

3345 Fernway Drive, Montgomery, AL  
36111

# CCF HOUSES SFR PORTFOLIO AD



**Steven Paulsen**  
Founder & CEO



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Section 1

# BROKERAGE TEAM

**Steven Paulsen**

Founder & CEO

# Broker of Record & Collaboration Team

## Open Market Collaboration Team



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Section 2

# PROPERTY INFORMATION

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OPENMARKETCRE.COM

# Property Summary



## PROPERTY HIGHLIGHTS

- Assumable Debt | 4.64%
- Value Add Opportunity via Rent Raise and Renovation Program
- Centrally Located Portfolio
- Rental Income Loss to Lease | 11%
- Pro Forma Cap Rate | 7.2%
- Strategic Ability to Sell Individually Into Historically Strong Single Family Market
- Notable Economic Drivers | Hyundai Plant, Maxwell-Gunter AF Base, State Capitol of Alabama, Alabama State University, Amazon, Alfa Insurance

## OFFERING SUMMARY

Sale Price:	\$1,002,900
Number of Units:	8
Building Size:	12,279 SF
NOI:	\$60,732.57
Cap Rate:	6.06%
Pro Forma Cap Rate	7.22%
Total Return (Year One)	7.40%
Loss to Lease	\$3,032.83

DEMOGRAPHICS	0.5 MILES	1 MILE	1.5 MILES
Total Households	1,266	4,021	8,802

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# Property Description



## PROPERTY DESCRIPTION

Introducing the Montgomery Residential Portfolio, an exceptional opportunity to acquire a strategically positioned and easily manageable collection of residential properties in the thriving Sun Belt city of Montgomery, Alabama. This portfolio offers a diverse selection of single-family and multifamily units, comprising a total of 135 rentable units. Among them are 96 single-family homes and 39 multifamily units, including 12 duplexes, 1 triplex, and 3 quadraplex buildings. Additionally, the portfolio includes a vacant lot, offering the potential for the construction of an additional home or more.

Under current ownership, the portfolio is expertly managed through a local family partnership structure, ensuring a hands-on approach and attentive management. Over the years, this asset has been meticulously maintained and is operating in a sound and efficient manner. There is an opportunity to engage in a renovation strategy to lift the properties and generate substantial increases in rental income. The management team employs a combination of in-house maintenance staff and reliable third-party vendors to meet all service requirements of the portfolio. They also provide unique tenant incentives and maintenance programs that contribute to tenant retention and have the potential to add further value under new ownership.

Strategically situated in Montgomery, a city experiencing remarkable growth and embracing a new vision for economic prosperity and enhanced quality of life, the Montgomery Residential Portfolio is ideally positioned. The city has implemented significant revitalization efforts to attract top talent and corporations alike. Residents and businesses are drawn to the State of Alabama's business-friendly climate with its low tax rates and favorable Sun Belt weather. Moreover, Montgomery benefits from its central location between major cities such as Atlanta, Birmingham, and Mobile, as well as its close proximity to the pristine beaches of the Gulf Coast. The presence of prominent manufacturers and distribution centers further strengthens the local economy and contributes to a high standard of living for its residents.

This offering presents an exceptional investment opportunity for groups seeking exposure to the Sun Belt region's traditionally favorable business environment, coupled with overall better weather conditions. The area is witnessing a steady influx of capital, increasing the demand for affordable housing options. The Montgomery Residential Portfolio provides the advantage of economies of scale that out-of-area investors seek, including the option to hire a full management staff. Consequently, this portfolio serves as an attractive acquisition target for institutional and private equity investors, both locally and nationally, who recognize the potential for long-term returns in this dynamic market.

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# Location Description

## LOCATION DESCRIPTION

Montgomery, Alabama, centrally located in the Sun Belt region, offers an advantageous location for businesses and residents alike. Positioned 153 miles from Atlanta, Georgia International Airport via Interstate 85, it provides convenient access to major transportation hubs. The city is also within a short drive of Birmingham, located 92 miles to the north, and the port city of Mobile, situated 169 miles away. Moreover, Montgomery's proximity to renowned Gulf Coast beaches, such as Pensacola, Navarre, and Destin, allows for easy weekend trips to the scenic shores of the Gulf of Mexico.

As the capital of Alabama, Montgomery boasts a vibrant economic environment that has garnered multiple Chamber of Commerce awards for excellence. The city's "Imagine a Greater Montgomery" initiative showcases its commitment to shaping a new vision for the future. Montgomery's economic development strategy focuses on nurturing regional talent, diversifying the economy, transforming the city's image, and fostering a diverse and empowered community.

The area is driven by several key economic factors, including Hyundai manufacturing, Maxwell & Gunter Air Force Base, major Amazon distribution centers, the Alabama State Capitol, Alfa Insurance, Kinpak, H2 Pharma, Dollar General transportation and logistics, Dow Chemical, and Conner Industries, among others. Additionally, the Port of Mobile, the ninth largest port in the nation, contributes significantly to the state's economic growth. The port facilitates the export of various goods, including containers, coal, laminate, flooring, iron, steel, frozen poultry, chemicals, soybeans, and lumber products.

Montgomery's unwavering focus is on attracting large corporations, capitalizing on its diverse and highly skilled workforce. The city is dedicated to expanding air services, improving passenger traffic, and enhancing overall travel experience. Major initiatives supporting this vision are already underway, fortified by robust economic policies that include low taxes and attractive incentives, ultimately yielding greater economic benefits for businesses and residents alike.



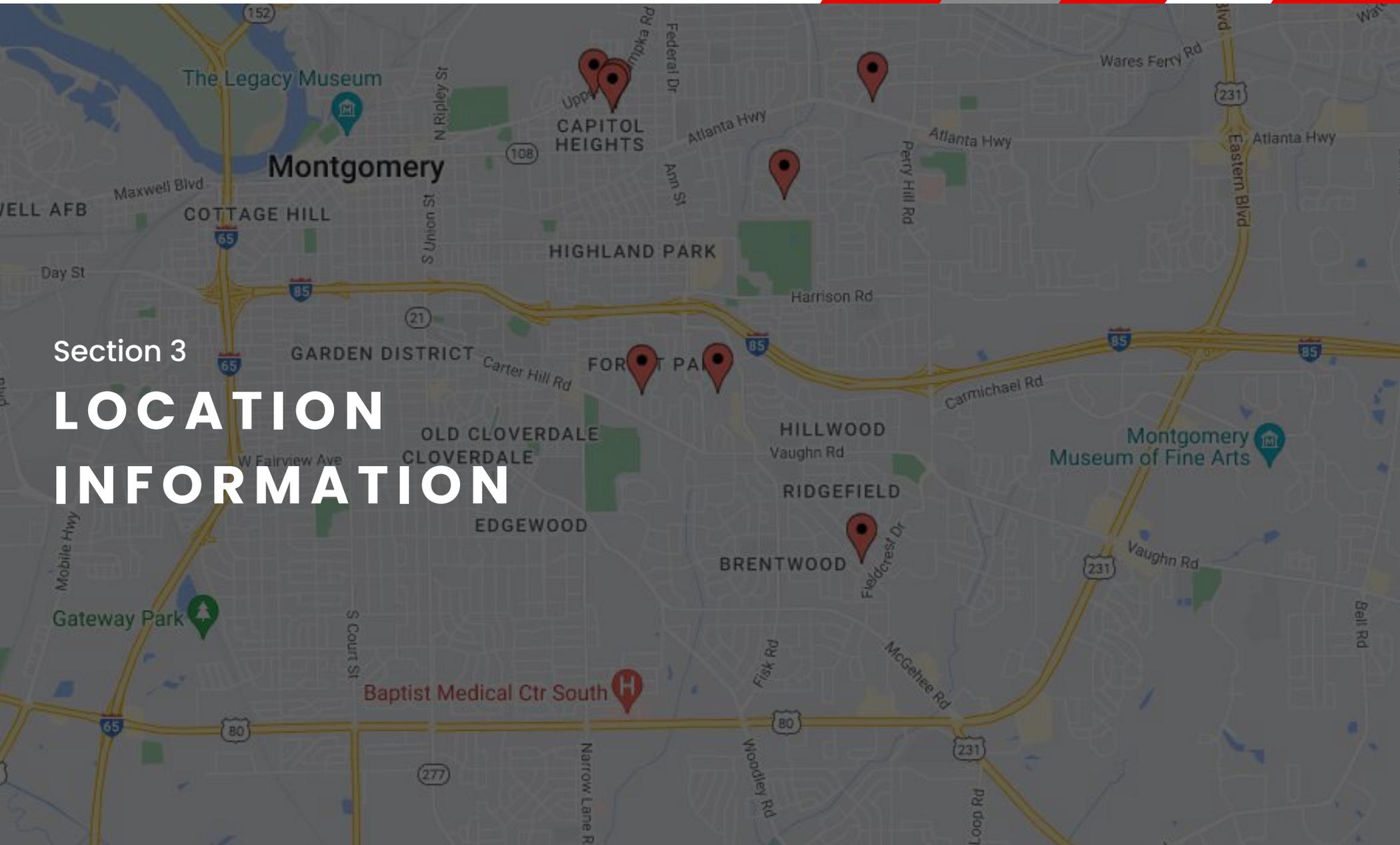
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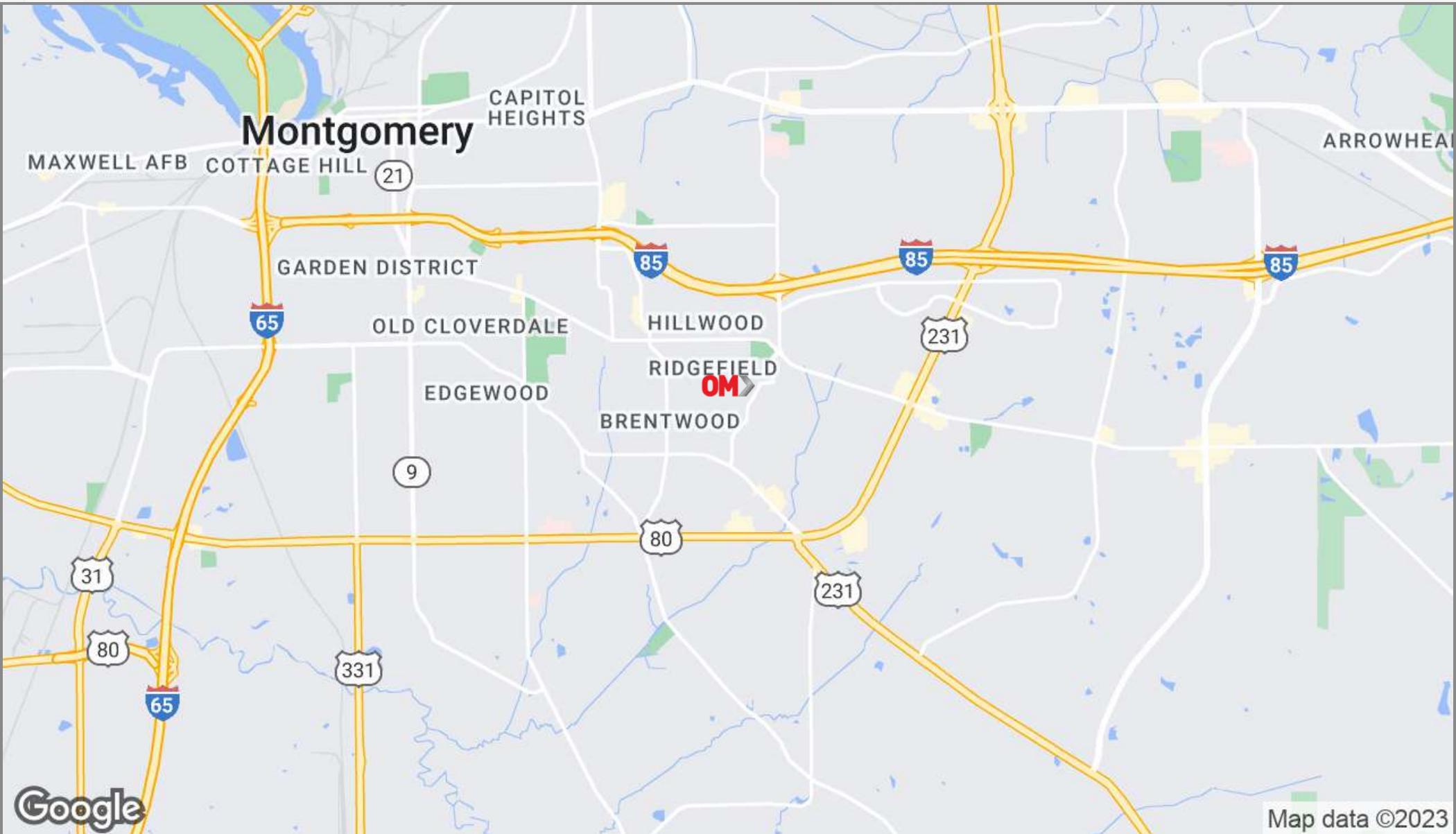


Section 3

# LOCATION INFORMATION



# Regional Map

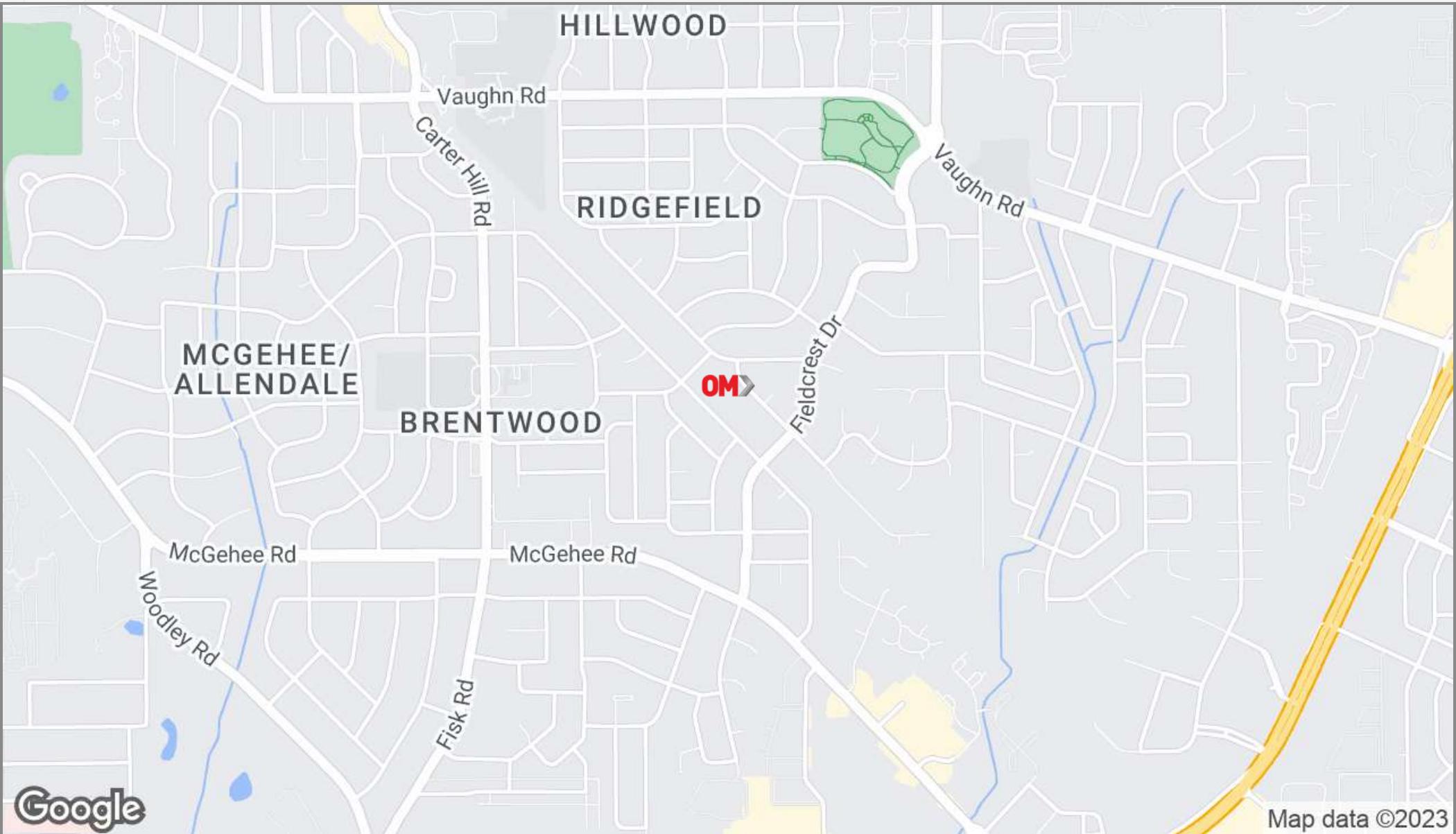


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# Location Map

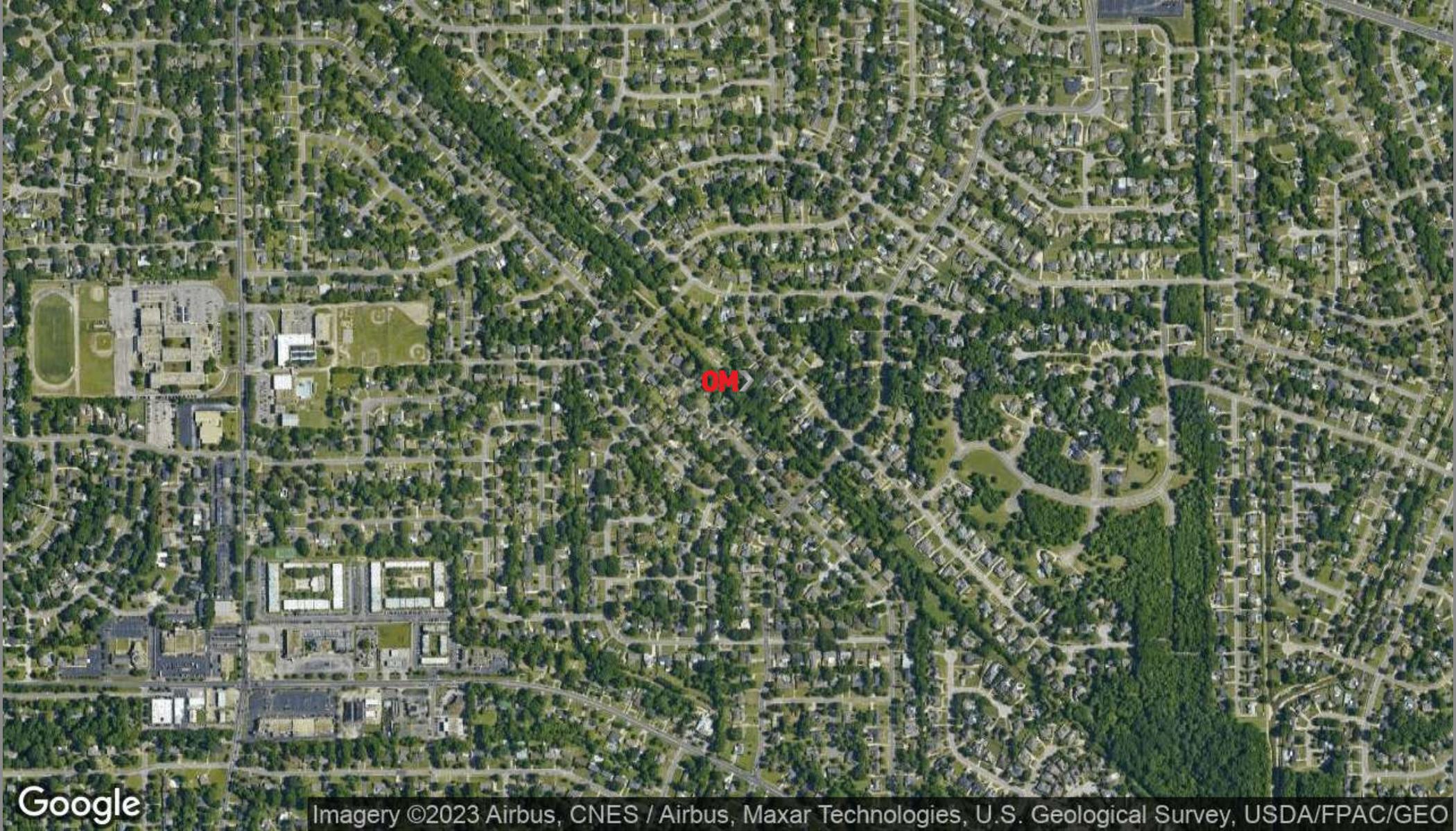


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# Aerial Map



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Section 4

# FINANCIAL ANALYSIS

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# Financial Summary

<b>INVESTMENT OVERVIEW</b>	<b>ACTUAL</b>	<b>PRO FORMA</b>
Price per SF	\$82	\$82
Net Operating Income	\$60,733	\$72,395
<b>ASSUMABLE FINANCING DATA 4.64% MATURITY 1/24/2030</b>	<b>ACTUAL</b>	<b>PRO FORMA</b>
Loan Amount	\$482,856	\$482,856
Debt Service Monthly	\$2,486	\$2,486
Price	\$1,002,900	\$1,002,900
Price per Unit	\$125,363	\$125,363
GRM	9.92	8.83
CAP Rate	6.06%	7.22%
Cash-on-Cash Return (yr 1)	5.94%	8.18%
Total Return (yr 1)	\$38,488	\$50,151
Debt Coverage Ratio	2.04	2.43
<b>OPERATING DATA</b>	<b>ACTUAL</b>	<b>PRO FORMA</b>
Gross Scheduled Income	\$101,094	\$113,586
Total Scheduled Income	\$101,094	\$113,586
Vacancy Cost	\$3,033	\$3,408
Gross Income	\$98,062	\$110,179
Operating Expenses	\$37,329	\$37,784
Pre-Tax Cash Flow	\$30,890	\$42,552
Down Payment	\$520,044	\$520,044
Debt Service	\$29,843	\$29,843
Principal Reduction (yr 1)	\$7,599	\$7,599

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# Income & Expenses

<b>INCOME SUMMARY</b>	<b>ACTUAL</b>	<b>PRO FORMA</b>
Rental Income	\$97,560	\$110,052
Maintenance Service Contract	\$241	\$241
Misc Income	\$3,293	\$3,293
Vacancy Cost	(\$3,033)	(\$3,408)
<b>GROSS INCOME</b>	<b>\$98,062</b>	<b>\$110,179</b>
<b>EXPENSES SUMMARY</b>	<b>ACTUAL</b>	<b>PRO FORMA</b>
Early Pay Discount	\$1,425	\$0
Real Estate Taxes	\$5,682	\$7,676
Property Management	\$6,006	\$5,890
Payroll	\$0	\$0
Property Insurance	\$8,676	\$8,676
Electric	\$1,214	\$1,214
Water/Sewer	\$970	\$970
Garbage	\$350	\$352
Gas	\$0	\$0
Pest Control	\$100	\$100
Lawn Maintenance	\$1,320	\$1,320
Administrative and Legal	\$2,309	\$2,309

Real Estate Taxes Estimated in the Pro Forma at New Buyer Tax Rate. Purchase price X .20 as Assessment Level X .0365 Factor per Residential/Non Owner Occupied Montgomery City Chart.

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# Income & Expenses

Licensing & Inspections	\$680	\$680
Repairs and Maintenance	\$4,000	\$4,000
Misc Paint/Painting/Cleaning/Rent Ready	\$2,597	\$2,597
Reserves for Replacements	\$2,000	\$2,000
<b>OPERATING EXPENSES</b>	<b>\$37,329</b>	<b>\$37,784</b>
<b>NET OPERATING INCOME</b>	<b>\$60,733</b>	<b>\$72,395</b>

Real Estate Taxes Estimated in the Pro Forma at New Buyer Tax Rate. Purchase price X .20 as Assessment Level X .0365 Factor per Residential/Non Owner Occupied Montgomery City Chart.

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# Rent Roll

SUITE	BEDROOMS	BATHROOMS	SIZE SF	RENT	MARKET RENT	SECURITY DEPOSIT	LEASE END
CCF HOUSES	-	-	-	-	-	-	-
2009 Yancey Ave	3	1	1,140 SF	\$850	\$864	-	Making Ready
2019 Gorgas St	3	2	1,450 SF	\$950	\$1,094	\$925	1/31/2024
2022 McKinley Ave	3	2	1,583 SF	\$925	\$1,099	\$900	2/29/2024
2712 Chevy Chase XX	3	1	1,386 SF	\$925	\$1,074	\$900	3/31/2024
3345 Fernway Dr	3	2	1,736 SF	\$1,225	\$1,350	\$1,200	9/30/2023
3732 Ware Crt	4	2	2,035 SF	\$1,085	\$1,381	\$925	7/31/2023
416 N. California St	3	1	1,280 SF	\$895	\$995	\$745	7/31/2023
504 Ridgewood Ln	4	2	1,669 SF	\$1,275	\$1,314	\$1,250	2/29/2024
<b>TOTALS</b>			<b>12,279 SF</b>	<b>\$8,130</b>	<b>\$9,171</b>	<b>\$6,845</b>	
<b>AVERAGES</b>			<b>1,535 SF</b>	<b>\$1,016</b>	<b>\$1,146</b>	<b>\$978</b>	

# Unit Mix Summary

UNIT TYPE	BEDS	BATHS	COUNT	% OF TOTAL	MIN RENT	MAX RENT	MARKET RENT
4/2	4	2	2	25%	\$1,085	\$1,275	\$1,381
3/2	3	2	3	37.50%	\$925	\$1,225	\$1,350
3/1	3	1	3	37.50%	\$850	\$925	\$1,074
<b>TOTALS/AVERAGES</b>			<b>8</b>	<b>100%</b>	<b>\$937</b>	<b>\$1,125</b>	<b>\$1,254</b>

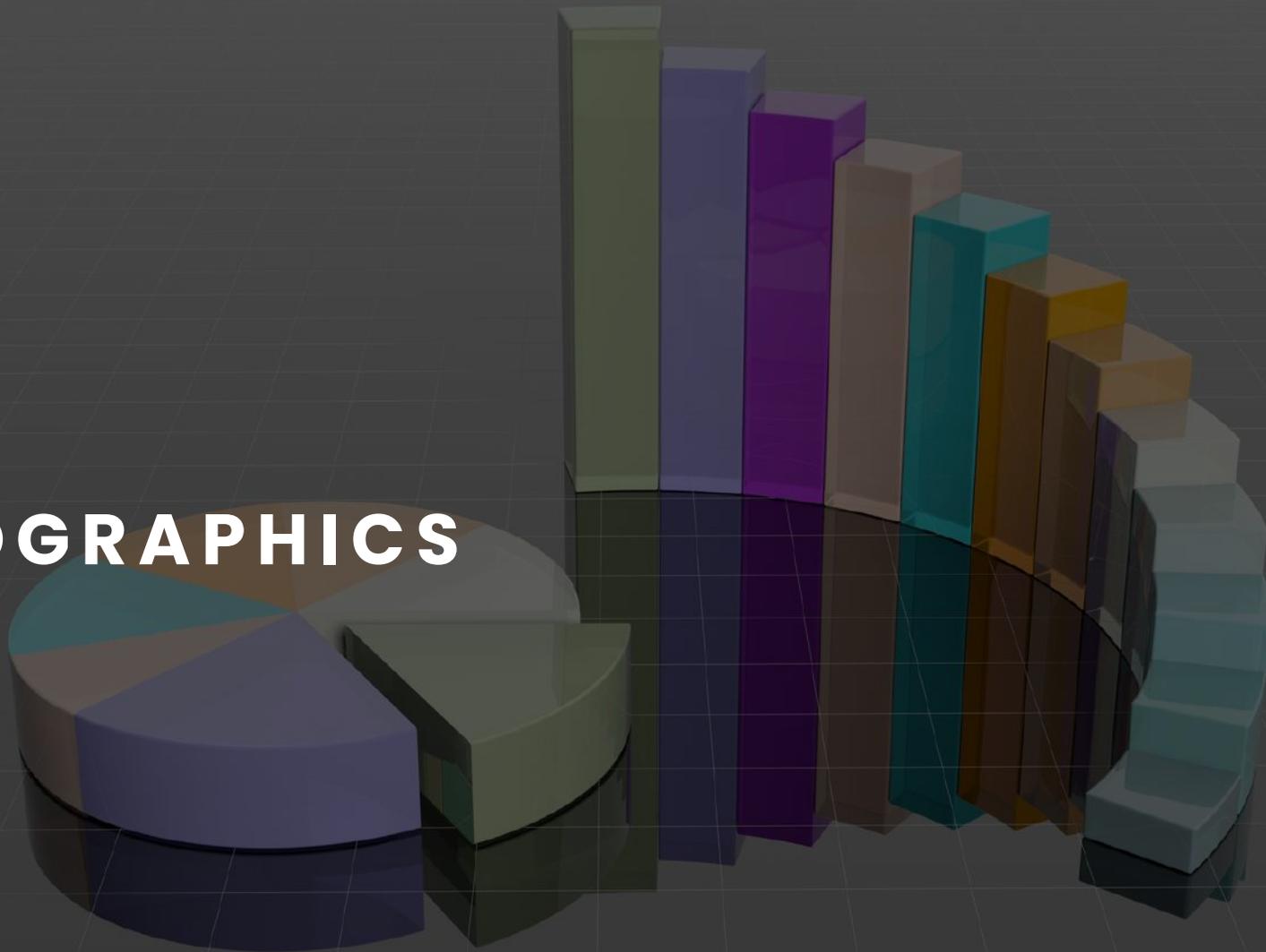
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Section 5

# DEMOGRAPHICS



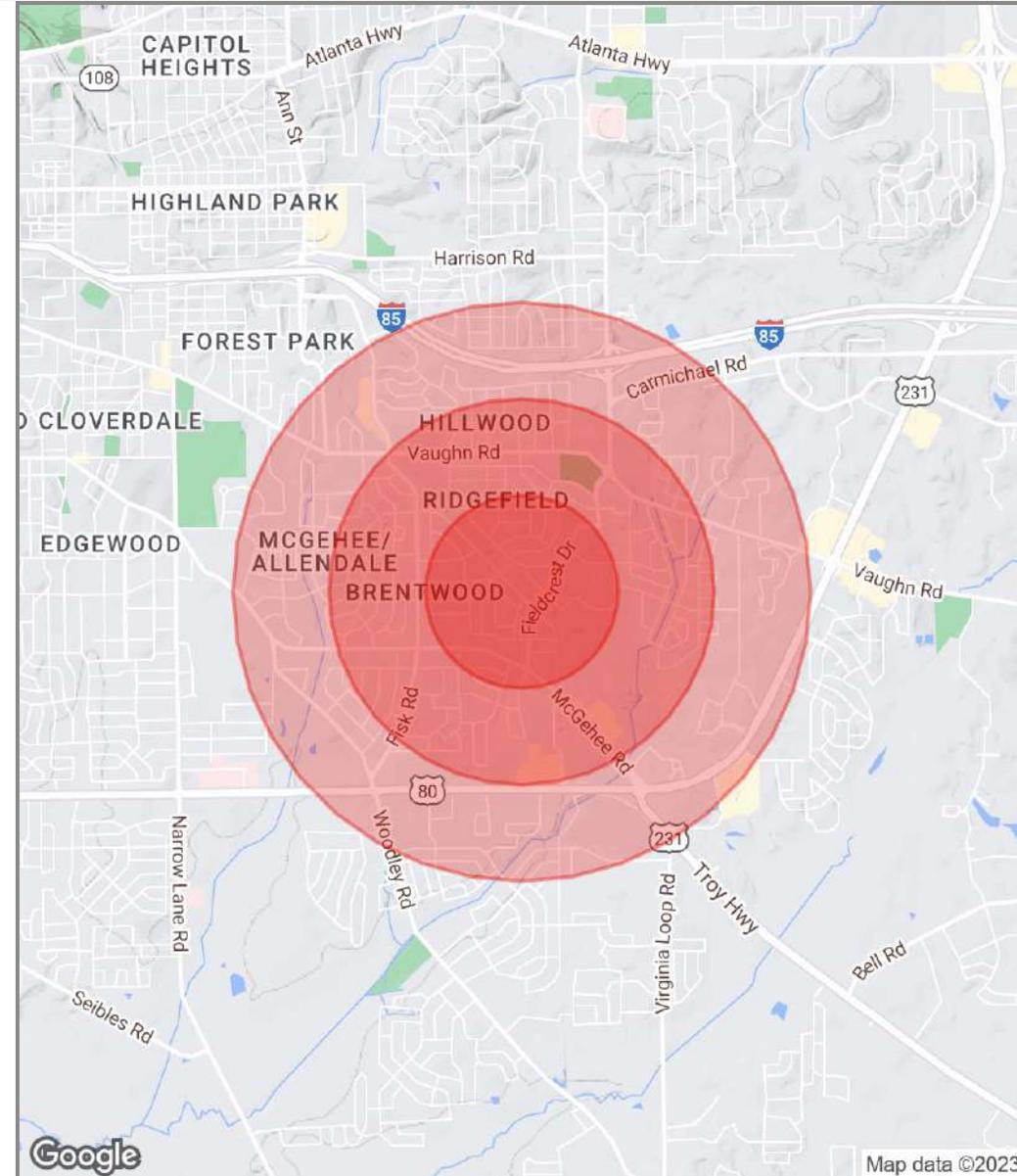
# Demographics Map & Report

POPULATION	0.5 MILES	1 MILE	1.5 MILES
Total Population	3,040	9,182	19,117
Average Age	36.9	37.7	36.7
Average Age (Male)	32.1	32.3	31.8
Average Age (Female)	37.9	39.6	39.1

HOUSEHOLDS & INCOME	0.5 MILES	1 MILE	1.5 MILES
Total Households	1,266	4,021	8,802
# of Persons per HH	2.4	2.3	2.2
Average HH Income	\$66,708	\$73,640	\$66,269
Average House Value	\$148,215	\$160,414	\$144,734

\* Demographic data derived from 2020 ACS - US Census



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Section 6

# ADVISOR BIOS

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# Steven Paulsen | Broker



## STEVEN PAULSEN

Founder & CEO

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## PROFESSIONAL BACKGROUND

Steven Paulsen is the Broker of Record for Open Market CRE and Commercial Real Estate Veteran of 20 years. His vision for opening markets to all participants is the driving force behind development of the platform for the firm. Collaboration is an often-overused term in the broader commercial real estate space. Mister Paulsen has witnessed this firsthand having spent time at the nation's largest private equity investment sales firms. It is a guiding principle for the firm that the current CRE model is ripe for disruption and the Open Market CRE is different by engaging the largest possible buyer pool of any firm through absolute collaboration.

Leading teams and educating newer to the business investment sales associates is certainly a passion for Steven Paulsen. He is known in the industry as being highly skilled with technical abilities beyond most that will assist clients in achieving their portfolio goals. Servicing private equity investment clients is foundational to everything that Open Market CRE does. Whether the client is moving into tax advantaged opportunities or moving out of commercial real estate altogether, the Open Market CRE platform is the key to client success.

In his time away from the business, Steven Paulsen spends time either on the sandbars in the beautiful waters of South Florida or you might find him in the NC mountains hiking and taking in the nature's finest offerings. He is an avid believer that taking time with family is paramount to a happy, healthy lifestyle.

"Commercial Real Estate is ripe for disruption, Open Market CRE is here to be the disruptors".

When it comes to maximizing value for our Investment Sales clients', the Firm's guiding principle is that the Open Market should always decide the outcome. The traditional CRE brokerage model is too focused on selling their own listings thereby leaving money on the table for their clients'. We are here to change that model executing on the highest level of collaboration in the industry.

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