

THE DREXEL APARTMENTS

A 75-Unit Apartment Community
with 5 Retail Spaces in Minneapolis, MN



OFFERING MEMORANDUM



THE DREXEL APARTMENTS

1009 Park Avenue,
Minneapolis, MN 55404

OFFER PROCESS

Marketing Process

Prospective purchasers will have the opportunity to visit the property via pre-scheduled property tours. These tours will include access to a representative sampling of units, common space, and maintenance areas. In order to accommodate the property's ongoing operations, property visits will require advance notice and scheduling.

Offer Submission

Offers should be presented in the form of a non-binding Letter of Intent. The Letter of Intent should detail the significant terms and conditions of the purchaser's offers including, but not limited to:

- (1) Offer price and terms
- (2) Due diligence and closing time frame
- (3) Earnest money deposit and contingencies

Offers should be delivered to the attention of the Michel Commercial team.

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Marketed and Exclusively Listed By:





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Executive Summary



INVESTMENT OVERVIEW

Michel Commercial is pleased to present The Drexel Apartments—a mixed-use asset featuring 75 apartment homes and five ground-floor retail spaces in the heart of Minneapolis. Located just blocks from the Minneapolis Convention Center and major healthcare campuses, The Drexel offers investors the opportunity to acquire a well-located, urban-core asset with immediate upside.



PROPERTY OVERVIEW

The Drexel offers residents a rare blend of historic character and modern convenience. This beautifully restored 1901 building features studio- one- and two-bedroom apartments with original millwork, high ceilings, curved brick accents, and oversized windows. With an on-site elevator and controlled access, residents enjoy secure, comfortable living just steps from downtown, parks, restaurants, and transit hubs.



EXCEPTIONAL CONNECTIVITY

The Drexel offers unmatched access to the core of downtown Minneapolis, placing residents within walking distance of major employers, cultural landmarks, and vibrant city amenities. Its location on Park Avenue provides seamless connectivity to I-35W and I-94, ensuring quick commutes throughout the Twin Cities. With public transit and light rail options just blocks away, **The Drexel combines historic charm with modern urban convenience in a highly accessible, employment-rich corridor.**



INVESTMENT POTENTIAL

The Drexel offers several paths for value creation. **The most immediate opportunity lies in improving occupancy by accepting Section 8 voucher residents.** Additional upside can be achieved by enhancing operational efficiency through a Ratio Utility Billing System (RUBS) and by applying for 4d tax classification, which would significantly reduce the property's tax burden.



U.S. BANK STADIUM

**UNIVERSITY OF
MINNESOTA TWIN CITIES**

ELLIOTT PARK

**HENNEPIN
HEALTHCARE**

**NORTH CENTRAL
UNIVERSITY**

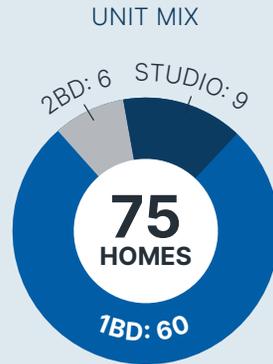
**THE
DREXEL
APARTMENTS**

PROPERTY DETAILS

Property Name:	The Drexel Apartments
Address:	1009 Park Avenue, Minneapolis, MN 55404
PID #:	26-029-24-32-0034
Building Size:	62,816 SF
Land Size:	0.54 Acres
County:	Hennepin

UTILITIES

Water/Sewer	Owner Paid
Trash	Owner Paid
Electricity	Resident Paid
Heat	Owner Paid
Laundry	On-Site



OF RETAIL SPACES

5



AVG. RENT
\$1,041



YEAR BUILT
1901



GARAGES
8



2

Investment Highlights



INVESTMENT HIGHLIGHTS



Immediate Upside

The Drexel presents several opportunities to enhance performance and value:

Occupancy Growth: Increase occupancy by accepting Section 8 voucher residents, broadening the renter pool and stabilizing income.

Operational Efficiency: Implement a Ratio Utility Billing System (RUBS) to reduce utility expenses and improve net operating income.

Tax Savings: Apply for 4d tax classification, which would significantly reduce the property's annual tax burden and enhance cash flow.

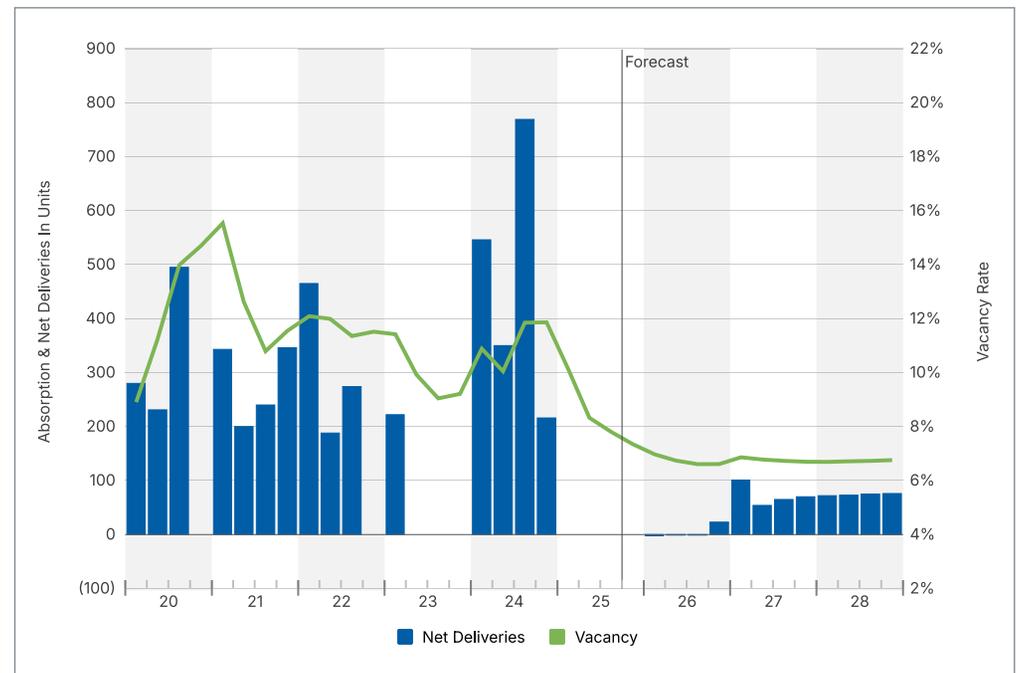
Together, these initiatives position The Drexel for immediate NOI growth and long-term value appreciation.



Strong Submarket Fundamentals

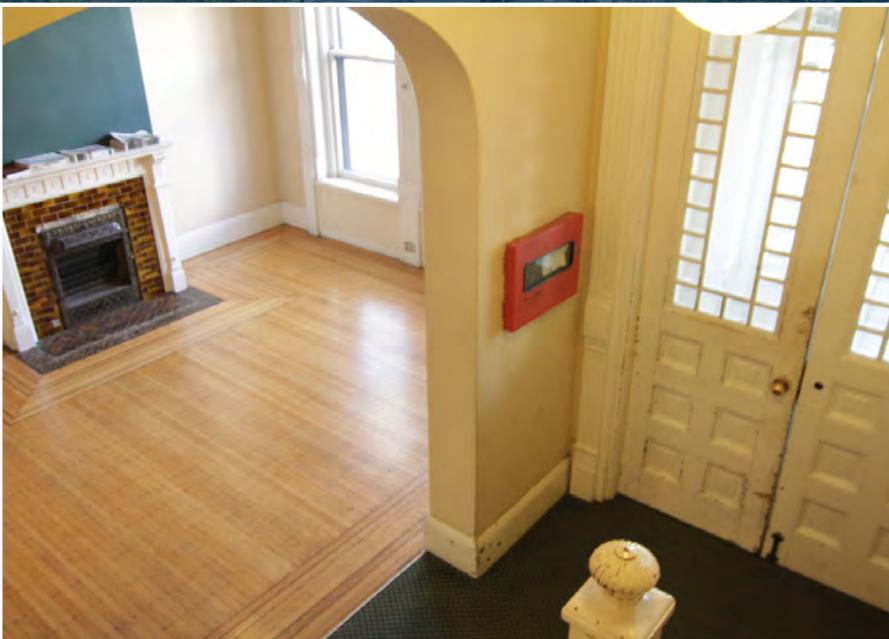
The Drexel is situated in the vibrant Downtown Minneapolis submarket, where multifamily fundamentals have strengthened following several years of elevated construction. New deliveries have moderated, and vacancy rates have begun to stabilize as absorption continues to outpace new supply. With limited projects slated in the near term, the demand for centrally located, communities like The Drexel remains strong, supported by sustained renter interest in urban living and access to major employment centers.

Downtown Minneapolis Submarket: Deliveries & Vacancy





IN-HOME AMENITIES





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Location Highlights



MINNEAPOLIS, MN

Minneapolis, MN, is the larger half of the Twin Cities and a key economic, cultural, and educational hub in the Midwest. Known for its skyline, lakes, and progressive energy, Minneapolis attracts residents who seek a high quality of life paired with urban excitement and opportunity.



PROXIMITY TO THE TWIN CITIES:

Minneapolis sits at the core of the Twin Cities metro, offering fast access to major highways (I-35W, I-94) and light rail lines. Residents benefit from proximity to major institutions, employers, sports venues, and entertainment districts.



EMPLOYMENT OPPORTUNITIES:

The city boasts a diverse economy, with Fortune 500 companies such as Target, U.S. Bank, and Ameriprise Financial headquartered downtown. In addition to finance and retail, the city is a hub for healthcare, technology, education, and the arts.



TRANSPORTATION:

With an extensive public transportation system—including the METRO Blue and Green Light Rail lines, Northstar Commuter Rail, and comprehensive bus service—Minneapolis is one of the most transit-accessible cities in the region. Its extensive bike lanes and pedestrian infrastructure also support car-free living.



OUTDOOR RECREATION:

Home to the famed Chain of Lakes, the Grand Rounds Scenic Byway, and over 180 parks, Minneapolis is one of the top-ranked cities in the nation for outdoor access and active living. Residents enjoy kayaking, biking, running, and year-round events in natural settings right within city limits.

Minneapolis delivers the energy of a major metropolitan center with unparalleled access to nature, culture, and opportunity—making it one of the most desirable places to live in the Midwest.

MINNEAPOLIS STATS (2025)



POPULATION:

424,870



MEDIAN HOME VALUE:

\$324,400



MEDIAN HOUSEHOLD
INCOME:

\$74,800



UNEMPLOYMENT RATE

4.2%



MEDIAN AGE:

33 YEARS



STONE ARCH BRIDGE

MISSISSIPPI RIVER

UNIVERSITY OF MINNESOTA



HENNEPIN COUNTY MEDICAL CENTER

ELLIOT PARK

MINNEAPOLIS CONVENTION CENTER



THE DREXEL



HENNEPIN HISTORY MUSEUM

MINNEAPOLIS INSTITUTE OF ART

THE DREXEL APARTMENTS | OFFERING MEMORANDUM

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POINTS OF INTEREST



U.S. BANK STADIUM

Home to the Minnesota Vikings and a hub for concerts, conventions, and large-scale events, U.S. Bank Stadium anchors the eastern edge of downtown and is

just a short walk from The Drexel, offering year-round entertainment and energy.



ELLIOT PARK

One of Minneapolis's oldest parks, Elliot Park offers residents green space, basketball courts, walking paths, and community gardens—providing a

peaceful urban escape just steps from the property.



MINNEAPOLIS CONVENTION CENTER

Located just a few blocks away, this expansive facility hosts national conferences, trade shows, and cultural

events, drawing a constant influx of visitors and supporting a vibrant downtown economy



MINNEAPOLIS INSTITUTE OF ART

Just a short drive or bike ride from The Drexel, MIA features an internationally renowned collection spanning 5,000 years of world history.

Admission is free, making it a favorite cultural destination for residents and visitors alike.



LIGHT RAIL – METRO BLUE & GREEN LINES

Nearby access to the METRO light rail system offers direct, car-free connections to downtown Minneapolis, St. Paul, MSP Airport, and the

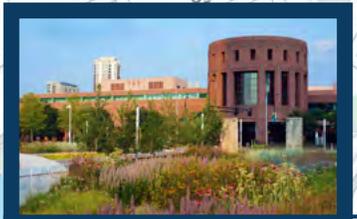
Mall of America, enhancing mobility for renters and visitors alike.



METRO BLUE & GREEN LINE STOP



U.S. BANK STADIUM



MINNEAPOLIS CONVENTION CENTER



ELLIOT PARK



THE DREXEL



MINNEAPOLIS INSTITUTE OF ART

THE “TWIN CITIES”

The Twin Cities, the Minneapolis–St. Paul Metropolitan Statistical Area (MSA), is one of the 20 largest MSAs in the United States by population and the thirteen-largest by economy. The Twin Cities has a diverse and robust economy. Here are some key aspects of the “Twin Cities” economy:



DIVERSE INDUSTRIES:

The economy of the Twin Cities is characterized by a diverse range of industries. The region has a strong presence in sectors such as finance, healthcare, technology, manufacturing, retail, food processing, and education. This diversity helps to provide stability and resilience to the local economy.

- **4th** in the Nation for most Fortune 500 companies per 1 million people.



FORTUNE 500 COMPANIES:

The Twin Cities are home to 17 Fortune 500 companies, including well-known names such as Target, United Health Group, 3M, General Mills, Best Buy, and Xcel Energy. These companies contribute significantly to the economic growth and employment opportunities in the region.



INNOVATION AND TECHNOLOGY:

The region has a vibrant technology and innovation scene. It is home to numerous startups, incubators, and research institutions. The University of Minnesota, along with other educational institutions, plays a crucial role in fostering innovation and driving technological advancements in the region.



EDUCATION AND HEALTHCARE:

The Twin Cities are known for their excellent education and healthcare systems. The University of Minnesota is a renowned research university, attracting students and faculty from around the world. The region is also home to world-class healthcare institutions like the Mayo Clinic and several other, large healthcare systems, which contribute to both the local economy and the overall quality of life.

- **2nd** in the Nation for residents holding a high school degree or higher (94.6%)
- **7th** in the Nation for residents holding a bachelor’s degree or higher (46.2%)



MLPS STATS (2025)



POPULATION:

3.69M



MEDIAN HOME VALUE:

\$362,600



MEDIAN HOUSEHOLD
INCOME:

\$101,925



UNEMPLOYMENT RATE
(APPROX):

2.9%
(EARLY 2025)



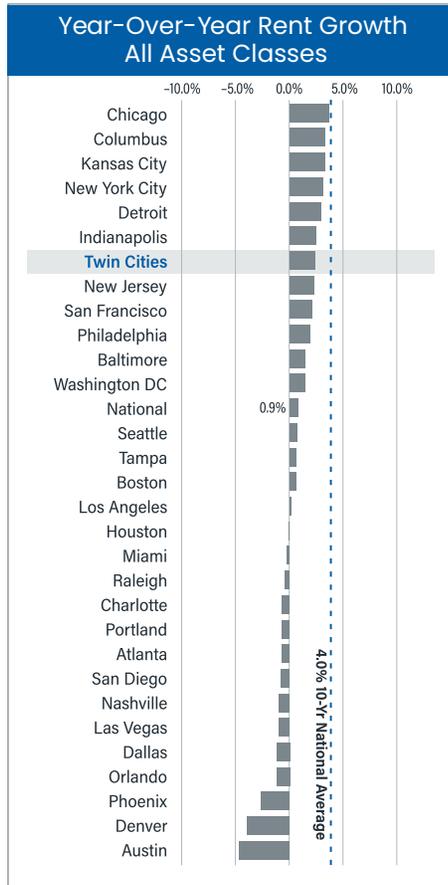
MEDIAN AGE:

38 YEARS

Twin Cities Ranks 7th Nationwide for Rent Growth

The Twin Cities is now the 7th fastest-growing metro in the country for multifamily rent growth. While the increase may seem modest, it represents a meaningful shift—especially after several years of record-breaking new supply.

With development slowing and demand remaining strong, the Twin Cities is once again becoming a supply-constrained market. **Rent growth is in the early stages of a broader upward trend.**



Source: Yardi Matrix



AFFORDABLE CITY

5th Most Affordable

Major U.S. Metro



AFFORDABLE HOUSING

18.9% 'Rent-to-Income' Ratio

One of the Lowest 'Rent-to-Income' Ratios in the Nation



WEALTHY RESIDENTS

40-45% of Households

Earn More Than \$100,000 Annually



RENT GROWTH

#7 in The Nation

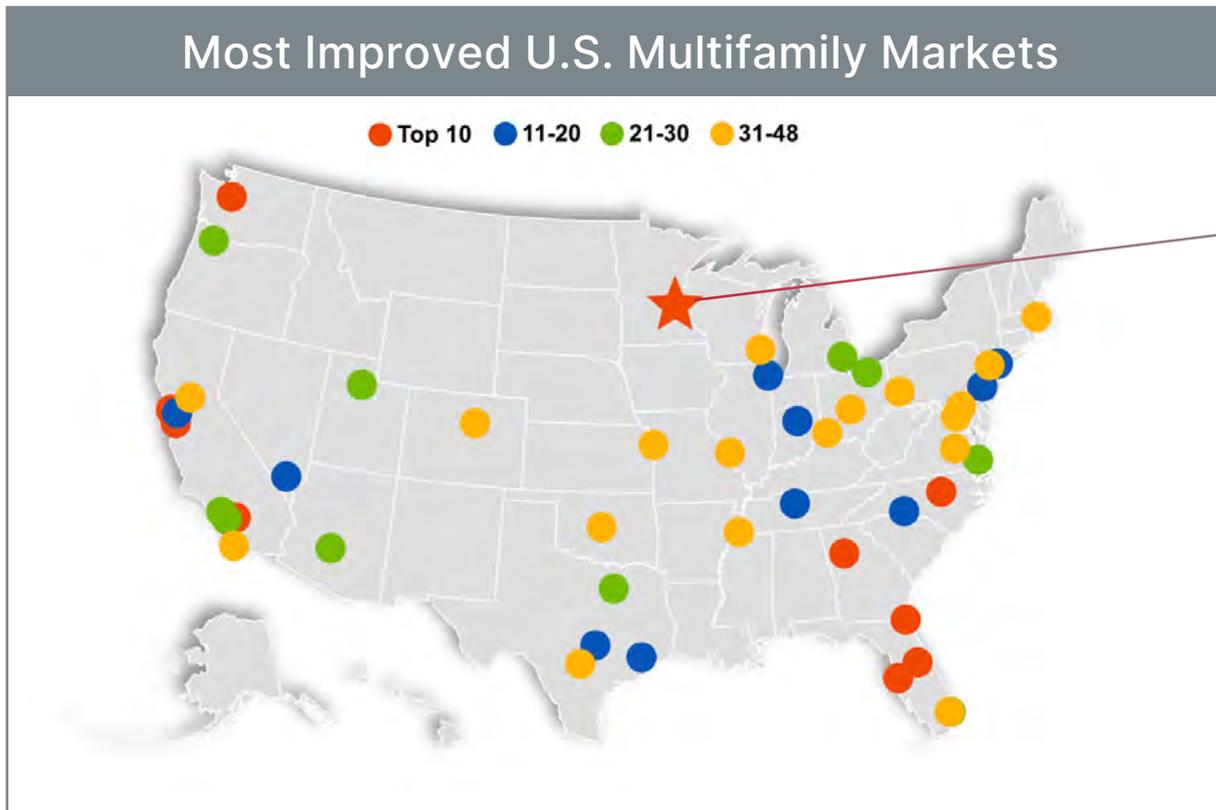
For Rent Growth



TWIN CITIES MULTIFAMILY MARKET OVERVIEW

Twin Cities Named a Top 10 Most Improved Multifamily Market

The Twin Cities ranks 8th among the most improved multifamily markets in the nation—and is the only Midwestern market to make the list. With limited new construction and steady demand, the region has experienced a meaningful decline in vacancy and early signs of rent growth.

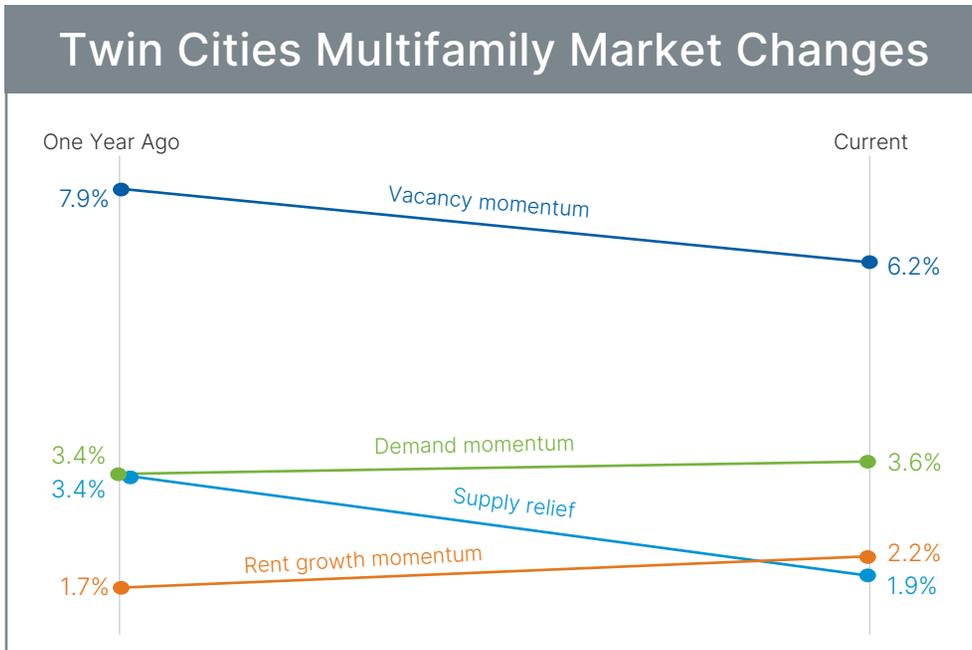


Twin Cities Performance Rankings

Vacancy momentum rank	3 rd
Rent growth momentum rank	5 th
Overall rank	8 th
Supply relief rank	22 nd
Demand momentum rank	28 th

Source: CoStar

TWIN CITIES MULTIFAMILY MARKET OVERVIEW



Source: CoStar

Vacancy Momentum Leads the Nation

Vacancy in the Twin Cities declined from 7.9% to 6.2% over the past year—ranking third nationally for vacancy momentum. **This improvement reflects strong demand and rapid absorption** of newly delivered units. With limited new construction, the market is reverting to its historically supply-constrained state, which is expected to further reduce vacancy rates.

Strong Wage Growth Supports Affordability

Wage growth has outpaced multifamily rent growth for 20 consecutive quarters, keeping rent-to-income ratios among the lowest in the country. This provides a strong foundation for future rent growth.



Rent-to-Income Ratio

↓ 18.97%



Median Household Income

↑ \$98,668



Average Rent

↑ \$1,560/mo

A ROBUST & DIVERSE ECONOMY

The Twin Cities boasts a strong job market with a relatively low unemployment rate (2.9%), compared to the national average (4.2%). The presence of major corporations, along with a thriving entrepreneurial ecosystem, contributes to the availability of a wide range of job opportunities across various sectors.



17 FORTUNE 500 COMPANIES

ARE HEADQUARTERED IN THE TWIN CITIES



MORE FORTUNE 500 COMPANIES

PER CAPITA THEN ANYWHERE IN THE WORLD

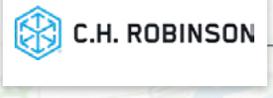


LARGEST CONCENTRATION OF
FORTUNE 1000 COMPANIES
WORLDWIDE

MN'S FORTUNE 1000 COMPANIES

- 4: UnitedHealth Group (\$371.6 billion)
- 37: Target (\$107.4 billion)
- 97: CHS (\$45.5 billion)
- 100: Best Buy (\$43.5 billion)
- 107: U.S. Bancorp (\$40.6 billion)
- 134: 3M (\$32.7 billion)
- 203: General Mills (\$20.1 billion)
- 233: C.H. Robinson (\$17.6 billion)
- 245: Land O'Lakes (\$16.8 billion)
- 254: Ameriprise Financial (\$16.1 billion)
- 269: Ecolab (\$15.3 billion)
- 302: Xcel Energy (\$14.2 billion)
- 343: Hormel Foods (\$12.1 billion)
- 405: Thrivent Financial for Lutherans (\$9.7 billion)
- 431: Polaris (\$9 billion)
- 462: Securian Financial Group (\$8 billion)
- 488: Fastenal (\$7.3 billion)
- 509: APi Group (\$7 billion)
- 542: Patterson (\$6.4 billion)
- 682: Toro (\$4.6 billion)
- 814: H.B. Fuller (\$3.5 billion)
- 816: Winnebago Industries (\$3.5 billion)
- 831: Donaldson (\$3.4 billion)
- 872: Federated Mutual Insurance (\$3.1 billion)
- 878: Vista Outdoor (\$3.1 billion)

TWIN CITIES' FORTUNE 1000 COMPANIES



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Financial Analysis

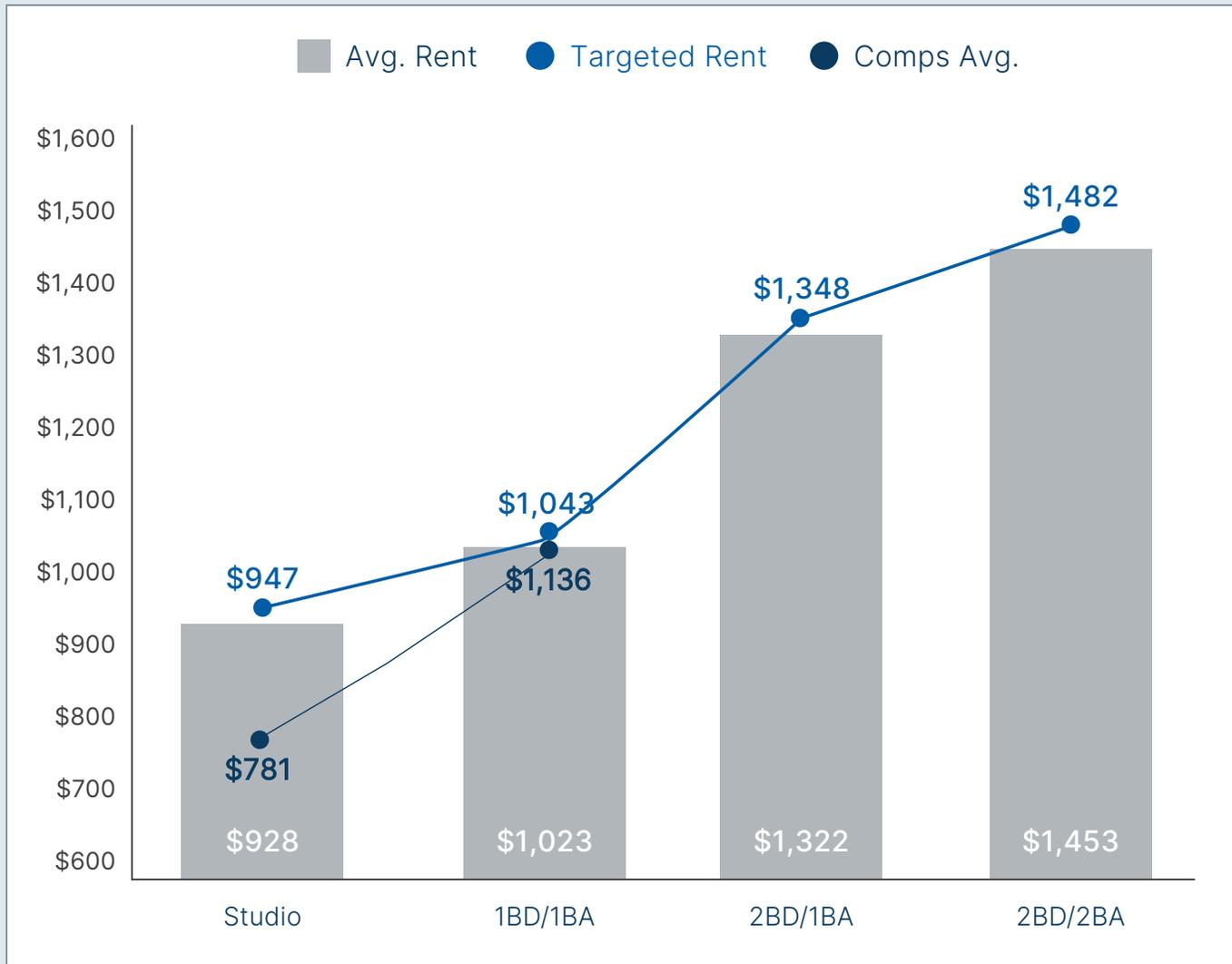


OVERVIEW SUMMARY

Unit Mix Summary

Unit Type	Units	Avg. SF	Avg. Rent	2% Rental Upside	Targeted Rent
Studio	9	450	\$928	\$19	\$947
1BD/1BA	60	650	\$1,023	\$20	\$1,043
2BD/1BA	3	700	\$1,322	\$26	\$1,348
2BD/2BA	3	750	\$1,453	\$29	\$1,482
Total/Avg:	75	632	\$1,041	\$21	\$1,062

OVERVIEW SUMMARY



Historical & Proforma Financials

	7/31/25			FY1 Metrics (Proforma)			T12 to FY1
	T12	Per Unit	% GPR or EGI	FY1	Per Unit	% GPR or EGI	
Income							
Gross Potential Rent	\$666,038	\$8,881	100.00%	\$955,369	\$12,738	100.00%	43.44%
Total GPR	\$666,038	\$8,881	100.00%	\$955,369	\$12,738	100%	43.44%
Vacancy Loss	-	-	0.00%	(47,768)	(637)	(5.00%)	
Bad Debt	-	-	0.00%	(9,554)	(127)	(1.00%)	
Net Effective	\$666,038	\$8,881	100.00%	\$898,047	\$11,974	94.00%	34.83%
Commercial Income	84,120	1,122	12.63%	102,348	1,365	10.71%	21.67%
Effective Gross Income	\$750,158	\$10,002	112.6%	\$1,000,395	\$13,339	104.7%	33.36%
Expenses							
General & Administrative Expense	\$102,069	\$1,361	13.61%	\$99,876	\$1,332	9.98%	-2.15%
Payroll & Employee Expense	47,575	634	6.34%	49,003	653	4.90%	3.00%
Office & Admin Expense	6,599	88	0.88%	6,797	91	0.68%	3.00%
Marketing & Advertising	25,528	340	3.40%	26,294	351	2.63%	3.00%
Professional Services Fee	9,763	130	1.30%	10,056	134	1.01%	3.00%
Security Deposit Refund	5,102	68	0.68%	0	0	0.00%	-100.00%
Credit Card Fees	7,501	100	1.00%	7,726	103	0.77%	3.00%
Utilities	153,191	2,043	20.42%	165,286	2,204	16.52%	7.90%
Electricity	21,776	290	2.90%	22,429	299	2.24%	3.00%
Water	47,200	629	6.29%	48,616	648	4.86%	3.00%
Gas	48,879	652	6.52%	50,345	671	5.03%	3.00%
Trash	26,844	358	3.58%	27,649	369	2.76%	3.00%
Telephone	8,492	113	1.13%	8,747	117	0.87%	3.00%
Management Fee Expense	0	0	0.00%	50,020	667	5.00%	
Operating & Maintenance	105,559	1,407	14.07%	108,725	1,450	10.87%	3.00%
General R&M	66,603	888	8.88%	68,601	915	6.86%	3.00%
Grounds Maintenance	674	9	0.09%	694	9	0.07%	3.00%
Elevator	6,789	91	0.91%	6,993	93	0.70%	3.00%
Building Maintenance	17,421	232	2.32%	17,944	239	1.79%	3.00%
Supplies	7,819	104	1.04%	8,054	107	0.81%	3.00%
Cleaning & Exterminating	6,251	83	0.83%	6,439	86	0.64%	3.00%
Insurance	51,391	685	6.85%	75,000	1,000	7.50%	45.94%
Apt. RE Taxes	123,144	1,642	16.42%	95,230	1,270	9.52%	-22.67%
Miscellaneous Expense	90	1	0.01%	92	1	0.01%	3.00%
Total Expenses	\$535,443	\$7,138	71.4%	\$594,230	\$7,922	59.4%	10.98%
Net Operating Income	\$214,714	\$2,864	28.6%	\$406,165	\$5,417	40.6%	89.17%
Reserves				\$22,500	\$300	2.25%	
NOI After Reserves	\$214,714	\$2,864	28.6%	\$383,665	\$5,117	38.4%	78.69%

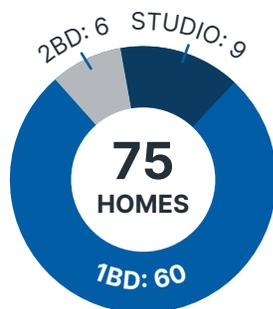
10-Year Cashflow Projections

	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
Income										
Gross Potential Rent	\$955,369	\$974,476	\$993,966	\$1,013,845	\$1,034,122	\$1,054,804	\$1,075,900	\$1,097,418	\$1,119,367	\$1,141,754
Total GPR	\$955,369	\$974,476	\$993,966	\$1,013,845	\$1,034,122	\$1,054,804	\$1,075,900	\$1,097,418	\$1,119,367	\$1,141,754
Vacancy Loss	(47,768)	(48,724)	(49,698)	(50,692)	(51,706)	(52,740)	(53,795)	(54,871)	(55,968)	(57,088)
Bad Debt	(9,554)	(9,745)	(9,940)	(10,138)	(10,341)	(10,548)	(10,759)	(10,974)	(11,194)	(11,418)
Net Effective	\$898,047	\$916,008	\$934,328	\$953,014	\$972,075	\$991,516	\$1,011,346	\$1,031,573	\$1,052,205	\$1,073,249
Commercial Income	102,348	102,348	102,348	102,348	102,348	102,348	102,348	102,348	102,348	102,348
Effective Gross Income	\$1,000,395	\$1,018,356	\$1,036,676	\$1,055,362	\$1,074,423	\$1,093,864	\$1,113,694	\$1,133,921	\$1,154,553	\$1,175,597
Expenses										
General & Administrative Expense	\$99,876	\$102,872	\$105,959	\$109,137	\$112,412	\$115,784	\$119,257	\$122,835	\$126,520	\$130,316
Payroll & Employee Expense	49,003	50,473	51,987	53,547	55,153	56,808	58,512	60,267	62,075	63,937
Office & Admin Expense	6,797	7,001	7,211	7,428	7,650	7,880	8,116	8,360	8,611	8,869
Marketing & Advertising	26,294	27,083	27,895	28,732	29,594	30,482	31,397	32,339	33,309	34,308
Professional Services Fee	10,056	10,358	10,669	10,989	11,319	11,658	12,008	12,368	12,739	13,121
Credit Card Fees	7,726	7,957	8,196	8,442	8,695	8,956	9,225	9,501	9,787	10,080
Utilities	165,286	170,245	175,352	180,613	186,031	191,612	197,361	203,281	209,380	215,661
Electricity	22,429	23,102	23,795	24,509	25,244	26,002	26,782	27,585	28,413	29,265
Water	48,616	50,075	51,577	53,124	54,718	56,360	58,050	59,792	61,586	63,433
Gas	50,345	51,856	53,411	55,014	56,664	58,364	60,115	61,919	63,776	65,689
Trash	27,649	28,478	29,333	30,213	31,119	32,053	33,014	34,005	35,025	36,076
Telephone	8,747	9,009	9,279	9,558	9,844	10,140	10,444	10,757	11,080	11,412
Management Fee Expense	50,020	50,918	51,834	52,768	53,721	54,693	55,685	56,696	57,728	58,780
Operating & Maintenance	108,725	111,987	115,347	118,807	122,371	126,043	129,824	133,719	137,730	141,862
General R&M	68,601	70,659	72,779	74,963	77,212	79,528	81,914	84,371	86,902	89,509
Grounds Maintenance	694	715	737	759	782	805	829	854	880	906
Elevator	6,993	7,203	7,419	7,641	7,871	8,107	8,350	8,600	8,858	9,124
Building Maintenance	17,944	18,482	19,036	19,607	20,196	20,802	21,426	22,068	22,730	23,412
Supplies	8,054	8,296	8,545	8,801	9,065	9,337	9,617	9,905	10,203	10,509
Cleaning & Exterminating	6,439	6,632	6,831	7,036	7,247	7,465	7,689	7,919	8,157	8,401
Insurance	75,000	77,250	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858
Apt. RE Taxes	95,230	97,134	92,097	93,939	95,817	97,734	99,688	101,682	103,716	105,790
Miscellaneous Expense	92	95	98	101	104	107	110	113	117	120
Total Expenses	\$594,230	\$610,502	\$620,254	\$637,320	\$654,870	\$672,918	\$691,479	\$710,567	\$730,198	\$750,387
Expense to Income Ratio	59.4%	59.9%	59.8%	60.4%	61.0%	61.5%	62.1%	62.7%	63.2%	63.8%
Net Operating Income	\$406,165	\$407,854	\$416,422	\$418,043	\$419,553	\$420,946	\$422,215	\$423,354	\$424,354	\$425,209
Reserves	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
NOI After Reserves	\$383,665	\$385,354	\$393,922	\$395,543	\$397,053	\$398,446	\$399,715	\$400,854	\$401,854	\$402,709

Underwriting Notes

UNIT MIX

Floorplan	Total Units
Studio	9
1BD/1BA	60
2BD/1BA	3
2BD/2BA	3
Total/Avg.	75



INCOME

Gross Potential Rent

Gross potential rent is calculated by annualizing the most recent rent roll and increasing the rents by 2%. Vacant units are assumed to be rented at the current asking rents. Baseline rents will continue to grow at 2% annually thereafter.

Vacancy Loss

General vacancy loss is projected at 5% of GPR annually.

Bad Debt

Bad Debt is expected to be 1% of GPR annually.

Commercial Income

The property includes 5 retail units, with income from these spaces expected to remain consistent with the current rents, as outlined in the rent roll, throughout the proforma period.

EXPENSES

Most of the expense line items in FY1 are projected to increase 3% over the T12 numbers.

Security deposits refund, present in the historical financials, is non-operating in nature and is eliminated for the proforma.

A few line-items are different and are projected as the following:

Management Fee

The management fee is projected at 5% of total revenue.

Insurance

The insurance expense is projected at \$1,000/unit/year and is expected to grow 3% annually thereafter.

Apt. RE Taxes

Below is a summary of known property tax data for the property:

Assessment Year	Payable Year	Taxable Value	Payable	Tax Rate	Discount	Special Assessment	Net Payable
2022	2023	\$6,140,000	\$98,853	1.61%	0%	\$0	\$98,853
2023	2024	\$6,447,000	\$103,124	1.60%	0%	\$0	\$103,124
2024	2025	\$5,802,000	\$105,811	1.82%	0%	\$0	\$105,811
2025	2026	\$5,221,800		1.82%	0%	\$0	\$95,230

The 2026 net payable is estimated using the 2025 assessment and applying the 2025 applicable tax rate and special assessment amount.

Property taxes are projected to increase 2% annually for non-reassessment tax years.

Post-sale reassessment is assumed to occur in FY3 at 100% of the purchase price.

Taxes in Minnesota are paid in May and October each year. Due to the timing of the sale, FY1 real estate tax expense will consist of 100% of the estimated 2026 tax payable amount or \$95,230.

Reserves

Replacement reserves are projected at \$300 per unit.

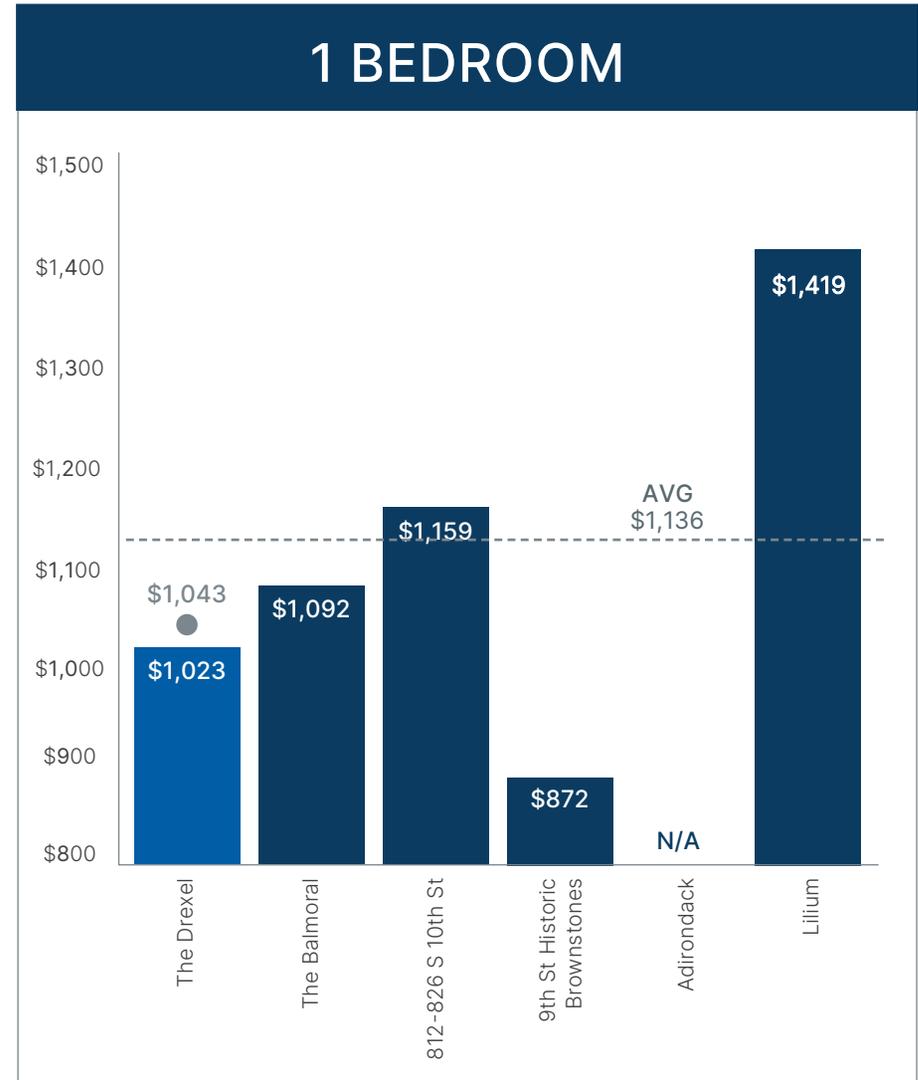
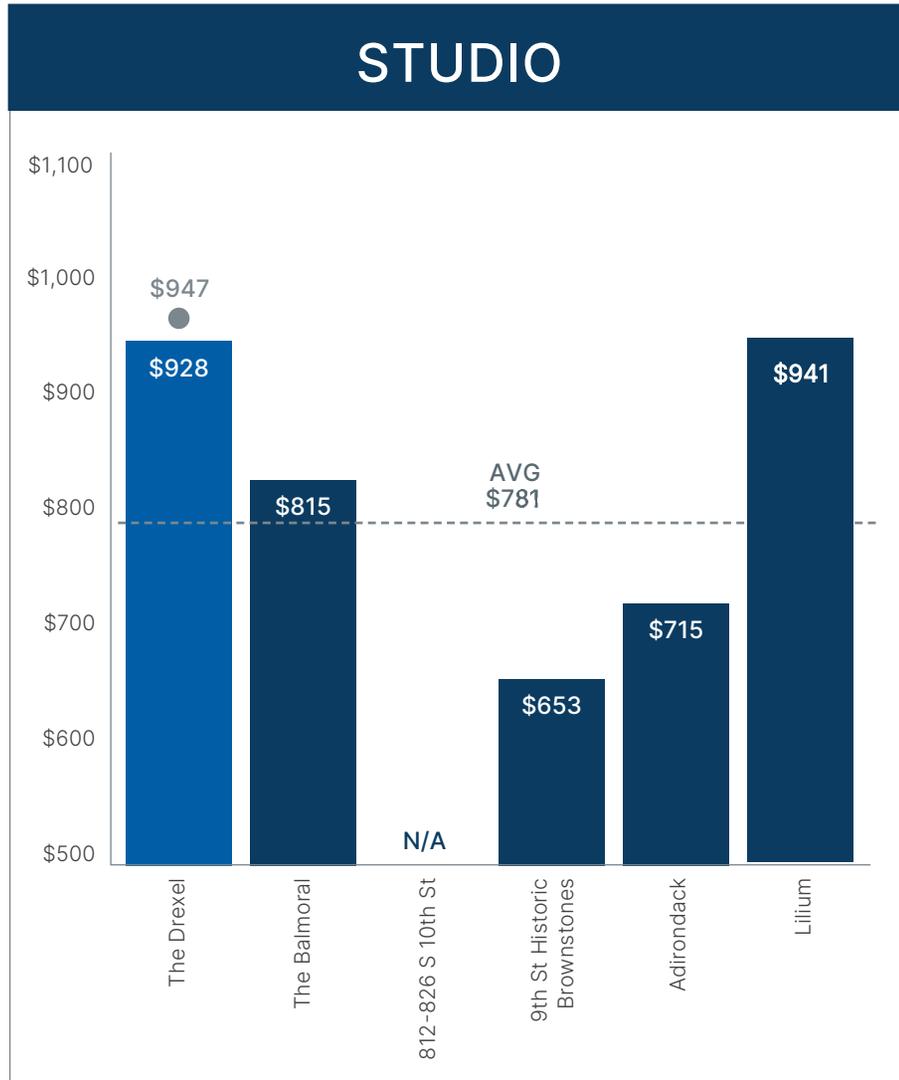
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Rent & Sale Comparables



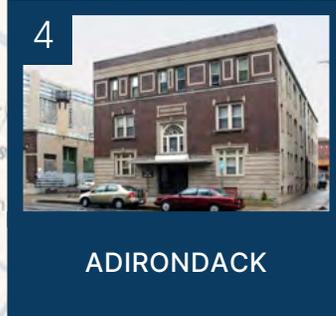
BEDROOM/RENT COMPARISON

■ Avg. Current Rent ● Target Rent ■ Comps Avg. Rent - - - - Comps Combined Avg. Rent



RENT COMPARABLES

							
	Subject	1	2	3	4	5	Comp Avgs.
Property	The Drexel 1009 Park Ave Minneapolis	The Balmoral 1005 Portland Ave S Minneapolis	812-826 S 10th St Minneapolis	9th St Historic Brownstones 614-618 S 9th St Minneapolis	Adirondack 608 9th St S Minneapolis	Lilium 706 9th St S Minneapolis	
Year Built	1901	1914	1900	1886	1915	1915/2016	1904
# of Units	75	58	30	17	36	31	34
Studio							
# of Units	9	43		5	36	30	29
SF	450	286		325	600	309	380
Rent	\$928	\$815		\$653	\$715	\$941	\$781
Rent PSF	\$2.06	\$2.85		\$2.01	\$1.19	\$3.05	\$2.28
1 Bedroom							
# of Units	60	15	30	12		1	15
SF	650	425	572	525		730	563
Rent	\$1,023	\$1,092	\$1,159	\$872		\$1,419	\$1,136
Rent PSF	\$1.57	\$2.57	\$2.03	\$1.66		\$1.94	\$2.05
2 Bedroom							
# of Units	6						
SF	725						
Rent	\$1,388						
Rent PSF	\$1,415						
Electric	Resident Paid	Included in Rent	NA	NA	Resident Paid	Resident Paid	
Gas	Included in Rent	Resident Paid	NA	NA	Included in Rent	Included in Rent	
Water	Included in Rent	Resident Paid	NA	NA	Included in Rent	Included in Rent	
Trash	Included in Rent	Resident Paid	NA	NA	Included in Rent	Included in Rent	
Laundry	On-Site	On-Site	NA	NA	On-Site	On-Site	



SALE COMPARABLES

								
	Subject	1	2	3	4	5	6	Comp Avgs.
Property	The Drexel 1009 Park Ave Minneapolis	2711 Grand Ave S Minneapolis	2709 Blaisdell Ave Minneapolis	Sheba 2420 1st Ave S Minneapolis	500 W 28th St Minneapolis	3537 11th Ave S Minneapolis	3848 Cedar Ave S Minneapolis	
Year Built	1901	1967	1920	1921	1961	1961	1929	1943
# of Units	75	12	14	19	11	11	10	13
Studios	10	12	14	0	0	0	0	4
1 Bedroom	59	0	0	19	11	10	10	8
2 Bedroom	6	0	0	0	0	1	0	0
Price Per Unit	Market	\$102,083	\$106,786	\$79,474	\$100,455	\$100,000	\$94,000	\$97,133
Sale Price		\$1,225,000	\$1,495,000	\$1,510,000	\$1,105,000	\$1,100,000	\$940,000	\$1,229,167
Sale Date		9/29/2025	8/29/2025	8/15/2025	8/5/2025	4/15/2025	1/16/2025	



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Executive
Contacts

Michel Commercial is a trusted multifamily brokerage known for its integrity and track record of successful results. Established by Steve Michel in 1987, Michel Commercial has a strong reputation for extensive marketing and strong industry relationships. The firm has sold over \$2.5 billion worth of apartment properties and regularly receives the "Power Broker Award" for being among the highest overall in apartment transaction volume in the Midwest multifamily market. The Michel Commercial team are market experts who stay up-to-date with prevailing market conditions and trends.

**STEVE MICHEL**

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Steve, as the founder of Michel Commercial Real Estate in 1987 and a licensed real estate professional since 1978, possesses unparalleled expertise in negotiating multifamily property transactions. With over five decades in the industry, he has honed his skills and is renowned for his ability to navigate complex deals, ensuring optimal outcomes for his clients.

Beyond his professional endeavors, Steve and his wife, Cheryl, enjoy cherished moments with their four children and four grandchildren. Their passions for family, friends, faith, travel, and time at the cabin, remain integral to their lives.

Education: B.A. Business Administration,
B.A. History / Political Science,
Concordia College, Moorhead, MN

Recognition: Finalist for 'Broker of the Year' in 2023
Finalist for 'Executive of the Year' in 2025

**HEIDI ADDO**

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Heidi, an integral part of Michel Commercial Real Estate since 2019, is a market expert known for staying current with the latest multifamily market trends. She leverages this expertise to assist her clients in achieving their goals and strategically positioning their properties for competitive bidding environments.

Beyond her professional pursuits, Heidi and her husband, Kojo, and their daughter, Hope, enjoy exploring new brunch spots across the Twin Cities. They also treasure time spent with their friends and family.

Education: M.A. Educational Leadership,
St. Mary's University of Minnesota, Minneapolis, MN
B.A. Elementary Education,
Concordia College, Moorhead, MN;

Recognition: Finalist for 'Broker of the Year' in 2024 & 2025

**PETER MICHEL**

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Peter, a vital part of Michel Commercial Real Estate since 1991, has established strong, enduring relationships with local and national buyers and sellers. His reputation for unwavering dedication and hard work has garnered trust and loyalty among his clients.

Peter is not just a seasoned professional but also an ardent lover of the outdoors, finding joy in activities like boating, golf, and tennis. His dedication extends beyond his work, as he actively volunteers in the community, adding value both in his professional and personal spheres.

Education: B.A. Biology / Chemistry,
Concordia College, Moorhead, MN

**JESSE THURSTON**

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Jesse is a valued member of Michel Commercial Real Estate, bringing a strong background in multifamily investment sales. He is known for his ability to navigate transactions with a solution-oriented approach. Jesse's reputation for fostering strong client relationships stems from his approachable demeanor and collaborative style, making him a preferred partner with clients.

Outside of work, Jesse enjoys spending time with his wife, Jillian, and their two children, Jax and Remy. Together, they embrace their love for travel by exploring new destinations around the globe. During the summer months, you can often find Jesse on the river, indulging in his passion for boating.

Education: B.B.A. Business Administration and Management,
Saint Mary's University of Minnesota

Recognition: Finalist for 'Emerging Leader of the Year' in 2025

**PHIL REESNES**

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Phil, a pivotal member of Michel Commercial Real Estate since 2002, is recognized for his ability to nurture lasting and genuine client relationships. These steadfast, client relationships are evident in the multitude of repeat engagements that signify their trust in his guidance and professionalism.

Outside of work, Phil, along with his wife Lisa, find joy in family time, church activities, and hobbies like traveling, enjoying their cabin, and playing golf. They are relishing the delight of their first grandchild, Lucy.

Education: B.A. Music Education,
Concordia College, Moorhead, MN

**UKEE DOZIER**

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Ukee joins Michel Commercial with over 10 years of finance experience and a strong background in commercial real estate. Previously leading acquisitions for a multifamily investment firm, he brings valuable insight into how buyers underwrite opportunities. His strategic mindset and client-first approach make him a trusted partner for results.

A former University of Minnesota standout and Minnesota Vikings athlete, Ukee brings a competitive edge and disciplined work ethic to every project. Outside the office, he enjoys time with his wife Angie and their three children—Brayden, Zoie, and Marlee—runs marathons, and supports youth through coaching and nonprofit service.

Education: M.B.A. Business Administration,
George Washington University;
B.A., Sports Management,
University of Minnesota Twin Cities

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