



Forest Avenue Village

Des Moines, Iowa

506 (b) Investment Opportunity



Hammer
and Hampel



HIGHER POINT
INVESTING



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AGENDA



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3 Financing

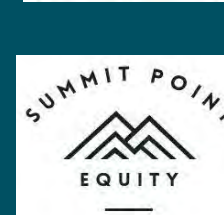
7 Projected Returns

4 Unit Mix's

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LEADERSHIP TEAM

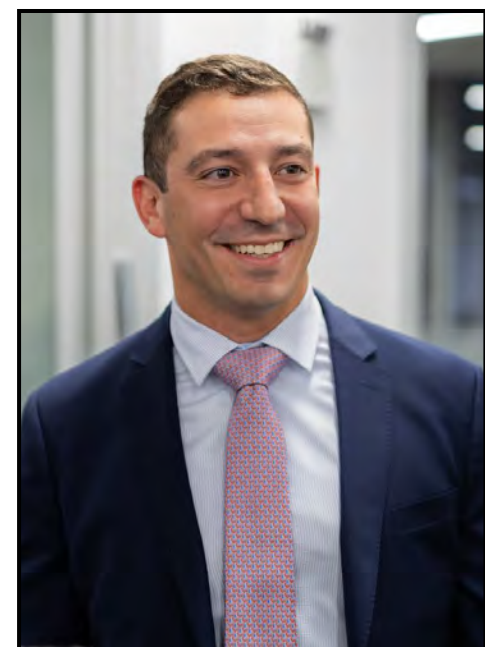
PRINCIPALS



Dan Nelson - Investor Relations | Deal Structuring | Asset Management

Principal | Dan@hammerandhampel.com

Real Estate Investor for 7+ years, Dan has bought and sold 1200+ multifamily units to his name across the midwest and Texas. In 2019, he was inducted into the National Realtors 30 under 30 list and is a Top 50 agent producer at Edina Realty, MN. Dan graduated with a BS in Economics and a minor in Entrepreneurship and Global Business from Saint John's University.



Morgan Hampel - Underwriting | Deal Sourcing | Asset Management

Principal | Morgan@hammerandhampel.com

Morgan found his passion for real estate investing in 2016 while serving as a Nuclear Engineering/Surface Warfare Officer in the United States Navy. Morgan has over 900 units nationwide across California, South Carolina, and Iowa. Morgan graduated with a BS and MS in Industrial Engineering from Iowa State University and his Masters of Real Estate from the University of San Diego.

LEADERSHIP TEAM

CO-SPONSORS



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Investing**



KEN & RACHAEL WICK

Higher Point Investing

- Managing partners for Higher Point Investing of Minnesota
- 20 years of experience in operating multifamily assets
- 358 units under management

THOMAS & JENNIFER FAWCETT

Vine Capital Partners

- Managing partners of Vine Capital Partners Iowa
- 9 years of experience in operating multifamily assets
- 301 units under management

BRENT AND REBECCA NELSON

Summit Point Equity

- Managing partners of Summit Point Equity
- Started real estate investing in 2014
- Moved to large multifamily investing in 2021
- GP and LP in 965 units currently

CO-SPONSORS

PORTFOLIO



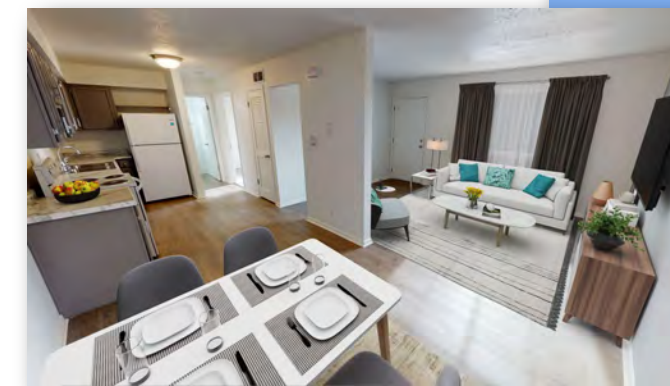
Multifamily

Property	Location	Units	Purchase Price
Sherwood Palms	Las Vegas, NV	24	\$2,050,000
Ankeny Acres	Ankeny, IA	32	\$2,000,000
The Drake	Des Moines, IA	136	\$9,750,000
McKinley	Des Moines, IA	48	\$3,900,000
Windsor Terrace	Des Moines, IA	136	\$10,900,000
Brentlinger Park	Louisville, KY	113	24,000,000



Commercial

Property	Location	Sq Ft	Purchase Price
101 N Downey	West Branch, IA	3730	\$233,000



Sold

Property	Location	Units	Purchase Price	Hold Period	IRR
Camino 1107	Las Vegas, NV	33	\$2,700,000	15 Months	17.1%
Radcliff	Las Vegas, NV	22	\$1,700,000	24 Months	22.7%
Ankeny Acres II	Ankeny, IA	16	\$1,000,000	36 Months	33%



PROPERTY MANAGEMENT



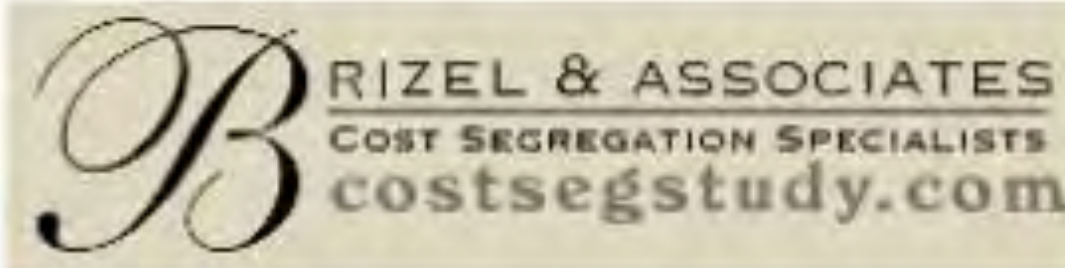
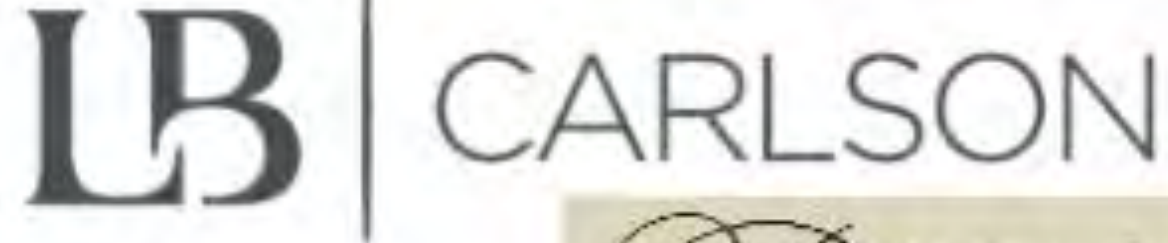
As part of our strategic approach to managing Forest Avenue Village, we have decided to engage Premier Companies as our property manager. This decision is informed by our current experience working with them on our two other Des Moines assets, one of which is located just blocks away from Forest Avenue Village.

Since working with Premier Companies for the management of two of our properties in the Des Moines area, they have consistently demonstrated a high level of expertise and professionalism. Their understanding of the local market, paired with their efficient operational management, has directly contributed to the success of these assets. We are confident that their deep knowledge of Des Moines and their established reputation in the area make them an ideal partner for this investment.

ADDITIONAL TEAM



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SEC/Real Estate Attorney: Brown Winick Law

CPA: Phil Kuehne - LB Carlson, LLC

Cost Segregation Specialist: Brizel & Associates

RUBS Implementation: Multifamily Utility Company

INVESTMENT

FOREST AVENUE VILLAGE

SUMMARY

- We are excited to present Forest Avenue Village, a distinctive 50-unit multifamily investment opportunity in the vibrant city of Des Moines, Iowa.
- Built in 2017, the property features three residential buildings with spacious studio, one, two, and three-bedroom units, averaging 724 square feet. Conveniently located just blocks from Drake University and near our thriving asset, The Drake and Chetwynd.
- The investment benefits from Tax Increment Financing (TIF), significantly reducing property taxes through 2029. With projected returns of 17.0% IRR, a 2.01x Equity Multiple, and 7.2% Cash on Cash, Forest Avenue Village offers a compelling opportunity for strong financial performance.

Purchase Price	\$6,250,000	CapEx Budget	\$250,000 (\$5,000 p/unit)
Senior Loan	\$4,062,500	Lender	Renovo
Total Capitalization	\$6,813,375	Closing Date	January 2025

Key Investment Details

Location	Des Moines, Iowa
Year Built	2017
Occupancy	96.00%
Units	50
Net Rentable Area	35,828 sf
Average Unit Size	724 sf



BUSINESS PLAN / FINANCING

BUSINESS PLAN

- Average rents are currently at least \$100 below comparable properties in the area, presenting strong potential for organic rent growth.
- Located just a few blocks from The Drake and Chetwynd—one of our top-performing assets—this new addition benefits from our established presence in the neighborhood. The Drake and Chetwynd have already achieved a steady 5.22% Cash-on-Cash return within just two years of ownership, and we expect similar results with Forest Avenue Village. Proximity to an existing asset allows us to operate more efficiently, leverage market insights, and achieve greater economies of scale.

FINANCING

- We are securing a \$4,062,500 primary loan at a 6.55% interest rate, with five years of interest-only payments, contributing to a total capital stack of \$6,810,938.
- This deal benefits from Tax Increment Financing (TIF), significantly reducing property taxes through 2029, with reimbursements of 80% in 2025, 60% in 2026, 40% in 2027, and 20% in 2028 and 2029. Full property taxes will not apply until 2030, offering considerable cost savings during the TIF period.

SOURCES		USES	
Senior Debt	\$4,062,500	Purchase Price	\$6,250,000
LP Equity	\$2,613,319	Closing Cost	\$125,000
GP Equity	\$135,119	Acq Fee	\$125,000
Preferred Equity	\$0	CapEx / Res	\$310,938
Total	\$6,810,938	Total	\$6,810,938

DEBT SUMMARY		
First Mortgage (Permanent Loan)		
Debt Proceeds		\$ 4,062,500
New or Assumed		New
LTV		65.0%
LTC		59.6%
Interest Rate (5 Year T + 230)		6.55%
Interest Only?		Yes
Hold Back Amount		No Hold Back
Loan Fees		\$ 60,938
Broker Fees	0.00%	\$ -

ACQUISITION SUMMARY	
Purchase Price	\$ 6,250,000
Purchase Price per Unit	\$ 125,000.00
Going-in Cap Rate	5.94%
Hold Period	5 years



COST SEGREGATION STUDY



Tax Advantages - Real estate investing has a multitude of benefits. Earn passive income from cash flow, property appreciation, and also by keeping more of your own hard earned money through maximizing tax advantages!

Our friends over at Brizel & Associates will be performing a cost segregation study. This analysis allows bonus and accelerated depreciation to be passed through to investors.

The Cost Segregation Study will be done in 2025 and investors will see losses on their 2025 K-1.



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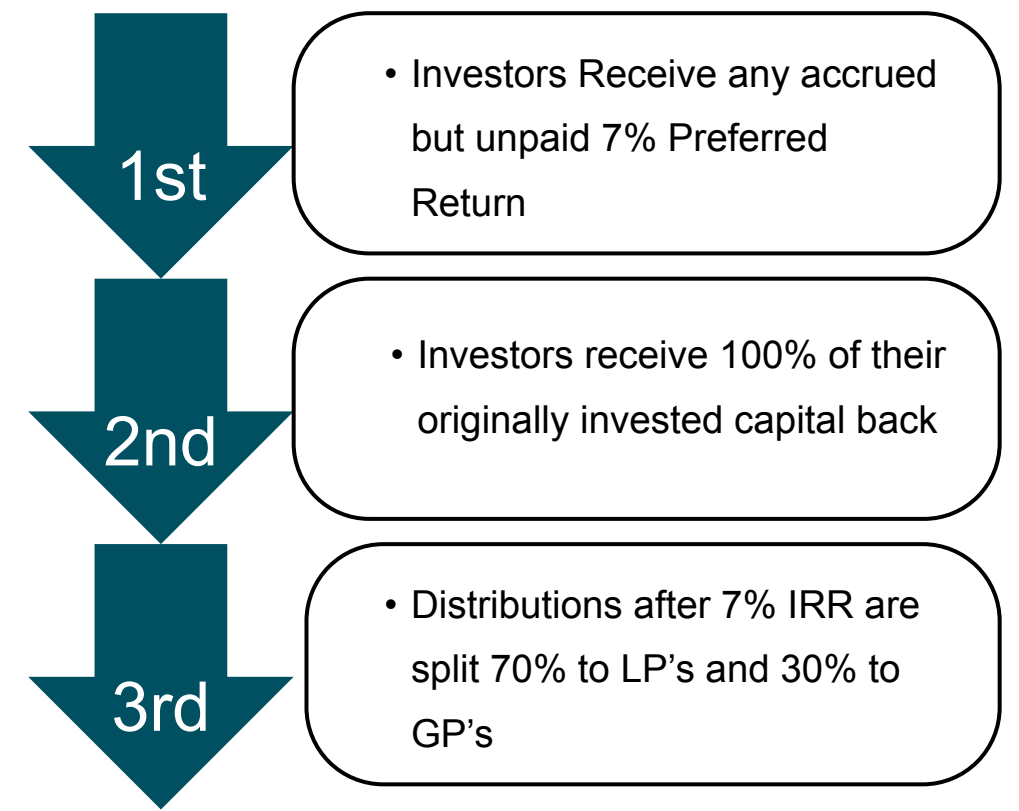
PROJECTED RETURNS

17.0% IRR / 2.01x Equity Multiple

Limited Partnership interest in Forest Avenue Village is as follows:

- Limited partners are entitled to a 7% preferred return. At the time of a capital event, investors will first receive their accrued preferred return and a full return of their original capital.
- All excess proceeds generating above IRR of 7% will be split 70% to LPs and 30% to GPs.
- The fee structure includes a 2% acquisition fee based on the purchase price and an Asset Management Fee equal to 2% of the effective gross income.
- This competitive incentive model ensures both security and attractive returns for investors, while motivating the manager to optimize the venture's overall value.
- Investors are entitled to all cash flow distributions and a 7% compounding internal rate of return (IRR) as a preferred return, fully prioritized over the repayment of their initial investment, before any performance-based compensation is granted to the sponsor.

Distribution Waterfall



\$1,000,000 Investment

Year	1	2	3	4	5
Cash on Cash	4.98%	6.18%	6.60%	6.86%	7.17%
Cash Flow	\$49,800	\$61,800	\$66,000	\$68,600	\$71,700
Sale Proceeds	\$0	\$0	\$0	\$0	\$1,692,100

5 Year Projected Returns

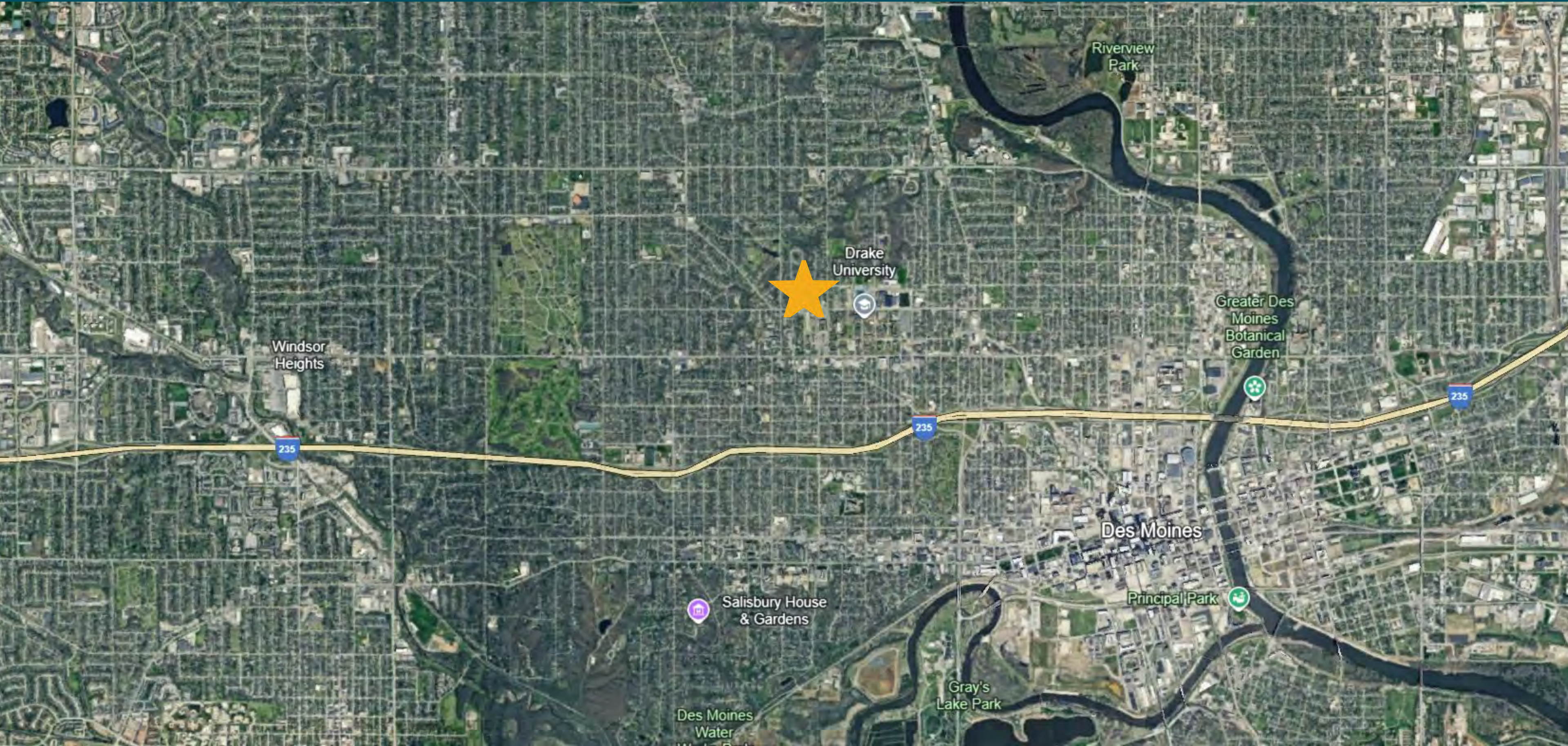
Minimum Investment	\$50,000
Unlevered IRR	11.67%
Levered IRR	17.0%
Equity Multiple	2.01x
Cash on Cash	7%

SUBMARKET ANALYSIS

Des Moines, IA



DES MOINES OVERVIEW



DRAKE SUBMARKET



Des Moines and the Drake submarket showcase strong economic and demographic trends, making it an attractive market for multifamily investment.

Economic Factors

The city boasts a low unemployment rate of 3%, indicating a stable and competitive job market, and a vacancy rate of 5.9%, reflecting balanced supply and demand in the rental market.

Community Growth

Crime has decreased significantly by 36%, enhancing the area's appeal for both residents and investors. Rent growth stands at 2.8%, demonstrating steady demand for rental properties, while a robust population growth of 6.3% since 2020 signals ongoing urban expansion and increased housing demand.

Location

The market benefits from the presence of major employers such as UnityPoint Health, Wells Fargo, John Deere, and Hy-Vee, which create a diverse and resilient employment base. Additionally, our asset's location near Drake University provides students convenient access to housing with various unit types and sizes, making it a prime choice for the local rental market.



(CoStar.com, AreaVibes.com , Greysteel)





The Avenues is a well established district, featuring over 200 high-end businesses, schools, shops and restaurants

Forest Ave Village

The Drake & Chetwynd (AUM)

Schools:

- Drake University - 0.25 Mile
- Des Moines University - 1.5 Miles
- Roosevelt High School - 1.5 Miles
- Merrill Middle School - 1.5 Miles
- Park Avenue Elementary School - 1 Mile

Shopping:

- The Shops at Roosevelt - 2 Miles
- Merle Hay Mall - 2.5 Miles
- Kum and Go - 0.25 Mile
- Gasby's - 1 Mile
- QuikTrip - 1.5 Miles

Parks/Attractions:

- Des Moines Art Center - 2 Miles
- Iowa State Capitol - 3 Miles
- Blank Park Zoo - 3 Miles
- Waveland Park - 1 Mile
- Intramural Fields - 1/4 Mile

GREATER DES MOINES - RANKINGS



#1 **Place for Young Professionals to Live**

Forbes, 2023



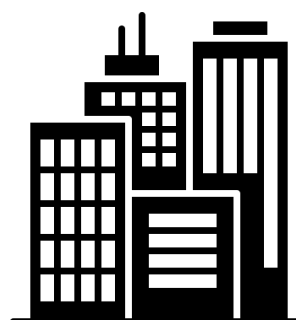
#6 **Best Place for Families**

Site Selection, 2022



#7 **Lowest Cost of Living in The U.S.**

Apartment List, 2023



#12 **Most Affordable Places to Live in the U.S.**

US News & World Report, 2022



UNIT MIX



Description	Units	Sq. Ft.	Rent	Rent per Sq.Ft.
1 Bed 1 Bath	8	665	\$900	\$1.35
2 Bed 1 Bath	12	794	\$1,192	\$1.50
3 Bed 2 Bath	14	989	\$1,485	\$1.50
Studio	16	446	\$799	\$1.79
Total/Averages	50	724	\$1,094	\$1.53

FLOOR PLANS



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STUDIO



1 BED



2 BED



3 BED

INTERIORS OVERVIEW



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- Full kitchens including Refrigerator, Stove, Dishwasher and Microwave
- In Unit Washer, Dryer, and A/C
- Ceiling Fans in Bedrooms
- Pet Friendly
- Modern Kitchen Appliances and Cabinets
- Hardwood Floors and Walk in Closets
- Double Vanities



AMENITIES

- **Bicycle Storage**
- **Controlled Access and Gated**
- **Private Entrance**
- **Pet Friendly Community**
- **Blocks away from Parks**
- **Parking (58 Spaces)**
- **In Unit Washer and Dryer**



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COMPARABLE PROPERTIES



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RENT COMPS				
Property	Year Built	Units	Avg. SF	Avg. Rent
Canary Lofts	2021	135	461	\$1,279
Tempo	2024	110	864	\$1,768
Rowat Lofts	2020	162	641	\$1,316
Harbach Lofts	2017	103	616	\$1,146
CityVille on 9th	2015	312	827	\$1,356
Linc	2020	275	978	\$1,635
The Edge at Gray's Landing	2016	90	746	\$1,198
City Square Lofts	2016	124	875	\$1,691
Des Moines Building	2014	136	677	\$1,065
Flats on 5th	2019	288	894	\$1,087
Carman Estates	2017	96	1,108	\$1,204
The Tree house	reno 2023	90	481	\$1,097
The Flemming	1909	96	611	\$1,097
The Scott at East Village	reno 2020	237	672	\$988
Imperial Apartments	1966	82	743	\$916
R&T Lofts	Reno 2020	164	945	\$1,183
3000 Grand Apartments	1971	186	1108	\$1,069
COMPARABLE AVERAGES	2003	158	779	\$1,241
Forest Avenue Village	2017	50	724	\$1,094

FEATURED COMPARABLE



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CANARY LOFTS APARTMENTS



2530 University Ave - Canary Lofts



Built August 2021



135 Units



Apartment Name	Year Built	Units	Sq Ft	Market Rent	Market Rent p/ Sq Ft
Canary Lofts	2021	135	461	\$1,279	2.77
Forest Avenue Village	2017	50	717	\$1094	\$1.53

PRO FORMA



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5 Year Proforma Analysis - Annual

	T-3/T-12	Year 1 Renovation	Year 2 Renovation	Year 3 Stabilized	Year 4 Stabilized	Year 5 Disposition
INCOME						
Gross Potential Rent	660,759	674,454	768,433	805,102	835,422	864,662
Vacancy	(27,410)	(33,723)	(38,422)	(40,255)	(41,771)	(43,233)
Concessions		(3,372)	(3,842)	(2,013)	(2,089)	-
Bad Debt	(1,669)	(3,372)	(3,842)	(2,013)	(2,089)	-
EFFECTIVE GROSS INCOME	<u>658,268</u>	<u>697,624</u>	<u>787,873</u>	<u>828,334</u>	<u>859,012</u>	<u>893,053</u>
EXPENSES						
Payroll	-	30,000	30,750	31,519	32,307	33,114
Utilities	33,169	33,169	33,998	34,848	35,719	36,612
General/Administrative	15,171	45,000	46,125	47,278	48,460	49,672
Advertising	7,974	7,974	8,173	8,378	8,587	8,802
Repairs & Maintenance	73,444	50,000	51,250	52,531	53,845	55,191
Unit Prep/Turnover	-	12,500	12,813	13,133	13,461	13,798
Contract Services	30,287	30,287	31,044	31,820	32,616	33,431
Insurance	18,385	15,750	16,144	16,547	16,961	17,385
Management	45,500	20,929	23,636	24,850	25,770	26,792
Property Taxes	63,214	39,840	53,437	83,683	101,874	106,968
TOTAL EXPENSES	<u>287,144</u>	<u>285,449</u>	<u>307,370</u>	<u>344,587</u>	<u>369,600</u>	<u>381,764</u>
NET OPERATING INCOME	<u>371,124</u>	<u>412,175</u>	<u>480,503</u>	<u>483,747</u>	<u>489,412</u>	<u>511,289</u>

SENSITIVITY ANALYSIS



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Price	IRR	EMx
6,150,000	18.1%	2.10x
6,200,000	17.5%	2.05x
6,250,000	17.0%	2.01x
6,300,000	16.5%	1.98x
6,350,000	16.0%	1.94x
6,400,000	15.5%	1.90x

Interest Rate	IRR	EMx
6.35%	17.3%	2.03x
6.45%	17.1%	2.02x
6.55%	17.0%	2.01x
6.65%	16.9%	2.01x
6.75%	16.7%	2.00x
6.85%	16.6%	1.99x

Exit Cap	IRR	EMx
5.50%	20.4%	2.30x
5.75%	18.7%	2.15x
6.00%	17.0%	2.01x
6.25%	15.4%	1.89x
6.50%	13.8%	1.77x
6.75%	12.2%	1.66x

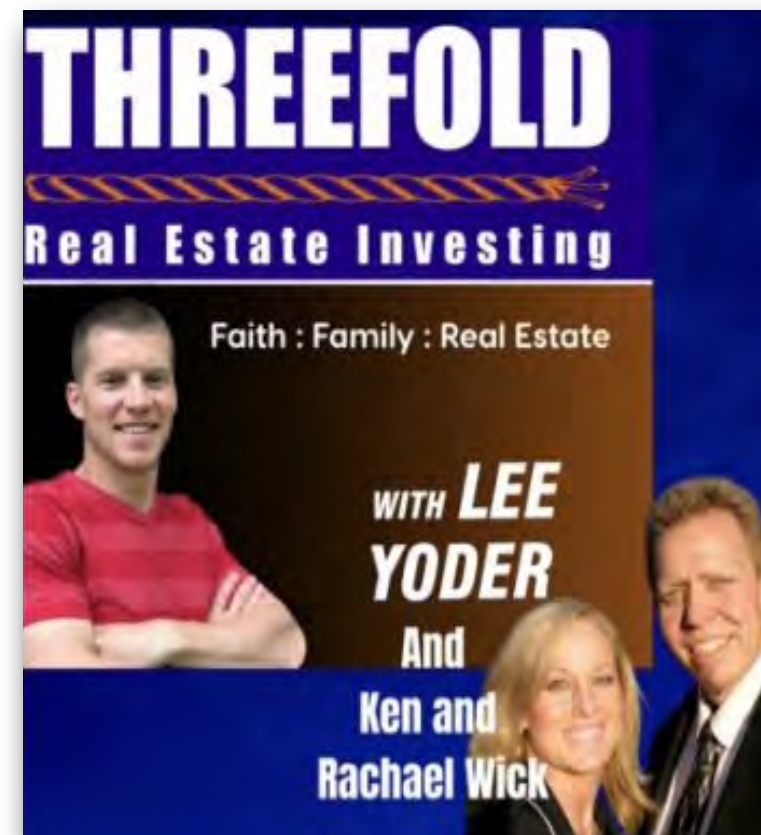
Find out more about us!!



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How to Scale CRE with Sam Wilson: [Building Community in Real Estate](#)



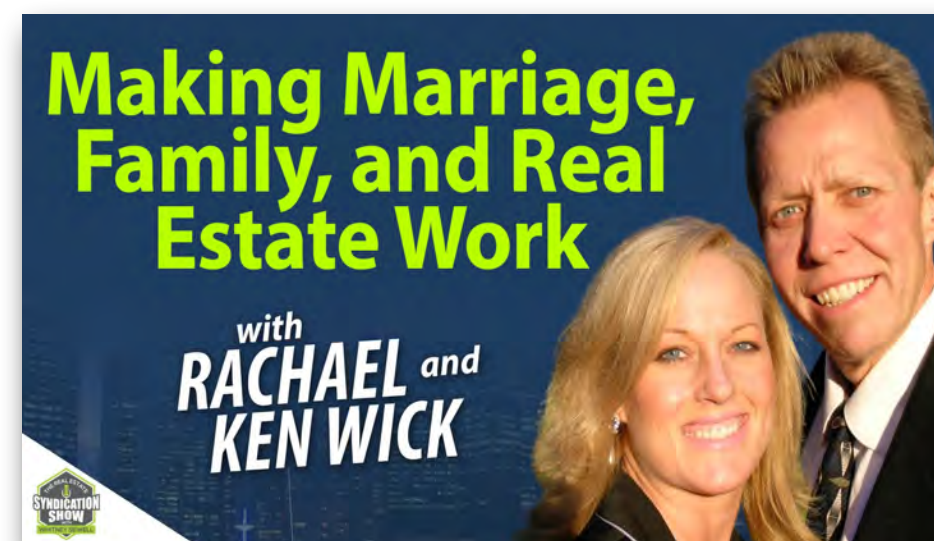
Threefold with Lee Yoder: Faith, family and Real Estate [Listen here](#)



Financial Freedom with Real Estate - Michael Blank [How We Started Building Wealth Through Real Estate Investing As A Couple](#)



Kingdom REI with Ellis Hammond S3: E150 [Why going bigger is easier.](#)



Life Bridge Capital with Whitney Sewell: [WS1236: Making Marriage, Family, and Real Estate Work with Ken and Rachael Wick](#)



The M.O.R.E Podcast - [Episode 063: The "Missing Ingredients" That Separate the Successful... From the Not-So-Successful – with Jennifer Fawcett](#)

THANK YOU!

ANTICIPATED CLOSING JANUARY 31ST 2025



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