

IC Memos for Real Estate Private Equity Acquisitions (Multifamily & Hotel Deals)

These deals highlight my **analytical mindset, data-driven decision-making, and problem-solving skills**. These are just snippets from the lengthy documents I have produced during my time leading operations and acquisitions at a boutique (REPE) investment firm in Austin.

The Property



The Sheraton is located in the heart of Austin’s thriving CBD and offers convenient proximity roughly three blocks east of the Texas State Capitol, the University of Texas and leading generators of commercial, convention and leisure demand. The Sheraton occupies nearly a full city block in a highly visible, prominent location at the corner of 11th and Red River streets and is adjacent to the Interstate 35 Frontage Road. The Hotel is just four blocks from the renowned Sixth Street entertainment and music district and seven blocks from the Austin Convention Center. The Sheraton also offers convenient access to the recently completed Dell Medical Center located just two blocks north of the Hotel. Given the Hotel’s location between the CBD, Texas State Capitol, and University of Texas, it is in the immediate path of growth as development and demand continues to move north within Austin.

Site Information

Address:	701 East 11th Street, Austin, TX 78701
Land Size:	2.84 acre (123,733 SF)
Max FAR:	15:1 (Through Downtown Density Bonus)
Zoning:	CS/CS-1
Buildable Area:	1,855,995 SF
Allowed Height:	400'
Year Build/Renvated:	1986/2015-2016
Stories:	15
Guest Rooms:	367
Parking:	Attached five story valet and self-parking facility with 346 spaces
Food & Beverage Outlets:	The YARD at Waller Creek, The Swing In; Airstream Food Truck ~27,000 square feet of meeting and event space (largest room is the 9,600 SF Capitol Ballroom)
Total Meeting & Event Space:	Sheraton Fitness, Sheraton Club Lounge, indoor/outdoor pool with hot tub and sun deck, high speed Internet access, 24-hour business center, valet and self-parking
Amenities:	Fee Simple
Ownership Interest:	HEI Hotels & Resorts (Available Unencumbered)
Management:	Marriott International (Available Unencumbered for Fee)
Franchise:	

Base Case: Assumptions & Returns Analysis Nalle Woods

PROPERTY INFORMATION	
Property Name	Nalle Woods
City	Austin
State	TX
Built	2004
Units	238
Effective Rent	\$1,662.26
Average Size	1,096 SF
Occupancy	97%

DEAL INFORMATION	
Sponsor	Sponsor
Management	Manager Name
Status	Bid Due 10/8
Anticipated Closing	Closing
Closing Date	
Exit Year	10
Residual Cap Rate	5.0%
Cost of Sale	1.5%
GP Promote	50.0%
Transaction Type	Acquisition
Deal Type	Market
Strategy	Strategy
PE Request	\$0
Current Owner	
Current Manager	Manager Name
Transaction Broker	CBRE
User	

FINANCING SUMMARY	
Loan	\$38,902,932
Loan-to-Purchase Price	68%
Type of Debt	Fixed
Term	Term
Maturity	5
Interest Rate	4.89%
Interest Only	5
Amortization	9999

OPERATING ASSUMPTIONS	
Income Escalator	103.0%
Expense Escalator	103.0%

SOURCES & USES				
SOURCES	%	\$ / Amount	\$ / Unit	\$ / SF
Senior Debt	66%	\$38,902,932	\$163,458	\$149
Total Equity	34%	\$20,419,780		
Preferred Equity (0%)		0	0	\$0
Common Equity (100%)		20,419,780	85,797	\$78
		\$59,322,712	\$249,255	\$227

USES				
USES	%	\$ / Amount	\$ / Unit	\$ / SF
Purchase Price	Cap Rate 4.5%	96.3%	\$57,120,000	\$240,000
CAPEX		2.0%	1,190,000	5,000
Interest Reserve		0.0%	0	0
Acquisition Fee		0.0%	0	0
Closing Costs		1.7%	1,012,712	4,255
		100.0%	\$59,322,712	\$249,255

DEAL STATISTICS SUMMARY		
	SPONSOR	WCCG
Basis to Purchase Price		104%
Total Cost	\$59,322,712	\$59,322,712
\$ / Unit	\$249,255	\$249,255
POSITION IN CAPITAL STACK	100%	100%
	\$2,566,089	\$2,566,089
CAP RATE	4.33%	4.33%
Cap Rate (excluding CAPEX)		4.41%

REFINANCING SUMMARY	
Refinancing	Yes
Refi Year	5
Forward Looking NOI	\$3,077,860
Refi Cap Rate	5.0%
Refi Value	\$61,557,205
Loan Amount	\$41,858,900
LTV	68.0%
Total Interest Rate	4.89%
Amortization	30
Term	5
Repayment Year	10
I/O Period	—
Closing Costs	—

TAKEOUT TEST	
Y3 NOI	\$2,925,391
Cap Rate	5.00%
Valuation	58,507,813
Per Unit	245,831
Implied Equity	\$19,604,881
Takeout Coverage	.96x
Break-Even Cap Rate	0.00%

COVERAGE RATIOS	
Debt Service (Interest Only)	.00x
Debt Service (Amortization)	.00x
Preferred Equity (Interest Only)	.00x
Preferred Equity (Amortization)	.00x

NOI	
Sponsor T12	0.00%
Trailing-3	0.00%
	4.33%
	4.74%
	4.93%
	5.03%
	5.13%
Trailing-12	0.00%

Structured investment theses, financial modeling, and risk assessments for multimillion-dollar acquisitions.