

# Regency Tower

333 Northwest 5th  
 Oklahoma City, OK 73102

## Current Income Statement

Prepared By:

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### Investment Summary

<b>Price:</b>	<b>\$15,300,000</b>
<b>Price Per Unit:</b>	<b>\$55,435</b>
<b>Price Per Sq.Ft.:</b>	<b>\$84.93</b>
<b>CAP Rate:</b>	<b>7.1%</b>
<b>G.R.M.:</b>	<b>6.1</b>
<b>Expenses per unit:</b>	<b>\$4,804</b>
<b>Year Built:</b>	<b>1964</b>
<b>Financing:</b>	
Buyer to assume existing loan of \$9,200,000 at 5.45%, 30/10. Current Balance is \$8,668,762. Loan Matures April 2014.	



### Unit Mix and Current Asking Rents

Type	# of Units	Sq.Ft.	Rent	Rent/Foot	Gross Rent
0/1	71	410	\$561	\$1.37	\$39,820
1/1	70	573	\$719	\$1.25	\$50,330
1/1	53	630	\$746	\$1.18	\$39,535
2/2	72	889	\$916	\$1.03	\$65,930
2/3	4	1,228	\$1,310	\$1.07	\$5,240
3/3	4	1,256	\$1,400	\$1.11	\$5,600
<u>R</u>	<u>2</u>	<u>1,806</u>	<u>\$1,290</u>	<u>\$0.71</u>	<u>\$2,580</u>
<b>Totals/Ave.</b>	<b>276</b>	<b>180,152</b>	<b>\$757</b>	<b>\$1.16</b>	<b>\$209,035</b>

### Current Income & Expenses

<b>Gross Annual Rent</b>		\$2,508,418
<b>Vacancy</b>	7.0%	(\$175,589)
<b>Concessions /Loss to Lease</b>	2.5%	(\$62,710)
<b>Bad Debt</b>	3.0%	(\$75,253)
<b>Effective Annual Rent</b>		<u>\$2,194,866</u>
<b>Other Income</b>		\$220,000
<b>Effective Gross Income</b>		<u>\$2,414,866</u>
<b>Total Expenses</b>		<u>(\$1,326,033)</u>
<b>Net Operating Income</b>		\$1,088,833
<b>Annual Debt Service</b>		<u>(\$623,380)</u>
<b>Cash Flow</b>		\$465,453
<b>Equity Required</b>	43%	\$6,631,238
<b>Return on Equity</b>		7.0%

#### Unit Amenities

#### Complex Amenities

Air Conditioning, Balcony/Patio, Downtown City Views, Dishwasher, Walk-in Closets

24-hour Concierge, Garage Parking, Heated Swimming Pool, Fitness Center, Business Center, Ground Floor Retail

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# Steelhead Capital-Investment Advisory Services

## Regency Tower Current Income Statement

			<u>\$ Per Unit</u>
<b>Purchase Price:</b>		\$ 15,300,000.00	\$55,435
<b>Revenue:</b>			<u>\$ Per Unit</u>
1 Gross Annual Rent	100%	\$2,508,415	\$9,088
2 Estimated Vacancy Factor	13%	\$313,552	\$1,136
3 Effective Annual Rent	88%	\$2,194,863	\$7,952
4 Other Revenue (i.e. Laundry)	9%	\$220,000	\$797
<b>Effective Annual Revenue</b>	<b>96%</b>	<b>\$2,414,863</b>	<b>\$8,750</b>
<b>Expense:</b>			
5 Real Estate Taxes		\$177,326	\$642
6 Insurance		\$50,000	\$181
7 Electric		\$178,641	\$647
8 Gas		\$95,467	\$346
9 Water & Sewer		\$53,950	\$195
10 Trash Removal		\$8,160	\$30
11 Pest Control		\$3,588	\$13
12 Off Site Management	3.0%	\$72,446	\$262
13 On Site Management Personnel		\$99,785	\$362
14 Maintenance Personnel		\$234,600	\$850
15 Payroll Taxes & Benefits		\$86,940	\$315
16 Repairs & Maintenance		\$44,160	\$160
17 Advertising		\$35,000	\$127
18 Elevator/HVAC/Janitorial		\$27,000	\$98
19 Apartment Turnover		\$47,610	\$173
20 Phone		\$4,380	\$16
21 Legal/Accounting		\$4,000	\$14
22 Miscellaneous/Administrative		\$20,700	\$75
23 Alarm & Monitoring		\$5,000	\$18
24 Replacement Reserves		<u>\$77,280</u>	<u>\$280</u>
<b>Total Expense</b>	<b>53%</b>	<b>\$1,326,033</b>	<b>\$4,804</b>
Net Operating Income		\$1,088,830	\$3,945
<b>Cap Rate</b>		<b>7.1%</b>	
<b>Gross Rent Multiplier</b>		<b>6.1</b>	
Debt Service		(\$623,380)	
Net Cash Flow		\$465,450	
Equity Required	<b>43%</b>	\$6,631,238	
<b>Cash on Cash (R.O.E.)</b>		<b>7.0%</b>	
Principal Paydown		\$125,074	
Total Return		\$590,524	
<b>Return as a Percent of Equity</b>		<b>8.9%</b>	

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333 Northwest 5th  
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## Proforma Income Statement

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### Investment Summary

<b>Price:</b>	<b>\$15,300,000</b>
<b>Price Per Unit:</b>	<b>\$55,435</b>
<b>Price Per Sq.Ft.:</b>	<b>\$84.93</b>
<b>CAP Rate:</b>	<b>8.2%</b>
<b>G.R.M.:</b>	<b>6.0</b>
<b>Expenses per unit:</b>	<b>\$4,823</b>
<b>Year Built:</b>	<b>1964</b>
<b>Financing:</b>	
Buyer to assume existing loan of \$9,200,000 at 5.45%, 30/10. Current Balance is \$8,668,762. Loan Matures April 2014.	



### Unit Mix and Proforma Rents

Type	# of Units	Sq.Ft.	Rent	Rent/Foot	Gross Rent
0/1	71	410	\$586	\$1.43	\$41,615
1/1	70	573	\$742	\$1.30	\$51,970
1/1	53	630	\$752	\$1.19	\$39,860
2/2	72	889	\$927	\$1.04	\$66,740
2/3	4	1,228	\$1,320	\$1.07	\$5,280
3/3	4	1,256	\$1,400	\$1.11	\$5,600
<u>R</u>	<u>2</u>	<u>1,806</u>	<u>\$1,290</u>	<u>\$0.71</u>	<u>\$2,580</u>
<b>Totals/Ave.</b>	<b>276</b>	<b>180,152</b>	<b>\$774</b>	<b>\$1.19</b>	<b>\$213,645</b>

### Proforma Income & Expenses

<b>Gross Annual Rent</b>		\$2,563,740
<b>Vacancy</b>	5.0%	(\$128,187)
<b>Concessions /Loss to Lease</b>	3.5%	(\$89,731)
<b>Bad Debt</b>		\$0
<b>Effective Annual Rent</b>		<u>\$2,345,822</u>
<b>Other Income</b>		\$235,000
<b>Effective Gross Income</b>		<u>\$2,580,822</u>
<b>Total Expenses</b>		<u>(\$1,331,012)</u>
<b>Net Operating Income</b>		\$1,249,810
<b>Annual Debt Service</b>		<u>(\$623,380)</u>
<b>Cash Flow</b>		\$626,430
<b>Equity Required</b>	43%	\$6,631,238
<b>Return on Equity</b>		9.4%

#### Unit Amenities

#### Complex Amenities

Air Conditioning, Balcony/Patio, Downtown City Views, Dishwasher, Walk-in Closets

24-hour Concierge, Garage Parking, Heated Swimming Pool, Fitness Center, Business Center, Ground Floor Retail

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# Steelhead Capital-Investment Advisory Services

## Regency Tower Proforma Income Statement

			<u>\$ Per Unit</u>
<b>Purchase Price:</b>		\$ 15,300,000	\$55,435
<b>Revenue:</b>			<u>\$ Per Unit</u>
1 Gross Annual Rent	100%	\$2,563,740	\$9,289
2 Estimated Vacancy Factor	9%	\$217,918	\$790
3 Effective Annual Rent	92%	\$2,345,822	\$8,499
4 Other Revenue (i.e. Laundry)	9%	\$235,000	\$851
<b>Effective Annual Revenue</b>	<b>101%</b>	<b>\$2,580,822</b>	<b>\$9,351</b>
<b>Expense:</b>			
5 Real Estate Taxes		\$177,326	\$642
6 Insurance		\$50,000	\$181
7 Electric		\$178,641	\$647
8 Gas		\$95,467	\$346
9 Water & Sewer		\$53,950	\$195
10 Trash Removal		\$8,160	\$30
11 Pest Control		\$3,588	\$13
12 Off Site Management	3.0%	\$77,425	\$281
13 On Site Management Personnel		\$99,785	\$362
14 Maintenance Personnel		\$234,600	\$850
15 Payroll Taxes & Benefits		\$86,940	\$315
16 Repairs & Maintenance		\$44,160	\$160
17 Advertising		\$35,000	\$127
18 Landscaping/Pool		\$27,000	\$98
19 Apartment Turnover		\$47,610	\$173
20 Phone		\$4,380	\$16
21 Legal/Accounting		\$4,000	\$14
22 Miscellaneous/Administrative		\$20,700	\$75
23 Alarm & Monitoring		\$5,000	\$18
24 Replacement Reserves		\$77,280	\$280
<b>Total Expense</b>	<b>52%</b>	<b>\$1,331,012</b>	<b>\$4,823</b>
Net Operating Income		\$1,249,810	\$4,528
Cap Rate		8.2%	
<b>Gross Rent Multiplier</b>		6.0	
Debt Service		(\$623,380)	
Net Cash Flow		\$626,430	
Equity Required	<b>43%</b>	\$6,631,238	
<b>Cash on Cash (R.O.E.)</b>		<b>9.4%</b>	
Principal Paydown		\$125,074	
Total Return		\$751,504	
<b>Return as a Percent of Equity</b>		<b>11.3%</b>	

# Regency Tower

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## Property Description

The Regency Tower is a 24 story high-rise apartment community located in downtown Oklahoma City. The property was built in 1964 extensively renovated in 1995 (new carpet, drywall, windows, chiller system, paint, and other replacements), with additional upgrades made to the common areas in 2005. The building consists of 274 units contained within one, 24-story, steel frame building with a concrete-paneled exterior and a flat roof. The property also has 3,612 square feet of retail space on the ground level.

The Regency Tower offers eleven different floor plans, including 71 studios, 123 one-bedroom, 76 two-bedroom, and 4 three-bedroom units. Floors 1-3 contain the 206 stall parking garage (the property has additional parking along the east side of the building). The 4th Floor contains the management offices, fitness center, clubroom, and swimming pool. The 5th Floor features the laundry facility, mail room, maintenance room, and mechanical room. Floors 6-24 contain the 274 apartment units. According to the owner, there is 8000 square feet of unused space that was previously used by an office tenant, but could possibly be used for approximately 21 new residential units. A new owner would need to verify feasibility and costs of adding new units.

The Regency Tower is located along Northwest 5th Street, between Hudson Avenue and Harvey Avenue in the western portion of downtown Oklahoma City, Oklahoma. Direct access to the property is via three curb cuts along Northwest 5th Street, two which lead into the parking garage and one that leads to surface parking along the east side of the building. The property is less than one mile north of the "Crosstown" Interstate Highway 40 Expressway, which is the major east/west artery, and approximately ½ mile west of Interstate Highway 235, a major north/south artery. The close proximity to these highways allows for easy access to all parts of the city.