

CASE STUDY

VALUE-ADD MULTIFAMILY INVESTMENT • 200 UNITS, TAMPA MSA

\$3.6M

Investor Equity

10

Investors

Before, 2017
Before, 2016



RESULTS

\$12.0M

Purchase Price - February 2017
Per Unit: **\$60K**

\$16.5M

Sale Price - January 2019
Per Unit: **\$83K**

1.93x

Equity Multiple

44.2%

Investor IRR

7.0%

2017 Cash Flow on Investor Equity

12.8%

2018 Cash Flow on Investor Equity

IMG

INVESTORS MANAGEMENT GROUP

WWW.IMGRE.COM

Karlin Conklin

Executive Vice President
971.888.4010 ext 104
Karlin.Conklin@imgre.com

Dave Mikkelsen

Investor Relations Manager
971.888.4010 ext 108
David.Mikkelsen@imgre.com

OPPORTUNITY

Investors Management Group (IMG) facilitated the recapitalization of Clearwater Oaks to successfully accommodate investment objectives for two ownership groups. The original partner, exiting due to investment fund timing, was replaced by a group of 10 investors intent on capturing the asset's remaining value. IMG identified substantial rent growth and **value creation potential** by sustaining its repositioning and asset management strategy in Tampa's accelerating rental market.

EXECUTION

Operations for the 1950's vintage townhome apartments benefitted from IMG's continued capital improvement initiative under the new ownership structure in 2017. By 2019, **75% of units had been renovated**, "green program" water and energy-saving features had been installed, and new community amenities such as a fitness center, dog park and modernized laundry facility were added. IMG's Asset Management team and new site management successfully refreshed the property's image and expanded marketing to reach an elevated tenant demographic. Rent premiums from renovations, attention to management and positive market trends contributed to average year-over-year NOI growth of 31% annually from 2014 to 2018.

PERFORMANCE

At the disposition of Clearwater Oaks, **more than 90%** of the equity from IMG and its partners was invested into another IMG-sponsored acquisition using a tax-deferred exchange. The strategic move allowed the ownership group to move into another rehab/repositioning opportunity while preserving a conservative position in a newer, better amenitized property at a maturing stage of the real estate cycle.