



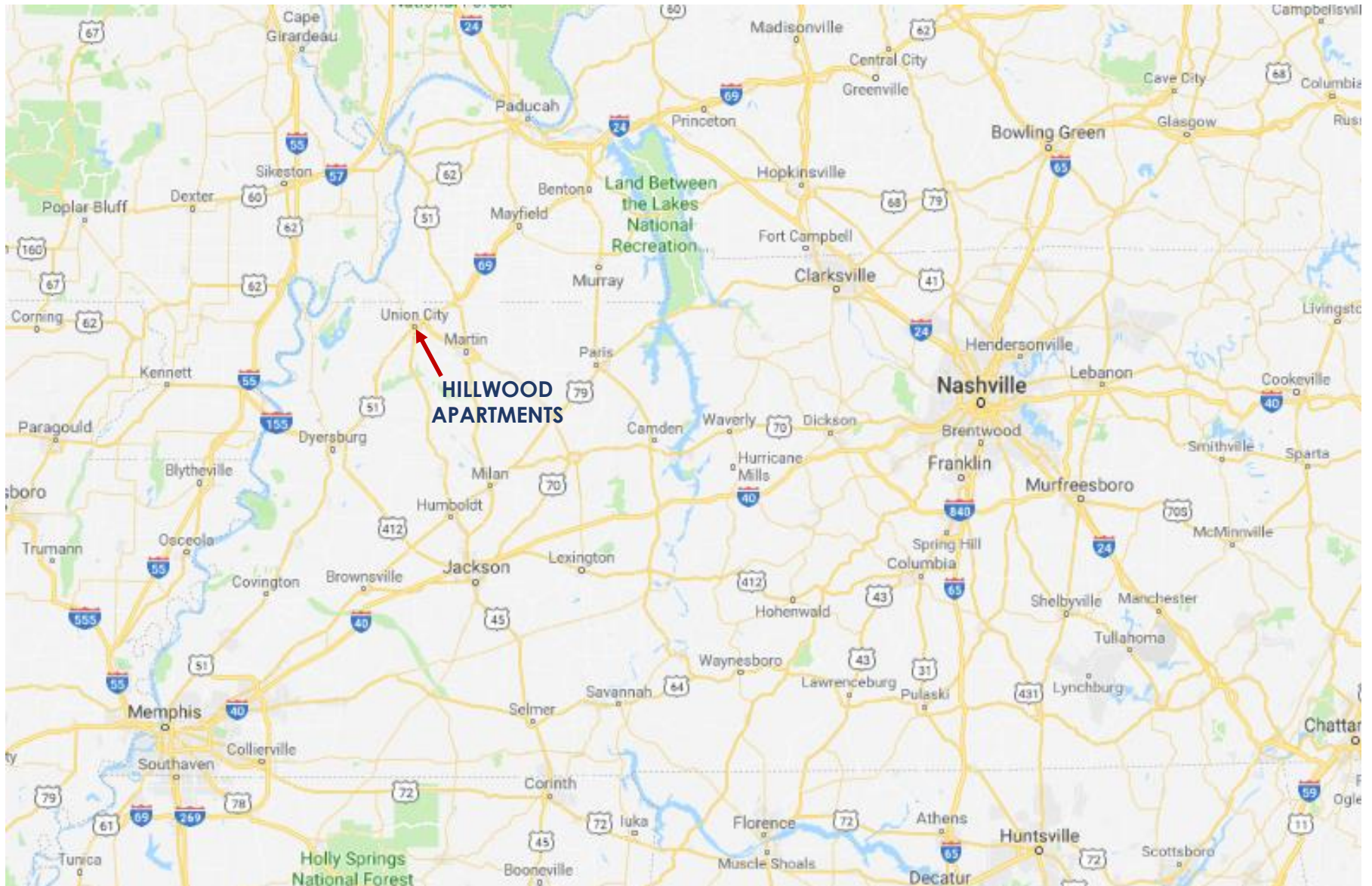
COSGROVE ADVISORY GROUP

HILLWOOD APARTMENTS

64 MULTIFAMILY UNITS

EXCLUSIVE OFFERING MEMORANDUM

64 UNITS | BUILT 1974 | 1732 STONE ST UNION CITY, TN 38261 | OBION COUNTY



Marcus & Millichap



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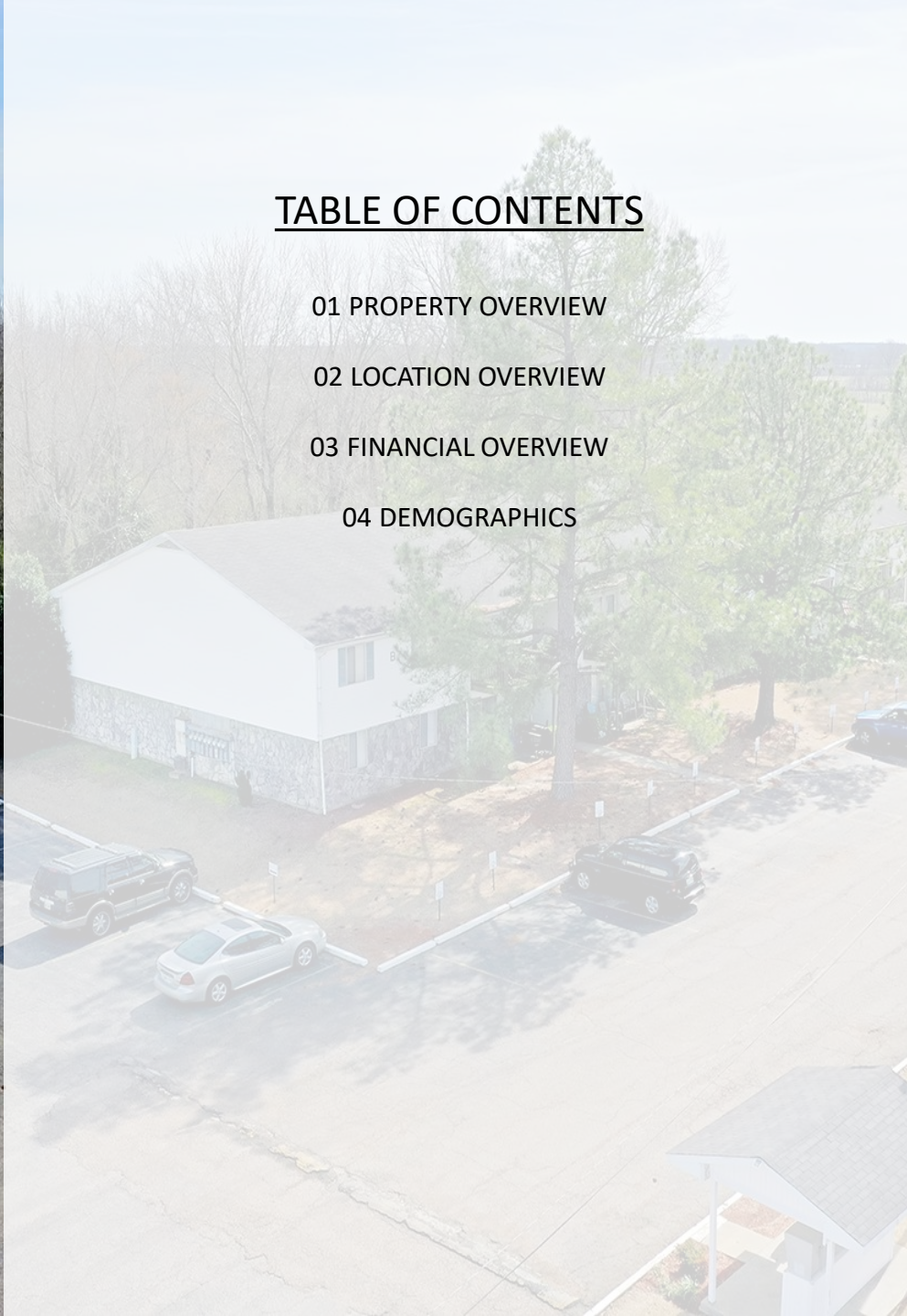
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Marcus & Millichap has been selected to exclusively list for sale the Hillwood Apartments in Union City, TN. Some highlights include:

List Price: \$2,800,000

64 Multifamily Units

Individually Metered for Water and Electric

Value-Add Opportunity

69% of Units are 2 Bed 1.5 Bath

At no point should any prospective buyer contact any tenants, property managers, or leasing assistants. Please reach out to your Marcus & Millichap affiliate to schedule a tour.

INVESTMENT ADVISOR

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PROVEN VALUE-ADD OPPORTUNITY

UPGRADED

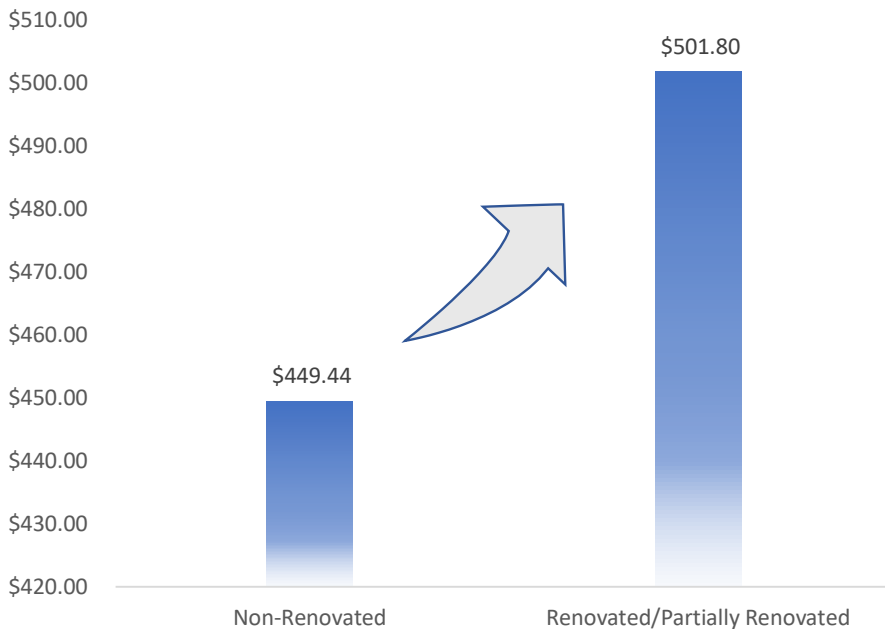


NOT UPGRADED

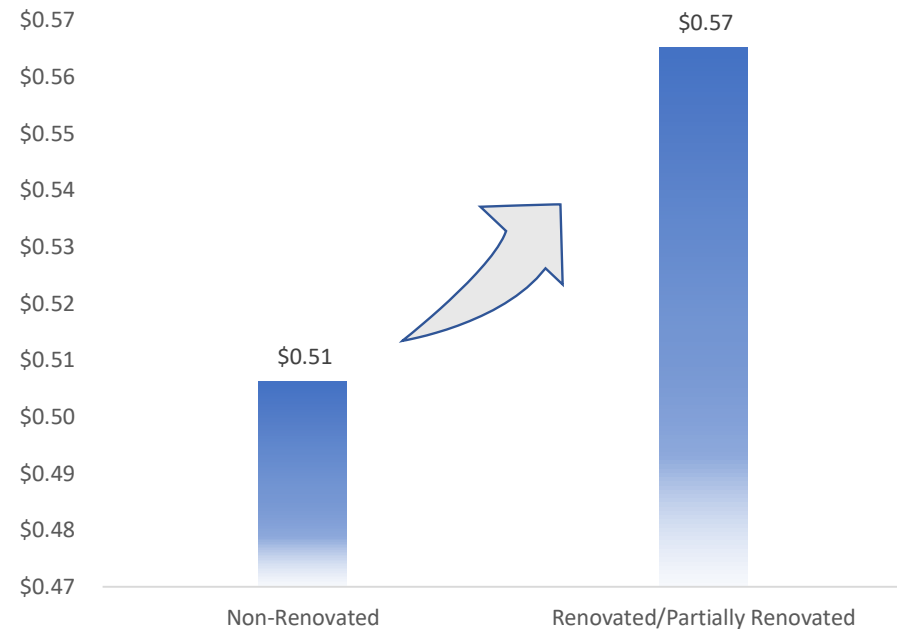


Current Ownership has implemented a light value-add strategy by updating cabinetry, flooring, lighting, appliances, etc. on turned units

2 BEDROOM 1.5 BATH AVERAGE RENT



2 BEDROOM 1.5 BATH AVERAGE RENT/SF



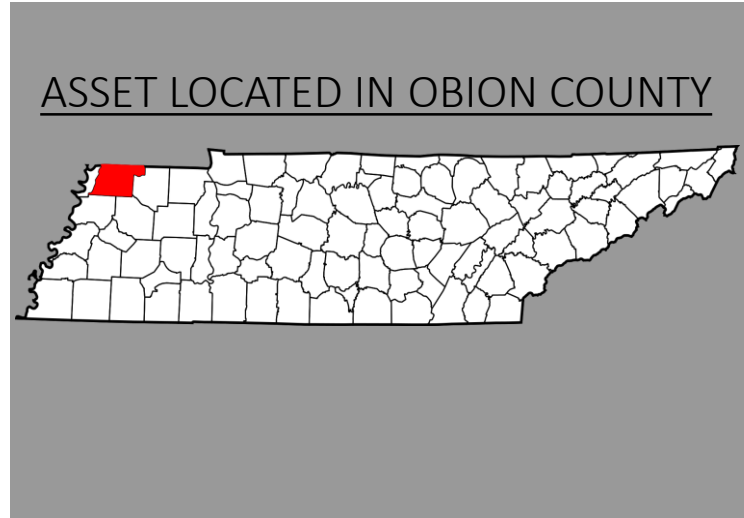
Current ownership has fully renovated 7 units and partially renovated 25 units in the past 12-14 months. This proven value-add opportunity will allow new ownership to significantly add value to their new asset by partially renovating the remaining 32 units.

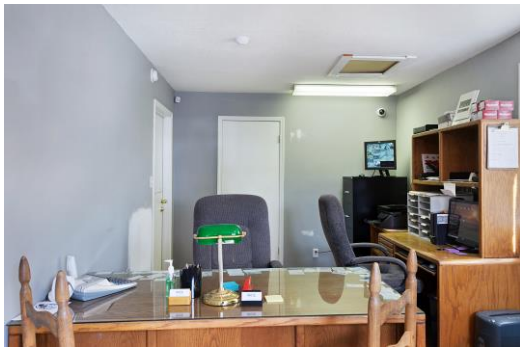


Community Amenities include on-site management office, swimming pool, and full service laundry facility.

02 LOCATION OVERVIEW







OBION COUNTY

DEMOGRAPHIC SNAPSHOT

	Trade Area	3 mi. radius	5 mi. radius	10 mi. radius	5 min drive time	10 min drive time	15 min drive time
Population	31,256	10,024	13,874	21,867	4,917	13,586	19,560
Median Age	43.2	40.4	41.1	42.4	40.7	41	42.2
Median HH Income	\$38,935	\$32,942	\$36,085	\$39,364	\$33,556	\$35,987	\$38,702
Workers	13,009	8,482	9,535	11,332	7,065	9,388	11,177

(Radius Ring and Drive Time Demographics are based from Jere B Ford Mem Hwy & W Reelfoot Ave, Union City, TN)

TOP EMPLOYERS ORGANIZED BY NUMBER OF EMPLOYEES

Employer	Service	Employees
Tyson Foods	Poultry Processing	1,100
Williams Sausage Company	Sausage meat products	600
Baptist Memorial Hospital - UC	Healthcare	400
Titan Tire	Off-road tires	300
Kohler	Tub & Shower Enclosures	250
MVP Brands	Candle Distribution	150
Greenfield Products	Steel fabrication	110
Institutional Casework, Inc.	Laboratory Equipment Manufacturing	100
Waymatic	Concession Trailer Fabrication	85
MIA Seating	Office Chair Manufacturing	50

2017 Retail Sales
for Obion County:
\$476,231,721

<https://www.obioncounty.org/index.php/economic-development.html>

03 FINANCIAL OVERVIEW

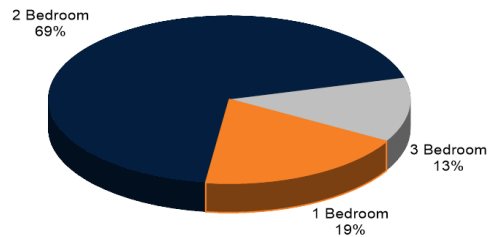


HILLWOOD APARTMENTS RENT ROLL SUMMARY

As of February, 2019

Unit Type	# of Units	Avg Sq Feet	Rental Range	Scheduled			Potential		
				Average Rent	Average Rent / SF	Monthly Income	Average Rent	Average Rent / SF	Monthly Income
1 Bed 1 Bath	12	678	\$325 - \$425	\$400	\$0.59	\$4,800	\$425	\$0.63	\$5,100
2 Bed 1.5 Bath	44	888	\$380 - \$550	\$480	\$0.54	\$21,115	\$550	\$0.62	\$24,200
3 Bed 2 Bath	8	1,150	\$550 - \$600	\$588	\$0.51	\$4,700	\$600	\$0.52	\$4,800
Totals/Weighted Averages	64	881		\$478	\$0.54	\$30,615	\$533	\$0.60	\$34,100
Gross Annualized Rents				\$367,380			\$409,200		

Unit Distribution



Unit Rent



HILLWOOD APARTMENTS RENT ROLL

RENT ROLL DETAIL

As of February,2019

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month
A1	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A2	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
A3	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A4	2 Bed 1.5 Bath	888	\$415	\$0.47	\$415	\$0.47
A5	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A6	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A7	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A8	2 Bed 1.5 Bath	888	\$415	\$0.47	\$415	\$0.47
A9	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
A10	1 Bed 1 Bath	678	\$375	\$0.55	\$375	\$0.55
A11	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
A12	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
A13	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
A14	1 Bed 1 Bath	678	\$325	\$0.48	\$325	\$0.48
A15	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
A16	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
B17	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
B18	2 Bed 1.5 Bath	888	\$400	\$0.45	\$400	\$0.45
B19	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
B20	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
B21	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
B22	2 Bed 1.5 Bath	888	\$400	\$0.45	\$400	\$0.45
B23	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
B24	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
B25	2 Bed 1.5 Bath	888	\$415	\$0.47	\$415	\$0.47
B26	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
B27	1 Bed 1 Bath	678	\$375	\$0.55	\$375	\$0.55
B28	1 Bed 1 Bath	678	\$325	\$0.48	\$325	\$0.48
B29	2 Bed 1.5 Bath	888	\$425	\$0.48	\$425	\$0.48
B30	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
B31	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
B32	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
C33	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62

HILLWOOD APARTMENTS RENT ROLL

RENT ROLL DETAIL

As of February, 2019

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month
C34	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C35	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
C36	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C37	2 Bed 1.5 Bath	888	\$395	\$0.44	\$395	\$0.44
C38	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C39	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C40	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C41	2 Bed 1.5 Bath	888	\$400	\$0.45	\$400	\$0.45
C42	2 Bed 1.5 Bath	888	\$425	\$0.48	\$425	\$0.48
C43	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
C44	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
C45	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C46	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
C47	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
C48	1 Bed 1 Bath	678	\$425	\$0.63	\$425	\$0.63
D49	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
D50	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
D51	2 Bed 1.5 Bath	888	\$415	\$0.47	\$415	\$0.47
D52	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
D53	2 Bed 1.5 Bath	888	\$500	\$0.56	\$500	\$0.56
D54	2 Bed 1.5 Bath	888	\$550	\$0.62	\$550	\$0.62
D55	2 Bed 1.5 Bath	888	\$380	\$0.43	\$380	\$0.43
D56	2 Bed 1.5 Bath	888	\$480	\$0.54	\$480	\$0.54
E57	3 Bed 2 Bath	1,150	\$600	\$0.52	\$600	\$0.52
E58	3 Bed 2 Bath	1,150	\$600	\$0.52	\$600	\$0.52
E59	3 Bed 2 Bath	1,150	\$600	\$0.52	\$600	\$0.52
E60	3 Bed 2 Bath	1,150	Vacant	\$0.00	\$600	\$0.52
E61	3 Bed 2 Bath	1,150	\$600	\$0.52	\$600	\$0.52
E62	3 Bed 2 Bath	1,150	\$550	\$0.48	\$550	\$0.48
E63	3 Bed 2 Bath	1,150	\$600	\$0.52	\$600	\$0.52
E64	3 Bed 2 Bath	1,150	\$550	\$0.48	\$550	\$0.48
Total		56,408	\$30,015	\$0.53	\$30,615	\$0.54

HILLWOOD APARTMENTS OPERATING STATEMENT

OPERATING STATEMENT

Income	T-3 Income/2018 Expenses		Current		Pro-Forma	Notes	Per Unit	Per SF
Gross Potential Rent	355,920		409,200		413,292		6,458	7.33
Loss / Gain to Lease	0 0.0%		(41,820) 10.2%		0		0	0.00
Gross Scheduled Rent	355,920		367,380		413,292		6,458	7.33
Physical Vacancy	0 0.0%		(11,460) 3.1%		(20,665) 5.0%		(323)	(0.37)
Total Vacancy	\$0 0.0%		(\$11,460) 3.1%		(\$20,665) 5.0%		(\$323)	(\$0)
Effective Rental Income	355,920		355,920		392,627		6,135	6.96
Other Income								
Laundry Income	8,400		8,400		8,652	[1]	135	0.15
Total Other Income	\$8,400		\$8,400		\$8,652		\$135	\$0.15
Effective Gross Income	\$364,320		\$364,320		\$401,279		\$6,270	\$7.11

Expenses	T-3 Income/2018 Expenses		Current		Pro-Forma	Notes	Per Unit	Per SF
Real Estate Taxes	23,076		23,076		23,076	[2]	361	0.41
Insurance	20,764		20,764		21,387	[3]	334	0.38
Utilities - Electric	6,246		6,246		6,433	[4]	101	0.11
Utilities - Water & Sewer	2,281		2,281		2,350	[5]	37	0.04
Phone	1,878		1,878		1,934	[6]	30	0.03
Repairs & Maintenance	5,244		38,400		39,552	[7]	618	0.70
Landscaping	1,755		1,755		1,808	[8]	28	0.03
Payroll	32,400		32,400		33,372	[9]	521	0.59
Operating Reserves			12,800		12,800	[10]	200	0.23
Management Fee			0		0		0	0.00
Total Expenses	\$93,645		\$139,601		\$142,712		\$2,230	\$2.53
Expenses as % of EGI	25.7%		38.3%		35.6%			
Net Operating Income	\$270,675		\$224,719		\$258,567		\$4,040	\$4.58

Notes and assumptions to the above analysis are on the following page.

NOTES

Notes to Operating Statement

- [1] Laundry Income increased 3% in Pro-Forma
- [2] Next County-wide Reappraisal scheduled for 2023. Current taxes used for Pro-Forma because of this.
- [3] Insurance increased 3% in Pro-Forma
- [4] Utilities-Electric increased 3% in Pro-Forma
- [5] Utilities-Water and Sewer increased 3% in Pro-Forma
- [6] Phone increased 3% in Pro-Forma
- [7] Repairs & Maintenance normalized at \$600/unit
- [8] Landscaping increased 3% in Pro-Forma
- [9] Payroll increased 3% in Pro-Forma
- [10] \$200/unit Operating Reserve

HILLWOOD APARTMENTS PRICING

PRICING DETAIL

Summary		
Price	\$2,800,000	
Down Payment	\$700,000	25%
Number of Units	64	
Price Per Unit	\$43,750	
Price Per SqFt	\$49.64	
Rentable SqFt	56,408	
Lot Size	5.38 Acres	
Approx. Year Built	1974	

Returns	Current	Pro-Forma
CAP Rate	8.03%	9.23%
GRM	7.62	6.77
Cash-on-Cash	10.79%	15.63%
Debt Coverage Ratio	1.51	1.73

Financing	1st Loan
Loan Amount	\$2,100,000
Loan Type	New
Interest Rate	5.13%
Amortization	25 Years
Year Due	2024

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# Of Units	Unit Type	SqFt/Unit	Scheduled Rents	Market Rents
12	1 Bedroom	678	\$400	\$425
44	2 Bedroom	888	\$480	\$550
8	3 Bedroom	1,150	\$588	\$600

Operating Data

Income		Current		Pro-Forma
Gross Scheduled Rent		\$367,380		\$413,292
Less: Vacancy/Deductions	3.1%	\$11,460	5.0%	\$20,665
Total Effective Rental Income		\$355,920		\$392,627
Other Income		\$8,400		\$8,652
Effective Gross Income		\$364,320		\$401,279
Less: Expenses	38.3%	\$139,601	35.6%	\$142,712
Net Operating Income		\$224,719		\$258,567
Cash Flow		\$224,719		\$258,567
Debt Service		\$149,158		\$149,158
Net Cash Flow After Debt Service	10.79%	\$75,562	15.63%	\$109,409
Principal Reduction		\$42,522		\$44,754
Total Return	16.87%	\$118,084	22.02%	\$154,163

Expenses	Current	Pro-Forma
Real Estate Taxes	\$23,076	\$23,076
Insurance	\$20,764	\$21,387
Utilities - Electric	\$6,246	\$6,433
Utilities - Water & Sewer	\$2,281	\$2,350
Phone	\$1,878	\$1,934
Repairs & Maintenance	\$38,400	\$39,552
Landscaping	\$1,755	\$1,808
Payroll	\$32,400	\$33,372
Operating Reserves	\$12,800	\$12,800
Management Fee	\$0	\$0
Total Expenses	\$139,601	\$142,712
Expenses/Unit	\$2,181	\$2,230
Expenses/SF	\$2.47	\$2.53

04 DEMOGRAPHICS



1-5-10 MILES DEMOGRAPHICS

Created on March 2019

POPULATION	1 Miles	5 Miles	10 Miles
2023 Projection			
Total Population	3,073	13,498	23,503
2018 Estimate			
Total Population	3,043	13,525	23,459
2010 Census			
Total Population	3,108	13,803	23,948
2000 Census			
Total Population	2,794	13,803	24,320
Daytime Population			
2018 Estimate	3,774	16,648	25,063
HOUSEHOLDS	1 Miles	5 Miles	10 Miles
2023 Projection			
Total Households	1,323	5,590	9,599
2018 Estimate			
Total Households	1,303	5,567	9,521
Average (Mean) Household Size	2.26	2.36	2.41
2010 Census			
Total Households	1,346	5,744	9,815
2000 Census			
Total Households	1,213	5,695	9,671
Growth 2015-2020	1.53%	0.41%	0.82%
HOUSING UNITS	1 Miles	5 Miles	10 Miles
Occupied Units			
2023 Projection	1,323	5,590	9,599
2018 Estimate	1,442	6,325	10,852
Owner Occupied	762	3,075	6,080
Renter Occupied	540	2,492	3,441
Vacant	139	759	1,331
Persons In Units			
2018 Estimate Total Occupied Units	1,303	5,567	9,521
1 Person Units	31.08%	29.82%	26.36%
2 Person Units	37.84%	35.14%	37.46%
3 Person Units	14.74%	16.38%	16.54%
4 Person Units	9.59%	10.94%	12.24%
5 Person Units	4.83%	5.14%	4.96%
6+ Person Units	1.84%	2.59%	2.43%

Source: © 2018 Experian

HOUSEHOLDS BY INCOME	1 Miles	5 Miles	10 Miles
2018 Estimate			
\$200,000 or More	2.61%	1.52%	1.95%
\$150,000 - \$199,000	5.83%	2.66%	2.71%
\$100,000 - \$149,000	10.00%	8.43%	8.16%
\$75,000 - \$99,999	12.64%	9.81%	11.06%
\$50,000 - \$74,999	14.03%	15.44%	18.22%
\$35,000 - \$49,999	13.54%	14.39%	14.10%
\$25,000 - \$34,999	13.18%	13.24%	12.86%
\$15,000 - \$24,999	13.91%	14.37%	13.27%
Under \$15,000	14.25%	20.14%	17.68%
Average Household Income	\$67,435	\$53,910	\$57,288
Median Household Income	\$45,694	\$37,829	\$42,561
Per Capita Income	\$29,371	\$22,516	\$23,497
POPULATION PROFILE	1 Miles	5 Miles	10 Miles
Population By Age			
2018 Estimate Total Population	3,043	13,525	23,459
Under 20	21.35%	24.49%	23.68%
20 to 34 Years	17.04%	18.48%	17.84%
35 to 39 Years	5.47%	6.06%	5.87%
40 to 49 Years	11.20%	12.33%	12.67%
50 to 64 Years	19.03%	19.82%	20.58%
Age 65+	25.90%	18.84%	19.35%
Median Age	45.64	40.82	42.18
Population 25+ by Education Level			
2018 Estimate Population Age 25+	2,220	9,415	16,477
Elementary (0-8)	5.31%	5.80%	5.63%
Some High School (9-11)	9.50%	10.14%	9.79%
High School Graduate (12)	34.06%	41.69%	42.72%
Some College (13-15)	20.70%	20.09%	18.83%
Associate Degree Only	4.69%	4.46%	4.73%
Bachelors Degree Only	17.43%	11.24%	11.43%
Graduate Degree	7.46%	5.24%	5.73%
Population by Gender			
2018 Estimate Total Population	3,043	13,525	23,459
Male Population	45.63%	47.28%	48.29%
Female Population	54.37%	52.72%	51.71%

1-5-10 MILES DEMOGRAPHICS



Population

In 2018, the population in your selected geography is 3,043. The population has changed by 8.91% since 2000. It is estimated that the population in your area will be 3,073.00 five years from now, which represents a change of 0.99% from the current year. The current population is 45.63% male and 54.37% female. The median age of the population in your area is 45.64, compare this to the US average which is 37.95. The population density in your area is 967.83 people per square mile.



Households

There are currently 1,303 households in your selected geography. The number of households has changed by 7.42% since 2000. It is estimated that the number of households in your area will be 1,323 five years from now, which represents a change of 1.53% from the current year. The average household size in your area is 2.26 persons.



Income

In 2018, the median household income for your selected geography is \$45,694, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 8.76% since 2000. It is estimated that the median household income in your area will be \$53,662 five years from now, which represents a change of 17.44% from the current year.

The current year per capita income in your area is \$29,371, compare this to the US average, which is \$32,356. The current year average household income in your area is \$67,435, compare this to the US average which is \$84,609.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 79.72% White, 13.98% Black, 0.00% Native American and 0.47% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 6.65% of the current year population in your selected area. Compare this to the US average of 18.01%.



Housing

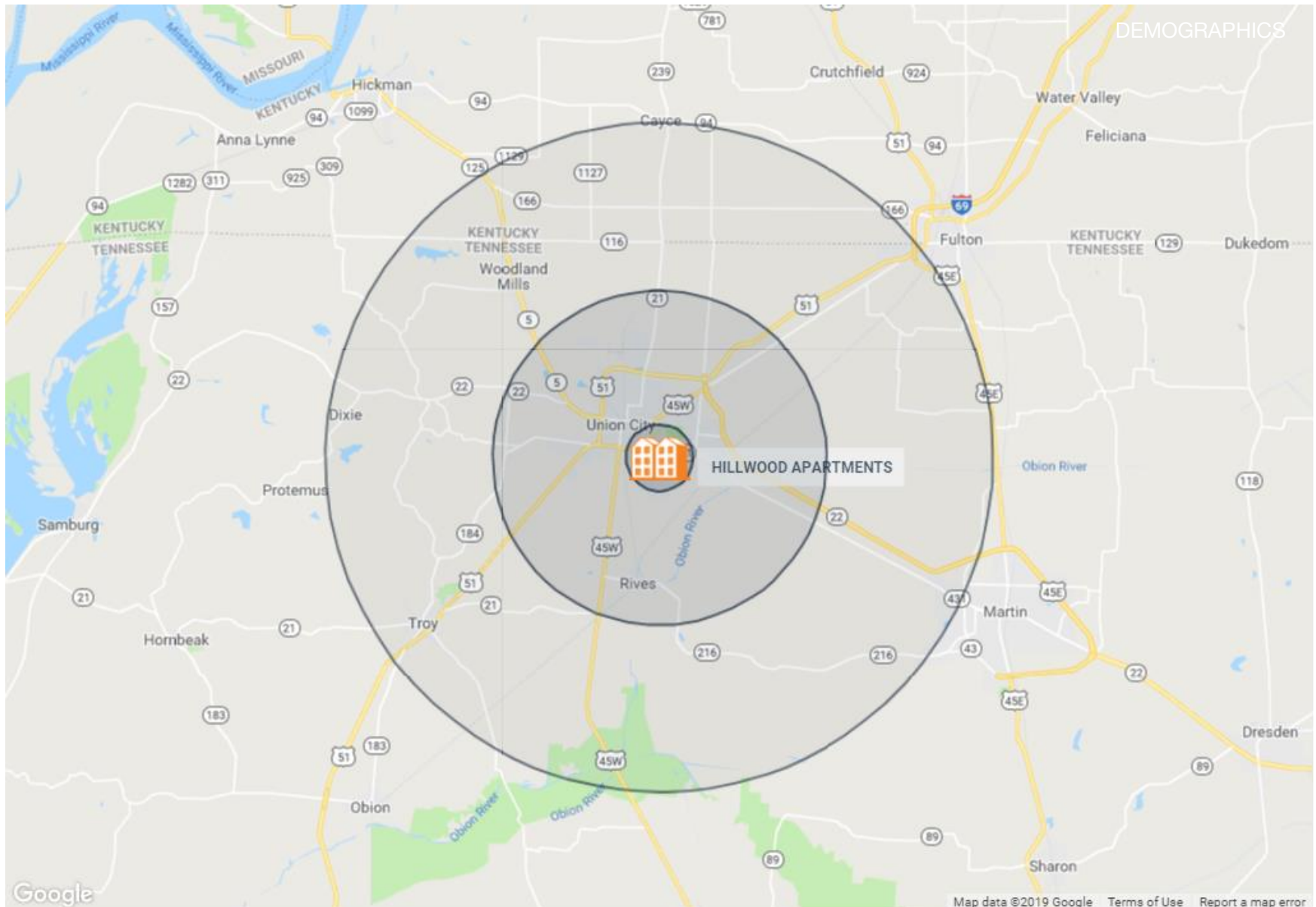
The median housing value in your area was \$127,215 in 2018, compare this to the US average of \$201,842. In 2000, there were 803 owner occupied housing units in your area and there were 409 renter occupied housing units in your area. The median rent at the time was \$327.



Employment

In 2018, there are 1,361 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 55.70% of employees are employed in white-collar occupations in this geography, and 42.97% are employed in blue-collar occupations. In 2018, unemployment in this area is 5.46%. In 2000, the average time traveled to work was 14.00 minutes.

1-5-10 MILES DEMOGRAPHICS





COSGROVE ADVISORY GROUP

HILLWOOD APARTMENTS

64 MULTIFAMILY UNITS

EXCLUSIVE OFFERING MEMORANDUM