



Introducing the

# Townhomes of Harvard

a Clifton Homes LLC Community



# New Construction Rentals | Overview

Build-to-Rent Housing Communities are in high demand. New Construction Rental housing is a great investment option for those seeking long-term appreciation with low vacancy and maintenance concerns. Clifton Homes combines experienced homebuilders with our first-class property management team to ensure for a high-quality asset class.



# New Construction Rentals | **Benefits**

## A Low Maintenance Asset

*Clifton Homes offers a warranty that covers the entire home for the first 12 months of ownership*, with other manufacturer and installation warranties that extend longer term. These properties are specifically designed for the long term investment model, with sustainability and long term, low maintenance as the goal .

## CapRate Up to 6.5%

New construction and low maintenance costs will help drive occupancy rates and dramatically lower upkeep costs. These factors help to boost this cap rate. Cash on cash returns of 12 -14% can be expected on these Independence rental units

## Stable and Consistent Cash Flow

New construction typically attracts stable, long -term tenants. Investors realize continuous monthly income from tenants who are willing to pay a premium to live in a new home.

Clifton Homes's 600+ rental homes in the Jackson County area make us an industry expert, and our pre leasing strategies mean that these homes will likely be rented out before construction is completed.

## Property Appreciation & Tax Depreciation

While properties increase in value, cost segregation strategies allow for accelerated depreciation deductions to reduce tax liability.

# Townhomes of Harvard | Development Overview

Clifton Homes LLC has purchased the remaining 13 lots near the intersection of Sterling and 29th Street in Independence, Missouri and in partnership with Clifton Homes has begun some 'Build-to-Rent' style Townhomes. Ground breaking was in December 2021, with first units available for rent in June 2022.

The Townhomes of Harvard project consists of 13 two -story, fourplex buildings with maintenance free exteriors, 30-year architectural shingles, high-end vinyl siding, quality windows, Trane brand HVAC systems, and quality building materials. Roofs, stone exterior and interior finishings will all have nice neutral colors.

This development brings much needed new construction workforce housing to the city of Independence, MO and is garnering much praise from the community. Units are both 3 & 4 bedroom townhomes, and Lease rates will be in the \$1,355 - \$1,525 range.

All units will remain under the professional property management of Clifton Homes LLC.



# Townhomes of Harvard | Development Site



# Townhomes of Harvard | Development Site

## Location

The development site is in a desirable area of **Independence, Missouri** with convenient access along the main I - 70 & Sterling Avenue corridor.

This location provides easy access to highways, restaurants, shopping, commercial development, the best schools in the district, and much more.



# Townhomes of Harvard | Unit Mix

Bed/Bath	# of Units	Proforma Rent	Area (sq. ft.)	Orientation
3 bed / 2.5 bath	2	\$1,355 - \$1,425	1,200	Interior Units
4 bed / 2.5 bath	2	\$1,455 - \$1,525	1,200	End Cap Units

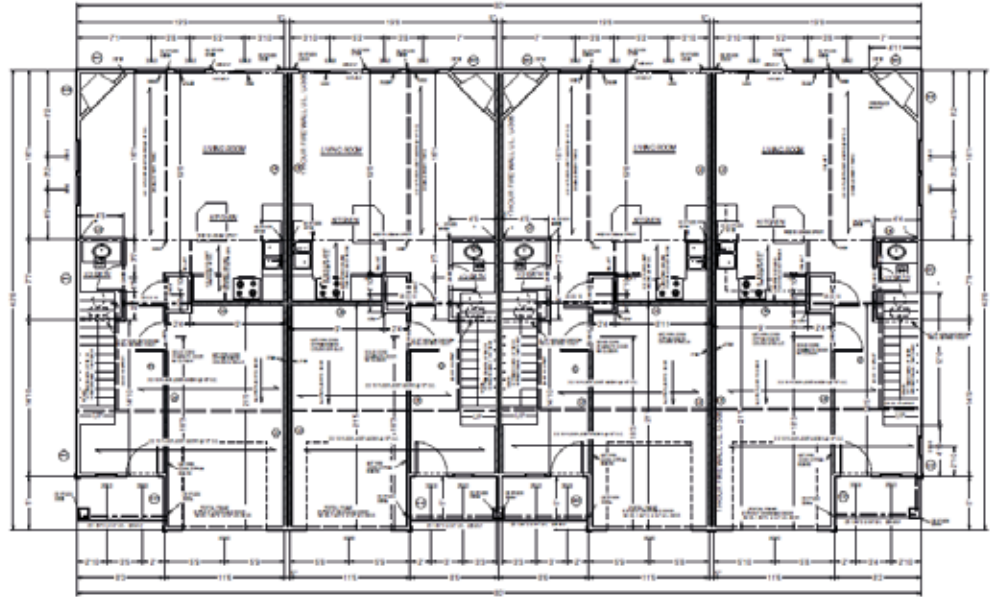
NOTE:

*Each unit has the same basic layout; however, the interior 3 bedroom units have a larger master bedroom to drive higher rents despite not being on the end cap. See the floorplans in the following slides.*

# Townhomes of Harvard | First Level Building Plans

## Features:

- Open kitchen with stainless steel appliances, granite countertops and kitchen island
- 1 car garage
- Open living room with fireplace
- Seamless LVP flooring throughout
- ½ bath in Main level
- Walk-out sliding glass door to back yard



A

B

C

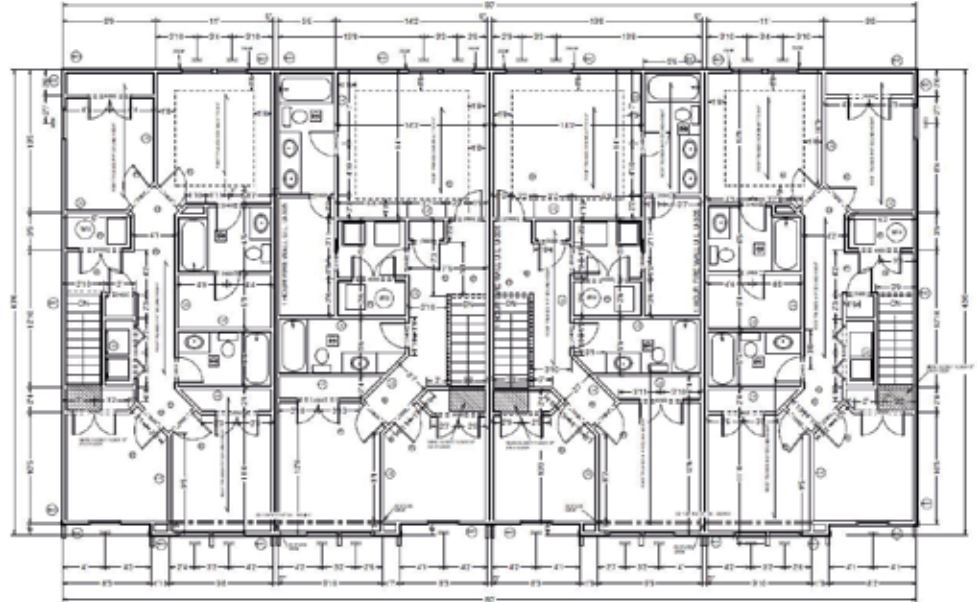
D



# Townhomes of Harvard | Second Level Building Plans

## Features:

- 4 bedroom / 2 ½ bathroom end units (A and D)
- 3 bedroom / 2 ½ bathroom interior units (B and C)
- Upstairs laundry hookups
- Hall bathroom
- Master bedroom and ensuite with walk-in closet
- One-car enclosed garage space for each unit



A

B

C

D



3 & 4 Bed / 2.5 Bath | 1st Level



3 Bed / 2.5 Bath | 2nd Level



4 Bed / 2.5 Bath | 2nd Level



*Townhomes of Harvard - Frontal Rendering*

# Proforma | Financial Projections

## Acquisition and Cash Flow Projections

			<u>Monthly</u>	<u>Annual</u>
Purchase price	\$ 729,900	Mortgage payment	\$ 2,613	\$ 31,362
Mortgage term	30 year	Principal paydown	803	9,640
Interest rate	4.00% fixed	Interest	1,810	21,722
Monthly payment	\$ 2,613			
		Net Operating Income	\$ 3,840	\$ 46,078
Down payment	\$ 182,475			
Closing costs/points	5,018	Cash flow	\$ 1,226	\$ 14,716
Lease up costs	<u>4,350</u>			
Initial cash investment	<u><u>\$ 191,843</u></u>	Cash flow excl. principal paydown	\$ 2,030	\$ 24,356

## Five Year Projections

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Annual rents	\$ 69,600	\$ 70,296	\$ 70,999	\$ 71,709	\$ 72,426
Average \$1,450/month/unit					
Net operating income	47,470 *	46,487	46,898	47,312	47,728
Cash flow excl. loan amort.	25,748	25,158	25,978	26,818	27,677
Cap rate	6.5%	6.4%	6.4%	6.5%	6.5%
Cash on cash return	13.4%	13.1%	13.5%	14.0%	14.4%
Equity **	\$ 206,713	\$ 231,636	\$ 257,266	\$ 283,625	\$ 310,736

\* Maintenance costs excluded in Year 1 due to builder's warranty

\*\* Estimated market value at 2% appreciation plus loan amortization



## Meet the Builder

Clifton Homes has been constructing ground up developments, single and multi-family projects, and renovating properties for over 25 years. More than 2,000 buildings have gone vertical or been completely remodeled over the years with unmatched quality, design, and materials that stand the test of time.

Our Vision has always been to build, develop, and re-develop properties for our partners and clients' real estate dreams. We have always wanted to do this at a price that is right for their family, their investment, and their lifestyle - creating a property that is resilient and makes them proud to own!



# Meet the Team



**Rob Clifton**  
Chief Executive Officer



**Sarah Stockwell**  
Chief Financial Officer



**Chris Robinett**  
VP of Production - Training



**Jeff Sandman**  
VP - Acquisitions, Strategy &  
Operations



**Dustin Ibarra**  
VP of Business Development / Sales



**Sarah Robinett**  
Finance Director / Controller

**Lindsey Moore**  
Chief Operating Officer



**Mark Clifton**  
Foreman New Construction



**Michael Moore**  
Foreman Remodel / New Construction





For information contact us at 816-852-0080  
Or email [rob@clifton-homes.com](mailto:rob@clifton-homes.com)

[www.clifton-homes.com](http://www.clifton-homes.com)