



66-68 South Street Proctor, VT 05765
4 Unit Turnkey High Cash Flow Opportunity

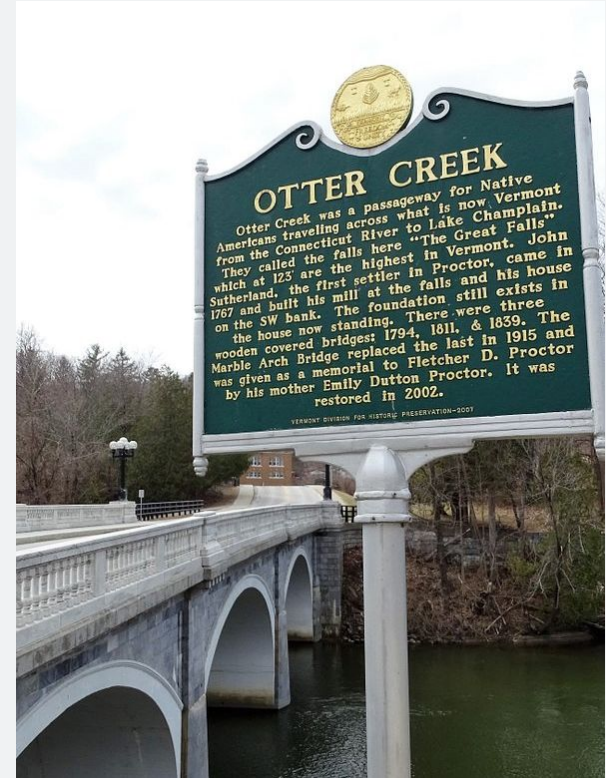
66-68 South Street - Opportunity

Rarely available, high cash flow 4plex, available in the charming artisan town of Proctor, being listed at an “as is” 10% cap. This stately immense property is over 6,000 square feet, and was formerly owned by an executive of the famed Proctor Marble Corporation before being converted into 4 unique apartments, which have enjoyed near perpetual 100% occupancy due to their desirability.

You will be hard pressed to find larger apartments than this 4plex in the region. With an average square footage over 1,000 and multiple floors for two of them. Property would be ideal for owner occupancy or to rent for significant income

The building has been professionally managed and renovated. The investment is projected to yield over a 13% year 1 cash on cash return based on current numbers, and cash returns can go to 20%+ per year if rents are brought to market. This allows the new owner to realize significant returns from cash flow vs speculation.

This property is located within proximity to such iconic sites as the Vermont Marble Museum, Wilson Castle, Beaver pond, Proctor Free Library, outdoor ice-skating and roller rink, Carriage Trails, as well as the Proctor Pool. Property is available as a package with another Proctor 4plex - 50-52 Gorham Bridge Rd MLS#.



66-68 South Street - Financials and Rent Roll

Annual Income	
Average Monthly Rent	\$1,463
Gross Potential Rent	\$70,200
- Vacancy	(\$2,457)
- Concessions, Loss to Lease, Bad Debt	\$0
Gross Potential Income	\$67,743
Other Income	\$0
Effective Gross Income	\$67,743
Annual Expenses	
Plowing/Landscaping	\$589
Fuel & Electric	\$7,790
Insurance	\$2,777
Real Estate Taxes	\$5,136
Trash Removal	\$1,000
Management Fee	\$4,065
Repairs and Maintenance	\$1,000
Water and Sewer	\$4,300
Total Expenses (Added)	\$26,656
Total Expenses	\$26,656
Net Operating Income (NOI)	\$41,087



Unit	BD/BA	Status	Sqft	Market Rent	Rent	Deposit
66-68 South Street - 66-68 South Street Proctor, VT 05765						
16	1/1.00	Current	924	1,300.00	1,100.00	800.00
16A	2/1.00	Current	800	1,500.00	1,400.00	1,400.00
66	4/1.00	Current	1,422	2,000.00	1,600.00	1,000.00
68	3/1.00	Current	1,274	1,750.00	1,750.00	1,750.00
4 Units		100.0% Occupied	4,420	6,550.00	5,850.00	4,950.00

66-68 South Street - Acquisition Proforma and Returns

Acquisition	
Price	\$395,000
Purchase	\$395,000
# Units	4
Price Per Unit	\$98,750
Down payment %	25%
Down payment \$	\$98,750
Loan Balance	\$296,250
Repairs	\$0
Operating Reserves	\$10,000
Estimated closing costs	\$11,102
Total Acquisition Cost	\$406,102

Summary	
Debt Service	\$24,562
Interest Rate	6.75%
Amortization (Years)	25
Cash flow after debt service	\$16,525
Cap Rate (NOI/Sales Price)	10.40%
Debt Coverage Ratio	1.67

Projected Cash Flows and Returns	1	2	3	4	5	Return \$	Return %
Invested	\$119,852	\$119,852	\$119,852	\$119,852	\$119,852		
Cashflow	\$16,525	\$23,715	\$24,680	\$25,665	\$508,676	\$599,260	
Cash on Cash Return	13.79%	19.79%	20.59%	21.41%	424.42%		
Average Cash on Cash Return to Date	13.79%	16.79%	18.06%	18.90%	100.00%		
Net Proceeds/Profits from Refinance or Sale					\$84,358	\$84,358	
Average Annual Return to Date	13.79%	16.79%	18.06%	18.90%	114.08%		
Proceeds At Sale					\$119,852		
Total Return on Investment	\$16,525	\$23,715	\$24,680	\$25,665	\$593,034	\$683,618	570.39%
Average Annual Return							114.08%
IRR							28.47%
Average Cash on Cash Return							19.57%

- Proforma exit price is 10.5% cap vs 8.5% typical appraisal for Proctor leaving significant room to surpass projections at sale.

66-68 South Street - Proforma

Income Year	1		2		3		4		5	
Average Monthly Rent	\$1,463		\$1,638		\$1,671		\$1,704		\$1,738	
Gross Potential Rent	\$70,200		\$78,624		\$80,196		\$81,800		\$83,436	
- Vacancy	(\$2,457)	3.50%	(\$2,752)	3.50%	(\$2,807)	3.50%	(\$2,863)	3.50%	(\$2,920)	
- Concessions, Loss to Lease, Bad Debt	\$0		\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	
Gross Potential Income	\$67,743		\$75,872		\$77,390		\$78,937		\$80,516	
Other Income	\$0		\$0		\$0		\$0		\$0	
Effective Gross Income	\$67,743		\$75,872		\$77,390		\$78,937		\$80,516	
EXPENSES										
Plowing/Landscaping	\$589	0.87%	\$601	0.79%	\$613	0.79%	\$625	0.79%	\$638	
Fuel & Electric	\$7,790	11.50%	\$7,946	10.47%	\$8,105	10.47%	\$8,267	10.47%	\$8,432	
Insurance	\$2,777	4.10%	\$2,833	3.73%	\$2,889	3.73%	\$2,947	3.73%	\$3,006	
Real Estate Taxes	\$5,136	7.58%	\$5,238	6.90%	\$5,343	6.90%	\$5,450	6.90%	\$5,559	
Trash Removal	\$1,000	1.48%	\$1,020	1.34%	\$1,040	1.34%	\$1,061	1.34%	\$1,082	
Management Fee	\$4,065	6.00%	\$4,552	6.00%	\$4,643	6.00%	\$4,736	6.00%	\$4,831	
Repairs and Maintenance	\$1,000	1.48%	\$1,020	1.34%	\$1,040	1.34%	\$1,061	1.34%	\$1,082	
Water and Sewer	\$4,300	6.35%	\$4,386	5.78%	\$4,474	5.78%	\$4,563	5.78%	\$4,654	
Total Expenses	\$26,656	39.35%	\$27,596	36.37%	\$28,148	36.37%	\$28,711	36.37%	\$29,285	
Net Operating Income (NOI)	\$41,087		\$48,276		\$49,242		\$50,227		\$51,231	
Debt Service										
Principal	\$4,709		\$5,037		\$5,388		\$5,763		\$6,164	
Interest	\$19,853		\$19,525		\$19,174		\$18,799		\$18,398	
Total Debt Service	\$24,562		\$24,562		\$24,562		\$24,562		\$24,562	
Cash Flow	\$16,525		\$23,715		\$24,680		\$25,665		\$26,669	



Pictures

66-68 South Street - Exterior



66-68 South Street - Exterior



66-68 South Street - Interior



66-68 South Street - Interior



66-68 South Street - Basement



A dark, atmospheric photograph of a town, likely in the American West, featuring a prominent church with a tall, white steeple and a red brick building with a clock tower. The town is set against a backdrop of dark mountains under a night sky. The word "Market" is overlaid in a bright yellow font.

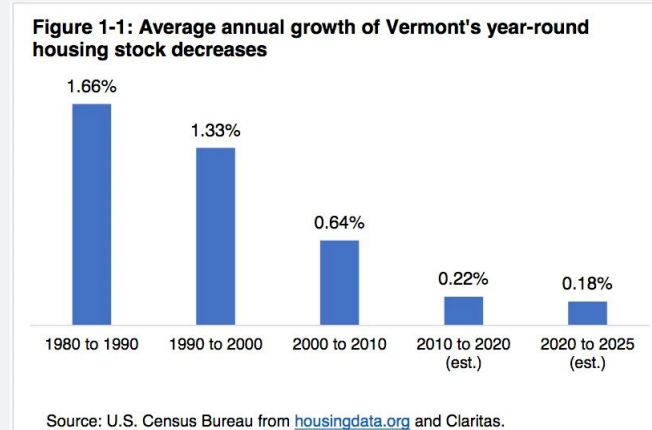
Market

Market - Historical Supply/Demand Imbalance

Unique historical factors and legislation have created the largest housing supply/demand imbalance in the nation

The state constitution, established 1791 guaranteed each town, no matter how small or large, one representative in the lower chamber of the Vermont legislature. Since the towns have all the power and were more concerned on local impact, changes that will have relatively larger benefits for the wider geographic community became difficult to execute.

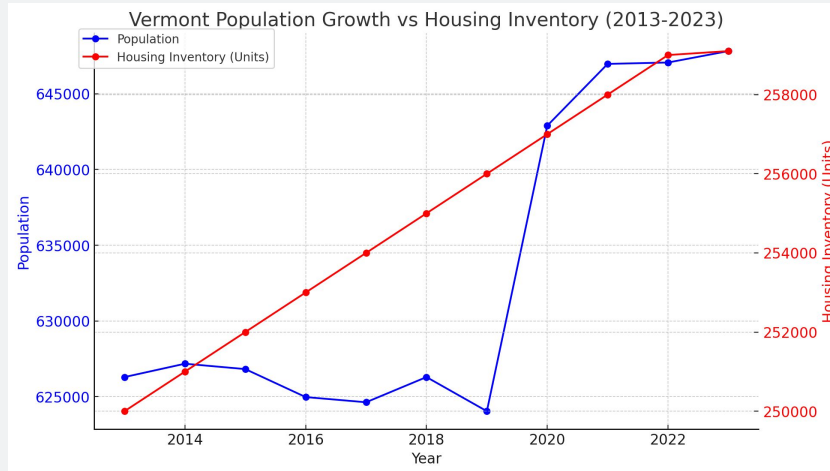
In 1970 Vermont enacted Act 250 to maintain the pastoral beauty of Vermont's landscape and which made it extraordinarily difficult to develop anything at scale. This process involves extensive reviews, public hearings, and compliance with ten specific criteria, ranging from water and air pollution to impacts on local schools and services.. Even regular regular way citizens can torpedo the development, for virtually any reason including for subjective aesthetic reasons. The legislation was highly successful in halting development, including regular way housing for the states residents. And the shortage has been made more acute by an increase historical net migration over the last 5 years



Market - Housing Shortage

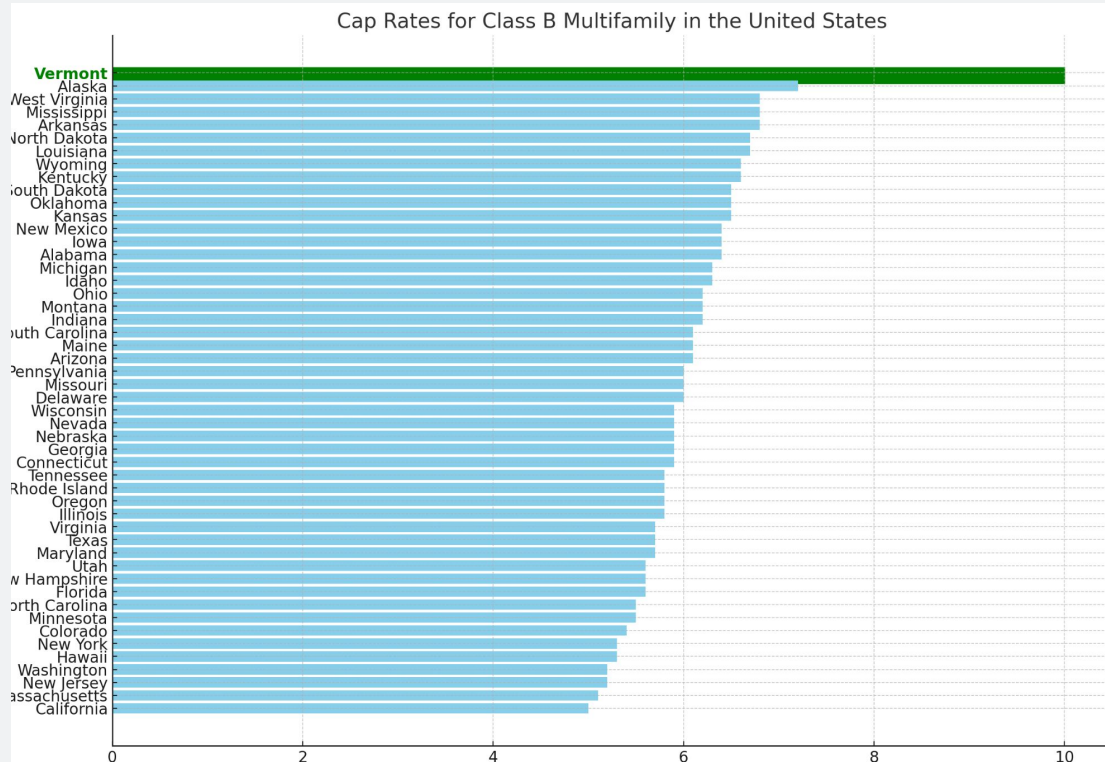
According to the Vermont Housing Finance Agency, Vermont has an estimated shortfall of over 10,000 housing units. This shortage is driven by a combination of factors including slow population growth, aging housing stock, and stringent zoning regulations that limit new construction. Furthermore, 60% of the state's housing stock was built before 1980, and the market has a shortage of developers renovating existing inventory leading to increased demand for the few properties that there are.

New housing permits have remained low, with only about 1,500 new units permitted annually over the past decade, far below the demand. This lack of new supply, coupled with growing demand, ensures high occupancy rates and the potential for rent growth in existing properties. The chart below illustrates the exacerbation of the problem amidst increased migration driven by quality of life considerations.



Market - Deep Value

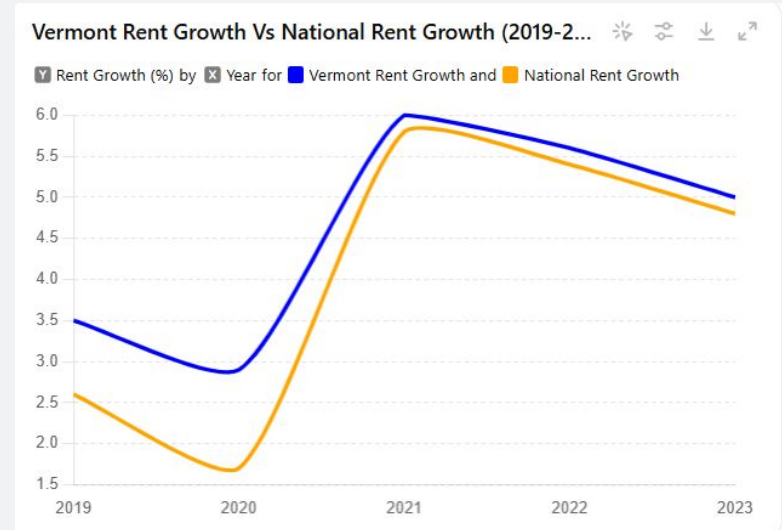
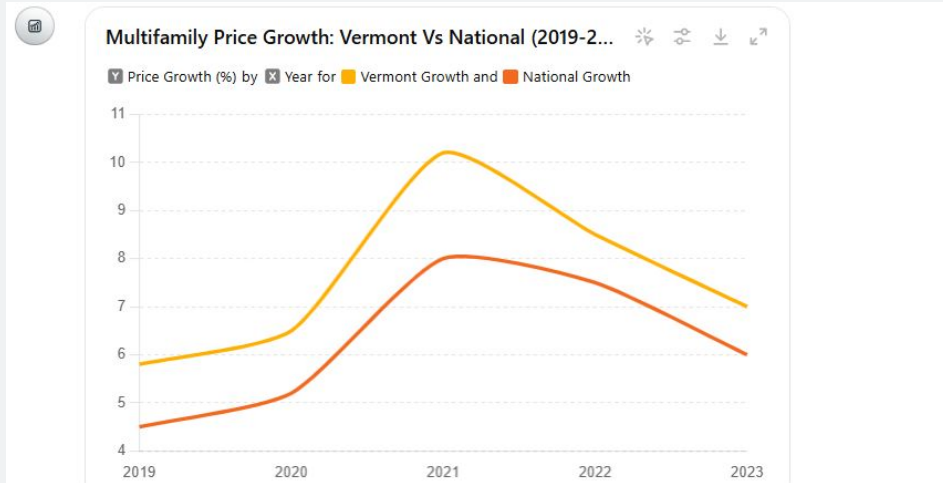
Vermont is not popular with investors due to low population size and rural environment without housing density. The lack of professional investors has created what we believe to be one of the greatest multifamily values in the nation. The cost to construct housing vs current market price valuations renders it unviable even if the legislative hurdles were overcome:



Sources:
Cap Rate Index
Yield PRO
Newmark Q1 2024 Multifamily Market Report
Local Vermont appraiser data for that state

Market - Rent, Population and Price Growth

Vermont has outperformed the rest of the nation in multifamily price and rent growth. The charts below illustrates the spread.

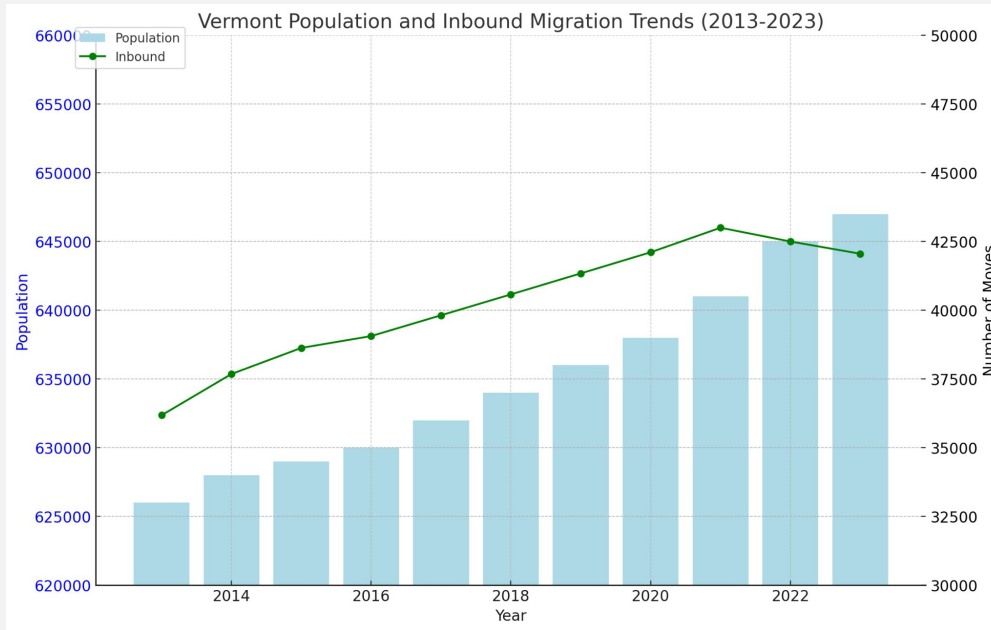


Multi-Housing News: [2023 Rent Growth](#)
Yardi Matrix: [Yardi Matrix Report](#)
Fannie Mae Multifamily: [2023 Mid-Year Multifamily Market Outlook](#)
Matthews: [End of Year Multifamily Market Report](#)

Market- Net Migration and Climate Change Resiliency

Vermont has seen a historic influx of netbound migration since Covid. In fact, some studies show Vermont as having the highest percent of net inbound movers in the nation (see e.g. 2023 [United Van Lines Survey](#))

The EPA has ranked Vermont [fourth](#) in a nationwide assessment of resilience to extreme weather events brought on by climate change. And authors of the [2014 state climate assessment](#) wrote that Vermont might be a “receiving state” for residents of cities up and down the Eastern seaboard dealing with sea level rise.



Market - Strength and Stability

The state has a diversified economy with key sectors such as healthcare, education, manufacturing, and tourism cFrom 2019 to 2023, Vermont's Gross Domestic Product (GDP) grew at an average annual rate of 1.8%, according to the U.S. Bureau of Economic Analysis.

Vermont's labor market has been a key driver of the state's economic stability. From 2019 to 2023, Vermont experienced steady employment growth, with an average annual job growth rate of 1.2%, according to the U.S. Bureau of Labor Statistics. The state's unemployment rate is consistently among the lowest in the nation at 2.4% in 2023, Additionally, Vermont's emphasis on high-quality education and workforce development has resulted in a well-educated labor force, with nearly 40% of adults holding a bachelor's degree or higher.

Vermont ranks highly in education, with a high school graduation rate of 88.6% and a college attainment rate of 38.2%, providing a well-educated workforce. The state's median household income is approximately \$63,000, which is close to the national average The state's commitment to sustainable development and green energy initiatives is evident in its goal to source 90% of its energy from renewable sources by 2050, positioning Vermont for long-term growth and attractiveness to environmentally conscious investors.



A dark, atmospheric photograph of a cityscape. In the foreground, there are several multi-story buildings, some with red brick facades. A prominent church with a tall, white steeple is visible in the middle ground. The background shows rolling hills or mountains under a dark sky. The overall tone is moody and historical.

ABOUT 3GEN REAL ESTATE

CONTACT INFO AND ABOUT 3GEN REAL ESTATE



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3GEN Real Estate Inc is a real estate construction , property management and brokerage firm. Our specialty is renovating properties to a consistent quality and standard. Our mission is to help alleviate the home affordability crisis in America by providing quality affordable renovated properties to an undersupplied market.

One of the keys to our success is handling construction in-house. This allows us to deliver a consistent product at cost effective prices.

Capabilities at a glance:

- 12 Full Time Employees
- Over 50 Contractors covering:
 - Full Home Remodel including Gut Renovations
 - Full Suite of Property Maintenance
 - Demolition.
 - Electrical,
Plumbing, Heating/Cooling, Painting, Landscaping, Snow Plowing,
Flooring, Carpeting, Windows and more

