Monterrey Village Investments, LLC

Team 1

The Company
Monterrey Village Investments, LLC was founded in 2007 and is a leader in multi-family real estate development projects. Our principal offices are located in San Antonio, TX.

Business/Product or Service
Monterrey Village Investments, LLC (Monterrey) develops multi-family projects with a goal of superior service and design while maintaining a “vision” for profit.

The Market
Monterrey is targeting renters that traditionally are drawn to multifamily residential units. This is a wide ranging demographic that covers several different multifamily renter market segments. This demographic is drawn to multifamily living due to low rental prices, short lease options, not being ready to purchase a home, not being able to purchase a home, the low maintenance life style that apartments afford, or economic troubles because of the current recession economy. Our target demographics make up 70% of the population for one mile radius, 58.7% of the population for three mile radius, and 41.5% of the population for five mile radius. We feel this sizable portion of the population that makes up our target demographic justifies our site as a good candidate for a large multifamily development.

Competition
Monterrey researched the general area near our future development for market comparables; testing factors such as rent price per square foot and occupancy rate percentage. This was to give us a snapshot of what we could expect as far as occupancy rates and unit size while designing and planning Monterrey Village. We feel that the following market comparables justify our development as far as being able to lease up our development to 95% within 18 months of project completion. The following is a list of our market comparables and the associated data:

Non Section 8 Developments Over 200 Units

- Deer Field
  - Rent price – $1.03/SF
  - 312 Units
  - 669 SF Average
  - Occupancy – 98%
- The Falls at Westover Hills
  - Rent price – $1.01/SF
  - 394 Units
  - 912 SF Average
  - Occupancy – 94%
- Haven at Westover Hills
  - Rent price – $1.00/SF
  - 326 Units
  - 1055 SF Average
  - Occupancy – 96%
• Hill Country Villas
  ▪ Rent price – $1.05/SF
  ▪ 240 Units
  ▪ 818 SF Average
  ▪ Occupancy – 98%
• Polo Club
  ▪ Rent price – $1.02/SF
  ▪ 480 Units
  ▪ 721 Average SF
  ▪ Occupancy – 94%
• Sequoia at Cable Ranch
  ▪ Rent price – $1.04/SF
  ▪ 272 Units
  ▪ 819 Average SF
  ▪ Occupancy – 98%

Risk/Opportunity
Risk overall will be the currently lagging U.S. economy. With high overall unemployment and low GDP growth, the US economic picture is not so bright in certain geographic areas. Not so for Monterrey Village’s market. In justifying our development, the management team at Monterrey feels our site is currently suitable for a 340 unit multifamily project based on various due diligence studies of environmental, feasibility and formal proforma financial analysis. The market’s population growth is increasing at a rate that will enable Monterrey to lease up our development in a timely manner, income levels in the area suit the rental expectations for our development and target market segments that most renters fall into are abundant in this area. The area’s current infrastructure is perfectly set up to accommodate all developer and tenant needs. Being currently zoned for multi-family and all utilities are laid and ready to be tapped, Monterrey Village seemed destined for this location. The main thing left in order to attract renters to move in is a prime place to live, Monterrey Village will fulfill that need!

Capital Requirements
We are seeking $5,642,368 in equity, which will enable us to solidify debt with Jefferson Bank at a variable rate of LIBOR + 4% to break ground on the project. We expect to provide an exit within 10 years by sale of the property and its assets, expecting a 19.5% IRR.

Financial Snapshot Included: