# CAPELLA

## APARTMENT HOMES

ATLANTA, GEORGIA

CONFIDENTIAL OFFERING MEMORANDUM

TRANSWESTERN

# CAPELLA
APARTMENT HOMES


01. VALUATION SUMMARY

02. PROPERTY OVERVIEW

03. FINANCIAL ANALYSIS

MIKE MCGAUGHY, CCIM
SENIOR MANAGING DIRECTOR
MIKE.MCGAUGHY@TRANSWESTERN.COM
404.842.6510

JON KLEINBERG
SENIOR MANAGING DIRECTOR
JON.KLEINBERG@TRANSWESTERN.COM
404.842.6506

# 04.

# AREA OVERVIEW

# No. 1
# EXECUTIVE SUMMARY

# CAPELLA

## APARTMENT HOMES

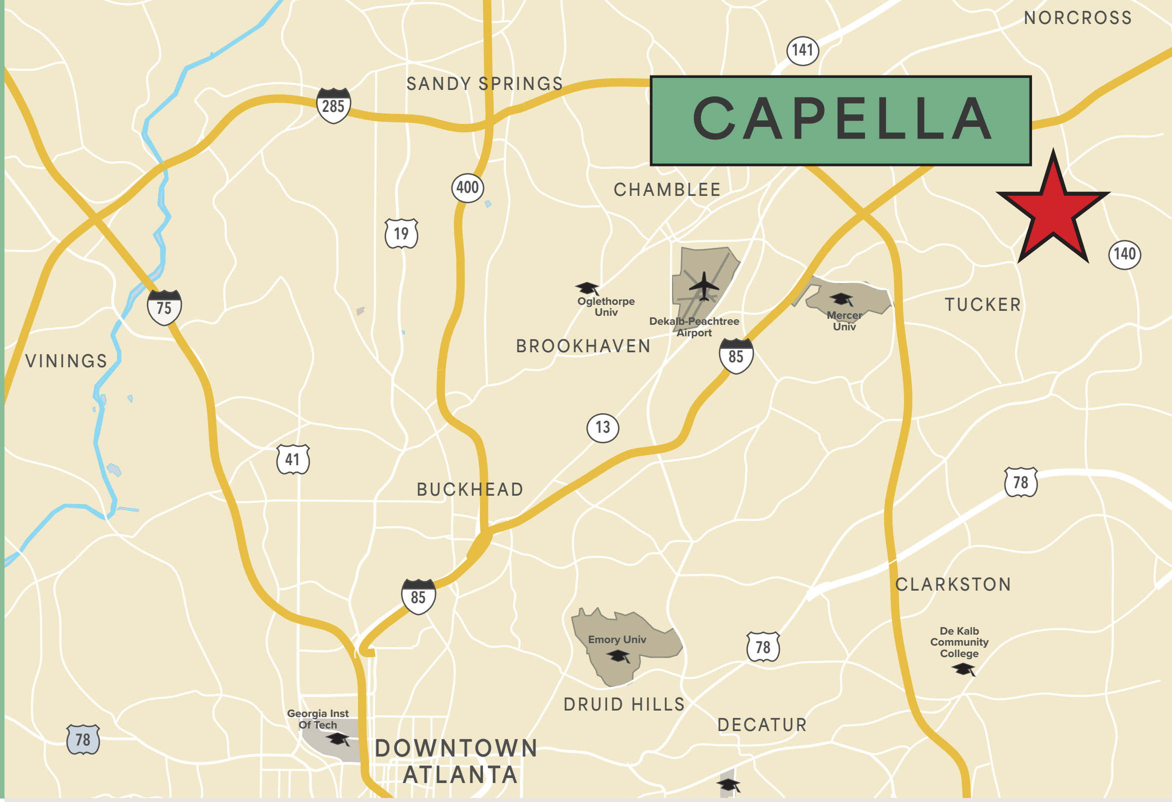
Transwestern's Southeast Investment Services Group is pleased to exclusively offer Capella Apartment Homes, a 320-unit multifamily community located in Northeast Atlanta's Gwinnett County—one of the fastest-growing counties in the nation. The property features convenient access to I-85 and I-285, as well as proximity to major retail, entertainment, and employment centers.

Capella has demonstrated strong financial performance, with consistent revenue and high occupancy averaging 95%. The offering includes attractive, assumable debt well below current market rates. With a combined principal balance of $35,181,000, a low blended interest rate of 4.1%, interest-only payments through maturity in August 2029, the loan structure provides meaningful additional cash flow in today's higher-rate environment.

The property offers a compelling value-add component, with 44% of the units in original or partially renovated condition. Fully renovated units are achieving average rental premiums of up to $150—demonstrating the remaining upside potential through interior renovations. With strong in-place operations, favorable financing, and a prime location, Capella Apartment Homes offers investors a proven cash-flowing asset with significant potential for further growth through renovation of unit interiors and exterior enhancements.

## PROPERTY DETAILS

| | |
|---|---|
| ADDRESS | 6168 S. Norcross Tucker Road, Tucker (Atlanta), GA 30084 |
| TOTAL UNITS | 320 |
| YEAR BUILT | 1985 |
| OCCUPANCY | 96% |
| AVERAGE UNIT SIZE | 1,059 SF |
| SIZE (SF) | 338,386 SF |
| SITE AND DENSITY | 32.3 acres \| 9.91 units per acre |
| PARKING | 600 total spaces \| 1.88 spaces/unit \| 1.19 spaces/bedroom |




## INVESTMENT HIGHLIGHTS

**ATTRACTIVE, BELOW MARKET ASSUMABLE DEBT**
Attractive financing opportunity with assumable debt

**STRONG FINANCIAL PERFORMANCE**
Consistent total revenue averaging over $5.7 million annually over the past four years, driven by strong occupancy averaging 95% and a 41% average increase in rental rates during that period

**QUALITY ASSET, IDEAL INVESTMENT SIZE**
A 320-unit, well-amenitized property with large, efficient units—an attractive investment size for first-time Atlanta buyers or existing owners seeking to grow their portfolio

**REALIZABLE VALUE ADD OPPORTUNITIES**
Completion of the interior renovation program and strategic exterior upgrades provide the ability to enhance income

**PRIME LOCATION WITH EXCELLENT ACCESS**
Proximate to major highways, retail centers and employment hubs throughout Gwinnett County and the Atlanta metro

## UNIT MIX

| FLOORPLAN | UNITS | % OF MIX | SF | MARKET RENT | MARKET RENT/SF |
|---|---|---|---|---|---|
| 1 BR / 1 BA - The Maple | 20 | 6% | 600 | $1,228 | $2.05 |
| 1 BR / 1 BA - The Poplar | 32 | 10% | 658 | $1,251 | $1.90 |
| 1 BR / 1 BA - The Willow | 97 | 30% | 875 | $1,284 | $1.47 |
| 2 BR / 1 BA- The Magnolia | 9 | 3% | 875 | $1,472 | $1.68 |
| 2 BR / 2 BA - The Cyprus | 67 | 22% | 1,278 | $1,622 | $1.27 |
| 2 BR / 2 BA* - The Cyprus | 10 | 3% | 1,278 | $1,715 | $1.34 |
| 2 BR / 2 BA - The Juniper | 70 | 22% | 1,355 | $1,681 | $1.24 |
| 3 BR / 2 BA - The Gardenia | 8 | 2% | 1,278 | $1,714 | $1.34 |
| 3 BR / 2 BA - The Dogwood | 7 | 2% | 1,355 | $1,808 | $1.33 |
| TOTAL/AVG | 320 | 100% | 1,059 | $1,476 | $1.39 |

*Premium 2022 Renovated Units

# ATTRACTIVE, BELOW MARKET ASSUMABLE AGENCY DEBT

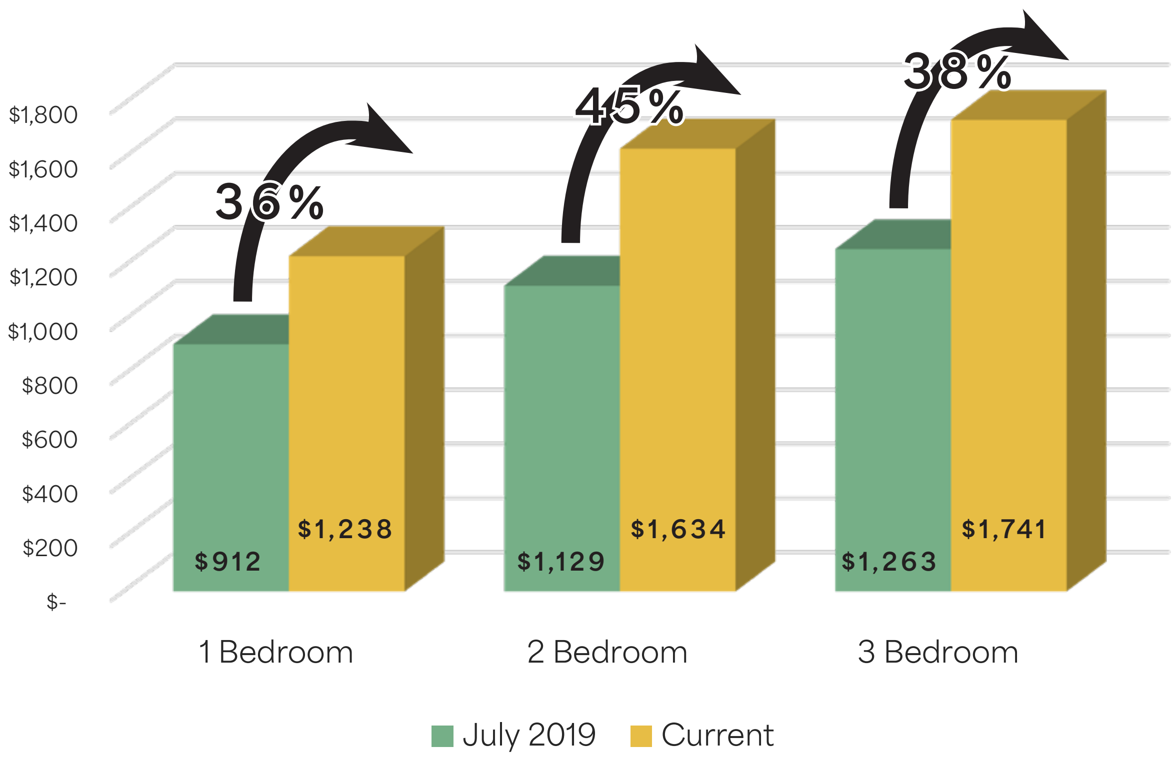
Capella presents an investor with the opportunity to assume attractive below market debt. The combined current principal balance is approximately $35,181,000, with a favorable blended interest rate of 4.1%—roughly 175 to 200 basis points below current market rates. Both loans offer interest-only payments for the full term, enhancing near-term cash flow, and mature in August 2029. This assumable debt provides investors with significant interest savings bolstering cash flow.

| LOAN 1 | |
|---|---|
| CURRENT PRINCIPAL BALANCE | $28,760,000 |
| INTEREST RATE | 3.58% |
| **LOAN 2** | |
| CURRENT PRINCIPAL BALANCE | $6,421,000 |
| INTEREST RATE | 6.37% |
| **BLENDED** | |
| TOTAL PRINCIPAL BALANCE | $35,181,000 |
| INTEREST RATE | 4.10% |
| MATURITY DATE | 8/1/2029 |
| INTEREST ONLY PERIOD | Full Term |

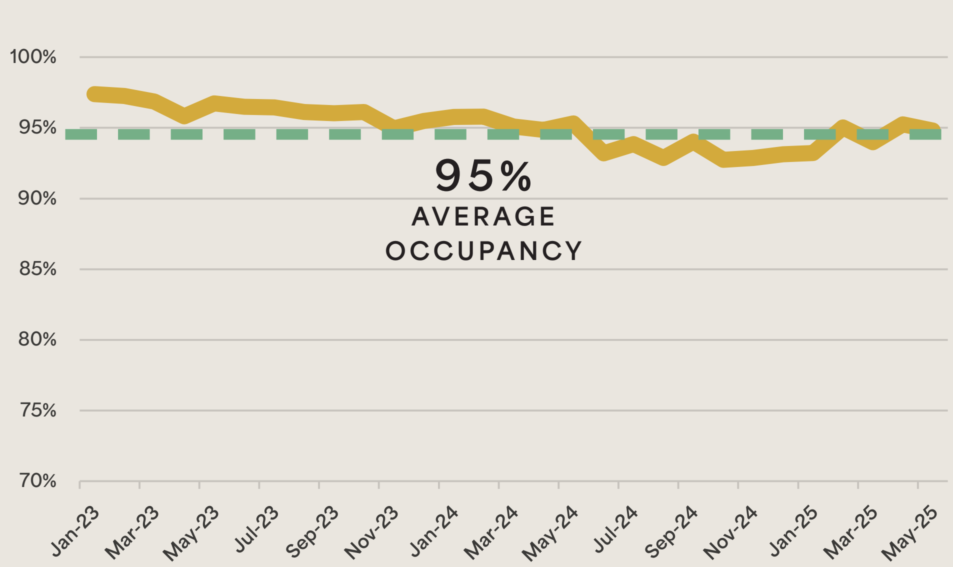
# STRONG FINANCIAL PERFORMANCE

Capella has demonstrated a strong financial performance, with consistent revenue and high occupancy averaging **95%** over the past several years. Total revenue remained steady, generating approximately **$5.7M** in revenue each year, reflecting continued operational stability. From July 2019 to present day, rental rates have increased significantly— 1-bedroom units rose by 36% (from $912 to $1,238), 2-bedroom units by 45% (from $1,129 to $1,634), and 3-bedroom units by 38% (from $1,263 to $1,741)—an overall average increase of **40.7%.**

HISTORICAL RENTAL RATE INCREASES




HISTORICAL OCCUPANCY TRENDS



# QUALITY ASSET

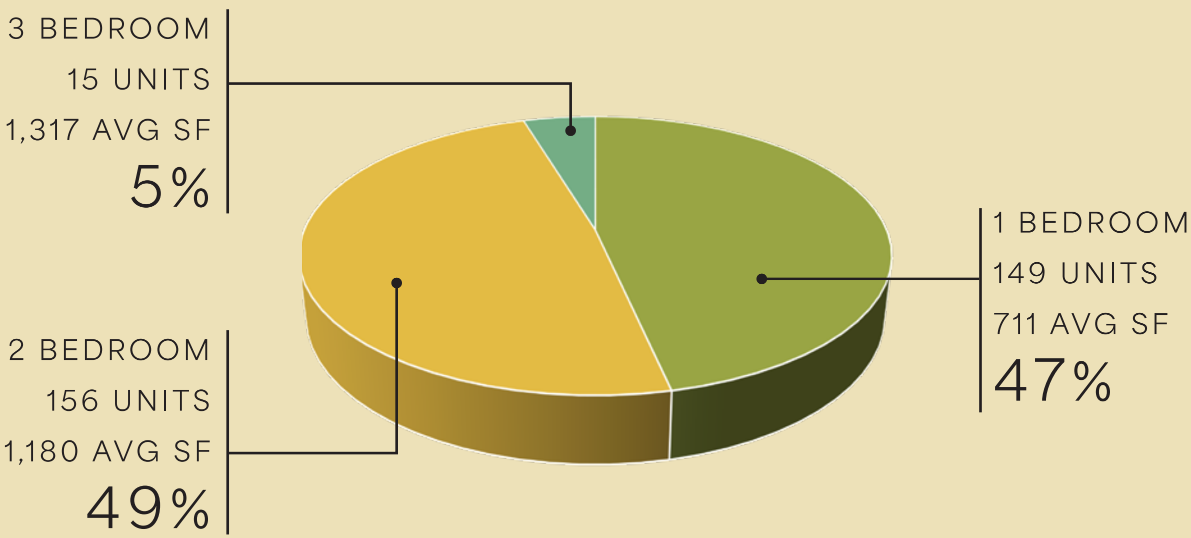
With 320 units, the Property represents an ideal investment size and provides the scale needed to drive operational efficiencies. Additionally, the property size and investment level make it an attractive opportunity for first-time Atlanta buyers or existing owners looking to expand their footprint in the market.

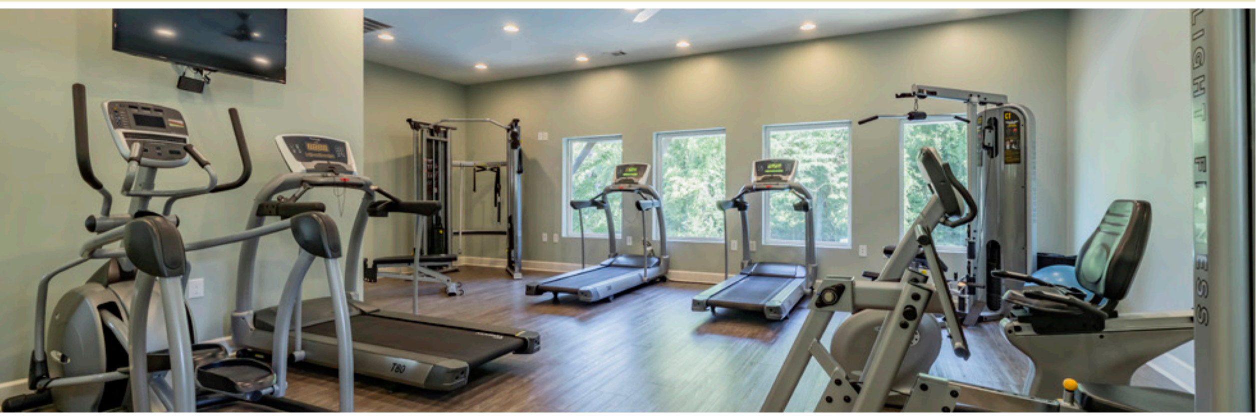
Current ownership has invested approximately $3.6 million into the property for capital improvements, including community amenity upgrades, interior renovations, HVAC system replacements, hot water heater replacements, and landscaping enhancements.

Each unit averages 1,059 square feet, offering spacious layouts and a diverse mix of floor plans that align with submarket demand.

Residents enjoy a full suite of community amenities comparable to any in the submarket—including a clubhouse and fitness center built in 2019, pool, bark park, playground, soccer field, and access to a scenic gazebo and lake—all set within a heavily wooded community that provides a serene, natural environment.

Unit interiors feature sunrooms with ceiling fans, private patios or balconies, modern open-concept kitchens, fireplaces, and washer/dryer connections—supporting strong tenant appeal and retention.


3 BEDROOM
15 UNITS
1,317 AVG SF
5%
1 BEDROOM
149 UNITS
711 AVG SF
47%
2 BEDROOM
156 UNITS
1,180 AVG SF
49%



UNRENOVATED CLASSIC KITCHEN

UNRENOVATED CLASSIC BATHROOM

# VALUE ADD OPPORTUNITY

## INTERIOR RENOVATION PROGRAM

With 146 units remaining to be fully upgraded, future ownership has the opportunity to increase annual revenue significantly by completing an interior unit renovation program.

Approximately 46% of Capella's 320 units are either classic or only partially renovated, presenting a clear value-add opportunity. Most of the upgraded units—whether partial or full—were renovated 7 to 10 years ago. Current rental premiums for renovated units range from $50–$70 for one-bedrooms and $100–$150 for two- and three-bedroom units.

## WASHER/DRYER RENTAL PROGRAM

Currently, the Property owns 30 sets of washers and dryers, which are rented at a cost of $65/month. If new ownership were to make washer and dryer rentals available in every unit, up to $226,200 in annual revenue could be realized. The Property does not have a laundry contract or an on-site laundry facility.

## OPPORTUNITY FOR EXTERIOR IMPROVEMENTS

There is also an opportunity to enhance long-term value by reskinning the exterior of the buildings, transitioning from cedar to durable HardiePlank siding for improved aesthetics and reduced maintenance.

### RENOVATION PREMIUMS

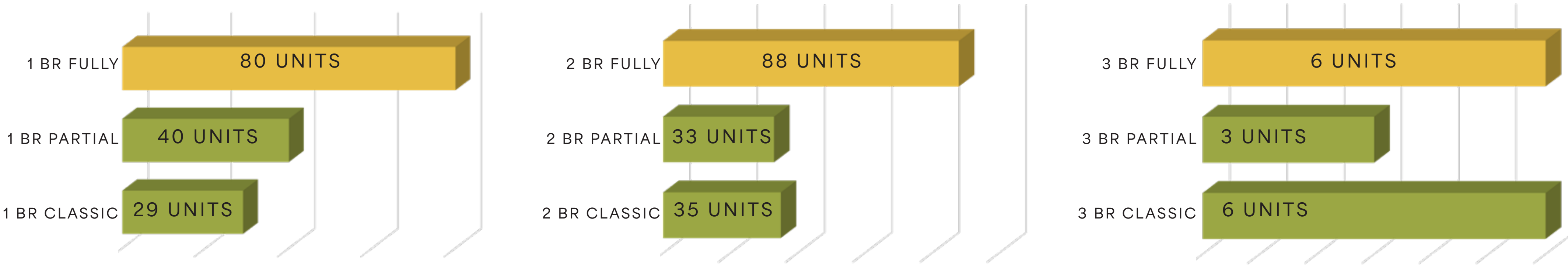
**$50-$70/UNIT**

FULLY RENOVATED 1-BEDROOM UNITS

**$100-$150/UNIT**

FULLY RENOVATED 2- & 3-BEDROOM UNITS

# UNIT CONDITION BREAKDOWN




**22% OF THE PROPERTY REMAINS IN ITS ORIGINAL CONDITION, WHILE 24% IS PARTIALLY RENOVATED AND 54% IS FULLY RENOVATED.**

FULLY RENOVATED KITCHEN

FULLY RENOVATED BATHROOM

## PROXIMITY TO MAJOR THOROUGHFARES

The Property is located on South Norcross Tucker Road (21,590 VPD), a four-lane artery between Pleasantdale Road and Jimmy Carter Boulevard. Jimmy Carter Boulevard is one of Gwinett county's most traveled thoroughfares with nearly 70,000 VPD and provides direct routes to I-85 and I-285. There are two I-85 interchanges within 3-miles of the Property.

## CONVENIENT ACCESS TO EMPLOYMENT NODES/RETAIL/ENTERTAINMENT

Situated off I-85, Capella offers immediate access to more than 4M SF of Class A office, national retail and the major employment centers of Central Perimeter, Peachtree Corners and Sugarloaf Corporate District as well as major industrial parks along I-85 and I-285. Gwinnett County's economy is anchored by a mix of large public sector institutions, Fortune 500 companies, healthcare providers, retail chains, and a robust base of small businesses

**MAJOR EMPLOYERS:** FedEx Ground Distribution Facility; and OFS Fitel, a global optical fiber manufacturer and major employers including Publix, Walmart, Kroger, USPS, Comcast and Primerica, Inc.

**RETAIL:** Three major grocery stores are within a 1 mile radius including Kroger, Walmart Neighborhood Market and Aldi. Additionally, 1 mile to CVS; 1 mile to Walgreens at Carter Rockbridge Plaza; 3 miles to Home Depot on Jimmy Carter; 7 miles to Gwinnett Place Mall and surrounding shops; 8 miles to The Forum; 9 miles to Perimeter Mall; and 10 miles to Sugarloaf Mills Mall.

**HEALTHCARE:** 10 miles to Arthur M. Blank Children's Hospital, 10 miles to Northside Hospital, St. Joseph Hospital and Scottish Rite Children's Hospital; 14 miles to Northside Hospital Gwinnett (Gwinnett Medical Lawrenceville).

**POST-SECONDARY EDUCATION:** 3 miles to Mercer University; 9 miles to Georgia Perimeter College; 13 miles to Georgia Gwinnett College; and 14 miles to Georgia State University (±30,000 students).

## STRONG, AFFULENT DEMOGRAPHICS

Gwinnett County is one of the fastest-growing counties in the nation, and within a 5-mile radius of the property, the population exceeds 251,000 with an average household income of $112,682—reflecting strong local demographics and sustained demand drivers.

## 5-MILE DEMOGRAPHICS

**$112,682**
AVG. HOUSEHOLD INCOME

**$399,812**
AVG. HOME VALUE

**251,057**
TOTAL POPULATION

## KEY DISTANCES

ROADS
- 0.7-Miles to Jimmy Carter Blvd
- 1.7-Miles to Interstate 85

GROCERY
- 1.2-Miles to Kroger
- 1.6-Miles to Walmart Supercenter

AREAS OF NOTE
- 13-Miles to Buckhead
- 18-Miles to Downtown Atlanta
- 28-Miles to Hartsfield-Jackson

## MAJOR EMPLOYERS

1. Gwinnett County Public Schools
2. Gwinnett County Government
3. Primerica
4. Ashbury Automotive Group
5. WestRock
6. Mercedes Benz HQ
7. Vulcan Materials
8. The Assembly
9. NCR Corporation
10. OFS Fitel LLC

## EDUCATION

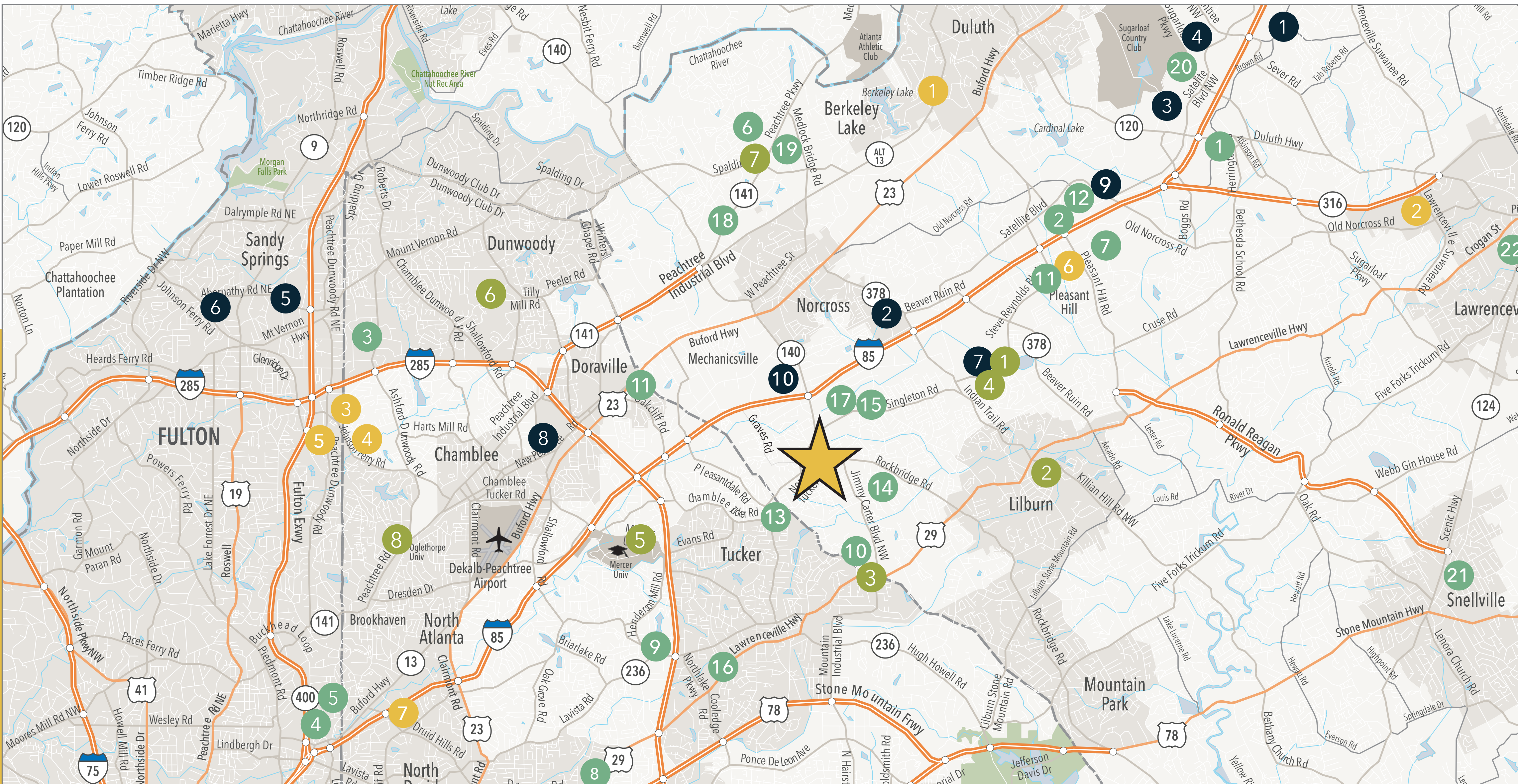
1. Meadowcreek High School
2. Lilburn Middle School
3. Nesbit Elementary School
4. Greater Atlanta Christian School
5. Mercer University
6. Georgia Perimeter College
7. Wesleyan School
8. Oglethorpe University

## HEALTHCARE

1. Northside Hospital Duluth
2. Northside Hospital Lawrenceville
3. Northside Hospital
4. St. Joseph's Hospital
5. Scottish Rite - CHOA
6. Kaiser Permanente Duluth
7. Arthur M. Blank Hospital - CHOA

## RETAIL

1. Sugarloaf Mills
2. Gwinnett Place Mall (Redevelopment)
3. Perimeter Mall
4. Lenox Square
5. Phipps Plaza
6. The Forum on Peachtree Parkway
7. Pleasant Hill Point Shopping Center
8. Lulah Hills
9. Northlake Square Shopping Center
10. The Home Depot
11. Lowe's Home Improvement
12. Costco
13. Walmart Neighborhood
14. Walmart Supercenter
15. Kroger
16. Publix
17. Aldi
18. Target
19. Peachtree Corners Town Center
20. Gas South District
21. Snelville Town Center
22. South Lawn at Lawrenceville



## CONFIDENTIALITY & DISCLAIMER

Transwestern (the "Agent") has been engaged as the exclusive agent for the sale of Capella Apartment Homes, 6168 S. Norcross Tucker Road, Tucker, GA 30084 ("Property"), by the Owner of Record (the "Seller"). The Property is being offered for sale in "as-is, where-is" condition and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.

The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective Purchasers of the interest described herein. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with Transwestern as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein, is subject to the terms, provisions and limitations of the confidentiality agreement furnished by the Agent prior to delivery of this Offering Memorandum.

The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by the Agent or the Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners or directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent nor the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein, or any other written or oral communications, or information transmitted, or made available, or any action taken, or decision made by the recipient with respect to the Property. Interested parties are to make their investigations, projections and conclusions without reliance upon the material contained herein.

The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. The Seller and the Agent each expressly reserve the right, at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, corrections or errors, change of price or other terms and prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller.

The Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered and approved by the Seller and any conditions to the Seller's obligations hereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that:

(a) The enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to the Agent or the Seller promptly upon request;

(b) The recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or the Agent; and

(c) No portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Transwestern.

The Seller will be responsible for any commission due the Agent in connection with a sale of the Property. Each prospective purchaser will be responsible for any claims for commissions by any other broker or agent in connection with a sale of the Property if such claims arise from acts of such prospective purchaser or its broker/agent. Any Buyer's Agent must provide a registration signed by the prospective investor acknowledging said agent's authority to act on its behalf.

JUNE 2025

# CAPELLA

## APARTMENT HOMES

### ATLANTA, GEORGIA


**MIKE MCGAUGHY, CCIM**
SENIOR MANAGING DIRECTOR
MIKE.MCGAUGHY@TRANSWESTERN.COM
404.842.6510

**JON KLEINBERG**
SENIOR MANAGING DIRECTOR
JON.KLEINBERG@TRANSWESTERN.COM
404.842.6506

TRANSWESTERN
WWW.TRANSWESTERN.COM