

Marcus & Millichap

Real Estate Investment Services

40 APARTMENT UNITS
FLAGLER APARTMENTS
 1045 South Flagler Avenue
 Pompano Beach, FL 33060



OFFERING SUMMARY

INVESTMENT HIGHLIGHTS

- ◆ Excellent Condo Conversion Opportunity
- ◆ Comparable Condos are Selling from the \$190s
- ◆ All Large 2 Bedroom/2 Bath Units with Screened Patios
- ◆ 1985 Construction with Central A/C, W/D Hook-Ups
- ◆ Significant Tenant Improvements
- ◆ Deliverable Free and Clear of Debt

LOCATION HIGHLIGHTS

- ◆ Walking Distance to Grade A Elementary School
- ◆ Located off Quiet, Residential Street
- ◆ Strong Demand for Condominiums

Price	\$5,450,000
Down Payment	(100%) \$5,450,000
Units	40
Price Per Unit	\$136,250
Rentable SF	36,862
Price Per SF	\$147.85
Year Built	1985
Lot Size	0.85
Current Cap Rate	5.71%
Pro Forma Cap Rate	6.11%
Current GRM	13.27
Pro Forma GRM	12.27
Current Net Cash Flow After Debt Service	5.53%
Pro Forma Net Cash Flow After Debt Service	5.92%
Current Total Return	5.53%
Pro Forma Total Return	5.92%



Listed by:

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www.marcusmillichap.com



INVESTMENT OVERVIEW

The property is extremely well located off a quiet, residential street which deadends. The buildings are also situated next to a grade A elementary school that has been recognized by the county for academic excellence.

Flagler Apartments was built in 1985 and consists of four two-story walk-up, CBS constructed buildings. The unit mix is comprised of 40 two bedroom/ two bath units with screened in patios and washer/dryer hook-ups. All the units are 925 square feet and have central A/C, individual hot-water heaters and are separately metered for electric. The units have been updated w/ new appliances, carpet and ceramic tile on the 1st floor units. The roof and mansards on all four buildings have been replaced within the last couple of years and approximately 65% of the A/C compressors and handlers have been replaced. The pool was also re-marsited within the last year and is under warranty.

This is a rare opportunity to acquire a 40-unit apartment building in East Pompano Beach, an area that is rapidly appreciating. With Comparable 2/2 condos down the street selling from the \$190s, the highest and best use would be to convert these units. Cost to convert this property would be minimal due to extensive building upgrades from the owner.

1045 SOUTH FLAGLER AVENUE • POMPANO BEACH, FL 33060

UNIT MIX

No. of Units	Unit Type	Approx. Square Feet	Current Rents	Average Rent/SF	Monthly Income	Pro Forma Rents	Average Rent/SF	Monthly Income
40	2Bdr 2Bath	925	\$670-\$925	\$0.92	\$34,213	\$925	\$1.00	\$37,000
40	Total/Wtd. Avg.	36,862		\$0.93	\$34,213		\$1.00	\$37,000

OPERATING DATA

INCOME	Current	Pro Forma
Gross Potential Income	\$410,556	\$444,000
Less: Vacancy/Deductions	3.0% 12,317	3.0% 13,320
Effective Gross Income	\$398,239	\$430,680
Less: Expenses	86,873	97,775
Net Operating Income	\$311,366	\$332,905
Reserves	10,000	10,000
Total Return	5.5% \$301,366	5.9% \$322,905



EXPENSES	Current	Pro Forma
Real Estate Taxes	\$26,475	\$26,475
Insurance	9,098	20,000
Repairs & Maintenance	10,000	10,000
Professional Management Fee	16,800	16,800
Water/Sewer	13,923	13,923
Electric	2,487	2,487
Trash	5,690	5,690
Landscape	2,400	2,400
Total Expenses	\$86,873	\$97,775
Expenses per Unit	\$2,172	\$2,444
Expenses per SF	\$2.36	\$2.65
% of EGI	21.8%	22.7%

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