

► NB MOLLY BARR, DST  
1031 ELIGIBLE

*No closing risk: NB closed escrow September 23, 2016*

## MOLLY BARR RIDGE

1011 Molly Barr Road • Oxford, Mississippi 38655

Built 2015 | 53 units / 159 beds -- 3 bed / 3 bath



Class "A" Student Housing Near

*Ole Miss*

(UNIVERSITY OF MISSISSIPPI)



*(See back page for additional information on the University)*

### TARGETED BENEFITS

- **6.75% 1ST YEAR TARGETED CASH-ON-CASH RETURN**
- **CURRENT OCCUPANCY: 100% FOR 2016-17 SCHOOL YEAR (12 MOS. LEASES)**
- **TAX EFFICIENCY THROUGH DEPRECIATION**
- **OLE MISS: OVER 45% ENROLLMENT GROWTH SINCE 2008**  
*ANCHORED BY THE HISTORICAL STABILITY OF "OLE MISS"*



*Large, modern kitchens*

## MOLLY BARR TRAILS

1021 Molly Barr Road • Oxford, Mississippi 38655

Built 2012 | 72 Units / 144 Beds – 2 Bed / 2 Bath



*Spacious and open floor plans*



*Inviting, well-manicured grounds*





## PROPERTY SUMMARY

Molly Barr Trails and Molly Barr Ridge are two adjacent student housing properties near Ole Miss in Oxford, MS. The properties boast a track record of high occupancy and both are currently 100% leased for the 2016-17 school year, both with 12-month leases. The properties have newer construction and are fully amenitized. Molly Barr Trails was built in 2012. Molly Barr Ridge is just over a year old having been completed in August 2015.

Each unit features a bathroom & bedroom for each student, nine-foot ceilings, washers and dryers, modern appliances and furnished common areas. The properties also feature a sparkling pool, lounging area, fitness center and surface parking with a slot for each student.

Combined the two properties have 125 units and 303 beds total. Each lease is signed by the bed with parental guarantees. Molly Barr Trails consists of 72 units that are all 2 bed / 2 bathroom (144 beds total). The average monthly rent per bed is \$587 or \$1,174 per unit. Molly Barr Ridge consists of 53 units, all 3 bed / 3 bath (159 beds total). The average monthly rent per bed is \$551 or \$1,652 per unit.

The properties are among some of the closest to the Ole Miss campus and sit at the beginning of the Oxford Depot Trail. There is also large hiking and biking trail that leads right up to campus and the famed Oxford Square.

Molly Barr Ridge has roughly 80% of its beds leased each year by way of master lease with a local sorority.

## MARKET

Ole Miss has experienced 22 consecutive years of rising enrollment. Since 2008, enrollment has grown from just over 13,000 to over 25,000 today. For Fall 2016, enrollment was up 412 students or 1.7%. Nelson Brothers believes that the University will continue a slow but steady pattern of enrollment growth. Our expectation is that with limited new projects in the works, occupancy rates will tighten as demand continues to grow.





## TARGET STRATEGY

Nelson Brothers goal is to leverage the historical stability of the University and what we believe to be competitive advantages of the property to produce a balance of potential benefits; high stable occupancy, monthly cash flow, tax efficiency through depreciation and capital appreciation. As one of the newest properties with one of the closest to campus locations, Nelson Brothers believes the property can maintain consistent 95% to 100% occupancy with minimal correlation to the economy.

## OFFERING DETAILS

1st Year Targeted Cash-on-Cash Return	6.75%
Total Offering Price	\$25,777,637
Total Loan Amount	\$14,477,938
Investor Equity	\$11,299,699
Loan-to-Value	56.1%
Minimum Investment	\$50,000

## PROPERTY PROFILE

Molly Barr Trails	Molly Barr Ridge	Combined Totals
<b>Total Units: 72</b> <b>Total Beds: 144</b> <b>Unit Mix: 2 Bedroom / 2 Bath</b> <b>Unit Size: 1,043 SF</b> <b>Parking: 150</b> <b>Year Built: 2012</b> <b>Amenities:</b> Swimming Pool, Fitness Center, Outdoor Grill Area, On Site Transit Stop	<b>Total Units: 53</b> <b>Total Beds: 159</b> <b>Unit Mix: 3 Bedroom / 3 Bath</b> <b>Unit Size: 1,400 SF</b> <b>Parking: 165</b> <b>Year Built: 2015</b> <b>Amenities:</b> Swimming Pool, Fitness Center, Outdoor Grill Area, On Site Transit Stop	<b>Total Units: 125</b> <b>Total Beds: 303</b> <b>Parking: 315</b>
<b>Total SF: 76,800</b>	<b>Total SF: 76,000</b>	<b>Total SF: 152,800</b>

## LOAN DETAILS

3.92% 10-year fixed interest rate loan. Non-recourse. 30-year amortization, 5 years interest-only. Fannie Mae Assumable.

## TARGETED PRO FORMA ANALYSIS

(Master Lease Structure)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<b>Total Operating Income</b>	\$2,088,500	\$2,151,184	\$2,215,616	\$2,282,196	\$2,350,627	\$2,444,010	\$2,517,246	\$2,592,937
<b>Total Expenses</b>	\$626,750	\$820,850	\$838,562	\$849,186	\$860,623	\$872,872	\$884,735	\$896,811
<b>Expense Ratio</b>	30.0%	38.2%	37.8%	37.2%	36.6%	35.7%	35.1%	34.6%
<b>NOI</b>	\$1,461,750	\$1,330,334	\$1,377,054	\$1,433,010	\$1,490,004	\$1,571,137	\$1,632,511	\$1,696,127
<b>Debt Service</b>	(\$567,535)	(\$567,535)	(\$567,535)	(\$567,535)	(\$567,535)	(\$821,446)	(\$821,446)	(\$821,446)
<b>Cash Flow After Debt Service</b>	\$894,215	\$762,799	\$809,518	\$865,475	\$922,469	\$749,691	\$811,065	\$874,681
<b>Distributions %</b>	6.75%	6.75%	6.85%	6.85%	6.95%	5.25%	5.25%	5.40%

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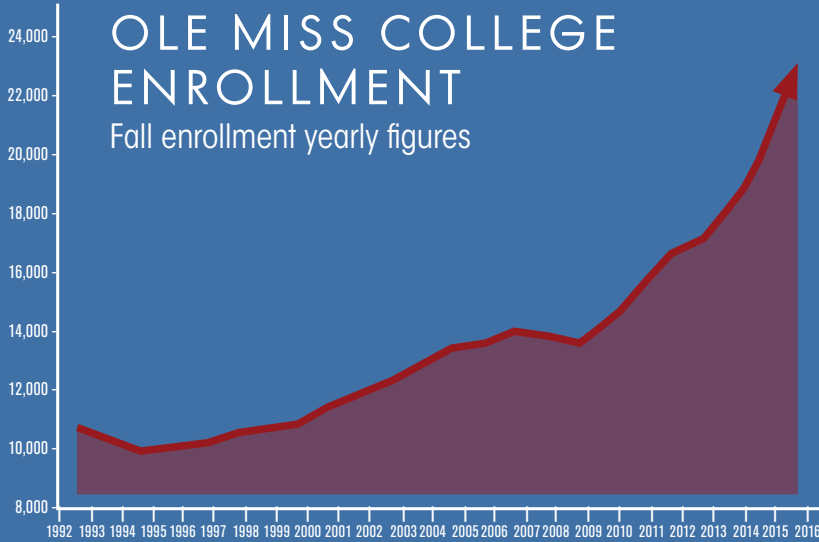
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# THE UNIVERSITY OF MISSISSIPPI

**Founded:** 1848  
**2016 Enrollment:** 24,250  
**In-state Tuition:** \$7,344 (60% of students are Mississippi residents)  
**Endowment:** \$606 Million  
**Average GPA:** 3.54  
**Annual Football Revenue:** \$28 Million  
**Notable Alumni:** Trent Lott, Thad Cochran, John Grisham, Michael Oher (from the movie "Blindside"), Archie Manning, Eli Manning



## ENROLLMENT GROWTH

Ole Miss experienced a dramatic 46.96% increase in enrollment from 2008 to 2014 and is now the largest University in Mississippi.



## Ole Miss

UNIVERSITY OF MISSISSIPPI NEWS



OXFORD, Miss. – The University of Mississippi has recorded its 22nd consecutive year of rising enrollment, registering its largest and most academically qualified freshman class ever.

Enrollment at the state's flagship university hit 24,250 across all campuses, largest in the state, according to preliminary data. The freshman class of 3,982 students posted an average ACT score of 25.2, surpassing the UM record of 24.7, set last year....

*Read full article (by, MITCHELL DIGGS; Ole Miss News, SEPTEMBER 9, 2016) online at <http://news.olemiss.edu/um-welcomes-accomplished-freshmen-class-ever/>*



OXFORD, Miss. – The University of Mississippi and Oxford often rank at the top of annual lists of beautiful campuses and best college towns, and this fall has brought a new set of

national accolades upon the area.

USA Today's Reader's Choice travel awards contest has named UM the nation's most beautiful campus, while Thrillist named the university on its unranked list of the 20 most beautiful public college campuses...

*Read full article (by, MICHAEL NEWSOM; Ole Miss News, October 6, 2016) online at <http://news.olemiss.edu/um-oxford-ranked-among-nations-best-beautiful/>*

## ABOUT NELSON BROTHERS

### Current Management Portfolio At-A-Glance:

Founded in 2007, Nelson Brothers' specializes in what the firm considers to be well-positioned student housing properties.

Headquartered in Orange County, CA, Nelson Brothers manages over \$425 million in real estate with more than 100 employees.

The current portfolio-wide occupancy is over 99% as of October 2016.

## Nelson Brothers

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

16B Journey | Aliso Viejo, CA 92656  
 (800) 580-1031



Nelson Brothers recently purchased and renovated 16-B Journey, a 10,000 sf office building in Aliso Viejo (South Orange County) to serve as company headquarters.