



COMMERCIAL REALTY RESOURCES Co.
MULTIFAMILY INVESTMENT SERVICES



Arkansas

Oklahoma

Kansas



LaVilla / Elms Apartments

1200 & 1400 W. Elm Street
El Reno, Oklahoma 73036

100-Units

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Providing professional apartment brokerage and marketing services for over 30 years

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This package has been prepared to provide summary information to prospective buyers and to establish an initial and preliminary level of interest in the property described herein. It is not intended to present all material information regarding the subject property, and is not a substitute for a complete and thorough due diligence investigation. Commercial Realty Resources has not made any investigation of the actual property, the tenants, the operating history, financial reports, leases, square footage, age or any other aspect of the property, including but not limited to the actual number of appliances being conveyed or any potential environmental problems that may exist and makes no warranty or representation whatsoever concerning these issues.

The information contained in this package has been obtained from sources we believe to be reliable; however, Commercial Realty Resources and Seller have not conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. Any proformas, projections, opinions, assumptions or estimates used are for example only and do not necessarily represent the current or future performance of the property.

Commercial Realty Resources and Seller recommend that prospective buyers conduct an in-depth investigation of the physical and financial aspects of the property to determine if the property meets their needs and expectations. We also recommend that prospective buyers consult with their tax, financial and legal advisors on any matter that may affect their decision to purchase the property and the subsequent consequences of ownership.

Commercial Realty Resources and Seller recommend that prospective buyers consult with qualified professionals regarding the presence of any molds, funguses, or other organisms that may adversely affect the property and the health of individuals.

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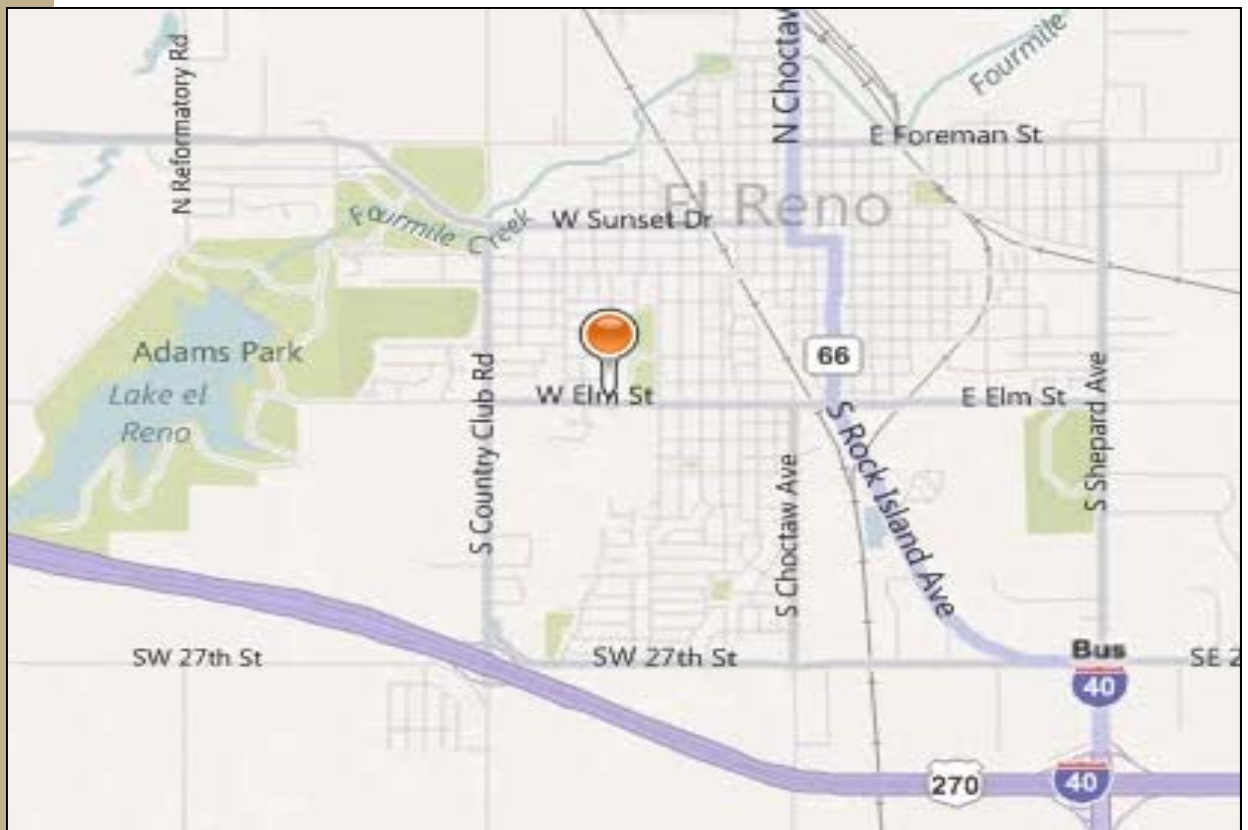
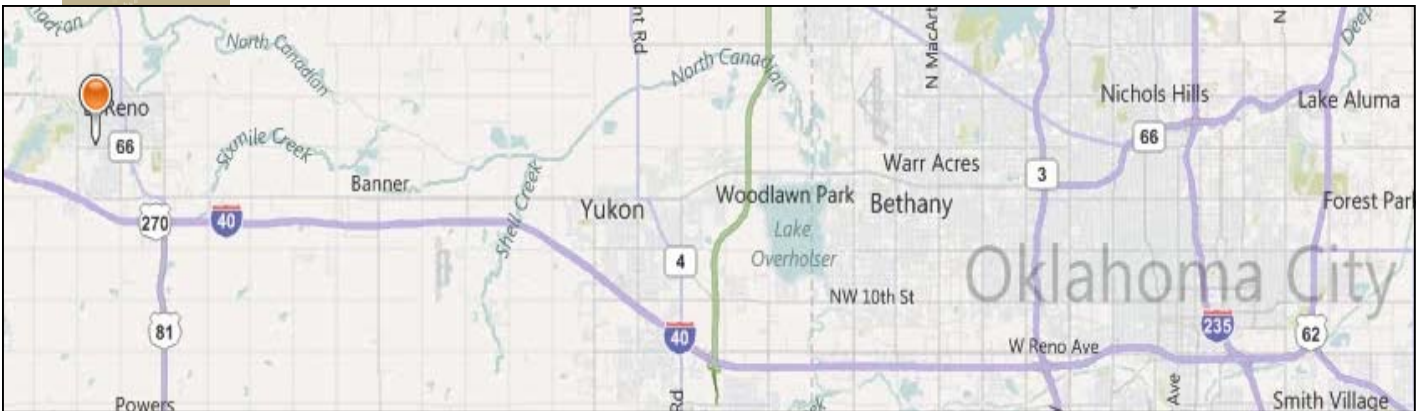
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Submarket Map



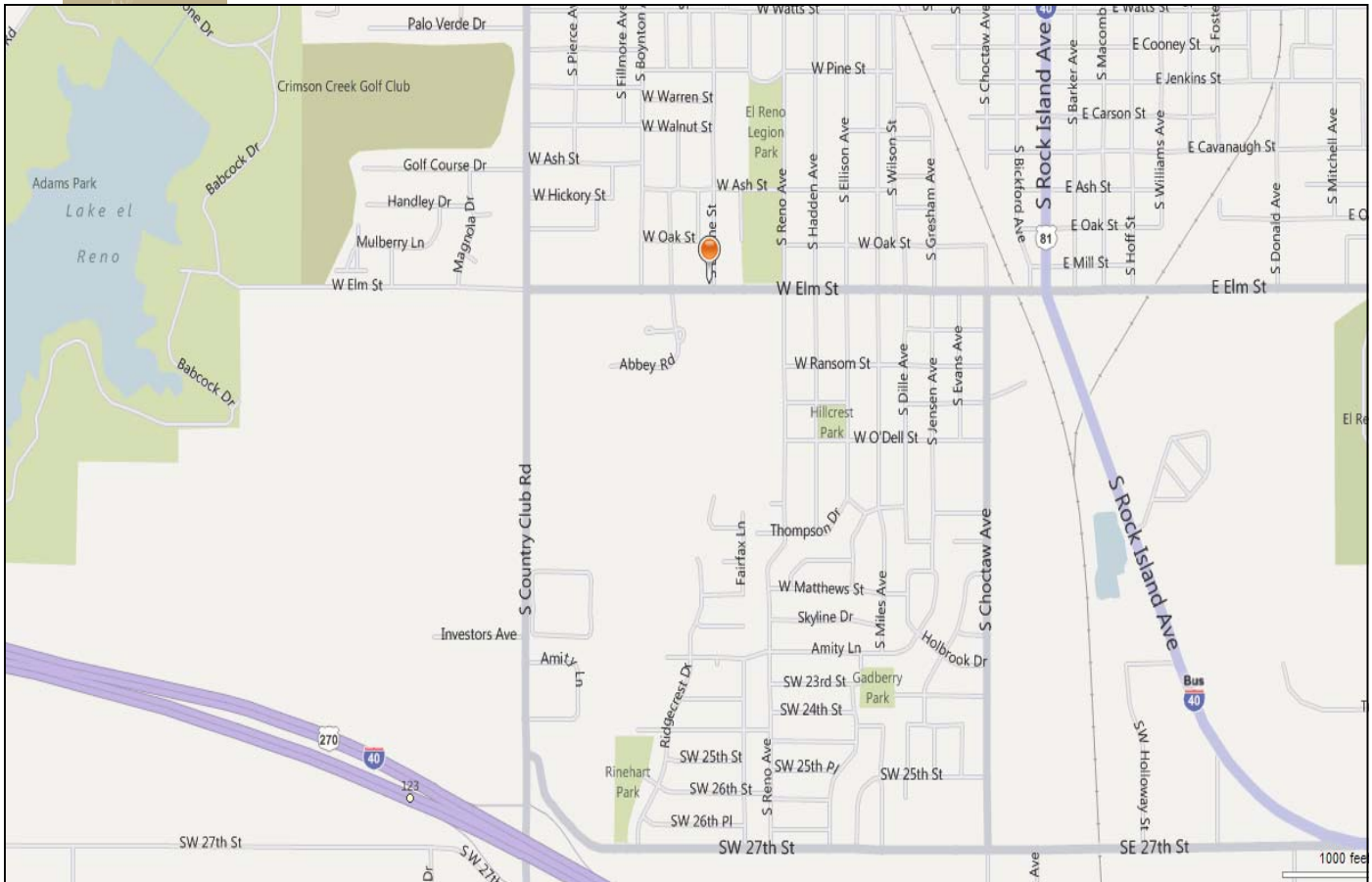
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Neighborhood Map



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Aerial Photo



- 1- Westoaks
- 2- LaVilla
- 3- The Elms

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Aerial Photo LaVilla



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Aerial Photo The Elms



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Offering Description

The Elms, LaVilla and Westoaks is a 100-units that is comprised of three separate communities that are operated as one property. The properties are all two-story garden style apartment communities with a premiere location in El Reno, Oklahoma. The property is near Redlands Community College and upscale residential neighborhoods.

El Reno is conveniently located off of Interstate 40 right in the heart of Oklahoma. With a population of over 16,000, El Reno retains a small town charm while only being 20 miles west of downtown Oklahoma City.

Running through the heart of El Reno is the legendary Route 66. The city, built along this classic route, is rich with history and nostalgia.



Offering Highlights:

- New TPO and Composition Shingle Roofs in the past 3-years
- Limited number of competing properties
- Excellent Location near Redlands Community College
- Near upscale residential neighborhoods
- Near Shopping, Dining and Major Employers
- On the way to El Reno at I-40 and Council Road is the \$50 million Outlet Shoppes at Oklahoma City. The Outlet Shoppes opened in August 2011 with 348,000 square foot of retail space and has over 1,000 retail jobs.
- Additional land that could be used for more rental units or self storage

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Property Description:

LaVilla, Westoaks and The Elms are all two-story garden style apartment communities located in El Reno, Oklahoma. The property has an excellent location just east of Country Club Road. The property has convenient access to Interstate 240 and is only 20 miles west of downtown Oklahoma City and the Bricktown District. This is a very popular submarket of the Oklahoma City Metro Area.

Number of Units:

40-units- The Elms
47-units- LaVilla
13-units- Westoaks

Number of Buildings:

6 two-story apartment buildings and 1 single-story office/
laundry building at LaVilla
2 two-story apartment buildings and 1 single-story office/
laundry building at The Elms
1 two-story apartment building at Westoaks

Year Built:

1970—The Elms (*according to courthouse records*)
1970—LaVilla (*according to courthouse records*)
1973—Westoaks (*according to courthouse records*)

Apartment Features:

Fully equipped kitchens

Property Amenities:

Swimming Pool at LaVilla
Laundry Facility at both LaVilla and The Elms
Westoaks is adjacent to LaVilla and has access to the
swimming pool and laundry facility

Construction:

Style: Two-Story Garden Style

Exterior: Combination of brick veneer with wood trim and siding and mansard.

Roof: Flat roofs with cedar shingle mansard overhangs on The Elms and pitched roofs with composition shingles on LaVilla. Westoaks has flat roofs with composition shingles over mansard and pitched accents over stairwells. New TPO and Composition Shingle Roofs in the past 3-years

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Mechanical System:

Electrical Metering: Individually Metered

HVAC: Individual HVAC

Hot Water: Individual Hot Water Heaters

Water: Provided by Property

Site/Land Area:

3.00 acres—LaVilla *(according to appraisal data)*

1.24 acres—The Elms *(according to appraisal data)*

2.01 acres—Westoaks *(according to appraisal data)*

Density:

16 units per acre

Current Occupancy:

93% as of May 2015

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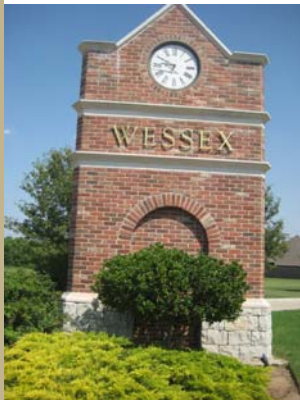
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Real Estate Taxes:

090026830 (LaVilla)
Assessed Value (2014): 130,008
Tax Rate: \$113.71 per \$1,000 of assessed value
Tax Amount: \$14,783
Assessment Ratio: 12% of Market Value

090026674 (Elms)
Assessed Value (2014): 76,514
Tax Rate: \$113.71 per \$1,000 of assessed value
Tax Amount: \$8,700
Assessment Ratio: 12% of Market Value

090026831 (Westoaks)
Assessed Value (2014): 39,407
Tax Rate: \$113.71 per \$1,000 of assessed value
Tax Amount: \$4,481
Assessment Ratio: 12% of Market Value



Residential Neighborhoods:

The Wessex subdivision is an upscale residential neighborhood directly across the street from LaVilla and The Elms.

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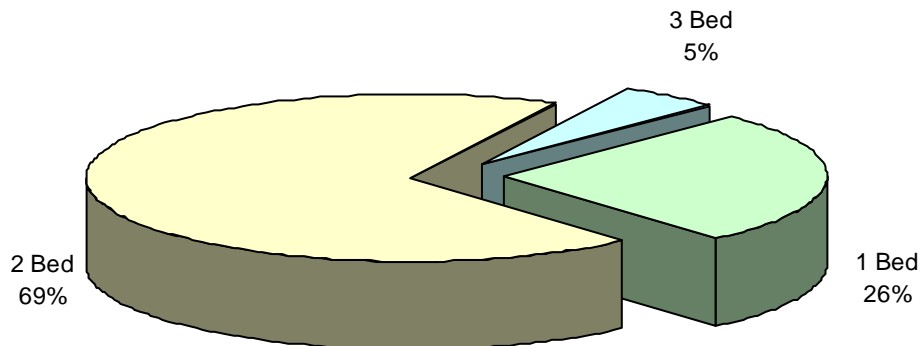


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UNIT MIX

No. Units	Bdrm/Bth	Sq.Ft.	Total Sq.Ft.	Rent	Rent/Sq.Ft.	Gross/Mo.	Gross/Yr.
26	1 Bed / 1 Bth	661	17,186	410.00	0.62	10,660	127,920
68	2 Bed / 1 Bth	945	64,260	545.00	0.58	37,060	444,720
1	2 Bed / 2 Bth	950	950	545.00	0.57	545	6,540
4	3 Bed / 2 Bth	1,065	4,260	615.00	0.58	2,460	29,520
1	3 Bed / 2.5 Bth	1,600	1,600	870.00	0.54	870	10,440
100		883	88,256	515.95	0.58	51,595	619,140

DISTRIBUTION RATIO



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PURCHASE PRICE & TERMS

<u>Purchase Price:</u>	\$3,425,000
<u>Terms of Sale:</u>	Cash Buyer to obtain New Financing
<u>Price Per Apartment Unit:</u>	\$34,250
<u>Price Per Net Rentable Sq. Ft.</u>	\$38.81
<u>Cap Rate:</u> <i>(Based on Actual / Proforma)</i>	8.49%

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Operating Data Highlights

Income

- Proforma Income is based on the current May 2015 Rent Roll. We applied a 7% Vacancy Loss. Other Income is based on 2014 and 2015 actual.

Expenses

- Expenses are calculated at 3,000 per unit per year.
- Real Estate taxes have been adjusted to the purchase price.

Mortgage and Debt Service

- Buyer to obtain New Financing

Annual Property Operating Data							
Date:	29-May-15	Price:	\$	3,425,000	Cap Rate:		8.49%
Project:	LaVilla Elms Westoaks	Per Unit:	\$	34,250	Cash-On-Cash:		16.69%
Address:	1200 & 1400 W. Elm St	Per Foot:	\$	38.81			
	El Reno	Mortgage Balance:	\$	2,740,000			
		Equity Requirement:	\$	685,000	20%		
No. Units	Bdrm/Bth	Sq.Ft.	Total Sq.Ft.	Rent	Rent/Sq.Ft.	Gross/Mo.	Gross/Yr.
26	1 Bed / 1 Bth	661	17,186	410.00	0.62	10,660	127,920
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1	3 Bed / 2.5 Bth	1,600	1,600	870.00	0.54	870	10,440
100		883	88,256	515.95	0.58	51,595	619,140
2015 Jan-May							
		2014	Annualized	Proforma	Per Unit	Potential Financing	
INCOME	Scheduled Rent			619,140	6,191		
	Loss/Gain to Lease			-	-	Original Bal.	\$ 2,740,000
	Gross Potential			619,140	6,191	Current Bal.	\$ 2,740,000
	Vacancy Loss 7%			43,340		Interest Only	\$ -
	Total Rental Income	522,481	544,591	575,800	5,758	Maturity Date	10
	Other Income	13,722	12,499	15,000		Amortization	30
	Utility Income	-	-	-	-	Interest Rate	5.00%
Total Revenue	536,203	557,090	590,800	5,908	Constant	6.442%	
EXPENSES	R E Taxes	24,700	33,556	46,000	460	Debt Service	\$ 176,507
	Insurance	17,779	-	30,000	300		
	Management Fee 5%	-	-	29,540	295		
	Utility Expenses	45,083	52,245	52,245	522		
	Repairs	3,314	4,430	4,000	40		
	Supplies	21,068	33,021	25,000	250		
	Cleaning and Maintenance	10,935	8,184	11,000	110		
	Advertising	1,188	3,556	1,200	12		
	Administration	9,611	1,383	5,000	50		
	Landscaping	7,125	3,900	6,000	60		
	Payroll / Taxes / Benefit	-	-	90,000	900		
		-	-	-	-		
	Total Operating Expenses	140,803	140,275	299,985			
	1,408	1,403	3,000				
Net Operating Income	395,400	416,815	290,815				
Debt Service			176,507				
Cash-Flow Before Taxes			114,308				
Real Estate Tax Information:	2014	Assessed Value:	245,929	Rate/\$1000:	113.71	Value:	\$2,049,408
Account:	3 Accounts	Tax Amount:	\$27,965	Tax Dist:		Per Unit:	\$20,494.08

Westoaks was added in 4th-Qtr of 2014 - 13 two bed / one bth units at \$545 to the Income

May 2015 Rent Roll Annualized is \$573,240

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Sold Comparison

Property Address: 404 S. 2nd Street, Yukon, OK

Size and Age: 40-units, Built in 1974

Price: \$1,550,000 **Price Per Unit:** \$38,750

Closing Date: June, 2014

Total Square Footage: 35,772



Cedar Creek

Property Address: 1215 Oakhurst Ave, Norman, OK

Size and Age: 48-units, Built in 1974

Price: \$1,550,000 **Price Per Unit:** \$32,291

Closing Date: June, 2014

Total Square Footage: 42,782



Dutch Hollow

Property Address: 701 N. Harvey Road, Seminole, OK

Size and Age: 60-units, Built in 2004

Price: \$1,830,000 **Price Per Unit:** \$30,500

Closing Date: April, 2014

Total Square Footage: 49,620



Winding Creek

Property Address: 3621 S. Wynn Drive, Edmond

Size and Age: 100-units, Built in 1972

Price: \$4,350,000 **Price Per Unit:** \$43,500

Closing Date: September, 2014

Total Square Footage: 95,836



Boulder Creek

Limited comp data is available in El Reno. Therefore, the above comps were selected because of similarities in quality, location, construction features and submarket.

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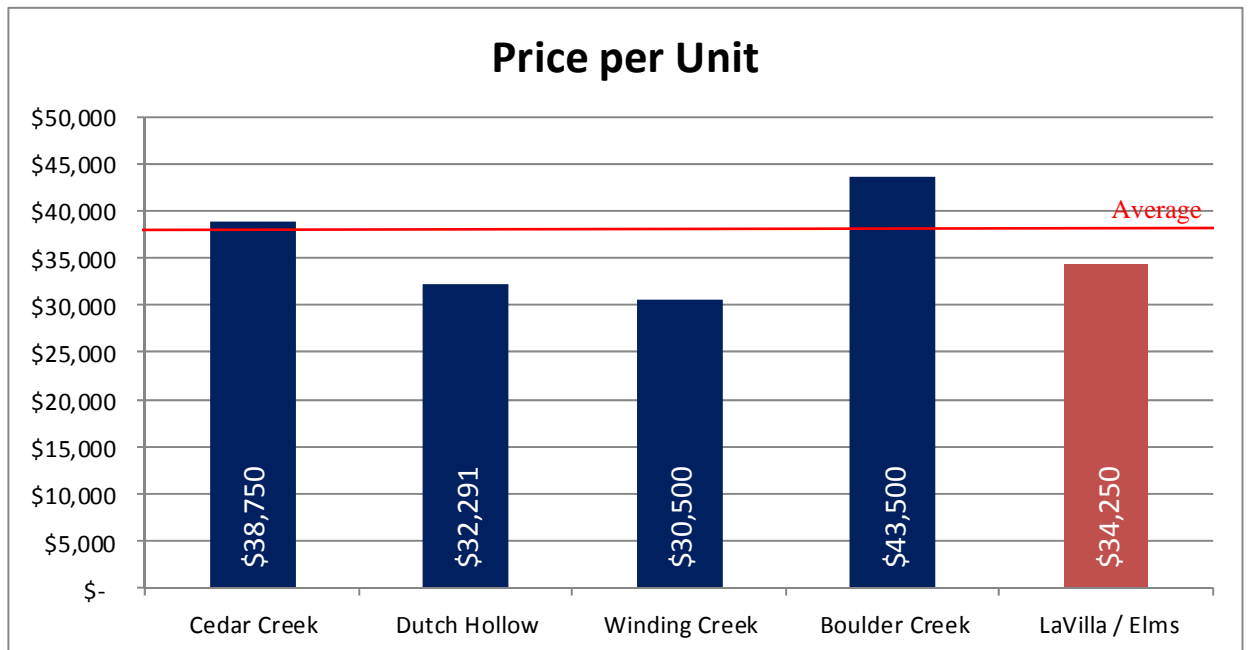
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Sale Comp Summary

Property	Price/Unit	Overall Price	No. Unit	Year Built	Price Per Square Foot
Cedar Creek	\$38,750	\$1,550,000	40	1974	\$43.33
Dutch Hollow	\$32,291	\$1,550,000	48	1974	\$36.23
Winding Creek	\$30,500	\$1,830,000	60	2004	\$36.88
Boulder Creek	\$43,500	\$4,350,000	100	1972	\$45.39
Average	\$37,419	\$9,280,000	248		\$41.43
LaVilla / Elms / Westoaks	\$34,250	\$3,425,000	100	1970/72	\$38.81

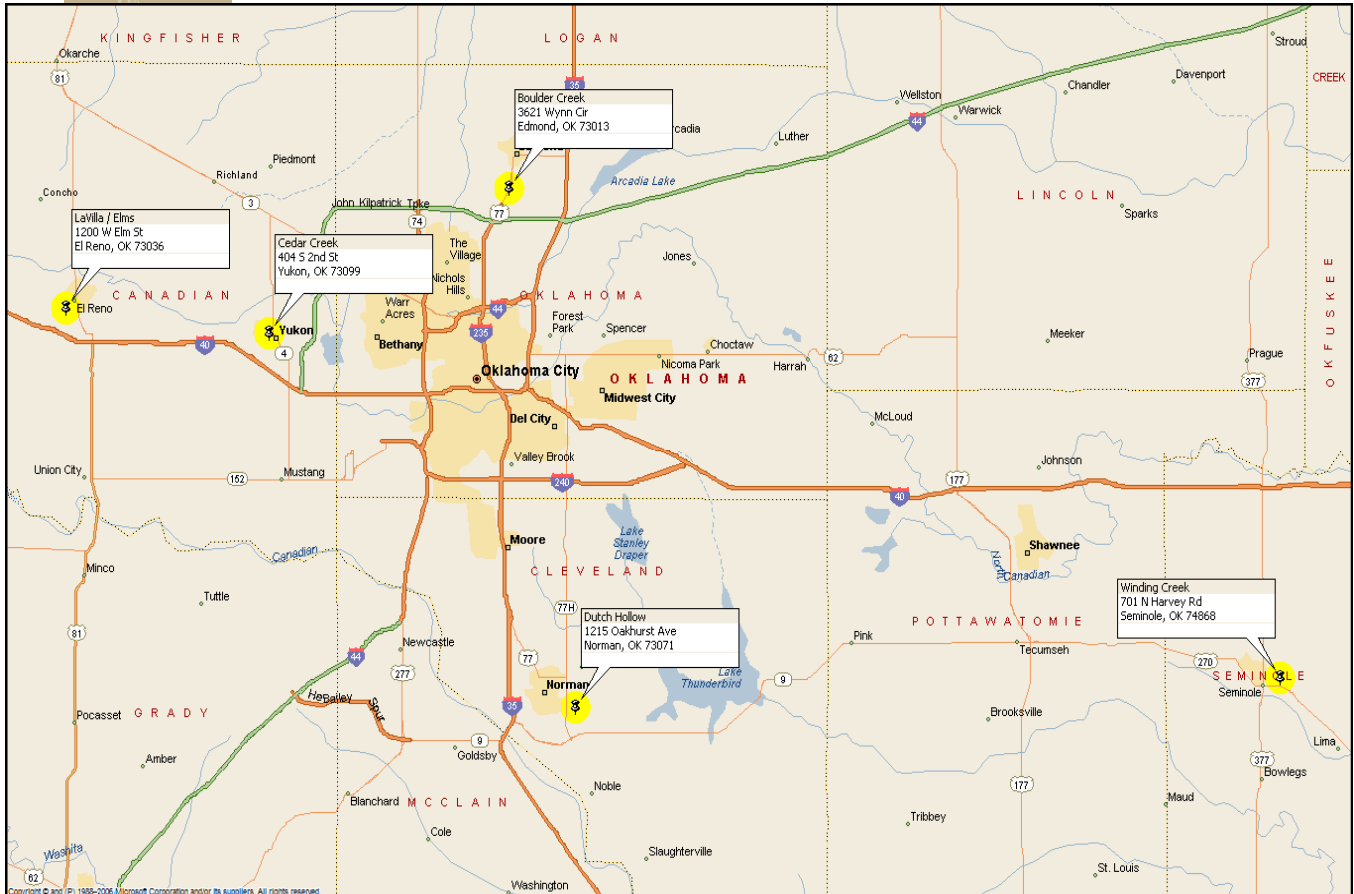


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Sale Comp Map



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Click below to view El Reno at a Glance

<http://elrenochamber.com/index.php>

Community Overview

Named for the nearby Historic Fort, El Reno is a wonderful city of 16,000 plus offering a great small town lifestyle within easy access to a major metropolitan area.

Nestled in the heart of the Canadian River Valley, El Reno is strategically located just 20 miles west of Oklahoma City at the intersection of two historic highways, nostalgic Route 66 and the Chisholm Trail (Highway 81) and along Interstate 40.

The community offers the best of suburban and rural living and serves as the county seat of Canadian County, Oklahoma's fastest growing county.

Business Advantages

El Reno is an ideal location for manufacturing, distribution and service businesses. The community offers several choicesites with easy access to I-40 and nearby I-35 and I-44; a productive labor force; rail access and the nation's best technical training at nearby Canadian County Career Technology Center. Redlands Community College offers associate degree programs with emphasis on agribusiness, forensics, health care and nursing and information technology. The community is also home to a special USDA Grazinglands research facility.

Quality of Life

There is plenty to do in El Reno - hop on board the Heritage Express Trolley for unique downtown shopping, view the many historic Victorian structures, enjoy historic re-enactments at Fort Reno, explore over 150 acres of parks and the 300 acre Lake El Reno or play championship golf at the Pete Dye designed Crimson Creek Golf Course.

El Reno offers quality schools, easy access to major medical facilities and a cost of living that is 24% below the national average.

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OKLAHOMA REAL ESTATE COMMISSION

What You Need to Know About Broker Services

A real estate broker may work with one or both parties to a real estate transaction. *The Oklahoma Broker Relationships Law (Title 59, Oklahoma Statutes, §858-351 – 858-363) allows a real estate firm to provide brokerage services to both parties to the transaction. This could occur when a firm has contracted with a seller to sell their property and a prospective buyer contacts that same firm to see the property. If the prospective buyer wants to make an offer on the property, the firm must now provide a written notice to both the buyer and seller that the firm is now providing brokerage services to both parties to the transaction.*

Oklahoma real estate brokers have mandatory duties and responsibilities to all parties in a real estate transaction. *These duties and responsibilities shall be described and disclosed in writing prior to signing a contract to sell, purchase, lease, option or exchange real estate. These duties and responsibilities are to:*

- *Treat all parties with honesty and exercise reasonable skill and care.*
- *Receive all written offers and counteroffers, reduce offers or counteroffers to a written form upon request of any party to a transaction and present timely all written offers and counteroffers (unless specifically waived in writing by a party).*
- *Timely account for all money and property received by the broker.*
- *Disclose information pertaining to the property as required by the Residential Property Condition Disclosure Act.*
- *Comply with all requirements of The Oklahoma Real Estate License Code and all applicable statutes and rules.*
- *Keep confidential information received from a party or prospective party confidential unless written consent is granted by the party, the disclosure is required by law, or the information is public or becomes public as the results of actions from a source other than the broker. Confidential information includes:*
 - *That a party is willing to pay more or accept less than what is being offered*
 - *That a party or prospective party is willing to agree to financing terms different from those offered*
 - *The motivating factors of the party or prospective party purchasing, selling, leasing, optioning or exchanging the property*
 - *Any information specifically designated as confidential by the party unless such information is public.*

A broker has additional duties and responsibilities only to a party for whom the broker is providing brokerage services. *These duties and responsibilities shall also be described and disclosed in writing prior to signing a contract to sell, purchase, lease, option and exchange real estate. These duties are to:*

- *Inform the party in writing when an offers is made that the party will be expected to pay certain costs, brokerage services costs and approximate amount of the costs.*
- *Keep the party informed regarding the transaction.*

If a broker intends to provide fewer brokerage services than those required to complete a transaction, the broker shall provide written disclosure to the party for whom the broker is providing services. *The disclosure shall include a description of those steps in the transaction that the broker will not provide and state that the broker assisting the other party in the transaction is not required to provide assistance with these steps in any manner.*

Disclosure of these duties and responsibilities is required in writing. *The duties and responsibilities disclosed by the broker shall be confirmed in writing by each party in a separate provision, incorporated in or attached to the contract to purchase, option or exchange real estate.*

Services provided to a tenant do not automatically create a broker relationship. *When a broker provides brokerage services to a landlord under a property management agreement, the services provided to the tenant by the broker shall not be construed as creating a broker relationship between the broker and the tenant unless otherwise agreed to in writing; however, the broker owes to the tenant the duties of honesty and exercising reasonable skill and care.*

For more information, visit www.orec.ok.gov