

## CASE STUDY 1

# The Fremont Palms | 2540 Fremont ST, Las Vegas NV 89104<sup>1</sup>

### PROPERTY DESCRIPTION

Two-building, multi-family value-add distressed property with 53 one-bedroom units. 22 occupants (mostly government dependent)

### STATUS PRIOR TO PURCHASE

- Off market property in poor condition with numerous code violations, leaking roof, roach/mice infestation, damaged units, foundation issues, and plumbing issues
- Located in deeply troubled neighborhood plagued with drugs, prostitution, and violent crimes
- Classified as the worst nuisance property in Las Vegas and scheduled to be condemned

### STATUS AFTER PURCHASE

Extensive security upgrades - i.e., hired local private security, installed bright lighting and security cameras, security gates installed to stem the flow of traffic to and from a corner liquor store.

#### Renovations included:

- New heating & air insulation
- Window repairs
- Installed tile & wood floors
- Updated appliances
- Internet & cable wiring
- Roof repairs & new roofing
- New plumbing infrastructure
- New bathroom fixtures & vanities
- Resurface parking lot
- New counters
- Door repairs & new doors
- Refurbished washer/dryers in laundry

### FINANCIAL IMPACT

	TIME OF PURCHASE	TIME OF SALE
Date	August 2016	June 2018
Purchase Price	\$1,400,000	\$2,700,000
IRR	N/A	93%+
Cap Rate	4.1%	13.6%+
Apartment Rent	\$460 - \$515 / mo	\$850 / mo

**TOTAL INVESTMENT:**  
**\$225,000**

