



**DAN RIVER CROSSING
601 BRIDGE STREET**

DANVILLE, VA 24541

Price: \$5,600,000

TABLE OF CONTENTS

DREW LANCASTER

Managing Partner
423-713-9788
drew@hollyhillconstruction.com

Investment Details	3
Property Summary	4
Professional Bio	5
So why this deal?	6
Property Description	7
Cash Flow Analysis	8
Gross Income Vs. Operating Expenses	9
Loan Analysis	10
Equity vs. Debt	11
Property Equity Analysis	12
Property Resale Analysis	13
Investment Return Analysis	14
Unit Mix Report	15
Property Photos	16
Aerial Map	19
Regional Map	20

INVESTMENT DETAILS

Dan River Crossing
601 Bridge Street | Danville, VA 24541

03

Analysis

Analysis Date	April 2021
Scenario	Market Rate

Property

Property Type	MultiFamily
Property	Dan River Crossing
Address	601 Bridge Street
City, State	Danville, VA 24541
Year Built	9404

Purchase Information

Purchase Price	\$5,600,000
Units	74
Total Rentable Sq. Ft.	82,114
Lot Size	1.70 acres
Resale Valuation	5.500% (capitalization of noi)
Resale Expenses	3.000%

Income & Expense

Gross Operating Income	\$870,816
Monthly GOI	\$72,568
Total Annual Expenses	(\$433,500)
Monthly Expenses	(\$36,125)

Financial Information

Initial Equity	\$1,120,000
Closing Costs	\$50,000

Loans

Type	Debt	Term	Amort	Rate	Payment	LO Costs
Balloon	\$4,480,000	10 years	20 years	4.75%	\$28,951	

PROPERTY SUMMARY

Dan River Crossing
601 Bridge Street | Danville, VA 24541



Property Summary

Available SF:	82,114 sq ft
Building Size:	87,704 sq ft
Lot Size:	1.7 acres
Price:	\$5,600,000
Rentable SF:	87,704
Type:	MultiFamily

Property Overview

The Dan River Crossing apartments are comprised of two historic buildings adapted for reuse: the Tobacco Company Cigar Factory, circa 1894, and the Waddill Printing Company Lithographic Plant, circa 1926. Redeveloped into apartments in 2004 with two stair and elevator towers added to connect the buildings and provide full ADA accessibility. It was the first adaptive reuse housing in the district.

Location Overview

- Located in the popular River District overlooking the Dan River
- Adjacent to The Crossing at the Dan complex featuring the Danville Science Center, Community Market, Amtrak, Pepsi Building, Carrington Pavilion, and community park
- Adjacent to the popular Riverwalk Trail, an eleven mile paved walking trail along the river highlighted by the iconic Trestle Bridge that crosses the river behind the apartment
- One block from Averett University's Riverview Campus for Graduate & Professional Studies
- Convenient access to US-58 & US-29

Drew Lancaster

Managing Partner

H&H Property Management and Investment LLC

P: 423-713-9788

Partner with a team that has a proven track record of success and puts their own money into each deal. A lot of people want to invest in real estate using your money, but we won't ask you to take the risk without putting our money on the line as well. We know they are well-intentioned, but listening to a few great podcasts and presenting an impressive spreadsheet does not make them a good investment. Invest with us, invest with confidence. We have purchased and sold over 52M in apartments and real estate investments and our track record shows a proven history of great returns.

Drew entered the field of construction when he was in high school and started the company, Holly Hill Construction, 20 years ago. Holly Hill has expanded to have several divisions, including Chattanooga Dock Builders and H&H Property Management and Investment.

In 2005, Drew began investing in real estate with duplexes and single-family houses in the Chattanooga area. With his first partner, in 2009, he purchased a 120 unit apartment complex in Chattanooga. From there he has established a professional team assisting him in obtaining and managing 13 transactions. His companies have handled all aspects of acquisition, renovation, daily management, and oversight of the sales

Drew lives in Chattanooga with his wife Debbie of 13 yrs and three beautiful daughters.

So why this deal?

We are excited to present Dan River Crossing Apartments in Danville, Virginia for your next investment opportunity. This asset was recently acquired at auction, allowing us to secure the most competitive purchase price, below market value.

As current investors in the Danville market, we are both familiar with and excited about what Danville has to offer for future growth. Three years ago, we invested in 168 units just a couple miles away and have found the rental market to be robust and growing stronger.

Danville's market is influenced strongly by a local government committed to economic growth and community development, especially focused on the downtown historic district where the Dan River Crossing Apartments are located. The local government is consistent in facilitating infrastructure to welcome new business, such as the pad-ready development site at Berry Hill farms as well as the 400 million dollar casino slated to open in 2023 and bring in 1300 new jobs.

Along with the \$4.6 million purchase, we are budgeting for a \$1 million renovation, to include new roofing, replacement of some mechanical systems, along with unit enhancements to include kitchen upgrades, new fixtures, and overall refurbishment including painting and flooring. We believe these changes will create a property with unique value that will attract top-rate renters and produce optimal returns.

Because of the purchase of this asset at auction, we have a tight window to close, currently scheduled for May 28th. We are asking for confirmation of interest by May 7th and funding by May 21st.

We believe in this deal so much that we have put down a non-refundable deposit of \$150,000 of our own money.

The dollars at a glance

- To raise: \$1,272,000
- Minimum investment: \$112,200 first round.
- Preferred rate of return: 8% (annual return)
- Waterfall: 60%-40% split
- We are planning on a 3-5 year hold (resulting in more than doubling your investment on top of your 8%)

What does all that mean for you if you invest the minimum of \$112,200?

- \$8,976 a year (expected annual average of return)
- \$285,217 additional return after the 8% preferred. *That's over a 200% return on investment.* These are estimated and subject to the market but we are confident in the strength of this investment.

To learn more about the legal structure and how things will be set up please go to hhinvest.biz/investordocs

Like any investment there are risks and there are things you need to know before investing. Please go to hhinvest.biz/investor_docs and read the documents to learn more about the risks and structure of this deal. We only work with certified investors and it is the investor's responsibility to read and understand all documents and the structure of the investment.

PROPERTY DESCRIPTION

Dan River Crossing
601 Bridge Street | Danville, VA 24541

07



Property Description

A historic cigar factory, located off an original cobblestone street has been fully renovated in 2004 into 74 beautiful brick, vintage industrial style apartments. These one and two-bedroom units share original hardwood floors, exposed brick walls, open beam ceilings, and unique architectural details throughout.

It's prime location in the heart of the vibrant downtown river district with an 11 mile riverwalk, dog park, community farmers market, local breweries and restaurants, all within blocks, make it an ideal location for investment growth.

DREW LANCASTER
423-713-9788
drew@hollyhillconstruction.com



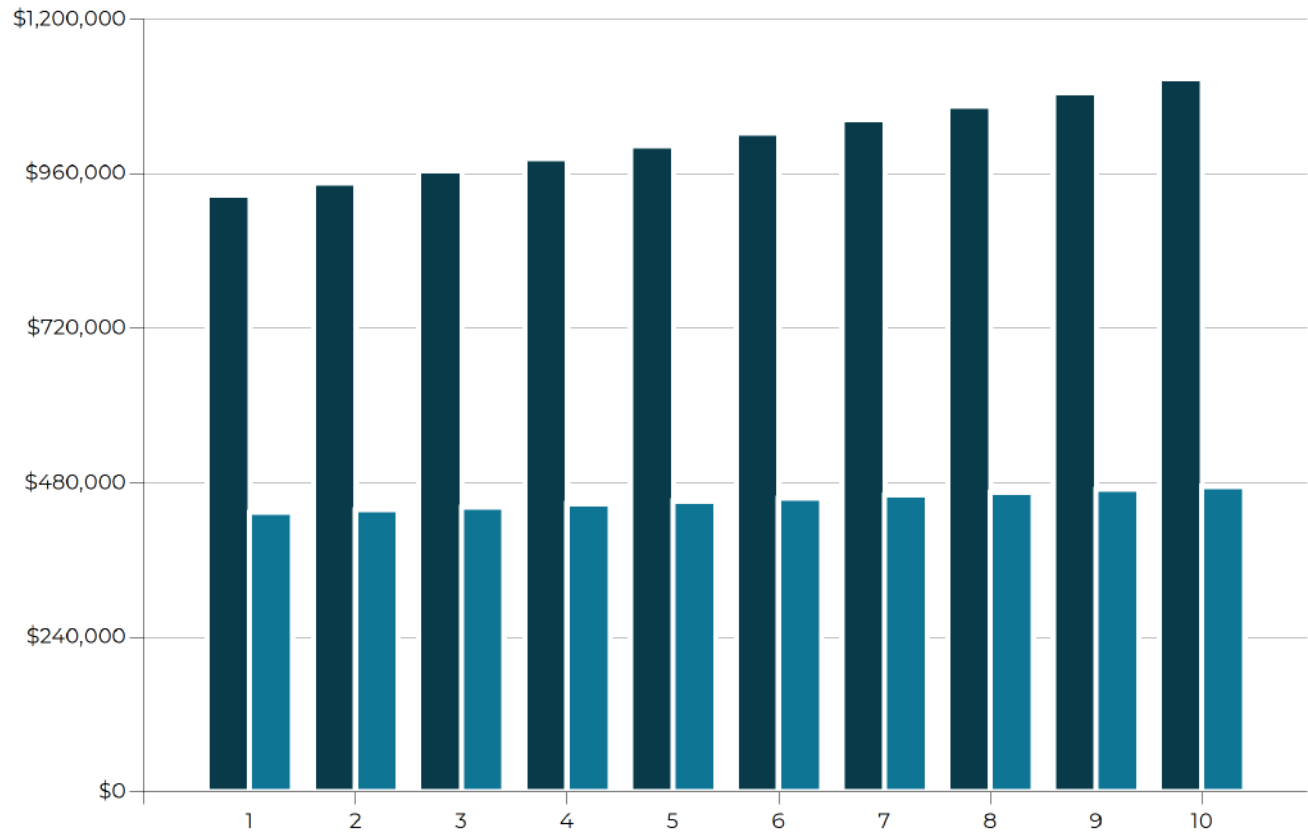
CASH FLOW ANALYSIS

Dan River Crossing
601 Bridge Street | Danville, VA 24541

Before-Tax Cash Flow Year Ending	Year 1 03/2022	Year 2 03/2023	Year 3 03/2024	Year 4 03/2025	Year 5 03/2026
Before-Tax Cash Flow					
Gross Scheduled Income	\$926,400	\$944,928	\$963,827	\$983,103	\$1,002,765
Turnover Vacancy	(\$55,584)	(\$56,696)	(\$57,830)	(\$58,986)	(\$60,166)
Total Operating Expenses	(\$433,500)	(\$437,835)	(\$442,213)	(\$446,635)	(\$451,102)
Net Operating Income	\$437,316	\$450,397	\$463,784	\$477,481	\$491,497
Loan Payment	(\$347,410)	(\$347,410)	(\$347,410)	(\$347,410)	(\$347,410)
Replacement Reserves	(\$22,200)	(\$22,200)	(\$22,200)	(\$22,200)	(\$22,200)
Before-Tax Cash Flow	\$67,706	\$80,787	\$94,174	\$107,872	\$121,888
Cash-On-Cash Return	5.79%	6.90%	8.05%	9.22%	10.42%
Before-Tax Cash Flow Year Ending	Year 6 03/2027	Year 7 03/2028	Year 8 03/2029	Year 9 03/2030	Year 10 03/2031
Before-Tax Cash Flow					
Gross Scheduled Income	\$1,022,820	\$1,043,277	\$1,064,142	\$1,085,425	\$1,107,134
Turnover Vacancy	(\$61,369)	(\$62,597)	(\$63,849)	(\$65,126)	(\$66,428)
Total Operating Expenses	(\$455,613)	(\$460,169)	(\$464,771)	(\$469,418)	(\$474,113)
Net Operating Income	\$505,838	\$520,511	\$535,523	\$550,881	\$566,593
Loan Payment	(\$347,410)	(\$347,410)	(\$347,410)	(\$347,410)	(\$347,410)
Replacement Reserves	(\$22,200)	(\$22,200)	(\$22,200)	(\$22,200)	(\$22,200)
Before-Tax Cash Flow	\$136,229	\$150,901	\$165,913	\$181,272	\$196,983
Cash-On-Cash Return	11.64%	12.90%	14.18%	15.49%	16.84%

GROSS INCOME VS. OPERATING EXPENSES

Dan River Crossing
601 Bridge Street | Danville, VA 24541



Year	Gross Scheduled Income	Total Operating Expenses
1	\$926,400	(\$433,500)
2	\$944,928	(\$437,835)
3	\$963,827	(\$442,213)
4	\$983,103	(\$446,635)
5	\$1,002,765	(\$451,102)
6	\$1,022,820	(\$455,613)
7	\$1,043,277	(\$460,169)
8	\$1,064,142	(\$464,771)
9	\$1,085,425	(\$469,418)
10	\$1,107,134	(\$474,113)

Loan 1 (Balloon)

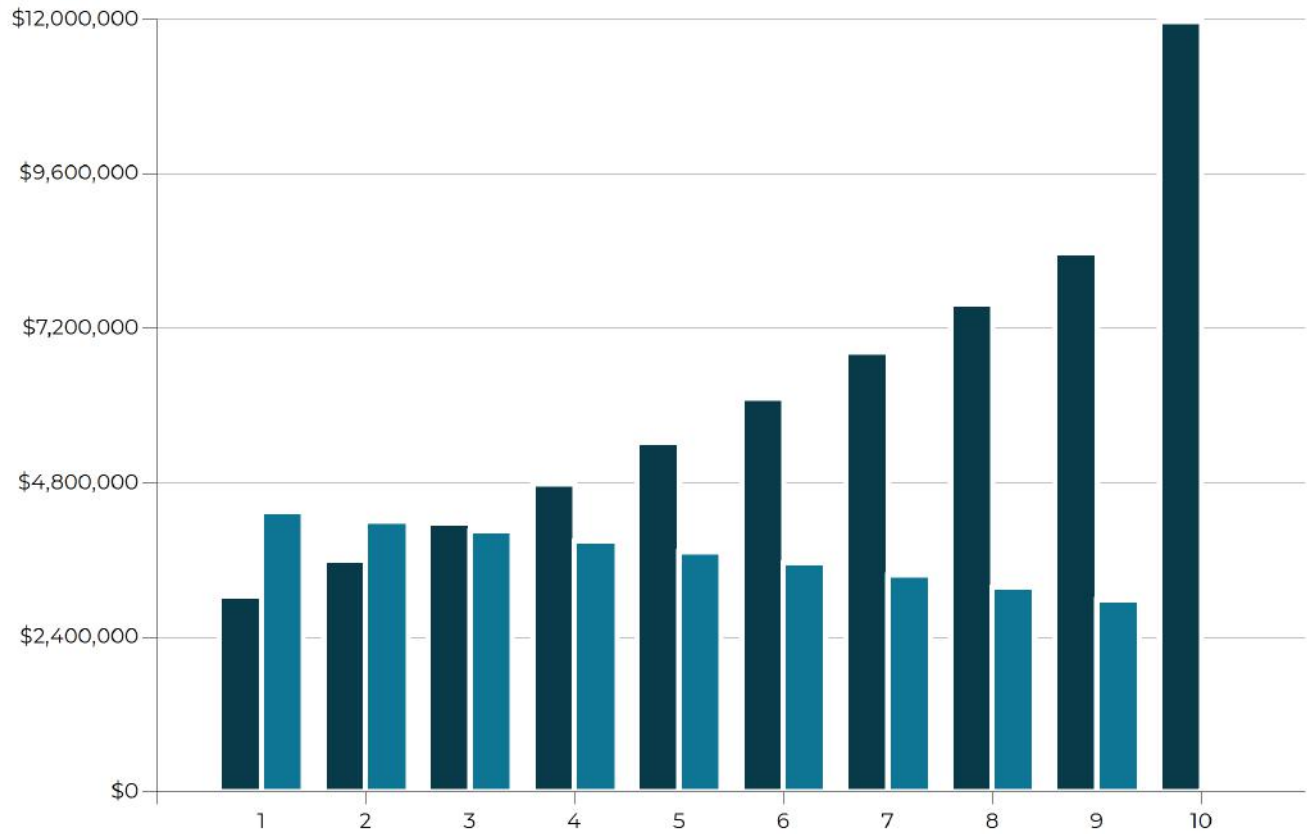
Debt Service Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
Principal Payments	\$137,579	\$144,259	\$151,262	\$158,605	\$166,305
Interest Payments	\$209,830	\$203,151	\$196,148	\$188,804	\$181,104
Total Debt Service	\$347,410	\$347,410	\$347,410	\$347,410	\$347,410
Balloon/Retirement	\$0	\$0	\$0	\$0	\$0
Principal Balance Analysis					
Beginning Principal Balance	\$4,480,000	\$4,342,421	\$4,198,162	\$4,046,900	\$3,888,294
Principal Reductions	\$137,579	\$144,259	\$151,262	\$158,605	\$166,305
Ending Principal Balance	\$4,342,421	\$4,198,162	\$4,046,900	\$3,888,294	\$3,721,989

Loan 1 (Balloon)

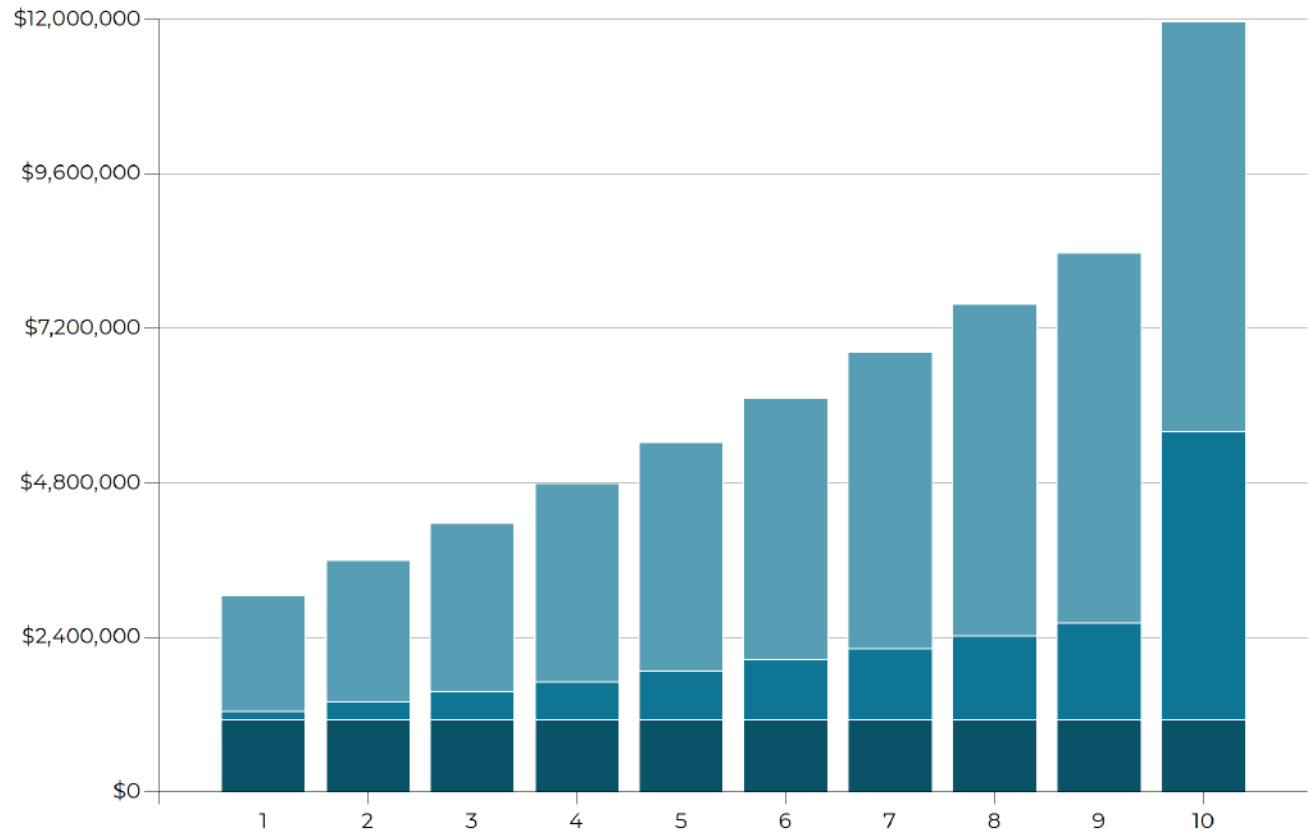
Debt Service Analysis	Year 6	Year 7	Year 8	Year 9	Year 10
Principal Payments	\$174,379	\$182,845	\$191,722	\$201,029	\$210,789
Interest Payments	\$173,031	\$164,565	\$155,688	\$146,380	\$136,621
Total Debt Service	\$347,410	\$347,410	\$347,410	\$347,410	\$347,410
Balloon/Retirement	\$0	\$0	\$0	\$0	\$2,761,225
Principal Balance Analysis					
Beginning Principal Balance	\$3,721,989	\$3,547,610	\$3,364,765	\$3,173,043	\$2,972,014
Principal Reductions	\$174,379	\$182,845	\$191,722	\$201,029	\$210,789
Ending Principal Balance	\$3,547,610	\$3,364,765	\$3,173,043	\$2,972,014	\$0

EQUITY VS. DEBT

Dan River Crossing
601 Bridge Street | Danville, VA 24541



Year	Equity	Loan Principal Balance
1	\$3,042,579	(\$4,342,421)
2	\$3,593,013	(\$4,198,162)
3	\$4,172,790	(\$4,046,900)
4	\$4,783,478	(\$3,888,294)
5	\$5,426,731	(\$3,721,989)
6	\$6,104,290	(\$3,547,610)
7	\$6,817,989	(\$3,364,765)
8	\$7,569,763	(\$3,173,043)
9	\$8,361,646	(\$2,972,014)
10	\$11,957,011	\$0



Year	Initial Equity	Equity (loan reduction)	Equity (appreciation)
1	\$1,120,000	\$137,579	\$1,785,000
2	\$1,120,000	\$281,838	\$2,191,175
3	\$1,120,000	\$433,100	\$2,619,690
4	\$1,120,000	\$591,706	\$3,071,773
5	\$1,120,000	\$758,011	\$3,548,720
6	\$1,120,000	\$932,390	\$4,051,900
7	\$1,120,000	\$1,115,235	\$4,582,754
8	\$1,120,000	\$1,306,957	\$5,142,806
9	\$1,120,000	\$1,507,986	\$5,733,660
10	\$1,120,000	\$4,480,000	\$6,357,011

PROPERTY RESALE ANALYSIS

Dan River Crossing
601 Bridge Street | Danville, VA 24541

Description Year Ending	Year 1 03/2022	Year 2 03/2023	Year 3 03/2024	Year 4 03/2025	Year 5 03/2026
Resale Proceeds					
Projected Property Value	\$7,385,000	\$7,791,175	\$8,219,690	\$8,671,773	\$9,148,720
Resale Expenses	(\$221,550)	(\$233,735)	(\$246,591)	(\$260,153)	(\$274,462)
Proceeds Before Debt Payoff	\$7,163,450	\$7,557,440	\$7,973,099	\$8,411,619	\$8,874,258
Tax Basis					
Basis at Acquisition	\$5,650,000	\$5,650,000	\$5,650,000	\$5,650,000	\$5,650,000
Capital Expenditures	\$22,200	\$44,400	\$66,600	\$88,800	\$111,000
Depreciation	(\$197,620)	(\$404,635)	(\$612,457)	(\$821,086)	(\$1,030,523)
Adjusted Tax Basis	\$5,474,580	\$5,289,765	\$5,104,143	\$4,917,714	\$4,730,477
Tax From Sale					
Resale Tax Gain (Loss)	\$1,688,870	\$2,267,674	\$2,868,956	\$3,493,906	\$4,143,781
Resale Tax Benefit (Cost)	\$0	\$0	\$0	\$0	\$0
After-Tax Cashflow From Sale					
Loan Principal Balance	(\$4,342,421)	(\$4,198,162)	(\$4,046,900)	(\$3,888,294)	(\$3,721,989)
Balloon/Call Payment	\$0	\$0	\$0	\$0	\$0
Replacement Reserves Remaining	\$22,200	\$44,400	\$66,600	\$88,800	\$111,000
Net Resale Proceeds	\$2,843,229	\$3,403,678	\$3,992,799	\$4,612,125	\$5,263,269

Description Year Ending	Year 6 03/2027	Year 7 03/2028	Year 8 03/2029	Year 9 03/2030	Year 10 03/2031
Resale Proceeds					
Projected Property Value	\$9,651,900	\$10,182,754	\$10,742,806	\$11,333,660	\$11,957,011
Resale Expenses	(\$289,557)	(\$305,483)	(\$322,284)	(\$340,010)	(\$358,710)
Proceeds Before Debt Payoff	\$9,362,343	\$9,877,272	\$10,420,521	\$10,993,650	\$11,598,301
Tax Basis					
Basis at Acquisition	\$5,650,000	\$5,650,000	\$5,650,000	\$5,650,000	\$5,650,000
Capital Expenditures	\$133,200	\$155,400	\$177,600	\$199,800	\$222,000
Depreciation	(\$1,240,767)	(\$1,451,818)	(\$1,663,677)	(\$1,876,343)	(\$2,081,304)
Adjusted Tax Basis	\$4,542,433	\$4,353,582	\$4,163,923	\$3,973,457	\$3,790,696
Tax From Sale					
Resale Tax Gain (Loss)	\$4,819,910	\$5,523,690	\$6,256,598	\$7,020,193	\$7,807,605
Resale Tax Benefit (Cost)	\$0	\$0	\$0	\$0	\$0
After-Tax Cashflow From Sale					
Loan Principal Balance	(\$3,547,610)	(\$3,364,765)	(\$3,173,043)	(\$2,972,014)	\$0
Balloon/Call Payment	\$0	\$0	\$0	\$0	(\$2,761,225)
Replacement Reserves Remaining	\$133,200	\$155,400	\$177,600	\$199,800	\$222,000
Net Resale Proceeds	\$5,947,933	\$6,667,907	\$7,425,078	\$8,221,436	\$9,059,076

INVESTMENT RETURN ANALYSIS

Dan River Crossing
601 Bridge Street | Danville, VA 24541

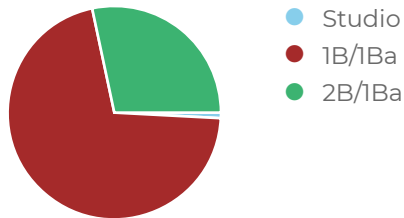
Description Year Ending	Year 1 03/2022	Year 2 03/2023	Year 3 03/2024	Year 4 03/2025	Year 5 03/2026
Cash Flow - To Date	\$67,706	\$148,494	\$242,667	\$350,539	\$472,427
Net Resale Proceeds	\$2,843,229	\$3,403,678	\$3,992,799	\$4,612,125	\$5,263,269
Invested Capital	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)
Net Return on Investment	\$1,740,936	\$2,382,171	\$3,065,466	\$3,792,664	\$4,565,696
Before Tax Calculations					
PV (NOI + reversion)	\$7,103,520	\$7,403,062	\$7,689,110	\$7,962,139	\$8,222,609
After Tax Calculations					
IRR	N/A	75.49%	55.22%	45.45%	39.57%
Modified IRR	148.80%	74.36%	53.73%	43.75%	37.72%
NPV	\$1,550,501	\$1,936,744	\$2,300,027	\$2,641,576	\$2,962,551
Description Year Ending	Year 6 03/2027	Year 7 03/2028	Year 8 03/2029	Year 9 03/2030	Year 10 03/2031
Cash Flow - To Date	\$608,655	\$759,557	\$925,470	\$1,106,742	\$1,303,725
Net Resale Proceeds	\$5,947,933	\$6,667,907	\$7,425,078	\$8,221,436	\$9,059,076
Invested Capital	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)	(\$1,170,000)
Net Return on Investment	\$5,386,588	\$6,257,463	\$7,180,548	\$8,158,178	\$9,192,801
Before Tax Calculations					
PV (NOI + reversion)	\$8,470,971	\$8,707,664	\$8,933,113	\$9,147,735	\$9,351,933
After Tax Calculations					
IRR	35.57%	32.66%	30.41%	28.62%	27.16%
Modified IRR	33.60%	30.58%	28.25%	26.37%	24.83%
NPV	\$3,264,046	\$3,547,098	\$3,812,687	\$4,061,741	\$4,295,135

UNIT MIX REPORT

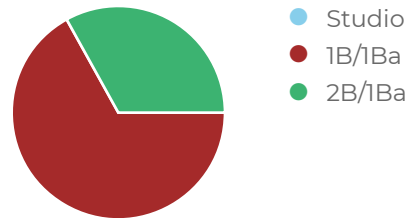
Dan River Crossing
601 Bridge Street | Danville, VA 24541

Units	Type	Approx. SqFt	Avg. Rents	Monthly	Mkt Rents	Monthly
1	Studio	796	\$850.00	\$850.00	\$850.00	\$850.00
53	1B/1Ba	1,046	\$950.00	\$50,350.00	\$950.00	\$50,350.00
20	2B/1Ba	1,294	\$1,300.00	\$26,000.00	\$1,300.00	\$26,000.00
74		82,114		\$77,200.00		\$77,200.00

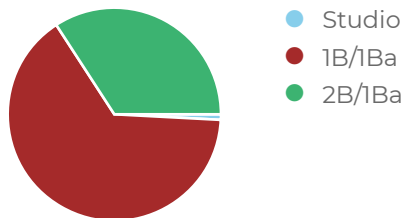
UNIT MIX



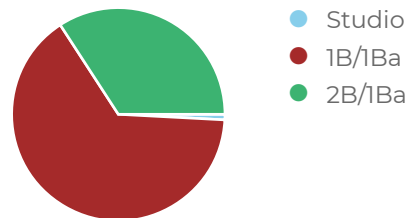
UNIT MIX SQUARE FEET



UNIT MIX INCOME

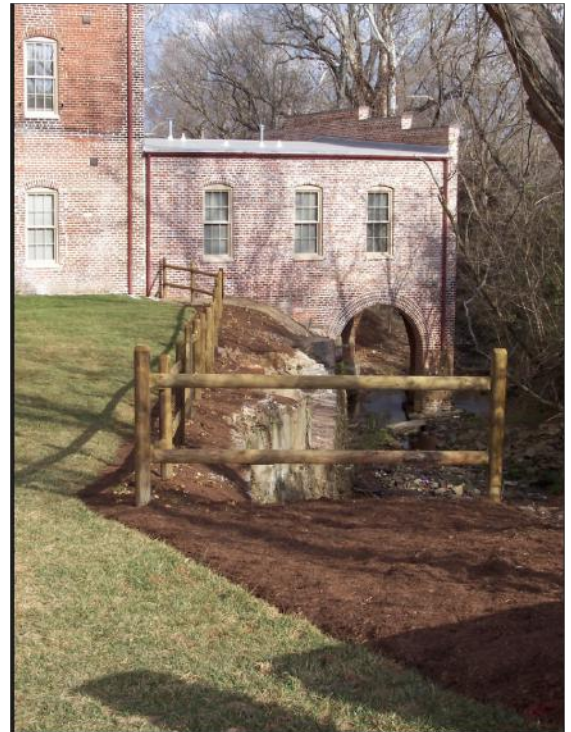


UNIT MIX MARKET INCOME



PROPERTY PHOTOS

Dan River Crossing
601 Bridge Street | Danville, VA 24541



PROPERTY PHOTOS

Dan River Crossing
601 Bridge Street | Danville, VA 24541



PROPERTY PHOTOS

Dan River Crossing
601 Bridge Street | Danville, VA 24541



AERIAL MAP

Dan River Crossing
601 Bridge Street | Danville, VA 24541



REGIONAL MAP

Dan River Crossing
601 Bridge Street | Danville, VA 24541

