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Multifamily Investment and Strategic Partnership

HOW TO UNDERWRITE MULTIFAMILY INVESTMENTS

Today's Objectives

- ✓ **Identify Your Market**
- ✓ **Creating The Trade Area To Determine Rent Comps**
- ✓ **Underwriting Assumptions**
- ✓ **How to Calculate Risk To Determine Your Desired Return**
- ✓ **The Best Underwriting Tool To Use**



DAVID MONROE, CCIM

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- ✓ **Multifamily Investor and Strategic Partner**
- ✓ **Certified CCIM Market Analysis Instructor**
- ✓ **CCIM Technology Board 2021-2023**
- ✓ **CCIM Foundations Board 2021-2023**
- ✓ **CCIM Ward Center Committee Co-Hair 2022**
- ✓ **Former Syndicator Now Strategic Partner**
- ✓ **Owned a Property Management Company**



Identify Your Market

Identify Your Market

- ✓ **Local**
 - ✓ **Within __ Hours/Miles**
 - ✓ **Existing Relationships**
 - ✓ **Politics**
 - ✓ **Market Strength**

Identify Your Market

- ✓ **Regional/National**
 - ✓ **Identify Market Criteria (Demand)**
 - ✓ **Total Population/Population Growth**
 - ✓ **Median Household Income**
 - ✓ **Unemployment Rate**
 - ✓ **Crime**

Identify Your Market

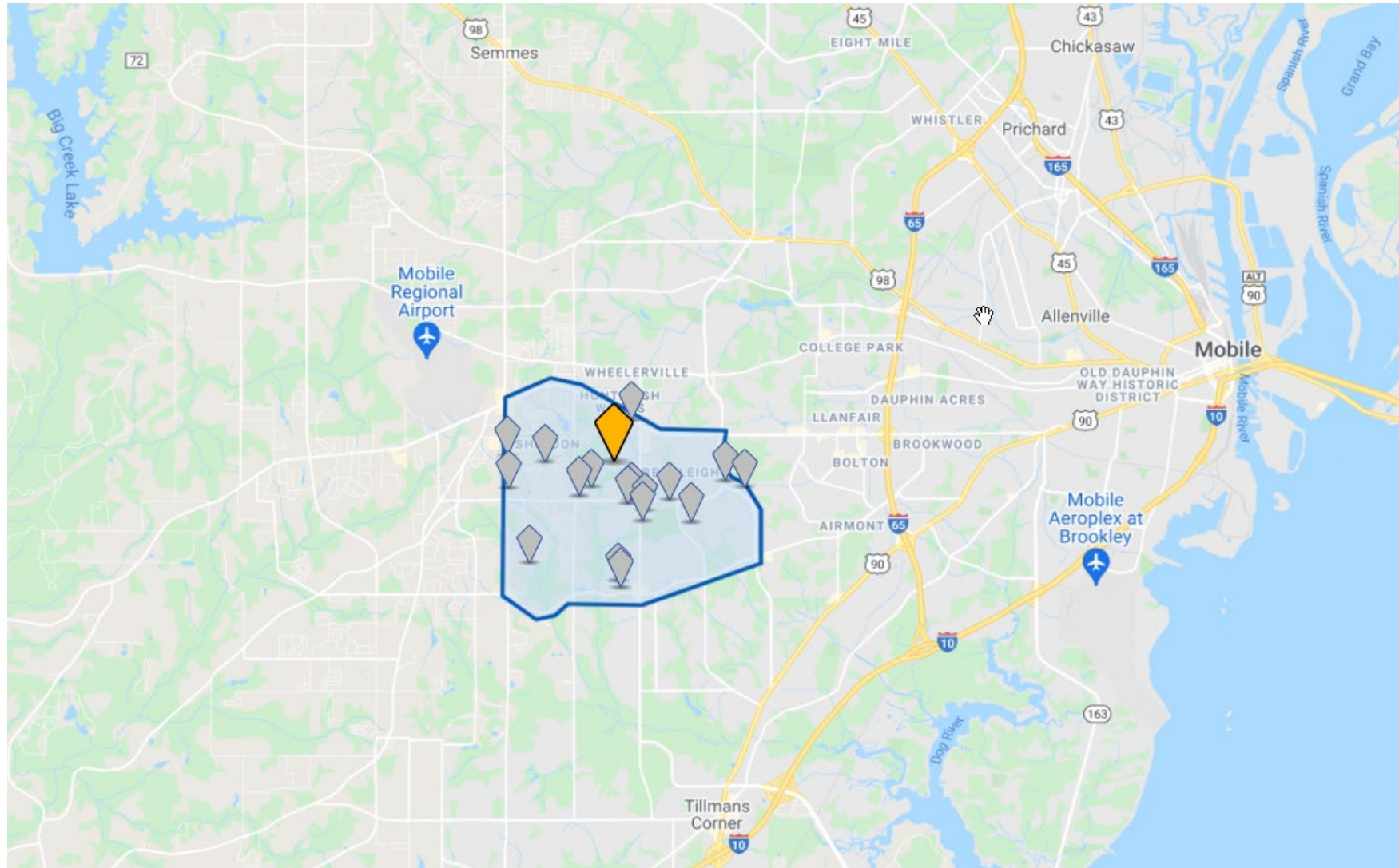
- ✓ **Market Strength (Supply)**
 - ✓ **Long Term Occupancy Average**
 - ✓ **Rent Growth**
 - ✓ **Concessions**
 - ✓ **Under Construction**
 - ✓ **Deliveries**
 - ✓ **Absorption**

Creating The Trade Area To Determine Rent Comps

Trade Area And Rent Comps

✓ Trade Area vs Sub-Market

Trade Area vs Sub-Market



Trade Area And Rent Comps

- ✓ **Trade Area vs Sub-Market**
- ✓ **Rent Comp Selection Criteria**
 - ✓ **Conventional/Affordable/Student/Senior**
 - ✓ **Class A/B/C**
 - ✓ **Year Built**
 - ✓ **After Renovations**

Trade Area And Rent Comps

- ✓ **Trade Area vs Sub-Market**
- ✓ **Rent Comp Selection Criteria**
- ✓ **Rent Per Square Feet vs Rent Per Unit**

Rent/PSF vs Rent/Unit

Menu



18 Properties

Address or Location 100+ Units Unit Mix Style ☆☆☆☆☆

Clear

Summary KPI Rent Vacancy Construction Sales Players **Data** Annual Quarterly

Period	Inventory			Asking Rent			Effective Rent			Vacancy				
	Bldgs	Units	Avg SF	Per Unit	Per SF	% Growth/Yr	Per Unit	Per SF	% Growth/Yr	Concessions %	Units	Percent	% Growth/Yr	Units
2021 Q2 QTD	18	4,735	1,007	\$959	\$0.95	9.5%	\$953	\$0.95	9.8%	0.6%	314	6.6%	-1.1%	
2021 Q1	18	4,735	1,007	\$929	\$0.92	6.8%	\$924	\$0.92	7.0%	0.6%	315	6.6%	-1.0%	
2020 Q4	18	4,735	1,007	\$906	\$0.90	5.1%	\$898	\$0.89	5.1%	0.9%	343	7.2%	-0.5%	
2020 Q3	18	4,735	1,007	\$889	\$0.88	4.5%	\$886	\$0.88	6.0%	0.4%	389	8.2%	0.8%	
2020 Q2	18	4,735	1,007	\$893	\$0.89	2.6%	\$882	\$0.88	4.4%	1.2%	378	8.0%	0.7%	
2020 Q1	17	4,555	976	\$870	\$0.86	0.9%	\$864	\$0.86	3.2%	0.8%	349	7.7%	0.5%	
2019 Q4	17	4,555	976	\$862	\$0.86	1.4%	\$854	\$0.85	3.7%	0.9%	355	7.8%	0.2%	
2019 Q3	17	4,555	976	\$851	\$0.84	0.6%	\$835	\$0.83	1.0%	1.8%	336	7.4%	0.2%	
2019 Q2	17	4,555	976	\$870	\$0.86	1.3%	\$845	\$0.84	0.7%	2.9%	332	7.3%	1.0%	
2019 Q1	17	4,555	976	\$863	\$0.86	2.6%	\$837	\$0.83	2.0%	3.0%	328	7.2%	1.4%	
2018 Q4	17	4,555	976	\$850	\$0.84	3.0%	\$824	\$0.82	3.7%	3.2%	346	7.6%	0.9%	
2018 Q3	17	4,555	976	\$845	\$0.84	2.6%	\$827	\$0.82	2.8%	2.1%	325	7.1%	0.5%	
2018 Q2	17	4,555	976	\$859	\$0.85	2.4%	\$839	\$0.83	3.4%	2.3%	286	6.3%	0.6%	
2018 Q1	17	4,555	976	\$841	\$0.83	1.4%	\$821	\$0.81	2.6%	2.4%	264	5.8%	-1.0%	
2017 Q4	17	4,555	976	\$825	\$0.82	-0.1%	\$794	\$0.79	-0.5%	3.7%	306	6.7%	-0.1%	
2017 Q3	17	4,555	976	\$824	\$0.82	-0.7%	\$805	\$0.80	-0.3%	2.3%	300	6.6%	0.5%	
2017 Q2	17	4,555	976	\$839	\$0.83	0%	\$812	\$0.81	-0.6%	3.3%	260	5.7%	1.0%	
2017 Q1	17	4,555	976	\$830	\$0.82	-0.8%	\$800	\$0.79	-2.6%	3.6%	311	6.8%	1.6%	
2016 Q4	17	4,555	976	\$826	\$0.82	0.6%	\$798	\$0.79	0%	3.3%	309	6.8%	1.2%	
2016 Q3	17	4,555	976	\$830	\$0.82	2.1%	\$807	\$0.80	2.3%	2.7%	278	6.1%	0.5%	

Trade Area And Rent Comps

- ✓ **Identifying Assumptions**
 - ✓ **Market Rents**
 - ✓ **Vacancy Allowance**
 - ✓ **Income Growth**
 - ✓ **Expense Growth**
 - ✓ **Operating Expenses**
 - ✓ **Exit Cap Rate**

Calculating Risk For Your Desired Return

Calculating Risk For Your Desired Return

- ✓ **Discount Rate**
 - ✓ **Desired IRR**
- ✓ **Net Present Value (NPV)**
 - ✓ **Investment Value - Equity Required**
- ✓ **How Much We Can Pay For The Property**
 - ✓ **Purchase Price + NPV(Positive or Negative)**

The Best Underwriting Tool?

The One You Will Use

Multifamily Underwriting Case Study

Week 1 - Determine A Market

Week 2 - Build Relationships With Brokers And Owners

Week 3 – Receive Offering Documents, Draw Trade Area, And Define Assumptions

Week 4 - Financial Modeling

Week 5 - LOI And Next Steps

Starts 2/22/2022

PLUS...

**What If You Had Someone
That Would **HELP** You
Underwrite All Your Deals**

And...

**You Had Underwriting Tools
And Help Using Them**

And...

**You Were Part Of A Private Community
Of GP's, KP's, LP's, And Sponsors**

And...

**You Could Get Access To A 14 Module
Workshop To Show You How To
Put A Syndication Together, Build
Relationships, Find Opportunities,
And **Underwrite The Deal And Market****

And...

**If That Wasn't Enough... How About
1-on-1 Support, **ANYTIME** You Need It**

And...

Get Access To It...

FREE

INTRODUCING...



— ★ ★ ★ —
**STRATEGIC
PARTNERING**



— ★ ★ ★ —
**MULTIFAMILY
UNDERWRITING
CASE STUDY**

A Group **Mentoring** Network

Designed To **Help YOU Invest In
Your 1st Or Next Multifamily Deal**

**Here's A Detailed Breakdown
So, You **Understand** What's Included**

**You Will Get Access To The 14 Module
Strategic Partnering Workshop
Where You Will Learn...**

Strategic Partnering Workshop:

- ✓ **Module 1 - Begin With The End In Mind**
- ✓ **Module 2 - The Big Lie (Strategic Partnering)**
- ✓ **Module 3 - Building Relationships**
- ✓ **Module 4 - Underwriting - The Market**
 - ✓ **Part 1 - Identify Your Market(s)**
 - ✓ **Part 2 - Current Economic Base**
 - ✓ **Part 3 - Future Economic Base And Demand/Supply Analysis**
 - ✓ **Part 4 - Competitive Advantage and Market Cycles**

Strategic Partnering Workshop:

- ✓ **Module 5 – Finding Opportunities**
- ✓ **Module 6- Underwriting The Deal**
 - ✓ **Part 1 – Underwriting Fundamentals And Definitions**
 - ✓ **Part 2 – Verifying Assumptions**
 - ✓ **Part 3 – Financial Analysis**
- ✓ **Module 7 – Negotiations And LOI**
- ✓ **Module 8 – Due Diligence**

Strategic Partnering Workshop:

- ✓ **Module 9 – Raising Capital**
 - ✓ **Part 1 – Understanding Syndications**
 - ✓ **Part 2 – Offering Summary**
- ✓ **Module 10 – Getting A Loan**
- ✓ **Module 11 – Property Management**
 - ✓ **Part 1 – Understanding Operations**
 - ✓ **Part 2 – Property Management Questionnaire**

Strategic Partnering Workshop:

- ✓ **Module 12 - Closing The Deal**
- ✓ **Module 13 - Asset Management**
- ✓ **Module 14 - Exit Strategy**

There Will Be **Homework Between Each Session To Keep You Moving Forward**

The Next **Live Class Starts On
February 20th At 1pm EST**

You're Also Going To Get Access To **Strategic Partnering Labs**

Strategic Partnering Labs:

- ✓ **Property Management Documents**
- ✓ **Syndication Documents**
- ✓ **Project Management Documents**
- ✓ **Due Diligence Documents**
- ✓ **Marketing Documents**

Strategic Partnering Labs:

- ✓ **Underwriting Tools – Deal and Market**
- ✓ **Pitch Deck Template (Offering Summary)**
- ✓ **Transaction Templates – LOI**
- ✓ **Property And Contact Information In Your Markets**
- ✓ **Investor and Business Contacts**
- ✓ **Quarterly Planner And Production Tracker**

You'll Also Get A **FREE Website
PLUS Training And Support To
Help You Generate Leads**

You're Going To Get Access To The Private Strategic Partnering Community

Strategic Partnering Community:

- ✓ **Build Relationships**
- ✓ **Find Potential Partners And Investors**
- ✓ **Ask Questions For Help**
- ✓ **List Opportunities**
- ✓ **Get Support For Underwriting**

This Community Has A Private Slack Channel

If That Wasn't Enough, I will Help You...

I Will Help You:

- ✓ **Underwrite Your Deals**
- ✓ **Pull Demand And Supply Data**
- ✓ **Connect You To JV Partners**
- ✓ **Connect You To Sponsors**
- ✓ **Connect You To Key Principals**
- ✓ **Find Passive Investors**

**You Will Have The Ability To Request
CoStar And STDB Reports For
Calculating Demand And Supply and
Underwriting Your Deals**

Every Monday We Have The **Goal Setting** Workshop

**Every Tuesday I Teach A
Module Of The
Underwriting Case Study**

**Every Wednesday We Have
Weekly Q&A And Networking**

Every Sunday I Teach A Module Of The **Strategic Partnering Workshop**

Why Stop There...

**I Will Give You 1-On-1 Support
ANYTIME You Need It**

**All I Ask, You Only Schedule One
Appointment At A Time**

**There Are Many Communities Charging
Over \$25K A Year For **Only Half** Of
What We Have In Strategic Partnering**

**BUT – I Wanted To Break Down The
Barrier Of Entry Into An Investing And
Mentoring Community Like This**

**Right Now... For The Participants Of This
Masterclass, I'm Offering The Strategic
Partnering Community **For FREE...****



By **Attending The Underwriting Case
Study Starting Tuesday 2/22/2022**



ONLY \$497



AND... There's An Unconditional, **NO
QUESTIONS ASKED, 30 Day Money
Back Guarantee**



So, There Is Literally Zero Risk



AND... Get **Free Access To The Strategic Partnering Community Until March 22nd**



AS A BONUS...



Your Business Partner/Spouse **(FREE)**



Let's Recap



- ✓ **Multifamily Underwriting Case Study - \$997**
- ✓ **Strategic Partnering Workshop - \$1,997**
- ✓ **Strategic Partnering Labs - \$9,997**
- ✓ **Strategic Partnering Community - \$9,997**
- ✓ **1-on-1 Mentoring And Support - \$9,997**
- ✓ **Weekly Q&A And Goal Setting Workshops - \$4,997**
- ✓ **Your Business Partner/Spouse (FREE) - Priceless**

THAT'S \$37,982 IN REAL VALUE



FOR ONLY \$497



**AND Don't Forget The Unconditional,
NO QUESTIONS ASKED, 30 Day Money
Back Guarantee If You're Not Satisfied**



BRING YOUR PARTNER OR SPOUSE

FREE



**MULTIFAMILY
UNDERWRITING
CASE STUDY**

If you would like to get 1-on-1 attention To **Underwrite Your Deals**,
CLICK THE LINK BELOW to get your access...

<https://multifamily.davidmonroeccim.com/underwriting-case-study-checkout>

Q&A