



# INVEST IN AFFORDABLE HOUSING

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RENTS ARE **GUARANTEED** & CAP RATES ARE HIGH

# RISK IN AH IS SUBSTANTIALLY MINIMIZED BY THE **SECTION 8 GOV. PROGRAM**



**GOVERNMENT WILL PAY 70-100% OF THE RENT THROUGH THE **SECTION 8** PROGRAM.**



**MANY AREAS PAY ABOVE-MARKET RENTS TO INCENTIVIZE PROPERTY OWNERS TO INVEST IN **SECTION 8**.**

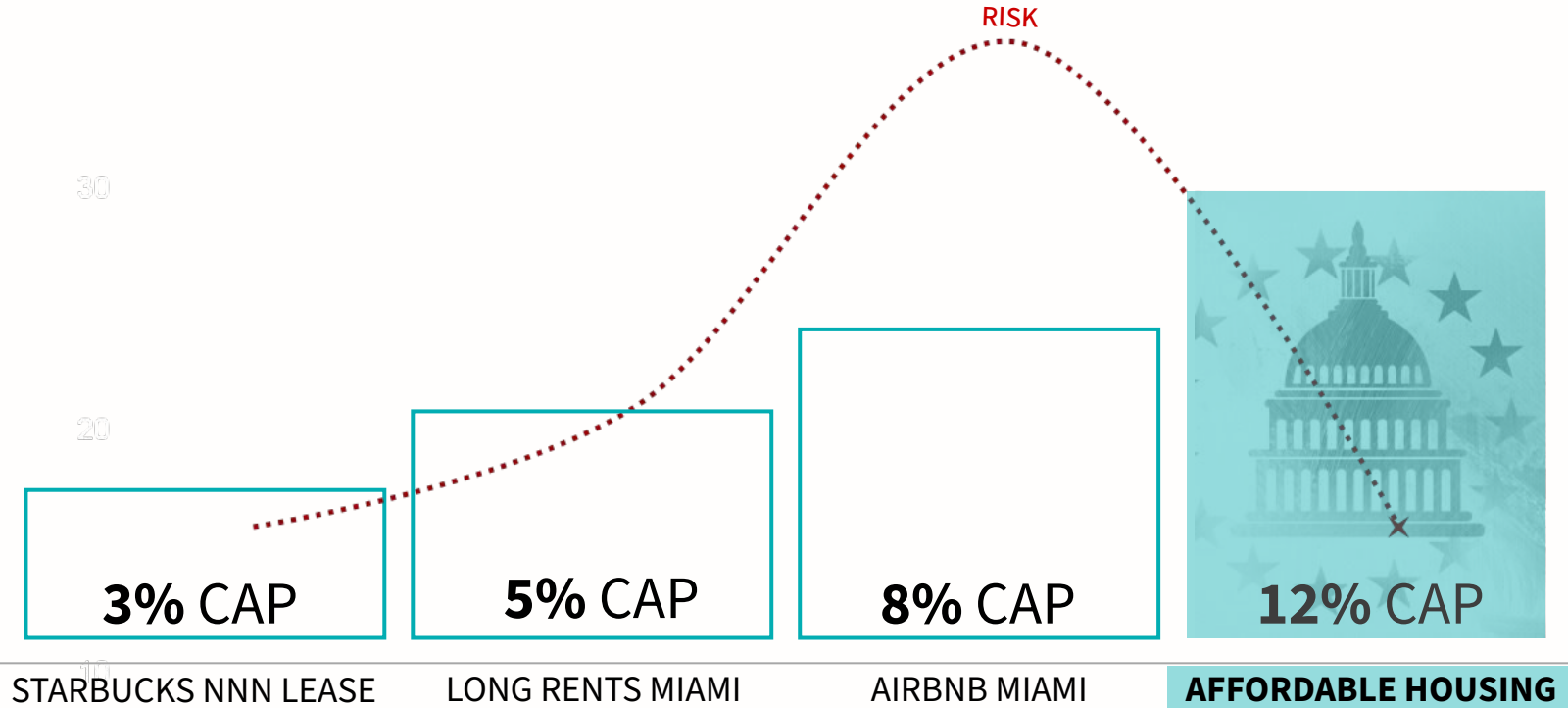


**TENANTS VALUE THEIR **SECTION 8** VOUCHERS. MAINTAIN DESIRABLE UNITS AND TENANTS STAY FOR + 10 YEARS.**



****SECTION 8** WILL PUT YOUR NATIONAL PORTFOLIO ON AUTOPAY.**

# AH RENTALS GENERATE **HIGH CAPS** AT **LOW RISK**



# BIG PLAYERS LIKE BLACKSTONE



The Motley Fool

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## This REIT Is Doubling Down on Affordable Housing

By Liz Bruner-Smith - Jan 25, 2022 at 7:50AM

**KEY POINTS**

- Blackstone Group's private REIT (BREIT) is dedicating \$1 billion to offering affordable housing.
- The program, in conjunction with Home Partners of America, will offer lease-purchase agreements to low-income families.
- Given the shortage of affordable housing, this should help both BREIT and low-income families across the country.
- 10 stocks we like better than Blackstone

NYSE: BX  
Blackstone

Market Cap \$128B

History's Change (2.38%) \$2.49  
Current Price \$106.88  
Price as of Jan 18, 2023, 4:00 pm ET

Private equity + Add to myFT

## Why Blackstone made a \$5bn bet on housing low-income Americans

Buyout giant to inherit strains with charity landlords after purchasing property portfolio from AIG

## AFFORDABLE HOUSING FINANCE

LATEST NEWS MANAGEMENT & OPERATIONS FINANCE POLICY & LEGISLATION

HOME > NEWS > BLACKSTONE REAL ESTATE LAUNCHES AFFORDABLE HOUSING COMPANY

Posted on: February 24, 2022

AFFORDABLE HOUSING FINANCE

### Blackstone Real Estate Launches Affordable Housing Company

Industry veteran Alice Carr will serve as CEO of April Housing.

Blackstone is extending its affordable housing reach with the launch of a portfolio company and the hiring of industry veteran Alice Carr.

By #

FINANCE | PHOENIX

## Blackstone Provides \$31M for Phoenix Seniors Affordable Housing Development

Second deal in the Blackstone-Dominium partnership expands the area's affordable housing stock by 192 units.

BY CATHY CUNNINGHAM APRIL 13, 2023 4:30 PM

REPRINTS

# CASH FLOW PROJECTIONS ARE WHY WE'RE HERE

**TURN-KEY**  
**15%**

**REHABED**  
**25%**

[LINK TO SPREADSHEET](#)

Property Details

Address

Listing

Regulation

Permit Info

1519 29 th St Birmingham

\*Always confirm STR regulations with local planning & zoning department prior to purchasing

Unit Type	# Bedrooms	# Bathrooms	Quantity	Monthly Rent	% GG	Comparables
4 Bed / 2 Bath	4	2	1	\$1,300	100%	<a href="#">Click Here</a>
1 Bed / 0 Bath	1	0	0			
0 Bed / 1 Bath	0	1	0			
1 Bed / 1 Bath	1	1	0			
2 Bed / 2 Bath	2	2	0			
Total			1	\$1,300		
Weighted Average				\$1,300.00		
				\$1,529		

Initial Investment			
	%	\$	Notes
Purchase Price		\$70,000	
Closing Costs	1.50%	\$1,050	Due diligence costs, legal, etc
Rehab		\$14,000	
Furnishing Costs		\$0	See Index tab
Other Initial Expenses		\$0	
Total Initial Investment		\$85,050	

Financing Assumptions			
	%	\$	Notes
Down Payment	25%	\$21,263	Investor-specific
Loan Amount		\$63,788	
Loan Closing Costs	5.60%	\$3,572	
Interest Rate		7.34%	Investor-specific
Interest Type		Amortization	
Amortization (yrs)		30	
Upfront Loan Costs		\$24,835	

Year 1 Economics			
	% of Rental Income	Monthly	Annually
<b>Revenue</b>			
Rental Income		\$1,300	\$15,600
Other Income		0	
Total Revenue		\$1,300	\$15,600
<b>Expenses</b>			
Property Management Fee	10%	\$130	\$1,560
Total Expenses		\$130	\$1,560
		\$1,170	\$14,040

<b>Other Expenses</b>			
Real Estate Taxes			\$989
Insurance			\$1,022
HOA Fees		\$0	\$0
Utilities	4%	\$0	\$0
Maintenance	4%	\$52	\$624
Administrative Fees (accounting, legal, auditing & taxes)			\$0
AUM		\$0	\$0
Total Expenses		\$52	\$2,635

<b>Net Operating Income</b>		\$1,118	\$11,405
Loan Payment		\$581	\$6,972
<b>Leveraged Net Cash Flow</b>		\$537	\$4,433

<b>Gross Yield</b>		
Cash-on-Cash		17.85%
Cap Rate		13.41%

# CASH FLOW PROJECTIONS ARE WHY WE'RE HERE

**TURN-KEY**  
**15%**

**REHABED**  
**25%**

[LINK TO SPREADSHEET](#)

Property Details						
Address	909 Exeter Ave, Bessemer AL					
Listing						
Regulation						
Permit Info						
*Always confirm STR regulations with local planning & zoning department prior to purchasing						
Unit Type	# Bedrooms	# Bathrooms	Quantity	Monthly Rent	% GG	Comparables <a href="#">Click Here</a>
2 Bed / 1 Bath	2	1	1	\$875	100%	
1 Bed / 1 Bath	1	1	1	\$650	100%	
0 Bed / 1 Bath	0	1	0			
1 Bed / 1 Bath	1	1	0			
2 Bed / 2 Bath	2	2	0			
Total			2	\$1,525		
Weighted Average				\$762.50		
				\$897		

Initial Investment			Notes
%	\$		
	\$48,000		Purchase Price
1.50%	\$720		Closing Costs
	\$60,000		Rehab
	\$0		Furnishing Costs
	\$0		Other Initial Expenses
	\$108,720		Total Initial Investment

Financing Assumptions			Notes
%	\$		
	\$0		Down Payment
	\$0		Loan Amount
0.00%	\$0		Loan Closing Costs
	0.00%		Interest Rate
	Interest Only		Interest Type
	0		Amortization (yrs)
	\$0		Upfront Costs

Re Financing Assumptions			Notes
%	\$		
	\$129,000		Appraisal
75%	\$96,750		LTV
6.00%	\$5,805		Loan Closing Costs
	7.60%		Interest Rate
	Amortization		Interest Type
	30		Amortization (yrs)
	\$90,945		Upfront Cash

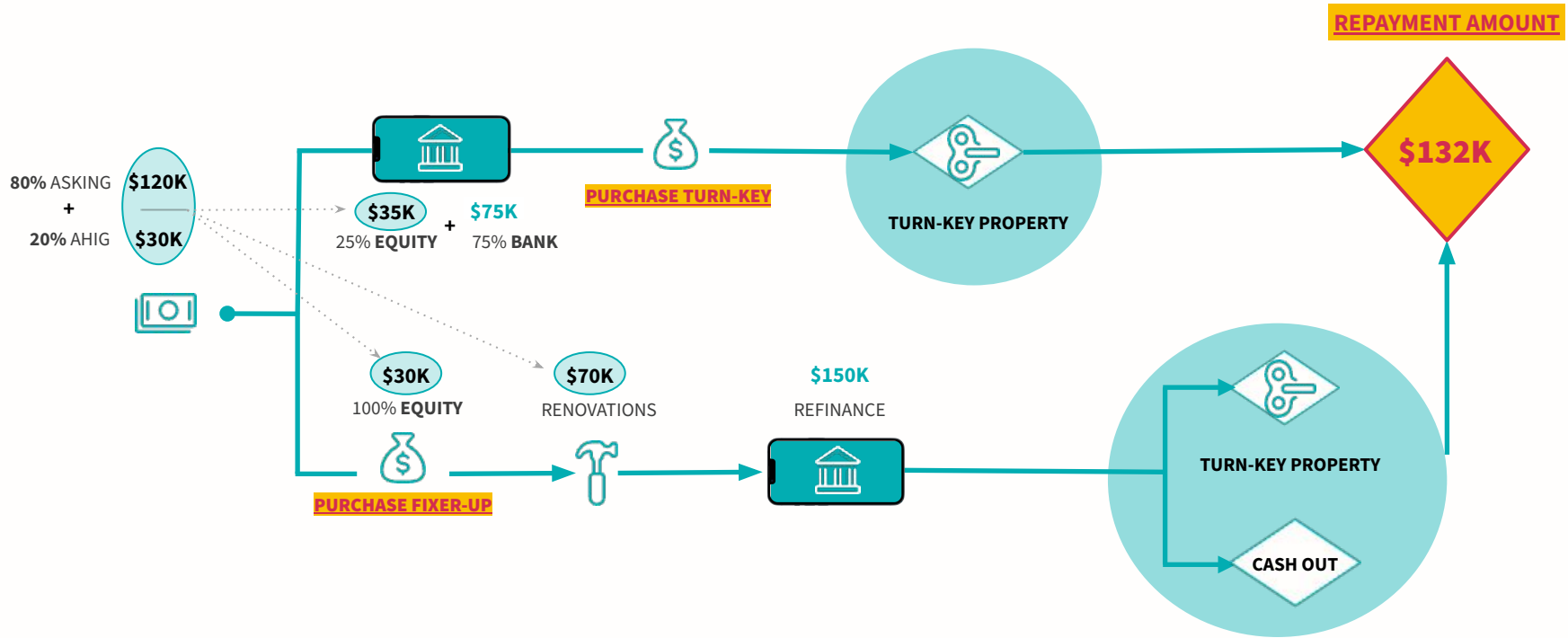
Year 1 Economics			
	% of Rental Income	Monthly	Annually
<b>Revenue</b>			
Rental Income		\$1,525	\$18,300
Other Income		0	
Total Revenue		\$1,525	\$18,300
<b>Expenses</b>			
Property Management Fee	10%	\$153	\$1,830
	0%	\$0	\$0
Total Expenses		\$153	\$1,830
		\$1,373	\$16,470

<b>Other Expenses</b>			
Real Estate Taxes			\$1,050
Insurance			\$1,085
HOA Fees		\$0	\$0
Utilities	4%	\$0	\$0
Maintenance	4%	\$61	\$732
Administrative Fees (accounting, legal, auditing & taxes)			\$0
AUM		\$0	\$0
Total Expenses		\$61	\$2,867

<b>Net Operating Income</b>		\$1,312	\$13,603
Loan Payment		\$0	\$0
<b>Leveraged Net Cash Flow</b>		\$1,312	\$13,603

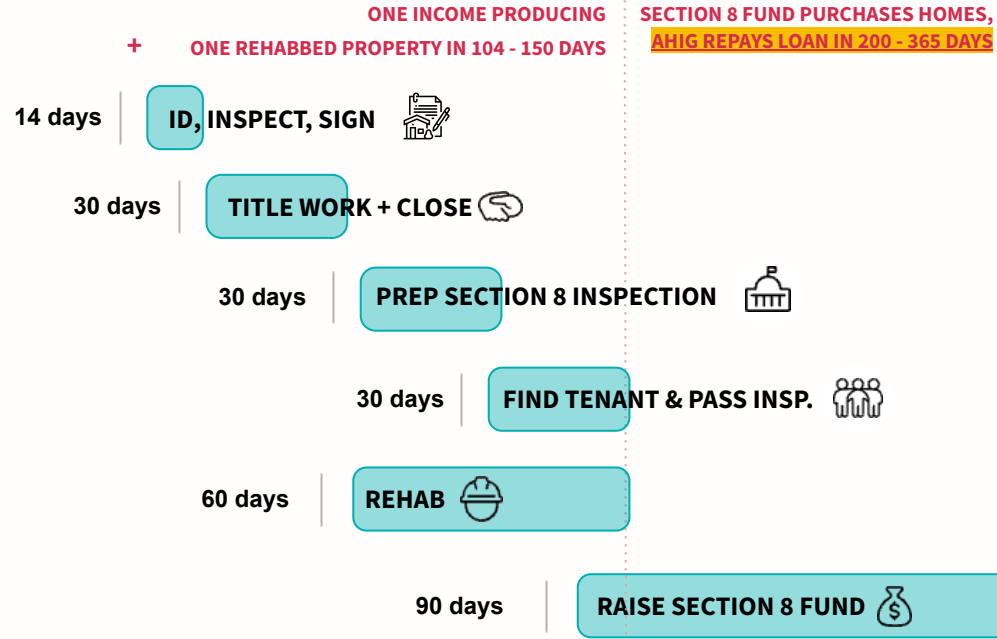
<b>Gross Yield</b>	
Cash-on-Cash	30.40%
Cap Rate	12.51%

# ASKING \$120K LOAN FOR PROOF-OF-CONCEPT



# PHASE ONE – PROOF OF CONCEPT

NOT LOOKING TO REINVENT THE WHEEL.



**\$132K**

**REPAYMENT EVENT**



# PHASE TWO – RAISE FUND

RAISE SECTION 8 FUND - TARGET \$500K



1 Active Real Estate Fund:

**LEAN**  
GROUP

Top Customer Service in Miami for 15 yrs

Active Database of Real Estate Investors

WORST CASE SCENARIO



Sell the assets and re-coup 90% + of the investment.

*AHIG is committed to paying back \$132K.*

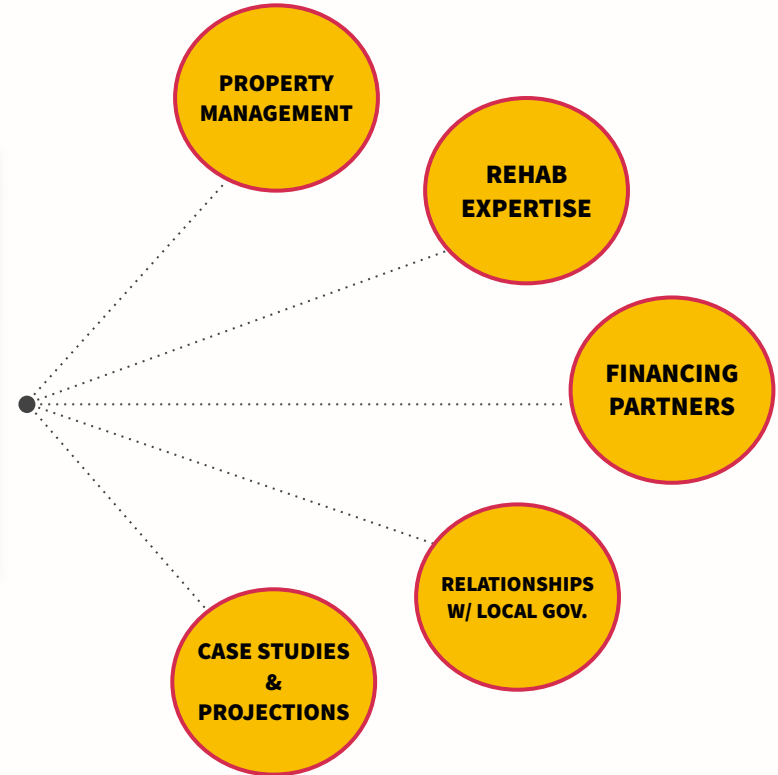
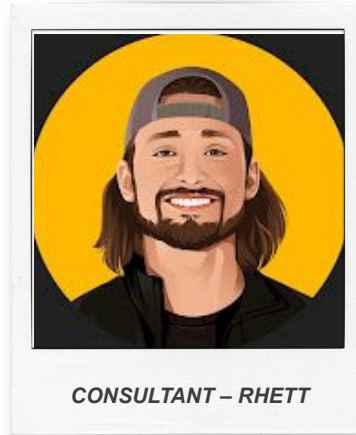


# LOCAL TEAM WITH 10 + YRS EXPERIENCE

## INFO

### Wiseman Advising LLC | Rhett Wiseman

- Has on-boarded + **2,200 units** over the past 10 years.
- Clients in his “Coaching Program” have purchased + **\$70m in** real estate over **the last 24 months.**
- Currently owns multiple development projects in Nashville **worth an estimated \$97m.**
- Has owned Property Management and Construction companies in the past.
- Has built real estate portfolios from the ground up.



# OUR TEAM HAS EXPERIENCE & GRIT



*The Poler Team:*  
**Rosa, Noel, Kevin, & Dylan**

- 15 Yrs Experience in Real Estate.
- Proven Track Record with **LEAN** Fund.
- Our team brings formidable acumen and strategic financial prowess to ensure robust returns.



*KTJMS Consulting:*  
**Jaime Mizrahi & Team**

- 10+ Yrs in Strategic Consulting.
- Experts in planning and execution.
- Added layer of portfolio profile and risk assessment.
- Managed project budgets +\$25MM



# DSCR LOAN EXPLAINED

**DSCR stands for "Debt Service Coverage Ratio,"** and a DSCR loan is a type of loan that takes into consideration the borrower's ability to service the debt. It is commonly used in commercial real estate financing to assess the risk of providing a loan to a borrower or investor.

**The Debt Service Coverage Ratio (DSCR) is a financial metric that evaluates the borrower's ability to generate enough income to cover the loan's debt service,** including principal and interest payments. The ratio is calculated by dividing the property's net operating income (NOI) by its total debt service (the annual loan payment). The formula for calculating DSCR is:

$$\text{DSCR} = \text{Net Operating Income (NOI)} / \text{Total Debt Service}$$

A DSCR ratio greater than 1 indicates that the property's income is sufficient to cover the debt service, and the borrower has a positive cash flow. A DSCR below 1 means that the property's income is insufficient to cover the debt service, and the borrower may struggle to meet loan obligations.