



Offering Memorandum

42ND STREET TOWNHOMES

42ND & ADAMS ST | GARDEN CITY, ID

Colliers
INTERNATIONAL

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42ND STREET TOWNHOMES

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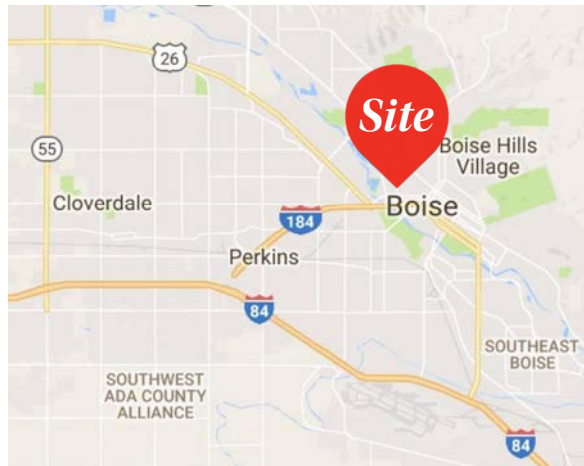


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42nd Street townhomes currently under construction.

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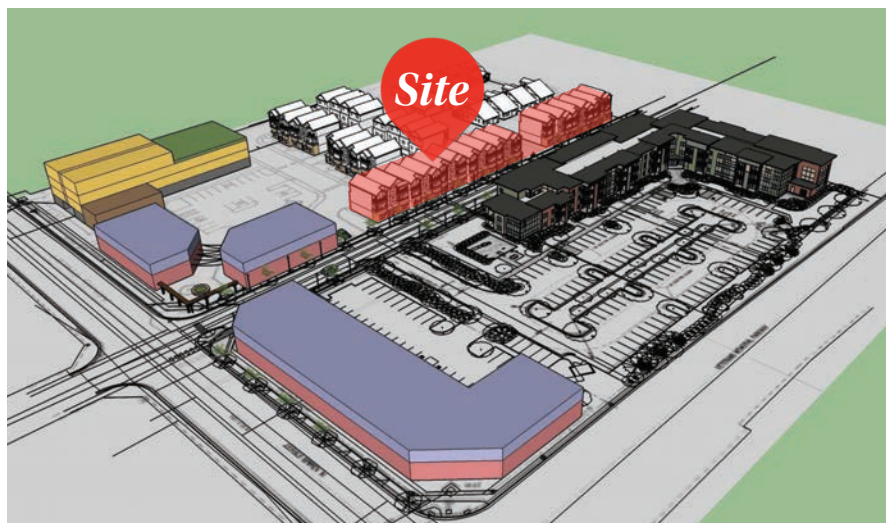
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OVERVIEW



Profile

Type:	Multi-family investment
Total Size:	13,220 – 26,440 SF 8 townhome units (±1,650-1,660 SF per unit)
Year Built	
NOI	Estimated completion February 28, 2018
Expenses	\$256,603 anticipated – 16 units
Cap Rate	Estimated at 30%
Sale Price	5.76% \$2,240,000 – \$4,480,000



Executive Summary

The Parkway Townhomes at 42nd is a new housing project off of Veterans Memorial Parkway. The Parkway townhomes are part of a much larger redevelopment of the surrounding area. The property is adjacent to a Garden City Park, the Ada County Boys and Girls Club, and the Boise River. This redevelopment of the area will include a 39 unit apartment complex with retail on a portion of the first floor, additional townhomes available for individual retail sale, and a new Charter School along 43rd Street. In total this developer has 40-50 acres under control for redevelopment. The individual townhomes on 42nd Street will be marketed \$30,000 higher per unit than this investment offering.

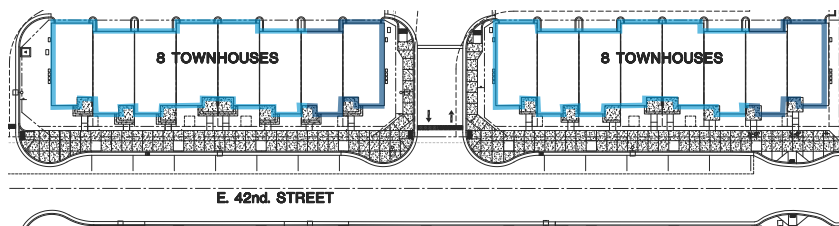
Parkway Townhomes at 42nd will be 3 story townhomes with 3 bedrooms and 3.5 baths. Each unit will have a two car garage on the main level of the suit. The townhomes will vary in size depending on whether or not they are an interior unit or end unit. The townhomes are platted as individual units, but are being sold in packages of 8 units a piece. There are 8 units under contract, with another 8 units available.

Market analysis is provided by the market leading Park Place Property Management who is also available for consultation regarding market lease rates and property expenses. With nearby development history in the market, the developer is confident in his estimated operating expenses numbers and is open to questions about the financial analysis provided herein. Take advantage of one of the first redevelopment project projects in this part of Garden City.

INVESTMENT & COST ANALYSIS



16 Unit



Pro-forma

Purchase Price \$4,480,000

Building Square Footage 26,440 SF

Rental Income	# Units	Rent/Mo	Gross Rents/Yr
1,650sf — Interior 3 Bed/3.5 Bath	12	1975	\$284,400
1,660sf — Exterior 3 Bed/3.5 Bath	4	2050	\$98,400
Gross Rents			\$382,800

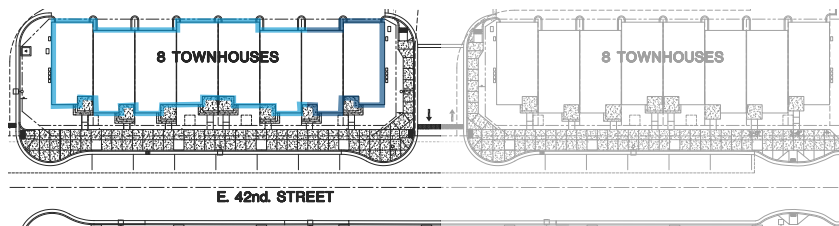
Est. Operating Expenses

Expense	Annually	Monthly
5% Property Management Fee	\$19,140	\$1,196.25
Insurance @ \$0.25/sf	\$6,610	\$413.13
Real Estate Taxes @ 0.014227873265%	\$63,741	\$3,983.80
HOA/HVAC	\$3,000	\$187.50
Water & Sewer	\$6,720	\$420.00
Trash @ \$30/unit/mo	\$5,760	\$360.00
Electrical/Gas	\$1,500	\$93.75
Snow Removal	\$1,000	\$62.50
Reserves	\$5,742	\$358.88
Legal and Admin	\$1,500	\$93.75
Expenses Total	\$114,713	\$7,169.55
Expense Percentage	29.97%	
Vacancy Projection @ 3%	\$11,484.00	
Net Operating Income	\$256,603	
Purchase Price	\$4,480,000	
Cap Rate	5.73%	

INVESTMENT & COST ANALYSIS



8 Unit



Pro-forma

Purchase Price	\$2,240,000		
Building Square Footage	13,220 SF		
Rental Income	# Units	Rent/Mo	Gross Rents/Yr
1,650sf — Interior 3 Bed/3.5 Bath	6	1975	\$142,200
1,660sf — Exterior 3 Bed/3.5 Bath	2	2050	\$49,200
	Gross Rents		\$191,400

Est. Operating Expenses

Expense	Annually	Monthly
5% Property Management Fee	\$9,570	\$598.13
Insurance @ \$0.25/sf	\$3,305	\$206.56
Real Estate Taxes @ 0.014227873265%	\$31,870.50	\$1,991.90
HOA/HVAC	\$1,500	\$93.75
Water & Sewer	\$3,360	\$210.00
Trash @ \$30/unit/mo	\$2,880	\$180.00
Electrical/Gas	\$750	\$46.87
Snow Removal	\$500	\$31.25
Reserves	\$2,871	\$179.44
Legal and Admin	\$750	\$46.87
Expenses Total	\$57,356.50	\$3,584.78
Expense Percentage	29.97%	
Vacancy Projection @ 3%	\$5,742.00	
Net Operating Income	\$128,301.50	
Purchase Price	\$2,240,000	
Cap Rate	5.73%	

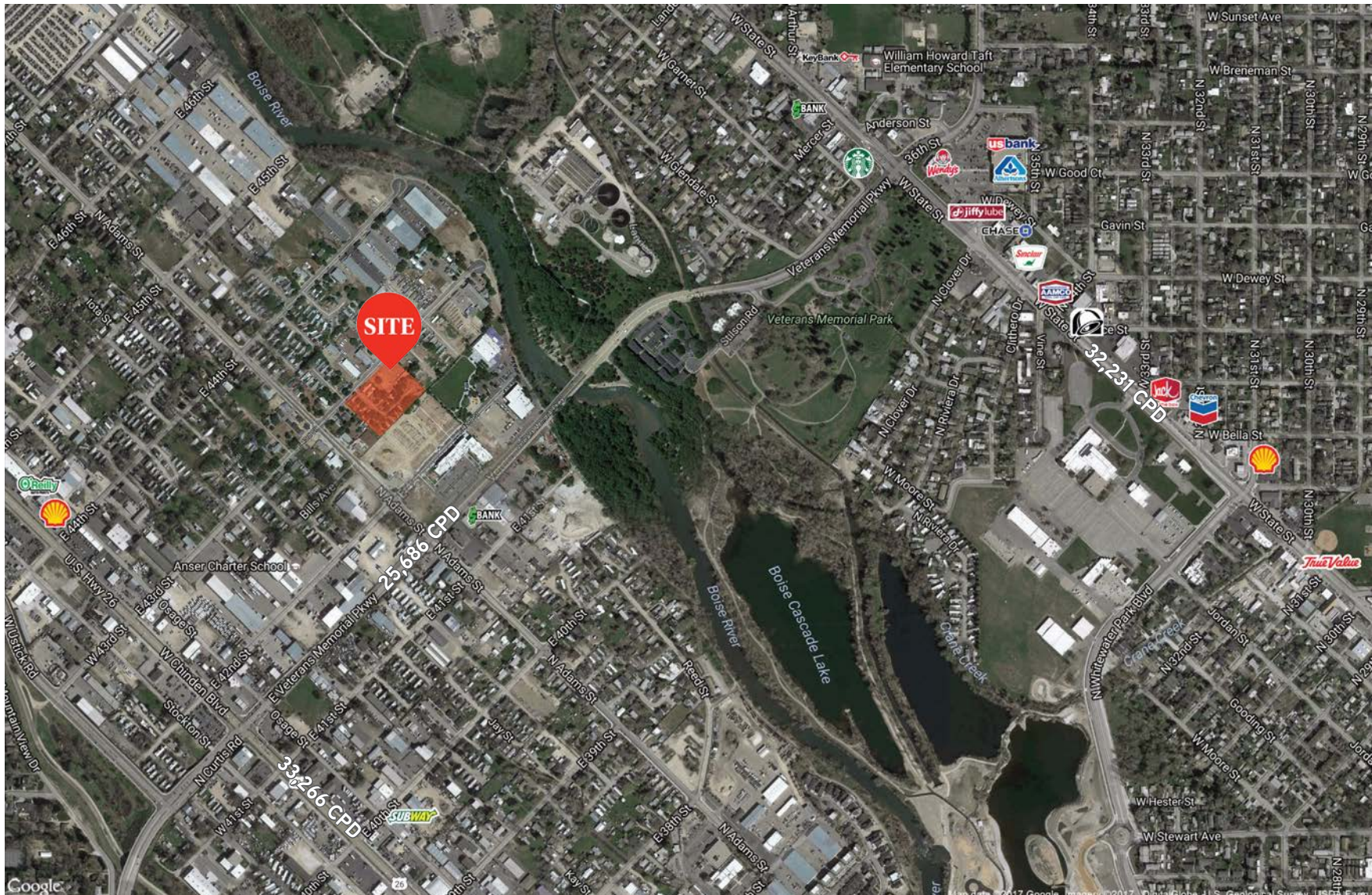
RENT COMPARISONS



Address	Beds	Baths	Garage	SF	\$/MO	Multiple \$'s	\$/SF
6200 River Pointe Dr *	2	2	No, Parking Lot	1,090	\$1,335	\$1,058 - \$1,753	\$1.22
6200 River Pointe Dr *	3	2	No, Parking Lot	1,207	\$1,398	\$1,207 - \$1,398	\$1.16
365 N Whitewater Park	2	2	Yes, detached	1,080	\$1,662	\$1,303 - \$1,723	\$1.54
365 N Whitewater Park	3	2	Yes, attached	1,280	\$1,989	\$1,579 - \$2,754	\$1.55
501 E Parkcenter	2	2	Yes, attached	944	\$1,420	\$1,210 - \$1,420	\$1.50
501 E Parkcenter	2	2	Yes, attached	1,108	\$1,450	\$1,360 - \$1,450	\$1.31
501 E Parkcenter	2	2	Yes, attached	996	\$1,550	\$1,550 - \$1,610	\$1.56
895 N 32nd	2	1.5	No, Parking Lot	928	\$1,225		\$1.32
737 Stilson Road	2	1	No, Parking Lot	766	\$965	\$965-995	\$1.26

* Apartments, not townhomes

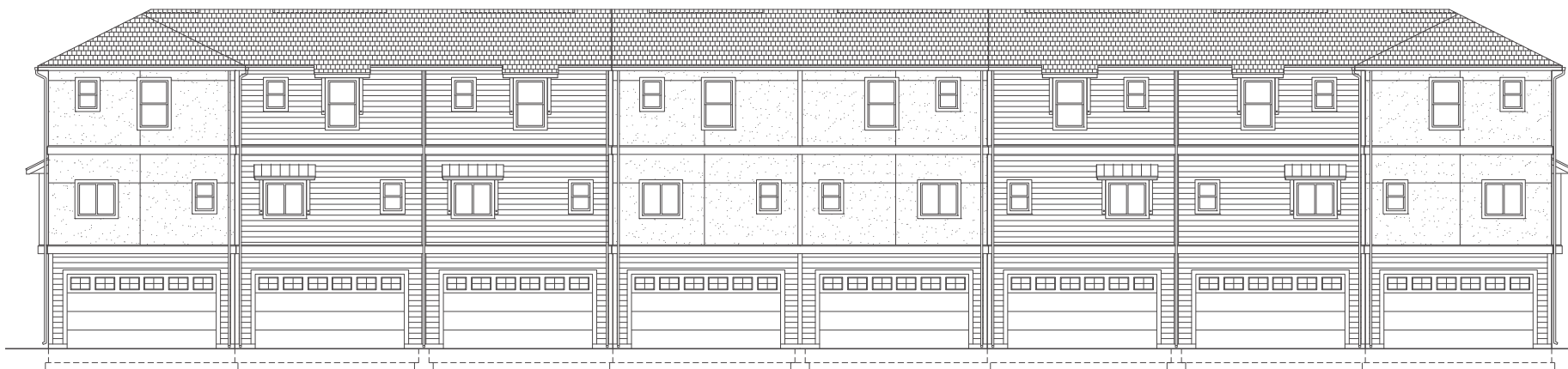
LOCATION



ELEVATIONS

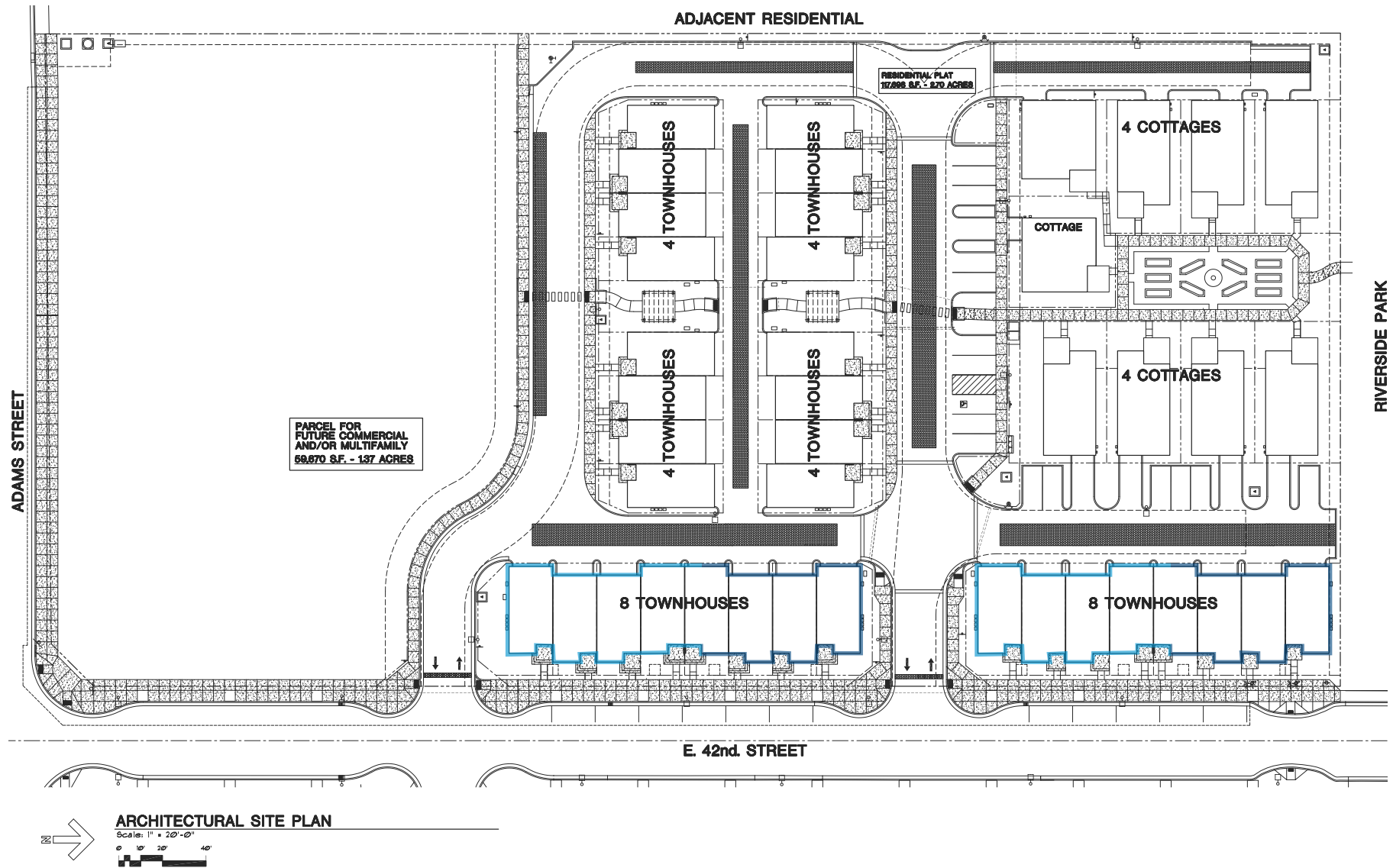


A FRONT ELEVATION
Scale: 3/16" = 1'-0"



B REAR ELEVATION
Scale: 3/16" = 1'-0"

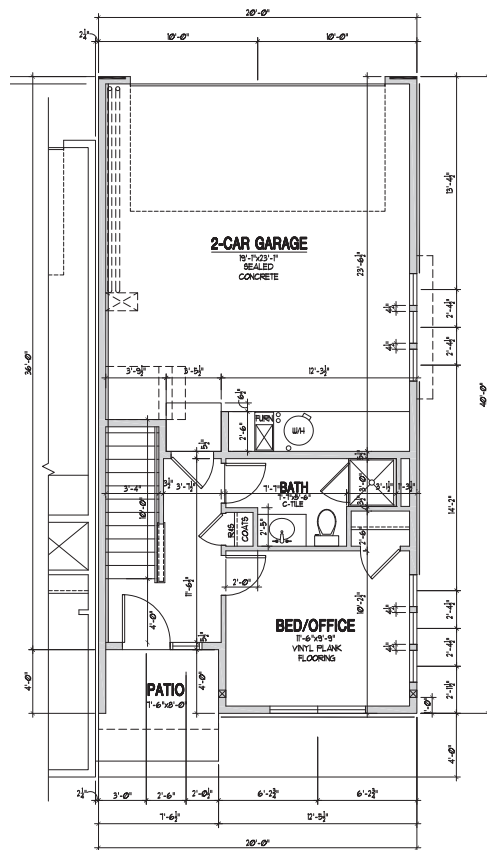
SITE LAYOUT



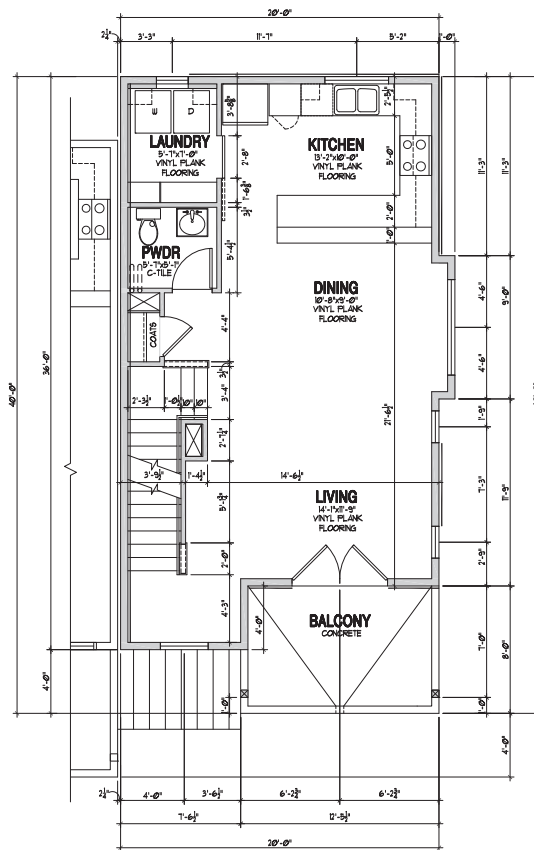
SITE LAYOUT



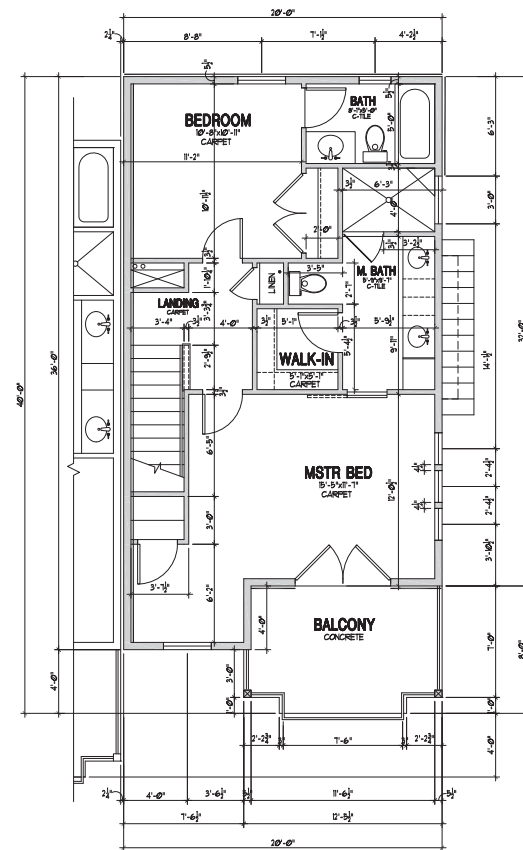
BUILDING LAYOUTS



A END UNIT MAIN FLOOR PLAN
Scale: 1/4" = 1'-0"
LIVING AREA - 307 S.F.
GARAGE AREA - 483 S.F.
TOTAL LIVING AREA - 1090 S.F.



B END UNIT SECOND FLOOR PLAN
Scale: 1/4" = 1'-0"
LIVING AREA - 681 S.F.



C END UNIT THIRD FLOOR PLAN
Scale: 1/4" = 1'-0"
LIVING AREA - 672 S.F.

BUILDING ELEVATIONS



PROPERTY MANAGEMENT



Since 2003, Park Place Property Management has been driven to provide the highest level of service to our owners and residents. As Idaho's largest, locally-owned, professional management company, we understand the complex aspects of owning and managing rental houses and apartments. Our focus is maximizing investor return while providing residencies that tenants are proud to call home.

Park Place combines the strength, efficiencies, and resources of a large corporation while maintaining a level of service, knowledge, and professionalism of a local company. We firmly believe in the values on which we are founded and strive to apply them every day and with every decision. Our operational expertise includes the professional management of homes, condos, townhomes, apartments and HOA's throughout the entire valley.

We understand local knowledge is key in driving maximum property performance and we work pro-actively to be the experts in our field. This allows us to respond quickly and effectively to a constantly changing market conditions. With more than half of our investors and owners living outside of Idaho, our goal is to provide a package of services that allow them the peace-of-mind of knowing their investment is in good hands.

With a dedicated staff of more than 40, and a portfolio of units in excess of 2,500, Park Place is committed to provide quality and ethical service. Consistent and effective communication is the launching point for a the absolute best owner and tenant experience; we understand how crucial communication is and it is pinnacle in our way of doing business. It is important to us that our clients feel confident in the professional management of their investment and to offer a level of service and professionalism that is unmatched by our competition.

In 2011 Park Place Property Management was honored with the designation of Certified Residential Management Company® by The National Association of Residential Property Managers. This distinguished title is shared by just over 50 companies in the U.S. and is a shining example of our dedication to excellence. Additionally, The Idaho Business Review has ranked us as The #1 Residential Property Management Company in Idaho in their annual Book of Lists.

<http://parkplaceid.com>

SW IDAHO VACANCY



National Association
of Residential Property Managers

SW IDAHO NARPM VACANCY REPORT Q2 2017

The purpose of this survey is to show vacancy and rental rate trends among single-family homes and multi-family units (2-15) in Ada and Canyon County. Survey results are displayed by type (single or multi-family) and bedrooms (1-5) for the respective county. Property status was surveyed as of June 30th, 2017.

The survey participants are property management companies affiliated with the SW Idaho Chapter of NARPM and are considered to be the representative sample of the inventory of professionally managed rentals in Ada & Canyon County.

Survey Respondents

Data from a total of 16 property management companies were included in the survey results, which accounted for a total of 6495 homes: 2107 single-family and 4388 multi-family. The accuracy and reliability of this survey is improved with an increased sampling.

Summary

Ada & Canyon county vacancy rates on average decreased again from 3.7% in Q1 to 3.5% in Q2 of this year. Overall the largest decrease was in multifamily units in Ada County which went down 1.3% this quarter. The second largest decrease in vacancy rates was Canyon County single family homes which went down by .8%.

Ada County single family rental rates decreased an average of \$154 per month however multi-family rents increased an average of \$39 per month from last quarter. Overall the slight decrease of \$29 per unit puts the average rents at \$1158 in Ada County.

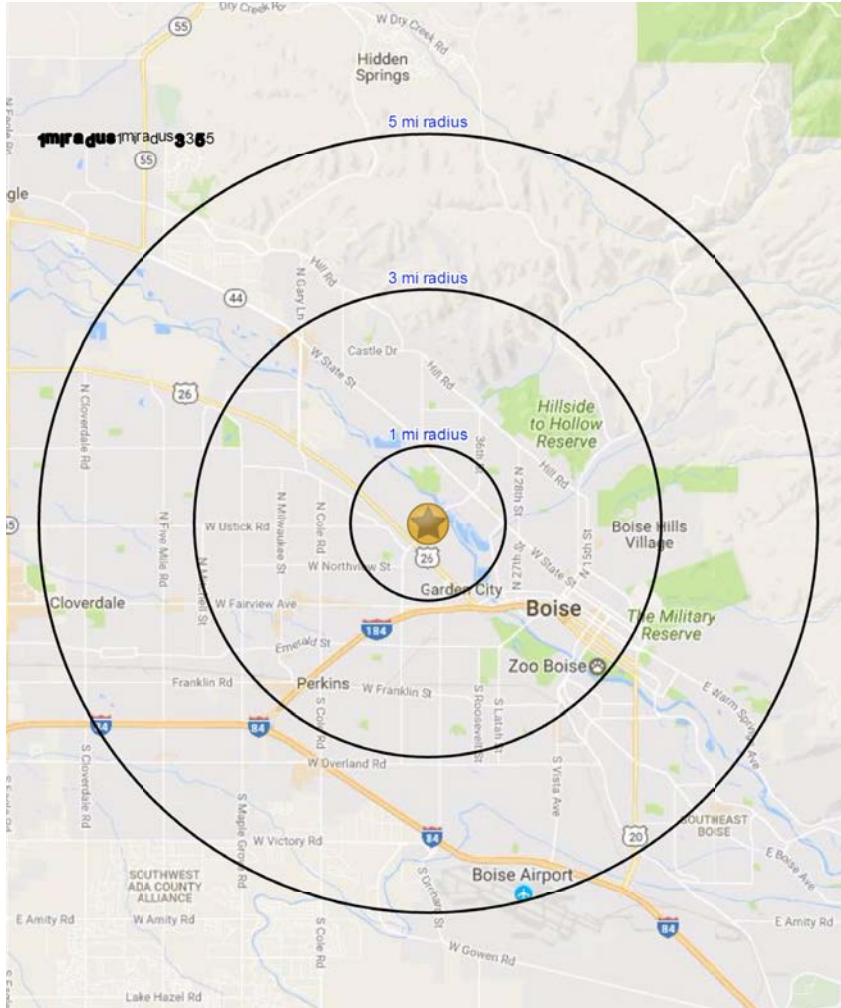
Canyon County rental rates decreased as well putting the average at \$906 per rental unit, with single family homes decreasing in monthly rent by an average of \$86 per unit and multi-family units increasing by \$11 per unit.

Data and analysis provided by: Southwest Idaho Chapter of NARPM

	Values Units Managed	Vacancies	Vacancy Rate
ADA	4728	170	3.6%
Multi Family	3145	115	3.7%
Single Family	1583	55	3.5%
CANYON	1767	59	3.3%
Multi Family	1243	45	3.6%
Single Family	524	14	2.7%
Grand Total	6495	229	3.5%

Find more at: <http://www.rentalsinboise.com/property-management-blog/sw-idaho-narpm-vacancy-report-q2-2017>

DEMOGRAPHICS



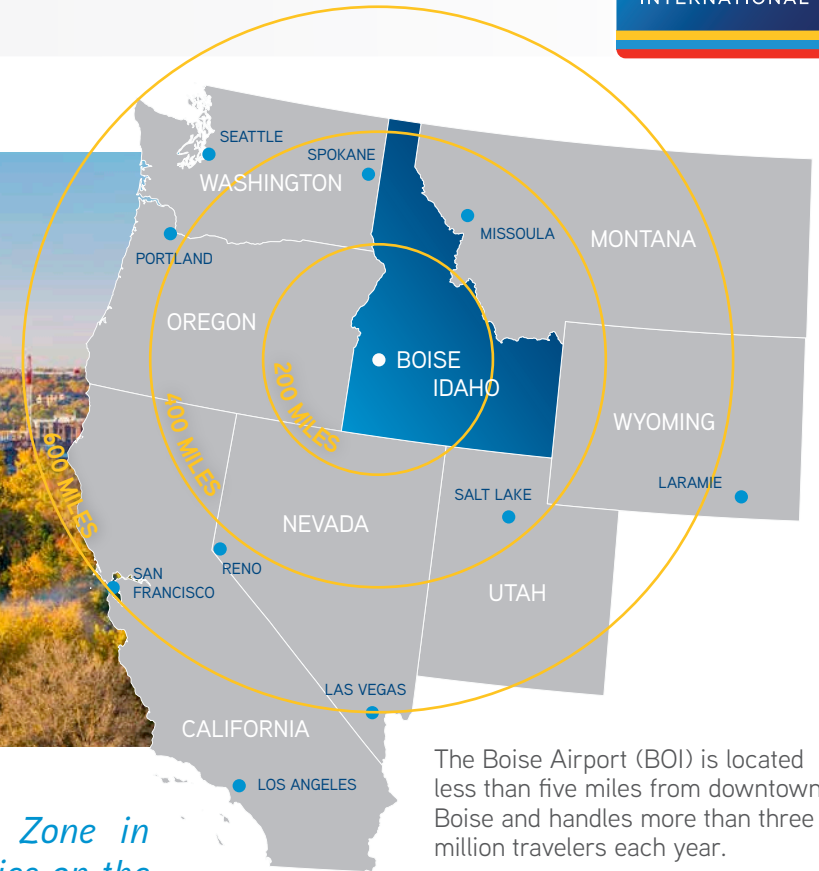
	1 Mile	3 Miles	5 Miles
POPULATION			
2016 Estimated Population	9,872	99,178	198,966
2021 Projected Population	10,727	107,661	216,479
2010 Census Population	9,308	93,081	184,429
2000 Census Population	9,768	93,060	179,386
Projected Annual Growth 2016 to 2021	1.7%	1.7%	1.8%

HOUSEHOLD			
2016 Estimated Households	4,377	44,518	86,355
2021 Projected Households	4,805	48,947	95,061
2010 Census Households	4,051	40,941	78,588
Projected Annual Growth 2016 to 2021	2.0%	2.0%	2.0%

INCOME			
2016 Est. Average Household Income	\$49,696	\$62,283	\$66,621
2016 Est. Median Household Income	\$39,918	\$48,897	\$52,363

MISC.			
2016 Est. Vacant Housing	2.9%	2.9%	3.0%
2010 Median Home Value	\$130,997	\$188,228	\$193,560
2010 Median Rent	\$564	\$617	\$635
2016 Est. Labor Pop. Over 16 Years	8,047	82,635	164,407
2016 Est. Total HH Expenditure	\$190 M	\$2.23 B	\$4.54 B

AREA OVERVIEW



The Boise Airport (BOI) is located less than five miles from downtown Boise and handles more than three million travelers each year.

The Boise Valley is strategically located in the Mountain Time Zone in Southwestern Idaho, providing easy non-stop access to all major cities on the West Coast, the Pacific Northwest and the Intermountain West. Of the West's major metropolitan areas, 12 are within 800 miles of the Boise Valley.

- #1** Lowest Cost Metro in the Pacific U.S. www.competitivealternatives.com – April 2016
Most Caring City in America www.wallethub.com – December 2015
Best Cities to Live www.247wallst.com – November 2015
Top 100 Best Place to Live 2015 www.livability.com – September 2015

- TOP 10** Best Place to Live in 2016 www.mensjournal.com – March 2016
Best Air Quality www.Realtor.com – April 2016
Hottest Housing Markets of 2016 www.Zillow.com – January 2016
#2 in “Up-And-Coming Cities for Recent College Grads”
www.Forbes.com – June 2015

AREA OVERVIEW

Quality of Life

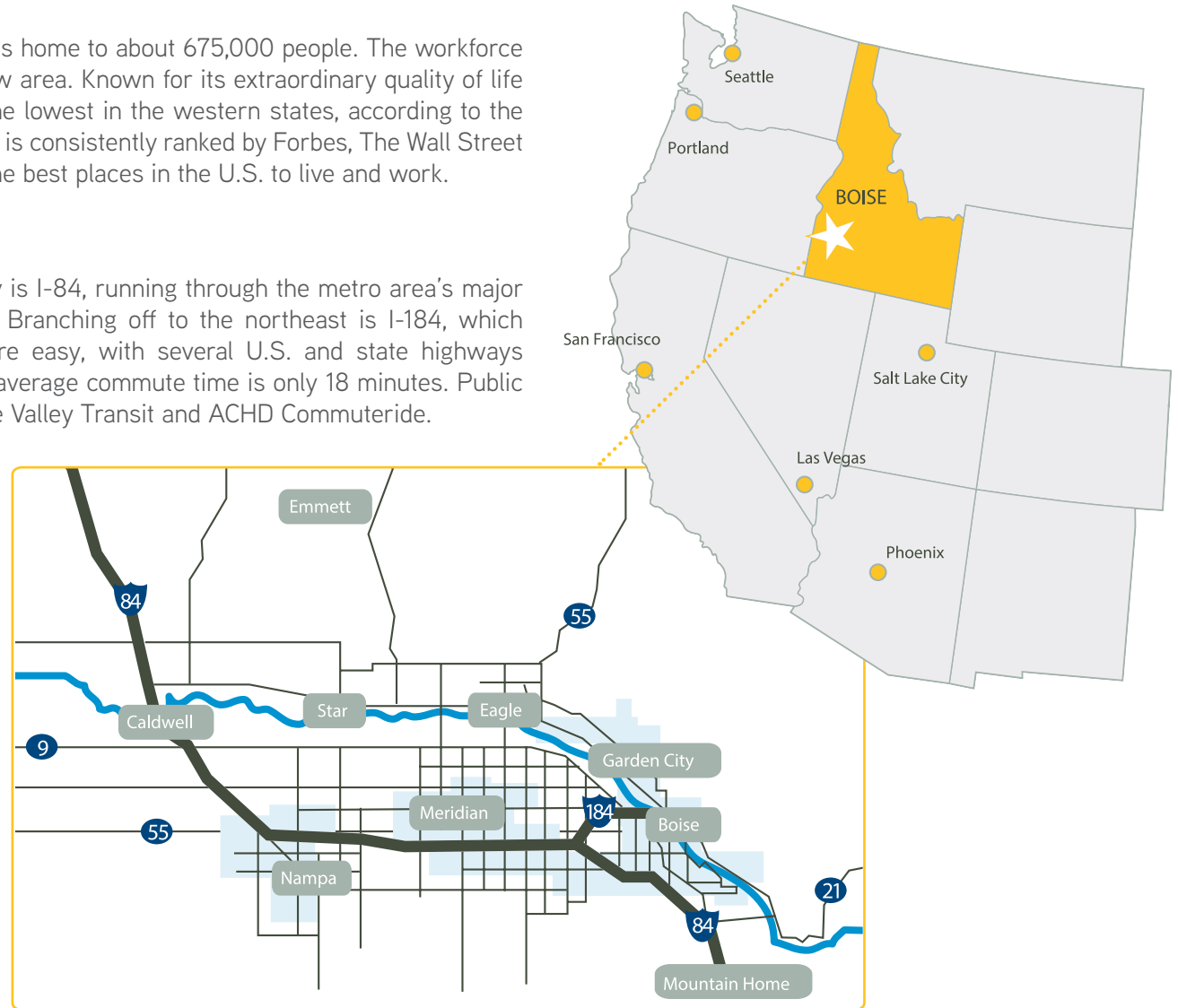
Referred to as the “Treasure Valley”, the region is home to about 675,000 people. The workforce of roughly 330,000, live within a 45-minute draw area. Known for its extraordinary quality of life and affordable cost of living (currently one of the lowest in the western states, according to the ACCRA Cost of Living Index), the Treasure Valley is consistently ranked by Forbes, The Wall Street Journal, Livability and Inc. Magazine as one of the best places in the U.S. to live and work.

Commuting in the Valley

The major interstate serving the Treasure Valley is I-84, running through the metro area’s major cities (Boise, Meridian, Nampa and Caldwell). Branching off to the northeast is I-184, which runs into downtown Boise. Daily commutes are easy, with several U.S. and state highways providing direct routes and minimal traffic. The average commute time is only 18 minutes. Public transportation is handled by ValleyRide, Treasure Valley Transit and ACHD Commuteride.

What about logistics?

There are 50 motor freight companies traveling 5 interstates, 20 U.S. highways and 30 state highways that serve the Boise Valley. More than 1,600 miles of rail line through Union Pacific and Burlington Northern Santa Fe provide connection points to Canada, Mexico and the U.S. They are aided by the state’s regional line and 6 short line railroads. Annually, the rail system transports over 11 million tons of freight.



AREA OVERVIEW



Vibrant Communities

Minutes from rivers, lakes and mountains, the Boise Valley is open 24/7 for any type of outdoor adventure.

Recreation

Located 17 minutes from downtown Boise, the Bogus Basin Ski Area offers day and lighted night skiing. The Boise River runs through downtown and is accessible through a greenbelt system with over 25 miles of bike paths and 850 acres of parks. With world-class golf courses, hiking, fishing and mountain biking, the recreation opportunities are virtually unlimited within a 30-minute drive.

Diversity

While Idaho may not be known for diversity, more than 90 different languages are spoken in the Boise School District. The Boise Valley is home to one of the oldest synagogues in the western United States. Over 800 new citizens (refugees) are welcomed to the Boise Valley each year from over 20 foreign countries. The City of Boise has been recognized for its work helping these new citizens acclimate to their new country and helps other communities around the country with their programs. There are more than 24 language courses available through local universities and community education programs and an international baccalaureate program is available. Annual diversity events and resources include the Soul Food Extravaganza, PRIDE activities, Hispanic Cultural Center and the Black History Museum. The Mexican Consulate also has an office in Boise.



AREA OVERVIEW

IDAHO TAX OVERVIEW

Sales and Use Tax in Idaho is 6%. This would apply to items purchased or consumed in Idaho. Exemptions are available for equipment and raw materials used directly in manufacturing, processing, or fabrication; clean rooms used in semiconductor and semiconductor equipment manufacturing; and any equipment or material used in research and development activities.

We do not tax services including telecommunication services, and utilities such as water, gas, electricity, or natural gas. In our region we do not have any local option sales tax.

Property Tax personal (machinery/equipment) and real (land/buildings) – based on market value.

2013 Rates:

Ada County Average Range: 1.1% - 1.8%

Canyon County Average Range: 1.5% - 2.5%

Elmore County Average rate: 1.8%

Idaho does not have an inventory tax.

Corporate Income Tax – Computed at 7.4% of the Idaho taxable income of a corporation. Corporations that are taxable in Idaho and another state or country or are part of a unitary group of corporations, use a 3 factor formula to ascertain how much of the business is conducted in Idaho. The apportionment formula is made up of a property factor, a payroll factor, and a sales factor. These three factors, with the sales factor being double weighted for all taxpayers except for electrical and telephone companies, are totaled and divided by 4 to compute the Idaho apportionment factor. The Idaho apportionment factor is then applied to the business income of the corporation to compute income assigned to Idaho. Non-business income allocable to Idaho is added to the income apportioned to Idaho to arrive at Idaho taxable income.

7% CORPORATE
INCOME TAX

6% SALES &
USE TAX

\$7.25/hr MINIMUM
WAGE

1.91% STATE UNEMPLOYMENT
INSURANCE RATE

**#2 BEST
STATE**

Property tax rate
(2013 Tax Foundation Study)

1.6%-7.8%

PERSONAL INCOME TAX
RATE RANGE

Rate range on a bracketed
system based on income levels

7.1% UNION MEMBERSHIP
(NAT'L AVG: 11.9%)

**PROPERTY
EXEMPTION**

First \$100,000 of personal
property is exempt from taxation

IDAHO IS A
right to work
STATE



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