



89 East Apartments

7218 S 89th East Ave, Tulsa, OK 74133

Off-Market Investment Opportunity

AT A GLANCE ▼

- 1997-vintage, 240 units, 919 avg sf, 9.4 acres
- Institutional chain of ownership resulting in a well-maintained asset.
- 2.26% fixed interest rate with 30+ years remaining loan term with attractive leverage.
- Balanced return profile not overly weighted to a future exit price.
- 6.5%+ going-in-cap rate on day 1.
- Forward-looking "Option-to-Purchase" between \$79k-\$89k per unit to capture an arbitrage opportunity.

7-YEAR TARGET RETURNS



17%+
Target Net LP IRR



10%+
Avg. Cash-on-Cash



2.5X+
Equity Multiple

MARKET DISLOCATION & MISPRICING ▼

- Priced up to a 50% discount to similar-vintage sales comps.
- Priced up to a 70% discount to replacement cost.
- 20%+ discount to rent comps.
- 70%+ rent-to-own discount.
- Sub-15% rent-to-income ratio (3-mile area income).
- 1970s-vintage product (20+ years older) without favorable assumable debt is currently listed for sale at higher per unit pricing.

CAPITAL PRESERVATION STRATEGY ▼

- Built-in downside protection from a highly accretive assumable loan that doesn't mature for 30+ years.
- Acquire at a heavily discounted basis relative to sales comps and replacement cost.
- Maintain conservative expense assumptions (HLC's expense projections are 30%+ higher than the average of five local comps).
- HLC's underwriting assumes 0% organic rent growth in YR-1.
- HLC's underwriting assumes a conservative 6.25% exit cap rate.
- Below-market rents with future upside via HAP contract expiration in January 2038, allowing a future buyer to materially lift rents on 49% non-market rate units.

AREA & DEMOGRAPHICS ▼

- The subject property is zoned for A and B rated public schools.
- High household income levels, low crime, and strong home values in the area.
- Unrivaled access to tier-1 retail amenities and employment hub.



Conservative
Underwriting



Balanced
Return Profile



Favorable
Assumable Loan



Discounted
Purchase Price

NEXT STEPS ▼

- Please contact ir@hlcequity.com to inquire about this investment opportunity.
- Or download the full deck in the website to view investment details



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