

**Chateau Apartments  
Chapel Hill/Carrboro  
168 Units**

**North  
Carolina  
Multifamily  
Investment  
Opportunity**



**Invest In Affordable Workforce Housing  
Chapel Hill/Carrboro, NC  
Local Opportunities. Exceptional Returns.**

Chateau Apartments presents a rare opportunity to acquire workforce housing in the Chapel Hill/Carrboro market from a **motivated seller**. With 95%+ occupancy, rental upside, and eligibility for North Carolina's tax abatement program, this investment supports affordable housing while delivering **strong, risk-adjusted returns** to investors.

**PROJECTED RETURNS**

**5-Year Plan to Double  
Investor Capital**

- Average Annual Return (AAR): **22%-24%**
- Internal Rate of Return (IRR): **18%-19%**
- Average Annual Cashflow (Cash-on-Cash): **7%-8%**
- Equity Multiple (EM): **2X+**

**INVESTMENT HIGHLIGHTS**

- Acquired at \$125K/unit with strong occupancy and rent upside.
- Distressed seller as they entered into the property in 2021 with a floating interest rate loan.
- Secured at a 5.73% cap rate. Tax abatement eligibility adds \$240K in NOI and ~4 million in forced equity once abatement is in place.
- Partnering with Matheson Capital: 7 years of multifamily experience in the Carolinas



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our team members**





## MARKET FUNDAMENTALS

- Chapel Hill/Carrboro has steady growth with anchor institutions UNC-Chapel Hill and Blue Cross/Blue Shield of NC.
- New construction is limited by the Rural Buffer zoning type established in 1987 which limits urban sprawl. This shields us from further new apartment supply.

## FINANCIAL OVERVIEW

- \$125K/unit vs. \$270K-\$375K/unit replacement cost
- Cap Rate Entry: 5.73%
- Debt Structure: Fixed Interest Freddie Mac loan
- Loan Amount: \$15,666,153
- Interest Rate: 5.97% projected
- Interest-Only Period: 24 months
- Loan Term: 5 years

## RISK & MITIGATION

- Stress Testing: IRR remains 12+% even with a 7% exit cap
- Operational Reserves: \$950K for capex and reserves
- Breakeven occupancy w/abatement: 78%
- Current occupancy: 95%

## REQUIREMENTS

- Minimum Investment: \$50,000
- Accredited Investors: Net worth \$1M+ (excluding primary residence)  
**OR** income of \$200K+ individual or \$300K+ joint for the past 2 years

## THE SHINING ROCK EQUITY TEAM



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## TIMELINE

- Soft Commit Phase: **In Progress**
- Offer Documents Available: **5/1/25**
- Investor Commitments Due: **5/9/25**
- Investor Funding Deadline: **5/15/25**
- Closing: **5/28/25**

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**SOFT COMMIT HERE**



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