



**ASHCROFT**  
CAPITAL

# The Apartments at Midtown 501

1<sup>st</sup> ASSET IN THE ASHCROFT VALUE-ADD FUND III

IMPORTANT

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# The Apartments at Midtown 501

Chapel Hill, NC

AN INSTITUTIONAL QUALITY VALUE-ADD INVESTMENT  
WITHIN ASHCROFT VALUE-ADD FUND III





## The Apartments at Midtown 501

# INVESTMENT SUMMARY

Ashcroft Capital has identified The Apartments at Midtown 501 (the “Property” and “Midtown 501”) as the **first acquisition within the Ashcroft Value-Add Fund III**. The Property consists of 248-units and is located in highly affluent Chapel Hill submarket of Raleigh, North Carolina. Midtown 501 was originally built in 1975, however, current ownership completed a **\$15 million (\$60,000 per unit)** extensive transformation of the property in 2015 which fully modernized the amenities, units, and physical attributes of the asset. Leaving only minimal deferred maintenance remaining, Midtown 501 provides Ashcroft the opportunity to focus efforts on operational improvements and maximizing income through light interior upgrades.

Ashcroft is focused on acquiring institutional quality properties in extremely strong locations during the current volatility in the capital markets. We believe this approach will help to preserve investors’ equity and mitigate risk while still having the potential to capitalize on the extremely strong multifamily fundamentals. Midtown 501 is in a premier location in Chapel Hill, NC and the recent major capital infusion in the Property helps to limit future capital needs. Additionally, we will be acquiring the Property at a price approximately **25% below** where it would have been valued 9-12 months ago, due to the changing capital markets landscape.

Midtown 501’s location in Chapel Hill is one of its greatest attributes. The school district (Chapel Hill-Carrboro County School System) that serves the Property is ranked by Niche.com as the **#1 School District in North Carolina**. Additionally, the Property is located along Highway 15-501 between Downtown Chapel Hill and I-40 which provides tenants with immediate access to some of the market’s top employment centers. The Research Triangle Park, the University of North Carolina at Chapel Hill, Downtown Chapel Hill and UNC Hospital and Duke University & Duke Hospital are short commutes from the Property. These demand drivers, combined with low inventory of single-family homes and desirability to live in Chapel Hill, should further expand the affluent young professional renter pool to keep upward pressure on rents during Ashcroft’s ownership. **The average household income within a 1-mile radius of the Property is over \$127,000 per year** (vs U.S. National Average \$75,000) **and 80% of people are college-educated**.

The Property offers spacious 1-, 2-, and 3-bedroom units with an **average unit size of 1,106 SF**. As part of the current owner’s massive renovation of the Property, the units were reconfigured to open up the floorplans, providing living space comparable to newer properties in the submarket. The current owner also invested heavily in the amenities including fully repurposing and expanding the clubhouse. Additionally, all building exteriors were drastically enhanced including new facades, new architectural accents, fully rebuilt balconies, and all new windows and roofs.

After completing their extensive property-wide renovations in 2015, current ownership has been primarily focused on maintaining high occupancy over 95%, inherently leading to them missing out on the substantial rent growth the Chapel Hill market has experienced over the last several years. Even with a conservative business plan, the Property is generating **organic rent increases of over 30% on new leases, as well as over 18% gross potential income growth over the past 12 months**. Ashcroft has the immediate opportunity to bring current rents to market levels as well as renovate the units and amenities to a modern high-end renovation scope. Ashcroft has previously acquired two properties from the seller of Midtown 501, Southside Villas in 2019 & Elliot Baymeadows in 2021. Ashcroft has grown rents at these properties by 41% and 19%, respectively, since acquisition. **Additionally, Ashcroft recapitalized Southside Villas in May 2022, returning a 28.5% IRR and 1.82x Equity multiple to investors.**



## The Apartments at Midtown 501

# INVESTMENT SUMMARY

The current owner partially renovated 100% of the units in 2015, which provides Ashcroft the opportunity to further elevate and bring **all units to a luxury level** in order to be more competitive with several renovated and newer properties in the area. Ashcroft plans on upgrading the units to include modern wood-style flooring, attractive tiled-backsplash, painted cabinet fronts, updated lighting fixtures. Additionally, in order to further appeal to the targeted resident base, we plan on adding a technology package that includes smart thermostats and locks. Renovated rents at the Property are projected to still be below the immediate comp set leaving further room for upside.

Midtown 501 is in excellent condition given the recent **\$15 million of capital expenditures**; however, thoughtful capital spending can significantly improve the Property. The business plan includes several projects such as addressing minor deferred maintenance, rebranding the Property, and improving the curb appeal. In order to compete with newer properties in the area, the amenities and common areas are expected to be fully upgraded to modernize and enhance the renovations completed in 2015. The clubhouse, fitness center, pool areas, and other amenities are expected to significantly be improved to further elevate the overall quality of the Property and cater to the affluent young professional demographic in the Chapel Hill submarket.

Additionally, Ashcroft plans on installing private backyards to select units. Ashcroft's in-house property management company, Birchstone Residential, will be executing the business plan upon takeover. All capital projects will be overseen by Birchstone Residential's in house construction team.

*\$127,000 Average Incomes  
within 1-Mile Radius*

*#1 Ranked School  
District in the State*

*Substantial Mark-to-Market  
Rent Opportunity*

*Significant Discount in Basis to  
Early 2022 Pricing*

*Immediate Access to Raleigh's Top  
Employment & Demand Drivers*

*Strong Institutional Ownership  
History*

# INVESTMENT SUMMARY

## Project Summary

Property Name	The Apartments at Midtown 501
Market	Raleigh, North Carolina
Submarket	Chapel Hill
Units	248
Year Built / Renovated	1975/2015
Purchase Price	\$53,750,000
Equity Source	Ashcroft Value Add Fund III
Initial Cap Rate (Adjusted)*	4.5%
Occupancy (as of 10/20/22)	94.0%
DSCR (Year 1)	1.20x
Projected Hold Period	5 years

\*Based on T3 adjusted rental income with T12 other income and proforma expenses.

## Anticipated Senior Financing\*

Principal Balance (Initial Funding at Closing)	\$35,206,250
Loan to Purchase Price	65.5%
Future Funding (100% of CapEx)	\$2,858,350
Interest Rate	SOFR + 325
Months of Interest Only Payments	60
Term (Months)	60
Fixed or Adjustable	Adjustable (Ashcroft will be purchasing an interest cap to mitigate risk)
Amortizing Period (Years)	Interest Only
Prepayment	No prepayment after a short lockout period

\*Subject to change prior to closing.



The Apartments at Midtown 501

# INVESTMENT SUMMARY

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# BUSINESS PLAN

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### 1. Enhanced Unit Renovation

- i. Unit interiors are inferior compared to surrounding competition. Ashcroft will renovate and modernize the property to be more competitive with properties in the area by investing an average of approximately \$4,500/unit on interior renovations over the next 24 months.
- ii. Rents at the Property are expected to increase by an average of approximately \$279/mo over the current rents as a result of both the renovations and increasing the rents to current market levels.

### 2. Exterior and Common Area Capital Improvements

- i. Ashcroft plans to further elevate the quality of the Property by improving and modernizing the existing amenities to create a better living experience for residents. All capital projects will be overseen by Birchstone Residential's in house construction team.
- ii. The business plan at the Property includes: (i) upgrading the amenity and common areas to a luxury scope, (ii) addressing minor deferred maintenance, and (iii) improving the curb appeal, landscaping, and signage.
- iii. Ashcroft anticipates reserving funds for Capital Improvements and any minor deferred maintenance to preserve the Property.

### 3. Operational Improvement and Repositioning

- i. Upon the takeover of The Property, the Partnership will retain Ashcroft's in-house property management team, Birchstone Residential ("Birchstone"), to manage the Property. Birchstone will bring a modern, best-in-class approach to tighten operations and improve resident retention, which will increase performance of the asset throughout the hold period. Through a successful implementation of the business plan, The Apartments at Midtown 501 will be repositioned into one of the most desirable communities in the area.
- ii. Ashcroft and Birchstone have identified several areas to improve operations and increase revenue. Based on market research, it is the belief that rents at the Property are significantly below market. Ashcroft and Birchstone plan to immediately bring rents to a market level in order to increase income.

### 4. Private Loan Providing Maximum Flexibility

- i. Based on the projected cash flow, Ashcroft will pursue a 65% LTC initial loan from a private lender. The initial term will be 3 years with two one-year extension options. This loan will provide investors with maximum flexibility by allowing for a capital event. Additionally, Ashcroft will be purchasing an interest rate cap to further mitigate risk on increases in interest rates.
- ii. As NOI grows over year 1 and 2 through the repositioning of the asset, Ashcroft will explore refinancing with a longer term fixed-rate loan. Although this has not been modeled into projections, Ashcroft plans to focus on a refinance that could return significant equity to the investors.

### 5. Exit Strategy

- i. Ashcroft plans on seeking a disposition in approximately 5 years.



## The Apartments at Midtown 501

# CAPITAL IMPROVEMENT BUDGET

Capital Expenditure Budget		
Interior Rehab	Total/Unit	Total
Modernize Interior Units	\$4,500	\$1,116,000
<b>Total Interior Rehab/Unit</b>	<b>\$4,500</b>	<b>\$1,116,000</b>
Exterior Rehab		Total
Exterior Reserve		\$150,000
Parking Lot		\$100,000
Clubhouse		\$125,000
Fitness Center		\$35,000
Pool Areas		\$125,000
Tennis Court Conversion/Other Amenities		\$100,000
Private Yards		\$62,500
Signage		\$50,000
Landscaping		\$75,000
Model/Golf Carts		\$50,000
Site Work		\$300,000
<b>Total Exterior Rehab</b>		<b>\$1,172,500</b>
Misc and Contingency		\$310,000
CM Fee (10%)		\$259,850
<b>Total CapEx Budget</b>		<b>\$2,858,350</b>



The Apartments at Midtown 501

# INTERIOR RENOVATION SCOPE



APARTMENTS AT MIDTOWN  
STANDARD UNIT



ASHCROFT LUXURY  
RENOVATED UNIT

The Apartments at Midtown 501

# ASHCROFT FITNESS

# CENTER IMPROVEMENTS

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APARTMENTS AT MIDTOWN  
FITNESS CENTER



ASHCROFT RENOVATED  
FITNESS CENTER

The Apartments at Midtown 501

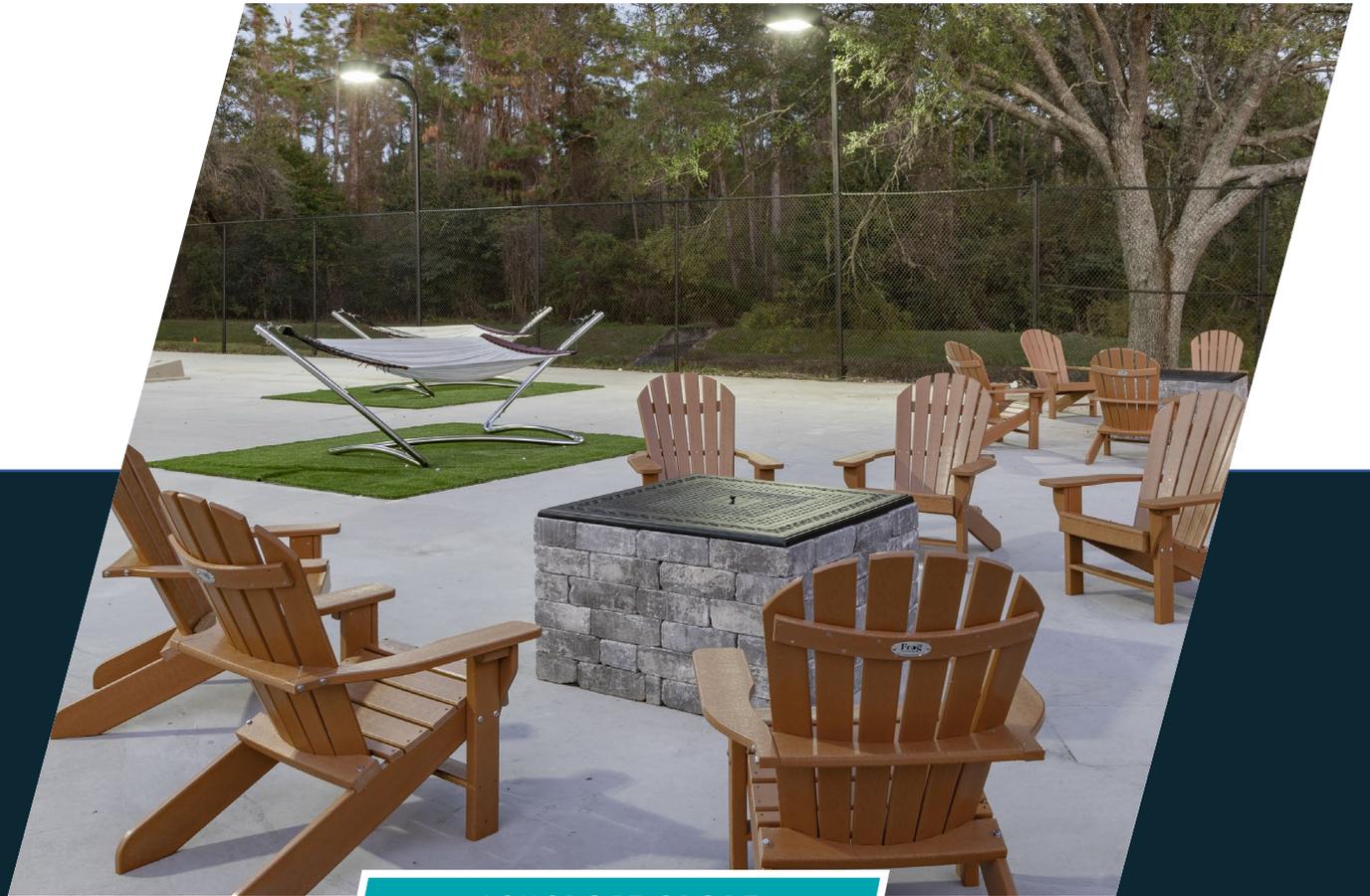
# ASHCROFT SPORT COURT

## UPGRADE

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APARTMENTS AT MIDTOWN  
SPORT COURT



ASHCROFT SPORT  
COURT

## The Apartments at Midtown 501

# PROFORMA

	Pro Forma							
Income	T12	T3	Year 1	Year 2	Year 3	Year 4	Year 5	Notes:
Gross Potential Income	\$4,282,860	\$4,282,860	\$4,742,372	\$5,609,431	\$6,165,323	\$6,352,848	\$6,546,076	Includes Premium from Unit Renovations
LTL	(\$41,800)	\$10,244	\$0	\$0	\$0	\$0	\$0	LTL Factored Above
<b>Total GR</b>	<b>\$4,241,060</b>	<b>\$4,293,104</b>	<b>\$4,742,372</b>	<b>\$5,609,431</b>	<b>\$6,165,323</b>	<b>\$6,352,848</b>	<b>\$6,546,076</b>	
Vacancy	(\$148,083)	(\$189,654)	(\$331,966)	(\$280,472)	(\$308,266)	(\$317,642)	(\$327,304)	Increased Yr 1 vacancy followed by stabilized occ of 95%
Concessions	(\$180,519)	(\$32,592)	(\$11,856)	(\$2,805)	(\$3,083)	(\$3,176)	(\$3,273)	Increased Yr 1 concessions followed by stabilized amounts
Employee Units	(\$13,248)	(\$23,966)	(\$9,561)	(\$11,309)	(\$12,430)	(\$12,808)	(\$13,198)	Employee Rent Discount
Model Units	(\$17,220)	(\$17,220)	(\$19,122)	(\$22,619)	(\$24,860)	(\$25,616)	(\$26,395)	Assuming 1 Model Unit
Bad Debt	(\$22,660)	(\$10,890)	(\$54,537)	(\$47,680)	(\$52,405)	(\$53,999)	(\$55,642)	Increased Yr1 bad debt followed by stabilized amount
<b>Total Rental Income</b>	<b>\$3,859,330</b>	<b>\$4,018,781</b>	<b>\$4,315,329</b>	<b>\$5,244,546</b>	<b>\$5,764,279</b>	<b>\$5,939,605</b>	<b>\$6,120,264</b>	
Other Income	\$115,315	\$115,315	\$118,022	\$123,207	\$127,353	\$131,227	\$135,218	Based on the T12
Additional Other Income	\$0	\$0	\$3,130	\$19,323	\$22,198	\$22,873	\$23,568	Adding private yards
RUBS	\$434,846	\$434,846	\$445,209	\$464,770	\$480,410	\$495,023	\$510,079	Based on the T12
<b>Total Other Income</b>	<b>\$550,161</b>	<b>\$550,161</b>	<b>\$566,361</b>	<b>\$607,301</b>	<b>\$629,961</b>	<b>\$649,122</b>	<b>\$668,866</b>	
<b>Total Income</b>	<b>\$4,409,491</b>	<b>\$4,568,943</b>	<b>\$4,881,690</b>	<b>\$5,851,847</b>	<b>\$6,394,241</b>	<b>\$6,588,727</b>	<b>\$6,789,130</b>	
<b>Expenses</b>								
Payroll	(\$331,728)	(\$359,600)	(\$359,600)	(\$365,497)	(\$376,614)	(\$388,069)	(\$399,873)	Based on Proforma
Maintenance	(\$44,194)	(\$49,600)	(\$49,600)	(\$50,413)	(\$51,947)	(\$53,527)	(\$55,155)	Based on Proforma
Contract Services	(\$41,104)	(\$55,800)	(\$55,800)	(\$56,715)	(\$58,440)	(\$60,218)	(\$62,049)	Based on Proforma
Turn/Make Ready	(\$91,260)	(\$49,600)	(\$37,200)	(\$37,810)	(\$50,288)	(\$51,817)	(\$53,393)	Based on Proforma
Advertising	(\$78,834)	(\$62,000)	(\$62,000)	(\$63,017)	(\$64,934)	(\$66,909)	(\$68,944)	Based on Proforma
Admin	(\$78,341)	(\$86,800)	(\$86,800)	(\$88,224)	(\$90,907)	(\$93,672)	(\$96,521)	Based on Proforma
Utilities	(\$370,877)	(\$371,008)	(\$371,008)	(\$377,092)	(\$388,562)	(\$400,381)	(\$412,559)	Based on the T12
Property Mgmt Fee	(\$131,912)	(\$130,445)	(\$146,451)	(\$175,555)	(\$191,827)	(\$197,662)	(\$203,674)	3.0%
Taxes - Real Estate	(\$536,397)	(\$536,397)	(\$656,769)	(\$657,607)	(\$781,738)	(\$798,064)	(\$814,737)	Based on Tax Consultant
Insurance	(\$47,057)	(\$124,000)	(\$124,000)	(\$126,034)	(\$129,867)	(\$133,817)	(\$137,887)	Based on consultant feedback
Reserves	(\$62,000)	(\$62,000)	(\$62,000)	(\$62,000)	(\$62,000)	(\$62,000)	(\$62,000)	Estimate
<b>Total Expenses</b>	<b>(\$1,813,703)</b>	<b>(\$1,887,250)</b>	<b>(\$2,011,228)</b>	<b>(\$2,059,965)</b>	<b>(\$2,247,124)</b>	<b>(\$2,306,135)</b>	<b>(\$2,366,791)</b>	
<b>Net Operating Income</b>	<b>\$2,595,787</b>	<b>\$2,681,693</b>	<b>\$2,870,462</b>	<b>\$3,791,882</b>	<b>\$4,147,117</b>	<b>\$4,282,592</b>	<b>\$4,422,338</b>	

\*The Property will be charged a 5% Management Fee, however, 2% will be deferred and may be repaid before disposition.

## The Apartments at Midtown 501

# PROPERTY OVERVIEW

Property Information	
<b>Purchase Price</b>	\$53,750,000
<b>Number of Buildings</b>	31 Residential and 1 Clubhouse
<b>Number of Units</b>	248
<b>Rentable Square Feet</b>	274,400
<b>Avg Unit Sq Ft</b>	1,106 SF
<b>Year Built / Renovated</b>	1975/2015
<b>Land Size</b>	21.12 Acres
<b>Hot Water</b>	Electric Hot Water Heaters
<b>Ceiling Height</b>	8 Feet
<b>Utilities/Metering</b>	Electric – Resident Pays Water/Sewer/Gas/Trash – Resident Pays
<b>Construction</b>	Foundation – Concrete Block Exterior – Vinyl Plank Roof – Pitched Composite Shingle Cover
<b>Education</b>	Chapel Hill ISD: Estes Hills Elementary (Rated A) Guy B. Phillips Middle School (Rated A) East Chapel Hill High School (Rated A+)

### Community Amenities

- Resort Style Pool & Grilling Areas
- Resident Clubhouse & Business Center
- Fitness Center
- Game Room
- Volleyball Court
- Dog Park
- Children's Playground
- Tennis Court

### Standard Unit Features

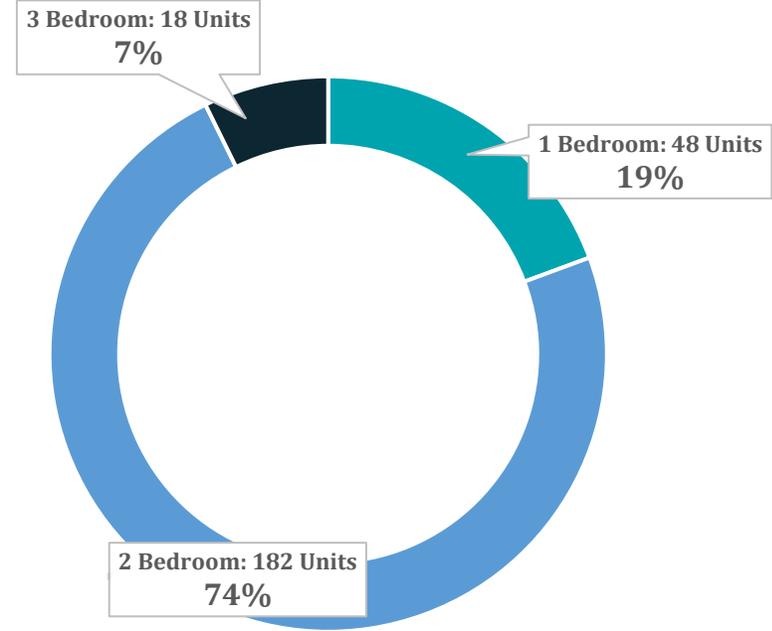
- Granite Countertops
- Island Kitchens
- Stainless-Steel Appliances
- Vinyl Flooring
- Washer/Dryer In-Unit
- Walk in Closets
- Balcony/Patio



## The Apartments at Midtown 501

# UNIT MIX

UNIT MIX BREAKDOWN



Unit Type	Bed/Bath	Sq Ft	Units	Current Rent
A1	1x1	925	48	\$1,310
B1	2x2	1,150	182	\$1,472
C1	3x2	1,150	18	\$1,753
<b>Average</b>		<b>1,106</b>		<b>\$1,461</b>
<b>Total</b>		<b>274,400</b>	<b>248</b>	<b>\$362,348</b>

The Apartments at Midtown 501

# FLOOR PLANS

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1x1



2x2



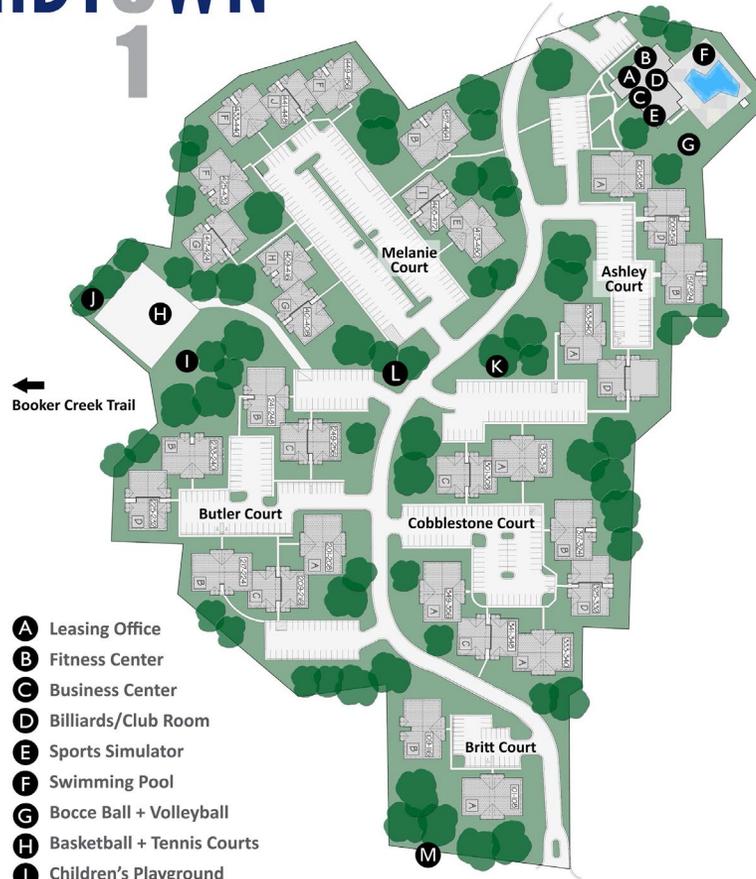
3x2





The Apartments at  
**5 MIDTOWN**  
 1

The Apartments  
 at Midtown 501  
**SITE MAP**



- A** Leasing Office
- B** Fitness Center
- C** Business Center
- D** Billiards/Club Room
- E** Sports Simulator
- F** Swimming Pool
- G** Bocce Ball + Volleyball
- H** Basketball + Tennis Courts
- I** Children's Playground
- J** Dog Park
- K** Mailbox Kiosk
- L** Trash Compactor
- M** Chapel Hill Transit Bus Stop

# The Apartments at Midtown 501

MARKET OVERVIEW & COMPARABLE ANALYSIS



# Chapel Hill, NC

Chapel Hill's economy is supported by its large talent base and highly educated workforce, which has played a significant role in attracting billions of dollars of corporate investment over the last decade. Duke University, North Carolina State University, and UNC Chapel Hill produce thousands of graduates every year, many of whom fall into the local workforce. Numerous Fortune 500 companies have either relocated to or expanded in the area, even amid the pandemic.

Research Triangle Park, the largest research park in the country, is a major economic driver for the submarket. The park is home to over 300 firms in industries spanning technology, life sciences, manufacturing, and finance. Even during the COVID-19 Pandemic, the submarket witnessed strong demand for office, life science and lab space, and several related companies have either relocated or announced major expansions including Apple, Google, Eli Lilly, Biogen, Epic Games, and Fidelity. The continued corporate expansions and relocations have created a very affluent demographic making Chapel Hill one of the top submarkets for multifamily investment in the United States.

## Major Employment & Demand Drivers

- **Research Triangle Park:** Home to more than 300+ companies including multiple Fortune 500, RTP is the largest and most diverse research park in the United States. RTP supports over 55,000+ jobs and is home to companies such as Apple, Lenovo, Biogen, Lap Corp, IBM, Cisco, and Credit Suisse.
- **Downtown Durham:** Home to over 70+ corporate headquarters, Downtown Durham supports over 25,000 jobs and over 400 businesses.
- **UNC Chapel Hill:** Consistently ranked as one of the top public universities in the country, UNC Chapel Hill has an annual enrollment of 30,000+ students and supports over 12,500 jobs. UNC Chapel Hill conducts over \$1B in sponsored research every year which ranks in the top 15 in the country.
- **Duke University:** With 43,000+ employees, Duke University and Health System is the single largest employer in Durham County and the second-largest private employer in North Carolina. Duke University also provides significant talent to the market - tens of thousands of alumni are currently living and working in the Triangle.
- **Duke Healthcare System :** Ranked as one of the top hospital systems in the country, Duke Health System supports 34,000 jobs across and is home the nations largest and oldest research institute Duke Clinical Research.
- **Chapel Hill-Carrboro County School System:** Consistently ranked as the top school district in the state of North Carolina, by Niche.com, the Chapel Hill ISD is one the biggest demand drivers for young families to move to the submarket.
- **Blue Hill District:** A brand new Live-Work-Play redevelopment, the Blue Hill District is home to retailers such as Trader Joes, Whole Foods, and Harris Teeter. Additionally, there are several Class-A office projects underway.

12.4%

**2022-YEAR TO DATE RENT GROWTH**

US National Average: 4.7%

4.1%

**10 YEAR AVERAGE UNEMPLOYMENT RATE**

US National Average: 5.2%

5.1%

**5-YEAR TOTAL PROJECTED POPULATION GROWTH**

US National Average: 2.5%

4.5%

**5-YEAR TOTAL PROJECTED JOB GROWTH**

US National Average: 2.4%

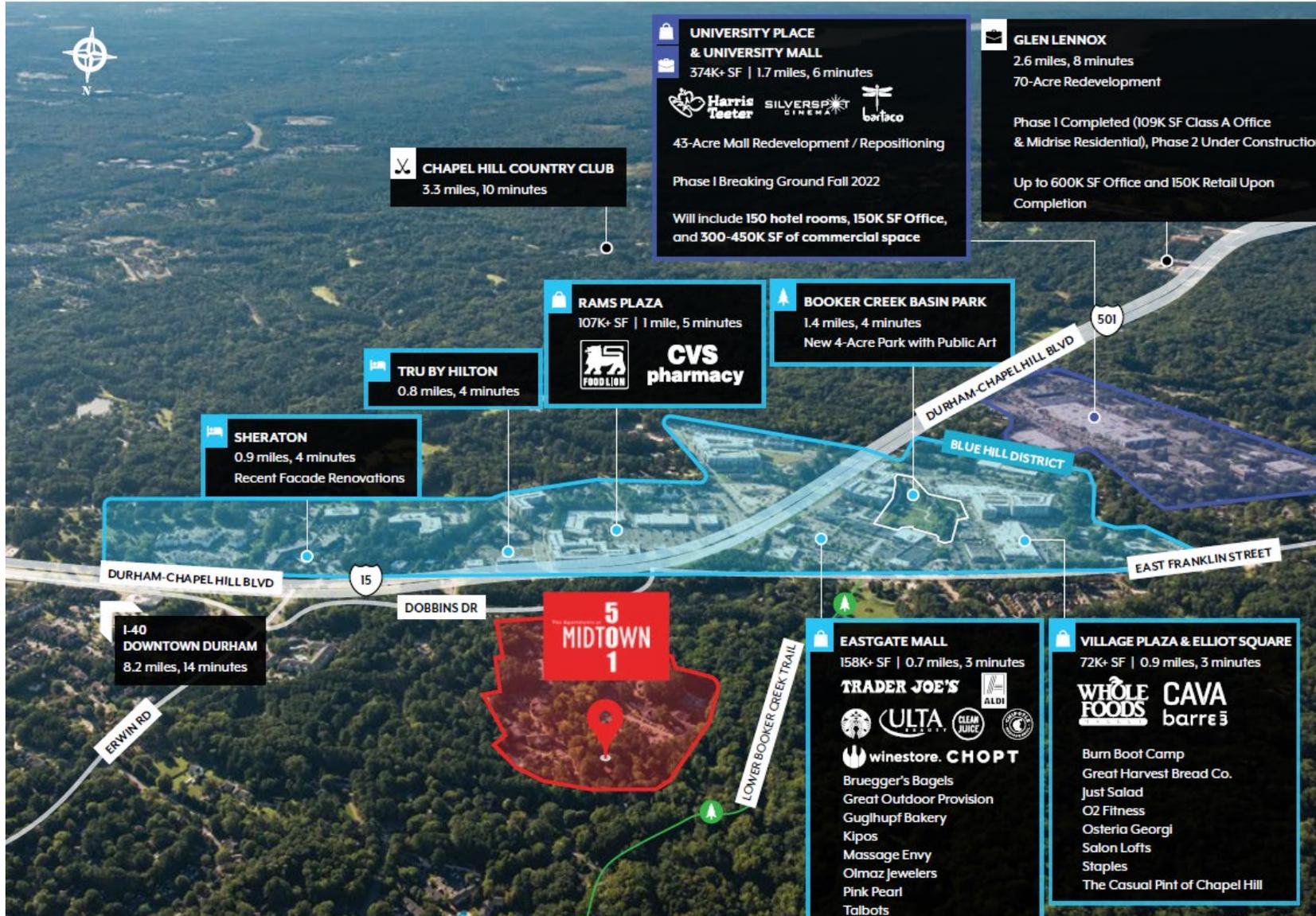
# MAJOR CORPORATE EXPANSIONS AND RELOCATIONS

New Jobs	Total Investment	Company	Industry	Type (New or Expansion)	Announcement	Date
3,963	N/A	Fidelity Investments	Financial Services	Exp	Fast growing company announced plans to add 1700 more employees, after already adding about 2000 last year.	May-22
3,000	\$1,000,000,000	Apple	Technology	New	Apple is building a \$1 billion-plus campus and engineering hub that will create 3,000 jobs with an average salary \$187,000.	Apr-21
878	\$61,500,000	BioAgilytix	Life Sciences	Exp	Durham-based life sciences firm plans to bring 878 jobs , a \$61.5 million investment.	Oct-20
749	\$73,000,000	Q2 Solutions	Clinical Research	Exp	A subsidiary of the Durham-based clinical research organization IQVIA plans to add 750 jobs in Durham County with an average salary of \$89,000+.	Jan-20
650	\$500,000,000	Apiject	Pharmaceuticals	New	Pre-filled syringe maker Apiject Systems Corp. announced that it will be building a 'gigafactory' that will assist in the distribution of vaccines.	Nov-20
462	\$474,000,000	Eli Lilly	Pharmaceuticals	New	The global healthcare and biopharmaceutical company's project will bring a new state-of-the-art pharmaceutical manufacturing facility. Jobs will have an average wage of \$73,000.	Jan-20
398	\$103,000,000	GRAIL	BioSciences	New	GRAIL, Inc., an innovative healthcare company pioneering a test that detects more than 50 cancers with a single blood draw, will bring a new state-of-the-art laboratory facility with office and warehouse space to RTP.	Jun-20
374	\$114,600,000	Invitae Corporation	Life Sciences	New	The San Francisco-based genetic testing firm has signed on to lease all 245K Sf of available office, research and lab space at The Stitch, the former site of the Morrisville Outlet Mall.	Apr-21
300	\$252,000,000	UNC Health	Healthcare	Exp	UNC Health will build a 40-bed hospital in RTP with a 24-hour E.R., operating rooms, and imaging services that is slated to open in 2026.	Sep-21
250	\$21,500,000	Smart Wires	Energy	New	California-based Smart Wires, which supplies technology to the utility industry, picked Durham for its global HQ and a R&D operation with average salaries of \$118,000.	Jul-21
250	\$273,000,000	Duke University School of Medicine	Healthcare	Exp	Duke University is establishing a new campus in Research Triangle Park dedicated to faculty work on vaccines and infectious disease as hundreds of millions in new funding pours in for research	Jun-20
201	\$83,000,000	Beam Therapeutics	Pharmaceuticals	New	Gene therapy company is planning a new 100K SF clinical and commercial manufacturing facility, an \$83 million investment, for 201 jobs with average salary of \$103,000.	Aug-20
200	\$125,400,000	Jaguar Gene Therapy	Biotechnology	Exp	Jaguar Gene Therapy announced plans to expand their Raleigh/Durham presence with a \$125.4 million investment that will create 200 new jobs between 2024 and 2028.	Oct-21
200	\$157,000,000	CARsgen Therapeutics	Pharmaceuticals	Exp	The pharma firm announced plans to create 200 jobs in Durham with an average salary of \$76,000.	May-21
200	\$82,800,000	Adverum Biotechnologies	Pharmaceuticals	Exp	The pharma firm announced in January plans to create 200 jobs in Durham, an \$82.8 million investment.	Jan-21
200	\$150,000,000	KBI Biopharma	BioSciences	Exp	A Durham-based biopharma company is expanding its operations in the Triangle with plans to build a \$150 million facility.	Dec-20
200	\$75,000,000	Taysha Gene Therapies	Pharmaceuticals	New	Company signed lease at Patriot Park, adjacent to RTP, for 187K SF building with plans to create 200 jobs, \$75 million investment	Dec-20
150	\$50,000,000	Nuvotronics	Advanced Manufacturing	Exp	Microwave manufacturing picked their existing RTP site for \$50 million job expansion.	Oct-20
90	\$200,000,000	Biogen	Pharmaceuticals	Exp	The pharma giant announced in March plans to create 90 jobs and invest \$200 million in its RTP operation.	Mar-21
<b>12,715</b>	<b>\$3,795,800,000</b>					

\*Sources can be made available upon request

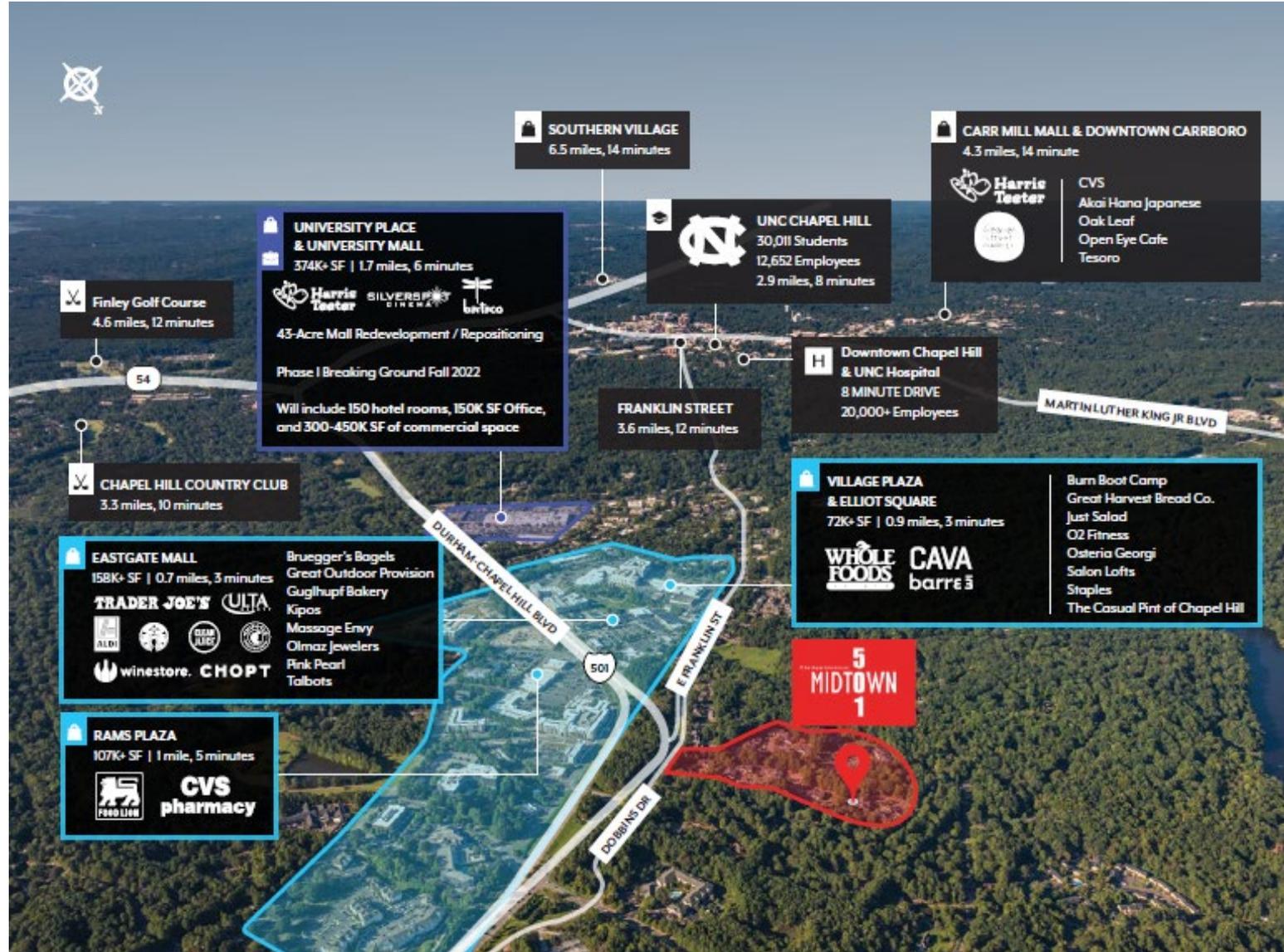
# The Apartments at Midtown 501

## AERIAL

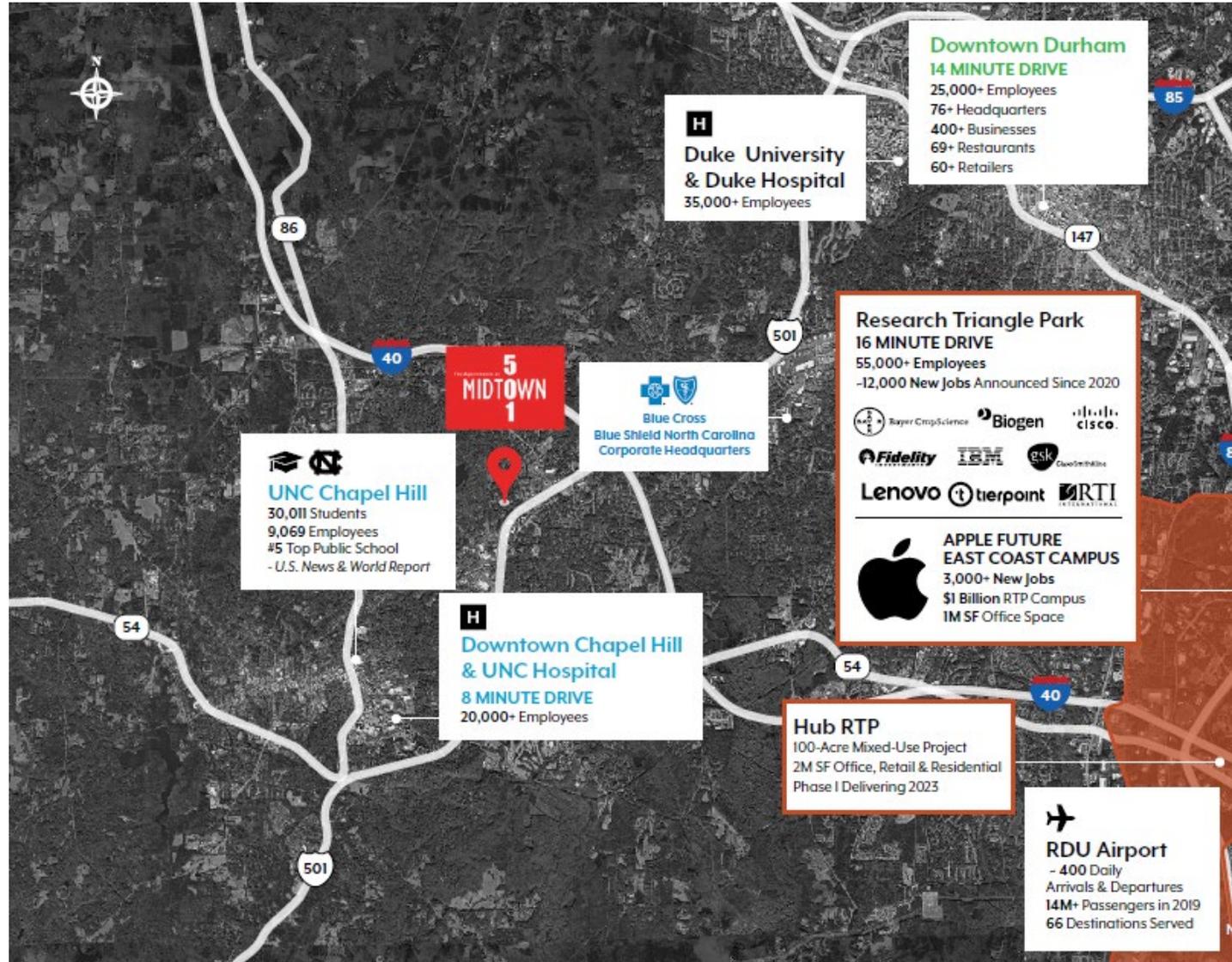


The Apartments at Midtown 501

# AERIAL



# NEARBY EMPLOYMENT DRIVERS



# The Apartments at Midtown 501

## RENT COMPARABLES

Rent Comparables			
Property Name	Property Address	Year Built	No. of Units
Cosgrove Hill	300 Cosgrove Avenue, Chapel Hill, NC	2009	129
Notting Hill Apartments by Arium	100 Drew Hill Lane, Chapel Hill, NC	2000	200
Morgan at Chapel Hill	100 Spring Meadow Drive, Chapel Hill, NC	1997	300
Bell Meadowmont	100 Village Crossing Drive, Chapel Hill, NC	2001	258
Trilogy Chapel Hill	1000-2000 Novus Lane, Chapel Hill, NC	2020	328





The Apartments at Midtown 501

# ONE BEDROOM RENT COMPARABLES

One Bedroom Units				
Property	Unit Type	Unit Size (SF)	Rent per Unit	Rent PSF
Bell Meadowmont	1x1	950	\$1,965	\$2.07
Trilogy Chapel Hill	1x1	855	\$1,920	\$2.25
Trilogy Chapel Hill	1x1	821	\$1,919	\$2.34
Morgan at Chapel Hill	1x1	906	\$1,813	\$2.00
Morgan at Chapel Hill	1x1	815	\$1,782	\$2.19
Cosgrove Hill	1x1	915	\$1,692	\$1.85
Morgan at Chapel Hill	1x1	738	\$1,657	\$2.25
Notting Hill Apartmetns by Arium	1x1	730	\$1,640	\$2.25
The Apartments at Midtown 501	1x1	925	\$1,638	\$1.77
Trilogy Chapel Hill	1x1	709	\$1,595	\$2.25

*\*The Apartments at Midtown 501 rents are inclusive of Ashcroft's post renovation upgrade premium*

*\*\*Comparable Property Rents are as of 11/4/2022*

The Apartments at Midtown 501

# TWO BEDROOM RENT COMPARABLES

Two Bedroom Units				
Property	Unit Type	Unit Size (SF)	Rent per Unit	Rent PSF
Trilogy Chapel Hill	2x2	1,259	\$2,540	\$2.02
Trilogy Chapel Hill	2x2	1,124	\$2,215	\$1.97
Morgan at Chapel Hill	2x2	1,248	\$2,160	\$1.73
Bell Meadowmont	2x2	1,213	\$2,100	\$1.73
Morgan at Chapel Hill	2x2	1,125	\$2,015	\$1.79
Cosgrove Hill	2x2	1,275	\$1,949	\$1.53
The Apartments at Midtown 501	2x2	1,150	\$1,912	\$1.66
Notting Hill Apartmetns by Arium	2x2	1,188	\$1,810	\$1.52

*\*The Apartments at Midtown 501 rents are inclusive of Ashcroft's post renovation upgrade premium*

*\*\*Comparable Property Rents are as of 11/4/2022*

The Apartments at Midtown 501

# THREE BEDROOM RENT COMPARABLES

Three Bedroom Units				
Property	Unit Type	Unit Size (SF)	Rent per Unit	Rent PSF
Trilogy Chapel Hill	3x2	1,661	\$3,413	\$2.05
Cosgrove Hill	3x2.5	1,740	\$2,985	\$1.72
Cosgrove Hill	3x2.5	1,727	\$2,885	\$1.67
Bell Meadowmont	3x2.5	1,545	\$2,635	\$1.71
Morgan at Chapel Hill	3x2	1,421	\$2,431	\$1.71
Morgan at Chapel Hill	3x2	1,345	\$2,356	\$1.75
Notting Hill Apartmetns by Arium	3x2	1,333	\$2,295	\$1.72
The Apartments at Midtown 501	3x2	1,150	\$2,143	\$1.86

*\*The Apartments at Midtown 501 rents are inclusive of Ashcroft's post renovation upgrade premium*

*\*\*Comparable Property Rents are as of 11/4/2022*

# SALES COMPARABLES

Sales Comparables								
Property	Year Built	Units	Sale Price	Cap Rate	Price per Unit	Avg Unit SF	Price per SF	Sale Date
Windsor Falls	1994	276	\$80,583,288	N/A	\$291,968	980	\$298	Oct-22
Lex at Briar Creek	1999	346	\$99,000,000	3.10%	\$286,127	1,128	\$254	Jul-22
Crosstown at Chapel Hill	1990	411	\$110,004,256	N/A	\$267,650	1,005	\$266	May-22
ARIUM Trailwood	1982	302	\$74,000,000	2.90%	\$245,033	985	\$249	Nov-21
Autumn Woods	1997	236	\$55,650,000	3.57%	\$235,805	1,053	\$224	Sep-21
Solano Chapel Hill	2000	240	\$69,250,000	3.80%	\$288,542	1,110	\$260	Sep-21
<b>Average</b>	<b>1993</b>	<b>302</b>	<b>\$84,929,948</b>	<b>3.34%</b>	<b>\$269,734</b>	<b>1,042</b>	<b>\$261</b>	
<b>Apartments at Midtown 501</b>	<b>1975/2015</b>	<b>248</b>	<b>\$53,750,000</b>	<b>4.50%*</b>	<b>\$216,734</b>	<b>1,106</b>	<b>\$196</b>	

\*Based on T3 adjusted rental income with T12 other income and Base Case Proforma expenses including the projected tax reassessment in 2025.

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*The Class B Limited Partners projected annual returns are based on proforma cash flows, the Class B coupon amount, and projected distributions based upon operations and projected disposition of investment asset. The Class B coupon remains 7% per annum of investors capital contribution which shall accrue until distribution by the general partner of the Company in its sole discretion.*



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