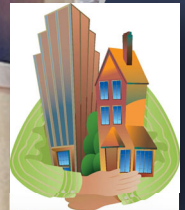


11111 - 11115 W. McKay, Carlsbad, NM
88220

Register for Confidential Information: <http://www.nmapartment.com/1111WMcKay>

Conveniently located - 8-plex



**BERKSHIRE
HATHAWAY**
HOMESERVICES
ENCHANTED LANDS,
REALTORS®



8 Units

Size: 6,584 sf

Land: 0.32 ac

Price: \$1,098,000

GRM: 10.17

Cap Rate: 6.48%

After Tax IRR: 15.7%

The Offering

On behalf of the owners, NM Apartment Advisors, Berkshire Hathaway Enchanted Land Realtors, and Deacon Property Services are excited to bring this updated Carlsbad eight-plex to market. 8 well-apportioned 2 bedroom / 1 bath apartments pragmatically updated inside and out.

Recently remodeled units feature open floorplans with large eat-in kitchens, living areas with woodburning fireplaces, and bedrooms with plenty of storage – all complimented by custom woodwork and quality, hardy contemporary finishes throughout. Add all that to updated thermal windows, a new 30-year roof, upgraded stucco and paint, and a new common laundry room, and you've got a turnkey investment that will allow the next owner to truly reap the benefits of one of New Mexico's fastest growing and appreciating real estate markets (without the headache of inheriting deferred maintenance and urgent projects with no upside).

Carlsbad continues to grow exponentially as high paying jobs are generated in oil and gas production, agriculture, and one of the most solid tourism sectors in the southwestern united states. Beyond the boom economy, people choose to live in the "the Pearl on the Pecos" for its high quality of life, good schools, and unique recreation opportunities. Now is the right time to tap into one of the nation's premiere, undiscovered multi-family investment markets.



The Property

Address: 1111 –1115 W. McKay

Number of Units: 8

Year of construction: 2003

Bldg. Size: 6,584 sf approx.

Site Size: 0.32 ac

Avg. Unit Size: 823 sf

UPC#: 4156127458180, R058051
4156127445180, R058053

Legal: Powers Rep AMD, Lot 1 Block 203 & Lot 2 Block 202

Ask Price: \$1,098,000

\$/ unit: \$137,250

\$/sf: \$166.77

	Actual/Est (2023)	Proforma (2024)
Avg. Rent:	\$1,125	\$1,286
GRM:	10.89	9.53
Cap Rate Before reserves:	6.64%	7.44%
Cap Rate After reserves:	6.48%	7.28%
Year 1 NOI:	\$71,135	\$79,937
Cash on Cash:	4.91%	8.11%
Before Tax IRR:	19.1%	
After Tax IRR:	15.7%	

Annual Property Operating Data (APOD) - 1111 -1115

NM Apartment Advisors Financial Overview for:

1111-1115 W McKay

Prepared by: Todd Clarke CCIM

6/28/2024

"AS IS" Condition

Unit/Rent Summary

#	Type	Style	Approx Size	Actual Rent	Street Rate	Market Rent	Actual Rent \$/sf	Total Actual	Total Max Rent for this type	Total Market Potential	Total sf
1111A	2/1		823	\$ 1,100	\$ 1,200	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,200	\$ 1,250	823
1111B	2/1		823	\$ 1,100	\$ 1,200	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,200	\$ 1,250	823
1111C	2/1		823	\$ 1,200	\$ 1,200	\$ 1,395	\$ 1.46	\$ 1,200	\$ 1,200	\$ 1,395	823
1111D	2/1		823	\$ 1,200	\$ 1,200	\$ 1,395	\$ 1.46	\$ 1,200	\$ 1,200	\$ 1,395	823
1115A	2/1		823	\$ 1,100	\$ 1,100	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,100	\$ 1,250	823
1115B	2/1		823	\$ 1,100	\$ 1,100	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,100	\$ 1,250	823
1115C	2/1		823	\$ 1,100	\$ 1,100	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,100	\$ 1,250	823
1115D	2/1		823	\$ 1,100	\$ 1,100	\$ 1,250	\$ 1.34	\$ 1,100	\$ 1,100	\$ 1,250	823
8	total units / Avg. Unit Size=		823	\$ 1,125	\$ 1,150	\$ 1,286		\$ 9,000	\$ 9,200	\$ 10,290	6,584
	Avg Actual Rent \$/sf=			\$ 1.37	\$ 1.40	\$ 1.56		\$ 108,000	\$ 110,400	\$ 123,480	7,344 Per Assessor

Benchmarks

Offering Price	\$1,098,000
\$/unit	\$137,250
\$/sf	\$166.77
GRM	Actual: 10.17, Proforma: 8.89
CAP Before Reserves	6.64% vs 7.44%
CAP After Reserves	6.48% vs 7.28%
Cash on Cash	4.91% vs 8.11%
DCR=	1.23 vs 1.39
Walk Score: 48, Bike Score: 54	



Income

1 A.	Total Potential Market Income	\$ 123,480
2 B.	Less: loss to market lease	\$ 13,080 11%
3 C.	Total Potential Income (Street)	\$ 110,400
4 D.	Less: Loss to lease	\$ 2,400 2%
5 E.	Total Income	\$ 108,000
6 F.	Less: vacancy 5.0%	\$ 5,400 5% Market average
7 G.	Effective Rental Income	\$ 102,600
8 H.	Plus: Other Income	\$ -
9 I.	Gross Operating Income	\$ 102,600

	Estimated 2021			Based on: Estimates/Actuals							Proforma 2023			Based on: Forthcoming yr.						
		\$/unit	%																	
20 Real Estate Taxes	\$1,916	\$239	2%	2023 Actual Amount							\$5,776	\$722	5%	65% of Sales Price x mil rate						
21 Personal Property Taxes				assessed at \$230,068																
22 Property Insurance	\$3,227	\$403	3%	2023 Actual							\$3,324	\$416	3%	Potential 2024 = 2023 + 3%						
23 Property Management:																				
24 Off Site Management	\$11,081	\$1,385	11%	2023 Actual Amount							\$12,625	\$1,578	10%	Management @ 10% +NMGRT						
25 Payroll-Onsite Personnel																				
28 Repairs and Maintenance	\$8,564	\$1,071	8%	2023 Annualized							\$8,821	\$1,103	7%	Potential 2024 = 2023 + 3%						
29 Utilities:																				
30 Water, Sewer, & Garbage	\$3,181	\$398	3%	2023 Annualized							\$3,276	\$410	3%	Potential 2024 = 2023 + 3%						
31 Gas																				
32 Electric	\$430	\$54	0%	Vacancy							\$443	\$55	0%	Potential 2024 = 2023 + 3%						
43 Unit Turnover																				
44 Landscaping	\$1,266	\$158	1%	2023 Annualized							\$1,304	\$163	1%	Potential 2024 = 2023 + 3%						
45 Carpet Cleaning																				
46 Internet				repairs+unit turn+reserve=8to10%																
48 Reserve for replacement	\$1,800	\$225	2%	new lender will require							\$1,800	\$225	1%	new lender will require						
49 Total Operating Expenses	\$31,465	\$3,933	31%								\$37,369	\$4,671	30%							
50 Net Operating Income	\$71,135	\$8,892									\$79,937			Potential Market less 5% vacancy + other income						
	ADS	Loan	LTV	Pmt	Term	Interest Rate							ADS	Loan	LTV	Pmt	Term	Interest		
Less: Annual Debt Service	\$57,669	\$	823,500	75%	\$4,806	30	5.75%							\$57,669	\$	823,500	75%	\$4,806	30	5.75%
Cash Flow Before Taxes	\$13,466										\$22,268									

Internal Rate of Return - 1111 - 1115 W McKay

		Year						for 1st year
		1	2	3	4	5	6	of next owners, ownership
Total Potential Market Income	4.0% Increases	\$123,480	\$128,419	\$133,556	\$138,898	\$144,454	\$150,232	
2 Less: loss to market lease	10.6%	\$13,080	\$13,603	\$14,147	\$14,713	\$15,302	\$15,914	
3 Total Potential Income (Max Rent)		\$110,400	\$114,816	\$119,409	\$124,185	\$129,152	\$134,318	
4 Less: Loss to lease	2.2%	\$2,400	\$2,496	\$2,596	\$2,700	\$2,808	\$2,920	
5 Total Income		\$108,000	\$112,320	\$116,813	\$121,485	\$126,345	\$131,399	
6 Less: vacancy	5.0%	\$5,400	\$5,616	\$5,841	\$6,074	\$6,317	\$6,570	
7 Effective Rental Income		\$102,600	\$106,704	\$110,972	\$115,411	\$120,027	\$124,829	
8 Plus: Other Income	2.0% Increases	\$0	\$0	\$0	\$0	\$0	\$0	
9 Gross Operating Income		\$102,600	\$106,704	\$110,972	\$115,411	\$120,027	\$124,829	
Total Operating Expenses		\$31,465	\$32,094	\$32,736	\$33,391	\$34,059	\$34,740	
Net Operating Income		\$71,135	\$74,610	\$78,236	\$82,020	\$85,969	\$90,089	
		\$823,500						
Mortgage Balance		\$812,906	\$801,687	\$789,806	\$777,223	\$763,897		
ADS		\$57,669	\$57,669	\$57,669	\$57,669	\$57,669		
- Principal Reduction		\$10,594	\$11,219	\$11,882	\$12,583	\$13,326		
= Mortgage interest		\$47,075	\$46,450	\$45,787	\$45,086	\$44,343		
- cost recovery (annual)	27.5 yrs @ 80%	\$30,612	\$31,942	\$31,942	\$31,942	\$30,612	includes mid mon	
= Taxable Income		-\$6,552	-\$3,782	\$507	\$4,993	\$11,014		
Tax on income at ordinary income rate of	35%	\$0	\$0	\$177	\$1,747	\$3,855		
NOI		\$71,135	\$74,610	\$78,236	\$82,020	\$85,969		
- Annual Debt Service		\$57,669	\$57,669	\$57,669	\$57,669	\$57,669		
= Cash Flow Before Tax		\$13,466	\$16,941	\$20,567	\$24,351	\$28,300		
- Less Ordinary Income Tax		\$0	\$0	\$177	\$1,747	\$3,855		
= Cash Flow After Tax		\$13,466	\$16,941	\$20,390	\$22,604	\$24,445		

1.

2.

2.

3.

Sales Worksheet

Calculation of Adjusted Basis

1 Basis at Acquisition	\$1,098,000
2 + Capital Additions	
3 -Cost Recovery (Depreciation) Taken	\$157,050
4 =Adjusted Basis at Sale	\$940,950

Calculation of Capital Gain

Disposition CAP Rate	6.5%
5 Sale Price	\$1,390,558
6 -Costs of Sale	\$111,245
7 -Adjusted Basis at Sale	\$940,950
8 =Gain or (Loss)	\$338,364
9 -Straight Line Cost Recovery (limited to gain)	\$157,050
# =Capital Gain from Appreciation	\$181,314

Calculation of Sales Proceeds after tax

# Sale Price	\$1,390,558
# -Cost of Sale	\$111,245
# -Mortgage Balance(s)	\$763,897
# =Sale Proceeds Before Tax	\$515,417
# -Tax: Straight Line Recapture at 25.0%	\$39,262
# -Tax on Capital Gains at 20.0%	\$36,263
# =SALE PROCEEDS AFTER TAX:	\$439,892

IRR Before tax =	19.1%
n	\$
0	\$(274,500)
1	\$13,466
2	\$16,941
3	\$20,567
4	\$24,351
5	\$28,300 + \$515,417

IRR After tax =	15.7%
n	\$
0	\$(274,500)
1	\$13,466
2	\$16,941
3	\$20,390
4	\$22,604
5	\$24,445 + \$439,892

As a commercial real estate investor, the federal tax code gives you three advantages compared to other investments including:

1. Deduct your annual mortgage interest before you calculate your taxable amount;
2. Deduct your cost recovery/depreciation before you calculate your taxable amount, in the future when you sell the property, you only pay back 25% of the benefit you received;
3. Your long term profit, or capital gain, is taxed at 20%

The combination of these benefits could help lower an investor's effective federal tax rate from 35% federal tax rate to only 18%.

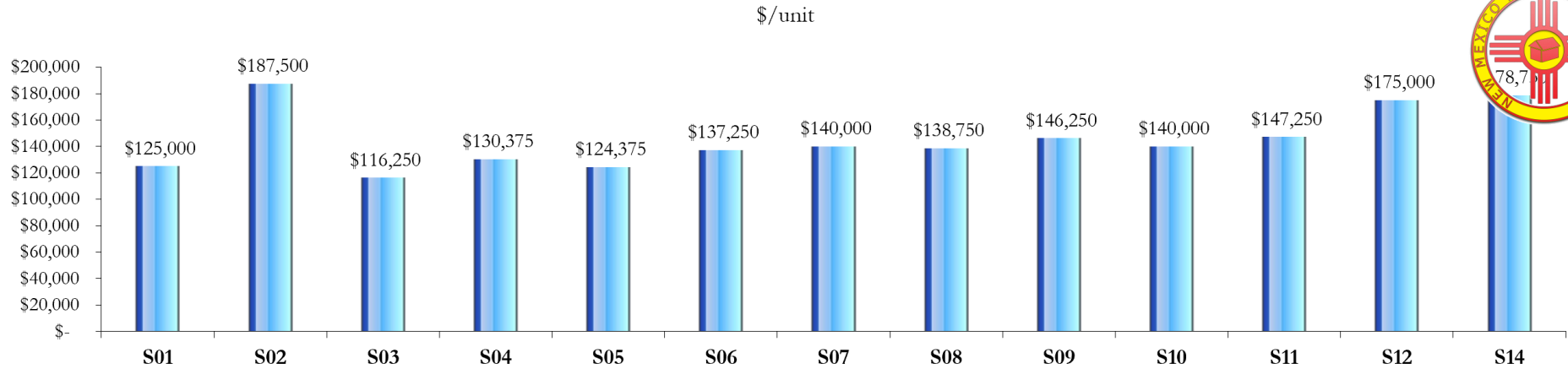
Investor's Effective Tax Rate = 18%

Comparable Sales

Comparable Sales Analysis for:

1111-1115 W McKay

Compiled by Todd Clarke CCIM



#	Add #	Location	QD	City	Units	Age	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP *
S01	2000	Arbors	E	Hobbs	4	2012	\$ 500,000	\$ 500,000	8/25/2023	\$ 125,000	\$ 127	\$1,226	8.49	10.0%
S02	1210	Mermod	W	Carlsbad	4	2015	\$ 750,000	\$ 700,000	3/12/2024	\$ 187,500	\$ 175			
S03	2010	Radio		Carlsbad	4		\$ 684,000	\$ 465,000	8/31/2022	\$ 116,250	\$ 95			
S04	1237	Menaul	NW	Albuquerque	4	1980	\$ 550,000	\$ 521,500	4/20/2022	\$ 130,375	\$ 160	\$944	11.51	5.4%
S05	5005	Hardin	NE	Albuquerque	4	1984	\$ 550,000	\$ 497,500	12/13/2023	\$ 124,375	\$ 152	\$850	12.19	5.1%
S06	313	Mcknight	NE	Albuquerque	4	1945	\$ 559,000	\$ 549,000	7/8/2022	\$ 137,250	\$ 156	\$775	14.76	4.2%
S07	3708	Brywn Mawr	NE	Albuquerque	4	1972	\$ 615,000	\$ 560,000	10/4/2023	\$ 140,000	\$ 162	\$1,315	8.87	7.0%
S08	701	14th	NW	Albuquerque	4	1936	\$ 493,903	\$ 555,000	2/16/2023	\$ 138,750	\$ 219	\$906	12.76	4.8%
S09	312	Geraldine		Rio Rancho	4	1983	\$ 585,000	\$ 585,000	9/16/3323	\$ 146,250	\$ 177	\$850	14.34	4.3%
S10	12605	Copperwood	NE	Albuquerque	4	1979	\$ 589,000	\$ 560,000	6/2/2023	\$ 140,000	\$ 175	\$1,050	11.11	5.6%
S11	12912	Constitution	NE	Albuquerque	4	1972	\$ 600,000	\$ 589,000	7/8/2022	\$ 147,250	\$ 168	\$1,019	12.04	5.1%
S12	907	Silver	SW	Albuquerque	4	1911	\$ 710,000	\$ 700,000	8/31/2023	\$ 175,000	\$ 184	\$1,284	11.36	5.4%
S14	218	Walter	SE	Albuquerque	4	1916	\$ 715,000	\$ 715,000	10/4/2021	\$ 178,750	\$ 138	\$1,141	13.06	4.7%

Average SOLD							\$ 607,762	\$ 576,692		\$ 145,135	\$161	\$1,033	11.86	5.6%
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*imputed @ 5% vac, 40% exp

Subject Property	1111-1115 W McKay				8		\$ 1,098,000			\$ 137,250	\$167	\$1,125	10.17	6.5%
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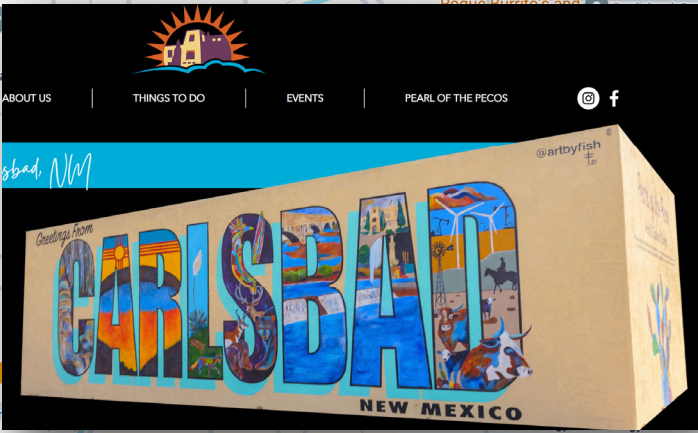
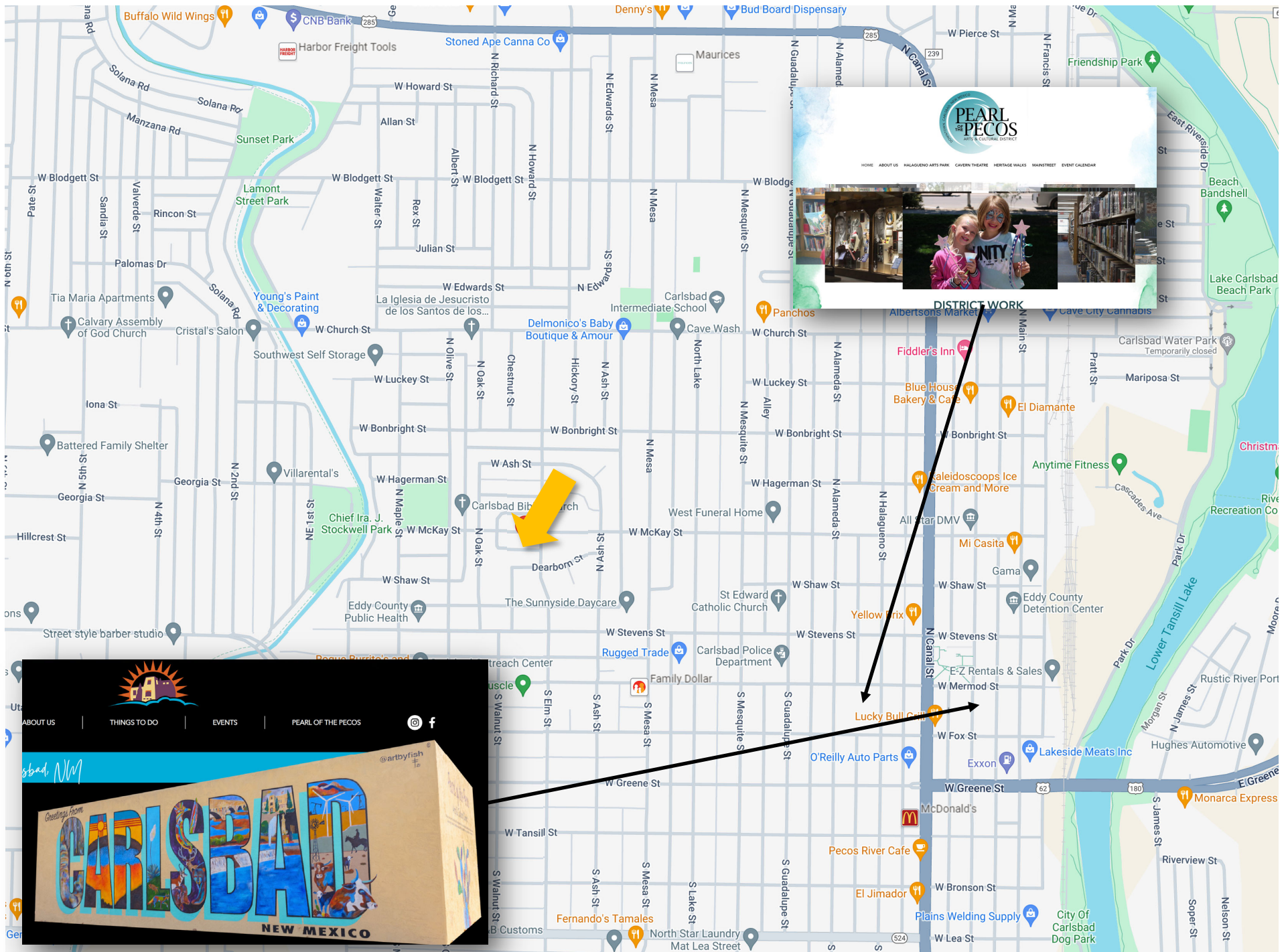
Average of Comparable SOLD applied to subject property

Average Rent for Sales =

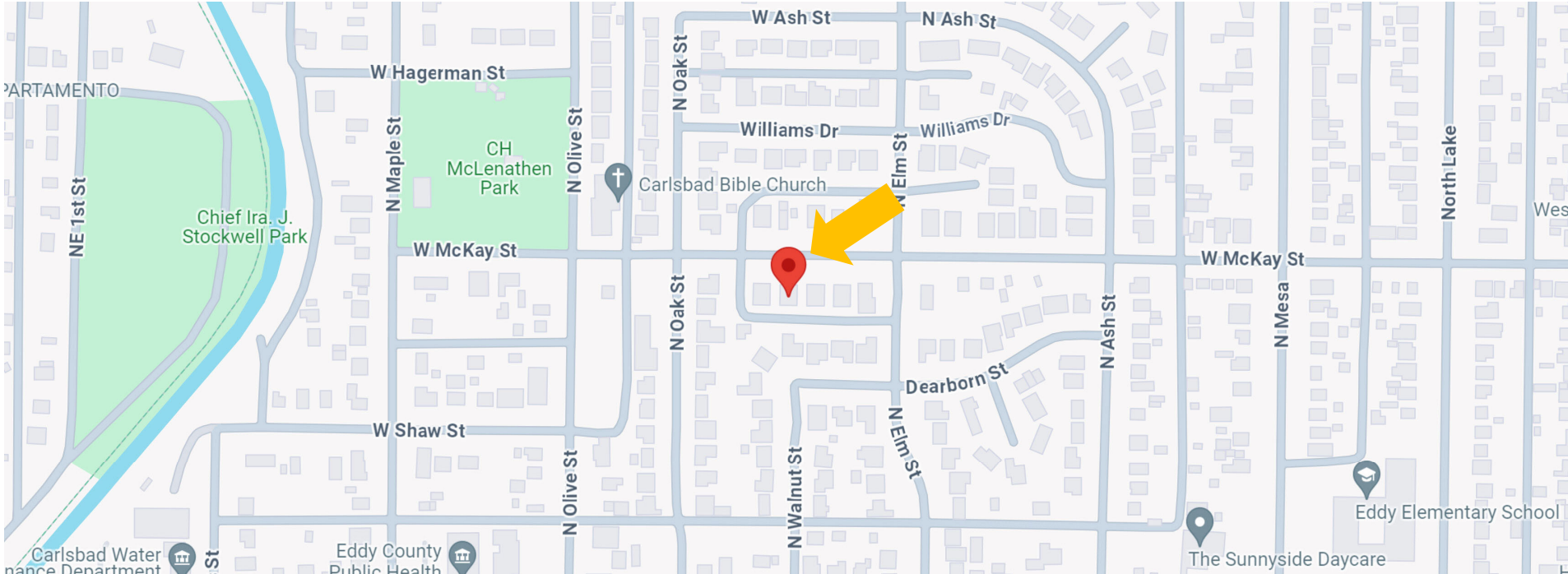
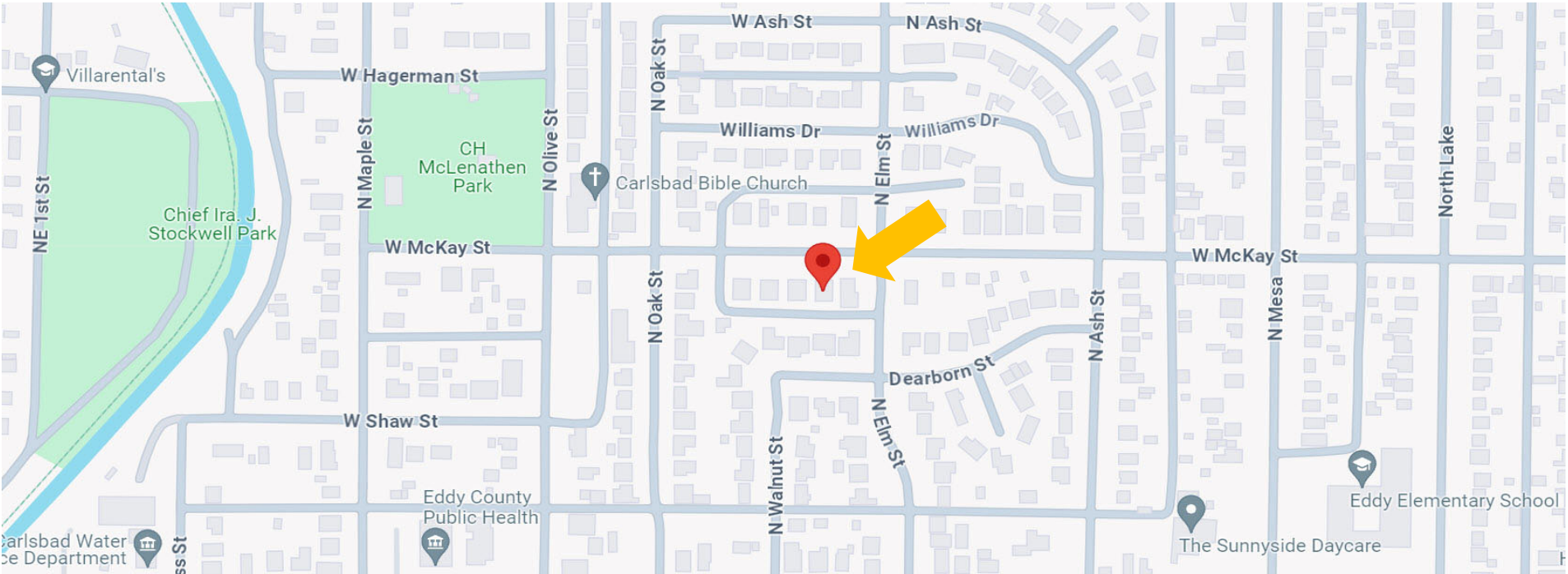
		\$1,033	
\$/unit	\$145,135		\$ 1,161,077
\$/sf	\$ 160.56		\$ 1,057,152
CAP (Actual)	5.6%		\$ 1,270,837
GRM (Actual)	11.86		\$ 1,217,105

Average= \$ 1,176,543

Property Info - Location - 1111 - 1115 W. McKay



Property Info - Neighborhood Location - 1111 - 1115 W. McKay



Property Photographs - Exterior - 1111 W McKay



Property Photographs - Exterior - 1115 W McKay



Property Photographs - Interior



Property Photographs - Interior



Virtual Tour: <http://www.nmapartment.com/mckay3d>

Property Photographs - Interior



Assessor's Information - 1111 W. McKay, Carlsbad, NM

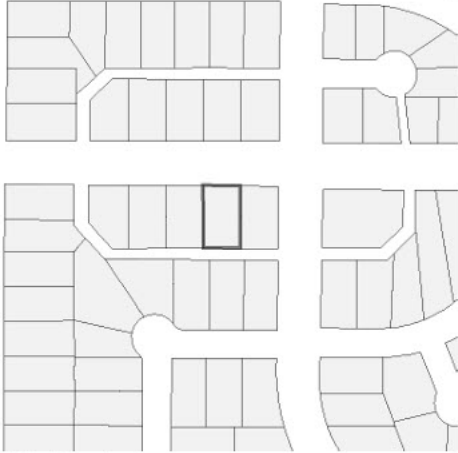
EDGE CAPITAL IV LLC
8100 WYOMING BLVD NE STE M4
#771
ALBUQUERQUE, NM 87113

Account: R058051
Tax Area: CI_R - CARLSBAD-IN
(Residential)
Acres: 0.000

Parcel: 4-156-127-458-180
Situation Address:
1111 W MC KAY STREET
CARLSBAD, 88220

Value Summary

Value By:	Market	Override	Legal Description
Land (1)	\$10,033	N/A	Subd: POWERS REP AMD L1 BL203 & L2 BL 202 Lot: 1B Block: 203
Commercial (1)	\$176,572	N/A	
Total	\$186,605	\$186,605	



Public Remarks

Entry Date	Model	Remark
04/12/2022		BK 1159 PG 145 MC KAY ST APARTMENTS

Land Occurrence 1

Property Code	Description	0100 - RESIDENTIAL LAND	RESIDENTIAL LAND	Land Code Measure	101_1_47 - Residential Land - 1.47 SF - SF

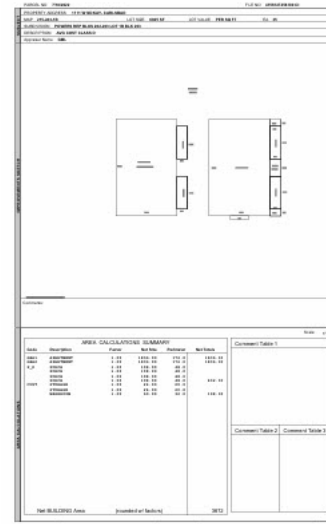
Commercial Occurrence 1

SubArea	ACTUAL	EFFECTIVE	HEATED	FOOTPRINT
GBA1 - First Floor	1836.0	1836.0	1836.0	1836.0
GBA2 - Second Floor	1836.0	1836.0	1836.0	1836.0
P_P - PORCH	432.0	432.0	432.0	432.0
NCA - Non-Calculated Area	20.0	20.0	20.0	20.0

Commercial Occurrence 1

Area	108.0	108.0	108.0	108.0
CUST - Custom				
Total	4,232.00	4,232.00	4,232.00	4,232.00

SKETCH/AREA TABLE ADDENDUM



Abstract Summary

Code	Classification	Actual Value	Value	Taxable Value	Actual Value Override	Taxable Override
0100	RESIDENTIAL LAND	\$10,033		\$3,344	\$1,382	\$461
0120	RESIDENTIAL IMPROVEMENT	\$176,572		\$58,857	\$117,103	\$39,034
Total		\$186,605		\$62,201	\$118,485	\$39,495

[More about 1111 West McKay Street](#)



Car-Dependent

Most errands require a car.



Bikeable

Some bike infrastructure.

Assessor's Information - 1115 W. McKay, Carlsbad, NM

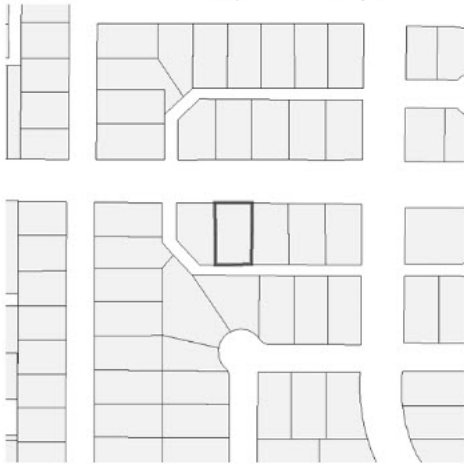
EDGE CAPITAL IV LLC Account: R058053 Parcel: 4-156-127-445-180
 8100 WYOMING BLVD NE STE M4 Tax Area: CL_R - CARLSBAD-IN Situs Address:
 #771 (Residential) 1115 W MC KAY STREET
 ALBUQUERQUE, NM 87113 Acres: 0.000 CARLSBAD, 88220

Value Summary

Value By:	Market	Override
Land (1)	\$10,033	N/A
Commercial (1)	\$176,572	N/A
Total	\$186,605	\$186,605

Legal Description

Subd: POWERS REP AMD L1 BL203 & L2 BL 202 Lot: 1D Block: 203



Public Remarks

Entry Date	Model	Remark
04/12/2022		BK 1159 PG 144

Land Occurrence 1

Property Code	Description	Land Code	Measure
0100	RESIDENTIAL LAND	101_L_47	Residential Land - 1.47
	RESIDENTIAL LAND	SF - SF	

Commercial Occurrence 1

Property Code	Description
0120	RESIDENTIAL IMPROVEMENT

SubArea	ACTUAL	EFFECTIVE	HEATED	FOOTPRINT
GBA1 - First Floor	1836.0	1836.0	1836.0	1836.0
GBA2 - Second Floor	1836.0	1836.0	1836.0	1836.0
P_P - PORCH	432.0	432.0	432.0	432.0
STR - STORAGE	108.0	108.0	108.0	108.0
Total	4,212.00	4,212.00	4,212.00	4,212.00

Property Record Card

Eddy Assessor

Commercial Occurrence 1

SKETCH/AREA TABLE ADDENDUM

PROPERTY CODES: 1115 W MC KAY ST CARLSBAD, NM 88220

AREA CALCULATIONS SUMMARY

Code	Description	Area	Perimeter	Net Value	Comment Table 1
0100	RESIDENTIAL LAND	1,836.00	1,776.00	\$10,033.00	
0120	RESIDENTIAL IMPROVEMENT	4,212.00	4,212.00	\$176,572.00	
Total		6,048.00	5,988.00	\$186,605.00	

NET BUILDING Area: 3072

Abstract Summary

Code	Classification	Actual Value	Value	Taxable Value	Actual Value Override	Taxable Override
0100	RESIDENTIAL LAND	\$10,033	\$3,344	\$1,788	\$596	\$596
0120	RESIDENTIAL IMPROVEMENT	\$176,572	\$58,857	\$120,251	\$40,084	\$40,084
Total		\$186,605	\$62,201	\$122,039	\$40,680	\$40,680

More about 1115 West McKay Street



Car-Dependent

Most errands require a car.



Bikeable

Some bike infrastructure.

About Carlsbad, New Mexico



Carlsbad, New Mexico, has a diverse market influenced by various sectors, including oil and gas, tourism, agriculture, and retail.

Here is an overview of each:

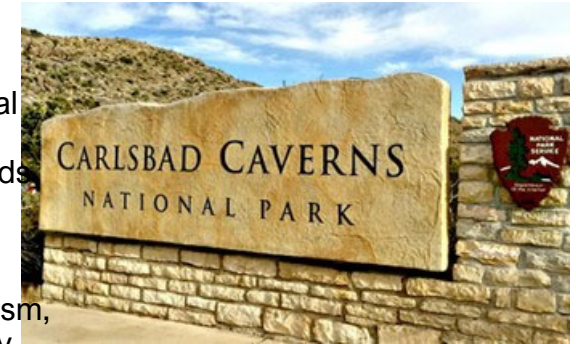
- Oil and Gas: Carlsbad's economy is heavily reliant on the oil and gas industry. The region is home to the Permian Basin, one of the most prolific oil and gas regions in the United States. Companies engage in drilling, exploration, production, and related services, creating job opportunities and driving economic growth.
- Tourism: Carlsbad Caverns National Park is a major tourist attraction, drawing visitors from around the world. The park features stunning cave formations, hiking trails, and bat flights, contributing significantly to the local economy through tourism-related businesses such as hotels, restaurants, and souvenir shops.
- Retirement Community: Strong employment foundation adds to the stability of the community. More than 15% of Carlsbad's population is over the age of 65.
- Agriculture: Agriculture plays a significant role in the economy of Carlsbad and the surrounding area. Farmers produce crops such as cotton, pecans, and alfalfa, potash while ranchers raise cattle and sheep. Agriculture provides employment opportunities and contributes to the region's overall economic output.
- Retail: Carlsbad has a thriving retail sector, with

numerous stores, shopping centers, and restaurants catering to residents and visitors alike. Retail establishments range from national chains to locally owned businesses, offering a variety of goods and services to meet the needs of the community.

Overall, Carlsbad's market is dynamic and diverse, with key sectors like oil and gas, tourism, agriculture, and retail driving economic activity and shaping the local economy. Additionally, the tourism sector is subject to seasonal variations, with visitation to Carlsbad Caverns National Park peaking during the summer months. Carlsbad continues to be a vibrant and economically resilient community.

Largest employers in Carlsbad:

Mosaic Potash, Intrepid Potash, Chevron, XTO, Exxon Mobil, Waste Isolation Pilot Plan (WIPP), Carlsbad Caverns



Carlsbad, New Mexico facts

- ☑ 101 Best small cities to start a business (KRQE)
- ☑ 2022 Census shows that Carlsbad was the fastest growing city in New Mexico by percentage. (Develop Carlsbad)
- ☑ Carlsbad had a population boom in the last decade. There are 50k-60k residents that live part time in Carlsbad due to their employment in the Oil and Gas and Potash industries

Multifamily investment sales process and thoughts:

My name is Todd Clarke CCIM and I am a commercial Realtor who has been selling apartment investments for over 35 years. In that time, I have listed/sold over 13,909 units totaling \$572M. I also teach investment sales analysis for the CCIM institute (23 years, over 4,000 students in a dozen countries). I share this with you so you know that the balance of this document comes from experience, and my ideals about how the apartment business runs. This also gives you insight into how we counsel and advocate for our clients.

Most of your **Buyer's questions** about rents, expenses, and property info can be answered by downloading the flyer & APOD (Annual Property Operating Data) from the document center. **Please READ THEM. If you are new to investment sales, I am glad to assist you, but please know:**

Showings/Tours

Residents have rights under the NM Landlord Resident Relations act, and Landlords take that law seriously.

Many Landlords consider their residents to be their **customers**. They work hard to keep them **happy**. Any attempt by a 3rd party to visit the property without the Landlord's prior written approval jeopardizes the Landlord's and Resident's happy customer relationship.

Do not disturb the residents, do not walk the property. It is considered rude to do either, and many Sellers will refuse to work with Buyers who violate this provision.

Landlords (Sellers) rarely are willing to show a property prior to having an offer.

Where possible, we have included virtual tours in high definition – please look to the flyer for those links.

Sellers suggest Buyers make an offer subject to inspection and that the buyer work hard to consolidate their inspections and appraisal review on the same business day.

Commercial vs. Residential Real Estate sales

Apartment investments are considered commercial real estate sales. Although the occasional apartment will sell to an owner/occupant, from the Seller's and Listing Broker's perspective, they approach the transaction in a business-like manner, where it is all about the numbers, and very little about the emotions.

Commercial brokers work regular business hours during business days, and so do most of their clients. Please do not write an offer with an expiration date on a weekend, or a response period of anything less than 3 business days. Please do not text, or expect return phone calls after regular business hours.

Offers

Commercial transactions often start with a two page letter of intent or LOI – this allows the parties to share the skeleton of a deal. If they can reach a meeting of the minds, they will then flesh out the details in a purchase and sale agreement. If your client chooses to do a letter of intent, please make sure your letter of intent form includes the basics like price, closing date, contingencies, and who pays what closings costs.

The current (2020) activity level from investors interest in our marketplace is 10 times higher than it was in 2016, our market is saturated with out of state investors, and I often tell buyers that they have a 1 in 10 chance of becoming an owner, where as everyone of my Sellers have a 1 in 1 chance of selling.

Please let your client know that I work with my clients on a merit based negotiation system - we do not play the high/low game, and my **listing agreement pre-**

authorizes me to let you know when a (low) offer is likely not to be responded to by my Seller, so call first before your client suggests a low ball offer.

If your client's strategy is to count days on market and expect a discount, please let them know we specialize in helping our clients establish the leading edge of current market pricing, and our clients are prepared to wait for the right investor who can meet their deal goals.

The follow-up questions Sellers ask after what is the price is, does the Buyer know the market? Have they been here? Do they have a team (management, lender, etc.) in place? Be prepared to answer these questions an advocate for your buyer, particularly if there are multiple competing offers.

Most of my Sellers are as focused on certainty of closing as they are the price, so don't be surprised when we ask you for proof of funds of down payment and a prequal letter from a qualified lender.

The standard in commercial transactions is that the Buyer pays for their own inspections and financing costs, and issues raised by the Buyer's lender are the Buyers to deal with.

BID Process

If this property is being marketed with the BID process, then **the ask (start) price is set low** with the intention of garnering a lot of investor interest that will lead to multiple offers, a best and final round **with a final close price that is considerably higher than the original ask price**. This process may be new to you, but we have been using it for over 16 years. By participating in the BID Process, best case, your buyer becomes an owner, worst case they receive an education on current market conditions.

If the property is being marketed using the BID process, the tour date and time is the **only time** the property is available for a viewing. This is not an inspection. Please do not bring your vendors, inspectors, ladders, etc. This is not an open house, but a guided tour that lasts 10 to 20 minutes and allows you a chance to view the interior condition.

Client Control

Your client's actions represent you in this transaction, and your actions represent them.

Please let your client know they have only one chance to make a good impression with my Sellers.

When in doubt, please ask for permission via email, **do not** take action and expect forgiveness from a Seller. Please let your clients know that their actions will be considered by the Seller when they review offers and rank them in likelihood to close.

Open invitation – on a monthly basis, we host a luncheon for brokers and property managers who have an interest in apartment investments – just email me for an invitation.

Please know that I love this business and I am glad to share my knowledge, expertise and enthusiasm with you and your Buyer. I want to help you, help them, to be a great landlord and investor.

I look forward to working on this transaction with you—Sincerely—Todd Clarke CCIM
CIPs

Further Information

Do not walk property or disturb residents.

To register for access to confidential documents go to:

www.nmapartment.com/1111WMcKay

Virtual Tour: <http://www.nmapartment.com/mckay3d>

Marketing Advisors

In the event of multiple offers, BID process will be used. Additional information on the sales process can be found at www.nmapartment.com/bidprocess/bidprocess.pdf

The owner and property are represented by Todd Clarke CCIM of NM Apartment Advisors, who has over 35 years of experience in marketing apartments, Kyle Deacon of Deacon Property Services, LLC, and Lanette Rostro of Berkshire Hathaway HomeServices Enchanted Lands Realtor. If there is any information you need on the market, submarket, or the property, please do not hesitate to ask.



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