

Weathersby Road Apts.

**5 Shears Rd.
Hattiesburg, MS 39402**



❖ Price:	\$3,300,000
❖ Number of Units:	60
❖ Cap Rate:	8.7%
❖ Year Built:	2004
❖ Price Per Unit:	\$55,000
❖ Total Sq':	53,300
❖ Price Per Sq':	\$61.91

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Investment Details



Weathersby Road Apartments is located in Hattiesburg, MS - home of The University of Southern Mississippi. The property consist of eight 4 plexes, one 8 plex, and one 20 unit building. All of the buildings were built in 2004 and constructed by the same builder, which is the current owner. The buildings are wrapped with vinyl and have metal roofs. 38 of the 60 units are Section 8 tenants. The market gives the owner the option to continue providing government assisted housing or obtain conventional tenants. Section 8 is increasing rents \$32 per month for two bedrooms and \$47 per month for three bedrooms. The property is located in Oak Grove School District which is highly sought after area of Hattiesburg.

Weathersby Road Apartments has a history of low maintenance. Because of its location and the strength of the Hattiesburg rental market, it has maintained a high occupancy percentage. Currently, the property is 100% occupied.

Each building is separately metered and the tenants pay their own water and sewer. Each building is on a separate parcel. New debt must be placed on the property. The property consists of 10 different parcels and a new buyer can put new financing on the entire property or would be allowed to buy each building as a separate transaction. The seller will only entertain offers for the entire property and will not partially sell.

Professional property management is available. Because of the side and location to the property manager's office, all over head of the management will be the expense of the manger's and not a pass through to the property, which is why the expense ratio is so low.

First year pro forma based on historical operations, existing leases, and actual future management plan:

Income	Annual
Gross Potential Income	421,392
- 5% Vacancy & Collection Loss	-21,069
= Effective Gross Income	400,322
Expenses	
Operating Expenses	113,764
= Net Operating Income	286,557

Financial Analysis

General Information		
Purchase Price	\$3,300,000	
Number of Units	60	
Price Per Unit	\$55,000	
Total SF	53,300	
Sale Price Per SF	\$22.45	
Cap Rate	8.7%	
Debt Coverage Ratio (proforma)	1.46	
Prince Per Sq'	\$61.91	

	2007 Annualized	Proforma
<u>Income</u>		
Gross Income		421,392.00
Less Vacancy / Delinquency		-21,069.60 @ 5%
Effective Gross Income	379,712.40	400,322.40
<u>Expenses</u>		
Electricity	1,500.00	1,500.00
Garbage	6,636.00	6,636.00
Insurance	12,173.00	12,173.00
Lawn Care	9,600.00	9,600.00
Management Fee @ 6%		24,019.34
Pest	2,580.00	2,580.00
Repairs & Maintenance	31,800.00	25,000.00
Taxes	32,256.61	32,256.61
Total Expenses	96,545.61	113,764.95
Net Operating Income	283,166.79	286,557.45
Less Debt Service		195,059.00
(6.25% w/ 30 yr amort)		
Cash Flow		91,498.45

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Property Photos



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Sample 4 - Plex



Sample 4 - Plex



Sample 8 - Plex



Sample 8 - Plex

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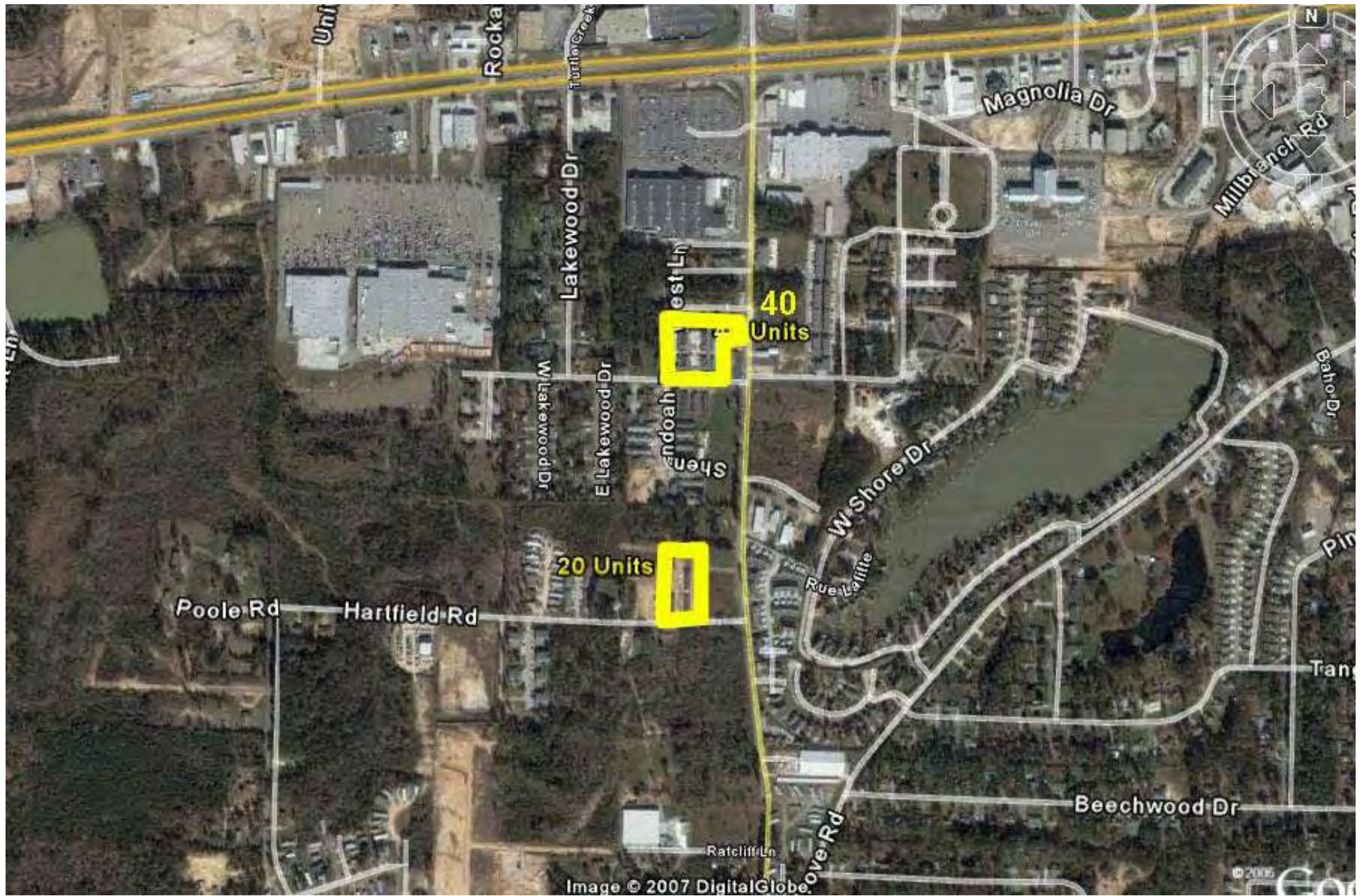
Property Photos



Sample 20 - Plex



20 - Plex



Area Overview



Hattiesburg

Hattiesburg is a city in Forrest County in Mississippi, a state of the United States of America. It is the principal city of the Hattiesburg, Mississippi Metropolitan Statistical Area which encompasses Forrest, Lamar and Perry counties. The MSA population exceeded 130,000 as a result of a 10% increase following Hurricane Katrina in August of 2005. It is Mississippi's fourth largest city and is known as "The Hub City".

It has an incorporated suburb, Petal, and a presently unincorporated area, Oak Grove. It is the county seat of Forrest County,^{GR6} but the city has grown in recent years to include a portion of eastern Lamar County. Hattiesburg is home to the University of Southern Mississippi (originally known as Mississippi Southern College) and William Carey University (formerly William Carey College). Just south of Hattiesburg is Camp Shelby, the largest National Guard training base east of the Mississippi River.

The property is located 2.5 miles from Oak Grove High School. This location will continue to appeal to low income residents because of this fact. In the past 10 years as residents have begun to move out of the inner city limits of Hattiesburg as the influx of students continues and the majority of the housing is 1960-70's construction. Vacancy rates in Hattiesburg and surrounding areas have fallen in the last several years. Recent market data has indicated a shortage of rental units even before Hurricane Katrina hit. The market is booming should continue to do so for the foreseeable future.

