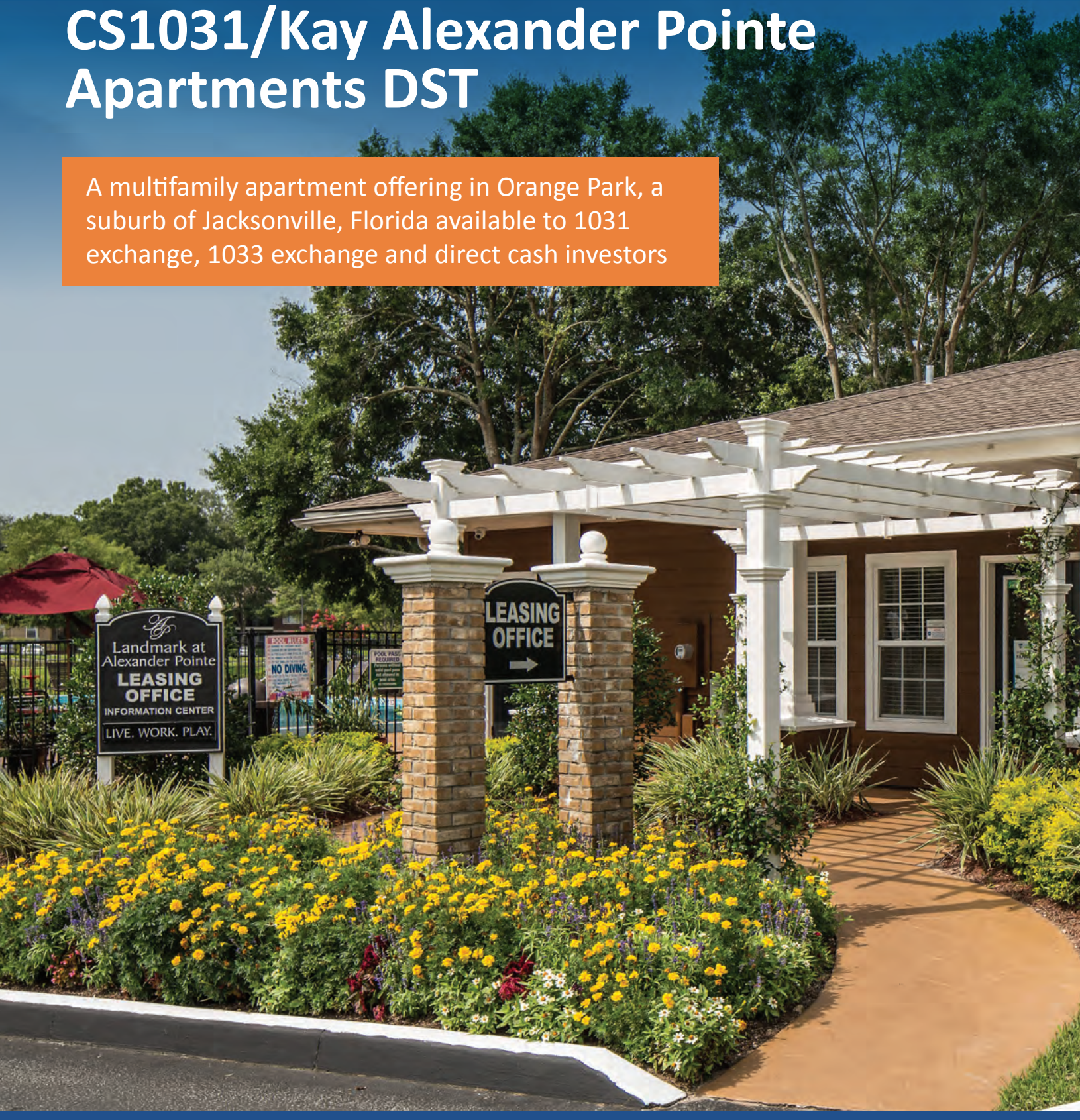


# CS1031/Kay Alexander Pointe Apartments DST

A multifamily apartment offering in Orange Park, a suburb of Jacksonville, Florida available to 1031 exchange, 1033 exchange and direct cash investors





# CS1031/Kay Alexander Pointe Apartments DST



Alexander Pointe is a 232-unit apartment community located within the supply constrained Orange Park submarket. It consists of 24 one-bedroom/one-bath, 184 two-bedroom/two-bath, and 24 three-bedroom/two-bath apartment homes within twenty-nine two-story buildings. Alexander Pointe is located 2.5 miles south of I-295 Beltway, which encompasses the entire city of Jacksonville. The property offers investors a stabilized value-add investment with potential rent growth upside resulting from an improving multifamily market and select upgrades and property enhancements.

## Property Summary

Submarket  
**Orange Park**

Built/Renovated  
**1986/2010-2015**

Units  
**232**

Rentable Area  
**244,376 SF**

Average Unit Size  
**1,053 SF**

Occupancy  
**96%**

Land Area  
**18.97 acres**

Average Rent | Average Rent/SF  
**\$889 | \$0.84**

## OFFERING DETAILS

Investment Cost  
**\$24,026,000**

Equity Raise  
**\$10,505,000**

Sponsor Purchase Cap Rate  
**6.70%**

Sponsor Purchase Price Per Unit  
**\$87,931**

Projected Year 1 Cash Flow to Investors:  
**6.00%**

Offering Loan-to-Value  
**56.28%**

Financing  
**10 Year, Non Recourse Loan**

Fixed Interest Rate  
**4.09%**







## CS1031/Kay Alexander Pointe Apartments DST

### INTERIOR AMENITIES

- Open Kitchens with Breakfast Bar
- Oversized Closets
- Lake Views
- Spacious Floor Plans
- Washer/Dryers in every unit
- Vinyl Plank Wood Floors (in select units)
- Ceiling Fans
- Patios/Balconies
- New Black Appliance Sets in 103 units

### INVESTMENT HIGHLIGHTS:

- The seller invested approximately \$940,000 on renovations to the community since 2013 including: (1) landscaping upgrades; (2) exterior paint; (3) retaining wall repairs; (4) clubhouse and model unit renovation; (5) fitness center update; (6) exterior lighting repairs and additions; (7) installation of security cameras; (8) installation of washer dryers in all units; (9) replacing appliances in 103 units with new black appliances; and (10) enhancing the dog park and playground.
- Rent growth upside potential by modernizing exteriors, updating amenities, and strategic updates to apartments upon turnover.
- Rents below market average and 96% occupancy
- Income tax free state of Florida
- Limited new construction in the immediate submarket
- Conveniently located minutes from Downtown Jacksonville (54,000 jobs), NAS Jacksonville (25,000 jobs), and Cecil Commerce Center (4,000 jobs)
- Outstanding infill location near Orange Park Mall, Orange Park Medical Center, Orange Park Country Club, and Orange Park High School
- Large units (Avg. Size – 1,053 SF)
- Two-story buildings consisting of all end units
- Clay County Schools – Excellent school district
- Substantial discount to replacement costs
- Quick access to the I-295 belt-loop, which surrounds the entire city and connects with I-10

### COMMUNITY AMENITIES:

- Sports Courts
- Sparkling Swimming Pool
- Fitness Center
- Clubhouse
- Business Center
- Pet Park
- 80% Two Bedroom Units
- Large Units (1,053 SF)
- Private Serene Lake
- Playground
- Clothes Care Center





# FLOOR PLANS



**1 Bedroom / 1 Bathroom  
820 SF (24 Units)**



**2 Bedroom / 2 Bathroom  
1,067 SF (184 Units)**



**3 Bedroom / 2 Bathroom  
1,182 SF (24 Units)**







The Jacksonville MSA is one of the 50 largest economies in the US and is well diversified with long-term growth industries including military, transportation, healthcare and financial services. The MSA has over 1.41 million residents and more than 526,000 households.

Jacksonville added approximately 23,500 jobs in the year ending November 2016 according to the Bureau of Labor Statistics. In 2016, many well known organizations expanded operations in Jacksonville including Amazon.com, Anheuser Busch, Johnson & Johnson, and Mayo Clinic. The region boasts a diverse economy which will potentially bode well for its future.

As of third quarter 2016, Jacksonville's occupancy was 93.8% (Costar).

New construction has seen an uptick, but it has not significantly affected occupancy or rent growth.

The Jacksonville MSA supports approximately 680,500 jobs as of November 2016 according to the Bureau of Labor Statistics and the area is projected to gain approximately 20,400 jobs in 2017, a 3% increase, according to projections from Moody's Analytics. Jacksonville's unemployment has been decreasing sharply and was 4.7% as of November 2016 according to the BLS. Moody's Analytics forecasts the unemployment rate to end 2017 at 4.2% and 2018 at 3.8%.

Limited supply and healthy job growth helped drive Jacksonville's rent growth by 3.2% in the 12 months ending Q3-2016 (Costar). In addition, Yardi Matrix Trailing 12 month rent growth estimate for Jacksonville will be 5.6% throughout 2016.

## MAJOR EMPLOYERS

Top 10 Employers	# Employees
Naval Air Station Jacksonville	25,000
Duval County Public Schools	14,489
Naval Station Mayport	9,000
City Of Jacksonville	8,828
Baptist Health	8,276
Blue Cross/Blue Shield Of Florida	6,000
Mayo Clinic	4,978
Citibank (Citi-cards)	4,836
United Parcel Service	4,100
Clay County Schools	4,000



## POPULATION

The Jacksonville MSA is one of the most populated metropolitan areas in Florida with over 1.37 million residents. The metro area includes Duval County, and its four surrounding counties (Baker, Clay, Nassau, and St. Johns).

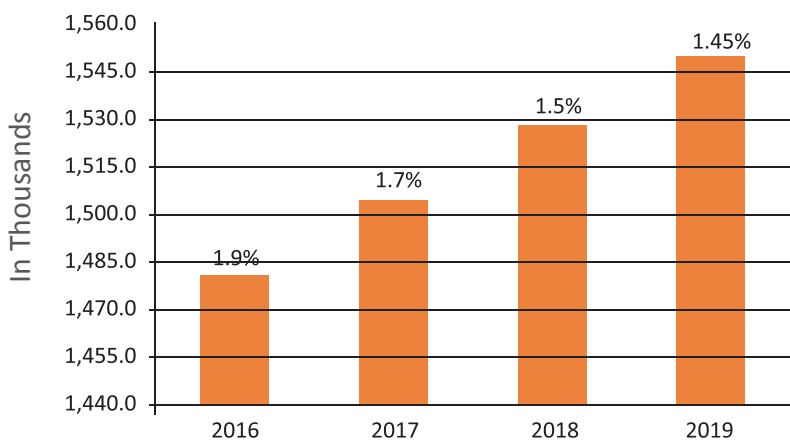
Jacksonville's demographic characteristics, with its below-average age population and middle class employment base, are conducive to multifamily investments. Locally, rental demand will strongly benefit from the echo boomer generation (born between 1982-1995), which is expected to have a high propensity to rent.

The Jacksonville MSA area is anticipated to experience favorable growth during the next two years, adding nearly 40,000 new residents and becoming one of the largest growing areas in Florida.

Jacksonville continues to be an expanding city that fosters a pro-business climate. The area is also one of the nation's youngest, with an average age of just over 37 years, well below the average for other major Florida cities.



### Population Growth (year over year)



Source: UCF's Florida & Metro Forecast 2016-2019 (March 2016)

## JOBS AND INDUSTRY

Jacksonville's diversified economic base, low cost of doing business, and efficient city government continues to foster job growth.

The area is a major transportation center, has major strengths in health care, finance and insurance, has an emerging technology base, and continues to pursue the recruitment of both public and privately owned corporations.

Recently, several companies are planned or have been added within the financial, health care and transportation sectors, which lead all other sectors in Jacksonville

### NAS JACKSONVILLE (6 Miles North East)



Naval Air Station Jacksonville (NAS) occupies 3,896 acres along the scenic St. Johns River and employs more than 25,000 active duty and civilian personnel pumping \$2 billion into the local economy.

NAS Jacksonville is the third largest naval installation in the United States. There is a large population of active duty military, dependents, and retired military personnel in the greater Jacksonville area. This installation serves as the host of the Patrol Wing Eleven, the southern component of the Atlantic Fleet P-3C force, and VP-30, the Fleet Replacement Squadron for that aircraft.



### CECIL COMMERCE CENTER (9 Miles North West)

Cecil Commerce Center, a 17,000 acre business park controlled by Hillwood (master developer) and the City of Jacksonville, is set to become the city's largest industrial hub.

Businesses at Cecil include Air Kaman, Boeing, Florida State College at Jacksonville (FSCJ), Flightstar, Northrop Grumman, Semcor/Titan and Vystar. GE Oil and Gas is hiring 500 people for their corporate headquarters within Cecil. Also, FedEx built its 300,000 SF facility at the Center, which opened during Summer 2015.

In addition, Bridgestone-Firestone (BATO) operates a 1 million SF facility and employs more than 200 people. Currently, over 4,000 jobs are generated by Cecil, with the number to increase dramatically over the next several years.



### DOWNTOWN JACKSONVILLE (13 Miles North East)

The Downtown Central Business District is home to more than 1,110 businesses that employ over 54,000 workers. The Downtown area encompasses 13 million square feet of office space.

Downtown is home to some of Jacksonville's largest employers such as Bank of America, Baptist Health, CSX, Everbank, Fidelity National, Wells Fargo, and UF Health Shands Hospital. Everbank, Florida's largest bank, employs nearly 4,500 people in Jacksonville. It also owns the naming rights to the Jaguars home stadium, EverBank Field.

Everbank recently moved 1,500 employees to its Downtown high-rise office building. Baptist MD Anderson Cancer Center, a new 12-story state of the art cancer center, will begin construction by Summer 2016.

### JAXPORT TERMINALS (20 Miles North East)

The JaxPort Terminals support over 65,000 direct and indirect jobs. They handle over 21 million tons of cargo every year with an annual economic impact of over \$19 billion.





## ABOUT CAPITAL SQUARE 1031

Capital Square is a real estate advisory company specializing in the creation and management of real estate investments. Capital Square uses the DST and other investment structures to fit the needs of its high net worth individual and institutional investors. Capital Square is also active in property and asset management, key elements in a successful real estate investment.

## ABOUT KAY PROPERTIES AND INVESTMENTS

Kay Properties and Investments, LLC is a national Delaware Statutory Trust (DST) brokerage and advisory firm with offices in LA, NY and DC. Kay Properties team members collectively have over 94 years of real estate experience, are licensed in all 50 states, and have participated in over \$7 Billion of DST real estate.

Our clients have the ability to participate in private, exclusively available, off-market DST properties as well as those presented to the wider DST marketplace; with the exception of those that fail our due-diligence process. Kay Properties is considered by many to be the largest provider of DST brokerage and advisory services in the United States. To learn more about Kay Properties please visit: <http://www.kpi1031.com>

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## Risks and Disclosures:

An investment in the Interests involves substantial investment and tax risks, including, without limitation, the following risks:

- There are various risks associated with owning, financing, operating, and leasing commercial properties in Florida.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant to collect the rent and operate, manage, lease, and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.
- Please read the Private Placement Memorandum (PPM) in its entirety prior to considering an investment.
- This material is not to be construed as tax or legal advice. Please have your tax and legal advisors provide you with guidance prior to making an investment decision.