

# TOWNSQUARE APARTMENTS

40 Units  
HAP (M2M)

705 Jeanette Street  
Harrisburg, AR 72432



TOWNSQUARE APARTMENTS | Offering Memorandum

Direct, confidential sales of  
affordable housing.™

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**AFFORDABLE HOUSING**  
INVESTMENT BROKERAGE, INC.

## CONFIDENTIALITY AND DISCLAIMER

This initial offering memorandum contains certain information regarding an affordable housing asset owned and operated by a regional company. By accepting this offering memorandum, the recipient agrees that it will cause its directors, officers, employees and representatives to use the information only to evaluate this specific transaction and for no other purpose. In addition, the recipient agrees not to divulge the information contained herein to any other party and shall return this information, and any subsequent release of information, upon request of the Seller. All recipients of this information are bound to the confidentiality agreement previously signed by the recipient and held on file by Affordable Housing Investment Brokerage, Inc. (Agent). It is understood that the recipient will refrain from any unauthorized on-site visits, contact with the Seller or contact with the property and/ or employees.

The Seller reserves the right to negotiate with one or more parties at any time and to enter into a definitive agreement with respect to a transaction or to determine not to proceed with a transaction, without prior notice to the recipient. The Seller, and affiliates, shall not be legally bound to any recipient of this marketing package unless a written agreement concerning a transaction has been approved and dually executed.

The information contained in this marketing package was provided to the Seller and other public sources. This document has been prepared from sources that are believed to be reliable. The Seller and Affordable Housing Investment Brokerage, Inc., all affiliates and their respective officers, directors, managers or employees make no representation or warranty as to the accuracy or completeness of any information.

## **OFFERING PROCEDURES**

### **PURCHASERS WISHING TO MAKE AN OFFER ON THE PROPERTY SHOULD SUBMIT:**

- Letter of Intent (template available upon request).
- Source and location of the equity monies necessary to close the proposed transaction: money market account, marketable securities, etc.
- Specific details of intended financing (ie. Fannie, Freddie, Credit Union, Local Bank etc.)
- List of other investment real estate owned now or in the past, including property type, address, size, approximate value and period of ownership.
- Description of the purchaser's experience with investment real estate or related industries.
- Transaction references.
- Banking references



## INVESTMENT OVERVIEW

- Offering Summary
- Property Summary
- Photos

**PROPERTY SUMMARY**

**PROPERTY DETAILS**

Property Name	Townsquare Apartments
Address	705 Jeanette Street
City, Zip Code	Harrisburg, 72432
Year Built	
Total Units	40 units
Rentable Square Feet	

**SITE OVERVIEW**

APN	111-01251-0000
Number of Buildings	13
Number of Stories	1

**UTILITIES**

Water / Sewer	Landlord Paid
Electric	Landlord Paid
Gas	Tenant Paid
Trash	Landlord Paid

**CONSTRUCTION**

Foundation	Concrete Slab
Framing	Wood Framing
Exterior	Brick
Roof	Pitched Asphalt
HVAC	Range
Elevators	N/A



PHOTOS



Unit Kitchen

PHOTOS



Bedroom



Bathroom

PHOTOS



Playground

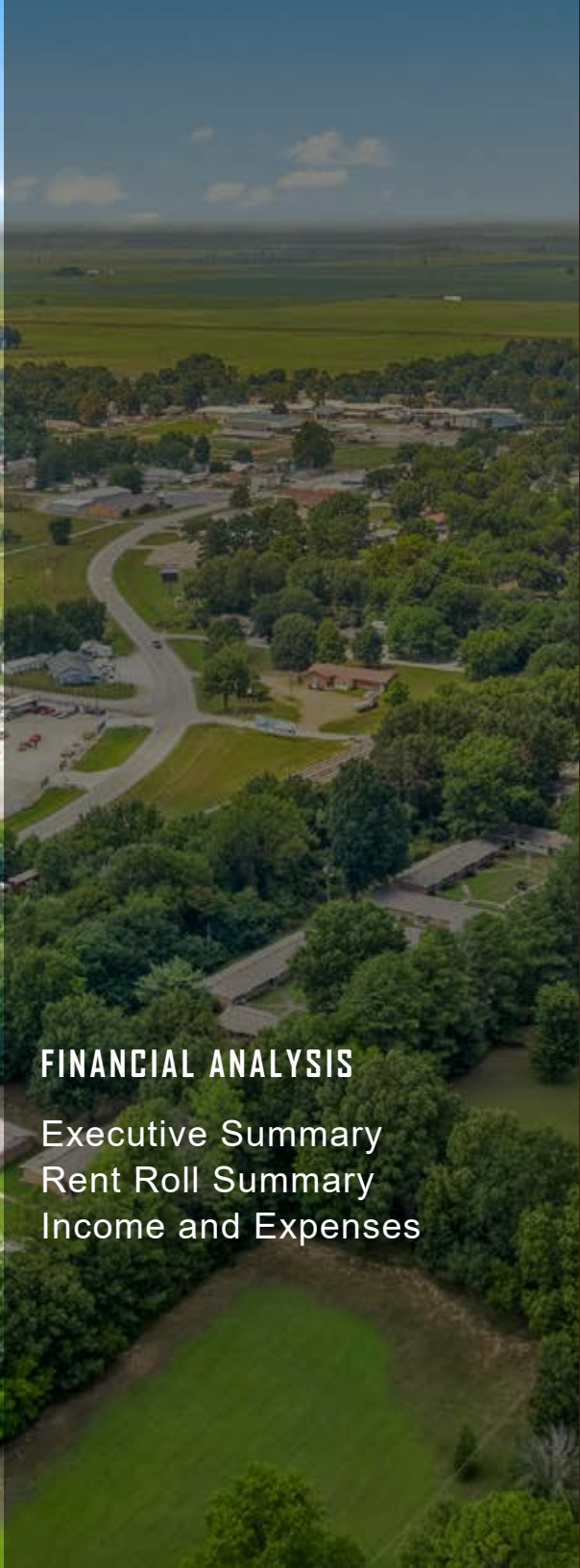


Wheelchair Access



ADDITIONAL PROPERTY PHOTOS





## FINANCIAL ANALYSIS

- Executive Summary
- Rent Roll Summary
- Income and Expenses

**EXECUTIVE SUMMARY**

**Property Details**

Total Number of Units	40
Current Occupancy	100.00%
Average Monthly Rent Per Unit	\$714
Asset/Location Class	B/C
Asset Type	1 Story Garden

**All Cash Summary**

Price	\$1,275,000
Cap Rate - Year One	8.50%
Cap Rate - 04/24 T12	3.13%
Cap Rate - 2023	2.18%
GRM	3.51
Price Per Unit	\$31,875

**Debt Assumptions**

Interest Rate	6.50%
Amortization Period	30 Years
Years of Interest Only	0 Years
Annual Loan Constant	7.58%
Loan Term	10 Years
Year 1 DCR	1.40
Loan to Value	80%
Loan Amount	\$1,020,000

**Leveraged Summary**

Price	\$1,275,000
Cash on Cash Return - Year 1	11.67%
Cash on Cash Return - 3 Yr. Average	16.32%
All Cash IRR	12.76%
Leveraged IRR	26.42%

**Net Residual Value Assumptions**

Year Capitalized	2035
Capitalization Rate	7.75%
Cost of Sale	1.00%

**Subsidy Contract Profile**

Section 8 Coverage (#Units / %)	40 / 100%
Contract Number	AR3700020019
Expiration Date	1/31/2032
REAC (11/3/2022)	89b
Rent Increase Program	OCAF
Qualified Census Tract (2024)	No
Opportunity Zone	No

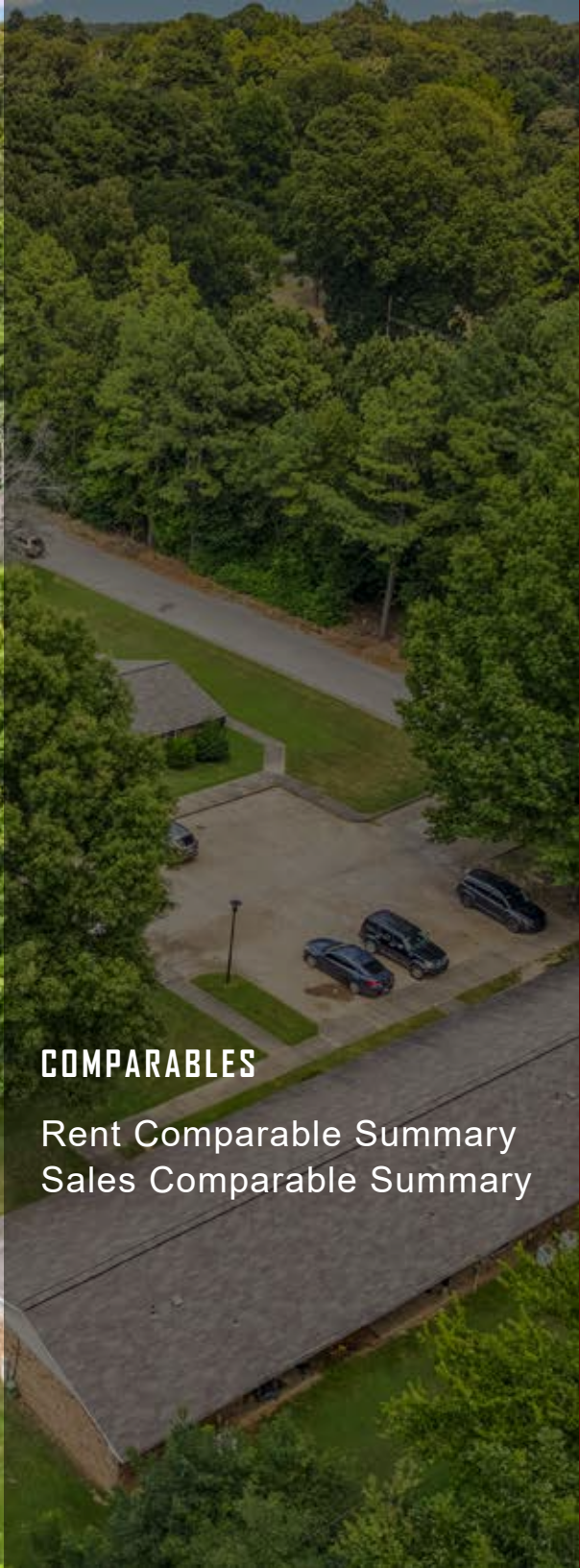
RENT ROLL SUMMARY

Rents effective as of 2/1/2024

Unit Count	Type	Scheduled Monthly Rent	Contract Rent	Utility Allowance	Gross Rent	HUD FMR	Max 60% LIHTC Rent
15	1 Bedroom / 1 Bath	\$10,230	\$682	\$90	\$772	\$650	\$871
21	2 Bedroom / 1 Bath	\$14,868	\$708	\$112	\$820	\$850	\$1,045
4	3 Bedroom / 2 Bath	\$3,480	\$870	\$144	\$1,014	\$1,130	\$1,207
<b>40</b>	<b>Vacant</b>	<b>Totals</b>	<b>\$28,578</b>				
		<b>Averages</b>		<b>\$714</b>		<b>\$803</b>	<b>\$996</b>

INCOME AND EXPENSES

	2023	Per Unit		04/24 T12	Per Unit		Year 1	Per Unit	Note
Gross Potential Rent	\$331,286	\$8,282		\$290,573	\$7,264		\$363,169	\$9,079	1
Physical Vacancy	(\$47,653)	(\$1,191)	14.4%		\$0	0.0%		\$0	
Collection Loss / Concessions	(\$3,551)	(\$89)	1.1%		\$0	0.0%		\$0	
Total Economic Vacancy	(\$51,204)	(\$1,280)	15.5%	\$0	\$0	0.0%	(\$18,158)	(\$454)	5.0%
Effective Rental Income	\$280,082	\$7,002		\$290,573	\$7,264		\$345,011	\$8,625	
Ancillary Income	\$7,475	\$187		\$7,978	\$199		\$7,978	\$199	2
<b>Gross Operating Income</b>	<b>\$287,557</b>	<b>\$7,189</b>		<b>\$298,551</b>	<b>\$7,464</b>		<b>\$352,989</b>	<b>\$8,825</b>	
<b>Variable Expenses</b>									
Maintenance & Repairs	\$31,178	\$779		\$23,119	\$578		\$23,119	\$578	2
Refuse	\$11,683	\$292		\$10,256	\$256		\$10,256	\$256	2
Contracts	\$35,179	\$879		\$26,829	\$671		\$26,829	\$671	2
Payroll	\$53,617	\$1,340		\$65,170	\$1,629		\$65,170	\$1,629	2
Employee Benefits	\$6,443	\$161		\$5,191	\$130		\$5,191	\$130	2
Legal & Accounting	\$10,903	\$273		\$12,199	\$305		\$8,000	\$200	3
Advertising & Promotion	\$475	\$12		\$1,515	\$38		\$1,515	\$38	2
Administrative	\$26,231	\$656		\$19,681	\$492		\$8,000	\$200	4
Management Fee	\$27,816	\$695		\$29,136	\$728		\$29,136	\$728	5
<b>Total Variable Expenses</b>	<b>\$203,525</b>	<b>\$5,088</b>		<b>\$193,097</b>	<b>\$4,827</b>		<b>\$177,217</b>	<b>\$4,430</b>	
<b>Fixed Expenses</b>									
Utilities - Water & Sewer	\$13,647	\$341		\$14,960	\$374		\$14,960	\$374	2
Utilities - Electric	\$14,942	\$374		\$14,370	\$359		\$14,370	\$359	2
Insurance	\$17,819	\$445		\$25,939	\$648		\$17,819	\$445	6
Real Estate Taxes	\$9,816	\$245		\$10,308	\$258		\$10,308	\$258	2
<b>Total Fixed Expenses</b>	<b>\$56,224</b>	<b>\$1,406</b>		<b>\$65,577</b>	<b>\$1,639</b>		<b>\$57,457</b>	<b>\$1,436</b>	
<b>Total Expenses</b>	<b>\$259,749</b>	<b>\$6,494</b>		<b>\$258,674</b>	<b>\$6,467</b>		<b>\$234,674</b>	<b>\$5,867</b>	
<b>Net Operating Income Before Reserves</b>	<b>\$27,808</b>	<b>\$695</b>		<b>\$39,878</b>	<b>\$997</b>		<b>\$118,315</b>	<b>\$2,958</b>	
Capital Reserves		\$0			\$0		\$10,000	\$250	7
<b>Net Operating Income After Reserves</b>	<b>\$27,808</b>	<b>\$695</b>		<b>\$39,878</b>	<b>\$997</b>		<b>\$108,315</b>	<b>\$2,708</b>	



**COMPARABLES**

- Rent Comparable Summary
- Sales Comparable Summary

RENT COMPARABLE SUMMARY

	Property	City	Total Units	Year Built / Renovated	Occ.	1 Bedroom Rent	2 Bedroom Rent	3 Bedroom Rent	Type
★	Townsquare Apartments	Harrisburg	40	1980	100%	\$645	\$670	\$823	HAP
1	Williamsburg Apartments	Joneboro	90	1998	99%	\$589	\$767	\$840	Market
2	The Meadows Apartments	Joneboro	208	2005	99%	\$650	\$821	\$888	Market
3	Craighead Commons	Jonesboro	96	2017	98%	\$850	\$1,000	\$1,300	Market
4	Savannah Hills	Jonesboro	350	2005	96%	\$876	\$903	\$1,251	Market
5	The Links at Jonesboro	Jonesboro	432	1996	92%	\$650	\$785	-	Market
6	Grand Oak Place	Jonesboro	54	1975	89%	-	\$750	\$850	Market
7	DLP Jonesboro	Jonesboro	200	2000	85%	\$798	\$1,052	\$1,191	Market
8	5 Star Apartments	Jonesboro	152	-	95%	-	\$910	-	Market
<b>Average Rent</b>						<b>\$855</b>	<b>\$874</b>	<b>\$1,053</b>	

SALES COMPARABLE SUMMARY

	Property	City	Sale Date	Sale Price	Total Units / Beds	Year Built	Price per Unit / Bed	Type
★	<b>Townsquare Apartments</b>	<b>Harrisburg</b>	<b>-</b>	<b>\$1,400,000</b>	<b>40</b>	<b>1980</b>	<b>\$35,000</b>	<b>HAP</b>
1	Grandview Apartments	Fayetteville	3/24/2023	\$8,500,000	129	1974	\$65,891	HAP / LIHTC
2	The Cottages	Little Rock	12/10/2021	\$8,800,000	144	1979	\$61,111	HAP / LIHTC
3	Acadian Village	Jonesboro	2/28/2023	\$1,700,000	21	2003	\$80,952	Market
4	Stratford Manor Apartments	Jonesboro	7/20/2022	\$4,000,000	48	1977	\$83,333	Market
<b>Average Price / Unit</b>							<b>\$72,822</b>	



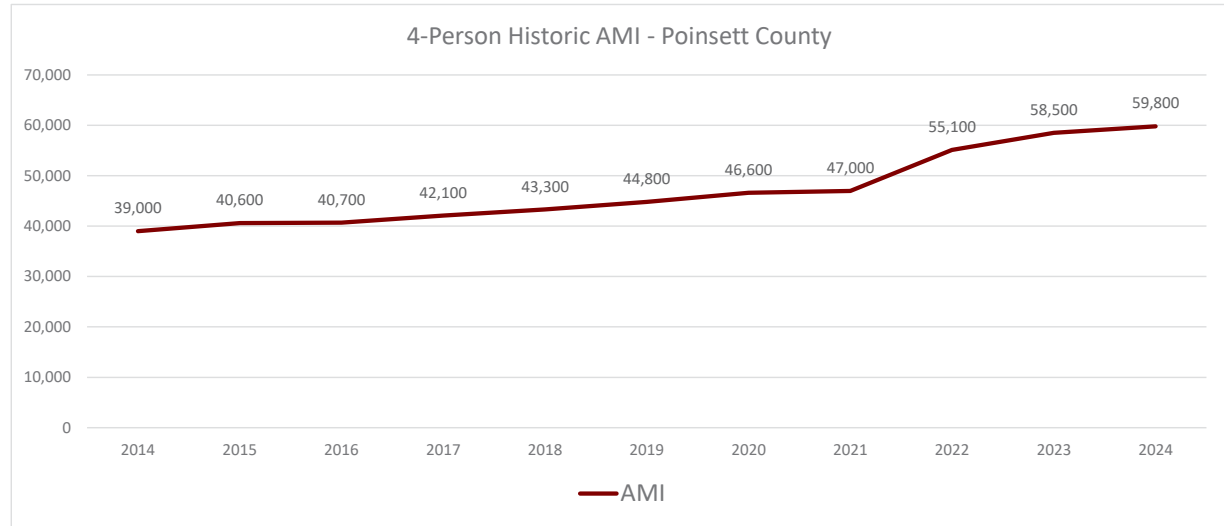


**MARKET OVERVIEW**

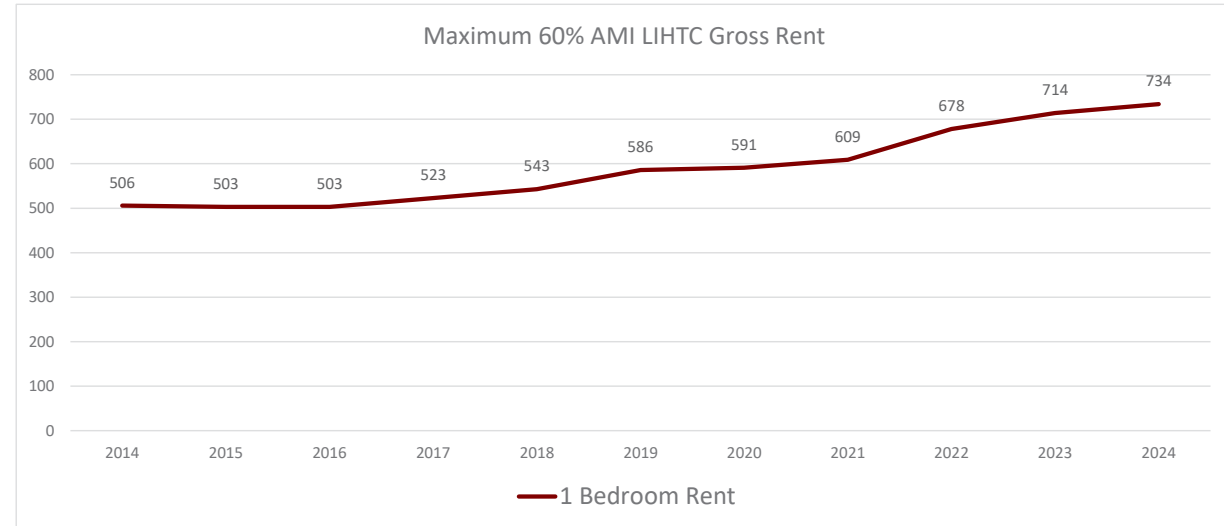
- AMI History
- Regional Map View
- Market Amenities Map
- Market Overview
- Aerial Overview
- Local Demographics

AMI HISTORY

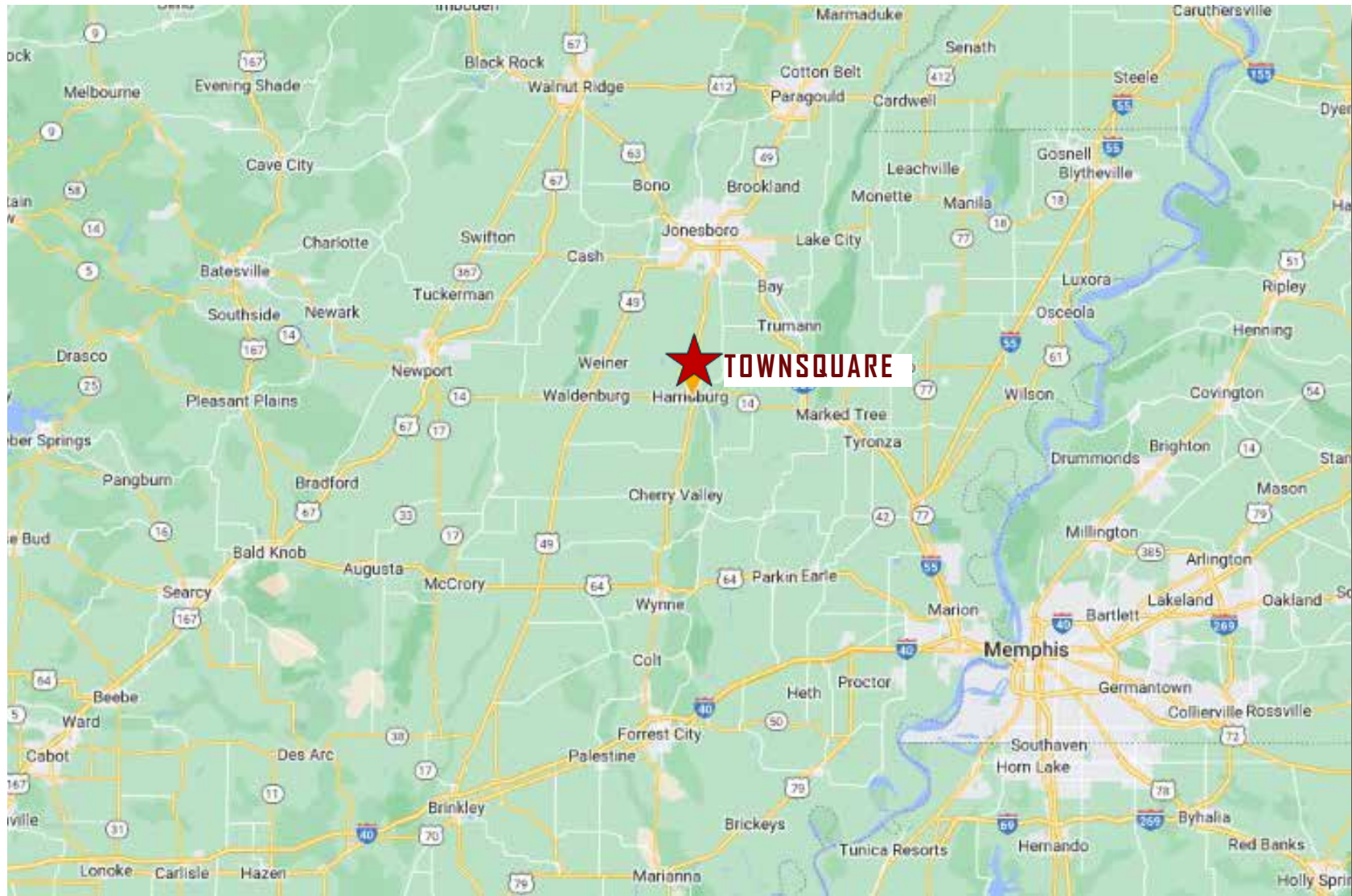
AMI Growth Rate		
Year	AMI	% Change
2014	39,000	-
2015	40,600	4.10%
2016	40,700	0.25%
2017	42,100	3.44%
2018	43,300	2.85%
2019	44,800	3.46%
2020	46,600	4.02%
2021	47,000	0.86%
2022	55,100	17.23%
2023	58,500	6.17%
2024	59,800	2.22%
5yr Average		6.10%
10yr Average		4.46%



Max 60% AMI LIHTC Gross Rent		
1 Bedroom		
Year	Rent	% Change
2014	506	-
2015	503	-0.59%
2016	503	0.00%
2017	523	3.98%
2018	543	3.82%
2019	586	7.92%
2020	591	0.85%
2021	609	3.05%
2022	678	11.33%
2023	714	5.31%
2024	734	2.80%
5yr Average		4.67%
10yr Average		3.85%



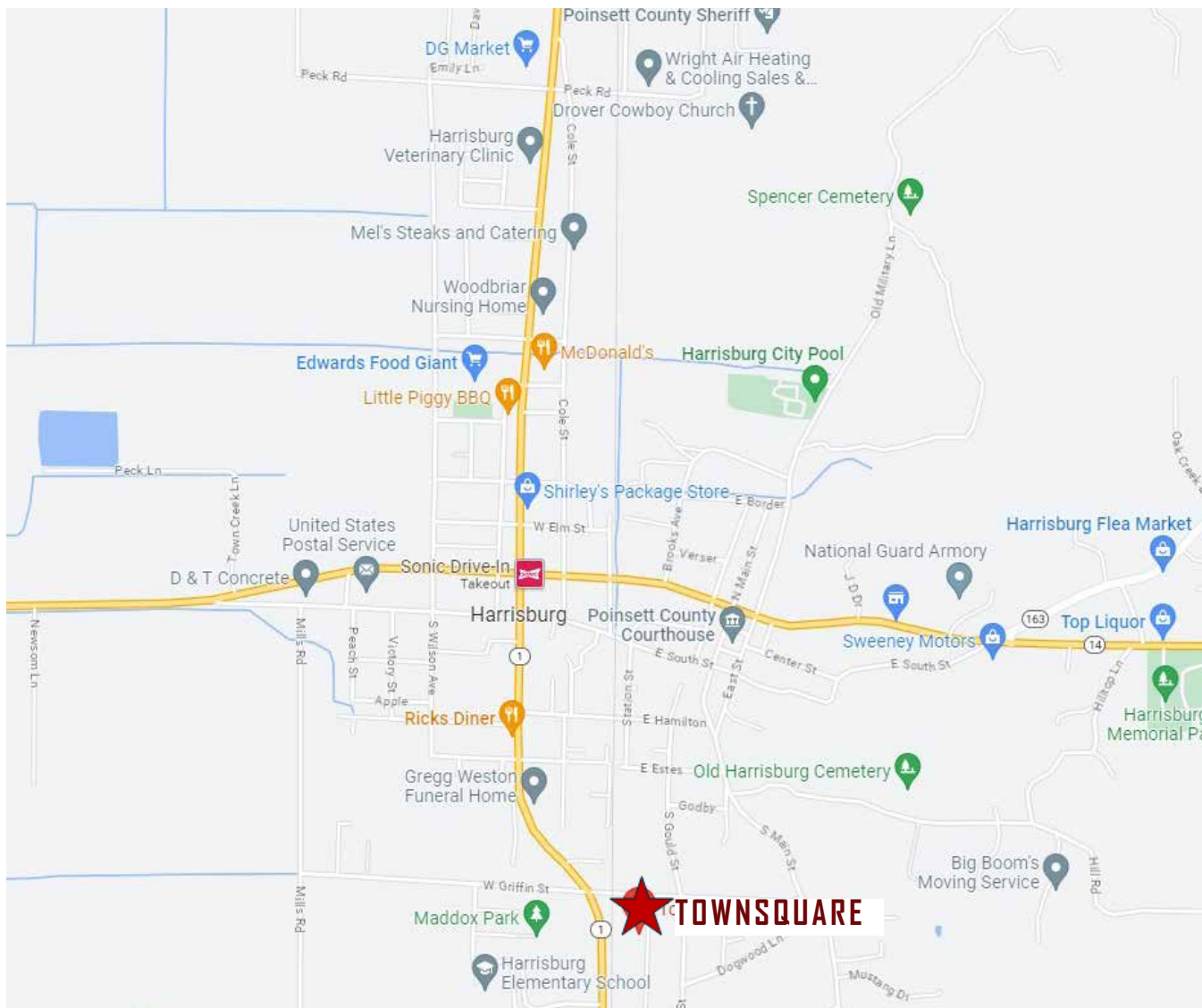
REGIONAL MAP



AERIAL MAP VIEW



AMENITIES OVERVIEW



LOCAL DEMOGRAPHICS

<b>Population:</b>	<b>2 Mile Radius</b>	<b>5 Mile Radius</b>	<b>10 Mile Radius</b>
2010 Population	3,399	5,151	6,991
2022 Population	3,125	4,707	6,405
2027 Population Projection	2,996	4,507	6,148
Annual Growth 2010-2022	-0.60%	-0.70%	-0.60%
Annual Growth 2022-2027	-0.80%	-0.90%	-0.80%
<b>Households:</b>	<b>2 Mile</b>	<b>5 Mile</b>	<b>10 Mile</b>
2010 Households	1,274	1,941	2,663
2023 Households	1,180	1,781	2,445
2028 Household Projection	1,132	1,705	2,346
Annual Growth 2010-2023	-0.40%	-0.60%	-0.70%
Annual Growth 2023-2028	-0.80%	-0.90%	-0.80%
Owner Occupied	740	1,206	1,721
Renter Occupied	392	499	625
<b>Income:</b>	<b>2 Mile</b>	<b>5 Mile</b>	<b>10 Mile</b>
<b>Avg Household Income</b>	<b>\$53,271</b>	<b>\$53,805</b>	<b>\$54,992</b>
<b>Median Household Income</b>	<b>\$46,451</b>	<b>\$46,005</b>	<b>\$46,332</b>
< \$25,000	299	424	581
\$25,000 - 50,000	335	548	752
\$50,000 - 75,000	319	470	637
\$75,000 - 100,000	131	189	244
\$100,000 - 125,000	37	45	66
\$125,000 - 150,000	26	41	64
\$150,000 - 200,000	25	53	72
\$200,000+	8	11	27
<b>Housing</b>	<b>2 Mile</b>	<b>5 Mile</b>	<b>10 Mile</b>
Median Home Value	\$78,614	\$77,997	\$81,768
Median Year Built	1975	1976	1976

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