Fannie Mae financing featuring a 5.49% interest rate and approximately 48 months remaining to maturity. Existing debt sizing facilitates a straightforward assumption of non-recourse agency financing without the need for supplemental leverage or complex capital structuring.

Significant Capital Improvements Completed
More than $1.7 million invested since 2021, including approximately 57 renovated units, extensive HVAC replacement, vinyl window upgrades, exterior improvements, and community amenity enhancements.

Strong In-Place Operations & Cash Flow
Stable occupancy, strong rent collections, and meaningful ancillary income support durable cash flow. Average rents exceed $1,100 per occupied unit with limited near-term deferred maintenance requirements.

Prime Retail & Employment Corridor Location
Adjacent to Valley View Mall and Roanoke's dominant retail corridor with immediate access to major employers, daily-needs retail, Roanoke-Blacksburg Regional Airport, and both I-581 and I-81.

Stable Workforce Housing Fundamentals
The Property serves one of the market's largest renter demographics while maintaining a meaningful affordability advantage relative to newly delivered Class A communities.

Favorable Long-Term Apartment Market Dynamics
Roanoke continues to benefit from stable occupancy, positive rent growth, and significant regional investment. Recent Class A deliveries have expanded pricing benchmarks while reinforcing demand for well-located workforce housing.

EXECUTIVE SUMMARY

Cushman & Wakefield | Thalhimer is pleased to present The Flats at Rutgers, a 102-unit apartment community located within Roanoke's primary retail, employment, and transportation corridor. Current ownership has invested more than $1.7 million in capital improvements since 2021, including extensive unit renovations, HVAC replacement, vinyl window upgrades, exterior enhancements, and community amenity additions, transforming the Property into a stabilized workforce housing investment with limited near-term capital expenditure requirements. Enhanced by attractive assumable agency financing, strong in-place cash flow, and proximity to Valley View Mall, Roanoke-Blacksburg Regional Airport, major employers, and direct access to I-581 and I-81, The Flats at Rutgers offers investors an opportunity to acquire a durable income-producing asset within one of Roanoke's most established and resilient apartment submarkets.

Investment Overview

- 102-unit workforce housing community
- Attractive assumable agency financing
- $1.7MM+ capital improvement program completed, including HVAC and windows.

Current Operations

- Stable occupancy and strong rent collections
- Average rents exceeding $1,100 per occupied unit
- Meaningful ancillary income and fee revenue

Opportunity Highlights

- Approximately 57 units renovated since 2021
- Direct access to I-581, I-81, major employers, and regional retail
- Positioned within a stable workforce housing segment supported by favorable affordability dynamics

THE FLATS AT RUTGERS

1972 Year Built	**102** Total Units	**747 SF** Average Unit Size
93% Occupancy	**$1,138** Leased Rent/Unit	**$1.52** Leased Rent/SF
$145 Fee Income/Unit	**$1,129** Asking Rent/Unit	**$1.51** Asking Rent/SF

4847 Rutgers Street NW

ROANOKE, VIRGINIA 24012

SIGNIFICANT CAPITAL IMPROVEMENTS COMPLETED

Current ownership has invested approximately $1.7 million in unit renovations, major building systems, exterior improvements, and community amenities since 2021.

CATEGORY	INVESTMENT
Cosmetic Unit Rehab	$690,033
HVAC	$455,006
Building Exterior	$173,001
Paint	$82,501
Siding & Windows	$62,000
Landscape / Irrigation	$47,494
Recreation & Amenities	$44,825
Plumbing	$38,347
Common Area Upgrades	$31,778
All Other Categories	$96,177
TOTAL CAPITAL IMPROVEMENTS	**$1,721,182**

CAPITAL IMPROVEMENT HIGHLIGHTS

- Approximately 57 of 102 units have been renovated under current ownership since 2021
- Extensive HVAC replacement program and community-wide vinyl window upgrades completed
- Meaningful investment in community amenities, including a modern playground, dog park, grilling area, landscaping, and leasing office improvements
- More than $1.7 million invested since 2021, reducing near-term capital expenditure requirements and supporting long-term operational stability

ATTRACTIVE ASSUMABLE AGENCY FINANCING

The Flats at Rutgers is offered with attractive, assumable Fannie Mae financing with approximately 48 months remaining to maturity and below market cost of capital, creating sufficient runway to implement a business plan and subsequently access the capital markets through a refinance, renewed agency execution, or disposition within a typical hold period. The current loan balance is well-aligned with conventional multifamily acquisition financing parameters, facilitating a straightforward assumption of non-recourse agency debt without the need for supplemental financing or complex capital stack solutions.

ASSUMABLE FINANCING TERMS	
Type	Fannie Mae Conventional
Original Loan Amount	$8,530,000
First Payment Date	7/1/2023
Current Balance (June 2026)	$8,421,540
Fixed Interest Rate	5.49%
Amortization (Months)	360
Original Loan Term (Months)	84
Original Interest Only Period (Months)	24
Remaining Interest Only Period (Months)	0
Remaining Term (Months)	48
Maturity Date	6/1/2030
Monthly Principal & Interest Payment	$48,379
Annual Debt Service	$580,547
Current Debt Constant	6.89%
T12 Debt Service Coverage Ratio	1.36
Y1 Debt Service Coverage Ratio	1.40

LIFESTYLE AMENITIES

LOCATION OVERVIEW

CARILION + VIRGINIA TECH INNOVATION CORRIDOR

Carilion Clinic Health System

- 7 hospitals and 250+ clinics across western Virginia
- 14,000+ employees serving ~1 million patients annually
- Roanoke Memorial Hospital is the region's only Level 1 trauma center

Virginia Tech Carilion Innovation Corridor

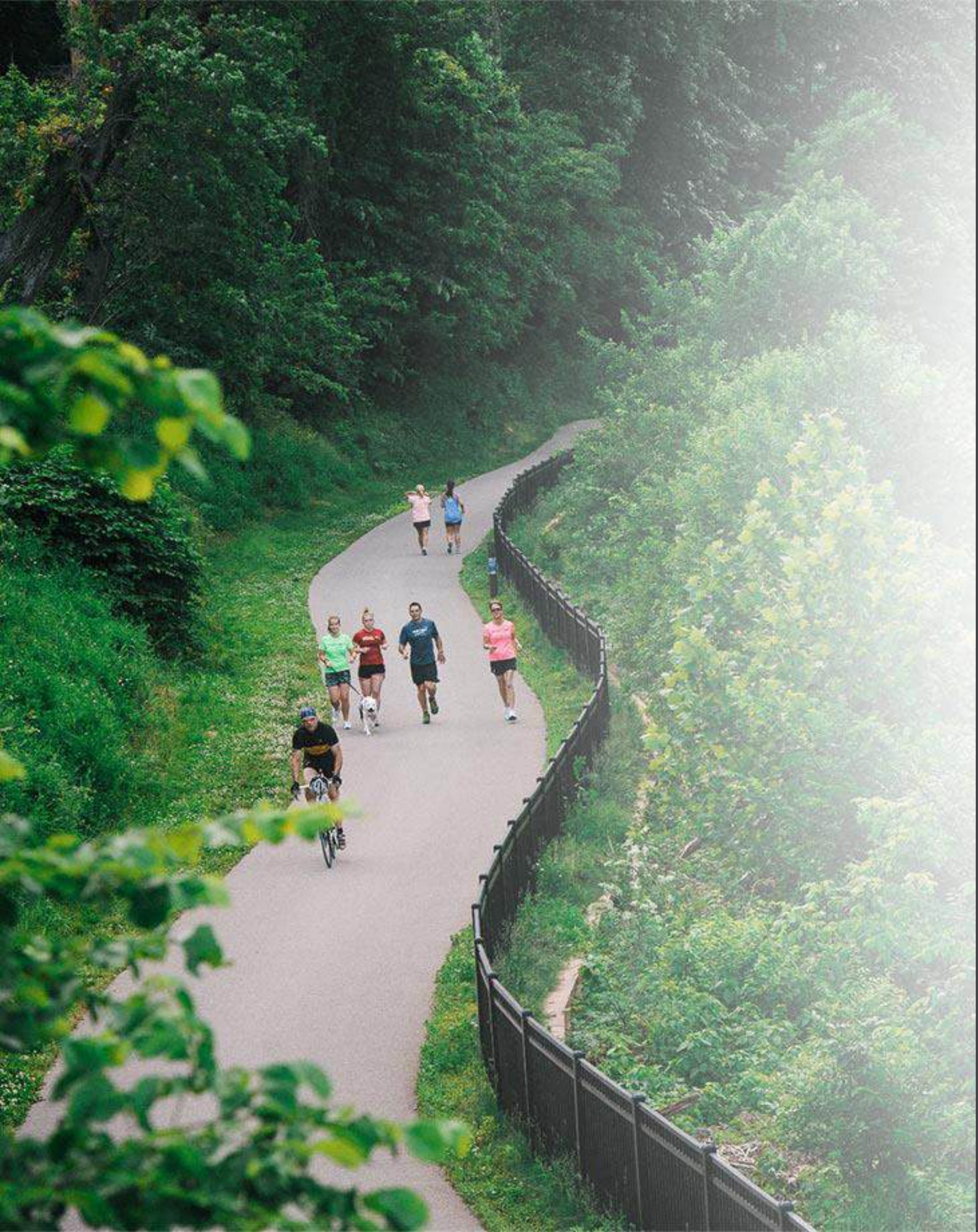
- Public-private partnership between Virginia Tech and Carilion Clinic
- Includes Virginia Tech Carilion School of Medicine and research campus

Fralin Biomedical Research Institute

- 40+ research teams and 450+ faculty, staff, and students
- 260,000 SF biomedical research campus in downtown Roanoke
- Expansion to 60 research teams by 2027

CARILION CLINIC

VTC | Virginia Tech Carilion School of Medicine



LOCATION OVERVIEW

ROANOKE MSA

DEMOGRAPHICS

315,978
POPULATION

43.7
MEDIAN AGE

$64,924
MEDIAN HOUSEHOLD INCOME

$289,795
MEDIAN HOME VALUE

ECONOMY

160,100
TOTAL EMPLOYMENT

3.3%
UNEMPLOYMENT RATE (APRIL 2025)

63.0%
WHITE COLLAR EMPLOYMENT

Strategic I-81
CORRIDOR LOCATION

Diverse
EMPLOYMENT BASE

EDUCATION

32%
OF LABOR FORCE ACHIEVING A BACHELOR'S DEGREE OR HIGHER

Easy access
TO VIRGINIA POLYTECHNIC INSTITUTE, ROANOKE COLLEGE, HOLLINS UNIVERSITY, & RADFORD UNIVERSITY CARILION

KEY INDUSTRIES & GROWTH SECTORS

HEALTHCARE | MANUFACTURING | EDUCATION | RETAIL | INSURANCE

SIGNIFICANT REGIONAL INVESTMENT

Crystal Spring Tower at Carilion Roanoke Memorial Hospital

Carilion Clinic recently delivered the 12-story, $500 million Crystal Spring Tower at Roanoke Memorial Hospital, adding approximately 500,000 square feet for the Cardiovascular Institute and expanded emergency services anchored by the region’s only Level 1 trauma center. The facility serves patients referred from 60+ hospitals across the region, reinforcing Roanoke’s role as the healthcare hub of Southwest Virginia.

Google Data Center Campus – Botetourt County

Google has acquired 312 acres at the Botetourt Center at Greenfield for a planned hyperscale data center campus. Early filings indicate the project could include three facilities totaling nearly 1 million square feet and represent $3+ billion in potential investment, reinforcing the Roanoke region’s growing role in technology and digital infrastructure.

Wells Fargo Operations Center

Wells Fargo is investing $87 million to expand and modernize its 436,685 SF operations campus in Roanoke County. The project will allow the bank to add approximately 1,100 jobs to its existing workforce of more than 1,650 employees, making Wells Fargo the largest employer in the county. Once complete, the expansion is projected to generate $322 million in annual economic impact.

APARTMENT MARKET

APARTMENT MARKET OVERVIEW

Roanoke's multifamily market continues to absorb new development while maintaining positive rent growth and stable long-term occupancy fundamentals.

SUPPLY & MARKET EVOLUTION

- Roanoke is experiencing its most active apartment development cycle in decades, with nearly all recent deliveries concentrated within newly constructed Class A communities
- Continued development activity reflects confidence in the region's employment base, housing demand, and long-term apartment fundamentals
- Despite ongoing deliveries, stabilized vacancy is projected to remain near 6%, supporting a balanced operating environment

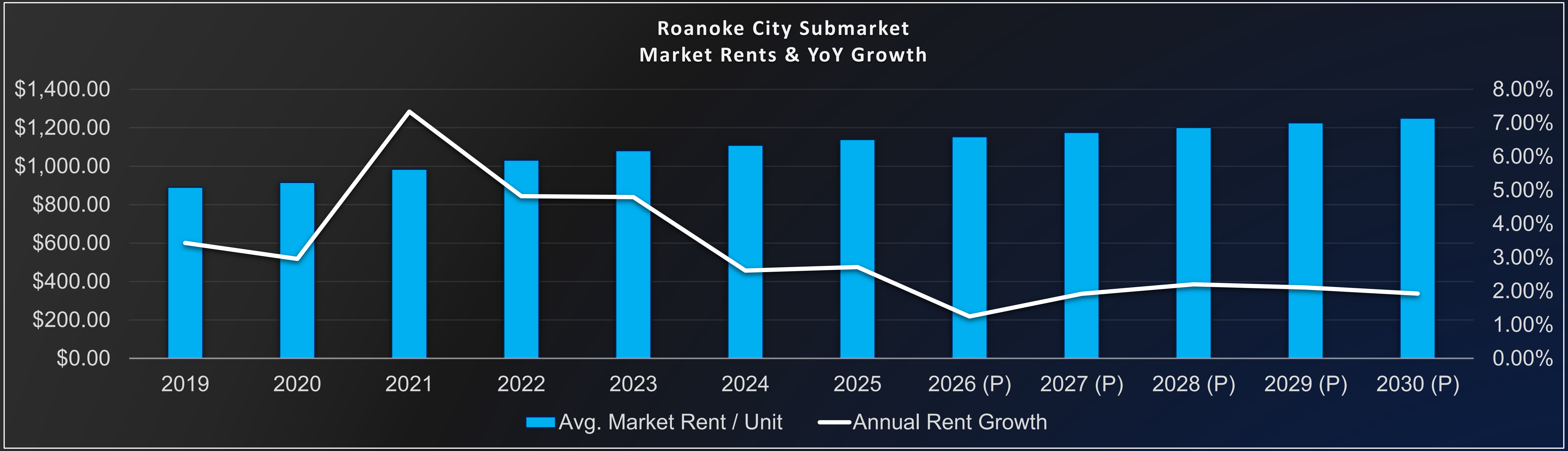
RENT GROWTH & MARKET STABILITY

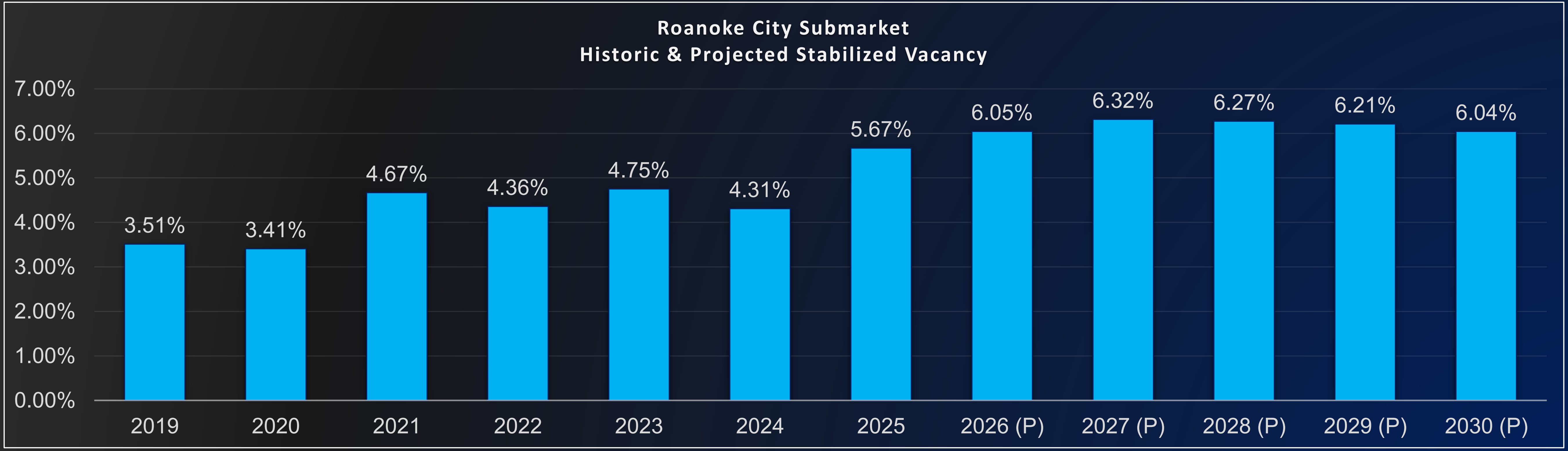
- Market rents have continued to increase despite a more normalized operating environment
- Long-term rent growth is expected to remain positive as replacement costs and housing affordability continue to support apartment demand
- New Class A communities have established a distinct luxury tier within the market, with average rents exceeding $1,400 for one-bedroom units and $1,800 for two-bedroom units, expanding pricing benchmarks across the submarket.

WORKFORCE HOUSING POSITIONING

- The Flats at Rutgers serves the market’s largest renter demographic while maintaining a substantial affordability advantage relative to newly delivered alternatives
- Current average rents remain approximately 30% to 50% below comparable Class A communities depending on unit type
- Strong occupancy and competitive pricing support continued operating stability within one of the market's most durable apartment segments

APARTMENT MARKET FUNDAMENTALS





RENT COMPARABLES






PROPERTY	The Flats at Rutgers	Frontier Apartments	Countryside Estates	Westwind Apartments	Sterlingwood Apartments	Bent Creek II Apartments
DISTANCE FROM SUBJECT	SUBJECT	2.2	2.3	1.4	2.3	2.3
YEAR BUILT	1972	1971	1971	1980	1973	1986
TOTAL UNITS	102	194	108	288	162	60
1BR AVG SF	648	474	—	761	611	800
1BR RENT	**$1,007**	**$1,002**	—	**$1,159**	**$1,097**	**$1,271**
1BR RENT/SF	$1.55	$2.11	—	$1.52	$1.80	$1.59
2BR Avg SF	806	763	1,046	1,023	788	1,021
2BR RENT	**$1,210**	**$1,005**	**$1,224**	**$1,390**	**$1,254**	**$1,375**
2BR RENT/SF	$1.50	$1.32	$1.17	$1.36	$1.59	$1.35
3BR Avg SF	894	—	1,370	1,223	—	—
3BR RENT	**$1,424**	—	**$1,450**	**$1,454**	—	—
3BR RENT/SF	$1.59	—	$1.06	$1.19	—	—

ASSET DETAILS

SITE OVERVIEW

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PROPERTY DESCRIPTION

PROPERTY SUMMARY	
Year Built	1972
Number of Units	102
Property Type	Garden Apartments
Buildings	6 Residential + 1 Office
Stories	3
Site Size (Acres)	4.035
Occupancy	93%
Gross Building Area	83,272 SF
Gross Leasable Area	76,212 SF

EXTERIORS	
Frame	Wood Frame
Foundation	Concrete Slab
Exterior Walls	Brick and Wood Siding
Roof Type	Gable
Roof Material	Composition Shingle
Floors / Floor Structure	Wood Post & Beam
Windows	Insulated Double Hung Vinyl
Project Amenities	Playground, Dog Park, BBQ Grills, Picnic Area

SITE	
Address	4847 Rutgers Street NW
Municipality	City of Roanoke
Parcel ID	2270102
Census Tract	0003.00
Zoning Code	RMF (Residential Multifamily)
Surface Parking Spaces	150
Parking Ratio (Spaces/Unit)	1.5

INTERIORS	
Interior Wall Type	Wood Frame
Interior Wall Cover	Drywall
Ceiling Height	8'
Ceiling Description	Drywall
Floor Cover	LVP, Vinyl Tile, Carpet
Laundry	Shared Laundry Facilities
Unit Appliances	Dishwasher, Range, Refrigerator

UTILITIES	
Gas	Roanoke Gas (Owner – Common Area Only)
Electric	Appalachian Electric Power (Tenant)
Water/Sewer	Western Virginia Water Authority (Owner)
Trash Removal	Meridian Waste - Dumpsters (Owner)

MECHANICAL	
Heating	Individual Forced Air Electric
Cooling Type	Individual Pad Mounted Condenser AC Units
Electrical	Individual Breaker Panels
Hot Water	Individual Electric Water Heaters

UNIT MIX

UNIT TYPE	UNITS	SF / UNIT	OCCUPANCY (%)	AVG. RENT	AVG. RENT / SF	ASKING RENTS	ASKING RENT / SF	MO. FEES
1x1	48	648	91.67%	**$1,007.39**	$1.55	$999.00	$1.54	$141.48
2x1	36	806	91.67%	**$1,188.39**	$1.47	$1,192.94	$1.48	$141.55
2x1-D	8	894	100.00%	**$1,301.00**	$1.46	$1,249.00	$1.40	$169.75
3x1	10	894	100.00%	**$1,424.40**	$1.59	$1,399.00	$1.56	$149.20
TOTAL / AVG	**102**	**747**	**93.14%**	**$1,138.88**	**$1.52**	**$1,129.53**	**$1.51**	**$144.69**

UNIT FLOORPLANS

648 SF

806 SF

894 SF

PROPERTY FINANCIALS

TRAILING 12 FINANCIALS

	APR '26 T12	Per Unit	% Total Income
INCOME			
Net Rent Charges	$ 1,312,785	$ 12,870	91.9%
Bad Debt / Adjustments	$ (80,386)	$ (788)	-5.6%
Recurring Fee Income	$ 116,724	$ 1,144	8.2%
Other Income	$ 26,828	$ 263	1.9%
Utility Reimbursement	$ 51,982	$ 510	3.6%
TOTAL INCOME	**$ 1,427,933**	**$ 13,999**	**100.0%**
OPERATING EXPENSES			
General & Administrative	$ 92,582	$ 908	6.5%
Marketing	$ 10,189	$ 100	0.7%
Payroll	$ 125,134	$ 1,227	8.8%
Contract Services	$ 77,735	$ 762	5.4%
Repairs & Maintenance	$ 23,774	$ 233	1.7%
Make Ready	$ 32,247	$ 316	2.3%
Utilities	$ 89,445	$ 877	6.3%
Management Fees	$ 57,203	$ 561	4.0%
Insurance	$ 41,537	$ 407	2.9%
Real Estate Taxes	$ 89,244	$ 875	6.2%
TOTAL EXPENSES	**$ 639,089**	**$ 6,266**	**44.8%**
NET OPERATING INCOME	**$ 788,844**	**$ 7,734**	**55.2%**
NON-RECURRING EXPENSES	**$ 108,430**	**$ 1,063**	**7.6%**

UNDERWRITING ASSUMPTIONS

4 YEAR CASH FLOWS: UNDERWRITING ASSUMPTIONS	
Y1 Initial Rent Increase (Current Rent Roll)	2.50%
Y1 1x1 Rent (Current Rent Roll + Y1 Increase)	$1,032.57
Y1 2x1 Rent (Current Rent Roll + Y1 Increase)	$1,218.10
Y1 2x1-D Rent (Current Rent Roll + Y1 Increase)	$1,333.53
Y1 3x1 Rent (Current Rent Roll + Y1 Increase)	$1,460.01
Y1 Fee Income/Unit (Current Rent Roll)	$144.69
Other Income Budget (% Total Income)	2.00%
Rent Growth Rate (Y2-Y4)	2.50%
Expense Growth Rate (Y2-Y4)	2.00%
Vacancy/Loss Rate (Y1)	6.00%
Vacancy/Loss Rate (Y2-Y4)	6.00%
Property Insurance Budget/Unit (Budget)	$450.00
Property Management Budget (T12)	4.00%
Payroll Budget/Unit (T12 x102%)	$1,251.34
Operating Reserves/Unit (Y1)	$250.00
Annual Turns Budget/Unit (Y1)	$500.00
Annual Maintenance & Repair Budget/Unit (Y1)	$350.00

REAL ESTATE TAX CALCULATIONS	
2026 Total Assessment	$8,075,000.00
Millage Rate (City of Roanoke)	$1.22
2026 Projected Real Estate Taxes	$98,515.00
2026 Other Municipal Fees	$3,271.20
2026 Total RE Taxes & Fees	$101,786.20
Y1 Implied RE Tax Increase (%)	20.00%
Pro Forma Assessment	$9,690,000.00
Pro Forma Total RE Taxes & Fees	$121,489.20
RE Tax Growth Rate (Y2-Y4)	5.00%

5 YEAR PRO FORMA CASH FLOWS

UNIT TYPE	# OF UNITS	Y1 RENT	Y2 RENT	Y3 RENT	Y4 RENT
1x1	48	$1,033	$1,058	$1,085	$1,112
2x1	36	$1,218	$1,249	$1,280	$1,312
2x1-D	8	$1,334	$1,367	$1,401	$1,436
3x1	10	$1,460	$1,497	$1,534	$1,572

	PER UNIT	Y1	Y2	Y3	Y4
	Rent PSF	*$1.56*	*$1.60*	*$1.64*	*$1.68*
REVENUES					
Gross Potential Base Rent	$ 13,963	$ 1,424,201	$ 1,459,806	$ 1,496,302	$ 1,533,709
Fee Income	$ 1,736	$ 177,106	$ 181,534	$ 186,072	$ 190,724
Vacancy/Credit Loss	$ (942)	$ (96,078)	$ (98,480)	$ (100,942)	$ (103,466)
Adjusted Gross Income	$ 14,757	$ 1,505,229	$ 1,542,860	$ 1,581,431	$ 1,620,967
Other Income (Budget)	$ 295	$ 30,105	$ 30,857	$ 31,629	$ 32,419
TOTAL INCOME	**$ 15,052**	**$ 1,535,334**	**$ 1,573,717**	**$ 1,613,060**	**$ 1,653,387**
OPERATING EXPENSES					
CONTROLLABLE EXPENSES					
G&A Expenses (T12 x 1.02%)	$ 926	$ 94,434	$ 96,323	$ 98,249	$ 100,214
Marketing/Advertising (T12 x 102%)	$ 102	$ 10,392	$ 10,600	$ 10,812	$ 11,028
Contract Service (T12 x 102%)	$ 777	$ 79,290	$ 80,876	$ 82,493	$ 84,143
Utilities (T12 x 1.02%)	$ 894	$ 91,234	$ 93,058	$ 94,920	$ 96,818
Repairs/Maintenance (Budget)	$ 350	$ 35,700	$ 36,414	$ 37,142	$ 37,885
Turns (Budget)	$ 500	$ 51,000	$ 52,020	$ 53,060	$ 54,122
FIXED EXPENSES					
Property Management (T12)	$ 602	$ 61,413	$ 62,949	$ 64,522	$ 66,135
Payroll (T12 x 1.02%)	$ 1,251	$ 127,637	$ 130,189	$ 132,793	$ 135,449
Real Estate Taxes (Reassessment)	$ 998	$ 101,786	$ 121,489	$ 127,564	$ 133,942
Property Insurance (Budget)	$ 450	$ 45,900	$ 46,818	$ 47,754	$ 48,709
Total Operating Expenses	**$ 6,851**	**$ 698,787**	**$ 730,737**	**$ 749,311**	**$ 768,447**
Operating Reserves	$ 250	$ 25,500	$ 26,010	$ 26,530	$ 27,061
Net Operating Income	**$ 7,951**	**$ 811,047**	**$ 816,971**	**$ 837,219**	**$ 857,879**
Debt Service	$ (5,692)	$ (580,547)	$ (580,547)	$ (580,547)	$ (580,547)
Free Cash Flow	**$ 2,260**	**$ 230,500**	**$ 236,424**	**$ 256,672**	**$ 277,332**

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