

# CASE STUDY

VALUE-ADD MULTIFAMILY INVESTMENT • 186 UNITS, DENVER MSA

**\$8.5M**

Investor Equity

**22**  
Investors

Before, 2016



## RESULTS

**\$23.85M**

Purchase Price March 2016

Per Unit: **\$128K**

**\$37.8M**

Appraised Value at Refinance Dec. 2018

Per Unit: **\$203K**

**35%**

Cash Distribution of Investor Equity

**8.9%**

2017 Cash Flow on Investor Equity

**9.6%**

2018 Cash Flow on Investor Equity

**IMG**

INVESTORS MANAGEMENT GROUP

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After, 2019

## OPPORTUNITY

Investors Management Group (IMG) identified Vistas at Plum Creek as an outstanding value-add acquisition benefitting from a dynamic location. Desirable market fundamentals included high barriers to new supply and one of the fastest growing populations in the country, supportive of strong occupancy and rent growth. The property's competitive intrinsic qualities- such as its walking distance to historic downtown, mountain views and amenities package- was offset by dated unit interiors and poor management.

The acquisition required the assumption of the seller's low-leverage loan which limited the qualified buyer pool. IMG **creatively financed** the purchase with an additional supplemental loan to maintain a 74% loan to purchase price ratio.

## EXECUTION

Upon purchasing the property in 2016, IMG's Asset Management team installed new property management and directed capital expenditures targeting unit interior renovations and exterior upgrades. By 2017, rent premiums for renovated units averaged \$170 per month (15%+ from 2016), and total income **grew by 20%** from 2016 to 2017. Total income improved an additional 9% in 2018 as the rehabilitation strategy neared completion.

## PERFORMANCE

Dramatic income gains produced **strong cash flows** in 2017 and 2018. IMG and its partners capitalized on the property's improved operations, and resulting appreciation, through a refinance in December 2018. The new loan generated cash-out proceeds and locked a fixed-rate with lower debt services payments.