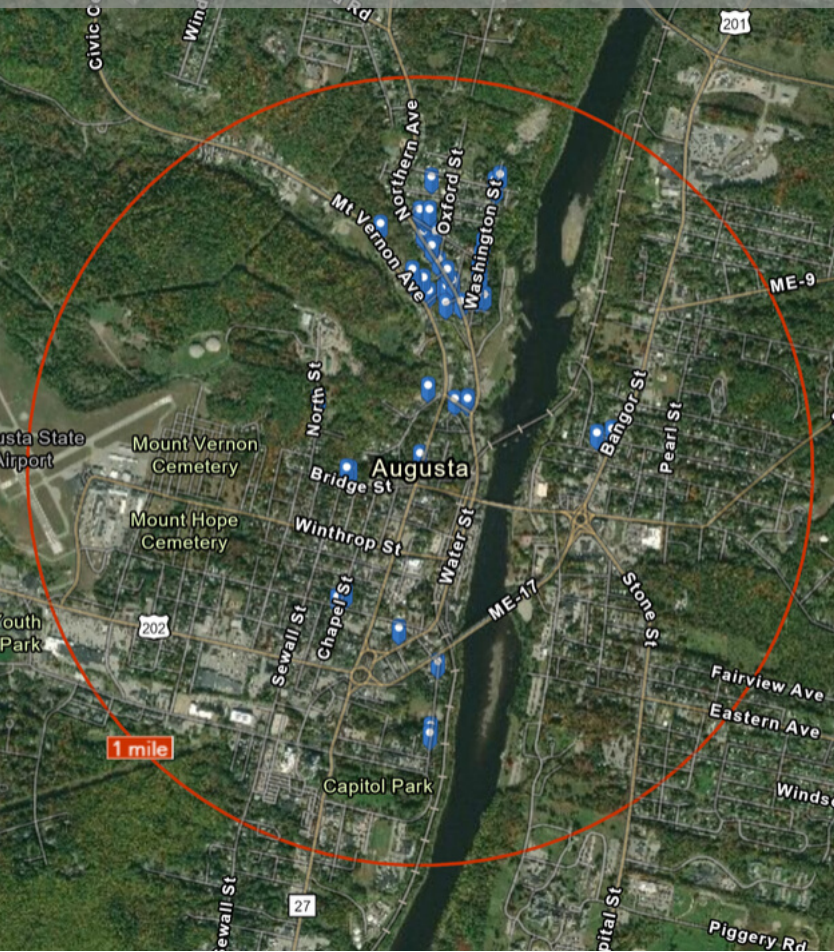


SECTOR STORY

44 BUILDING MULTI UNIT PORTFOLIO



AUGUSTA PORTFOLIO

Brandon Mitchell, Associate Broker was tasked by his buyer client, Multivision Investments LLC to find or assemble and create a new portfolio of multi unit properties. Multivision is a Maine-based group of commercial and residential real estate investors with specific focus on 20+ Unit Multifamily acquisitions.

Major factors towards assembly of a portfolio included preference for a Central Maine location with B/C class properties in close proximity.

An existing portfolio containing forty-four (44) multi-unit buildings (ranging from 1 to 11 units) and five (5) vacant lots were selected for analysis and consideration. All were placed under contract in Fall 2019.

Sale Price: \$5,750,000
Closing Date: March 31, 2020



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THE BUILDINGS

The chart at the right illustrates the percentage of the multi's number of units. Over 50% of the properties were either 3, 4 or 5 units.

Multivision viewed these properties to be excellent opportunities in the market for older B/C class multi properties. All of the properties being within a 1-mile radius adds to the efficiencies and economics for managing and maintaining 204 units over 44 buildings.

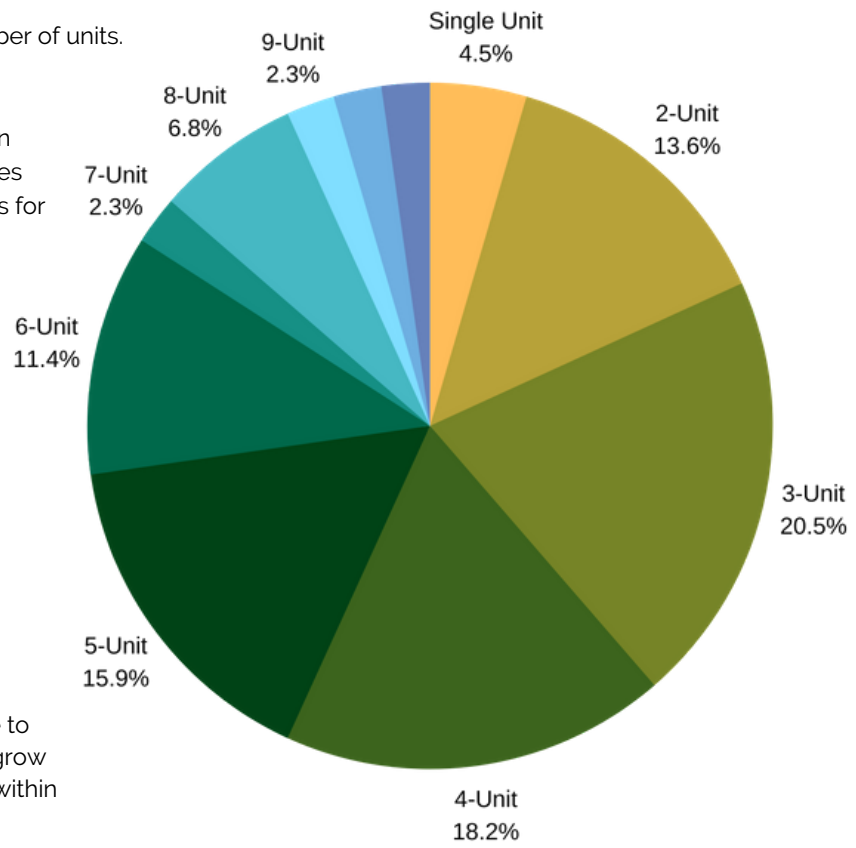
The group's overall strategy for the portfolio allows for moderate renovations that bring significant upside to tenants as well as the landlord. These properties often provide renters with more reasonably-priced alternatives and value relative to new multi unit construction.

THE VALUE ADDS

The property management business for this portfolio was a part of the sale. This included the management office, supplies and equipment. The property management business' employees remained in place as well.

The property management aspect will allow the buyer to continue to manage the existing portfolio seamlessly and has the capacity to grow this business by adding 3rd party management as well as growth within this portfolio.

The successful closing of the portfolio sale factored in the seller's plans to redevelop a long-vacant office building, on the southern end of Augusta's Opportunity Zone, into badly needed rental housing.





TIMELINE & VOLUME

The seller was real estate agent, Jim Pepin of Sprague & Curtis Real Estate in Augusta. Mr. Pepin assembled this portfolio over a 30-year span following in the footsteps of his father, a former landlord as well. He owned the portfolio and his property management company under Jim Pepin Properties LLC and various entities.

Multivision Investments LLC toured the properties in September and October 2019. Multivision was already under contract when the last investor walked the properties in November.

Enthusiasm for the overall portfolio increased each time the buyers toured the properties.

Originally, a December closing was planned, but the sheer size of this portfolio multiplied requirements and contingencies x44 buildings and, in some cases, x49 properties (adding the 5 vacant lots in). This much volume slowed the process and closing was pushed to February to accommodate.

- 44 building appraisals
- 15 properties were used as a sample to meet inspections
- 18 of the properties had a Phase 1 Environmental Report done
- 49 title searches

TD Bank provided the financing for the purchase. The buyer had previously worked with Dustin Carson, Vice President of Commercial Lending on another purchase. In late February, the financing was approved by TD Bank.

With various shutdowns due to COVID-19, the purchase transaction went into "remote control mode."

- 44 rent pro-rations
- 44 rent deposits
- 49 tax pro-rations
- payoffs and vendors
- TD Bank communicates "we are proceeding"
- the legal teams extended the closing date to March 31, 2020

The sale closed on March 31st with Capital Properties LLC as the purchasing entity.



SECTOR STORY

44 BUILDING MULTI UNIT PORTFOLIO



TEAM WORK

Many thanks to all who made this deal successful! I want to especially thank Michelle Peacock at Malone Commercial Brokers. Michelle assisted with document preparations, due diligence, coordinating and communicating with parties from Day 1.

Also, a thank you to the buyer's and seller's legal teams who worked tirelessly and remotely to prepare and orchestrate this size of a closing in the midst of a pandemic.

And finally, thank you to TD Bank, specifically Dustin Carson, who gave their commitment to finance this deal and stuck with it during the COVID-19 pandemic. This was a true sign of integrity and proved, again, how much they value relationships with their customers.

Brandon Mitchell **Associate Broker**



ABOUT BRANDON

Brandon Mitchell joined Malone Commercial Brokers in 2017 after several years in commercial real estate with another firm. Prior to his tenure there, he was a commercial construction project manager with Ledgewood Construction, Landry-French Construction and PC Construction.

As a construction project manager Brandon was involved in upwards of \$100 million of new commercial construction and renovation projects in the greater Portland Area. He has first-hand knowledge and experience in land use regulations, zoning, site work requirements and building costs.

Brandon moved to Maine in 2002 after working two summers on a lobster boat on Casco Bay during college breaks. Brandon resides in Cape Elizabeth with his wife and three children.

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