

Wilcox Apartments

81-Unit Apartment Community in Middletown, CT

Available for 1031 Exchange or Direct Investment



Hamilton Point Investments is offering to accredited investors DST interests in Wilcox Apartments. The 81-unit apartment property is well-located in the highly desirable town of Middletown, CT.

Investment Summary

- Stability in strong multifamily market
- Purchase price per unit (\$63,000) below replacement cost (approximately \$90,000)
- Potential for rent increases as Middletown population growth continues to outpace that of the state and nation while minimal development sites exist for new competing properties
- Well-maintained with minimal deferred maintenance
- Hamilton Point Investments is headquartered 20 minutes from Wilcox with deep market knowledge and strong existing property-level staffing
- Strong in place cash flows. October 2012 T12 NOI of \$401,000

Investment Considerations

Sponsor	Hamilton Point Investments LLC
Property	Wilcox Apartments
Location	309 South Main Street, Middletown, CT 06457
Size	81 units totaling 83,574 sq. ft.
Occupancy	94%
Capitalization	\$5,960,000
First Mortgage	\$3,400,000
Equity	\$2,560,000
Minimum Investment	\$100,000
Projected Year 1 Yield	7.75%
Projected Total Annual Return	13.9%
Projected Hold Period	5 Years
Managing BD	Orchard Securities, LLC
Due Diligence	FactRight, LLC
LTV	57.0%
Debt Service Coverage Year 1	2.1x

The Property

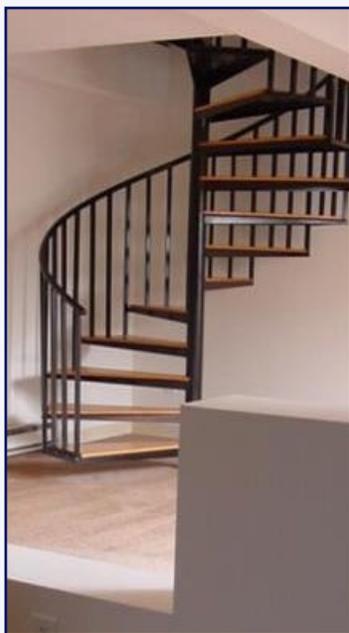
- Well-located 81-unit class B apartment community located in Middletown, Connecticut
- Units are large, averaging 1,044 square feet, and consist of 9 different floor plans, including loft style and townhouse apartments
- Units have fully applianced kitchens, vaulted ceilings, walk in closets, and select units offer patios
- Property was converted from a factory in 1989, which included a complete gut renovation, including new electric, plumbing, and heating, as well as the addition of a newly built wing housing 24 apartment units



Current Position

Wilcox has been and will continue to be managed by Hamilton Point Property Management LLC ("HPPM"). Self-management is a key tenet of HPI's investment strategy and is a crucial element to maintaining institutional quality property control of tenant credit quality, occupancy, revenue and cost control.

Wilcox has minimal deferred maintenance, as a result of undergoing a number of capital improvements over the last year including:



- Reroofing of majority of property including under-layer and snow belts
- Cladding window frames with aluminum
- Complete repainting of hallways, doors and common areas
- Complete replacement of carpeting in all common areas
- New signage throughout the property and parking areas
- Replacement of carpeting in over 50% of the units
- Significant landscaping improvements
- Significant lighting upgrades in all common areas
- Renovation of leasing office

The Market

- Excellent location in the North Middlesex apartment submarket, midway between Hartford and New Haven
- Significant barriers to entry in Middlesex County with limited development sites; high physical, governmental and economic barriers to entry for new apartment development throughout Middlesex County
- 2Q2012 submarket multifamily vacancy rate is 2.0% per REIS Reports, competitive set vacancy is 4.7%
- Middlesex County population grew by 16.9% from 1990 to 2010, compared to 6.8% for State (Source: US Census)
- Middletown population projected to grow by 3% between 2010 and 2015, compared to 1% for State (Source: University of Connecticut State Data Center)
- Minimal competitive multifamily planning or construction in development pipeline
- Sept. 2012 unemployment rate of 7.0% as compared to 8.2% for the State (Source: US Bureau of Labor Statistics)



Unit Mix

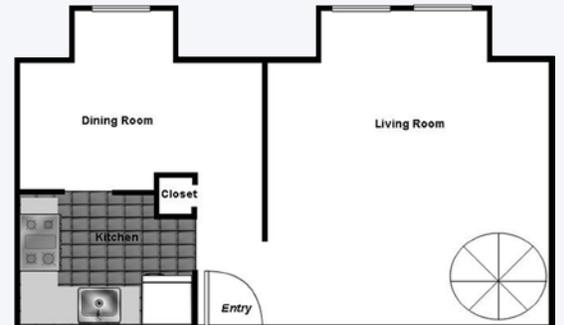
Unit Type	Count	Sq. Ft.	Current Rents	Rent/SF	Monthly Income	Proforma Rents	Rent/SF	Monthly Income	Unit Mix
1 Bed / 1 Bath Flat	6	570	\$700	1.23	\$4,200	\$725	1.27	\$4,350	7.4%
1 Bed / 1 Bath Flat	5	742	\$760	1.02	\$3,800	\$800	1.08	\$4,000	6.2%
1 Bed / 1 Bath Loft	12	860	\$780-\$835	0.94	\$9,815	\$850	0.99	\$10,200	14.8%
2 Bed / 1 Bath Flat	3	800-860	\$800-\$820	0.94	\$2,420	\$850	1.02	\$2,550	3.7%
2 Bed / 1 Bath Flat	5	960	\$840-\$850	0.88	\$4,225	\$900	0.94	\$4,500	6.2%
2 Bed / 1 Bath Townhouse	24	1,080	\$890-\$950	0.85	\$21,565	\$1,050	0.97	\$25,200	29.6%
2 Bed / 1 Bath Flat	14	1,100	\$880-\$950	0.83	\$12,390	\$1,000	0.91	\$14,000	17.3%
2 Bed / 2 Bath Flat	11	1,464	\$1,000	0.68	\$11,000	\$1,100	0.75	\$12,100	13.6%
3 Bed / 2 Bath Flat	1	1,440	\$1,200	0.83	\$1,200	\$1,250	0.87	\$1,250	1.2%
Totals / Averages	81	83,574			\$70,615			\$78,150	100.0%



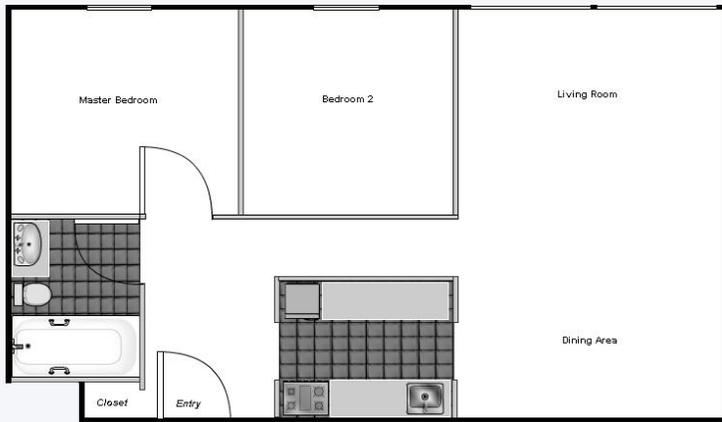
1 Bed / 1 Bath Flat
570 Sq. Ft.



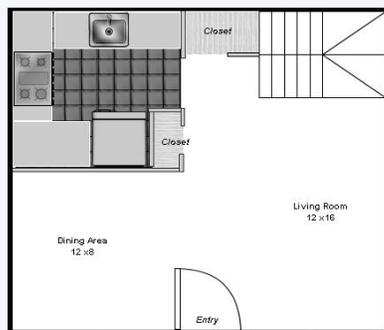
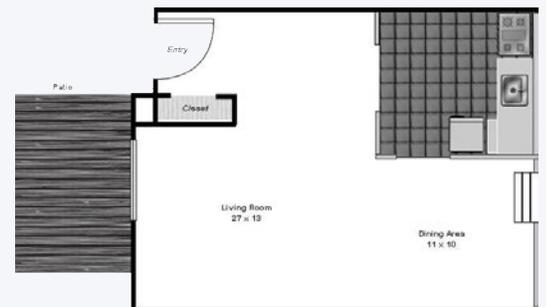
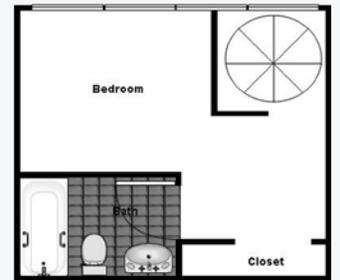
1 Bed / 1 Bath Flat
742 Sq. Ft.



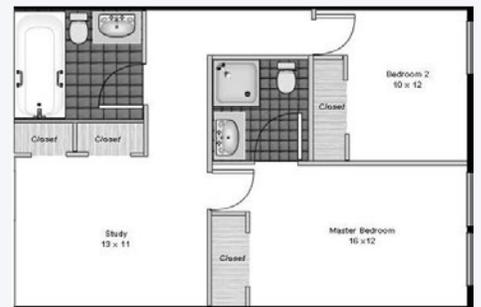
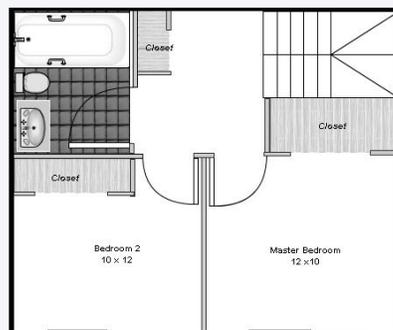
1 Bed / 1 Bath Loft
860 Sq. Ft.



2 Bed / 1 Bath Flat
800-1,100 Sq. Ft.



2 Bed / 2 Bath Townhouse
1080 Sq. Ft.



2 Bed / 2 Bath Flat
1,464 Sq. Ft.

Market Analysis

Middletown Apartment Submarket

The North Middlesex apartment submarket benefits from strong population growth and steady employment bases in Middletown as well as in Hartford and New Haven, both easy commutes.

While demand remains strong and should increase with growing population and decreasing homeownership rates, limited new multifamily development is planned. This confluence of factors results in strong rental rates and consistently low vacancy rates.

The vacancy rate in the market peaked at 5.1% in July 2009, after moderate negative absorption in 2008. The 2Q12 vacancy rate in the market is 2.0% per REIS Reports. The competitive rental properties in the submarket show a current vacancy rate of 4.7%. The competitive set average \$853 for 1-bedroom apartments, \$995 for 2-bedroom units, and \$1,200 per month for 3-bedroom.



Hamilton Point Investments

Hamilton Point Investments LLC ("HPI" or "Company") is a real estate investment firm founded in 2009 by Matthew A. Sharp and J. David Kelsey ("Principals"), after the two merged their former companies, formed in 2005 and 2007, respectively. The principals, who average over 23 years of institutional real estate experience, have acquired over \$600 million of commercial real estate since 2003. The Company, through affiliated entities and managed funds, own and operate 16 apartment properties totaling 2,755 apartment units. HPI and its subsidiary property management company employ over 70 people. The Company has a highly experienced team of seasoned professionals specialized in asset management, property management, tax issues, accounting, reporting, acquisitions and financing.

Middletown, Connecticut

Middletown is the commercial and multifamily hub of Middlesex County, CT, one of the fastest growing counties in Connecticut, with a population of over 165,000. It is located along the Connecticut River midway between Hartford and New Haven, the State's second and third largest cities. Hartford is headquarters to over a dozen major insurance companies and their related investment and investment management businesses, headquarters of United Technologies, and home to several colleges and hospitals. New Haven is home to Yale University and the Yale University Medical system, as well as numerous financial services, legal and distribution companies. Middletown itself is home to Wesleyan University, which recently completed a \$280 million campus renovation project, and Middlesex Hospital, headquarters for the Middlesex Hospital system. Middletown has benefitted over the years as professionals and executives have moved from living directly in the Hartford and New Haven city limits and considered Middletown to be an attractive and convenient alternative. The town enjoys unique immediate access to Interstates 91 and 84 and is near Routes 9, 372 and 217, allowing for easy access to all parts of the state.

Connecticut statewide population growth was only 6.8% during the 20 years from 1990 to 2010. Middlesex County, however, as one of the fastest growing counties in the State, experienced 16.9% population growth during the same period. Such growth is expected to continue, with the Middletown population projected to grow by 3% over the next 5 years, as compared to 1% growth expected for the state. In addition to being one of the fastest growing counties in Connecticut, Middlesex County has the lowest unemployment rate of any county in the state. As of Sept. 2012, the Middlesex County unemployment rate was 7.0%, as compared to 8.2% statewide.

Hamilton Point Property Management

Hamilton Point Property Management LLC manages multifamily apartment properties owned by Hamilton Point Investments LLC. HPPM was founded by J. David Kelsey and Matthew A. Sharp to manage the day-to-day activities at properties they run through various partnerships and investment funds they manage. HPPM is run by Melissa Sheldon who is responsible for cost-effective, efficient and institutional quality property-level staffing, leasing, maintenance, contracting, marketing and reporting with over 70 property managers, maintenance supervisors, leasing agents, and maintenance staff reporting to her. Melissa has been a senior-level property management executive for over 23 years with some of the largest and most well-respected multifamily property managers in the country. Ms. Sheldon reports directly to Mr. Sharp and Mr. Kelsey, who are closely involved with her in property management oversight.

This material is neither an offer to sell nor a solicitation of an offer to buy a security, which can be made only by the Private Placement Memorandum ("PPM"), filed or registered with appropriate state and federal regulatory agencies, and sold by broker-dealers authorized to do so. This material must be preceded or accompanied by, and read in connection with, the PPM to fully understand the implications and risks of the offering of securities to which this material relates.

Securities offered through Orchard Securities, LLC, member FINRA/SIPC

HAMILTON POINT INVESTMENTS

Hamilton Point Investments LLC | Tel (860) 598-4300
2 Huntley Road, Old Lyme, CT 06371