

CRYSTAL RIDGE APARTMENTS | DAVENPORT, IA

CASE STUDY

THE PROPERTY

Crystal Ridge is a 126-unit Class-B conventional multifamily community built in 1993. The community is located in northeast Davenport with easy access to Interstates 74 and 80. Amenities include a dog park, playground, basketball court and washer/dryer hookups. Rents average \$825 for two-bedroom units and \$1,050 for three-bedroom units.

THE DEAL HIGHLIGHTS

- Crystal Ridge was acquired as part of a portfolio sale of tax credit properties. With the acquisition, ownership completed the qualified contract process to convert the community to market-rate rents.
- Metonic originated a HUD loan and spent \$1.5 million to upgrade units and reposition the property. To take advantage of record-low interest rates, Metonic refinanced into a new HUD loan in 2013.
- Following stabilization of the property, the average cash-on-cash return from 2013-2016 was 25%.
- Average annual occupancy has ranged from 96% to 99% during the last five years.

THE RESULTS¹

- 112% of investors' equity has been returned in 6 1/2 years of ownership.
- The estimated market value of the property has increased by 75% since the 2010 purchase to \$11 million.
- NOI grew from \$494,000 in 2011 to \$652,000 in 2016.
- Leveraged IRR assuming 12/31/16 liquidation was 42%.

¹As of December 2016.



Acquisition Information

Acquisition Date	April 2010
Purchase Price	\$6,287,500
Price Per Unit	\$49,800
Equity Deployed	\$796,500
Estimated Market Value ¹	\$9,584,000

Returns¹

Estimated Leveraged IRR	42%
68-Month Capital Return	112%
Average Annual Cash Yield	17%