Executive Summary:

San Antonio has shown growth in apartment complex development over the last three years. While there has been an increase in apartment production, vacancies have stayed around 6.7%. Such a consistent vacancy rate with increased production of apartment complexes shows that the San Antonio population is choosing to stay in an apartment instead of purchasing a home. Rents in San Antonio have also increased by .8% as of March 2012 with increases of 4.1% YTD, and 5.4% increase predicted by year end 2012. The consistent stability in the market and strong demand for rental properties has created a lucrative opportunity for a multifamily development.

As multifamily developers, we have tailored our project to a specific demographic area located in the Southeast quadrant of IH-10 and 1604. Based on our research we have selected a location in close proximity to the medical center, UTSA and the military training reservation known as Camp Bullis.
The diversity of our project area allows for wide range of potential tenants, in a thriving region of San Antonio. We will compete with all local apartment facilities providing amenities such as resort style pools, state of the art work out facilities and Grade A apartment style living.

Our apartment complex will consist of 400 units on a 13 acre tract. This division of land will allow us to have a rough density of 31 units per acre. The development cost of the project including the land is $34,391,196. This development is comprised of $20,696,114 in hard costs, $4,267,064 in soft costs and site/acquisition costs of $9,426,478. With a 5% adjustment for our vacancy and collections losses we achieve a net operating income for year one of $2,088,702 which will produce a before tax internal return rate of 22.80%. By looking at these numbers as well as our development budget the project appears viable, and produces a strong cash flow year over year. We will move forward with the project and see it to completion.