



CORE KENSINGTON PARK APARTMENTS

11651 NORBOURNE DRIVE, FOREST PARK, OHIO 45240

Offering for 1031 Exchange and LLC Investment



PROVIDING INVESTORS WITH INTELLIGENT REAL ESTATE SOLUTIONS

“This Investment Summary is not an offer to sell nor a solicitation of an offer to buy any securities. Such offer or solicitation may only be made by the Confidential Private Placement Memorandum (the “Memorandum”) which accompanies or preceded this Investment Summary. An investment in Tenant in Common and LLC Interests is a speculative investment and has material risks. See the “Risk Factors” section contained in the Memorandum. The information contained herein is qualified in its entirety by the information in the Memorandum. All potential purchasers of Tenant in Common and LLC Interests must read the entire Memorandum and must acknowledge such receipt and review of the Memorandum prior to purchasing the Tenant in Common and LLC Interests.”

Forest Park, Ohio



DESCRIPTION OF THE PROPERTY

The Property is a 316-unit, garden style apartment community located at 11651 Norbourne Drive, Forest Park, Ohio. Forest Park is located in Hamilton County, Ohio, a north-central submarket of Cincinnati. The Property consists of 20 three-story buildings and a clubhouse/leasing office situated on approximately 20.79 acres of land. It contains five different floor plans, including one, two and three bedroom apartments. The Property includes the clubhouse, a fitness center, tennis courts, a volleyball court, two in-ground swimming pools and a playground. In addition to 472 surface parking spaces, there are 56 carport spaces and 30 detached garages. The Property was constructed in 1988 and is currently 95.6% occupied.

LOCATION

The Property is located within the City of Forest Park, a suburb of Cincinnati. Forest Park is located approximately 13 miles northwest of the Cincinnati Central Business District, compared to the Dayton Central Business District which is approximately 37 miles to the northeast of the Property. The Property has frontage on several major thoroughfares through the neighborhood including: Norbourne Drive, Mandarin Drive, West Kemper Road, and Mill Road.

The highway infrastructure provides good access in Hamilton County and to the rest of Ohio. The nearest interstate highways are I-75 and I-275. The Property lies approximately one mile southwest of I-275, the beltway around the Greater Cincinnati area, looping through Ohio, Indiana, and Kentucky.

The commute to the Cincinnati Central Business District is about thirty minutes, compared with the commute to the Dayton Central Business District which is approximately forty-five minutes. The Cincinnati Northern Kentucky Airport is the second largest Delta Hub in the country and headquarters of Comair (Delta connection carrier); offering 512 flights and 121 non-stop flights per day and is approximately a forty minute drive from the Property.

UNIT BREAKDOWN

Unit Type	Number of Units	Average Unit Size (Sq. Ft.)	Average Rent Per Unit
One Bedroom/One Bath	61	592	\$525
One Bedroom/One Bath	83	831	\$640
One Bedroom/One Bath	40	1,010	\$721
Two Bedroom/Two Bath	72	1,099	\$734
Three Bedroom/Two Bath	60	1,313	\$913
Totals/Averages:	316	960	\$701

FINANCIAL INFORMATION (Projected)

- Offering Purchase Price.....\$23,720,000.00
- Debt.....\$11,670,000.00
- Equity.....\$12,050,000.00
- Offering Price Per Unit.....\$75,063.29
- Offering LTV.....49.20%
- 1st Year Cash Flow.....6.25%
- Projected Annualized Return of 8.9% - 12.9% based on an exit cap rate of 8.00% - 6.75%.
- Loan Terms: The interest rate is expected to be 6.00% in years 1-4 and 6.75% in years 5-10. Years 1-3, 5-7 will be interest only. Years 4, 8-10 will be amortized over 30 years.

MINIMUM INVESTMENT:

Equity Amount.....	\$361,500.00
Debt Amount.....	\$350,100.00
Total Minimum Purchase Price.....	\$711,600.00

TIC CASH FLOW PROJECTIONS

Year	1	2	3	4	5	6	7	8	9	10
	6.25%	6.25%	6.25%	6.25%	6.50%	6.55%	6.60%	6.65%	6.70%	6.75%

LLC CASH FLOW PROJECTIONS

Year	1	2	3	4	5	6	7	8	9	10
	6.00%	6.00%	6.00%	6.00%	6.25%	6.30%	6.35%	6.40%	6.45%	6.50%

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PROPERTY AMENITIES AND FEATURES

The Property has the following amenities on site:

- On-Site Management
- Two Swimming Pools (one with locker room/changing facility)
- Two Lighted Tennis Courts
- Sand Volleyball Court
- Children's Playground
- Car Wash Area
- Fitness Center
- Four Separate Laundry Facilities

Many of the units contain the following amenities and features:

- Fully Equipped Kitchens
- Frost Free Refrigerators
- Garbage Disposal
- Dishwashers
- Porcelain Tub/Shower with Ceramic Tile Wainscot
- Wall-to-Wall Carpet
- Vaulted Ceilings (third floor)
- Ceiling Fans
- Wood Burning Fireplace
- Central Heat and Air Conditioning
- Patio or Balconies with Outside Storage



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ECONOMIC DEVELOPMENT

The City of Forest Park has an Economic Development Department which is a dedicated team of professionals utilized for the sole purpose of attracting and retaining quality employers to the city. The Property is surrounded by 4,500 businesses employing 55,000 individuals within a 5 mile radius. According to the Economic Development Department, the economic viability of major area employers is not predicated upon the success of housing and construction related industries which have softened other economies across the county. The industries that serve as the catalyst for the local economy in the City of Forest Park include education, healthcare and to a lesser degree industrial industries which have become more prosperous of late due to the weakening dollar and resulting increase in export oriented activity. Top area employers include: University of Cincinnati, Kroger Company, Health Alliance of Greater Cincinnati and the Procter & Gamble Company. Additionally, Cincinnati is the headquarters of 10 Fortune 500 companies (6th most nationwide) and an additional 9 Fortune 1000 companies (4th most nationwide). The Fortune 500 companies include Procter & Gamble, Kroger Company, Macy's, Ashland, Fifth Third Bancorp, Omnicare, AK Steel Holding, Western and Southern Financial, Cincinnati Financial and Chiquita Brands International.

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BUSINESS PLAN

The ownership objectives for the Property will be to (1) maximize rental increases and control operating expenses; (2) distribute annual cash flow starting at 6.25%, with increases thereafter; (3) maintain overall occupancy at or above levels projected in the proforma; (4) provide stable cash flow with potential for capital appreciation; (5) improve overall condition and appearance of the interior and exterior of the Property; (6) assist the Tenants in Common in refinancing the Loan at competitive rates; and (7) prepare the Property to be sold in approximately 5 to 10 years while continually evaluating the market to try to maximize value for the Tenants in Common.

To achieve the maximum return to the Tenants in Common, CORE has determined that it will commence an interior cosmetic upgrade program for units as they roll. This will include new cabinet fronts, lighting and flooring as needed in kitchens and baths. The projected cost is \$1,200 per unit, which will be funded from the Apartment Enhancement Reserve. CORE believes it will be able to increase rents by an average of \$25 per unit after these improvements have been completed. Based on historical averages, CORE believes 65% of the units will receive these improvements in the first year of ownership with the remaining 35% occurring in year two. CORE has modeled the increased rents to be captured in years 2 and 3, giving the management staff a reasonable amount of time to capture the improvement value. CORE's analysis is derived from and supported by the CBRE appraisal that states, "...based on the Lease Comparables, it appears as though these additions and renovations would position the subject property in such a way to accomplish the \$25/unit increase in rental rates."



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CORE will also upgrade the clubhouse/leasing office and has allocated \$40,000 to improve the aesthetic quality of the building interior and its exterior landscaping, which should help draw attention to the community from potential residents, thereby enhancing leasing efforts. Based on market level due diligence, CORE believes the Property is positioned to capture the growth occurring in the immediate area and plans to market the Property with efforts focused on local employment centers and new candidates entering the market attempting to relocate closer to job centers.

The Property currently has a lower average rental rate per unit compared to comparable properties in the surrounding northwest Cincinnati submarket. With focused management, the Property Manager believes rental rates can be increased as projected once the proposed interior upgrades have been completed. With additional programs and a strong focus on expense control and customer service, CORE projects Property net operating income to grow by approximately a 2.94% average annual increase over the anticipated holding period of the Property.

CORE believes that the Property will benefit from the migration occurring back toward urban living. The Property is positioned to capture not only long term renters but also tenants entering back into the rental market who do not want to sacrifice quality of life or convenient proximity to every day necessities. In addition, the Property does not have the same vulnerability as class "A" communities which continue to be negatively impacted by the increase in shadow supply (condos and single family rentals) in markets across the Cincinnati metropolitan area.

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