
PROXI LAKE MARY

LAKE MARY, FL

Boutique 70-Unit Class-A Infill Multifamily
Development Investment Opportunity



October 2023

LCI | Development
Partners

wallace
development partners

EXECUTIVE SUMMARY

LCI Development Partners and Wallace Development Partners, collectively (the “Sponsor”) is pleased to present Proxi Lake Mary (the “Project”), a boutique, 70-Unit, infill, multifamily development that provides access to all that Lake Mary, FL has to offer. **The Sponsor has executed a non-recourse construction financing term sheet for the Project at 57% loan-to-cost and is offering a \$9MM Limited Partnership investment opportunity for the vertical construction of the Project.**

Project Costs and Returns Summary			
		Total	Per Unit
Land Price		\$2,100,000	\$30,000
Total Project Costs		\$23,186,991	\$331,243
Equity Requirement		\$9,936,991	\$141,957
Debt Requirement		\$13,250,000	\$189,286
Exit Cap Rate Assumption	<u>Hold Period (Years)</u>	5.25%	
Gross Residual Value	2.8	\$30,144,752	\$430,639
Levered Project IRR		25.23%	
Equity Multiple		1.80x	

70
MULTIFAMILY
UNITS

\$9MM
LIMITED
PARTNERSHIP
INVESTMENT
OPPORTUNITY

1.8X
MULTIPLE
25% IRR
PROJECTED
RETURNS

The Project is perfectly located proximate to shopping, dining, in addition to healthcare, finance, insurance, and technology employment nodes as evidenced by **daytime employment over 26,000** and **average household incomes over \$130,000** within a 2-mile radius.

The Project is scheduled to close and begin construction in December 2023. The Sponsor plans to exit through a sale in 2026.

MARKET / SUBMARKET

Seminole County has a **2.5% unemployment rate** and total employment of 190,000. The **diversity of industries** in the market, rapid growth and future pipeline of the labor force will enable the County to weather fluctuations in the economy.

Lake Mary, and western Lake Mary / Heathrow in particular, has two large employment nodes with **daytime employment of 26,021 within a 2-mile radius of the property.**

Orlando Health Lake Mary (170 hospital beds), Advent Health Park (58,000 square feet currently under construction), and Lake Mary Ambulatory Surgery Center (currently under construction) are located one mile north of the subject property.

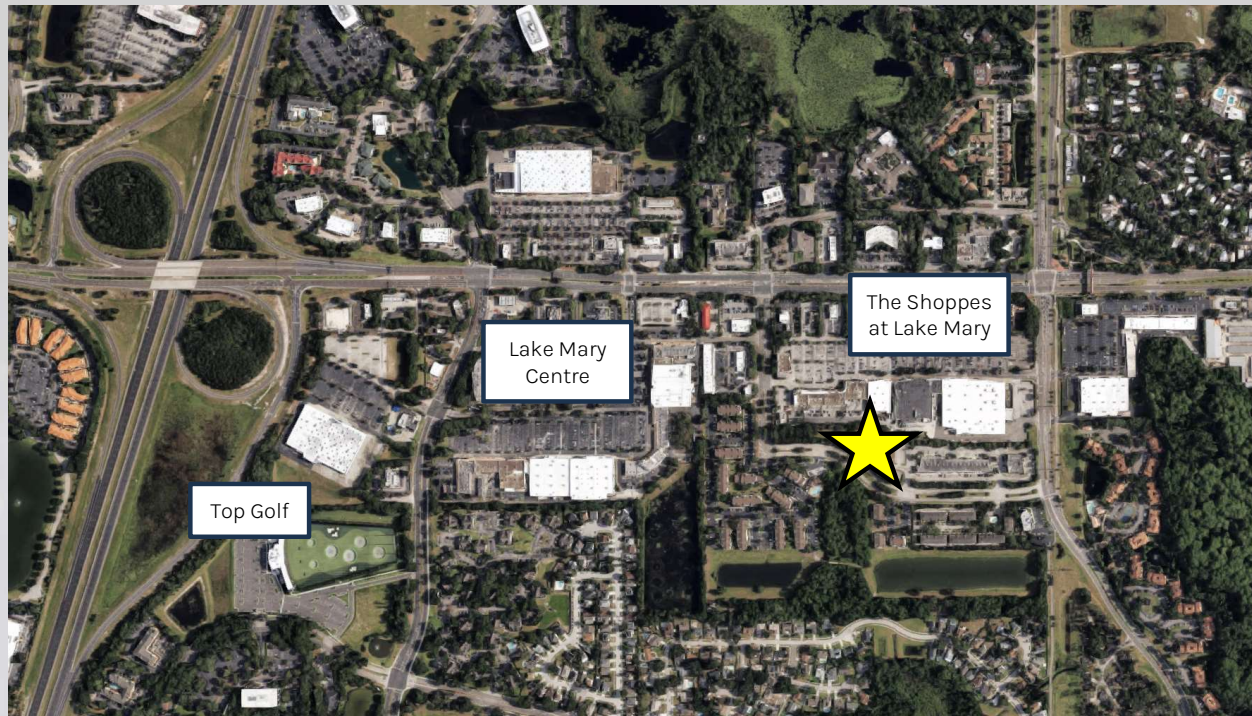
The second major employment node is located along International Parkway one mile northwest of the subject property (in Heathrow), which includes **Chase Bank Card Services (1,900 employees), Concentrix (1,900 employees) Deloitte (1,850 employees), Verizon (1,300 employees), Liberty Mutual Insurance (1,000), and AAA Heathrow (900 employees).**

The property is located **just east of I-4**, providing easy access to and from downtown Orlando, and the rest of the MSA. The immediate area features **exceptional demographics with average income levels of \$131K in a 3-mile radius of the property.** (Source: Cushman & Wakefield).



LOCATION OVERVIEW

The Project is in western Lake Mary with **immediate access to I-4** and major employment nodes in Heathrow, and the currently expanding Lake Mary Medical corridor, which are both within a mile of the property. In addition to easy access to major employers, the Project is only a minutes' walk to over forty restaurants and retailers at Lake Mary Centre and The Shoppes at Lake Mary anchored by **Target** and grocers **Publix**, and **The Fresh Market**.



WALKABLE AMENITIES

The center of the building provides access to parking on the north end of the site, and direct access to the sidewalk along Sun Drive to access area shopping, dining, and entertainment options to the west and north, and access to the 23-mile Cross Seminole Trail just to the east.

Grocery: Publix, The Fresh Market

Restaurants and Entertainment: Cork & Olive, Keke's Breakfast Café, Don Julio Kitchen & Tequila Bar, Gator's Dockside, Chipotle, Panera, Starbuck's, Jimmy Hula's, Dave's Hot Chicken, Chile's, Cheng's, Greek Village, SOHO Juice Co, TopGolf

Retail Goods: Target, Academy Sports + Outdoors

Financial Services: Wells Fargo, PNC, Chase, Bank of America

Other Services: Esporta Fitness, Club Pilates, Great Clips, La Petite Academy (day care), Hollywood Houndz (pet spa and hotel), Classic Dental, Rock Paper Scissors Salon



OUTDOOR AMENITIES AND SITE PLAN

The Property will feature prominent visibility on Sun Drive, while retaining a mature tree line along the south and west end of the site. The interior amenities in the west end of the building flow out to the pool deck, park, and dog friendly areas in a 30,000+ square foot gated outdoor area.

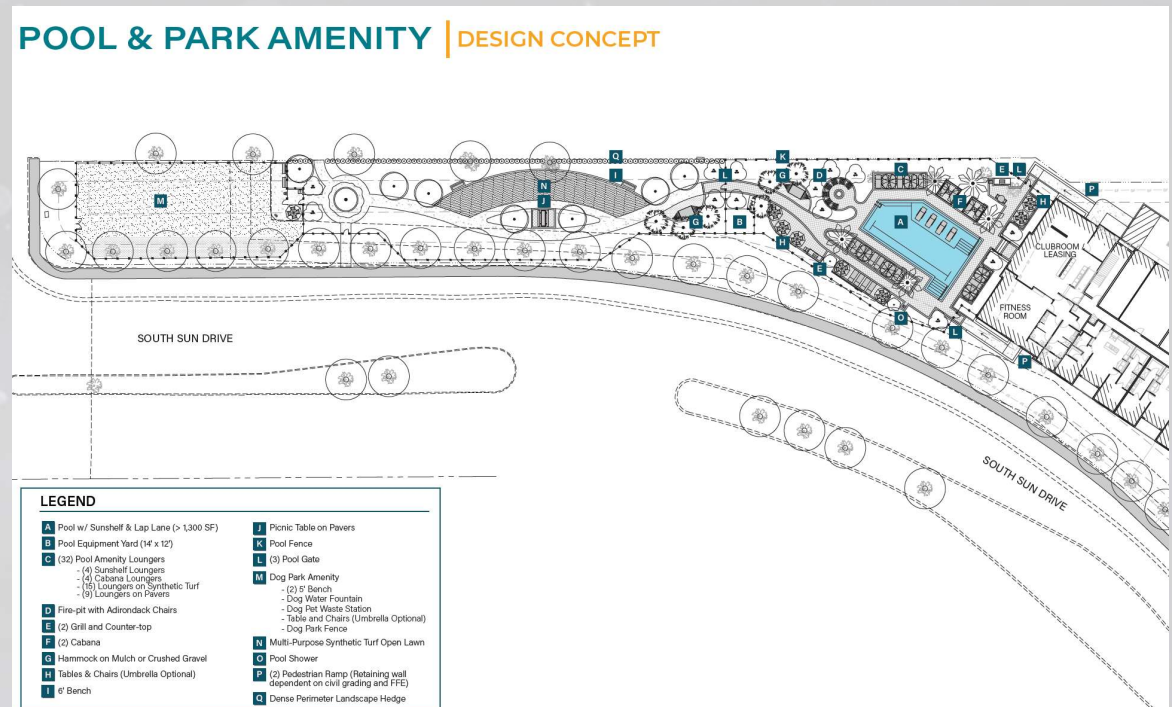
Soak in the Sun: The pool area is sized for a 150+ unit property, ensuring plenty of space to relax, featuring:

- Sunshelf Loungers
- Cabana Areas
- Synthetic Turf and Paved Lounge Spaces

Take a Stroll: Walking paths and shaded seating areas with mature landscaping

Bring your Pet: A separate, private, gated dog park at the far west end of the property featuring:

- Waste station
- Dog fountain
- Interior dog wash and grooming station



INTERIOR AMENITIES

Congregate:

- 1,500 square foot clubroom and kitchen with seamless integration into the outdoor amenity area.
- 1,000 square foot fitness facility and restrooms
- Pet grooming and wash station

Embrace Technology:

- Secure remote access monitoring (Butterfly MX or similar)
- Keyless building and unit entry, smart thermostats
- Package lockers
- EV charging capable parking spaces

Work From Home:

- Floors 2-4 feature a total of 9 reservable, private, comfortable spaces with exterior windows



UNIT MIX

The sponsor has curated a unit mix that will appeal to residents seeking proximity to local food and dining amenities, in a boutique building with extensive and useful property amenities.

UNIT MIX			
Unit Type	# of Units	% of Mix	Sq. Ft.
1 Bedroom - A1	16 units	23%	651
1 Bedroom + Flex - A2	18 units	26%	718
2 Bedroom + Flex - B1	22 units	31%	1,081
2 Bedroom - B2	7 units	10%	1,174
3 Bedroom + Flex - C1	7 units	10%	1,475
Total/Avg	70 units	100%	±938

Units are designed to embrace changing needs of residents. As such, 67% of unit floorplans include a “Flex” space and features either swing door(s) or sliding door(s). Potential Resident Uses for the Flex Space:

- Home office
- Wellness space (yoga / meditation / stationary bike)
- Childrens playroom / nursery
- Art studio / Crafting room / Content creation space
- Storage (a comparable climate controlled self-storage unit rents for \$100-\$150 per month in the submarket)

UNIT INTERIOR FEATURES AND FINISHES

- Minimum 9-foot finished ceilings
- Entryway nooks with bench seating and coat hooks
- Hard surface (quartzite) countertops
- Islands with undermount sinks and counter height seating space
- Pantry cabinet
- Stainless steel appliances
- Luxury Vinyl Tile
- Walk-in showers with frameless glass doors and tile surround
- LED vanity mirrors
- Walk-in closets
- Ceiling fans
- Private outdoor space



RETURN SUMMARY

The Project generates an attractive 6.6% un-trended Yield on Cost and a gross project-level 25% IRR, 1.8x equity multiple over a three-year investment period. The returns metrics below are based on non-recourse construction financing term sheet executed on September 13, 2023.

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Source and Use			
Capital Source	%	Per Unit	Total
GP Equity Co-Invest	4%	\$14,196	\$993,699
LP Equity Co-Invest	39%	\$127,761	\$8,943,292
Construction Loan	57%	\$189,286	\$13,250,000
Total Capital Source:	100%	\$331,243	\$23,186,991
Capital Use	%	Per Unit	Total
Land and Related	10%	\$31,824	\$2,227,700
Hard Costs	70%	\$232,764	\$16,293,500
Soft Costs	15%	\$48,875	\$3,421,233
Interest and Operating Reserve	3%	\$10,000	\$700,000
Financing Costs	2%	\$7,779	\$544,558
Total Capital Use:	100%	\$331,243	\$23,186,991

Transaction Detail			
Cost and Valuation		Per Unit	Total
Total Development Cost		\$331,243	\$23,186,991
Stabilized Value (5.25% cap rate)		\$430,639	\$30,144,752
Capitalization	%	Per Unit	Total
Total Equity Requirement	43%	\$141,957	\$9,936,991
Construction Loan Commitment	57%	\$189,286	\$13,250,000
Debt Terms			
Term			3+1+1
Amortization			3-Years Interest Only
Interest Rate			Term SOFR+ 3.00%
Borrower			1051 S Sun Drive Owner
Guarantor			Project Sponsor
Project Level Yield		Untrended	Trended
Yield on Cost (Unlevered)		6.6%	7.0%
Yield on Cost (with Proposed Leverage)		6.2%	6.6%
Debt Metrics		Untrended	Trended
Net Cash Flow		\$1,444,891	\$1,533,307
DSCR (Interest Only)		1.82x	1.93x
DSCR (30-Year)		1.52x	1.61x
Debt Yield		10.9%	11.6%
Loan-to-Cost		57%	57%
Loan-to-Value		48%	44%

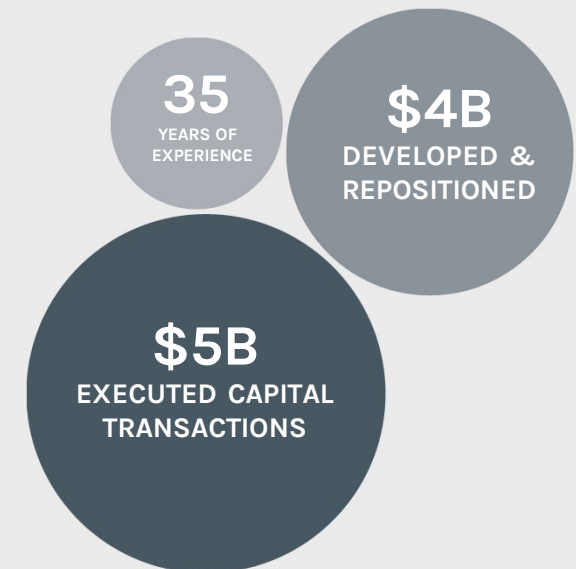
PROJECT SPONSOR - LCIDP

LCI Development Partners (“LCIDP”) was founded in 2020 in partnership with a family office that has built, operated, and acquired construction and materials businesses since 1977 – capturing value at every stage in the real estate delivery process.

The vision and mission of LCIDP is to reduce risk and provide certainty of execution in the commercial real estate development process. This is accomplished by creating alignment between financial stakeholders, having foresight into cost inputs and drivers, fostering collaboration across the project team, and providing transparency throughout the development and construction process.

LCIDP has a history of building successful co-development and co-general partnership teams with developers, operators, landowners, and contractors.

Principals of LCIDP have over 35 years of combined commercial real estate experience and have invested and developed in most major markets throughout the U.S. To date, the Principals have developed and repositioned \$4B of commercial real estate and have executed nearly \$5B of additional capital transactions.



PROJECT SPONSOR - WDP

Based in Orlando, Florida, Wallace Development Partners (“WDP”) focuses on developing boutique, in-fill, market rate multifamily and build-for-rent communities in affluent submarkets across the Southeast with a specific focus on Central Florida.

WDP focuses on amenities, unit features, and spaces that drive rental growth and strengthen returns for our investors and partners. This is achieved through delivering thoughtful design elements, leveraging local knowledge, building strategic relationships, and integrity.

The principals bring over 20 years of architectural experience and real estate development acumen across multiple asset classes in South Carolina, Georgia, Florida, Texas, and California.

Our development approach has resulted in the creation of mixed-use, single family for sale, single family rental communities, and market rate multifamily communities valued in excess of \$1 billion. To date we have delivered over 3,200 residential units, and 500,000 square feet of retail.



PROJECT TEAM

- Development Team: LCI Development Partners + Wallace Development Partners



- Design and Construction Team: BSB Design + RVI Planning and Landscape + Leopardo Construction



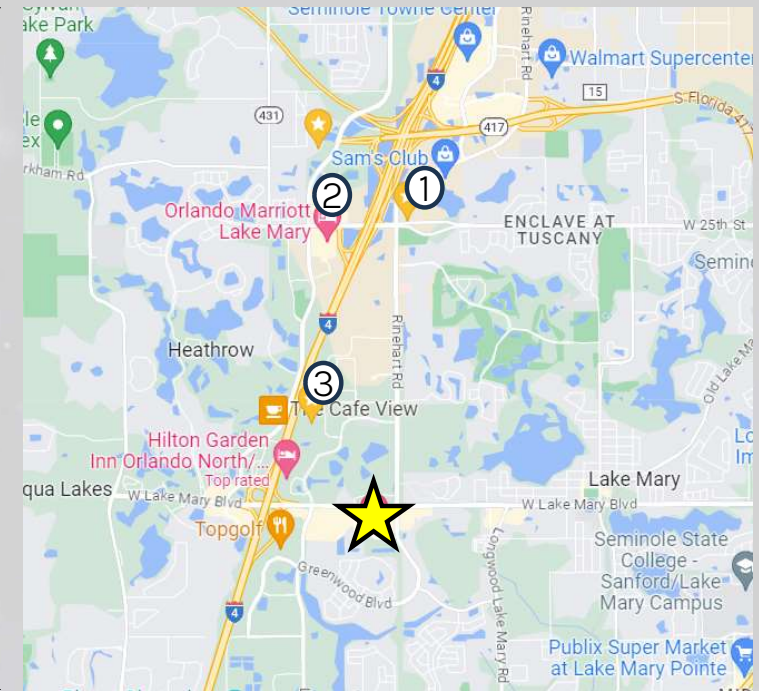
- Construction Financing: Wintrust Bank



MULTIFAMILY RENT COMPARABLES

Efficient unit designs at the Project enable it to compete with the market on a monthly rent basis, while also offering the similar property amenities and exceeding the market in terms of walkability to area amenities.

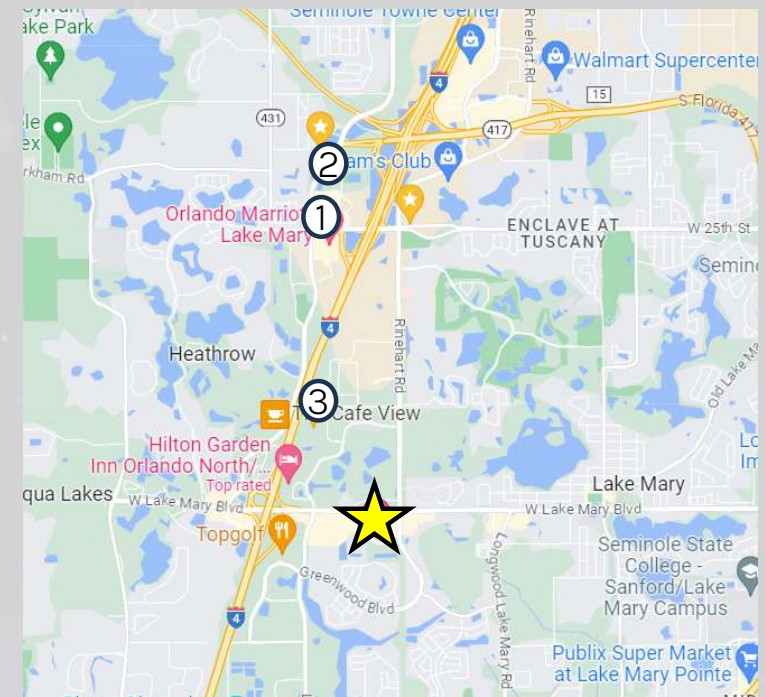
UNIT TYPE RENT COMPARABLES DETAIL				
Map #	1	2	3	Subject Property
Property	Vintage Lake Mary	Allure Parkway	IMT Lake Mary	Proxi Lake Mary
1 Bedroom				
Market Rent Ave.	\$1,802	\$1,735	\$1,808	\$1,800
Square Foot Ave.	749	725	853	686
Rent / RSF	\$2.41	\$2.39	\$2.12	\$2.62
2 Bedroom				
Market Rent Ave.	\$2,447	\$2,041	\$2,128	\$2,324
Square Foot Ave.	1,214	1,147	1,221	1,103
Rent / RSF	\$2.02	\$1.78	\$1.74	\$2.11
3 Bedroom				
Market Rent Ave.	N/A	N/A	\$2,850	\$3,000
Square Foot Ave.	N/A	N/A	1,592	1,475
Rent / RSF	N/A	N/A	\$1.79	\$2.03



MULTIFAMILY SALE COMPARABLES

Multifamily trades in the past two years in the submarket reflect cap rates between 3.90-4.30%. Capital markets conditions have placed massive upward pressure on market caps and have resulted in zero trades in the submarket since November of 2022. The Sponsor anticipates exiting the asset in 2026, at a stabilized 5.25% cap rate.

MULTIFAMILY SALE COMPARABLES				
Map #	1	2	3	Project Proforma
Property Name	Allure Parkway	Broadstone	IMT Lake Mary	Proxi
Address	1400 Encore Pl	038 Broadstone Reserv	963 Bentstation Ln	1051 S Sun Drive
City	Lake Mary	Sanford	Lake Mary	Lake Mary
Product Type	Stick Built	Stick Built	Stick Built	Stick Built
Year Built	2020	2021	2021	2025
Sale Date	Jan-22	Dec-21	Nov-22	Oct-26
Units	290	260	300	70
Ave Unit Size	895	967	999	938
Total RSF	259,550	251,420	299,700	65,665
Price	\$98,600,000	\$87,000,000	\$125,000,000	\$30,144,752
Price/Unit	\$340,000.00	\$334,615.38	\$416,666.67	\$430,639.32
Price / RSF	\$379.89	\$346.03	\$417.08	\$459.07
Year 1 Cap Rate	4.30%	3.90%	4.30%	5.25%



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