



Alta Warehouse

A 300-Unit Class A Multifamily Community

402 W Lincoln Street • Phoenix, AZ 85003



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Presented By:

Brixton Capital



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EXECUTIVE SUMMARY

Brixton Capital (“Brixton”) has been awarded the acquisition of Alta Warehouse (the “Property”), a 300-unit, 4-story elevator-served apartment community in Phoenix, AZ. Completed in 2023, and developed by Wood Partners, Alta Warehouse is ±82% occupied and ±92% leased as per the July 2nd, 2023 rent roll. Alta Warehouse presents an attractive lease-up investment opportunity to acquire a Class A multifamily community at a price below today’s replacement cost in one of the most dynamics housing markets in the United States.

Alta Warehouse is located in Downtown Phoenix’s rapidly expanding Warehouse District neighborhood. The Warehouse District is quickly evolving into a technology employment hub with significant adaptive re-use projects transforming old warehouses into new creative office campuses. Technology companies including WebPT, Scientific Technologies Corp, and Galvanize are fueling the emergence of the Warehouse District’s tech cluster. Residents of Alta Warehouse also enjoy the convenience of being within a one-mile radius of notable entertainment, including the home stadium of the National Basketball Association’s Phoenix Suns and the home field of Major League Baseball’s Arizona Diamondbacks.

The Central Corridor, encompassing Downtown and Midtown, serves as the primary hub for employment in the greater Phoenix metropolitan area, housing ±138,000 jobs. Alta Warehouse is conveniently located within a one-mile radius of key demand drivers for rental housing in this region, including the continuous expansion of universities, medical campuses, and prominent technology companies. Over time, the Central Corridor has undergone a significant transformation, emerging as an enticing culinary destination celebrated for its diverse range of dining establishments along Central Avenue, 7th Street, and 16th Street. These vibrant thoroughfares offer a delightful assortment of bistros, breweries, Italian and upscale Mexican restaurants, steakhouses, and sports bars. As a result, this area has become increasingly desirable as a residential destination, attracting the attention of young adults who previously sought housing in areas such as Old Town Scottsdale or Arcadia Light.





PROPERTY OVERVIEW

Name	Alta Warehouse District
Developer	Wood Partners
Address	402 W Lincoln St, Phoenix, AZ 85003
No. of Stories	4-Story
Year Built (Completed)	2023
First Move-In	July 2022
No. of Units	300
Occupancy*	82.3%
Leased	92.0%
Average Unit Size	941
Gross Leasable Area	282,371
Acres	6.98 acres
DU/Acre	42.98
In-Place Effective Rents	\$1,932 / \$2.05 PSF
Ceiling Height	9- to 10-Foot
Washer/Dryer	In-Unit

*Per July 2nd, 2023 rent roll.

RETURN SUMMARY – PROJECT – 5 Year Hold

	Unlevered	Levered
IRR	10.0%-12.0%	15%-17%
Profit	\$50M-\$55M	\$35M-\$40M
Equity Multiple	1.5x-1.7x	1.9x-2.1x
Avg Cash-on-Cash	4.5%-5.5%	4.0%-5.0%
Annual Cash-on-Cash	4.0%, 4.5%, 5.0%, 5.5%, 5.5% to 5.0%, 5.5%, 6.0%, 6.5%, 6.5%	2.0%, 2.5%, 4.0%, 5.0%, 5.5% to 3.0%, 3.5%, 5.0%, 6.0%, 6.5%
Stabilized Untrended ROC		5.5%-6.0%
Awarded Purchase Price		\$82,000,000
Per Door		\$273,000
PSF		\$290
Replacement Cost		±\$320k-\$350k
Discount to Replacement Cost		±15%-20%

Alta Warehouse: A Viable Lease-Up Investment Opportunity with Several Key Advantages

Currently 82.3% occupied and 92% leased, Alta Warehouse presents a compelling lease-up investment opportunity due to several fundamental strengths.

<p>Class A Multifamily Acquisition at a Discount to Replacement Cost</p>	<p>Investors are presented with a rare opportunity to acquire a newly built multifamily property at approximately a -15% to -20% discount to today's replacement cost. Including land, a 4-story elevator-served multifamily community in Phoenix would cost ±\$320,000 to \$350,000 per door. This estimation is based on actual development costs received during the second quarter of 2023 for multifamily projects in a similar location in Phoenix. Acquiring assets at a favorable price, below market value or replacement cost, amplifies the potential for our investor's profitability and capital appreciation. This value proposition has not been available within the multifamily sector for several years.</p>
<p>Phoenix's Warehouse District Revitalization Drives Popularity and Promises Significant Capital Appreciation</p>	<p>Alta Warehouse presents investors the opportunity to buy at a discount to replacement cost in a booming Urban Infill location. Phoenix is actively revitalizing its Warehouse District, aiming to create a dynamic mixed-use area. The district's projects focus on adaptive reuse, urban infill, and the development of modern workspaces, driving its increasing popularity. Its appeal lies in attracting a diverse range of businesses, including technology firms, startups, creative enterprises, and entrepreneurs. This diversity enhances the district's vibrancy and fosters economic growth. As the revitalization continues, property values are expected to appreciate steadily, making early investments in this transformation an attractive opportunity for significant capital appreciation.</p>
<p>Strong Lease-up with Attainable Market Rents and Urban Core Access</p>	<p>Alta Warehouse has achieved a robust lease-up, exhibiting an average of 21 new move-ins per month during the preceding 12 months (from July 2022 to June 2023). Notably, the Property's market rents are currently set at \$2.05 per square foot (PSF) for 941 avg SF units, which stands in contrast to the higher range of \$2.50-\$3.00 PSF typically observed in Downtown Phoenix's Urban Core for similar sized units. This pricing differential showcases the Property's commitment to delivering high-quality construction while remaining a cost-effective option for its residents. Residents of Alta Warehouse have the added bonus of enjoying the dynamic business and entertainment district of the urban core, all while benefiting from a rental rate that remains attainable.</p>
<p>Newly Constructed Garden-Style Property Offers Compelling Valuation and Market Advantage</p>	<p>Brixton has been awarded the Property at \$82M / \$273k per door. This valuation is exceptionally attractive for a newly constructed garden-style property in Phoenix. In the same Downtown Phoenix submarket, we can observe a benchmark from the recent sale of The Met at 3rd and Fillmore, a 140-unit, three-story garden-style apartment community built in 1996. In July 2022, the property sold for \$414,000 per door, with 997 square feet average unit size, which bodes well to Alta Warehouse's 941 average unit size. Another notable transaction took place in May 2022 when Arts District, a 4-story garden-style apartment community built in 2008, sold for \$508,000 per door. Considering these market dynamics, Alta Warehouse presents an enticing opportunity priced below today's replacement cost and significantly below recent comparable sales.</p>
<p>Strong Demand for Desirable Property with Favorable Rent-to-Income Ratios</p>	<p>The average household income listed on the rent roll amounts to \$95,000, which represents a rent-to-median household income ratio of 20%-25% based on the market rents of \$2.06 PSF. Currently, the property is qualifying residents at a rent-to-income ratio of 3.0x, and nearly all of the individuals who tour the units meet the qualification criteria. This indicates a significant demand for this product, underscoring its strong appeal and market desirability.</p>
<p>Arizona's Leading Property Manager</p>	<p>Mark-Taylor Residential, headquartered in Scottsdale, AZ, is Arizona's premier investment manager. With a foundation dating back to 1985, Mark-Taylor boasts a portfolio of over 23,000 Class A apartment units under management throughout Arizona. Additionally, their impressive track record includes the successful development of over 21,000 units, showcasing their expertise in managing properties during stabilization and beyond.</p>



IF YOU ARE
LOOKING
FOR A SIGN
THIS IS
IT.

Central Corridor: Metro Phoenix's Largest Employment Hub Boasting Vibrant Universities and Biomedical Campuses

The Central Corridor (Downtown and Midtown) is the primary employment center in the Metro Phoenix area. It features the thriving Arizona State University Downtown campus, which has witnessed a remarkable 43% increase in enrollment since 2010 and is located less than a mile north of Alta Warehouse. Additionally, the Central Corridor houses the Phoenix Bioscience Core, a rapidly emerging biomedical hub in the United States that is projected to create approximately ±12,000 jobs upon its completion.

Alta Warehouse sits in the heart of Arizona's largest medical employment hub. The Central Corridor is home to seven hospitals, collectively offering over 24,000 jobs. Recent developments in the region include ASU's substantial \$77 million expansion of the Phoenix Bioscience Core, Creighton University's commencement of medical student classes at Park Central Mall in 2021 (enrolling 900 students and generating approximately 200 jobs), and the completion of a new 16-story tower at Banner University Medical Center's expansive Downtown campus. The ongoing expansion of the medical industry in this region promises enduring economic benefits, with sustained employment growth and a perpetual demand for attainable housing options from healthcare professionals and aspiring medical students.



THE WAREHOUSE DISTRICT REVITALIZATION

The Warehouse District situated in downtown Phoenix is renowned for its vibrant atmosphere, historical significance, and captivating amalgamation of industrial architecture, art galleries, restaurants, and entertainment venues. Situated immediately south of the Downtown core, the Warehouse District spans approximately 36 square blocks and has played a pivotal role in Phoenix's industrial and commercial sectors.

As the city underwent growth and transformation, a notable revitalization has occurred by converting the Warehouse District into a thriving hub of culture and creativity. With a focus on preserving the architectural integrity of the original buildings, these structures have been repurposed and meticulously restored to accommodate contemporary functions. Today, the Warehouse District boasts a diverse array of businesses, including art galleries, studios, design firms, and technology startups. This dynamic ecosystem has magnetized artists, creatives, and entrepreneurs to come together within this region.

Of particular distinction is the region's vibrant arts scene. Numerous art galleries and studios are dispersed throughout the area, exhibiting an eclectic range of contemporary and experimental artwork. The monthly First Friday art walk, which commences in downtown Phoenix, extends into the Warehouse District, attracting large crowds who revel in exploring the galleries while enjoying live music and performances.

Apart from its vibrant arts scene, the Warehouse District provides an abundance of dining establishments and entertainment options. The Warehouse District is home to a wide variety of restaurants, cafes, and bars that cater to diverse culinary preferences, along with a profusion of craft breweries. Whether one desires upscale dining experiences or a more relaxed atmosphere with food trucks, the Warehouse District offers an enticing range of choices.

Moreover, the Warehouse District has experienced the emergence of unique entertainment venues and event spaces, serving as platforms for concerts, theater performances, pop-up markets, and various cultural events. These establishments significantly contribute to the overall vibrancy and appeal of the Warehouse District.

Suns Sports Medicine
±14,000 SF
Renovated: 2016

Gould Evans Studio
±20,000 SF
Renovated: 2013

WebPT HQ
±34,582 SF
Renovated: 2016

ASU Grant St. Studios
±34,582 SF
Renovated: 2016

Galvanize/The Larry
±122,000 SF
Renovated: 2016

GW Carver Museum
±91,000 SF
Renovated: 2013

STChealth HQ
±26,000 SF
Renovated: 2017

The Craft
±17,000 SF
Renovated: 2013

R&R Partners
±25,000 SF
Renovated: 2019

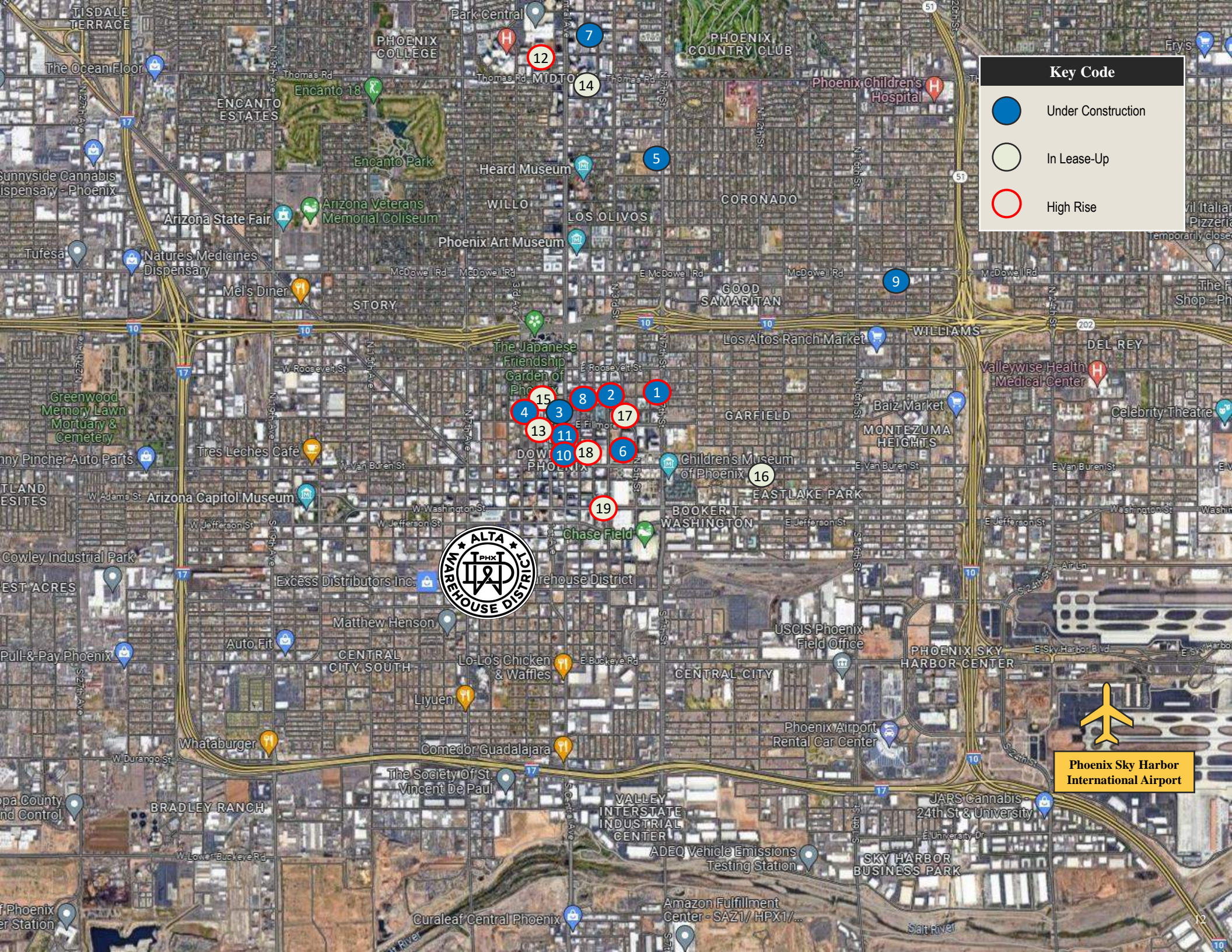
The Duce
±13,000 SF
Renovated: 2009

Lincoln Union
±92,000 SF
Renovated: 2019




Warehouse215
±29,000 SF
Renovated: 2020

Not a Part





Key Code

-  Under Construction
-  In Lease-Up
-  High Rise



Pipeline 3-Mile Radius

Summary

- There are 3,520 units currently under construction in a three-mile radius or 30% of existing inventory (11,163 units).
- 77% of these scheduled deliveries consist of high-rise product that exhibit significant differences from garden-style apartments and overall living experiences.
- Rents at properties delivered in 2021-2023 that are currently in lease-up average \$2.80 PSF rents.
- These rents compare favorably to Alta Warehouse's market rents set at \$2.05 PSF to remain the low-cost provider for Class A apartment living.
- Excluding Derby (438 SF), VB on 12th (395 SF), and Kenect Phoenix (400 SF), average rent PSF is \$2.55.

Under Construction and Existing											Market							
#	Name	Address	Developer	Stories	Deliver	Occ	Units	Sq. Ft.	Rent	PSF	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
1	Skye on 6th	921 N 6th St	Hubbard Street Group	26	Jul-23	-	309	-	-	-	309	-	-	-	-	-	-	-
2	Moontower Phoenix	811 N 3rd St	LV Collective	24	Aug-23	-	326	-	-	-	326	-	-	-	-	-	-	-
3	Union at Roosevelt	802 N 1st Ave	Metrowest	6	Oct-23	-	120	-	-	-	-	120	-	-	-	-	-	-
4	AVE Phoenix Sky	601 N 3rd Ave	Empire Group	17	Oct-23	-	254	-	-	-	-	254	-	-	-	-	-	-
5	Seven Oaks	2320 N 7th St	Embrey Partners	5	Dec-23	-	332	-	-	-	-	332	-	-	-	-	-	-
6	Palmtower	400 E Van Buren St	North American Realty	31	Feb-24	-	334	-	-	-	-	-	334	-	-	-	-	-
7	Alloy Midtown	3010 N 2nd St	-	4	Mar-24	-	171	-	-	-	-	-	171	-	-	-	-	-
8	Saiya	801 N 1st Ave	Hatteras Sky	23	Jul-24	-	389	-	-	-	-	-	-	389	-	-	-	-
9	The Governor	1717 E McDowell Rd	Moderne Apartments	4	Nov-24	-	176	-	-	-	-	-	-	-	176	-	-	-
10	Phoenix Central Station	300 N Central Ave	Medistar	33	Jan-25	-	362	-	-	-	-	-	-	-	-	-	362	-
11	Realm Phoenix (1)	601 N Central Ave	LG Development	28	Jul-25	-	747	-	-	-	-	-	-	-	-	-	-	747
12	Aspire Park Central	100 W Catalina Dr	Sterling	9	2023	21.8%	278	925	\$2,079	\$2.25	-	-	-	-	-	-	-	-
13	The Rey Downtown	400 N 2nd Ave	Fore Property Company	7	2022	79.1%	323	831	\$2,003	\$2.41	-	-	-	-	-	-	-	-
14	Haverly	31 E Thomas Rd	Toll Brothers	5	2022	72.4%	323	884	\$2,019	\$2.28	-	-	-	-	-	-	-	-
15	The Derby (2)	800 N 2nd St	Transwestern	21	2022	71.3%	222	438	\$1,410	\$3.22	-	-	-	-	-	-	-	-
16	VB on 12th (3)	220 N 12th St	Lafferty Development	4	2022	55.3%	235	395	\$1,198	\$3.03	-	-	-	-	-	-	-	-
17	Joy on 4th	700 N 4th St	Accenture	27	2021	84.8%	234	643	\$2,202	\$3.42	-	-	-	-	-	-	-	-
18	Kenect Phoenix (4)	355 N Central Ave	Akara	23	2021	76.4%	380	400	\$1,833	\$4.58	-	-	-	-	-	-	-	-
19	Adeline	222 E Jefferson St	Hines	25	2021	67.0%	379	1,004	\$2,721	\$2.71	-	-	-	-	-	-	-	-
Total (5)							5,894	709	\$1,986	\$2.80	635	706	505	0	389	176	362	747

(1) Realm Phoenix is currently proposed and not under construction.

(2) The Derby is a student property managed by Mark-Taylor Residential with 438 avg SF per unit.

(3) VB on 12th has 395 avg SF units

(4) Kenect Phoenix is a Co-Living property.

(5) Excluding The Derby, VB on 12th, and Kenect Phoenix, weighted average rent per square foot is \$2.55



Summary of Properties in Lease-Up and Under Construction Pipeline

Summary of Properties in Lease Up						
No. of Stories	No. of Properties	Units	% of Total	Sq. Ft	Rent	PSF
Alta Warehouse	-	300	-	941	\$1,932	\$2.05
4-Story	1	235	10%	395	\$1,198	\$3.03
5-Story	1	323	14%	884	\$2,019	\$2.28
7-Story	2	601	25%	874	\$2,038	\$2.33
10-Story	4	1,215	51%	642	\$2,104	\$3.28
Total	8	2,374	100%	709	\$1,986	\$2.80

Totals exclude Alta Warehouse

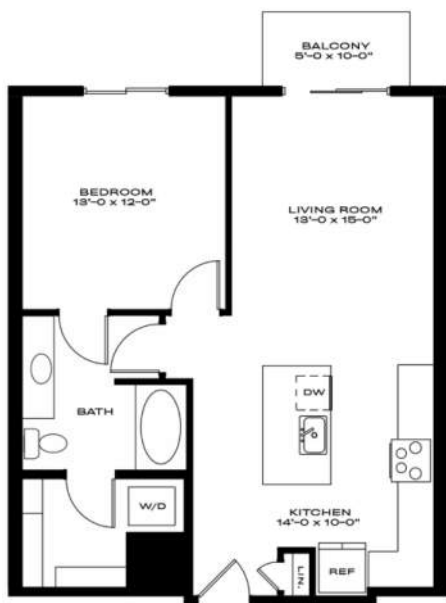
Summary of Properties Under Construction						
Stories	No. of Properties	Units	% of Total	Sq. Ft	Rent	PSF
4-Story	2	347	10%	-	-	-
5-Story	2	452	13%	-	-	-
7-Story	0	0	0%	-	-	-
10-Story	7	2,721	77%	-	-	-
Total	11	3,520	100%	0	\$0	-



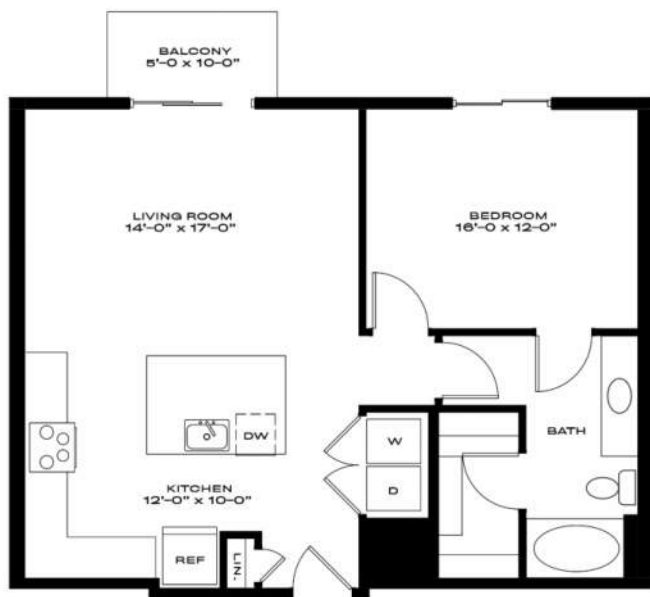


Representative Floorplans

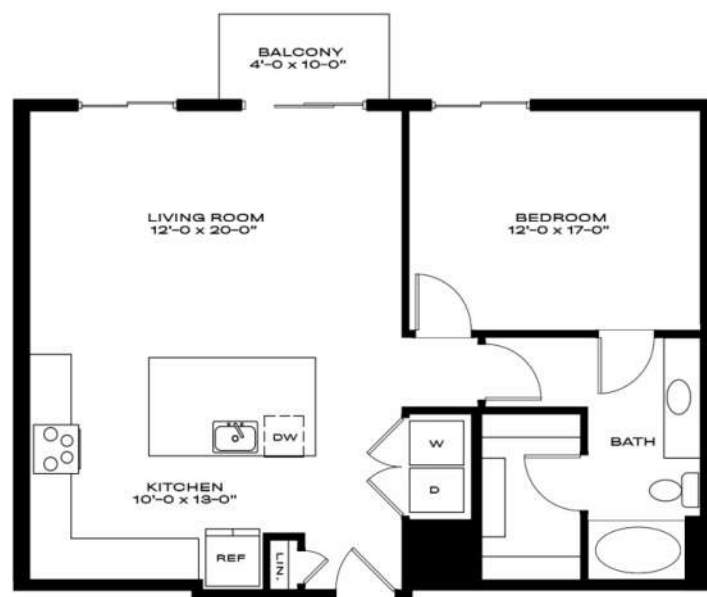
Type: 1-Bd / 1-Ba
SF: 756
Floorplan: awh_A2



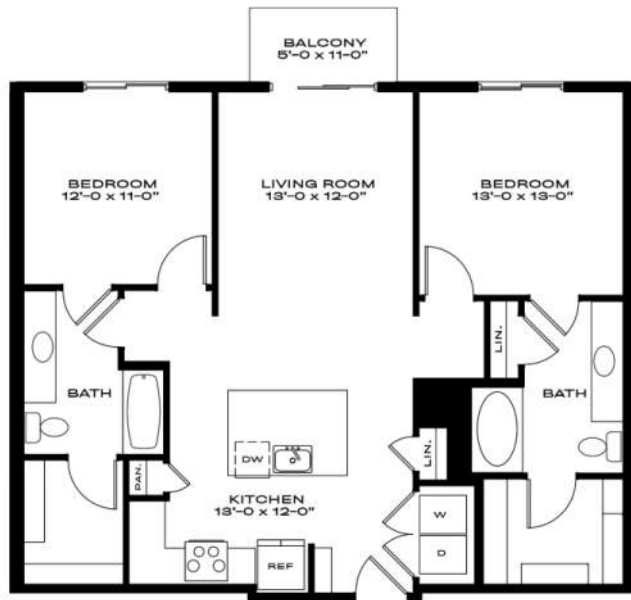
Type: 1-Bd / 1-Ba
SF: 806
Floorplan: awh_A3



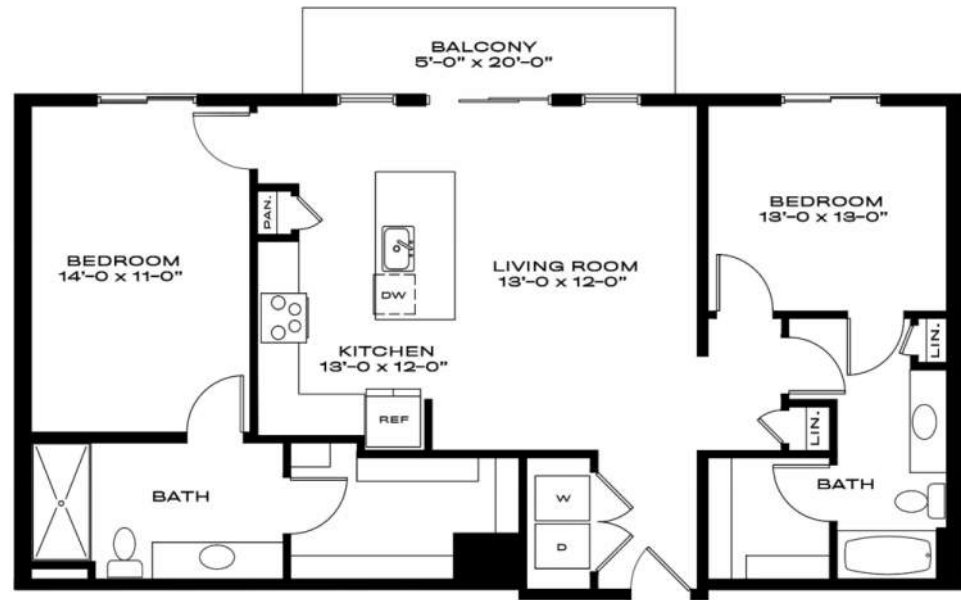
Type: 1-Bd / 1-Ba
SF: 881
Floorplan: awh_A4



Type: 2-Bd / 2-Ba
SF: 1,085
Floorplan: awh_B1



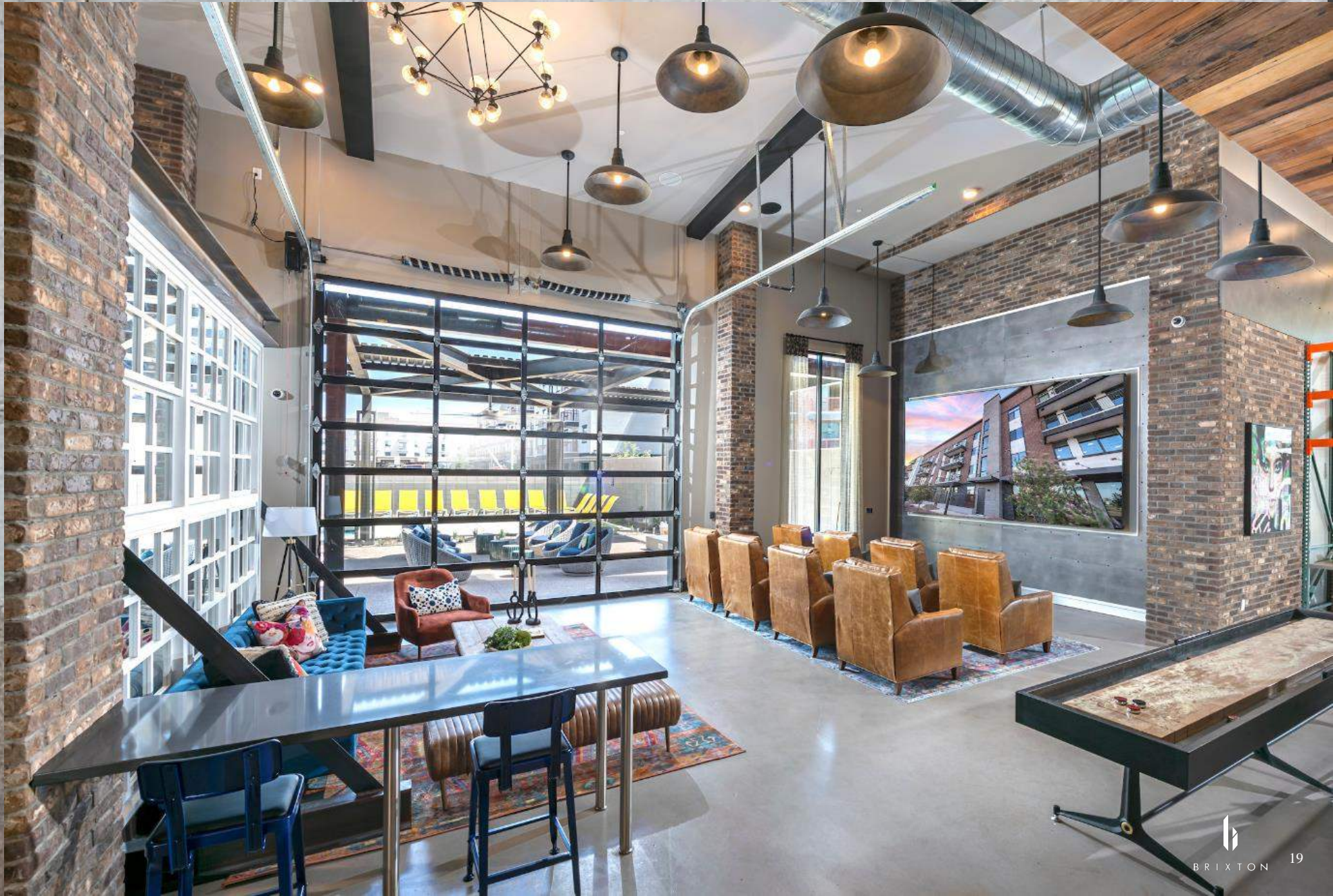
Type: 2-Bd / 2-Ba
SF: 1,181
Floorplan: awh_B2





Community Amenities

- + Club room with TV wall, games and photobooth
- + Bike shop and storage
- + Speakeasy and lounge
- + Music room
- + Rooftop deck with grilling station
- + Complimentary coffee bar
- + Conference space and private micro offices
- + Professional fitness center
- + Urbo Bodega on-site convenience shop
- + Yoga studio
- + Lounge pool
- + Dog park







Financial Analysis

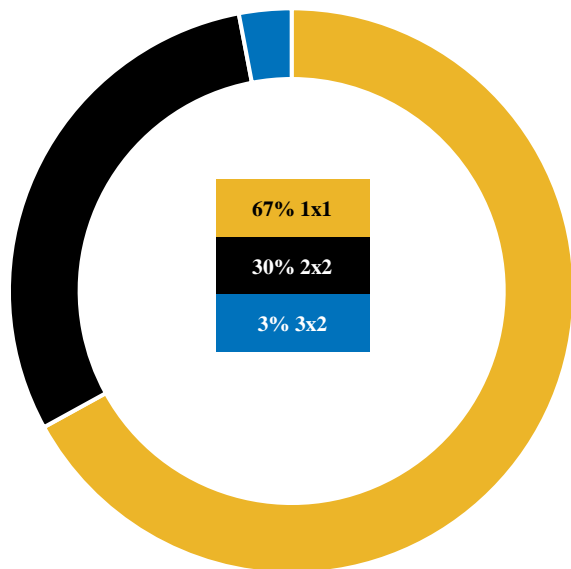
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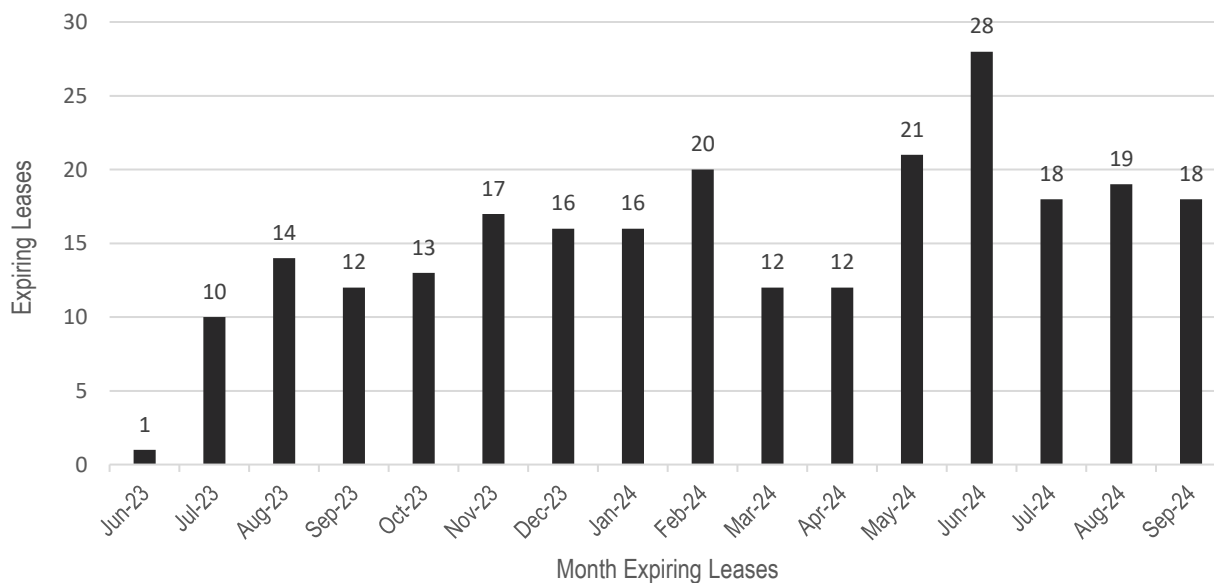
UNIT MIX

Date of Rent Roll: July 2nd, 2023
 82.3% occupied and 92% leased.

Type	No. of Units	% of Unit Mix	Occupancy	Square Feet	In-Place Effective		Market		Recent 2	PSF	Recent 5	PSF
					Rent	PSF	Rent	PSF				
1x1	201	67%	82.6%	810	1,721	2.12	1,753	2.16	1,737	2.14	1,733	2.14
2x2	90	30%	84.4%	1,166	2,208	1.89	2,218	1.90	2,225	1.91	2,218	1.90
3x2	9	3%	55.6%	1,618	3,067	1.90	3,067	1.90	3,067	1.90	3,067	1.90
Total / Wtd Avg	300	100%	82.3%	941	\$1,907	\$2.03	\$1,932	\$2.05	\$1,930	\$2.05	\$1,919	\$2.05



Staggered Lease Expiration Schedule



MODELED REVENUE AND GROWTH ASSUMPTIONS

REVENUE ASSUMPTIONS						
	In-Place	Year 1	Year 2	Year 3	Year 4	Year 5
Loss-to-Lease	0.25%	0.58%	1.50%	1.50%	1.50%	1.50%
Vacancy	59.45%	12.00%	8.00%	6.00%	6.00%	6.00%
Concessions	8.12%	6.45%	6.73%	4.41%	2.69%	2.69%
Non-Rev Units	1.41%	0.69%	0.69%	0.69%	0.69%	0.69%
Bad Debt, Other	0.15%	1.50%	1.25%	0.50%	0.50%	0.50%

GROWTH ASSUMPTIONS						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Market Rent Growth	1.00%	2.50%	3.00%	3.00%	3.00%	
Other Income	1.00%	2.50%	3.00%	3.00%	3.00%	
Controllable Expenses	0.00%	3.00%	3.00%	3.00%	3.00%	
Tax Expense	0.00%	5.00%	5.00%	5.00%	5.00%	
Insurance Expense	0.00%	3.00%	3.00%	3.00%	3.00%	
Capex Growth	0.00%	3.00%	3.00%	3.00%	3.00%	

REAL PROPERTY TAX						
	Purchase Price	Rule B Ratio	Assessment Ratio	Mill Rate	Year 1 Tax	Per Unit
Reassessed Taxes	\$82,000,000	51.0%	10.0%	1.4786%	\$618,351	\$2,061

INSURANCE		
	Year 1 Insurance	Per Unit
Insurance (Received Indicative Quote from Mark-Taylor Residential)	\$60,000	\$200

Year 1 Underwriting Footnotes

Brixton is modeling an 88% Year 1 physical occupancy rate, and we expect that it will surpass this estimate before our closing date in early October as the property is currently 82% occupied and 92% leased per the July 2nd rent roll.

As for the Year 1 economic occupancy, we are modeling it at 80%. The June T1 annualized economic occupancy stands at 63%. We believe that the property's economic occupancy will outperform 80% through the lease-up of vacant units and a gradual reduction in new lease concessions. As occupancy increases and the property stabilizes, there will be fewer new leases requiring concessions, contributing to the growth of economic occupancy.

To achieve the target of 80%+ Year 1 economic occupancy, the property only needs to sign 17 net new leases over the next three months (July, August, and September). This translates to an average of 6 net new leases per month, assuming a 50% retention ratio.

We are confident in achieving this goal, as renewal residents have been accepting a \$50 renewal increase as first-generation leases have begun to turn this month (July). Based on these assumptions, the Year 1 cap rate is projected to be 4.80%. However, if Year 1 economic occupancy reaches 85%, the Year 1 cap rate increases to 5.25%.



CAP RATES

Project Level

COST / SALE SUMMARY					
	Date	PSF Bldg.	Cap Rate	\$ Per Door	\$ Amount
Going In (1)	Oct-23	\$290	4.80%	\$273,333	\$82,000,000
All in Costs	Oct-25	\$300	5.98%	\$282,404	\$84,721,091
Disposition Price	Sep-28	\$407	4.75%	\$383,032	\$114,909,743

(1) Year 1 cap rate includes modeled 80% Year 1 economic occupancy. Year 1 cap rate is 5.25% at 85% economic occupancy

RETURNS

Project Level

RETURNS			
Hold Period - 60 months	Unlevered		Levered
IRR	10.0%-12.0%		15%-17%
Profit	\$50M-\$55M		\$35M-\$40M
Multiple	1.5x-1.7x		1.9x-2.1x
Avg Cash-on-Cash	4.5%-5.5%		4.0%-5.0%
Annual Cash-on-Cash	4.0%, 4.5%, 5.0%, 5.5%, 5.5% to 5.0%, 5.5%, 6.0%, 6.5%, 6.5%	2.0%, 2.5%, 4.0%, 5.0%, 5.5% to 3.0%, 3.5%, 5.0%, 6.0%, 6.5%	

EQUITY CHECK

\$37M-\$38M million Project Level

CAPITALIZATION	
Purchase Price	\$82,000,000
Closing Costs & Reserves	\$2,721,091
Total Acquisition Costs	\$84,721,091
Total Capex Costs funded from Debt	\$0
Total All in Costs	\$84,721,091
Total Debt Proceeds	\$47,520,000
Equity Required at Closing	\$37,201,091

FINANCING

Modeled Agency Pre-Stabilized Execution

FINANCING		
Initial Loan Proceeds	57.95%	\$47,520,000
Capex Funding Proceeds	0.00%	\$0
Interest Reserve		\$0
Total Loan Proceeds	57.95%	\$47,520,000
LTPP		57.95%
LTC		56.09%
Year 1 DSCR (Amortizing)		1.11x
Index – Treasury		3.98%
Spread		2.25%
All-in-rate – Fixed		6.23%
Annual Rate increase		0.00%
Term		5 Year
Interest Only Period		60 Months
Amortization		30 Year
Prepayment Penalty	1.00%	\$475,200



Cash Flow Analysis											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Months/Calendar Year		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Begin Month		1	13	25	37	49	61	73	85	97	109
End Month		12	24	36	48	60	72	84	96	108	120
Begin Date		10/1/2023	10/1/2024	10/1/2025	10/1/2026	10/1/2027	10/1/2028	10/1/2029	10/1/2030	10/1/2031	10/1/2032
End Date		9/30/2024	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029	9/30/2030	9/30/2031	9/30/2032	9/30/2033
REVENUE		<u>T12</u>									
Renovated Rent	-	574,285	2,460,476	4,579,931	6,803,508	7,771,805	8,008,191	8,251,768	8,502,754	8,761,373	9,027,859
Non Renovated Rent	-	6,417,662	4,659,396	2,739,827	738,887	-	-	-	-	-	-
Rent Revenue	7,115,309	6,991,947	7,119,872	7,319,758	7,542,395	7,771,805	8,008,191	8,251,768	8,502,754	8,761,373	9,027,859
Less: Loss to Lease	(17,610)	(40,452)	(106,798)	(109,796)	(113,136)	(116,577)	(120,123)	(123,777)	(127,541)	(131,421)	(135,418)
Scheduled Rent	7,097,699	6,951,495	7,013,074	7,209,962	7,429,259	7,655,228	7,888,069	8,127,992	8,375,212	8,629,952	8,892,441
Scheduled Rent	\$1,972	\$1,931	\$1,948	\$2,003	\$2,064	\$2,126					
		(2.1%)	0.9%	2.8%	3.0%	3.0%					
Less: Vacancy	(4,219,344)	(834,179)	(561,046)	(432,598)	(445,756)	(459,314)	(473,284)	(487,680)	(502,513)	(517,797)	(533,546)
Less: Concessions	(576,507)	(448,332)	(472,252)	(317,640)	(199,622)	(205,694)	(211,950)	(218,397)	(225,039)	(231,884)	(238,937)
Less: Non Rev Units	(100,269)	(48,237)	(48,664)	(50,030)	(51,552)	(53,120)	(54,736)	(56,400)	(58,116)	(59,884)	(61,705)
Less: Bad Debt & Other Adjustments	(104,640)	(104,272)	(87,663)	(36,050)	(37,146)	(38,276)	(39,440)	(40,640)	(41,876)	(43,150)	(44,462)
Net Rental Revenue	2,190,939	5,516,474	5,843,449	6,373,644	6,695,184	6,898,824	7,108,658	7,324,875	7,547,668	7,777,238	8,013,790
Utility Recoveries	106,906	164,715	236,248	242,880	250,268	257,880	265,724	273,806	282,134	290,715	299,558
Other Income	206,332	351,722	530,622	545,519	562,111	579,208	596,825	614,978	633,684	652,958	672,818
TOTAL REVENUE	2,504,178	6,032,911	6,610,319	7,162,043	7,507,363	7,735,912	7,971,207	8,213,659	8,463,486	8,720,911	8,986,166
		516,436	766,870	788,399	812,379	837,088	862,549				
Expenses		<u>T12 Per UnitYr</u>	<u>Yr 1 Per Unit</u>								
Utilities	(482)	(700)	(144,583)	(210,000)	(216,300)	(222,789)	(229,473)	(236,357)	(243,448)	(250,751)	(258,274)
Repairs & Maintenance	(59)	(200)	(17,582)	(60,000)	(61,800)	(63,654)	(65,564)	(67,531)	(69,556)	(71,643)	(73,792)
Contract Services	(750)	(727)	(225,067)	(218,100)	(224,643)	(231,382)	(238,324)	(245,473)	(252,838)	(260,423)	(268,235)
Turnover Costs	(29)	(202)	(8,582)	(60,600)	(62,418)	(64,291)	(66,219)	(68,206)	(70,252)	(72,360)	(74,530)
General & Administrative	(360)	(267)	(108,149)	(80,100)	(82,503)	(84,978)	(87,527)	(90,153)	(92,858)	(95,644)	(98,513)
Marketing	(\$300)	(835)	(350)	(250,610)	(105,000)	(90,000)	(92,700)	(95,481)	(98,345)	(101,296)	(104,335)
Payroll	(1,906)	(1,739)	(571,833)	(521,700)	(537,351)	(553,472)	(570,076)	(587,178)	(604,793)	(622,937)	(641,625)
Taxes	(1,134)	(2,061)	(340,072)	(618,351)	(649,268)	(681,731)	(715,818)	(751,609)	(789,189)	(828,649)	(870,081)
Insurance	(403)	(200)	(120,821)	(60,000)	(61,800)	(63,654)	(65,564)	(67,531)	(69,556)	(71,643)	(73,792)
Property Management Fee	5.99%	2.75%	(150,000)	(165,905)	(181,784)	(196,956)	(206,458)	(212,738)	(219,208)	(225,876)	(232,746)
TOTAL OPERATING EXPENSES	(1,937,300)	(2,099,756)	(2,167,867)	(2,255,607)	(2,340,503)	(2,425,120)	(2,512,995)	(2,604,259)	(2,699,054)	(2,797,524)	(2,899,821)
NET OPERATING INCOME	566,878	3,933,155	4,442,452	4,906,436	5,167,060	5,310,792	5,458,213	5,609,400	5,764,431	5,923,386	6,086,344
Rolling Cap Rate	0.7%	4.8%	5.4%	6.0%	6.3%	6.5%	6.7%	6.8%	7.0%	7.2%	7.4%
Rolling Return on Cost		4.6%	5.2%	5.7%	6.1%	6.2%	6.4%	6.6%	6.8%	6.9%	7.1%
NOI Growth Rate		593.8%	12.9%	10.4%	5.3%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
% Units Renovated		17.3%	45.0%	73.0%	100.0%	100.0%	-	-	-	-	-
Expense Ratio	77.4%	34.8%	32.8%	31.5%	31.2%	31.3%					



Return Sensitivities

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SENSITIVITY TABLES

Project Level

- Base Case Assumptions
- \$82.0M Purchase Price
- \$37M-\$38M Equity Check

Going In

- \$82.0 Million Purchase Price
- \$273k per door
- \$290 PSF
- 4.75%-5.50% Year 1 Cap Rate

Exit

- 4.75% Exit Cap Rate
- \$383k Exit Price Per Door (see sales comps)
- \$407 Exit Price PSF

Returns

- 5.50%-6.00% Stabilized Untrended YOC
- See Sensitivity Tables for IRR / CoC / Equity Multiple / Profit

SALE MONTH SENSITIVITY

Sale Month	Price/Unit	IRR	Multiple	Profit
Base Case	\$383,032	15.5%	2.0x	\$35,777,258
36 Months	\$362,601	20.7%	1.7x	\$26,163,638
48 Months	\$372,687	17.4%	1.8x	\$30,850,338
60 Months	\$383,032	15.5%	2.0x	\$35,777,258
72 Months	\$393,642	13.5%	2.2x	\$43,886,847
84 Months	\$404,522	12.3%	2.4x	\$52,223,897
96 Months	\$415,676	11.5%	2.6x	\$60,793,782
108 Months	\$427,112	10.9%	2.9x	\$69,601,961
120 Months	\$438,834	10.5%	3.1x	\$78,653,980

EXIT CAP RATE SENSITIVITY (assuming Month 60 exit)

Exit Cap	Price/Unit	IRR	Multiple	Profit
Base Case	\$383,032	15.5%	2.0x	\$35,777,258
4.00%	\$454,851	21.9%	2.5x	\$57,053,515
4.25%	\$428,095	19.7%	2.3x	\$49,127,067
4.50%	\$404,312	17.6%	2.1x	\$42,081,334
4.75%	\$383,032	15.5%	2.0x	\$35,777,258
5.00%	\$363,881	13.6%	1.8x	\$30,103,590
5.25%	\$346,553	11.7%	1.7x	\$24,970,270
5.50%	\$330,801	9.9%	1.5x	\$20,303,617
5.75%	\$316,418	8.1%	1.4x	\$16,042,759

RENT GROWTH SENSITIVITY

Annual Rent Growth	Exit			
	Price/Unit	IRR	Multiple	Profit
Base Case	\$383,032	15.5%	2.0x	\$35,777,258
0.00%	\$316,940	7.3%	1.4x	\$14,414,112
1.00%	\$342,253	10.8%	1.6x	\$22,729,801
2.00%	\$368,945	14.1%	1.8x	\$31,481,064
3.00%	\$397,092	17.2%	2.1x	\$40,691,281
4.00%	\$426,773	20.2%	2.4x	\$50,385,092
5.00%	\$458,073	23.1%	2.6x	\$60,588,388
6.00%	\$491,079	25.9%	2.9x	\$71,328,677
7.00%	\$525,886	28.6%	3.2x	\$82,634,647



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Rent and Sales Comps

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RENT COMPS



ASSET DETAILS						
Subject	Comparable # 1	Comparable # 2	Comparable # 3	Comparable # 4	Comparable # 5	
Address	402 W Lincoln Street	411 S 3rd St	280 W McKinley St	330 E Roosevelt St	601 W Fillmore St	1313 N 2nd St
City, State	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ	Phoenix, AZ
Distance to Subject	-	0.8 mi	1.1 mi	1.5 mi	1.0 mi	1.7 mi
Owner	Wood Partners	City of Phoenix	Drapac Capital Partners	Weidner	Cahill Equities	Knighthvest
Acquisition Date	-	-	-	Mar-19	Jul-21	May-21
Manager	Wood Partners	Greystar	Baron Properties	Weidner	Greystar	Knighthvest
Developer	Wood Partners	Granite Capital	Metrowest Development	Alliance Residential	Wood Partners	Transwestern Development Company
PHYSICAL						
Built	2022	2022	2020	2018	2016	2019
No. of Units	300 units	278 units	108 units	316 units	230 units	340 units
Occupancy	82%	87%	94%	91%	93%	91%
Average Unit Size	941 SF	741 SF	773 SF	877 SF	935 SF	864 SF
Average Rent	\$1,907	\$1,932	\$1,932	\$1,979	\$1,853	\$2,234
Average Rent PSF	\$2.03	\$2.05	\$2.05	\$2.67	\$2.40	\$2.55
Ceiling Height	10 Foot	10 Foot	10 Foot	9 Foot	9 Foot	10 Foot
Washer / Dryer	In Unit	In Unit	In Unit	In Unit	In Unit	In Unit
No. of Stories	4-story	5-story	5-story	4-story	4-story	5-story
Units Per Acre	43 / acre	90 / acre	123 / acre	84 / acre	57 / acre	69 / acre
RENT SUMMARY						
	IN-PLACE	MARKET	RENO			
# of Units	201	201	178	66	117	145
Average Size	±810sf	±810sf	±735sf	±783sf	±826sf	±811sf
Avg. Rent	\$1,721	\$1,753	\$1,753	\$1,804	\$2,001	\$1,698
per sq. ft.	\$2.12	\$2.16	\$2.16	\$2.45	\$2.42	\$2.32
# of Units	90	90	71	14	117	85
Average Size	±1,166sf	±1,166sf	±1,076sf	±1,120sf	±1,071sf	±1,174sf
Avg. Rent	\$2,208	\$2,218	\$2,218	\$2,128	\$2,569	\$2,420
per sq. ft.	\$1.89	\$1.90	\$1.90	\$1.98	\$2.29	\$2.06
# of Units	9	9	-	-	-	-
Average Size	±1,618sf	±1,618sf	-	-	-	-
Avg. Rent	\$3,067	\$3,067	\$3,067	-	-	-
per sq. ft.	\$1.90	\$1.90	\$1.90	-	-	-
COMMENTS						
			-Higher rents -Lesser quality amenities -Smaller units	-Higher rents -Smaller units	-Higher rents -Lesser quality amenities	-2016 built product -Threatened by new supply in immediate proximity



SALES COMPS

Sorted by date newest to oldest

#	Property Name	Closed	Seller	Buyer	Built	Units	Building SF	Avg SF	Sale Price	Price Per Unit	Price Per SF	Units Per Acre	Address	City	State
	Alta Warehouse - Base Case		Wood Partners	-	2022	300	282,371	941	\$82,000,000	\$273,333	\$290	43	402 W Lincoln Street	Phoenix	AZ
1	Roosevelt Point	Sep-22	Greystar	Briar Capital	2013	326	326,000	802	\$118,000,000	\$361,963	\$362	111	888 N 4th St	Phoenix	AZ
2	The Met at 3rd and Fillmore	Jul-22	DiNapoli	CalFox	1996	140	139,612	997	\$58,000,000	\$414,286	\$415	32	200 E Fillmore St	Phoenix	AZ
3	44Monroe	Jun-22	HSL	Grand Peaks Properties	2008	184	249,504	1,352	\$93,500,000	\$508,152	\$375	428	44 W Monroe St	Phoenix	AZ
4	Arts District	May-22	Green Leaf Partners	KB Development	2017	280	280,000	890	\$127,000,000	\$453,571	\$454	74	222 E McDowell Rd	Phoenix	AZ
5	ReNue Downtown*	Apr-22	ReNue Properties	Starwood	2001	200	184,881	841	\$56,438,339	\$282,192	\$305	31	1350 W Van Buren St	Phoenix	AZ
6	Lydian	Mar-22	Transwestern	Knightvest	2021	209	116,720	805	\$65,500,000	\$313,397	\$561	115	1314 N 3rd St	Phoenix	AZ
7	AVE Terra	Jan-22	Trammell Crow Company	RXR Realty	2022	348	533,460	760	\$145,000,000	\$416,667	\$272	125	555 N 5th Ave	Phoenix	AZ
8	AVE Phoenix Sky	Dec-21	The Empire Group	RXR Realty	2023	254	220,000	841	\$123,000,000	\$484,252	\$559	395	601 N 3rd Ave	Phoenix	AZ
9	The Stewart*	Sep-21	Aspirant Development	New York Life	2019	312	475,431	811	\$124,732,783	\$399,785	\$262	384	800 N Central Ave	Phoenix	AZ
10	601 PAX	Jul-21	Cortland	Cahill Equities	2016	230	277,853	935	\$82,000,000	\$356,522	\$295	57	601 W Fillmore St	Phoenix	AZ
11	Portrait at Hance Park	May-21	Transwestern Real Estate Services	Knightvest	2019	340	480,585	864	\$99,500,000	\$292,647	\$207	69	1313 N 2nd St	Phoenix	AZ
12	Circa Central Avenue	Jan-20	Ryan Companies	PrivatePortfolio	2019	227	302,314	686	\$57,500,000	\$253,304	\$190	145	1505 N Central Ave	Phoenix	AZ
13	601 PAX*	Sep-19	Pure Multi-Family REIT	Cortland	2016	230	277,853	935	\$65,823,088	\$286,187	\$237	57	601 W Fillmore St	Phoenix	AZ
14	ReNue Downtown	Sep-19	Legacy Partners	ReNue	2001	200	184,881	841	\$26,100,000	\$130,500	\$141	31	1350 W Van Buren St	Phoenix	AZ
15	The Thomas at Midtown	Mar-19	Wood Partners	FSC Realty	2017	225	298,400	900	\$52,000,000	\$231,111	\$174	51	200 E Thomas Rd	Phoenix	AZ
16	Roosevelt Row	Mar-19	The Carlyle Group	Weidner	2018	316	295,000	877	\$84,200,000	\$266,456	\$285	84	330 E Roosevelt St	Phoenix	AZ
17	Arts District	Aug-18	Alliance Residential	Green Leaf Partners Management	2017	280	280,000	890	\$76,150,000	\$271,964	\$272	74	222 E McDowell Rd	Phoenix	AZ
Weighted Average					2014	253			\$85,622,951	\$336,701	\$316				

Footnotes

*Part of Portfolio

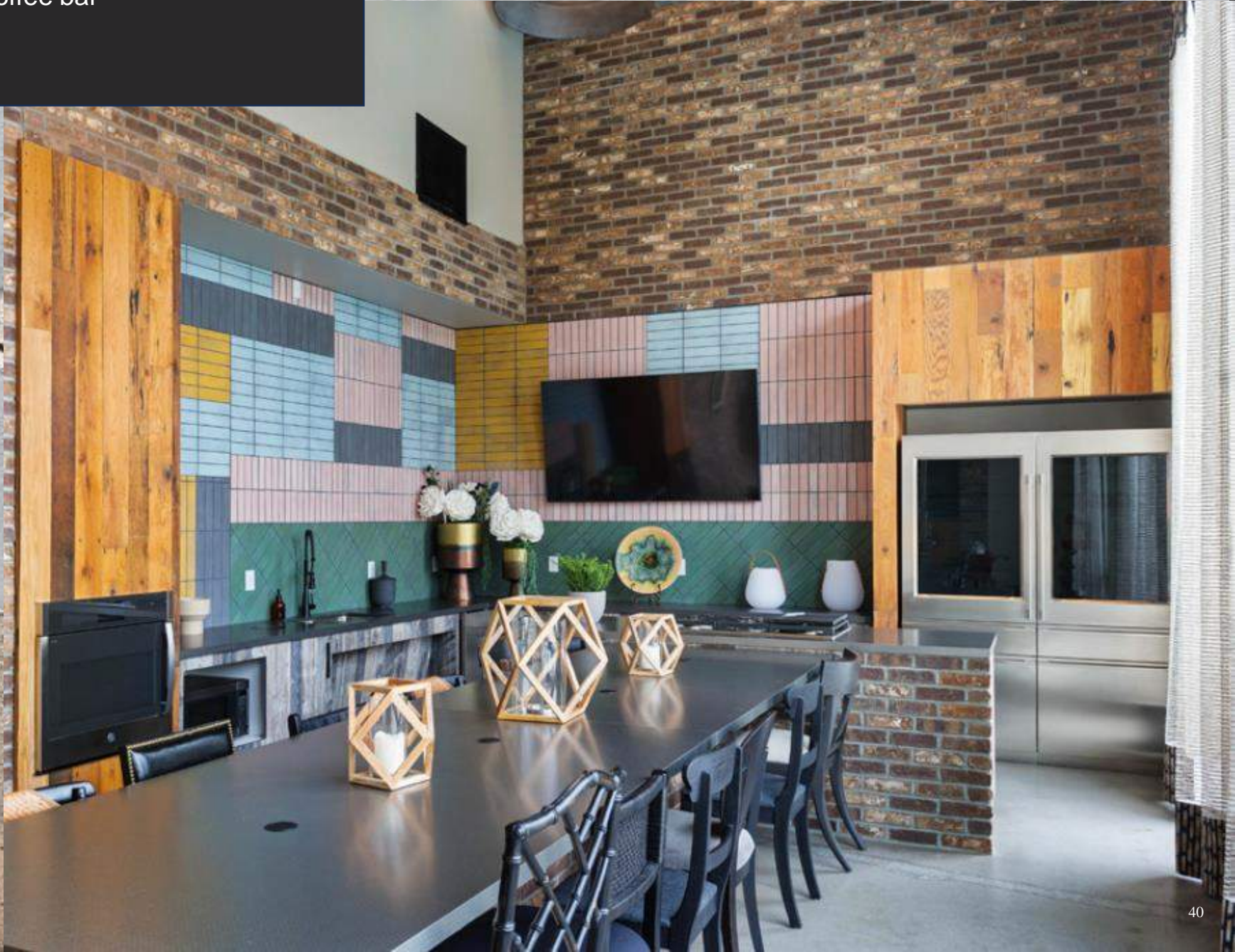
CoStar Report Filters

100+ units
 \$25,000,000+
 3-mile radius
 Multifamily Sale Status: Sold
 Exclude: Sold for Land Value, Condo Sales
 Exclude: Non-Arms Length Comps
 Include: Public Record Sales
 Secondary Type: Apartment
 Market Segment: Exclude Senior, Military, Corporate, Vacation
 Rent Type: Market and Market/Affordable
 Exclude: Residential Condos
 Exclude Co-Ops





- + Club room with TV wall, games and photobooth
- + Urbo Bodega on-site convenience store
- + Complimentary coffee bar





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