

# NORTHWAY AT DAVIS MILLS

MULTI-FAMILY INVESTMENT OPPORTUNITY



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## DEAL AT A GLANCE

- Minimum investment = \$50,000
- Total Equity required = \$1,300,000
- Avg. Annual Return = 15+%
- Cash on cash Return = 7+%
- Duration = 5year minimum
- Distribution Schedule = Quarterly
- Property = 35 units, built 1973 and 2003

**Business Plan** - Increase value by increasing net operating income (NOI) by increasing rents to fair market rates. Reduce expenses by shifting responsibility for utilities to tenants and through quality property management and thorough maintenance. This phase should take approximately 18 months to complete. Buy vs Hold decision to be evaluated following this phase (+/- 5 years).



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## *Passive Investing in Real Estate*

Syndication is a tool used to include passive investors in an entity that purchases, owns and operates an asset. We believe that the benefits of owning cash flow producing real estate are tremendous. These benefits include cash flow during ownership, equity growth through appreciation, tax benefits from depreciation, protection against inflation and the opportunity to increase value (through asset improvement and strong management).

Syndication makes it possible for investors to provide the equity (cash) portion of the purchase price. In return the passive investors (aka Limited Partners) own a portion of the entity that owns the asset.

## EXECUTIVE SUMMARY

ABG & Associates, Inc., a North Carolina company headquartered in Wilmington, NC, is arranging for the acquisition of undivided real estate interests in the above property by a limited number of accredited and qualified investors. The property consists of 35 units and is priced at \$3.45M.



We are seeking a total investment of \$1,300,000 with a minimum of \$50,000 per investor. Investors receive 60% equity with projected average annual returns of 15%-17%. Cash flow distributions are made at the end of each calendar quarter.

Investors should expect a 5 year commitment, even though there is a possibility to re-finance and repay the investor's principal before then. If we re-finance or sell the property, investors first receive their principal back, then receive 60% of any profits.

Please see below for more information about the property, its current performance, our strategy to increase income and our financial projections.



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## ABOUT THE PROPERTY

The subject property is a 35 unit property consisting of 6 buildings located at 1201 & 1215 Butler Street, Gastonia, NC 28054. The property offers a unit mix of 22 One Bedroom/ One Bath and 12 Two Bedroom/One Bath units and 1 Three Bedroom/Two Bath unit. The lot and building are zoned RMF (Residential Multi-family), with the lot totaling 2.73 Acres. Roughly 70% of the units are rented via Section 8.



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# NORTHWAY AT DAVIS MILLS

## MULTI-FAMILY INVESTMENT OPPORTUNITY

### OPPORTUNITY AND BUSINESS PLAN

Northway at Davis Mills offers a tremendous opportunity to increase the rental income to the going rate in the area for Section 8 rentals as indicated by the 2024 Fair Market Rent from HUD.gov:

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#### The FY 2024 Charlotte-Concord-Gastonia, NC-SC HUD Metro FMR Area Small Area FMRs for All Bedroom Sizes in ZIP Code 28054

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<i>Efficiency</i>	<i>1 Bedroom</i>	<i>2 Bedroom</i>	<i>3 Bedroom</i>	<i>4 Bedroom</i>
\$1,180	\$1,210	\$1,360	\$1,690	\$2,170

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#### These 2024 Fair Market Rents indicate significant increases in rents are available in 2024

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<i>Unit size</i>	<i>Actual Current Avg \$</i>	<i>2024 FMR – HUD</i>	<i>% increase</i>
1 bedroom	\$1038	\$1210	17 %
2 bedroom	\$1102	\$1360	23 %
3 bedroom	\$1285	\$1690	32 %

This increase to Fair Market Rent (FMR) does not require significant capital improvement in the property. In addition, there are some relatively inexpensive/effective improvements that could be made to increase the overall value of the property resulting in increased rents). These improvements include new roof on the two-story building built in 2003 (all other roofs were replaced in 2020). Seal/patch and stripe the parking lots. Landscape improvements. Picnic tables and barbeque grills. As units turn over there are opportunities to improve the interior condition as needed to garner the top possible rents

Water, Sewer and Electric - currently the owner is paying all of the water and sewer expense at the property. By passing along this expense to the tenant a significant savings will be realized.

In summary, there is a significant opportunity to increase rents significantly from current and also to reduce expenses by passing on the cost of the water, sewer and electric and by offering operational efficiencies via effective, professional property management.

# NORTHWAY AT DAVIS MILLS

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## THE NEIGHBORHOOD

Northway at Davis Mills is located 1.5 miles from downtown Gastonia and less than a ½ mile from the Blue Line of the Gastonia Transit Bus service and 17 miles from the Charlotte Douglas International Airport (CLT). The neighborhood is made up mostly of well-kept smaller one-story homes on lots with mature trees. There is noticeable pride of ownership in the neighborhood. Apartments, duplexes and other multi-unit dwellings are common here.

Ferguson Park is very close by it's a 27.3-acre park with a playground, tennis courts, baseball courts, and a bike path. The park is dog-friendly and has a wheelchair accessible entrance and parking lot.

Ferguson Park is a popular community park with four lighted tennis courts for night games. It also has four large softball fields, three of which are 275 feet and one is 250 feet. The park has trail access to the Avon-Catawba Creek Greenway.

## NORTH CAROLINA

North Carolina is the top state for business for the second year in a row. The state has the lowest corporate income tax in the U.S., a favorable legal and regulatory climate, low business costs, and qualified talent.



### *Gastonia, North Carolina*

Gastonia, N.C., just minutes west of Charlotte, is one of the area's best places to live and work with an ideal combination of location, size and livability. Selected as an All-America City three times, Gastonia's desirable quality of life is the result of its beautiful natural surroundings, friendly neighborhoods, responsive government and vibrant business environment.



# NORTHWAY AT DAVIS MILLS

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## PROPERTY SUMMARY

Number of Units	35 Units
Year Built	1974 / 2003
Stories	1 & 2 Stories
Net Rentable Area	24,741 SF
Average Unit Size	707 SF

## SITE

Address	1201 Butler Street Gastonia, North Carolina 28054
County	Gaston County
Size/Density	2.73 Acres / 12.82 Units per Acre
Parking	47 Spaces / 1.34 per Unit

## UTILITIES

SERVICE/UTILITY	SOURCE/COMPANY	PAID BY
HVAC/Hot Water/Cooking	Gas and Electric / Dominion	Property
Water/Sewer	City of Gastonia	Property
Trash Removal	New Hope Waste Management	Property

## UNIT MIX SUMMARY

TYPE	# UNITS	SIZE (SF)	MARKET RENT
1 BR / 1 BA	12	562	\$945
1 BR / 1 BA	4	620	\$956
1 BR / 1 BA	6	734	\$973
2 BR / 1 BA	2	620	\$975
2 BR / 1 BA	10	880	\$1,093
3 BR / 2 BA	1	1,079	\$1,285
Total / Avg.	35	707	\$1,005

## IMPROVEMENTS

Buildings	7 Residential buildings.
Structures	Wood-frame buildings on concrete slabs with lightweight concrete upper-level subfloors. Exteriors are brick.
Roofs	Pitched with wood truss framing, plywood decking, and architectural-style shingles.
Fenestration	Unit entry doors are paneled insulated steel. Windows are single or double-hung in wood vinyl frames.

## SYSTEMS

HVAC	Individual forced-air systems with a through wall mounted electric and gas furnace/blower.
Electric / Gas	Units are served by gas and electricity and individually metered.
Plumbing	Copper and PVC domestic supply and cast iron and PVC waste lines. Units are equipped with 40-gallon electric water heater.
Life Safety	Units are equipped with hard-wired smoke detectors with battery back-up.

## INTERIORS

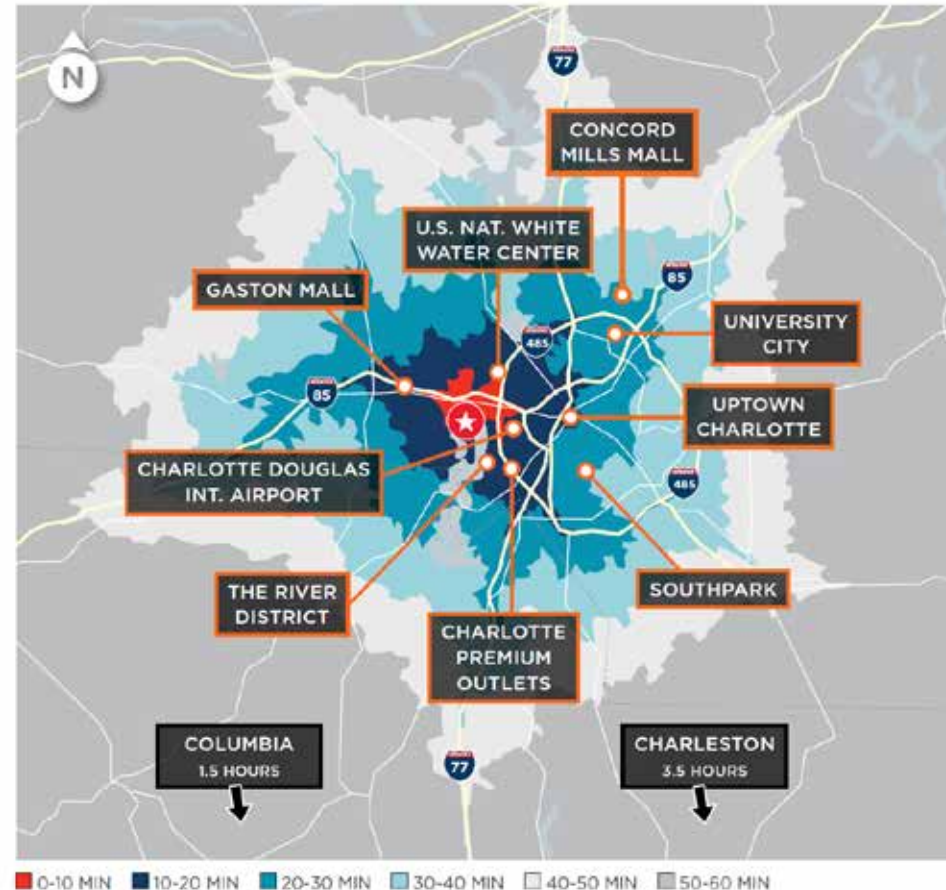
Finishes	8' Ceilings; painted walls and ceilings; carpet and wood vinyl living areas; vinyl entry, kitchen, and bathroom floors; window mini blinds; hollow core interior doors; ceiling fans; pendant lights; equipped with W/D connections.
Kitchens	Wood cabinets; laminate countertops; frost-free GE refrigerator with icemaker; electric range/ oven with overhead vent hood; and double-bowl stainless steel sink.
Bathrooms	Base vanity cabinet; laminate countertop with porcelain sink; porcelain commode; glazed steel tub/ shower with fiberglass surround; vanity mirror; medicine cabinet; and Hollywood lighting.
Renovations	Two of the units have been renovated. One single family unit and one conventional. Scope of renovation includes wood vinyl flooring, new cabinet fronts, white appliances, and laminate counter tops.

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## CONNECTIVITY TO CHARLOTTE REGION

The property benefits from proximity to nearby retail centers, a revitalized Downtown Gastonia, and I-85, which provides connectivity to the Charlotte CBD in 30 minutes..





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## GROWING DOWNTOWN ENTERTAINMENT SECTOR

The FUSE district in downtown Gastonia is a multi-purpose sports and entertainment venue fixated in the middle of downtown.

The city recently completed a brand new 5,000 seat baseball stadium and has so far created ~\$75 million of private investment with the redevelopment of Trenton Mill and other historic buildings. Highline partners also recently announced \$50 million investment to redevelop the downtown YMCA Center.





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## GASTON COUNTY'S IMPRESSIVE INDUSTRIAL GROWTH

Location, available workforce, along with overall MSA growth have made Gaston County very attractive for new business. The manufacturing industry, in particular, has grown significantly in recent years and continues to generate new jobs.



## RECENT GATEWAY 85 & INDUSTRIAL GROWTH



**Piedmont Lithium** has announced billions of dollars in investment to go toward a new lithium mine to sell to electric battery manufacturers creating hundreds of jobs.



**Newell Brands** has announced \$135 million investment in Gateway 85 industrial park.



**Hans Kissle** has announced \$42 million investment for a new Fresh Foods manufacturing plant.



**Sibo Ventures** is investing \$10 million into a plastics manufacturing facility creating 30 additional jobs.



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## MANAGEMENT AND ADVISORS

### ASHLEY B. GARNER, *Real Estate Investor*

Mr. Garner is an experienced and successful real estate investor with over 3 decades in the multifamily business as an owner, operator and manager. Currently, he owns and operates a portfolio of 132 units (368 beds) in various locations in two states. In addition, Ashley has been a real estate broker since 1996. Real estate is his career; helping others achieve financial freedom through investing in real estate is his passion.

Ashley is married and has two children...they say all he talks about is apartments!

### SAM POTTER, *Equitas Law Partners*

Mr. Potter handles all legal matters related to the real estate transaction and has extensive experience in multifamily real estate.



### PROPERTY MANAGEMENT FIRM



## CONTACT

Questions should be directed to ABG & Associates, c/o Ashley B. Garner 910-409-0861, [ashley@abgmultifamily.com](mailto:ashley@abgmultifamily.com).

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