

CASE STUDY: CHAMPION HILLS AT WINDYKE

3788 Links Drive
Memphis, Tennessee

- Date Acquired: Phase 1: 176 units completed 10/96
Phase 2: 88 units completed 4/98
- Original Purchase Price: \$12.5 million
- Original Equity: \$2.1077 for both joint venture partners
\$1.054 million for Memphis investment group

LOCATION Champion Hills is situated next to the Windyke Golf Course and boasts amenities in many units that include sunrooms, covered patios with golf course views, large bathrooms, and individual alarm systems. The gated community offers extensive landscaping, a clubhouse with a state-of-the-art exercise room, and swimming pool, all working in concert with a carefully designed site plan. Buildings feature brick and Hardiplank siding.

Champion Hills was developed jointly by MRG and Belz Enterprises in two phases completed in 1996 and 1998. The 264-unit apartment community is strategically located approximately 1.25 miles from the I-385/Forest Hill Irene interchange in what is known as the busy Southeast Technology Corridor that follows I-385 from Kirby to Collierville.

INSPIRATION Back in the early to mid 1990's, however, I-385 construction was just making its way toward Collierville, providing only a hint of what was to come. Not everyone saw the likelihood of tremendous growth in the area that we did at MRG. As it turned out, we were in pretty good company in selecting the area to develop an apartment community. In 1997, Nike chose to consolidate operations from an out-of-state distribution center to more than double their existing operation nearby. In 2000, FedEx completed their world headquarters just a few short miles from Champion Hills, bringing 3000 jobs into the market.

COMPENSATION Our investors have benefited from our foresight in choosing this location for development, earning a solid 9.42% 15-year average before-tax ROI.

PERFORMANCE HIGHLIGHTS

(before tax):

Average 15 year ROI: 9.2%

2010 ROI: 15.52%

Current Occupancy Rate
(May 2013): 95.8%

2012 Turnover: 39.0%



MRG Makowsky
Ringel
Greenberg LLC
Multi-Family & Commercial Real Estate