

VALUE-ADD CASE STUDY

LITTLE GABLES LOFTS



MAGASI
REAL ESTATE

MAGASI aims to provide best-in-class management to real estate owners, maximizing the value of their investments for the long-run.

SUMMARY

Property Info

- Located in East Little Havana
- Built in 1971
- 7 Units - (4) 1BR/1BA, (3) 2BR/2BA
- Unique loft-style units with balconies
- ~5,500 RSF on ~6,900 SF lot

Challenges

- Severely below-market rents
- Deterioration of mechanical, plumbing, electrical, and roof
- Pest infestation due to garbage
- Timeline constraints

OBJECTIVE

The Owners of this property were looking to execute a value-add strategy, renovating all unit interiors to modern finishes and exterior renovations from new roofing, windows & doors, and landscaping. The units were generating severely below market rents for the area (below \$1,000 each). MAGASI was able to nearly double rental income from post-renovated units and stabilize the property in record time.

SERVICES

MAGASI provided all Project Management, Property Management, and Leasing services - from hiring the contractor and negotiating the contract, overseeing the quality of work at completion, managing timeline and budget constraints, to vetting potential tenants and leasing up all units.

RESULTS

82% Revenue Increase

Prior to renovation the property was collecting \$6,465 per month. Post renovation rental income nearly doubled to \$11,750 per month, or \$141,000 per year!

5-Month Stabilization

MAGASI was able to stabilize the property in five months from February to July of 2022. Units were renovated within 20 days and leased-up within 7 days of turnover. A shorter stabilization period meant increased profits for the owners.

Property Appreciation

The property was originally purchased for \$1.1M at a 4.2% CAP in Oct 2021. Based on current NOI and conservatively the same CAP rate, the property value has increased 83% to \$2.0M.



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LITTLE GABLES LOFTS

BEFORE



AFTER



In-Unit Renovations

- New Vinyl Flooring Throughout
- New Kitchens with Stainless Steel Appliances and Quartz Countertops
- New Bathrooms with White Subway Tiles, Upgraded Vanities and Fixtures
- New Painting, Lighting, Electrical Outlets & LED Fixtures

Exterior Renovations

- New Painting and Plastering
- New Roofing
- New Hurricane Impact Windows/Doors
- New Landscaping
- New Laundry and Garbage Enclosures
- New Asphalt and Striped Parking



INVESTMENT STATS

Total Hard Costs

\$255,944 or \$36,563 per door
This includes labor and materials for all interior and exterior renovations.

Total Soft Costs

\$25,311 or \$3,616 per door
This includes project management fee and any permit related costs.



VALUE-ADD CASE STUDY

HAVANA REHAB



MAGASI
REAL ESTATE

MAGASI aims to provide best-in-class management to real estate owners, maximizing the value of their investments for the long-run.

SUMMARY

Property Info

- Located in Little Havana
- Built in 1974
- 6 Units - 2BR/1BA
- Two-story, garden style building
- ~4,000 RSF on ~7,500 SF lot

Challenges

- Deterioration of plumbing lines
- Frequent short circuiting of appliances
- Unattractive curb-appeal
- Very-below market rents

OBJECTIVE

The Owners of this property were looking to execute a value-add strategy, renovating all unit interiors to modern finishes and enhancing the curb appeal of the property. The units were generating below market rents for Little Havana with potential upside. MAGASI was able to increase rental income by 32%, raise the property value by 134%, and stabilize the building in under 6 months.

SERVICES

MAGASI provided all Project Management, Property Management, and Leasing services - from hiring the contractor and negotiating the contract, overseeing the quality of work at completion, managing timeline and budget constraints, to vetting potential tenants and leasing up all units.

RESULTS

134% Property Appreciation

The property was originally purchased for \$810K at a 7.0% CAP in March 2019. Based on current NOI and market CAP rates near 4.0%, the property value has increased 134% to \$1.9M.

32% Revenue Increase

Prior to renovation the property was collecting \$7,975 per month. Post renovation rental income increased to \$10,550 per month, or \$126,600 per year!

6-Month Stabilization

MAGASI was able to stabilize the property in five months from January to June of 2022. Units were renovated within 20 days and leased to existing tenants to minimize turnover of tenants.



VALUE-ADD CASE STUDY

HAVANA REHAB

BEFORE



AFTER



In-Unit Renovations

- New Vinyl Flooring Throughout
- New Kitchens with Stainless Steel Appliances and Quartz Countertops
- New Bathrooms with White Subway Tiles, Upgraded Vanities and Fixtures
- New Painting, Lighting, and Electrical and HVAC Units

Exterior Renovations

- New Main Plumbing Line to Sewer
- New Painting
- New Hurricane Impact Doors
- New Landscaping
- Existing Window Repairs



INVESTMENT STATS

Total Hard Costs

\$221,699 or \$36,950 per door
This includes labor and materials for all interior and exterior renovations

Total Soft Costs

\$22,085 or \$3,681 per door
This includes project management fee and any permit related costs.