

# Acquisition Diligence Analysis

Tampa 12-Unit Multifamily · Q2 2023 · Confidential Sample

## Executive Summary

A private investor engaged ELEV8 to conduct independent acquisition diligence on a 12-unit multifamily asset in South Tampa marketed at \$2.1M with a broker-projected 8.2% cap rate. Our analysis revealed the pro forma overstated stabilized NOI by 23% due to optimistic rent assumptions and under-reserved capex.

## Key Metrics Comparison

Metric	Broker Pro Forma	ELEV8 Adjusted	Variance
List Price	\$2,100,000	\$2,100,000	—
Projected Gross Rent	\$218,400/yr	\$198,200/yr	-9.2%
Vacancy Assumption	5%	8.5% (submarket avg)	+3.5pp
Stabilized NOI	\$172,200	\$132,800	-22.9%
Cap Rate	8.2%	6.3%	-1.9pp
Capex Reserve (5-yr)	\$12,000	\$68,000	+467%
True Stabilized Cap	—	5.9%	—

## Rent Comp Analysis

We surveyed 18 comparable units within a 0.8-mile radius. Median asking rent was \$1,385/month versus the broker's \$1,515/month assumption. Two units in the subject building had been vacant for 90+ days at \$1,450, confirming market resistance. We applied a 9.2% downward adjustment to gross rent.

## Capex & Deferred Maintenance

A walk-through inspection identified roofing approaching end-of-life (est. \$42K), aging HVAC units (3 of 12 beyond 12 years, est. \$18K), and parking lot resurfacing needed within 24 months (est. \$8K). The broker's \$12K reserve assumed only cosmetic turnover.

## Recommendation & Outcome

We issued a "Pass" recommendation at list price. The client withdrew from the deal and, with our guidance, redeployed capital into a repositioned duplex in Seminole Heights yielding a 9.1% stabilized cap. Total equity preserved: approximately \$340,000.