

SKYLINE APARTMENTS

12 UNITS | Built 1965

4221 N Grand River Ave
Lansing, MI 48906

EXCLUSIVE OFFERING MEMORANDUM



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TABLE OF CONTENTS

04

EXECUTIVE
SUMMARY

08

THE
PROPERTY

14

FINANCIAL
ANALYSIS

22

MARKET
OVERVIEW

EXECUTIVE SUMMARY



PROPERTY HIGHLIGHTS

1

RENTAL MARKET

The Ingham County submarket contains over 30,000 market rate apartments. Q2 occupancy was approximately 95%.

2

EASE OF ACCESS TO MAJOR THOROUGHFARES

Frontage on Grand River Ave. which provides access to I-96, US 127, I-69 and I-496.

3

ADJACENT TO THE CAPITAL REGION INTERNATIONAL AIRPORT (LAN)

Located immediately southeast of a major international airport entrance.

4

FAVORABLE LIFESTYLE

Residents enjoy access to amenities of Downtown Lansing and East Lansing.

5

FREE AND CLEAR OF DEBT

Property is offered free and clear for a new owner to take advantage of a new financing opportunity.

MARKET INFORMATION

Lansing, Michigan is the capital city of the state and is centrally located between Detroit and Grand Rapids. The city is home to numerous government institutions, including the Michigan State Capitol. It is also a hub for business and industry, particularly in the automotive and manufacturing sectors. With a population of approximately 600,000, the Lansing MSA is known for its abundance of jobs and its proximity to Michigan State University. Lansing has a well-developed infrastructure, including excellent transportation networks, healthcare facilities, educational institutions, and recreational amenities. Lansing's local government has shown a commitment to promoting real estate development by offering a range of incentives and supportive policies. These include tax abatements, grants, and expedited permitting processes, which are designed to encourage development.

ECONOMIC GROWTH

Lansing's economy has experienced steady growth in recent years. Demand for rental housing in this area is primarily driven by the 'Feds, 'Eds, and Meds sectors, which refers to the dominant employment drivers of government, education, and healthcare. The economy is anchored by Michigan State University, which has over 51,000 enrolled students (2024), and Sparrow Health System (recently acquired by UM Health), with 7,500 employees. The East Lansing / Lansing MSA has many government jobs, startups, and automotive-focused employers, creating a wide range of job opportunities. The constant flow of students, along with young professionals and families, ensures a high demand for rental housing.

NOTABLE EMPLOYERS

SKYLINE APARTMENTS



670 Employees



2,200 Employees

EAST LANSING PUBLIC SCHOOLS

670 Employees

OKEMOS PUBLIC SCHOOLS

1,540 Employees



600 Employees



800 Employees



730 Employees



750 Employees



1,750 Employees



500 Employees



4,300 Employees



2,000 Employees



500 Employees



13,900 Employees



9,000 Employees



10,250 Employees



1,500 Employees



2,700 Employees



2,400 Employees



3,000 Employees



800 Employees



550 Employees



800 Employees



500 Employees



2,000 Employees



POINTS OF INTEREST

SKYLINE APARTMENTS

BEST BUY Office DEPOT.

MERIDIAN MALL

FINISH LINE. **DICK'S** Clothing & Sporting Goods. Foot Locker. **H&M**

Gordon FOOD SERVICE. **ULTA** BEAUTY. **Marshalls**. **Target**. **THE HOME DEPOT**. **ALDI**. **Kroger**. **KOHL'S**. **Walmart**

Downtown Lansing

Children's Center
M
UNIVERSITY OF MICHIGAN HEALTH-SPARROW

POTTER PARK
ZOO

BANK OF AMERICA

CHASE

McLaren
GREATER LANSING

GRAND TRAVERSE
PIE COMPANY

STARBUCKS

Fly Lansing
Capital Region International Airport

LANSING COMMUNITY COLLEGE

SPARTAN STADIUM
1923 100 2023

DAVE'S HOT CHICKEN

TOPCAT

COSTCO
WHOLESALE

IHOP

WHOLE FOODS MARKET

meijer

TJ-maxx
petco
Michaels

M
UNIVERSITY OF MICHIGAN HEALTH-SPARROW
MICHIGAN MEDICINE

Huntington

WORLD MARKET

Dunham's

MICHIGAN STATE UNIVERSITY

CAPITOL NATIONAL BANK

MICHIGAN STATE CAPITOL

S

Lansing Brewing Company

Huntington

Dunham's

MICHIGAN STATE UNIVERSITY

CHASE

McLaren
GREATER LANSING

GRAND TRAVERSE
PIE COMPANY

STARBUCKS

INTERSTATE 69

127

INTERSTATE 69

INTERSTATE 496

99

INTERSTATE 96

INTERSTATE 96

43

SKYLINE BERKADIA NORTH



THE PROPERTY





PROPERTY SUMMARY

LOCATION DETAILS

| | |
|---------------|------------------------|
| Property Name | Skyline Apartments |
| Address | 4221 N Grand River Ave |
| City, State | Lansing, MI |
| County | Ingham |
| Parcel Number | 01-01-06-252-241 |

BUILDING SPECIFICS

| | |
|----------------------------|------------------------------|
| Units | 12 |
| Built | 1965 |
| Buildings | 1 |
| Stories | 2.5 |
| Site Size / Acreage | 0.29 Acres |
| Density | 4.14 units per acre |
| Total SF | 10,050 SF |
| Average Unit SF | 838 SF |
| Average In-Place Rent / SF | \$1.29 |
| Roofs | Pitched, Composition Shingle |
| Exteriors | Brick |

METERING

| | |
|-------------|------------|
| Electricity | Individual |
| Gas | Central |
| Water | Central |

UNIT UTILITIES

| | |
|-------------|---------------|
| Electricity | Resident Pays |
| Gas | Property Pays |
| Water | Property Pays |
| Sewer | Property Pays |
| Trash | Property Pays |

PARKING AVAILABILITY

| | |
|---------------|-----------|
| Total Parking | 21 Spaces |
|---------------|-----------|

RECENT CAPITAL EXPENDITURES

- New Boiler - March 2023
- Updated Electrical Panels
- All Windows Replaced Including Glass Block Windows in Bathrooms
- Updated Kitchens with Quartz Countertops, Appliances, Light Fixtures and New Cabinets*
- Replaced Flooring in 7 / 12 Units
- Replaced Bathroom Vanities in 9 / 12 Units
- Reglazed Bath Tubs and Surrounds in 10 / 12 Units

**in select units*

SKYLINE APARTMENTS



BOUNDARY AERIAL

N Grand River Ave

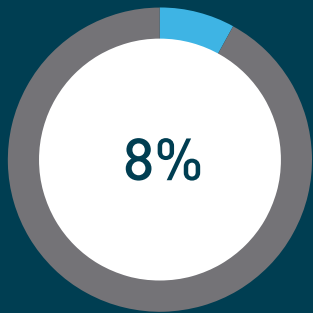
SKYLINE APARTMENTS

Wilson Ave

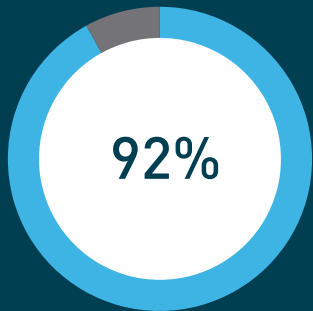
AMENITIES

- Air Conditioning
- Plank Flooring
- White Kitchen Cabinets
- Refrigerator
- Range
- Disposal
- Tub / Shower
- On-Site Laundry

UNIT MIX



One Bed | One Bath - 700 SF



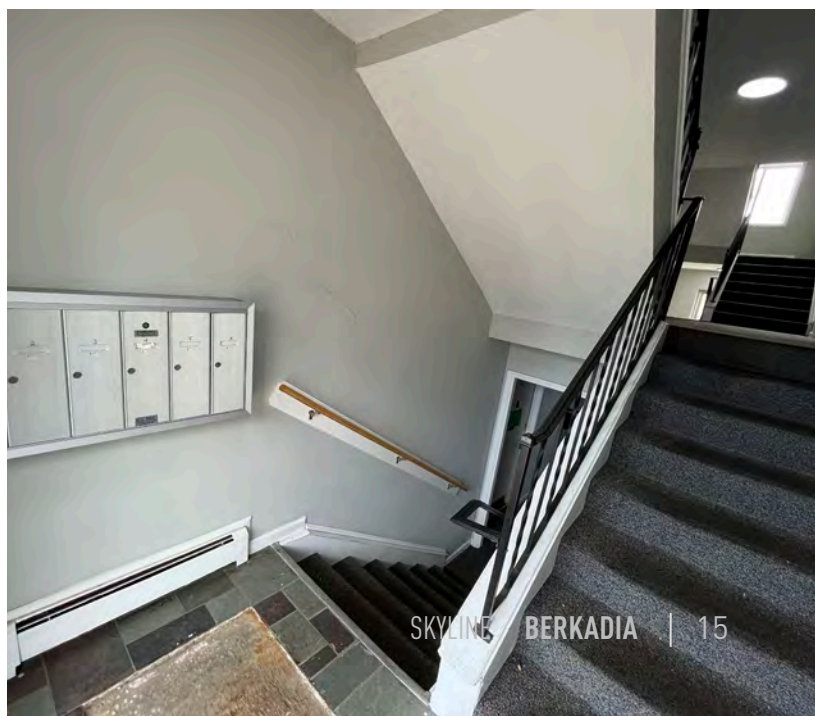
Two Bed | One Bath - 850 SF





FINANCIAL ANALYSIS





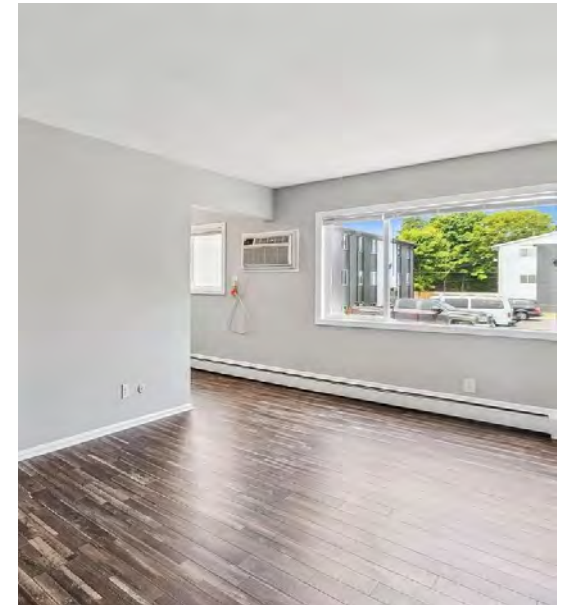
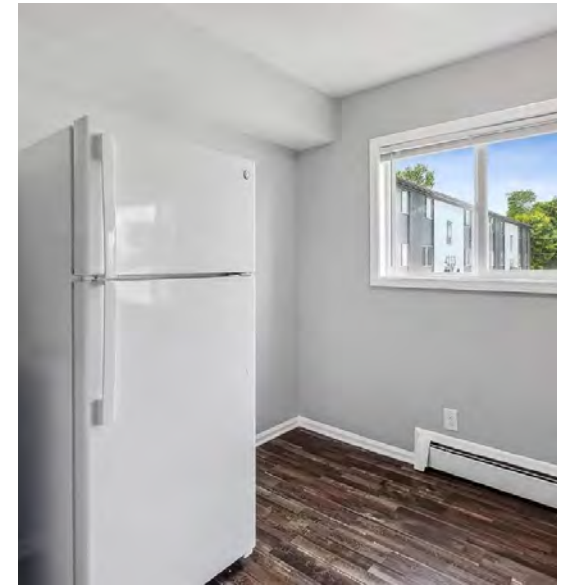
TAX ANALYSIS

Skyline Apartments
 4221 N Grand River Ave
 Lansing, MI 48906
 12 Units

| | 2021 | | 2022 | | 2023 | | 2024* | |
|------------------------------------|------------------|------------|------------------|------------|------------------|------------|------------------|------------|
| Parcel # 01-01-06-252-241 | | | | | | | | |
| State Equalized Value | \$187,000 | | \$229,500 | | \$259,300 | | \$267,200 | |
| Taxable Value | \$134,067 | | \$138,491 | | \$259,300 | | \$267,200 | |
| Total State Equalized Value | \$187,000 | | \$229,500 | | \$259,300 | | \$267,200 | |
| Total Taxable Value | \$134,067 | | \$138,491 | | \$259,300 | | \$267,200 | |
| Millage Rates | | | | | | | | |
| Summer | 82.88080 | | 83.14080 | | 69.19300 | | 69.19300 | |
| Winter | 10.69780 | | 9.77930 | | 9.77930 | | 9.77930 | |
| Total | 93.57860 | | 92.92010 | | 78.97230 | | 78.97230 | |
| SEV Due | \$17,499 | | \$21,325 | | \$20,478 | | \$21,101 | \$1,758 |
| Taxable Value Due | \$12,546 | | \$12,869 | | \$20,478 | | \$21,101 | \$1,758 |
| Difference | \$4,953 | | \$8,457 | | \$0 | | \$0 | |
| Actual Taxes | 2021 | Per/Unit | 2022 | Per/Unit | 2023 | Per/Unit | 2024 | Per/Unit |
| | \$12,546 | \$1,045.48 | \$12,869 | \$1,072.38 | \$20,478 | \$1,706.46 | \$21,101 | \$1,758.45 |

*2024 millage Rates are not yet available, 2023 used

**Personal Tax and administration fees not included



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TAX ANALYSIS COMPARABLES

| PROPERTY | YEAR BUILT | TAX AUTHORITY | COUNTY | 2023 TAXABLE VALUE | 2023 TAX DUE | 2023 ASSESSED VALUE (SEV) | 2023 SEV DUE | 2023* MILLAGE RATE | UNITS | TAXABLE VALUE/UNIT | SEV/UNIT | TAX DUE/UNIT | SEV DUE/UNIT | |
|-----------------------------|------------|-----------------|--------|--------------------|--------------|---------------------------|--------------|--------------------|-------|--------------------|----------|--------------|--------------|---------|
| Skyline Apartments | 1965 | City of Lansing | Ingham | \$259,300 | \$20,478 | \$259,300 | \$20,478 | 78.9723 | 12 | 21.05% | \$21,608 | \$21,608 | \$1,706 | \$1,706 |
| Carriage House Apartments | 1964 | City of Lansing | Ingham | \$169,762 | \$13,406 | \$271,500 | \$21,441 | 78.9723 | 16 | 28.07% | \$10,610 | \$16,969 | \$838 | \$1,340 |
| Bardaville Apartments | 1973 | City of Lansing | Ingham | \$161,679 | \$12,768 | \$263,500 | \$20,809 | 78.9723 | 16 | 28.07% | \$10,105 | \$16,469 | \$798 | \$1,301 |
| Capital Landings Apartments | 1968 | City of Lansing | Ingham | \$114,126 | \$9,013 | \$229,500 | \$18,124 | 78.9723 | 13 | 22.81% | \$8,779 | \$17,654 | \$693 | \$1,394 |
| Total | | | | | | | | | 57 | 100.00% | | | | |
| Weighted Avg/Unit | | | | | | | | | | \$12,366 | \$17,961 | \$977 | \$735 | |
| AVERAGE | | | | | | | | | | \$12,776 | \$18,175 | \$1,009 | \$1,435 | |

***Notes**

*2024 millage rates are not yet available, 2023 used

**Personal Tax and administration fees not included



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MICHIGAN PROPOSAL A 1995

On December 29, 1994 the Governor signed into law Public Act (PA) No. 415 of 1994. PA 415 of 1994 contains many changes to the General Property Tax Act regarding the implementation of Proposal A. Significant additional changes were implemented by PA 476 of 1996.

What has not changed is the method of computing Assessed Value and the system of county and state equalization. The “traditional” Assessed Value is still required to be 50% of market value. There shall still be a State Equalized Value (SEV) for each property in the State of Michigan. Properties of similar value within a township or city must still have similar Assessed Values. In other words, the uniformity provisions of the 1963 Michigan Constitution still apply.

The biggest change, starting in 1995, was the requirement to calculate a Taxable Value for each property in the State of Michigan. Starting in 1995, property taxes were calculated using Taxable Value rather than State Equalized Value. It is Taxable Value, not assessed or equalized value, which is subject to the cap required by Proposal A.

The Assessor and the Board of Review ARE REQUIRED BY LAW to increase the Taxable Value by the applicable rate of inflation.

The property tax reforms instituted under “Proposal A” required a “cap” or limitation on the annual increase in a property’s taxable value while it is owned by the same person. An excerpt from the Michigan 1963 Constitution, Section 3, states: “For taxes levied in 1995 and each year thereafter, the legislature shall provide that the taxable value of each parcel of property adjusted for additions and losses, shall not increase each year by more than the increase in the immediately preceding year in the general price level, as defined in section 33 of this article, or 5 percent, whichever is less until ownership of the parcel of property is transferred.” Therefore, in the tax year following the transfer of the property, the taxable value will “uncap” and become equal to the “assessed value”. The year following the uncapping, the limitation will begin anew until such time the property transfers again.

The assessed value is one-half of the assessor’s estimate of market value of your property. The capped value is calculated annually using the following formula:

$(\text{Prior Year Taxable Value} - \text{LOSSES}) \times (\text{lesser of the consumer's price index or } 1.05) + \text{ADDITIONS} = \text{CAPPED VALUE}.$

Taxable value is equal to the lesser of Assessed Value or Capped Value. The taxable value, the number upon which the property taxes are levied, is determined each year by comparing the assessed and capped values and choosing the lower of the two.

On March 15, 1994 the voters of the State of Michigan approved Proposal A which made significant changes to the State Constitution. Most notably, for Boards of Review, Proposal A implemented a cap on the growth in Taxable Value. Taxable Value was a new term. Starting in 1995, property taxes have been calculated using Taxable Value rather than State Equalized Value which was used prior to 1995.

TREASURY LOCAL GOVERNMENT STATE TAX COMMISSION

State Tax Commission Bulletin No. 19 of 1997

DATE: December 12, 1997

TO: Assessing Officers, Equalization Directors

FROM: State Tax Commission (STC)

RE: THE ILLEGAL PRACTICES OF: A) “FOLLOWING SALES” AND B) ASSESSING OVER 50%

The State Tax Commission is very concerned about reports that some assessors have engaged in the illegal practices of “following sales” and assessing over 50% of true cash value. The purpose of this bulletin is to provide instruction to assessors regarding these illegal practices.

A. “Following Sales”

“Following sales” is described in the State Tax Commission Assessor’s Manual as the practice of ignoring the assessments of properties which HAVE NOT RECENTLY SOLD while making significant changes to the assessments of properties which HAVE RECENTLY SOLD.

“Following sales” can also be described as the practice of assessing properties which HAVE RECENTLY SOLD significantly differently from properties which HAVE NOT RECENTLY SOLD.

Article IX, Section 3 of the State Constitution states that “The legislature shall provide for the **UNIFORM** general ad valorem taxation of real and tangible personal property ...” This requirement has NOT changed as a result of Proposal A.

Section 27(5) of the General Property Tax Act states the following:

“In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction.”

The following example illustrates the illegal practice of “following sales”.

EXAMPLE: An assessor has been notified by the equalization department that the starting base for the residential class in his/her unit is 45.45%. This means that it is necessary for the assessor to increase the residential class overall by about 10% in order to avoid a factor. It is the assessor’s responsibility to determine where this increase should be spread in order that all properties are assessed at 50%.

It would be illegal for the assessor to generally increase properties which have recently sold by say 25% while increasing all other properties in a neighborhood by say 5%. This would be an example of the illegal practice of “following sales”.

“Following sales” is both **UNCONSTITUTIONAL AND ILLEGAL**. An exception would occur where an assessor inspects a property after a transfer of ownership and discovers that there is omitted property such as a garage which was built in the past but was not included in the assessment and was not noted on the assessment card. In this case the assessor must include the omitted property in the assessed value for the year following the transfer of ownership.

If the assessor is doing a proper job of assessing all properties uniformly at 50% of true cash value each year, there is no reason to assess properties which have sold any differently from properties which have not sold.

In a related matter, some assessors believe that Proposal A requires that, in the year following a transfer of ownership, the assessed value of a property which has transferred must automatically be set at 1/2 of the sale price. **Proposal A does NOT authorize the assessor to AUTOMATICALLY set the assessed value of a property which has sold at 1/2 of the sale price.** An individual sale price may NOT be a good indicator of the true cash value of the property due to a variety of reasons (such as an uninformed buyer, an uninformed seller, insufficient marketing time, buyer and seller are relatives, and other possible reasons).

B. Assessing Over 50%

It has come to the attention of the State Tax Commission that some assessors are making a practice of assessing properties in excess of 50% of true cash value. This is an illegal practice.

Article IX, Section 3 of the State Constitution states that the assessment of property shall not exceed 50% of its true cash value.

Section 27a of the General Property Tax Act states that property shall be assessed at 50% of its true cash value. County equalization departments are required to study every classification of property every year and to report the starting ratios to assessors so that the assessors know how much assessments must be changed overall in order to avoid an equalization factor greater or less than 1.0000.

County equalization directors are required to use a 24 month period of sales when studying a class of property. This is true whether the director prepares an assessment/sales ratio study or an appraisal study (An exception to this occurs where there is a severely declining real estate market, in which case a single year study may be substituted for a two year study.)

MARKET OVERVIEW



MICHIGAN

LANSING

Lansing is the state capital of Michigan and the anchor city of the Lansing–East Lansing, MI, Metropolitan Statistical Area (MSA). More than one-quarter of those employed in the Lansing metro area work in the government sector, making it the region’s largest employment segment, followed closely by Michigan State University (MSU), which supports approximately 10,300 direct jobs. MSU is a key economic driver in the region, creating major apartment demand, with more than 32,000 students living off campus. The university is also a research and development hub and a source of intellectual capital. In May 2022, MSU opened the \$765 million facility for Rare Isotope Beams, which has created numerous high-paying jobs. The large government sector provides residents with ample low-risk employment options and one of the highest rates among all U.S. metro areas for jobs able to be performed remotely, at approximately 41%.

The Lansing metro area is home to an estimated 487,400 residents who have a wide variety of jobs to choose from in multiple robust employment sectors. The area also offers numerous outdoor activities and nightlife destinations.

AFFORDABLE COST OF LIVING

Greater Lansing’s 86.2 cost of living index score is well below Michigan’s average of 91.5 and the U.S. average of 100 - Spierling’s Best Places

TOP COLLEGE TOWN

East Lansing ranked No. 8 among “The Top 9 U.S. College Towns” - Bankrate LLC

HIGHLY EDUCATED

The Lansing–East Lansing metro area ranked No. 34 among the “Most Educated Cities in America” - WalletHub

STUDENT HOUSING DEMAND

Approximately 32,400 Michigan State University students live off campus, creating significant demand for local rental properties - Michigan State University; RealPage

DEMOGRAPHICS

86.2

COST OF LIVING

index score
(national average = 100.0)

66% of workers are in
WHITE-COLLAR
positions metrowide

37.4

MEDIAN AGE

of residents
metrowide



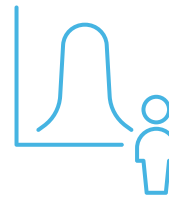
510.9K

Greater Lansing's **population** is forecast to grow **4.8%** over the next five years, outpacing the projected national growth rate of 3.0%



114.2K

36% of metro residents age 25 and older hold a **bachelor's degree or higher**, compared to 33% nationally



130.9K

27% of Greater Lansing's residents are within the **key renter age group** of 18 to 35 years old, outpacing the national rate of 23%



65.1K

32% of Lansing metro area's housing units are **renter-occupied**, on par with the national rate



\$76.9K

Lansing's **median household income** is projected to reach \$76,923 by 2029, up **14.2%** from 2024

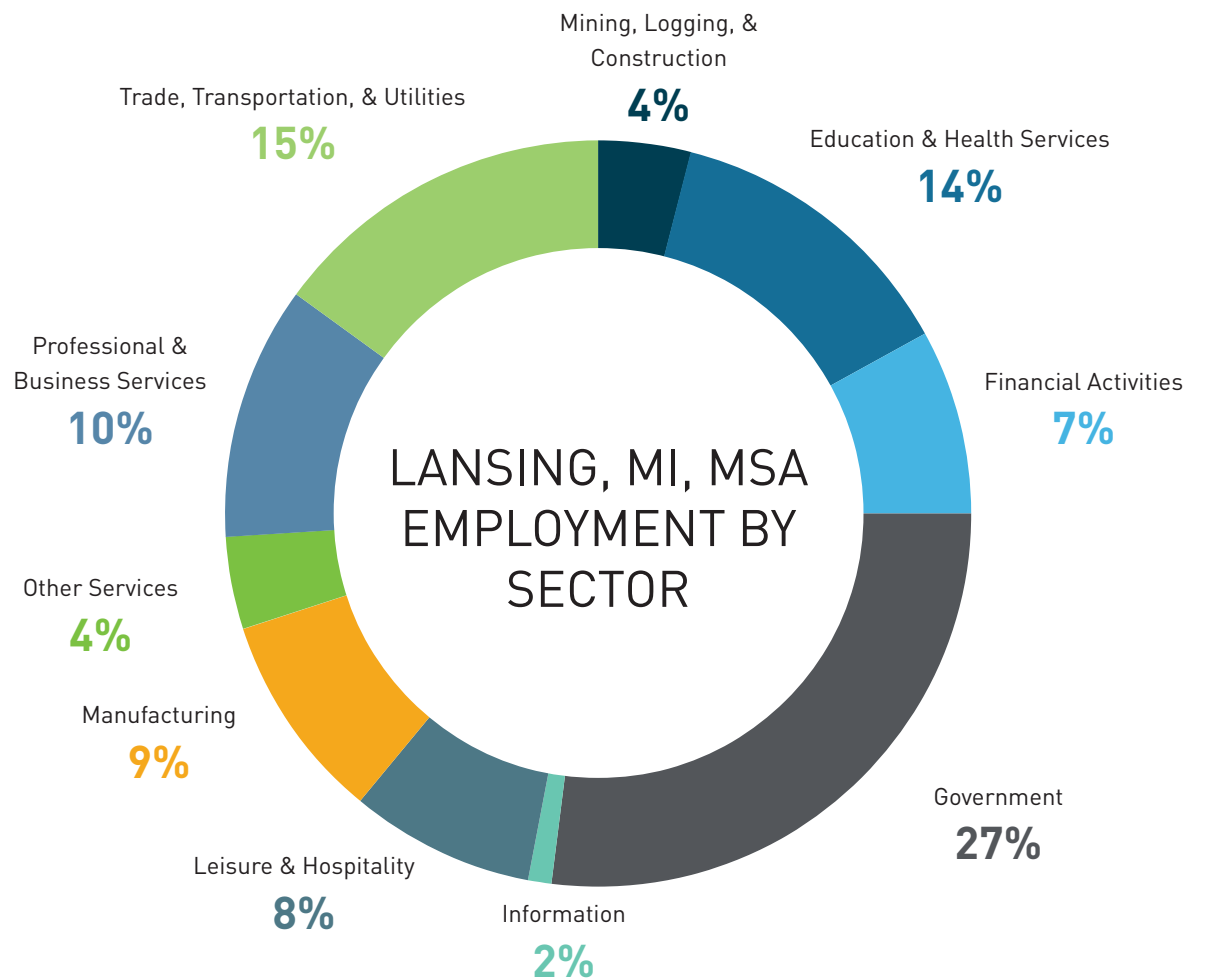
EMPLOYMENT TRENDS

AVERAGE ANNUAL WAGE BY OCCUPATION

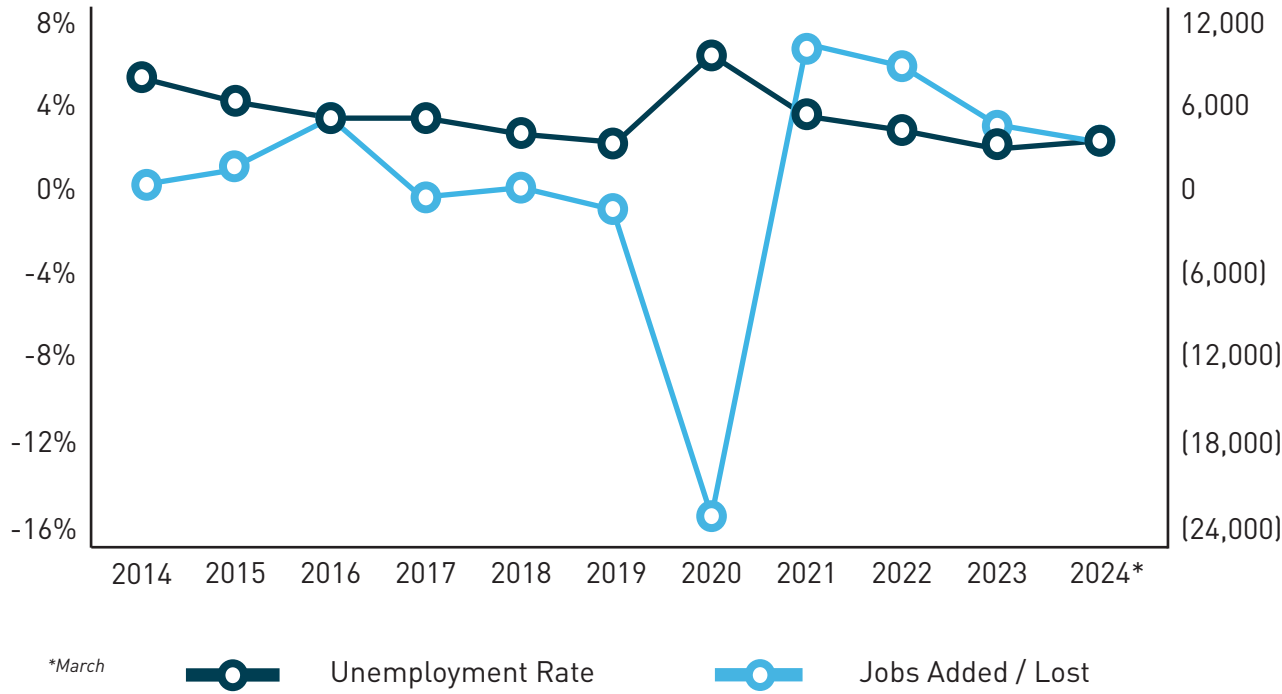
| | | |
|---|---|----------|
|  | Management | \$121.1K |
|  | Health Care Practitioners & Technicians | \$92.4K |
|  | Computer & Mathematical | \$85.0K |
|  | Business & Financial Operations | \$78.6K |
|  | Educational Instruction & Library | \$70.2K |
|  | Manufacturing | \$49.7K |
|  | Office & Administrative Support | \$47.0K |
|  | Sales | \$46.9K |
|  | Transportation & Material Moving | \$42.7K |
|  | Food Preparation & Serving | \$33.1K |

Source: BLS Occupational Employment Statistics Survey

Businesses and institutions in the Lansing metro area employed **237,800 workers in March 2024, up 2.2% from one year earlier**. The metro’s largest employment sector—trade, transportation, and utilities—expanded 1.1% with 400 net new workers. The largest numerical gain in employment was in the **private education and health services segment, with 1,400 net additions to payrolls, a 4.4% increase**. The mining, logging, and construction sector also grew by **1,400 new jobs** in the last year, equating to a **16.3% gain**.



EMPLOYMENT TRENDS



MAR 2024 3.5%
metro unemployment rate,
down 40 basis points Y-o-Y

MAR 2024 5,300 JOBS
were added metrowide, a
2.2% Y-o-Y increase

LARGEST EMPLOYERS

| | | | |
|--|--------|---------------------------------------|-------|
| Michigan State University | 10,250 | Jackson National Life Insurance Group | 2,400 |
| University of Michigan Health-Sparrow Hospital | 6,600 | Peckham Inc. | 2,200 |
| General Motors Company | 4,300 | Dart Container Corporation | 2,000 |
| McLaren Health | 3,000 | Lansing Community College | 2,000 |
| Auto-Owners Insurance Group | 2,700 | Meijer Distribution Center | 1,500 |

Source: Lansing Economic Area Partnership; City of Lansing 2023 ACFR; Cause IQ.

ADVANCED MANUFACTURING



\$2.6 BILLION

Near-Term GM-LG
Local Investment



\$49,700

Average Annual
Salary



21,200

Jobs Supported



250

Companies Metrowide

Advanced manufacturing employers in Lansing support a diverse range of industries, including electronics, machinery, and the automotive sector, one of the region's economic anchors. Metro Lansing is home to **nearly 250 manufacturing firms** that employ a **combined 21,200 workers**. Some of the top manufacturing companies in Lansing include **Dart Container Corp., Shyft Group, and General Motors Company**, which operates two technologically advanced assembly plants in central Michigan. By 2024, General Motors and LG Energy Solution plan to invest **approximately \$2.6 billion into automotive battery production in the Lansing area**.

HEALTH CARE



MICHIGAN MEDICINE
UNIVERSITY OF MICHIGAN



\$2.9 BILLION

Value Added to
Metro Lansing



733-BED

Sparrow Hospital



29,200

Jobs Supported



\$1.5 BILLION

Life Science-Related
Investments

Lansing is home to an expansive healthcare sector, and according to the most recent data available, **the sector contributes \$2.9 billion to the local economy while supporting 29,200 jobs**. One of the leading healthcare employers in the area is the **University of Michigan Health-Sparrow**, which employs over 9,000 workers systemwide in the metro area and manages Sparrow Hospital, a 733-bed teaching hospital with approximately 6,600 employees. The Lansing region boasts **\$1.5 billion in current and recent life science-related investments**.



HIGHER EDUCATION



\$5.9 BILLION

MSU Economic Impact Statewide



51,316

MSU Enrollment in Fall 2023



10,250

MSU Jobs Supported



\$4.1 BILLION

MSU Endowment in 2023

Michigan State University (MSU) is one of the premier public universities in the Midwest and a key economic driver in the region, with an enrollment of more than 51,300 students. Boasting an **endowment of \$4.1 billion**, MSU's academic, research, and commercial operations generate a **\$5.9 billion economic impact in the state** while supporting 10,250 jobs in Greater Lansing. According to the most recent data available, MSU partnered with eight hospitals and spent \$900 million in collaboration with regional businesses.

WAREHOUSING AND DISTRIBUTION



200 MILLION

Customers Within a One-Day Drive



\$427 MILLION

Economic Impact



\$42,700

Average Annual Salary



36,600

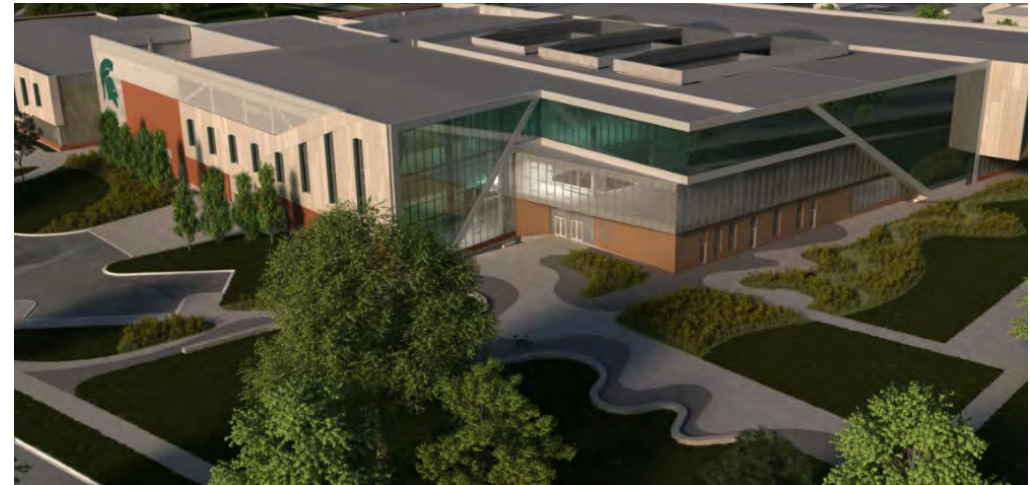
Jobs Supported

Combined with the presence of an expansive multimodal network, Lansing's **proximity to 200 million consumers** within a day's drive makes it an ideal hub for companies in the warehousing and distribution industry. Altogether, supply chain companies generate a **\$427 million annual economic impact** in the region. The 181-acre **Willis Industrial Park in Grand Ledge** offers industrial, distribution, and manufacturing tenants access to a major transportation infrastructure consisting of the M-100, I-96, I-69, CSX Railroad, and two airports. The trade, transportation, and utilities sector supports 36,600 jobs metrowide as of March 2024.

CONSTRUCTION & DEVELOPMENT



ULTIUM CELLS LANSING



MSU STUDENT RECREATION AND WELLNESS CENTER



\$3.1 BILLION

Investment in Lansing Facilities



1,700

New Jobs



293,000

SF Facility



\$200 MILLION

Investment

In a joint venture, **General Motors Company** and **LG Energy Solution** have begun construction of **Ultium Cells Lansing**, a massive battery cell factory on 590 acres in the city of Lansing. The **\$2.6 billion facility** will produce battery cells for electric vehicles produced at GM's Orion Assembly plant and other GM factories. Ultium Cells Lansing is expected to open in late 2024 and will employ 1,700 workers at full capacity. Additionally, **General Motors will invest nearly \$500 million in improvements at its two existing vehicle assembly plants in Lansing.** These activities are part of an overall **company investment of \$7 billion in Michigan** planned over the next several years.

In September 2023, **Michigan State University** broke ground on its new **Student Recreation and Wellness Center**, which is estimated to cost **\$200 million.** The university stated that this **293,000-square-foot facility** aligns with their initiative to promote the ongoing physical and mental health and well-being needs of its students, faculty, and staff.

The center will feature various amenities, including **multiple gymnasiums and multiuse courts**, racquet sport courts, a **turf arena**, an **indoor running track**, a **50-meter swimming pool**, strength and fitness rooms, locker and restroom facilities, and two classrooms. The facility is expected to open in 2026.

CONSTRUCTION & DEVELOPMENT



\$228 MILLION

Local Investment



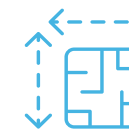
450

Residential Units



\$60 - \$190 MILLION

Redevelopment Project



20+

Shops and Restaurants

A major project to redevelop downtown Lansing was unveiled in August 2023 by a local real estate firm. Gentilozzi Real Estate, alongside Detroit real estate developer and manager JFK Investments, introduced their “New Vision Lansing” project to Lansing Mayor Andy Schor. Costing **\$228 million**, the project plans include changing Lansing’s skyline by adding a **25-story, mixed-use tower**, helping to solidify Lansing’s standing as “the economic hub of mid-Michigan.” The developments will include up to **450 residential units**, parking, retail, office space, entertainment, and an acre of outdoor areas and green spaces. Construction is expected to begin during 2024 and reach full completion sometime in 2026.

The Gillespie Group is planning to transform the former Sears building at 3131 East Michigan Avenue in Lansing into **ROECO**, a **hotspot for entertainment**. The 14-acre, 200,000-square-foot site is expected to house **over 20 restaurants and shops**, creating a regional mixed-use entertainment destination. According to officials, the redevelopment project could cost anywhere from \$60 million to \$190 million. A timeline for completion of the mixed-use development has not been determined.

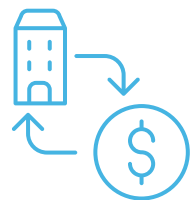
ABSORPTION / DELIVERIES

Apartment demand has historically been healthy in the Lansing–East Lansing market. From 2015 to 2019—the five years preceding the pandemic—annual net absorption in the metro averaged 341 units, while multifamily completions averaged 375 units per year. Like many markets across the nation, apartment demand in Lansing cooled after the first quarter of 2022, following elevated levels of leasing activity in 2021. Rising inflation and rent were factors in the reduced apartment absorption. Inflation cooled in 2023, allowing a rebound in demand, as **operators in the market registered 399 net move-ins throughout the year**. Although it appears inflation may continue to subside in 2024, some households will continue to struggle with the higher cost of living. Additionally, no new apartments are expected to emerge in the market in 2024, stifling interest in new choices in the local apartment market. For these reasons, net apartment absorption is projected to be negative in 2024. In the near term, households are anticipated to make budgetary adjustments to meet higher rent, enabling an increase in apartment demand after 2024. **From 2025 through 2028, annual net absorption in the Lansing metro area is projected to approximate historical demand of about 300 units annually.**

As of the first quarter of 2024, multifamily developers in the Lansing metro area had 11 apartment communities in various stages of the planning process. Nearly all these multifamily developments are expected to come online after 2025—many after 2026.

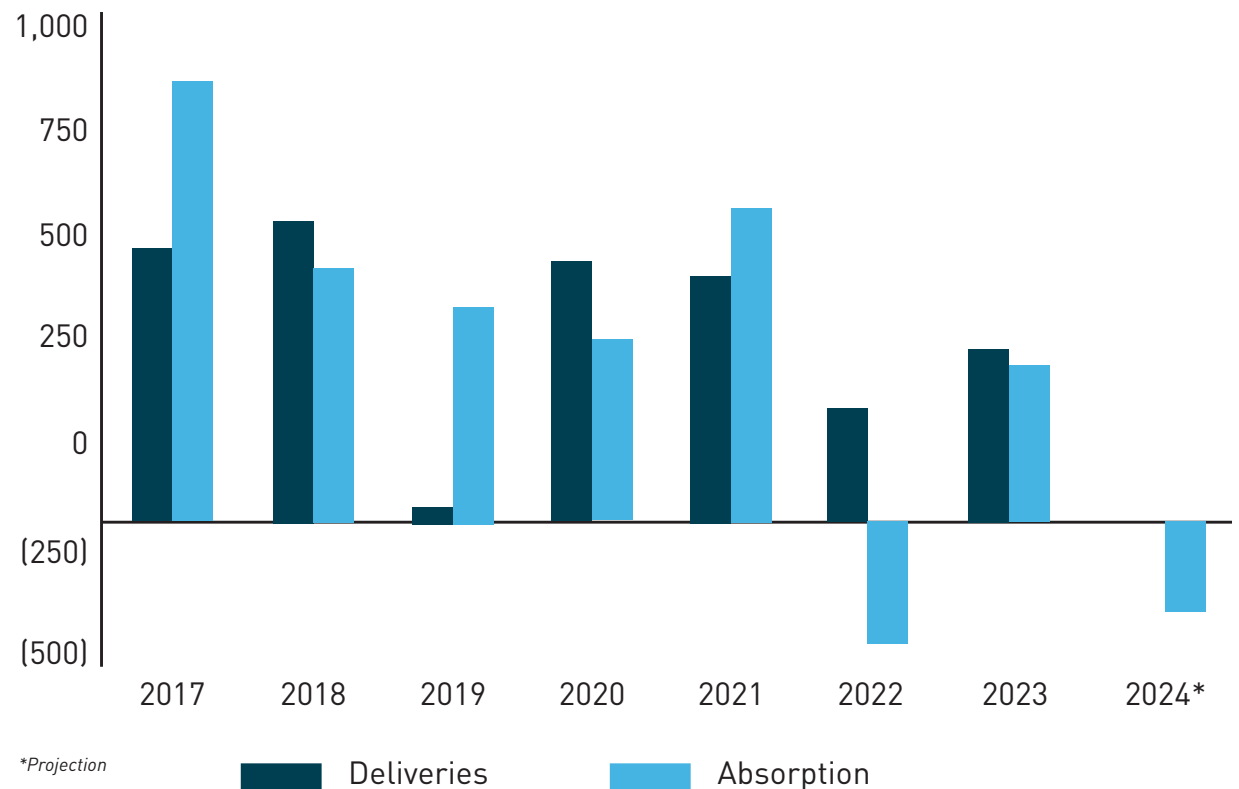


NEW DELIVERIES **0 UNITS**
in the first quarter of 2024



NET ABSORPTION **(299) UNITS**
in the first quarter of 2024

LANSING–EAST LANSING METRO APARTMENT MARKET



RENT & OCCUPANCY

The average occupancy rate in the Lansing–East Lansing apartment market decreased 40 basis points over the last 12 months to **95.5% in the first quarter of 2024**. The decrease was fueled in part by positive net apartment absorption that trailed deliveries in the last year. Despite the decrease, the Q1 24 occupancy rate was only 20 basis points lower than the annual average in the five years preceding the pandemic. Additionally, the Q1 24 occupancy rate was higher than the rate in all central Michigan and eastern Michigan metro areas. **From 2025 through 2028, the Lansing metro area’s apartment occupancy rate is forecast to average 95.8% annually.** Michigan State University (MSU) will continue to drive a sizable portion of apartment demand in the metro area. **On- campus housing at MSU can accommodate around 18,800 students, leaving more than 32,400 students in need of off-campus housing options.**

Average effective rent in the Lansing–East Lansing apartment market **appreciated 5.0% annually to \$1,165 per month in the first quarter of 2024**. Average monthly effective rent is forecast to rise 3.4% in 2024. From 2025 through 2028, monthly effective rent is projected to increase an average of 2.5% annually.

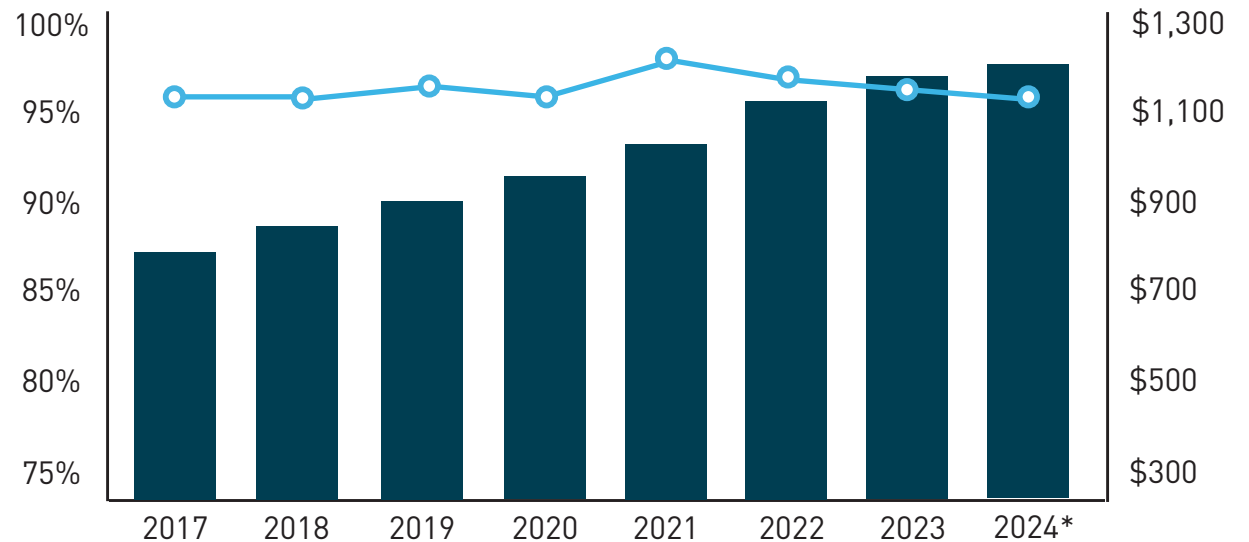


EFFECTIVE RENT **\$1,165**
in 1Q24, up 5.0% annually



OCCUPANCY RATE **95.5%**
in 1Q24, down 40 bps year over year

LANSING–EAST LANSING METRO APARTMENT MARKET



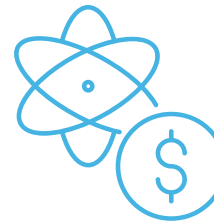
*Projection

■ Rent ● Occupancy

EDUCATION



HIGHER EDUCATION **60.9K+**
students metrowide



DEGREES AND CERTIFICATIONS **200+**
degree and certification programs offered at MSU

The largest university in the state, Michigan State University (MSU) enrolled 51,316 students in fall 2023. The university offers more than 200 programs of academic study and is the only university in the U.S. with three medical schools. MSU has a total of 40 undergraduate and graduate programs ranked in the top 25 by U.S. News & World Report.

Serving over 9,570 students, **Lansing Community College** is among Michigan's largest community colleges, offering education curriculum in more than 200 associate degree and certificate programs. Founded in 1972, **Western Michigan University Thomas M. Cooley Law School** is one of the nation's largest and most diverse private law schools. The Lansing campus boasts an enrollment of about 690 law students. The metro area is also home to **Great Lakes Christian College**, which serves around 165 students.



MICHIGAN STATE UNIVERSITY

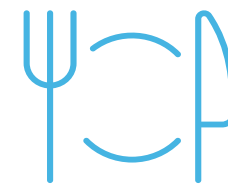
LIFESTYLE & ENTERTAINMENT

Greater Lansing is a **one-of-a-kind setting with big-city amenities and small-town hospitality**. Residents have access to endless and diverse dining options, unique boutiques and galleries, world-class performance venues, and a multitude of festivals.

The **Taste of Downtown** is an annual food and wine festival with live music, over 40 participating restaurants, and more than 100 wines to sample. The **Common Ground Music Festival** is an annual, week-long music festival that also takes place in downtown Lansing. It's one of the largest attended events in the city, on average attracting more than 40,000 people each year. Wineries, breweries, and distilleries have risen across Greater Lansing with the presence of scientific agriculture studies.

Anchored by **Grand River Avenue**, Downtown East Lansing is home to an eclectic mix of over 100 retail shops and 60 bars and restaurants. Grand River Avenue is the go-to shopping and entertainment destination for MSU students and East Lansing residents alike.

Michigan State University sporting events take center stage during the fall and winter seasons. Over 75,000 Spartan fans pack **Spartan Stadium** during the fall, while the 14,759-seat **Breslin Center** plays home to the men's and women's basketball, ice hockey, and is the premier entertainment venue in the region, playing host to numerous concerts and events including WWE, comedians, and Cirque de Soleil.



GRAND RIVER AVENUE **160+**

shops, bars, and restaurants



MICHIGAN STATE CAPITOL **115K+**

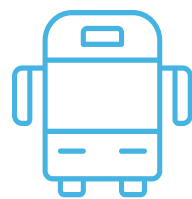
annual visitors

TRANSPORTATION

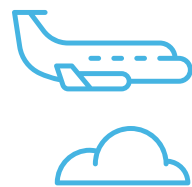
Greater Lansing boasts an extensive transportation network that includes two major interstates, I-69 and I-96, U.S. Highway 127, and Michigan Highway 43.

Capital Area Transportation Authority (CATA) offers more than 30 fixed bus routes throughout East Lansing, Lansing, and the neighboring communities. The transit system averages 21,500 weekday trips, serving nearly 5.9 million passengers for the year.

The **Capital Region International Airport (LAN)** is an essential asset to Michigan's economy, supporting 6,200 direct and indirect jobs and generating a **\$1 billion annual economic impact** in the state. In 2023, LAN served 200,000 passengers.



CATA SYSTEM **5.9M**
passengers trips in
2022



LAN AIRPORT **200K+**
passengers served
in 2023

Sources: Berkadia Research; Moody's; Tetrad; U.S. Census Bureau; U.S. Bureau of Labor Statistics; CoStar; RealPage; Forbes; Wikipedia; Wikiwand; Redfin; City of East Lansing; Mich. State Medical Society; Mich. State Univ.; Lansing Comm. College; Bloomberg; General Motors; Lansing State Journal; U.S. News & World Report; U.S. Bureau of Transportation Statistics; Lansing Economic Area Partnership; Western Mich. Univ. Cooley Law School; Sperling's Best Places; Crain's Detroit Business; The Detroit News; Today's Motor Vehicles; The State News; WILX; WKAR; WSYM; Lansing Regional Chamber; Livability; WalletHub; LEAP; City of Lansing; Ingham County; McLaren Health Care; Detroit Free Press; Lansing School District; National Center for Education Statistics; Cision PR Newswire; Lansing City Pulse; DBusiness; Expansion Solutions Magazine; Detroit Free Press; Sparrow Health System; Fly Lansing; RedCedarFacts.com; CauseIQ. com; Crain Communications Inc.; The Construction Broadsheet.

BY THE NUMBERS



TOTAL POPULATION

| | |
|----------------------------------|-------------|
| 2010 | 464,036 |
| 2024* | 487,382 |
| 2029* | 510,927 |
| Change Rate (2024 - 2029) | 4.8% |



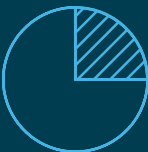
TOTAL HOUSEHOLDS

| | |
|----------------------------------|-------------|
| 2010 | 183,422 |
| 2024* | 192,681 |
| 2029* | 202,297 |
| Change Rate (2024 - 2029) | 5.0% |



MEDIAN INCOME

| | |
|----------------------------------|--------------|
| 2010 | \$50,916 |
| 2024* | \$67,347 |
| 2029* | \$76,923 |
| Change Rate (2024 - 2029) | 14.2% |



RENT SHARE OF WALLET

| | |
|------------------------------------|-------|
| National - 2024* | 20.8% |
| Lansing–East Lansing Metro - 2024* | 21.3% |
| National - 2029* | 30.3% |
| Lansing–East Lansing Metro - 2029* | 20.8% |

*Projected
Annual Rent / Median Household Income



MEDIAN AGE

| | |
|-------|------|
| 2010 | 34.7 |
| 2024* | 37.4 |
| 2029* | 38.3 |



MEDIAN HOME PRICE

| | |
|--------------------------|--------------|
| March - 2023 | \$181,000 |
| March - 2024 | \$207,000 |
| Growth Rate Y-o-Y | 14.4% |



EMPLOYMENT GROWTH

| | |
|--------------------------|-------------|
| March - 2023 | 237,800 |
| March - 2024 | 243,100 |
| Growth Rate Y-o-Y | 2.2% |



RENT VS. OWN

| | |
|----------------------------|--------------|
| Average Mortgage Payment** | \$1,450 |
| Effective Rent | \$1,165 |
| Difference | \$285 |

*Projected
**30-yr fixed; 20% down; 6.75% interest rate; 1.35% state property taxes; \$1,709 annual homeowner's insurance

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