

CASE STUDY

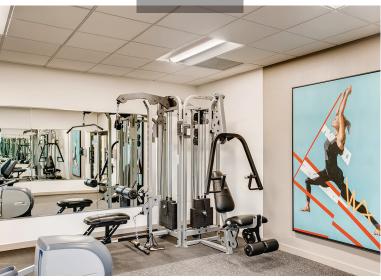


160 UNITS

SACRAMENTO, CA







The Harlow Overview

RETURNS THROUGH Q4 2024

By leveraging construction and operational know-how, ColRich was able to reposition this underperforming Class B property to a B+ level, enhancing the resident profile and performance of the asset. The Harlow is located in a high-growth area of Sacramento just 15 minutes away from downtown and Old Town Sacramento with multiple public transportation options including light rail, which allows bike onboarding. Management has spent \$4.8 million on renovations including common area enhancements such as extensive siding repairs and new paint, vibrant new signage and branding to differentiate the property in a competitive market, and a complete overhaul of the original leasing office, clubhouse and fitness center. Pool deck was replastered and recoated; a children's playground and outdoor BBQs were added. Interior updates include new quartz counters, new cabinet faces, fixtures and finishes throughout the units. As of Q4 2024, 78.6% of all units had been renovated.

Acquisition

- Date Acquired Dec 2017
- Number of Units 160
- Year Built 1987
- Class B

- Purchase Price \$23.6 million
- Going in CAP 5.94%
- NOI@Closing \$1,952,363

Renovation

- Total Renovation \$4.8 million
- NOI% Increase 92%

- Yield on Costs 8.1%
- Class B+

Returns Through Q4 2024

- Equity Invested \$13.2 million
- Current Equity Balance \$2.9 million
- Total Distributions \$14.1 million
- Cash-on-Cash: Equity Balance 24.3%
- Cash-on-Cash: Original Equity 5.3%

The Harlow Common Area Improvements









- Modernized amenity offering for demographic showcasing cutting-edge design in a suburban market
- Renovated outdated leasing office, clubhouse and fitness center to include all new flooring, finishes and furniture
- Upgraded swimming pool and outdoor recreation space with BBQs and children's playground
- Building exterior upgrade with significant siding repairs, new paint and signage throughout the property



The Harlow Interior Renovations

UNIT UPGRADES

ColRich upgraded 78.6% of all units with the following enhancements:

- New plank vinyl flooring
- New stainless steel appliance package
- New quartz countertops and kitchen tile backsplash
- New cabinet faces
- New kitchen sink with industrial faucet and bath faucets
- New light fixtures and ceiling fans
- New framed mirrors
- New interior paint

TOTAL COST

■ Spent an average of \$17,500/unit on interior upgrades since acquisition

RETURN ON INVESTMENT

Average premium increase of \$254/unit is a 17.4% return on investment







