

## OFFERING MEMORANDUM

# ► Oaktree Apartments

9012 Pinehurst Drive North // Indianapolis, IN 46235

336 VACANT UNITS // VALUE ADD OPPORTUNITY

PRICE REDUCED

**SALE PRICE**

~~\$4,950,000~~

~~(\$14,732/UNIT)~~

**\$3,995,000**

**(\$11,890/UNIT)**



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 **RESOURCE**

rcr.com



*Note: Some photos are from 2004 to show property potential.*

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# CONFIDENTIALITY AGREEMENT & DISCLAIMER

OAKTREE APARTMENTS // INDIANAPOLIS, INDIANA

Return to: Michael B. Drew, CCIM  
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5. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

## ACCEPTED AND AGREED TO:

Principal: \_\_\_\_\_ Date: \_\_\_\_\_ By: \_\_\_\_\_

Printed: \_\_\_\_\_ Company Name: \_\_\_\_\_

Title: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

*To receive a Confidential Offering Memorandum please return this Confidentiality Agreement to Michael B. Drew via email to michael.drew@rcrc.com.*





# ► PROPERTY OVERVIEW

Note: This photo is from 2004 to show property potential.

# PROPERTY OVERVIEW



## INVESTMENT HIGHLIGHTS

Oaktree Apartments is a vacant 336-unit community located on the east side of Indianapolis at 9012 Pinehurst Drive North, Indianapolis, Indiana 46235. The property has 29 buildings with gross square footage of 221,120 SF including 156 one bedroom (570 SF) units and 180 two bedroom (740 SF) units. The community is located on an 18.62± acre site and is constructed of two-story wood-frame with brick veneer and vinyl sided exteriors, concrete slabs, and pitched asphalt shingle roofs. The property was in the process of a renovation and repositioning program when that was halted due to a sub-zero weather event. The property offers substantial upside for a buyer who completes the renovation and continues long term ownership with professional property management. Property amenities include a leasing and management office, a two-story community building with laundry facilities for the tenants. There is room to reinstall an Olympic size swimming pool. The tennis courts and the large playground area have already been removed and demolished by the owner. Oaktree was built in 1969. Tenants are responsible for their own electric for lights, stove, air conditioning, and gas heat. Landlord provides hot and cold water, sewer, and trash removal.

## UNIT MIX - Market Rate Rents

RENTAL INCOME	UNITS	SF	RENT / MO	RENT / SF	MONTHLY INCOME	ANNUAL PROJ.
1 Bed 1 Bath	156	570	\$525	\$0.9210	\$81,900	\$982,800
2 Bed 1 Bath	180	740	\$625	\$0.8446	\$112,500	\$1,350,000
Gross Potential Rental Income	336	661	\$579	\$0.8752	\$194,400	\$2,332,800

## UNIT MIX - Section 8 Rents

RENTAL INCOME	UNITS	SF	RENT / MO	RENT / SF	MONTHLY INCOME	ANNUAL PROJ.
1 Bed 1 Bath	156	570	\$625	\$0.8446	\$112,500	\$1,350,000
2 Bed 1 Bath	180	740	\$725	\$0.9797	\$130,500	\$1,566,000
Gross Potential Rental Income	336	661	\$723	\$1.094	\$243,000	\$2,916,000

## LOCATION

9012 Pinehurst Drive North // Indianapolis, Indiana 46235

## PROPERTY AMENITIES

The property includes a two-story Community Building with Laundry Facilities and large common areas. The Olympic-size swimming pool in the "Central Park" area was filled in, while the large playground area and tennis courts are already demolished and ready to be renovated. The property has convenient paved parking for all units.

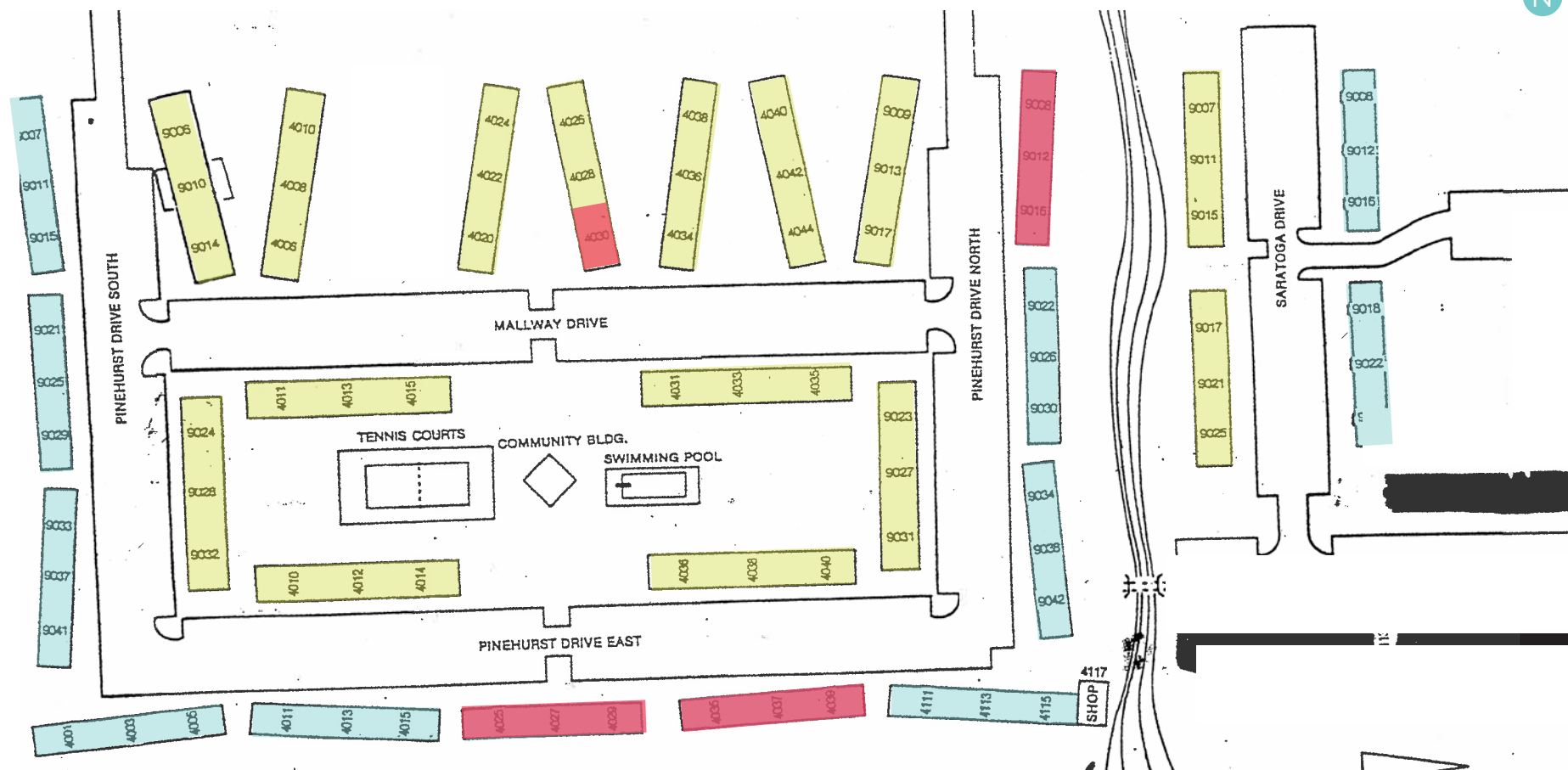
## UNIT FEATURES

The 48 renovated (but now damaged) units included new carpet, cabinets, appliances, paint, lights, fans, furnace, tubs, sinks, mini blinds, patio or balcony and storage rooms. Some have new windows and patio doors. The kitchens included an electric range with hood vented to the outdoors, refrigerator/freezer, and disposals. Cable TV is available and will be paid by the resident.



# SITE PLAN

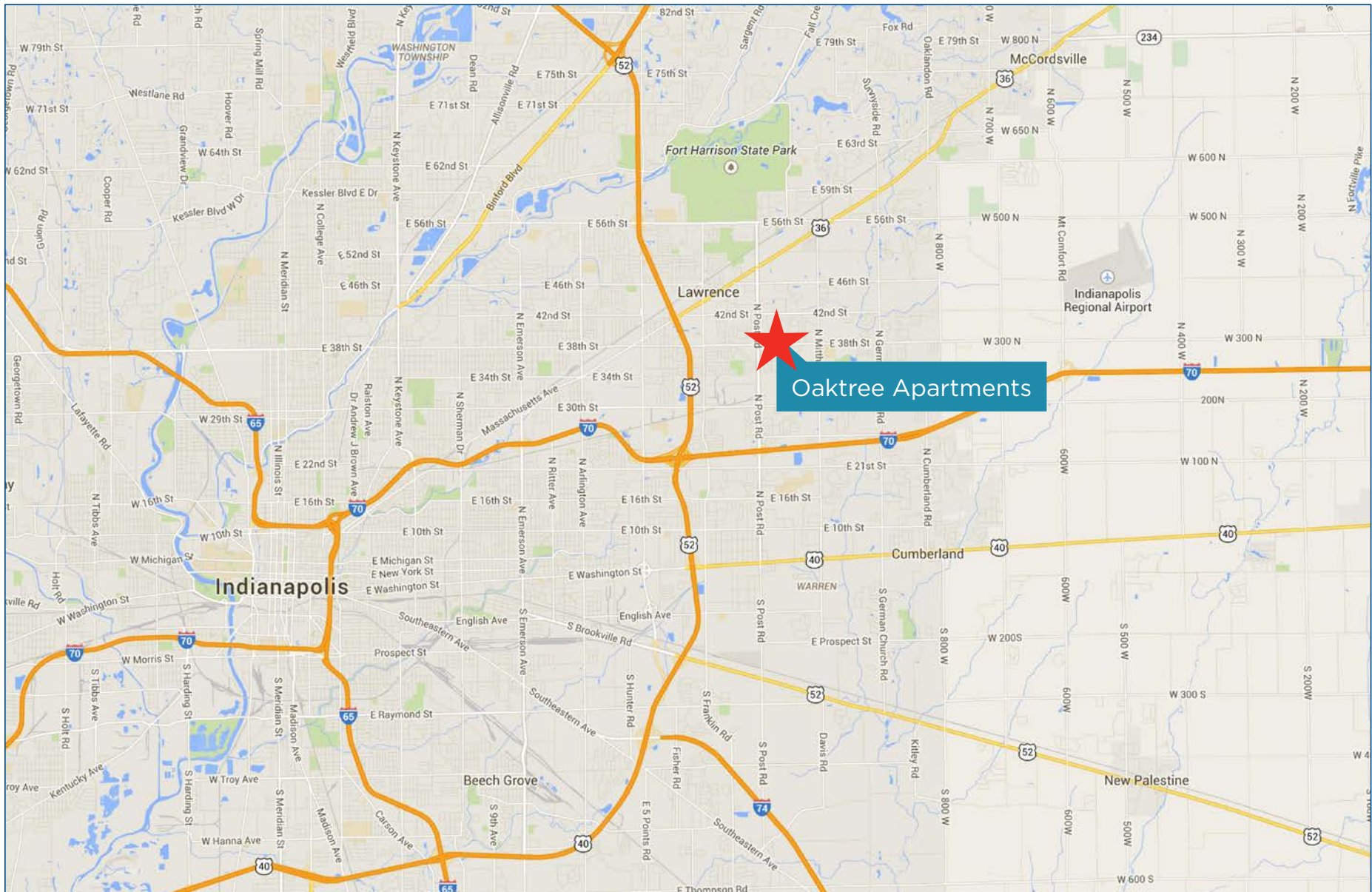
9012 Pinehurst Drive North // Indianapolis, Indiana 46235



- 1 Bedroom
- 2 Bedroom
- Fire Damaged

# LOCATION MAP

9012 Pinehurst Drive North // Indianapolis, Indiana 46235





# AERIAL MAP

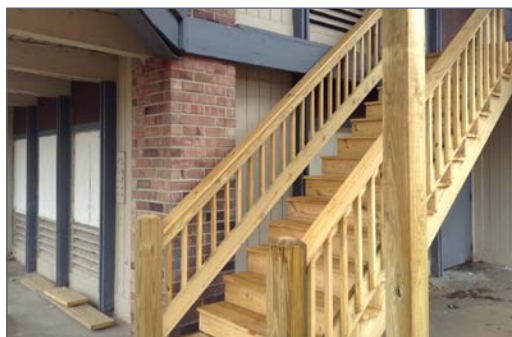
9012 Pinehurst Drive North // Indianapolis, Indiana 46235





# PHOTOS // INTERIOR RENOVATIONS

(48 units previously renovated, but now damaged)



# FLOOR PLANS

## ONE BEDROOM



## TWO BEDROOM







# ► FINANCIAL OVERVIEW

Note: This photo is from 2004 to show property potential.

# FINANCIAL OVERVIEW

## Income & Expense // Proforma

INCOME STATEMENT	PROPERTY MGMT. BUDGET IF SECTION 8 RENTS		STABILIZED YEAR 1 PROFORMA		YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8
INCOME:	Totals	Per Unit	Totals	Per Unit							
Gross Scheduled Market Rent:	\$2,736,000	\$8,143	\$2,736,000	\$8,143	\$2,790,720	\$2,846,534	\$2,903,465	\$2,961,534	\$3,020,765	\$3,081,180	\$3,142,804
Less:- Loss to Lease/Vacancy:	\$(124,857)	-4.6%	\$(124,857)	-4.6%	\$(139,536)	\$(142,327)	\$(145,173)	\$(148,077)	\$(148,077)	\$(148,077)	\$(148,077)
Less: -Concessions/Employee Unit:	\$(65,279)	-2.4%	\$(65,279)	-2.4%	\$(27,907)	\$(28,465)	\$(29,035)	\$(29,615)	\$(29,615)	\$(29,615)	\$(29,615)
Less: Write Offs/Other Adjustments:	\$-	0.0%	\$-	0.0%	\$(27,907)	\$(28,465)	\$(29,035)	\$(29,615)	\$(29,615)	\$(29,615)	\$(29,615)
Total Rental Income:	\$2,545,864	\$7,577	\$2,545,864	\$7,577	\$2,595,370	\$2,647,277	\$2,700,223	\$2,754,227	\$2,813,458	\$2,873,873	\$2,935,497
Plus: RUBS and Trash Income:	\$57,720	\$172	\$57,720	\$172	\$58,875	\$58,875	\$58,875	\$58,875	\$58,875	\$58,875	\$58,875
Plus: Other Income:	\$161,889	\$482	\$161,889	\$482	\$165,127	\$168,429	\$171,798	\$175,234	\$178,738	\$182,313	\$185,959
Effective Gross Income:	\$2,765,473	\$8,231	\$2,765,473	\$8,231	\$2,819,371	\$2,874,581	\$2,930,895	\$2,988,336	\$3,051,071	\$3,115,061	\$3,180,331
<b>EXPENSES:</b>											
Payroll:	\$408,691	\$1,216	\$408,691	\$1,216	\$416,865	\$425,202	\$433,706	\$442,381	\$451,228	\$460,253	\$469,458
Administrative Expense:	\$76,230	\$227	\$76,230	\$227	\$77,755	\$79,310	\$80,896	\$82,514	\$84,164	\$85,847	\$87,564
Advertising/Marketing:	\$3,760	\$11	\$3,760	\$11	\$3,835	\$3,912	\$3,990	\$4,070	\$4,151	\$4,234	\$4,319
Maintenance Turn & Landscaping:	\$319,925	\$952	\$319,925	\$952	\$326,323	\$332,850	\$339,507	\$346,297	\$353,223	\$360,287	\$367,493
Other:	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Total Variable Expenses:	\$808,606	\$2,407	\$808,606	\$2,407	\$824,778	\$841,274	\$858,099	\$875,261	\$892,766	\$910,622	\$928,834
Real Estate & PP Taxes:	\$25,322	\$75	\$186,000	\$554	\$189,720	\$193,514	\$197,385	\$201,332	\$205,359	\$209,466	\$213,656
Utilities - Electricity:	\$32,952	\$98	\$32,952	\$98	\$33,611	\$34,283	\$34,969	\$35,668	\$36,382	\$37,109	\$37,851
Utilities - Natural Gas:	\$204,275	\$608	\$204,275	\$608	\$208,360	\$212,527	\$216,778	\$221,113	\$225,536	\$230,046	\$234,647
Utilities - Water & Sewer:	\$186,000	\$554	\$67,200	\$200	\$68,544	\$69,915	\$71,313	\$72,739	\$74,194	\$75,678	\$77,192
Property Management Fee:	\$138,274	\$412	\$110,619	4.0%	\$112,775	\$114,983	\$117,236	\$119,533	\$122,043	\$124,602	\$127,213
Insurance:	\$121,276	\$361	\$121,296	\$361	\$123,722	\$126,196	\$128,720	\$131,295	\$133,921	\$136,599	\$139,331
Trash Removal:	\$36,000	\$107	\$35,952	\$107	\$36,671	\$37,404	\$38,153	\$38,916	\$39,694	\$40,488	\$41,298
Total Operating Expenses:	\$1,552,705	\$4,621	\$1,566,899	\$4,663	\$1,598,181	\$1,630,097	\$1,662,652	\$1,695,858	\$1,729,894	\$1,764,611	\$1,800,021
<b>NET OPERATING INCOME:</b>	<b>\$1,212,768</b>	<b>\$3,609</b>	<b>\$1,198,574</b>	<b>\$3,567</b>	<b>\$1,221,190</b>	<b>\$1,244,484</b>	<b>\$1,268,243</b>	<b>\$1,292,478</b>	<b>\$1,321,177</b>	<b>\$1,350,450</b>	<b>\$1,380,309</b>
Less: Proposed Debt Service:*	\$(316,200)	\$(941)	\$(316,200)	\$(941)	\$(316,200)	\$(400,306)	\$(229,159)	\$(229,159)	\$(229,159)	\$(229,159)	\$(229,159)
<b>CASH FLOW AFTER DEBT:</b>	<b>\$896,568</b>	<b>\$2,668</b>	<b>\$882,374</b>	<b>\$2,626</b>	<b>\$904,990</b>	<b>\$844,178</b>	<b>\$1,039,084</b>	<b>\$1,063,318</b>	<b>\$1,092,018</b>	<b>\$1,121,291</b>	<b>\$1,151,150</b>
<b>CAP RATE:</b>	13.04%		12.89%		13.13%	13.38%	13.64%	13.90%	14.21%	14.52%	14.84%
<b>CASH ON CASH RETURN:</b>	48.20%		47.44%		48.66%	45.39%	55.86%	57.17%	58.71%	60.28%	61.89%

Note Property Management Budget assumes Very Low Taxes via a PILOT Program sometimes available to Not for Profit groups

\*Proposed Debt is 4.25% I/O until December 2018



# INDIANAPOLIS, INDIANA MULTIFAMILY MARKET

## MARKET OVERVIEW

The Indianapolis apartment market is comprised of 118,558 units in thirteen geographic concentrations ranging in size from the 15,955 unit West submarket to the Hancock/Shelby submarket, which amounts to 1,946 units. In the ten-year period beginning with Q2 2006, the Hamilton County submarket has experienced the greatest introduction of new inventory, 5,301 units, amounting to 39.6% of all new market rate rentals added to the market.

## ASKING AND EFFECTIVE RENT

Asking rents in Indiana's most populous city advanced by 0.4% during the first quarter of 2016 to an average of \$786. Mean unit prices in the metro are as follows: studios \$513, one bedrooms \$691, two bedrooms \$831, and three bedrooms \$1,015. This advance extends the market's run of gains to twenty-four quarters, during which asking rents have advanced by a total of 17.3%. Since the beginning of Q2 2006, the metro as a whole has recorded an annual average increase of 2.2%. Effective rents, which exclude the value of concessions offered to prospective tenants, rose by 0.5% during the first quarter to an average of \$754. During the past four quarters, positive movement in asking rent was recorded in all thirteen of the metro's submarkets.

## COMPETITIVE INVENTORY, HOUSEHOLD FORMATIONS, ABSORPTION

The first quarter added 2,370 net new households to the Indianapolis MSA. Quarterly movement in the average occupancy level of market rate apartment properties rarely mirrors the period's total household formation or losses, but it is advisable to weigh longer-term economic and demographic trends as factors contributing to current demand. Since the beginning of Q2 2006, household formations in Indianapolis have averaged 1.2% per year, representing the average annual addition of 8,700 households. During the first quarter, absorption totaled 335 units, while metro inventory grew by 346 units, and the average vacancy rate remained unchanged at 5.6%. Over the last four quarters, market absorption totaled 3,264 units, nearly double the average annual absorption rate of 1,649 units recorded since the beginning of Q2 2006. From an historical perspective, the first quarter vacancy rate is 1.9 percentage points lower than the 7.5% average recorded since the beginning of Q2 2006.

## OUTLOOK

Reis' new construction analysts report that 2,996 units of new speculative apartment inventory will be introduced to the metro by the end of the year, and net total absorption will be positive 2,580 units. Consequently, the vacancy rate will drift upward by 0.2 percentage points to 5.8%. During 2017 and 2018, developers are expected to deliver a total of 2,487 units. Net new household formations at the metro level during 2017 and 2018 are anticipated to average 1.5% annually, enough to facilitate an absorption rate averaging 1,152 units per year. The market vacancy rate will finish 2017 at 5.7% and will rise 0.1 percentage points to 5.8% by year end 2018. Between now and year-end 2016 asking rents are expected to climb 3.1% to a level of \$810, while effective rents will increase by 2.8% to \$775. On an annualized basis through 2017 and 2018, asking and effective rents are anticipated to rise by 2.4% and 2.2%, respectively, to finish 2018 at \$850 and \$810.

Source: Apartment - 1st Quarter 2016, Reis Services, LLC







# ► MARKET ANALYSIS



Note: This photo is from 2004 to show property potential.



# RENT COMPARABLES

	ADDRESS	YEAR BUILT/ RENOVATED	UNITS	OCCUPANCY	BUILDING SIZE	RENT RANGE MARKET	RENT RANGE SECTION 8
	<b>OAKTREE APARTMENTS</b> 9012 Pinehurst Drive N. Indianapolis, IN 46235 (Note: Old Photo)	1969	336	0%	221,120 SF	\$525-625	\$625-725
	<b>MEADOWLARK</b> 9350 E. 43rd Street Indianapolis, IN 46227	1968/2013	360	95.6%	253,696 SF		\$675-785
	<b>LEXINGTON PARK</b> 9060 E. 39th Place Indianapolis, IN 46235	1964/2003	362	97.2%	313,329 SF	\$569-749	
	<b>JAMESTOWNE</b> 8917 Duxbury Road Indianapolis, IN 46226	1975/2005	168	94.5%	144,976 SF	\$595-635	
	<b>MAISON GARDENS</b> 8808 Rue Madeleine Indianapolis, IN 46226	1967	452	98.2%	340,546 SF	\$512-635	
	<b>POSTBROOK EAST</b> 9265 E. 41st Street Indianapolis, IN 46235	1971	296	69.9%	330,250 SF	\$465-500	

*Note: The above rents include only 1 and 2 bedroom units.*

# RENT RANKING // MARKET RATE

## 1/1 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartme	\$675	479	\$1.41	Meadowlark Apartment	\$675	479	\$1.41	Postbrook East Apa	\$465	800	\$0.58
Lexington Park	\$649	702	\$0.92	Lexington Park	\$619	623	\$0.99	Fountainview Apart	\$444	760	\$0.58
Lexington Park	\$649	680	\$0.95	Lexington Park	\$569	596	\$0.95	Harrison Point Apart	\$525	750	\$0.70
Lexington Park	\$619	623	\$0.99	Lexington Park	\$649	680	\$0.95	Jamestowne Apartm	\$595	704	\$0.85
Jamestowne Apartme	\$595	704	\$0.85	Lexington Park	\$649	702	\$0.92	Lexington Park	\$649	702	\$0.92
Lexington Park	\$569	596	\$0.95	Oaktree Apartments	\$525	570	\$0.92	Lexington Park	\$649	680	\$0.95
The Hacienda Apartm	\$550	652	\$0.84	Maison Gardens Apart	\$512	593	\$0.86	The Hacienda Apart	\$550	652	\$0.84
Oaktree Apartments	\$525	570	\$0.92	Jamestowne Apartment	\$595	704	\$0.85	Lexington Park	\$619	623	\$0.99
Harrison Point Apartm	\$525	750	\$0.70	The Hacienda Apartme	\$550	652	\$0.84	Lexington Park	\$569	596	\$0.95
Maison Gardens Apar	\$512	593	\$0.86	Harrison Point Apartme	\$525	750	\$0.70	Maison Gardens Ap	\$512	593	\$0.86
Postbrook East Apart	\$465	800	\$0.58	Fountainview Apartmen	\$444	760	\$0.58	Oaktree Apartments	\$525	570	\$0.92
Fountainview Apartm	\$444	760	\$0.58	Postbrook East Apartm	\$465	800	\$0.58	Meadowlark Apartm	\$675	479	\$1.41

## 2/1 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartme	\$785	645	\$1.22	Meadowlark Apartment	\$785	645	\$1.22	Postbrook East Apa	\$500	1,100	\$0.45
Lexington Park	\$749	898	\$0.83	Lexington Park	\$719	835	\$0.86	Maison Gardens Ap	\$635	1,024	\$0.62
Lexington Park	\$739	873	\$0.85	Lexington Park	\$739	873	\$0.85	Lexington Park	\$719	972	\$0.74
Lexington Park	\$719	835	\$0.86	Oaktree Apartments	\$625	740	\$0.84	Lexington Park	\$749	898	\$0.83
Lexington Park	\$719	972	\$0.74	Lexington Park	\$749	898	\$0.83	Lexington Park	\$739	873	\$0.85
The Hacienda Apartm	\$650	824	\$0.79	The Hacienda Apartme	\$650	797	\$0.82	Jamestowne Apartm	\$635	865	\$0.73
The Hacienda Apartm	\$650	797	\$0.82	The Hacienda Apartme	\$650	824	\$0.79	Maison Gardens Ap	\$600	860	\$0.70
Maison Gardens Apar	\$635	1,024	\$0.62	Lexington Park	\$719	972	\$0.74	Fountainview Apart	\$555	860	\$0.65
Jamestowne Apartme	\$635	865	\$0.73	Jamestowne Apartment	\$635	865	\$0.73	Harrison Point Apart	\$589	850	\$0.69
Oaktree Apartments	\$625	740	\$0.84	Maison Gardens Apart	\$600	860	\$0.70	Lexington Park	\$719	835	\$0.86
Maison Gardens Apar	\$600	860	\$0.70	Harrison Point Apartme	\$589	850	\$0.69	The Hacienda Apart	\$650	824	\$0.79
Harrison Point Apartm	\$589	850	\$0.69	Fountainview Apartmen	\$555	860	\$0.65	The Hacienda Apart	\$650	797	\$0.82
Fountainview Apartm	\$555	860	\$0.65	Maison Gardens Apart	\$635	1,024	\$0.62	Oaktree Apartments	\$625	740	\$0.84
Postbrook East Apart	\$500	1,100	\$0.45	Postbrook East Apartm	\$500	1,100	\$0.45	Meadowlark Apartm	\$785	645	\$1.22



# RENT RANKING // MARKET RATE

## 2/1.5 UNIT TYPE

### RENT PER UNIT RANKING

	Rent	SF	\$/SF
Meadowlark Apartme	\$781	661	\$1.18
Lexington Park	\$779	1,101	\$0.71
Lexington Park	\$769	1,044	\$0.74
The Hacienda Apartm	\$650	855	\$0.76
Postbrook East Apart	\$595	1,250	\$0.48

### PRICE/SF RANKING

	Rent	SF	\$/SF
Meadowlark Apartment	\$781	661	\$1.18
The Hacienda Apartme	\$650	855	\$0.76
Lexington Park	\$769	1,044	\$0.74
Lexington Park	\$779	1,101	\$0.71
Postbrook East Apartm	\$595	1,250	\$0.48

### SIZE RANKING

	Rent	SF	\$/SF
Postbrook East Apa	\$595	1,250	\$0.48
Lexington Park	\$779	1,101	\$0.71
Lexington Park	\$769	1,044	\$0.74
The Hacienda Apart	\$650	855	\$0.76
Meadowlark Apartm	\$781	661	\$1.18

## 3/1 UNIT TYPE

### RENT PER UNIT RANKING

	Rent	SF	\$/SF
Lexington Park	\$810	1,600	\$0.51
Maison Gardens Apar	\$745	1,024	\$0.73
Postbrook East Apart	\$675	1,100	\$0.61

### PRICE/SF RANKING

	Rent	SF	\$/SF
Maison Gardens Apart	\$745	1,024	\$0.73
Postbrook East Apartm	\$675	1,100	\$0.61
Lexington Park	\$810	1,600	\$0.51

### SIZE RANKING

	Rent	SF	\$/SF
Lexington Park	\$810	1,600	\$0.51
Postbrook East Apa	\$675	1,100	\$0.61
Maison Gardens Ap	\$745	1,024	\$0.73

## 3/1.5 UNIT TYPE

### RENT PER UNIT RANKING

	Rent	SF	\$/SF
Meadowlark Apartme	\$919	826	\$1.11
Jamestowne Apartme	\$780	1,280	\$0.61
The Hacienda Apartm	\$775	1,075	\$0.72
The Hacienda Apartm	\$750	965	\$0.78
Harrison Point Apartm	\$750	1,150	\$0.65

### PRICE/SF RANKING

	Rent	SF	\$/SF
Meadowlark Apartment	\$919	826	\$1.11
The Hacienda Apartme	\$750	965	\$0.78
The Hacienda Apartme	\$775	1,075	\$0.72
Harrison Point Apartme	\$750	1,150	\$0.65
Jamestowne Apartment	\$780	1,280	\$0.61

### SIZE RANKING

	Rent	SF	\$/SF
Jamestowne Apartm	\$780	1,280	\$0.61
Harrison Point Apart	\$750	1,150	\$0.65
The Hacienda Apart	\$775	1,075	\$0.72
The Hacienda Apart	\$750	965	\$0.78
Meadowlark Apartm	\$919	826	\$1.11

## 4/1.5 UNIT TYPE

### RENT PER UNIT RANKING

	Rent	SF	\$/SF
Meadowlark Apartme	\$1,004	877	\$1.14

### PRICE/SF RANKING

	Rent	SF	\$/SF
Meadowlark Apartment	\$1,004	877	\$1.14

### SIZE RANKING

	Rent	SF	\$/SF
Meadowlark Apartm	\$1,004	877	\$1.14

## STUDIO UNIT TYPE

### RENT PER UNIT RANKING

	Rent	SF	\$/SF
Harrison Point Apartm	\$488	550	\$0.89

### PRICE/SF RANKING

	Rent	SF	\$/SF
Harrison Point Apartme	\$488	550	\$0.89

### SIZE RANKING

	Rent	SF	\$/SF
Harrison Point Apart	\$488	550	\$0.89

# RENT RANKING // SECTION 8

## 1/1 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartme	\$675	479	\$1.41	Meadowlark Apartment	\$675	479	\$1.41	Postbrook East Apa	\$465	800	\$0.58
Lexington Park	\$649	702	\$0.92	Oaktree Apartments	\$625	570	\$1.10	Fountainview Apart	\$444	760	\$0.58
Lexington Park	\$649	680	\$0.95	Lexington Park	\$619	623	\$0.99	Harrison Point Apart	\$525	750	\$0.70
Oaktree Apartments	\$625	570	\$1.10	Lexington Park	\$569	596	\$0.95	Jamestowne Apartm	\$595	704	\$0.85
Lexington Park	\$619	623	\$0.99	Lexington Park	\$649	680	\$0.95	Lexington Park	\$649	702	\$0.92
Jamestowne Apartme	\$595	704	\$0.85	Lexington Park	\$649	702	\$0.92	Lexington Park	\$649	680	\$0.95
Lexington Park	\$569	596	\$0.95	Maison Gardens Apart	\$512	593	\$0.86	The Hacienda Apart	\$550	652	\$0.84
The Hacienda Apartm	\$550	652	\$0.84	Jamestowne Apartment	\$595	704	\$0.85	Lexington Park	\$619	623	\$0.99
Harrison Point Apartm	\$525	750	\$0.70	The Hacienda Apartme	\$550	652	\$0.84	Lexington Park	\$569	596	\$0.95
Maison Gardens Apar	\$512	593	\$0.86	Harrison Point Apartme	\$525	750	\$0.70	Maison Gardens Ap	\$512	593	\$0.86
Postbrook East Apart	\$465	800	\$0.58	Fountainview Apartmen	\$444	760	\$0.58	Oaktree Apartments	\$625	570	\$1.10
Fountainview Apartm	\$444	760	\$0.58	Postbrook East Apartm	\$465	800	\$0.58	Meadowlark Apartm	\$675	479	\$1.41

## 2/1 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartme	\$785	645	\$1.22	Meadowlark Apartment	\$785	645	\$1.22	Postbrook East Apa	\$500	1,100	\$0.45
Lexington Park	\$749	898	\$0.83	Oaktree Apartments	\$725	740	\$0.98	Maison Gardens Ap	\$635	1,024	\$0.62
Lexington Park	\$739	873	\$0.85	Lexington Park	\$719	835	\$0.86	Lexington Park	\$719	972	\$0.74
Oaktree Apartments	\$725	740	\$0.98	Lexington Park	\$739	873	\$0.85	Lexington Park	\$749	898	\$0.83
Lexington Park	\$719	835	\$0.86	Lexington Park	\$749	898	\$0.83	Lexington Park	\$739	873	\$0.85
Lexington Park	\$719	972	\$0.74	The Hacienda Apartme	\$650	797	\$0.82	Jamestowne Apartm	\$635	865	\$0.73
The Hacienda Apartm	\$650	824	\$0.79	The Hacienda Apartme	\$650	824	\$0.79	Maison Gardens Ap	\$600	860	\$0.70
The Hacienda Apartm	\$650	797	\$0.82	Lexington Park	\$719	972	\$0.74	Fountainview Apart	\$555	860	\$0.65
Maison Gardens Apar	\$635	1,024	\$0.62	Jamestowne Apartment	\$635	865	\$0.73	Harrison Point Apart	\$589	850	\$0.69
Jamestowne Apartme	\$635	865	\$0.73	Maison Gardens Apart	\$600	860	\$0.70	Lexington Park	\$719	835	\$0.86
Maison Gardens Apar	\$600	860	\$0.70	Harrison Point Apartme	\$589	850	\$0.69	The Hacienda Apart	\$650	824	\$0.79
Harrison Point Apartm	\$589	850	\$0.69	Fountainview Apartmen	\$555	860	\$0.65	The Hacienda Apart	\$650	797	\$0.82
Fountainview Apartm	\$555	860	\$0.65	Maison Gardens Apart	\$635	1,024	\$0.62	Oaktree Apartments	\$725	740	\$0.98



# RENT RANKING // SECTION 8

## 2/1.5 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartments	\$781	661	\$1.18	Meadowlark Apartment	\$781	661	\$1.18	Postbrook East Apa	1,250	1,250	\$0.48
Lexington Park	\$779	1,101	\$0.71	The Hacienda Apartme	\$650	855	\$0.76	Lexington Park	1,101	1,101	\$0.71
Lexington Park	\$769	1,044	\$0.74	Lexington Park	\$769	1,044	\$0.74	Lexington Park	1,044	1,044	\$0.74
The Hacienda Apartm	\$650	855	\$0.76	Lexington Park	\$779	1,101	\$0.71	The Hacienda Apart	855	855	\$0.76
Postbrook East Apart	\$595	1,250	\$0.48	Postbrook East Apartm	\$595	1,250	\$0.48	Meadowlark Apartm	1,250	661	\$1.18

## 3/1 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Lexington Park	\$810	1,600	\$0.51	Maison Gardens Apart	\$745	1,024	\$0.73	Lexington Park	\$810	1,600	\$0.51
Maison Gardens Apar	\$745	1,024	\$0.73	Postbrook East Apartm	\$675	1,100	\$0.61	Postbrook East Apa	\$675	1,100	\$0.61
Postbrook East Apart	\$675	1,100	\$0.61	Lexington Park	\$810	1,600	\$0.51	Maison Gardens Ap	\$745	1,024	\$0.73

## 3/1.5 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Meadowlark Apartme	\$919	826	\$1.11	Meadowlark Apartment	\$919	826	\$1.11	Jamestowne Apartm	\$780	1,280	\$0.61
Jamestowne Apartme	\$780	1,280	\$0.61	The Hacienda Apartme	\$750	965	\$0.78	Harrison Point Apart	\$750	1,150	\$0.65
The Hacienda Apartm	\$775	1,075	\$0.72	The Hacienda Apartme	\$775	1,075	\$0.72	The Hacienda Apart	\$775	1,075	\$0.72

## 4/1.5 UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
The Hacienda Apartments	\$873	1,330	\$0.66	The Hacienda Apartmenets	\$873	1,330	\$0.66	The Hacienda Apartments	\$873	1,330	\$0.66

## STUDIO UNIT TYPE

RENT PER UNIT RANKING				PRICE/SF RANKING				SIZE RANKING			
	Rent	SF	\$/SF		Rent	SF	\$/SF		Rent	SF	\$/SF
Harrison Point Apartments	\$488	550	\$0.89	Harrison Point Apartments	\$488	550	\$0.89	Harrison Point Apartments	\$488	550	\$0.89

# SALES COMPARABLES

	ADDRESS	YEAR BUILT/ RENOVATED	UNITS	CLOSED	PRICE/ REFINANCE	PRICE/UNIT
	<b>OAKTREE APARTMENTS</b> 9012 Pinehurst Drive N. Indianapolis, IN 46235 (Note: Old Photo)	1969	336		Asking: \$5,200,000	Asking: \$15,476
	<b>MEADOWLARK</b> 9350 E. 43rd Street Indianapolis, IN 46227	1968/2013	360	Dec 2012	\$15,000,000	\$41,667
	<b>LEXINGTON PARK - REFINANCE</b> 9060 E. 39th Place Indianapolis, IN 46235	1964/2003	362	Aug 2015	\$11,000,000	\$30,387 Appraisal
	<b>ARLINGTON TERRACE</b> 5917 E. 12th Street Indianapolis, IN 46219	1963/2006	82	May 2016	\$3,300,000	\$39,634
	<b>CHURCHILL RANCH</b> 8016 Louisville Drive Indianapolis, IN 46226	1995	134	Aug 2016	\$5,200,000	\$38,731
	<b>FOUNTAIN VIEW</b> 4800 N. Post Road Indianapolis, IN 46226	1968/2007	96	June 2016	\$3,800,000 Appraisal	\$39,375 Refinance
	<b>WOODCREST</b> 4929 Red Robin Drive Beech Grove 46107	1982/2006	120	June 2017	\$6,000,000	\$49,792



# INDIANAPOLIS OVERVIEW



**INDIANAPOLIS INTERNATIONAL AIRPORT**



**INDIANAPOLIS SKYLINE**



**INDIANAPOLIS MOTOR SPEEDWAY**

The Greater Indianapolis Metro Market is made up of Marion County and the eight surrounding counties. Indianapolis, the nation's 14th largest city and capital of Indiana, has undergone a dramatic revitalization and a stunning renaissance over the past 15 years making it the perfect balance of cosmopolitan style and small-town charm. Accolades and highlights include:

- Named the number one sports city in the nation. Indianapolis is home to seven professional sports teams including the Indianapolis Colts and the Indiana Pacers.
- The Central Canal is home to the Eiteljorg Museum, Indiana State Museum, NCAA Hall of Champions, and White River State Park.
- Night-life is abundant, with dozens of live theatre and music venues, night clubs and comedy clubs, and a world-class symphony and opera.
- Housing options abound, from newly constructed luxury condominiums, to New York-style warehouse lofts, to restored historic neighborhoods.

Indianapolis is the center of America's heartland. More than 65 percent of the U.S. population lives within a 700-mile radius of Indianapolis. More interstates converge in Indianapolis than in any other city in the U.S., which makes it one of America's most accessible cities, aptly earning the moniker "Crossroads of America."

Indianapolis continually ranks high on the list of best places to live and work in the U.S. Moreover, Indiana ranked "Best State for Business" in the Midwest and 10th nationally. In addition, Indiana

ranked 8th (CNBC) in the nation in "Business Friendliness," 4th in transportation, 2nd in cost of business (CNBC) and 1st in affordable housing market (CNN Money).

The city is known worldwide as the home of the Indianapolis Motor Speedway, hosting the Indianapolis 500, Brickyard 400 and the MotoGP Indianapolis Grand Prix motorcycle race.

The city has other state-of-the-art facilities for numerous sports, including venues that have consistently hosted world-class competitions. In addition, it is home to a number of governing bodies that oversee Olympic teams and national tournaments, including the NCAA National Headquarters. More than 400 national and international sporting events have attracted 4.53 million spectators, 215,000 participants and \$2 billion dollars in revenue over the past 20 years. In 2000, the NCAA made Indianapolis its headquarters and have committed to holding the men's and women's Final Four events in the city through 2021. Indianapolis' hosting of the 2012 Super Bowl was touted as the most successful Super Bowl in the event's 46 year history.

The Indianapolis region has enjoyed strong growth in the retail and industrial sectors and is emerging rapidly in the life sciences sector. With the nation's largest medical school, remarkable growth in venture capital resources, and a host of industry assets like Eli Lilly, Roche Diagnostics, Guidant and Dow AgroSciences, the life sciences industry is Indiana's largest private employer, providing more than 82,000 jobs.

# REGIONAL ANALYSIS

## DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by REGIS Sites USA, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

Population	1 mile	3 miles	5 miles
Estimated Population (2016)	19,020	90,975	192,294
Projected Population (2021)	19,575	91,157	193,873
Census Population (2010)	17,013	83,803	181,315
Projected Annual Growth (2016-2021)	448	1,823	4,402
Historical Annual Growth (2010-2017)	2007	7,172	10,979
Historical Annual Growth (2000-2010)	-1,378	6,739	8,807
Median Age	27.7	31.1	35.2
Age 20 to 64 Years	10,570	52,590	111,639
Female Population	10,146	49,529	102,071
Male Population	8,874	41,716	90,224
Adj. Daytime Demographics Age 16 Years or Over	8,817	56,132	133,654

Households	1 mile	3 miles	5 miles
Estimated Households (2016)	6,842	34,682	74,951
Projected Annual Growth (2016-2021)	240	1,049	2,550
Estimated Average Household Income (2016)	\$35,823	\$44,578	\$57,834
Projected Average Household Income (2021)	\$39,685	\$49,745	\$66,440
Projected Annual Change (2016-2021)	\$3,861	\$5,167	\$8,606
Total Housing Units (2016)	7,367	37,254	80,643
Housing Units Vacant (2016)	525	2,571	5,693
Average Minutes to Work	19.3	21.2	21.6
Owner-Occupied Median Home Value	\$84,469	\$97,999	\$122,688
Renter-Occupied Median Rent	\$531	\$556	\$571

Income	1 mile	3 miles	5 miles
Estimated Median Household Income (2016)	\$31,297	\$38,369	\$47,196
Projected Median Household Income (2021)	\$34,062	\$41,888	\$51,799
Census Median Household Income (2010)	\$27,083	\$35,304	\$44,059
Estimated Per Capita Income (2016)	\$12,816	\$17,458	\$23,247
Projected Per Capita Income (2021)	\$14,357	\$16,045	\$26,972



# INDIANA JOB GROWTH

*These articles are all reprinted from the Indianapolis Business Journal*

## *Local technology firms plan expansions, 77 new jobs*

Two local technology firms are making plans to expand their operations in Indianapolis, adding a total of up to 77 employees over the next four to five years, the companies announced Wednesday morning.

Brite Systems, an IT services company specializing in consulting and software development, said it will invest \$128,000 to expand its downtown office at 101 W. Ohio St. The company plans to add 52 employees to its existing 34-person staff by the end of 2021.

Site Strategics Inc., a digital marketing services company based in Southport, said it will invest \$544,000 to lease a 5,400-square-foot headquarters at 1317 N. Pennsylvania St., where it plans to raise employment from 10 to 35 by the end of 2020.

The jobs created by the companies will pay 40 percent to 50 percent more than the state's average annual wage of about \$45,000, the Indiana Economic Development Corp. said.

## *Startup tech firm Sigstr plans \$1.4M expansion, 111 new jobs*

Startup tech firm Sigster plans to invest \$1.4 million to double its footprint in the Circle Tower Building in downtown Indianapolis and add 111 new jobs by 2020.

Sigstr—which sells software to help companies manage email signatures and insert subtle marketing campaigns beneath them—doubled its revenue in the first quarter of this year, according to the Indiana Economic Development Corporation.

The company has also more than doubled its customer base—to 185 customers—since December, when it raised \$1.5 million from prominent local and national investors, including former Aprimo CEO Bill Godfrey.

“The decision to scale our business in Indianapolis is a huge part of our competitive advantage,” said Dan Hanrahanthe, founder and chief executive officer of Sigstr, said in a statement.

“I personally came up through iGoDigital and ExactTarget with amazing mentors and connections to some of the brightest, most accomplished people in marketing tech. As a growing tech company we had many location options; however, scaling quickly, you need access to capital, customers and talent, which we were able to successfully find right here in Indy.”

# INDIANA JOB GROWTH (CONT.)

## *Sallie Mae planning hundreds of jobs at new Indy office*

Student loan provider Sallie Mae Bank is expected to announce plans to spend nearly \$16 million on a collections office and call center that will hire up to 278 people before the end of 2023. ... According to an incentives agreement with the Indiana Economic Development Corp. dated March 22, Newark, Delaware-based Sallie Mae said it would spend \$15.7 million on the office and add 278 workers over the next seven years. The contract said the new hires would be added to 131 existing employees.

## *New state program spending \$22M to boost job training*

Employers in hard-to-fill job industries may get a boost in finding skilled workers as a result of a new state program designed to encourage training for and exposure to jobs that are in demand around the state.

The Indiana Department of Workforce Development is calling its new grant program Skill UP Indiana, and the goal is to fund business-led regional partnerships aimed at aligning education and workforce needs.

The agency in mid-February awarded \$11.5 million in funding to 13 groups spanning the manufacturing, IT and healthcare fields—including about \$3 million for projects specifically in central Indiana.

On Thursday, DWD announced it opened up a second round of funding in which it plans to spend another \$11 million on projects this year.

“Skill UP is about providing access to the right training, at the right time, and taught in the right way to increase skill attainment and career opportunities for Hoosiers,” said DWD Commissioner Steve Braun in a statement. “Aligning future employer demand with current and future workforce supply is critical for filling the 1 million-plus Indiana jobs projected to become available over the next decade.”

The programs are for regional areas of at least 200,000 people and include training for already in-demand occupations, “work-and-learn” internship-like opportunities for young people and college students, employer-specific training and “soft skill” training.



# INDIANAPOLIS COMPETITIVE ADVANTAGES

## LOW COST OF DOING BUSINESS:

Ranked as one of the most affordable large cities in the U.S., we offer predictable savings when it comes to taxes, real estate and utility costs.

- + Tax structure: The lowest sales and use tax in the Midwest
- + Real estate: One of the most competitive real estate markets in the country
- + Utilities: Energy and communications suppliers with competitive rates and state-of-the-art technologies

## SUPERIOR TRANSPORTATION INFRASTRUCTURE:

If you need to move a product fast, Indy is the place to be. We've got one of the most comprehensive transportation infrastructures in the nation:

- + Most interstate coverage in the nation—five major highways pass through our state to connect with other regions of the world.
- + \$1 billion international airport terminal—the 7th busiest cargo airport in the world
- + World's 2nd largest FedEx hub
- + 100+ trucking companies with routes crisscrossing the entire U.S., Canada and Mexico
- + Five rail lines (CSX, Norfolk Southern, The Indiana Railroad, Indiana Southern and The Louisville & Indiana Railroad)
- + Three maritime ports (Clark Maritime Centre and Southwinds Maritime Center on the Ohio River, as well as Burns Harbor on Lake Michigan)

## TALENT:

With several strongly developed industry sectors, Indianapolis has an available and well-trained workforce in the areas of life sciences, digital technology, advanced manufacturing, logistics, motor sports and clean technology (including hybrid, renewable batteries, wind and solar electricity production and more). A company can take advantage of less expensive labor rates—and still pull from a highly skilled and educated workforce.

## GLOBAL ATTRACTION:

With more than 500 foreign companies, our state ranks first in the nation in attracting new jobs through foreign direct investment. In the last five years alone, international companies have invested more than \$8 billion into Indiana operations, creating more than 15,800 new jobs. With a growing reputation for innovative research and a strong supplier base, Indianapolis is continuously being chosen as a prime location for North American headquarters.

## HIGHER EDUCATION:

Indianapolis is home to several higher education institutions, including Indiana University-Purdue University Indianapolis, Butler University, the University of Indianapolis and Ivy Tech Community College. In addition to a strong education base, businesses benefit from the close proximity of nationally recognized schools such as Indiana University, the University of Notre Dame, Purdue University and Rose-Hulman Institute of Technology.

## CULTURE AND LIFESTYLE:

Indianapolis is the perfect balance of cosmopolitan style and small-town charm. And we consistently rank at the top of the list as one of the most affordable housing markets in the U.S.

- + Education: More than 390 primary and secondary schools, including public, private and charter
- + Sports: Top sports city in the nation with several pro and amateur teams
- + Arts & Culture: Thriving arts, theatre and music culture, along with a world-class zoo and several museums
- + Parks & Recreation: Many beautiful parks, including White River Park/Canal, Eagle Creek Park and Fort Harrison State Park

# QUOTES OF INTEREST

*“A tale of two Americas is emerging: one weighed down by debt and facing de minimis economic growth and another brimming with opportunity and nimble to invest in the future.”*

That’s the thesis of *Fate of the States: The New Geography of American Prosperity*, a new book by Meredith Whitney, CEO of Meredith Whitney Advisory Group and former senior analyst at Oppenheimer.

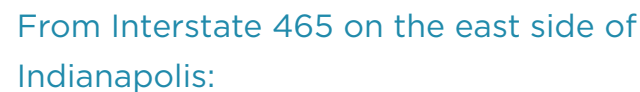
Specifically, Whitney says “central corridor” states Texas, Oklahoma, Indiana, Colorado, Utah, North Dakota and Montana are best-positioned for fast economic growth and population migration.

What these states have in common are low taxes, pro-business policies, low population density (meaning lower housing costs, shorter commutes and better quality of life) as well as strong and stable balance sheets, especially relative to other states.

“Regardless of whether the fiscal prudence of central corridor states was the result of serendipity or good planning, the reality is these states don’t have the financial burdens now crushing the housing-boom states,” she writes.

As a result, these states are in a position to keep taxes low while also spending on infrastructure and education, all of which will make them more attractive to both U.S. and foreign corporations looking to relocate.





- Take I-70 Exit and go East to Post Road Exit.
- Go North on Post Road to 4100 North Post Road.
- The property will be on your right.
- The address is 9012 Pinehurst Drive North  
Indianapolis, IN 46235



# FREQUENTLY ASKED QUESTIONS

**Q.** Why is the property “Back on the Market”?

**A.** The previous buyer completed their due diligence and then having not met their deadlines for Earnest Money or Closing; attempted to get a last-minute price reduction. Given the other buying interest received in the interim period, the seller refused and put the property back on the market.

**Q.** Why is the property 100% vacant?

**A.** There was a property management communication problem and the owner’s office is in London. The renovation was a rolling program that was interrupted by the very rare and extreme 25 degrees below zero weather conditions when frozen water pipe repair problems (and a shortage of parts) caused the property to be vacated by the city.

**Q.** How can we solve the frozen water pipe repair problem?

**A.** Install a water shut-off valve on each building so you don’t have to shut down the entire complex if you have a water pipe freeze in a vacant unit. Set thermostats in vacant units to a minimum temperature. Also a stockpile of emergency copper pipe end caps would have helped shorten the time the water was shut off.

**Q.** How many units were refurbished?

**A.** 48 units had been completely refurbished (~\$9,000/unit) and another 30 underwent cosmetic work (~\$5,000/unit). However those units were damaged, so we have decided to complete the perimeter fence to make Oaktree a “Gated Community”.

**Q.** Why doesn’t the owner finish the renovation?

**A.** The owner lives in London and is not able to regularly inspect renovation work. They basically have a property management problem. The current ownership purchased the property from the Lender and due to poor performance and lack of communication from the Property Management Company about a building that was damaged, and that needed to be removed, 6 months of rental income was lost. “Since we are not able to self-manage and inspect the property regularly from overseas, we have decided to sell the property”.

**Q.** Do you have an estimate of what it will cost to renovate all 336 Units?

**A.** We have an estimate from a contractor who has walked every unit. His new estimate is \$6,888,320 which is \$20,468/unit. Acquisition Cost of \$13,393/Unit plus Renovation Cost of \$20,000/Unit equals \$33,393/Unit for a Fully Renovated Unit including new roofs. Note that the projected Stabilized NOI/Unit is \$3,567 using Section 8 Rents



# HISTORY OF OAKTREE APARTMENTS

Here's the history of Oaktree Apartments.

Oaktree Apartments were purchased by the current owner (who lives in London) in the summer of 2012. They started the renovation with occupancy around 35%. They totally renovated 48 units spending around \$9,000/unit. They also partially renovated another 30 units spending around \$5,000/unit. They built a fence around the property to make it a Gated Community (similar to what was done successfully next door at Lexington Park Apartments). Occupancy increased from ~35% to ~50% with a waiting list for any fully renovated unit.

In February 2014 it was 25 degrees Below Zero in Indianapolis (a very rare temperature for Indianapolis) and some of the vacant units had water pipes freeze and break causing water to leak into other occupied units. The usual repair is to turn off the water to the building, cut the broken pipe, sweat a copper end cap on the pipe, and turn the water back on. This would typically take about 30 minutes.

Unfortunately, Oaktree had a design flaw that is easily fixed. Oaktree only had two water shut off valves for the entire property. So instead of shutting down 12 units for 30 minutes half of the entire property was shut down without water. The solution is to add a water shut off valve on each building.

Since it was 25 degrees below zero they ran out of the small copper end caps that were needed to repair broken water pipes. This was a problem at Oaktree and other properties in Indianapolis and the city of Indianapolis plumbing suppliers also ran out of the same part. Oaktree maintenance personnel were having to drive to Whiteland, IN to buy the parts. So the water was shut down for several times for 5 hours, one day, and once for 2 days. There was also a water main break in the parking lot that made the parking lot a huge ice rink that was very dangerous. The City of Indianapolis decided that it was not safe or sanitary and ordered the tenants to move out.

When all the tenants were gone the obvious problem became theft and vandalism. Most of the units have been damaged and stripped of appliances, some cabinets, copper wire, carpets, copper pipe, etc.

**The Opportunity is this.** Buy the property for say \$4,500,000 (\$13,393/unit). Renovate all the units for say \$6,720,000 (\$20,000/unit) and have a Fully Renovated Best in Submarket property for \$11,220,000 cost (\$33,393/unit).

# Kitchen equipment maker plans \$7M renovation, 75 jobs

February 22, 2018

CaptiveAire Systems Inc., a North Carolina-based manufacturer of commercial kitchen ventilation systems, plans to spend \$7 million to renovate and equip a building on the far-east side of Indianapolis in an expansion that's expected to create 75 jobs over the next several years.

The city's Metropolitan Development Commission on Wednesday approved a personal property tax abatement that will save the company an estimated \$312,942 over the next six years.

The Raleigh, North Carolina-based company already has existing sales offices in Brownsburg and Muncie. The renovations to the building at 1515 Brookville Crossing Way will enable CaptiveAire to open a manufacturing administration and storage facility where it will stock parts and produce fans and HVAC units to serve customers of the sales offices, according to public filings.

The company bought the building in November for \$4.1 million from Indianapolis-based OBI Properties LLC and plans to begin operating there in the summer.

Founded in 1976, CaptiveAire has annual revenue of more than \$400 million and has become the nation's largest manufacturer of commercial kitchen ventilation packages. The company plans to pay new employees an average wage of \$20 per hour.

The company's \$7 million investment should result in an increase to the tax base of \$2.8 million of assessed value.

CaptiveAire will pay an estimated \$170,058 in property taxes over the abatement period and about \$63,000 annually related to the new equipment after the abatement period.



# Indy Software Firm Plans Downtown Expansion, 65 jobs

Frank Dale founded Costello in 2016. (IBJ Photo / Perry Reichanadter)



Frank Dale founded Costello in 2016. (IBJ Photo / Perry Reichanadter)

A fledgling Indianapolis-based software company co-founded by the former CEO of Compendium Software is planning a downtown expansion that is expected to create 65 jobs over the next four years, the firm announced Thursday.

Costello Inc., which sells deal-management software for sales teams, said it plans to begin expanding its space in the Union 525 building at 525 S. Meridian St. within the next few weeks to accommodate new employees.

Frank Dale, who spent nearly two years as CEO at Compendium before its 2013 sale to Oracle, co-founded Costello along with Rod Feuer in August 2016.

Dale told IBJ

(<https://www.ibj.com/articles/65413-former-compedium-exec-launches-sales-tech-firm>)

in September that his company had eight employees.

The Indiana Economic Development Corp. offered Costello up to \$950,000 in conditional tax credits and up to \$100,000 in training grants based on the job-creation plans. The incentives hinge on the company's ability to meet hiring goals.

Costello is headquartered in flexible-lease space at Union 525, which is home to several other tech tenants, including Springbuk, Smart File, Launch Indy and Scale Computing.

The company raised \$1 million in seed money late last year in a financing round led by Nebraska-based Dundee Venture Capital, with participation from Indianapolis-based Elevate Ventures, Lafayette-based M25 Group and Colorado-based Service Provider Capital.

Costello's deal-management platform helps sales reps and account executives consistently follow sales methodology, gives managers visibility into the quality of every deal, and shows sales leaders what's working and what's not.



GEICO, one of the fastest-growing automotive insurers in the U.S., announced plans today to expand its operations in central Indiana, creating up to 1,474 new jobs by the end of 2022.

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**"Here in Indiana, we have earned a reputation as a destination for business," Governor Eric J. Holcomb said. "We stand as one of the top five states in the country for doing business, and we have become a national leader in job creation, thanks to companies like GEICO that continue to invest and create good jobs for Hoosiers. We're full steam ahead as we take Indiana to the next level, and we're thrilled to witness GEICO's continued success in Indiana."**

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The Washington, D.C.-based insurer will invest more than \$16 million to expand and enhance its 109,000-square-foot space at 101 W. 103rd St. in Carmel in order to accommodate its growth plans. The company's office will nearly double in size after an expansion that will add an additional 104,000 square feet, allowing GEICO to add

information technology (IT) and claims positions to its existing sales, service and emergency roadside operations.

GEICO, which established its customer service center in Indiana in 2013, employs more than 39,000 associates across the country, including approximately 1,200 associates in Indiana. The company, which will begin recruiting immediately, plans to add more than 350 positions in its IT department and 1,000 in customer service and claims handling. Interested candidates may apply .

"The support of this thriving community and our growing customer base in Indiana have made this expansion possible," said Lona J. Montgomery, general manager of the GEICO Indianapolis office. "We are excited to bring on new associates to help us continue to offer excellent service to our customers across the state."

Established in 1936 as an automobile insurance company, GEICO (Government Employees Insurance Company) is the second largest private passenger auto insurer in the country, serving more than 16 million auto policies and covering more than 27 million vehicles.

"This is very exciting news for GEICO and the city of Carmel. We have worked closely with GEICO over the years to expand their presence in Carmel, ever since their arrival to our Meridian Corporate Corridor a few years ago," said Carmel Mayor Jim Brainard. "It is good to see that their investment is paying off with their continued success. We look forward to assisting in their efforts to fill these job openings by continuing to build a community focused on a high quality of life for all."

This Offering Memorandum was prepared by RESOURCE Commercial Real Estate and has been reviewed by the Seller. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors, which therefore are subject to material change or variation. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form and do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes, or withdrawal without notice and does not constitute a recommendation, endorsement, or advice as to the value of the Property by RESOURCE Commercial Real Estate or the Seller. Each prospective purchaser is to rely upon its own investigation, evaluation, and judgment as to the advisability of purchasing the Property described herein.

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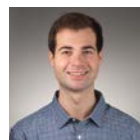
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The terms and conditions set forth above apply to this Offering Memorandum in its entirety.

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