

GALLAHER APARTMENTS

2310 and 2318 Gallaher, Saint Charles, MO 63301



PROPERTY HIGHLIGHTS

- Great Location near Blanchette Park in St. Charles.
- Property Consists of 4-1 Bedroom / 1 Bath and 16- 2 Bedroom / 1 Bath Units
- Adequate Private Parking
- Upside to Increase Rents
- Newer Roofing and Soffits as of 2017



Apartment
advisors Of America

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INVESTMENT DETAILS

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301

ANALYSIS

Analysis Date January 2019

PROPERTY

Property Gallaher Apartments
Property Address 2310 and 2318 Gallaher
Saint Charles, MO 63301
Year Built 1960



PURCHASE INFORMATION

Property Type MultiFamily
Purchase Price \$1,208,000
Units 20
Total Rentable Sq. Ft. 14,000

FINANCIAL INFORMATION

Down Payment \$241,600

LOANS

Type	Debt	Term	Amortization	Rate	Payment	LO Costs
Balloon	\$966,400	5 years	25 years	4.99%	\$5,644	

INCOME & EXPENSES

Gross Operating Income	\$150,115
Monthly GOI	\$12,510
Total Annual Expenses	(\$54,502)
Monthly Expenses	(\$4,542)

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EXECUTIVE SUMMARY

Gallaher Apartments

2310 and 2318 Gallaher | Saint Charles, MO 63301

Acquisition Costs

Purchase Price, Points and Closing Costs	\$1,208,000
Investment - Cash	\$241,600
First Loan	\$966,400

Investment Information

Purchase Price	\$1,208,000
Price per Unit	\$60,400
Price per Sq. Ft.	\$86.29
Income per Unit	\$7,901
Expenses per Unit	(\$2,725)

Income, Expenses & Cash Flow

Gross Scheduled Income	\$158,016
Total Vacancy and Credits	(\$7,901)
Operating Expenses	(\$54,502)
Net Operating Income	\$95,614
Debt Service	(\$67,726)
Cash Flow Before Taxes	\$27,887

Financial Indicators

Cash on Cash Return Before Taxes	11.54%
Debt Coverage Ratio	1.41
Capitalization Rate	7.92%
Gross Rent Multiplier	7.64
Gross Income / Square Feet	\$11.29
Gross Expenses / Square Feet	(\$3.89)
Operating Expense Ratio	36.31%

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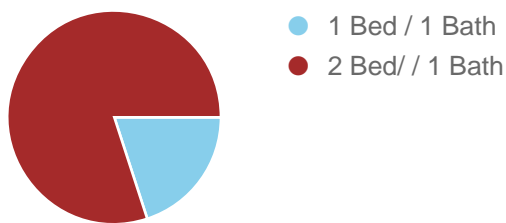


UNIT MIX REPORT

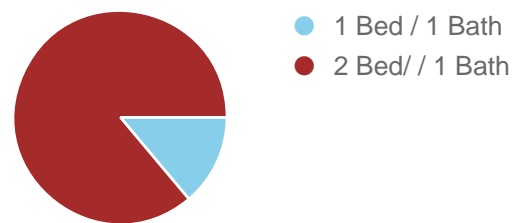
Gallaher Apartments
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Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
4	1 Bed / 1 Bath	500	\$592	\$2,368	\$650	\$2,600
16	2 Bed / 1 Bath	750	\$675	\$10,800	\$700	\$11,200
20		14,000		\$13,168		\$13,800

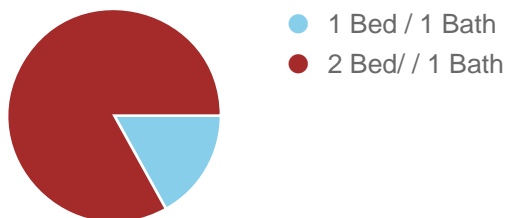
UNIT MIX



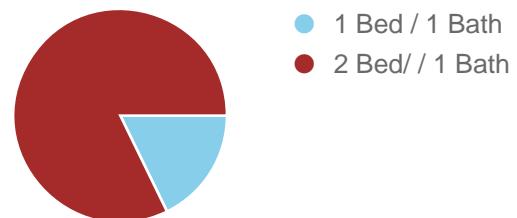
UNIT MIX SQUARE FEET



UNIT MIX INCOME



UNIT MIX MARKET INCOME



CASH FLOW ANALYSIS

Gallaher Apartments
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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
GROSS SCHEDULED INCOME	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016
General Vacancy	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)
Total Operating Expenses	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)
NET OPERATING INCOME	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614
Loan Payment	(\$67,726)	(\$67,726)	(\$67,726)	(\$67,726)	(\$67,726)	\$0	\$0	\$0	\$0	\$0
NET CASH FLOW (b/t)	\$27,887	\$27,887	\$27,887	\$27,887	\$27,887	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614
Cash On Cash Return b/t	11.54%	11.54%	11.54%	11.54%	11.54%	8.71%	8.71%	8.71%	8.71%	8.71%

* b/t = before taxes;a/t = after taxes

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PRO FORMA SUMMARY

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301



INVESTMENT SUMMARY

Price:	\$1,208,000
Year Built:	1960
Units:	20
Price/Unit:	\$60,400
RSF:	14,000
Price/RSF:	\$86.29
Lot Size:	0.75 acres
Floors:	2
Parking Spaces:	1/1
APN:	6006D405300
Cap Rate:	7.92%
Market Cap Rate:	8.21%
GRM:	7.64
Market GRM:	7.29

FINANCING SUMMARY

Loan Amount:	\$966,400
Down Payment:	\$241,600
Loan Type:	Balloon
Interest Rate:	4.99%
Term:	5 years
Monthly Payment:	\$5,644
DCR:	1.41

UNIT MIX & ANNUAL SCHEDULED INCOME

Type	Units	Actual	Total	Market	Total
1 Bed / 1 Bath	4	\$7,104	\$28,416	\$7,800	\$31,200
2 Bed / 1 Bath	16	\$8,100	\$129,600	\$8,400	\$134,400
TOTALS	20		\$158,016		\$165,600

ANNUALIZED INCOME

Description	Actual	Market
Gross Potential Rent	\$158,016	\$165,600
Less: Vacancy	(\$7,901)	(\$8,280)
Effective Gross Income	\$150,115	\$157,320
Less: Expenses	(\$54,502)	(\$58,117)
Net Operating Income	\$95,614	\$99,203
Debt Service	(\$67,726)	(\$67,726)
Net Cash Flow after Debt Service	\$27,887	\$31,477
Principal Reduction	\$19,955	\$19,955
Total Return	\$47,842	\$51,432

ANNUALIZED EXPENSES

Description	Actual	Market
Property Management Fee	\$6,321	\$9,936
Replacement Reserves	\$6,000	\$6,000
Building Insurance	\$6,814	\$6,814
Maintenance/Repairs	\$11,919	\$11,919
Taxes - Real Estate	\$12,628	\$12,628
Utilities	\$10,820	\$10,820
Total Expenses	\$54,502	\$58,117
Expenses Per RSF	\$3.89	\$4.15
Expenses Per Unit	\$2,725	\$2,906

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INVESTMENT RETURN ANALYSIS

Gallaher Apartments
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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow - To Date	\$27,887	\$55,775	\$83,662	\$111,549	\$139,437	\$235,050	\$330,664	\$426,278	\$521,891	\$617,505
Net Resale Proceeds	\$159,555	\$186,529	\$214,574	\$243,744	\$274,098	\$1,136,000	\$1,142,000	\$1,148,000	\$1,154,000	\$1,160,000
Invested Capital	(\$241,600)	(\$241,600)	(\$241,600)	(\$241,600)	(\$241,600)	(\$1,097,502)	(\$1,097,502)	(\$1,097,502)	(\$1,097,502)	(\$1,097,502)
Net Return on Investment	(\$54,158)	\$704	\$56,636	\$113,694	\$171,935	\$273,548	\$375,162	\$476,775	\$578,389	\$680,002
Internal Rate of Return	N/A	0.15%	8.10%	11.73%	13.59%	37.49%	33.76%	31.15%	29.26%	27.83%
Modified IRR	-22.42%	0.15%	7.27%	10.12%	11.35%	33.55%	29.46%	26.40%	24.01%	22.09%
NPV (cash flow + reversion)	(\$54,158)	\$704	\$56,636	\$113,694	\$171,935	\$1,129,450	\$1,231,064	\$1,332,678	\$1,434,291	\$1,535,905
PV (NOI + reversion)	\$1,195,614	\$1,291,227	\$1,386,841	\$1,482,454	\$1,578,068	\$1,673,681	\$1,769,295	\$1,864,908	\$1,960,522	\$2,056,136

* a/t = after taxes; Modified IRR = Modified Internal Rate of Return; PV = Present Value; NPV = Net Present Value; NOI = Net Operating Income

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ANNUAL PROPERTY OPERATING DATA

Gallaher Apartments
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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Rental Income	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016
GROSS SCHEDULED INCOME	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016	\$158,016
General Vacancy	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)	(\$7,901)
GROSS OPERATING INCOME	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115	\$150,115
Expenses										
Property Management Fee	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)	(\$6,321)
Replacement Reserves	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)
Building Insurance	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)	(\$6,814)
Maintenance/Repairs	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)	(\$11,919)
Taxes - Real Estate	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)	(\$12,628)
Utilities	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)	(\$10,820)
TOTAL OPERATING EXPENSES	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)	(\$54,502)
NET OPERATING INCOME	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614	\$95,614

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FINANCIAL INDICATORS

Gallaher Apartments
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Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross Rent Multiplier	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96	6.96
Capitalization Rate	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%	7.92%
Cash On Cash Return b/t	11.54%	11.54%	11.54%	11.54%	11.54%	8.71%	8.71%	8.71%	8.71%	8.71%
Cash On Cash Return a/t	11.54%	11.54%	11.54%	11.54%	11.54%	8.71%	8.71%	8.71%	8.71%	8.71%
Debt Coverage Ratio	1.41	1.41	1.41	1.41	1.41	N/A	N/A	N/A	N/A	N/A
Gross Income per Sq. Ft.	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29	\$11.29
Expenses per Sq. Ft.	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)	(\$3.89)
Net Income Multiplier	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Operating Expense Ratio	36.31%	36.31%	36.31%	36.31%	36.31%	36.31%	36.31%	36.31%	36.31%	36.31%
Loan To Value Ratio	86.04%	84.13%	82.13%	80.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* b/t = before taxes; a/t = after taxes

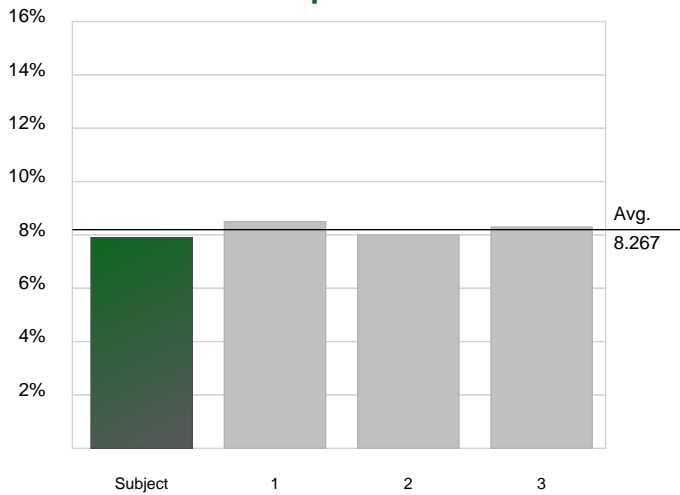
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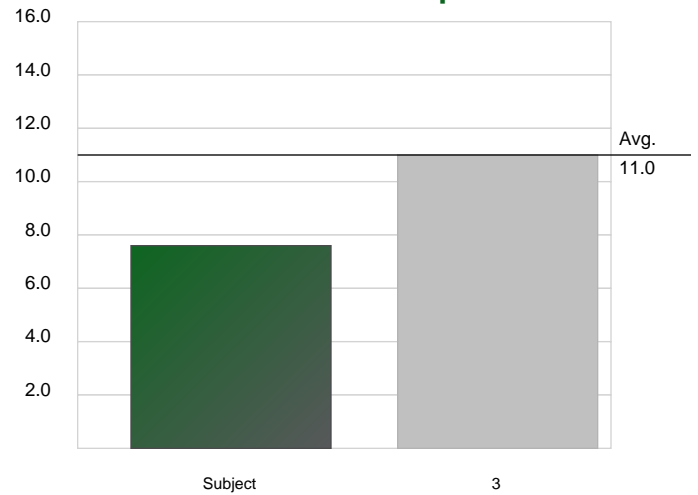
SALE COMPARABLES

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301

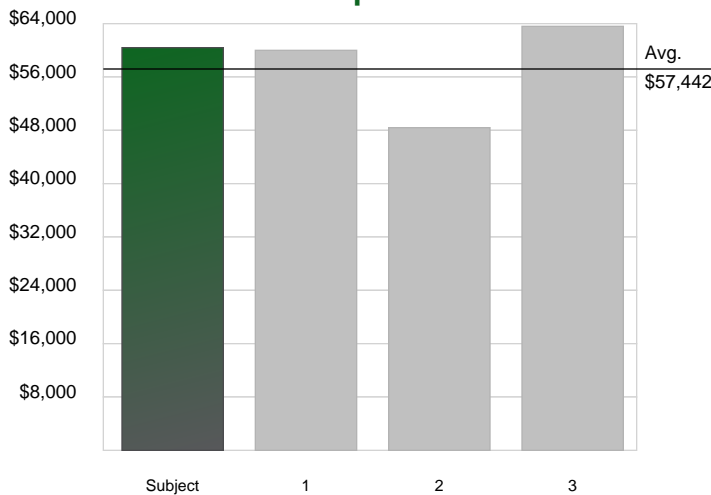
Cap Rate



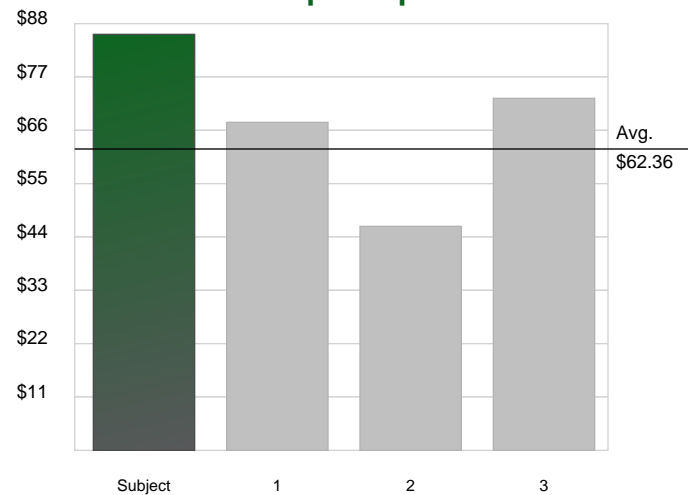
Gross Rent Multiplier



Price per Unit



Price per Sq. Ft.



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SALE COMPARABLES

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301

S



Gallaher Apartments 2310 and 2318 Gallaher Saint Charles, MO 63301

Sale Price	\$1,208,000	# Units	Unit Type
Units	20	4	1 Bed / 1 Bath
Price/Unit	\$60,400	16	2 Bed / 1 Bath
Price/SqFt	\$86.29		
Cap Rate	7.92%		
Year Built	1960		
GRM	7.64		

1



802 Cunningham 802 Cunningham Avenue Saint Charles, MO 63301

Sale Price	\$240,000	# Units	Unit Type
Units	4		4 Two Bedroom One Bath
Price/Unit	\$60,000		
Price/SqFt	\$67.91		
Cap Rate	8.5%		
Year Built	1965		
GRM	N/A		

Sale Date 6/6/2016

2



North Benton Apartments 505 North Benton Ave Saint Charles, MO 63301

Sale Price	\$775,000	# Units	Unit Type
Units	16		4 One Bedroom One Bath
Price/Unit	\$48,438		12 Two Bedroom Two Bath
Price/SqFt	\$46.23		
Cap Rate	8.0%		
Year Built	1970		
GRM	N/A		

Sale Date 9/26/2018

NOTES

Closed 1/30/17

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SALE COMPARABLES

Gallaher Apartments

2310 and 2318 Gallaher | Saint Charles, MO 63301

3



On Market

NOTES

As of 7/26/18

631 5th North
651 5th North
Saint Charles, MO 63301

Sale Price \$574,999
Units 9
Price/Unit \$63,889
Price/SqFt \$72.95
Cap Rate 8.3%
Year Built 1860
GRM 11.0

# Units	Unit Type
6	Studio/Efficiency
3	One Bedroom One Bath

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SALE COMPARABLES

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301



S 2310 and 2318 Gallaher
Saint Charles, MO, 63301
\$1,208,000

1 802 Cunningham Avenue
Saint Charles, MO, 63301
\$240,000

2 505 North Benton Ave
Saint Charles, MO, 63301
\$775,000

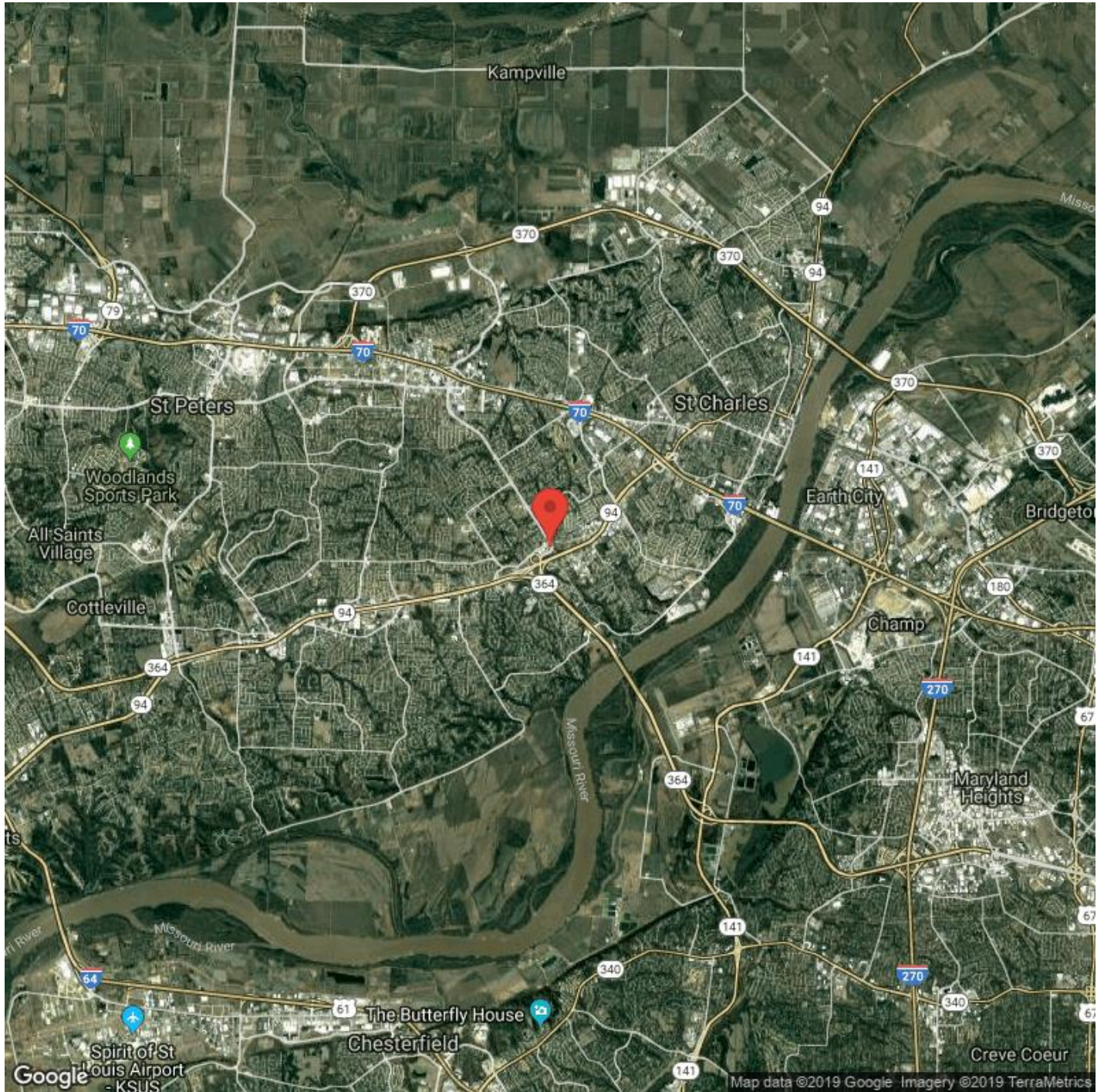
3 651 5th North
Saint Charles, MO, 63301
\$574,999

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Apartment
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REGIONAL MAP

Gallaher Apartments
2310 and 2318 Gallaher | Saint Charles, MO 63301



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LOCATION MAP

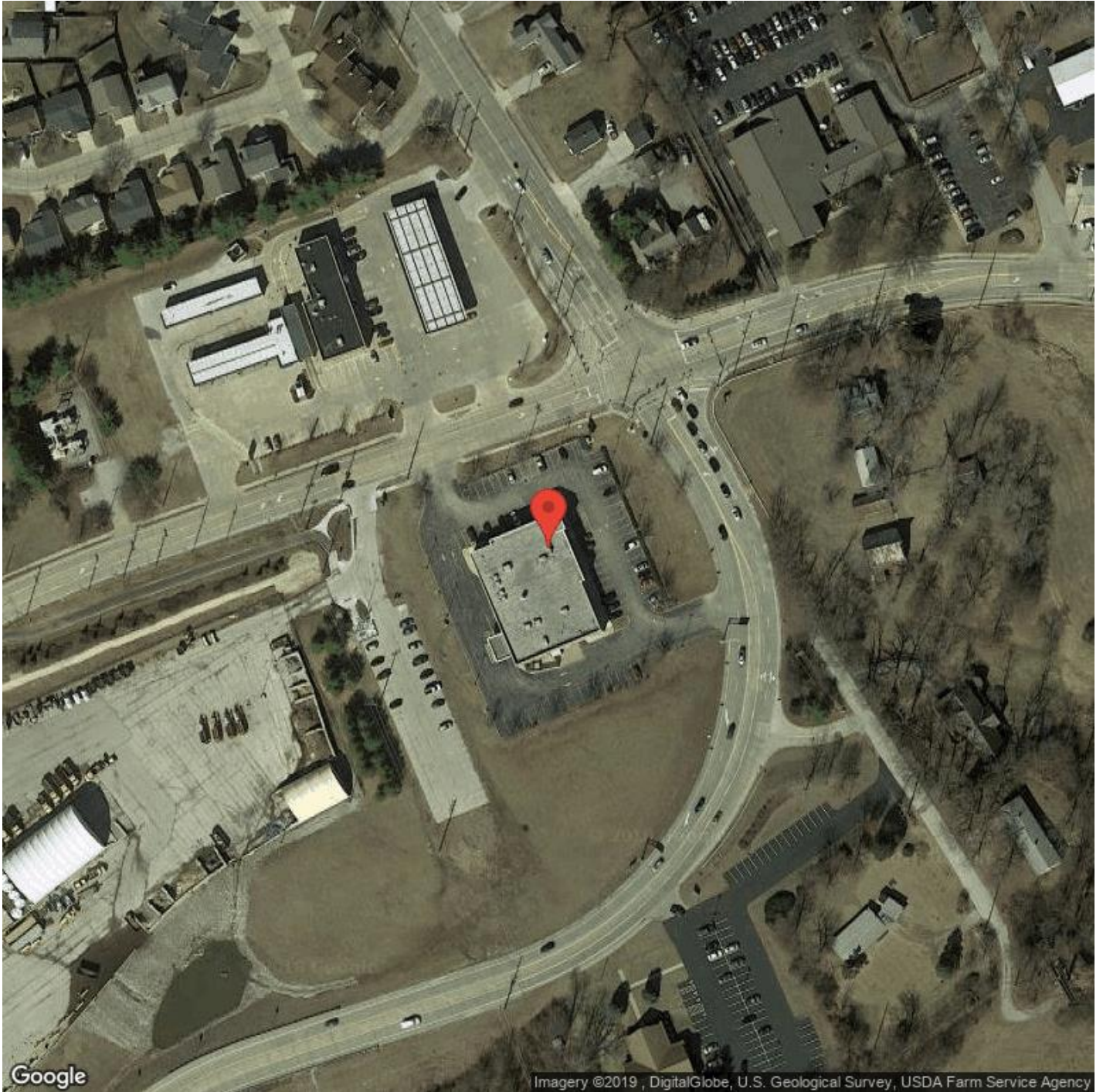
Gallaher Apartments
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AERIAL MAP

Gallaher Apartments
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