

Parkway Gardens Senior Apartments

160 Apartment Homes in Saint Paul



Offering Memorandum



Parkway Gardens Senior Apartments

1145 Hudson Rd, Saint Paul, MN 55106

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.

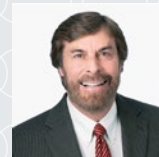
Offer Submission

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

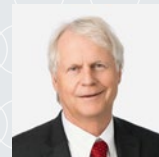
Offers should be delivered to the attention of the Michel Commercial team.

Executive Contacts



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Marketed and Exclusively Listed By:



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Executive Summary



Investment Overview

Michel Commercial is pleased to present Parkway Gardens Senior Apartments, a 160-home affordable active-adult (55+) community in St. Paul, Minnesota. Built in 2005, this well-maintained property is not subject to rent control and has recently benefited from the change to the Low Income Rental Classification (LIRC) tax rate, resulting in a significant reduction in real estate taxes effective January 1, 2025. Parkway Gardens provides stable in-place income, long-term retention, and a highly accessible location, making it a strong investment opportunity.



Property Overview

Parkway Gardens features homes tailored for active seniors, each with full kitchens, generous storage, walk-in showers, and underground parking. Community amenities include a resident lounge, fitness area, game room, on-site laundry, and outdoor recreation space.



Affordability Structure

The property operates under a Section 42 LURA contract with income and rent restrictions in place until December 29, 2036. Unit allocation includes 10% at 30% Area Median Income (AMI), 10% at 50% AMI, and 80% at 60% AMI.



Location & Connectivity

Conveniently located just off I-94 near Sun Ray Shopping Center, Parkway Gardens provides residents with easy access to retail, groceries, and healthcare. Public transit stops directly outside the property, ensuring mobility and accessibility for non-driving seniors.



Investment Upside

Parkway Gardens offers investors a well-built asset with strong upside potential through improved operations and emerging rent growth. With limited senior housing supply and rising demand for affordable, age-restricted homes, the property is well positioned for durable long-term performance. Additionally, the Low-Income Rental Classification (LIRC) tax rate reduction enhances long-term value, making Parkway Gardens a compelling addition to any portfolio.



Map Overview



Wichahapi
Regional Park

Mississippi
River

Downtown
Saint Paul

Bruce Vento
Nature
Sanctuary

Mounds
Theatre

94

**PARKWAY
GARDENS**
A Senior Apartment
Community



Property Details

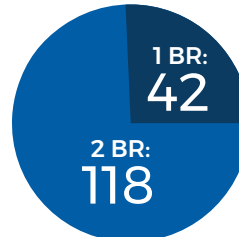
Property Name:	Parkway Gardens Senior Apartments
Address:	1145 Hudson Rd Saint Paul, MN 55106
PID #:	33-29-22-42-0182
Building Size:	212,325 SF
Lot Size:	4.07 Acres
County:	Ramsey

Building Information

Roof	Flat
Window	Aluminum
Boiler	Gas—Baseboard heat
Water Heater	Individual
Wiring	Copper
Plumbing	PVC
Exterior	Vinyl and Brick

Utilities

Electric	Resident Paid
Gas	Owner Paid
Water	Owner Paid
Sewer	Owner Paid
Trash	Owner Paid



UNITS

160



OF FLOORS

5



AVG. RENT

\$1,135



YEAR BUILT

2005



PARKING

Underground Garage (160)
Surface (40)



2

Investment Highlights



Investment Highlights

SENIORS
typically remain
in senior rental
housing for
**6-9
YEARS**



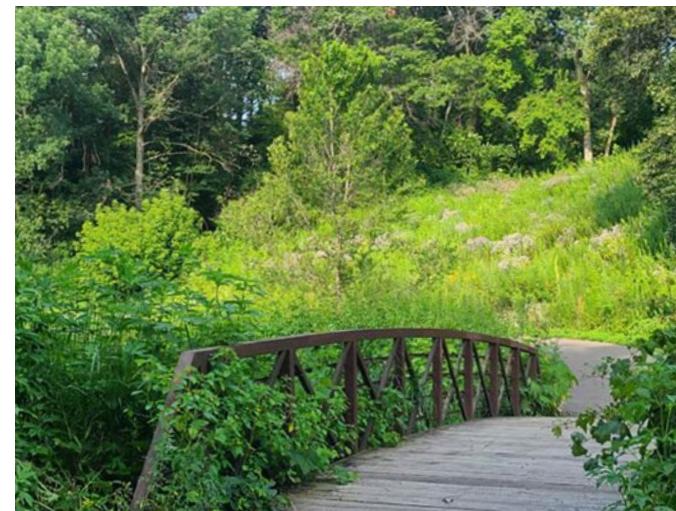
Senior Housing Demand

St. Paul's 55+ population makes up over 26% of the city and continues to grow, fueling demand for active-adult housing. Parkway Gardens offers investors long-term stability and residents a strong sense of community, with average stays of six to nine years. . **Nationally, active-adult properties typically achieve 80% annual retention**—well above the 50% seen in traditional multifamily communities.



Exceptional Connectivity

Parkway Gardens offers strong connectivity to essential services and community amenities. Located on Hudson Road in St. Paul, the property is near grocery stores, pharmacies, healthcare providers such as Regions Hospital and M Health Fairview, and is served by public transit with direct access to downtown. The location also connects to I-94 and is close to parks and walking trails.





In-Home Amenities

- Open Concept Kitchens
- Dishwasher
- Breakfast Bar
- Cable-Ready
- Walk-In Shower
- Air Conditioning
- Extra Storage





Community Amenities

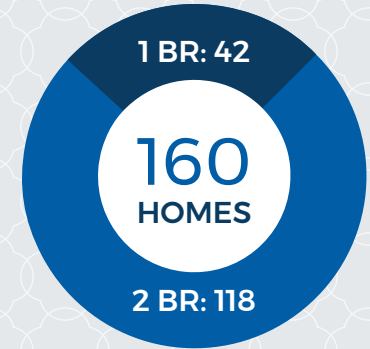
- Underground Parking
- Controlled Access
- Laundry Facilities (Every Floor)
- Community Rooms
- Fitness Center
- Library
- Resident Business Center
- Arts & Crafts/Sewing Room
- Game Room with Billiards
- Elevator
- Outdoor Garden Plots
- Beauty Salon
- Wellness Clinic



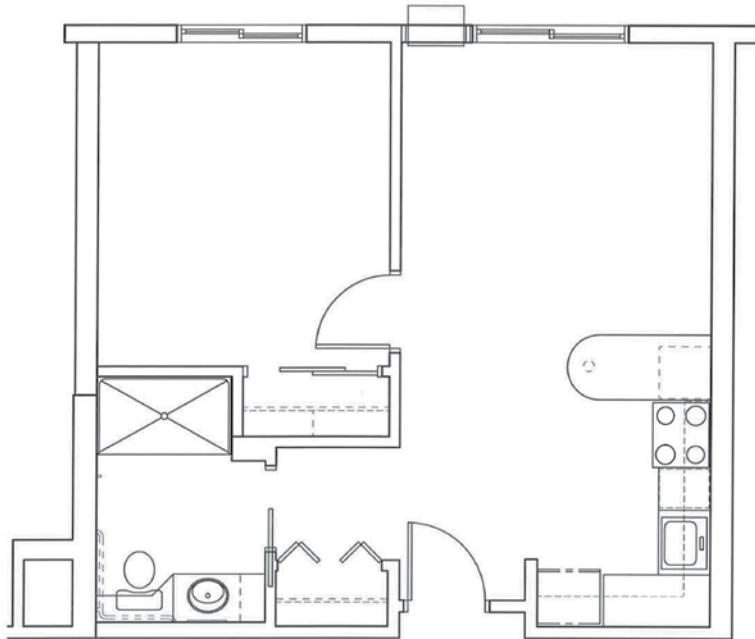
Floor Plans: 1 Bedroom

UNIT MIX:

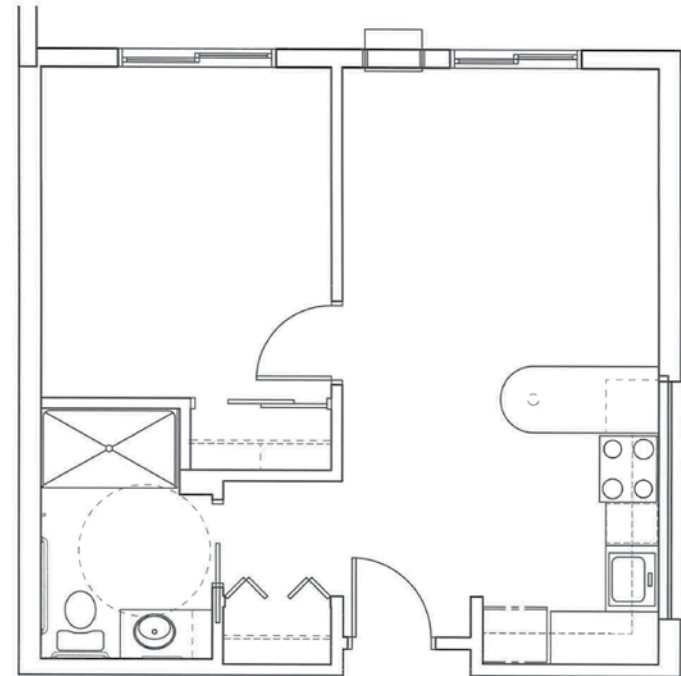
- 1 Bedroom
- 2 Bedroom



E1 | 1 BD + 1 BA | 550 SF

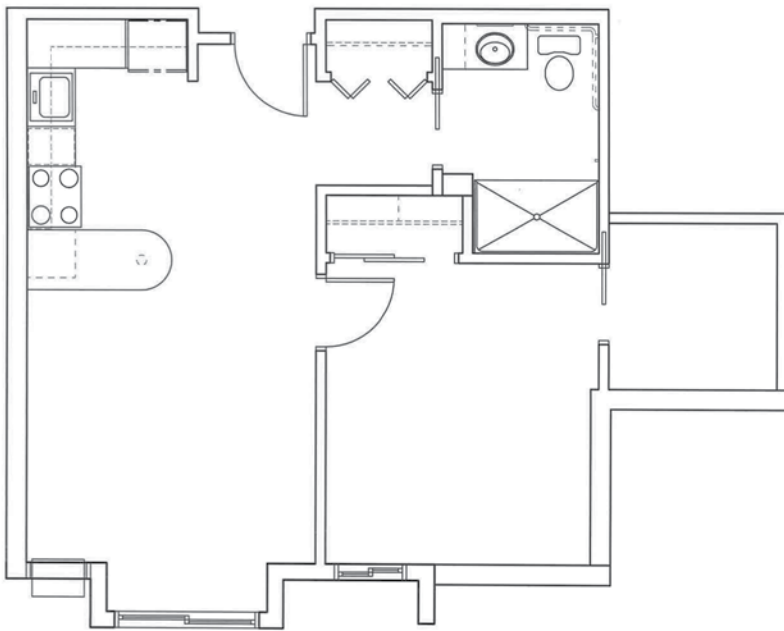


E2 | 1 BD + 1 BA | 553 SF

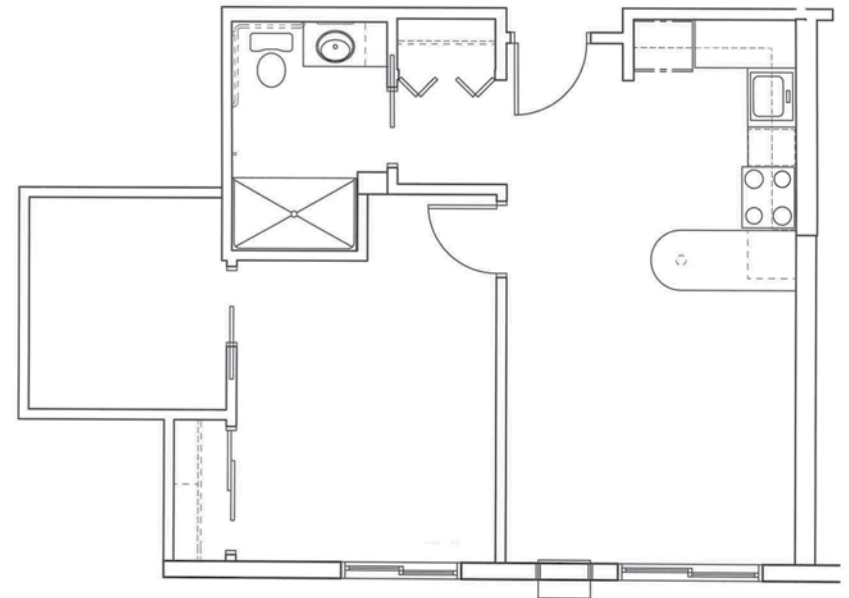


Floor Plans: 1 Bedroom

E3 | 1 BD + 1 BA | 607-621 SF

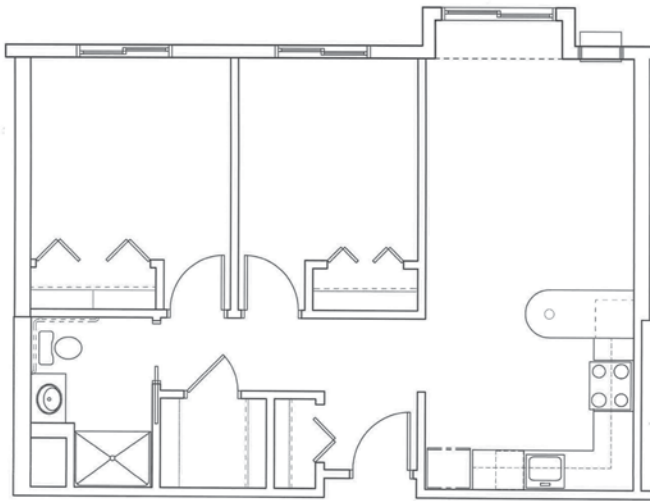


E4 | 1 BD + 1 BA | 634-648 SF

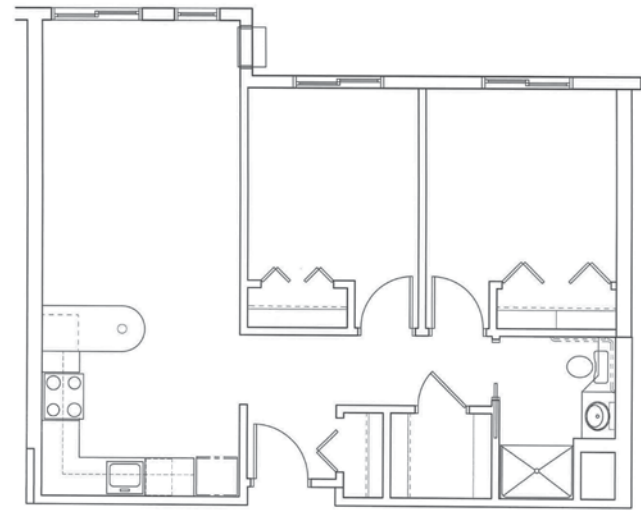


Floor Plans: 2 Bedroom

A | 2 BD + 1 BA | 735-749 SF

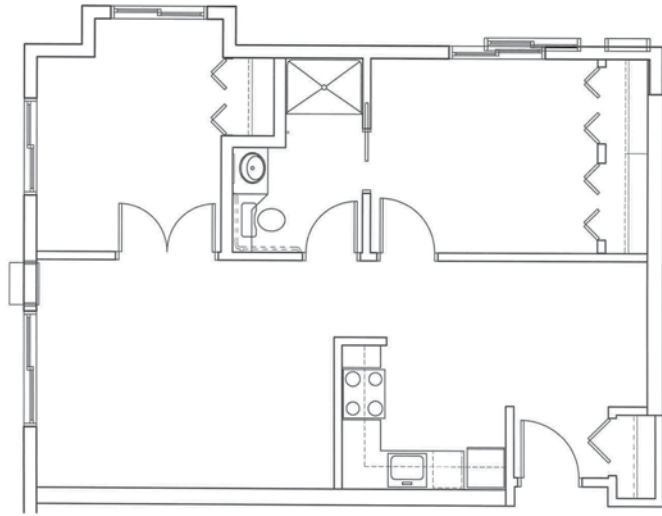


B | 2 BD + 1 BA | 777 SF

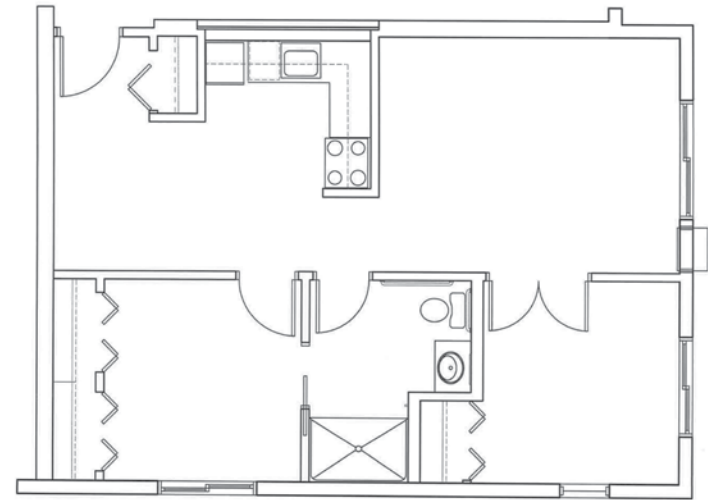


Floor Plans: 2 Bedroom

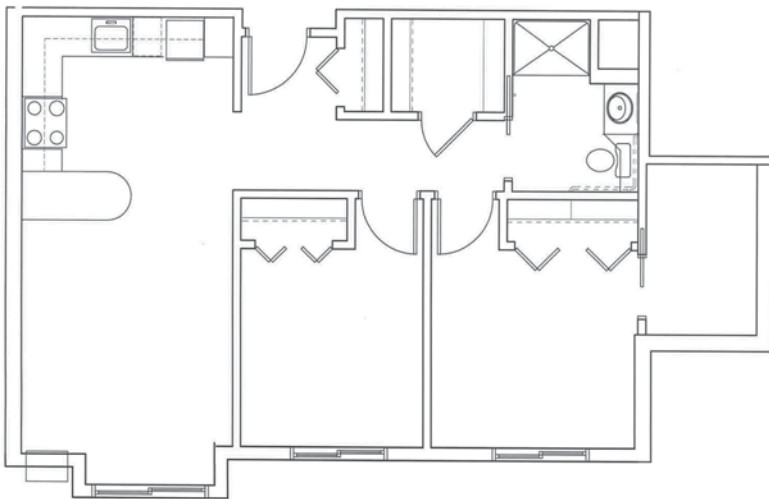
C | 2 BD + 1 BA | 729-743 SF



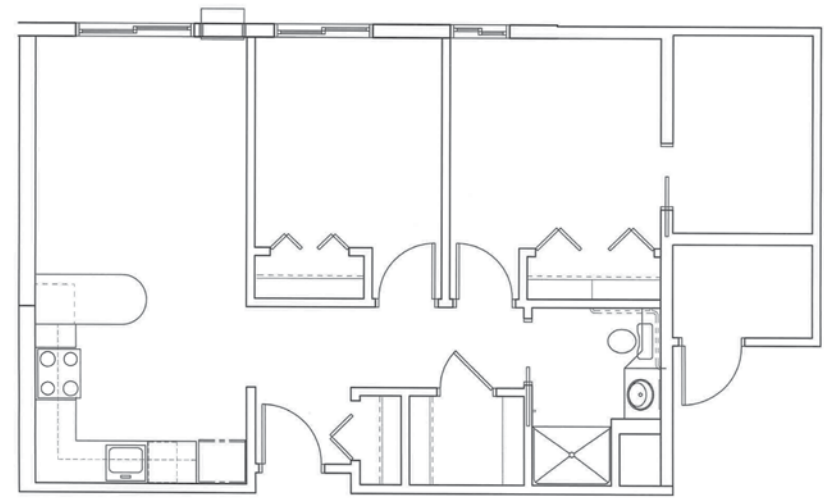
C2 | 2 BD + 1 BA | 730 SF



D | 2 BD + 1 BA | 787-801 SF



D2 | 2 BD + 1 BA | 813 SF



Affordable Restrictions

Parkway Gardens is a senior, affordable (Section 42) property requiring income and rent restrictions until the expiration of the LURA contract on 12/29/2036.

MAXIMUM GROSS RENTS BY HOUSEHOLD SIZE (4/1/2025)

Household Size	30% AMI	50% AMI	60% AMI
1 Person	\$27,810	\$46,350	\$55,620
2 Persons	\$31,800	\$53,000	\$63,600
3 Persons	\$35,760	\$59,600	\$71,520
4 Persons	\$39,720	\$66,200	\$79,440

MAXIMUM GROSS RENTS BY BEDROOM TYPE (4/1/2025)

AMI Level	1 Bedroom Rent	2 Bedroom Rent
30% AMI	\$745	\$894
50% AMI	\$1,241	\$1,490
60% AMI	\$1,490	\$1,788

ST. PAUL PHA UTILITY ALLOWANCE DEDUCTIONS 2/1/2025

Residents of Parkway Gardens pay for their own electricity, therefore, the following utility allowances must be deducted from the maximum rent limits (for the use of electricity for 'cooking and other electric', per St. Paul PHA payment standards).

UTILITY ALLOWANCE DEDUCTION BY BEDROOM TYPE

1 Bedroom Units	\$53
2 Bedroom Units	\$69

3



Location
Highlights

St. Paul, MN

Saint Paul, MN, is the capital city of Minnesota and one-half of the Twin Cities metropolitan area, alongside Minneapolis. As one of the oldest and most historic cities in the state, Saint Paul combines urban vibrancy with charming neighborhoods and extensive green spaces, offering residents a rich and balanced quality of life.



Proximity to the Twin Cities Core:

Centrally located, Saint Paul provides direct access to both downtown cores of Minneapolis and Saint Paul via I-94, light rail (Green Line), and major bus routes. Its location offers the best of both cities—urban convenience with a neighborhood feel.



Employment Opportunities:

Home to state government offices, large healthcare systems like Regions Hospital and United Hospital, and corporate headquarters such as Ecolab, Saint Paul offers a strong and stable employment base across sectors like government, healthcare, education, and business services.



Transportation:

Saint Paul is well-served by public transit, including Metro Transit buses and the Green Line light rail, which runs between downtown Minneapolis and Saint Paul. The city is also known for its bike-friendly streets and walkable neighborhoods.



Outdoor Recreation:

With over 200 parks and miles of riverfront along the Mississippi, Saint Paul offers abundant opportunities for outdoor recreation.



Saint Paul, offers a dynamic mix of historical character, cultural institutions, and accessible city living—making it a desirable place to live, work, and explore.

ST. PAUL STATS (2025)

15%
of Renters
are Seniors



POPULATION:
308,110



MEDIAN HOME VALUE:
\$295,200



MEDIAN HOUSEHOLD
INCOME:
\$68,950



UNEMPLOYMENT RATE
4.3%



MEDIAN AGE:
34 YEARS

St. Paul Map



Points of Interest



Indian Mounds Regional Park

Indian Mounds Regional Park is the site of a sacred burial ground. The park is home to several burial mounds, which can be viewed from designated trails. Visitors can also enjoy a picnic, play tennis, and take in a scenic view. The park has several playgrounds and picnic shelters that can be reserved for special events.



Regions Hospital

Regions Hospital is an award-winning hospital with dozens of healthcare specialties represented. Regions was recently named a Best Regional Hospital by US News & World Report and included in the IBM Watson Health 15 Top Health Systems List. On-site specialties include cardiology, oncology, rehabilitation, orthopedics, stroke, trauma, and emergency care.



The Mounds Theatre

Built in 1922, the Mounds Theatre is a historic performing arts center in the Dayton's Bluff neighborhood of St. Paul. After spending several decades as a warehouse, the Mounds Theatre was fully renovated to become an art deco landmark. Mounds Theatre stages plays, musical performances, and film screenings throughout the year, as well as private events.



Bruce Vento Nature Sanctuary

The Bruce Vento Nature Sanctuary is a hidden oasis for flora and fauna, filled with peaceful walking trails. At just under 30 acres, the sanctuary is surprisingly lively for its size, with six different ecosystems represented and ample wildlife. Visitors often spot deer, rabbits, wild turkey, and countless birds, as well as fish and turtles in the ponds.

Points of Interest Map



The Mounds Theatre



Parkway Gardens Senior Apartments



Regions Hospital



Bruce Vento Nature Sanctuary



Indian Mounds Regional Park

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%)**



APPROX. POPULATION:
3.69M



MEDIAN HOME VALUE:
\$362,600



MEDIAN ANNUAL
HOUSEHOLD INCOME:
\$101,925



UNEMPLOYMENT RATE
(APPROX):
2.9%
(EARLY 2025)

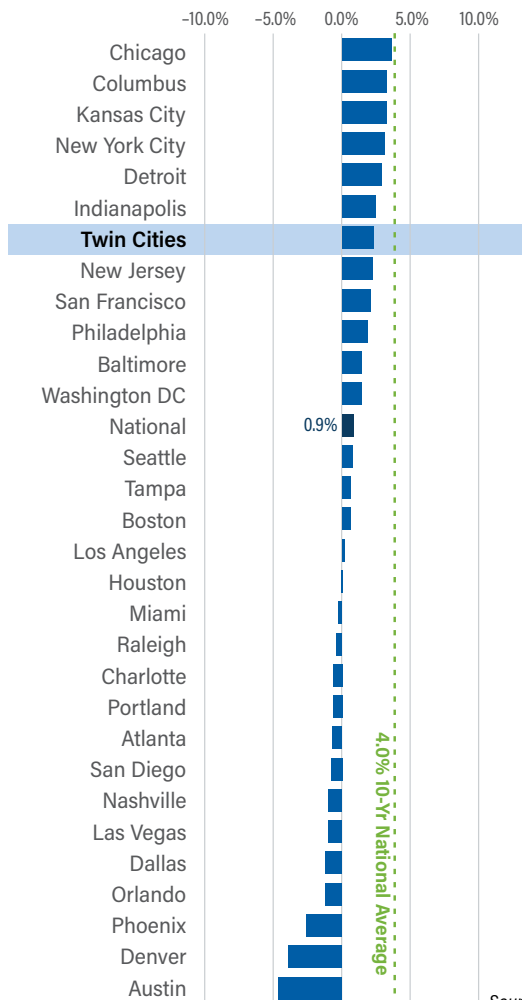


MEDIAN AGE:
38 YEARS

Year-Over-Year 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



5th Most Affordable

Major U.S. Metro



18.9% 'Rent-to-Income' Ratio

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



40-45% of Households

Earn More Than \$100,000 Annually



#7 in The Nation

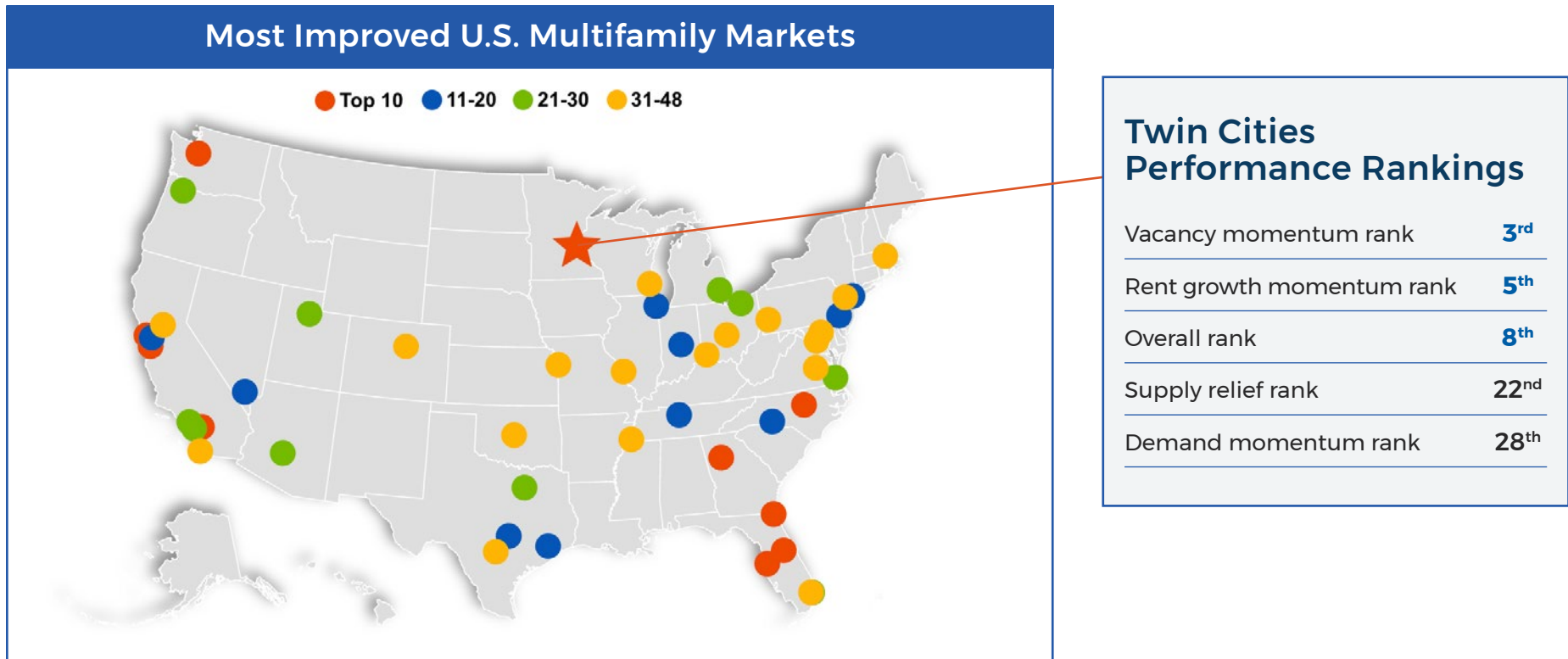
For Rent Growth



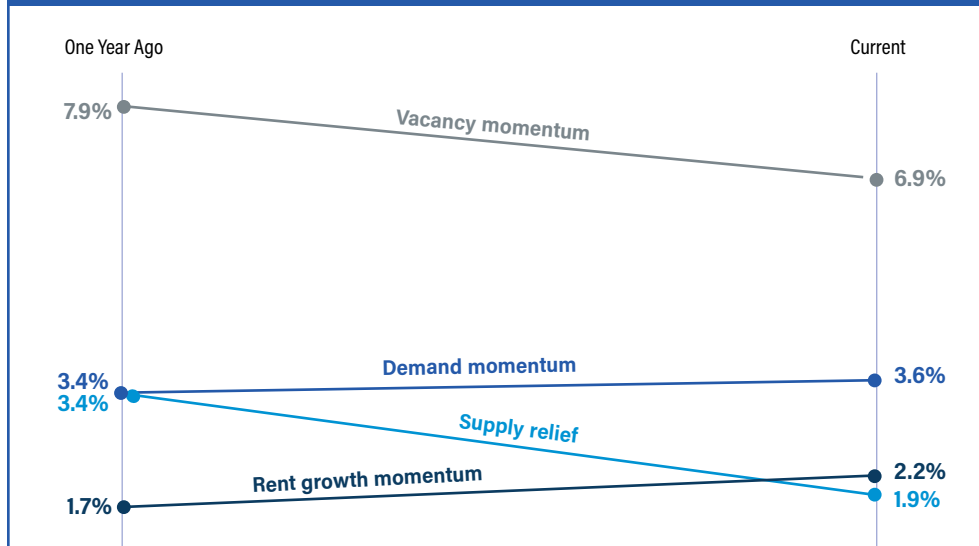
Market Overview

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 Multifamily Market Changes



Source: CoStar

Vacancy Momentum Leads the Nation

Vacancy in the Twin Cities declined from 7.9% to 6.9% over the past year—ranking third nationally for vacancy momentum—and is down 147 basis points from the peak of 8.37% in Q1-2024. **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/month

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



4

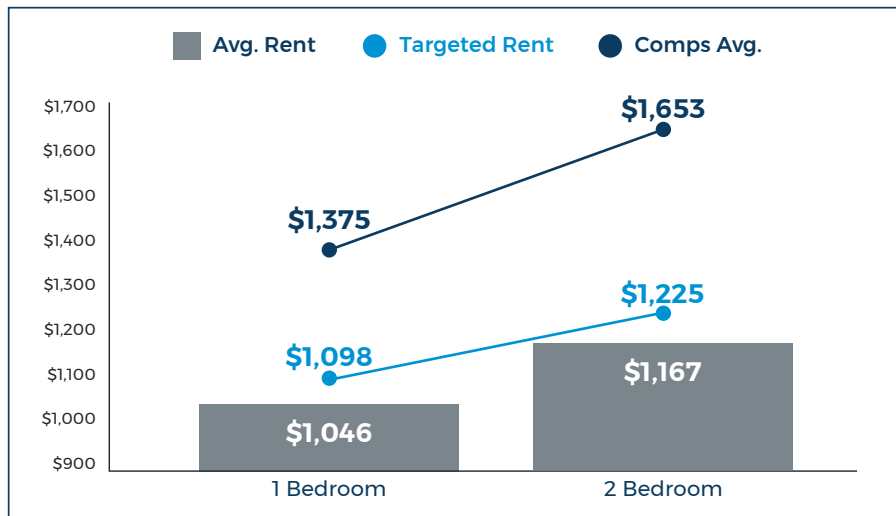
Financial Analysis



Overview Summary

Unit Mix Summary

BD/BA	Units	Avg. SF	Avg. Rent	5% Rental Upside	Targeted Rent
1BD/1BA	42	564	\$1,046	\$52	\$1,098
2BD/1BA	118	753	\$1,167	\$58	\$1,225
Total/Avg.	160	703	\$1,135	\$57	\$1,192



Historical & Proforma Financials

	7/31/25			FY1 Metrics (Proforma)				
	T12	Per Unit	% GPR or ECI	FY1	Per Unit	% GPR or ECI	T12 to FY1	T12 to FY1
Income								
Gross Potential Rent	\$2,185,900	\$13,662	100.00%	\$2,287,976	\$14,300	100.00%	4.67%	4.67%
Gain (Loss) to Lease	(71,966)	(450)	(3.29%)	-	-	0.00%	-100.00%	-100.00%
Total GPR	\$2,113,934	\$13,212	96.71%	\$2,287,976	\$14,300	100%	8.23%	8.23%
Concessions	(32,405)	(203)	(1.48%)	(11,440)	(71)	(0.50%)	-64.70%	-64.70%
Vacancy Loss	(196,120)	(1,226)	(8.97%)	(114,399)	(715)	(5.00%)	-41.67%	-41.67%
Bad Debt	(4,386)	(27)	(0.20%)	(2,288)	(14)	(0.10%)	-47.83%	-47.83%
Net Effective	\$1,881,023	\$11,756	86.05%	\$2,159,849	\$13,499	94.40%	14.82%	14.82%
Other Income	\$37,407	\$234	1.71%	\$33,778	\$211	1.48%	-9.70%	-9.70%
Laundry Income	15,820	99	0.72%	16,295	102	0.71%	3.00%	3.00%
Pet Fee Income	1,345	8	0.06%	1,385	9	0.06%	3.00%	3.00%
Application Fees	3,236	20	0.15%	3,333	21	0.15%	3.00%	3.00%
Late/Bad Check Fees	7,363	46	0.34%	7,584	47	0.33%	3.00%	3.00%
Forfeited Tenant Security Deposits	4,613	29	0.21%	-	-	0.00%	-100.00%	-100.00%
Other Fees	5,030	31	0.23%	5,181	32	0.23%	3.00%	3.00%
Effective Gross Income	\$1,918,430	\$11,990	87.8%	\$2,193,627	\$13,710	95.9%	14.34%	14.34%
Expenses								
General & Administrative Expense	\$374,948	\$2,343	19.54%	\$385,664	\$2,410	17.58%	2.86%	2.86%
Employee Payroll & Expenses	266,908	1,668	13.91%	274,915	1,718	12.53%	3.00%	3.00%
Admin & Office Expense	60,681	379	3.16%	62,501	391	2.85%	3.00%	3.00%
Marketing & Advertising	46,842	293	2.44%	48,247	302	2.20%	3.00%	3.00%
Security Deposit Interest	517	3	0.03%	0	0	0.00%	-100.00%	-100.00%
Utilities	195,493	1,222	10.19%	201,358	1,258	9.18%	3.00%	3.00%
Management Fee Expense	81,390	509	4.24%	109,681	686	5.00%	34.76%	34.76%
Operating & Maintenance	169,863	1,062	8.85%	174,959	1,093	7.98%	3.00%	3.00%
Insurance	101,581	635	5.30%	128,000	800	5.84%	26.01%	26.01%
Apt. RE Taxes	157,471	984	8.21%	112,932	706	5.15%	-28.28%	-28.28%
Miscellaneous Expense	18,285	114	0.95%	18,834	118	0.86%	3.00%	3.00%
Total Expenses	\$1,099,031	\$6,755	57.3%	\$1,131,428	\$6,954	51.6%	2.95%	2.95%
Net Operating Income	\$819,399	\$5,236	42.7%	\$1,062,199	\$6,756	48.4%	29.63%	29.63%
Reserves		\$0	0.00%	\$40,000	\$250	1.82%		
NOI After Reserves	\$819,399	\$5,236	42.7%	\$1,022,199	\$6,506	46.6%	24.75%	24.75%

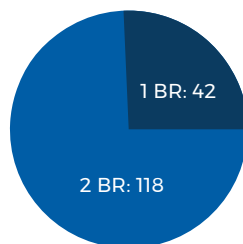
10-Year Cashflow Projections

	FY1	FY2	FY3	FY4	FY5	FY6	FY7	FY8	FY9	FY10
Income										
Gross Potential Rent	\$2,287,976	\$2,356,615	\$2,427,314	\$2,500,133	\$2,575,137	\$2,652,391	\$2,731,963	\$2,813,922	\$2,898,339	\$2,985,290
Total GPR	\$2,287,976	\$2,356,615	\$2,427,314	\$2,500,133	\$2,575,137	\$2,652,391	\$2,731,963	\$2,813,922	\$2,898,339	\$2,985,290
Concessions	(11,440)	(11,440)	(12,137)	(12,501)	(12,876)	(13,262)	(13,660)	(14,070)	(14,492)	(14,926)
Vacancy Loss	(114,399)	(117,831)	(121,366)	(125,007)	(128,757)	(132,620)	(136,598)	(140,696)	(144,917)	(149,264)
Bad Debt	(2,288)	(2,357)	(2,427)	(2,500)	(2,575)	(2,652)	(2,732)	(2,814)	(2,898)	(2,985)
Net Effective	\$2,159,849	\$2,224,988	\$2,291,384	\$2,360,126	\$2,430,929	\$2,503,857	\$2,578,973	\$2,656,342	\$2,736,032	\$2,818,113
Other Income	33,778	34,791	35,835	36,910	38,017	39,158	40,332	41,542	42,789	44,072
Laundry Income	16,295	16,783	17,287	17,806	18,340	18,890	19,457	20,040	20,642	21,261
Pet Fee Income	1,385	1,427	1,470	1,514	1,559	1,606	1,654	1,704	1,755	1,808
Application Fees	3,333	3,433	3,536	3,642	3,751	3,864	3,980	4,099	4,222	4,349
Late/Bad Check Fees	7,584	7,811	8,046	8,287	8,536	8,792	9,056	9,327	9,607	9,895
Other Fees	5,181	5,336	5,496	5,661	5,831	6,006	6,186	6,372	6,563	6,760
Effective Gross Income	\$2,193,627	\$2,259,779	\$2,327,219	\$2,397,035	\$2,468,947	\$2,543,015	\$2,619,305	\$2,697,885	\$2,778,821	\$2,862,186
Expenses										
General & Administrative Expense	\$385,664	\$397,234	\$409,151	\$421,425	\$434,068	\$447,090	\$460,503	\$474,318	\$488,548	\$503,204
Employee Payroll & Expenses	274,915	283,163	291,658	300,407	309,420	318,702	328,263	338,111	348,254	358,702
Admin & Office Expense	62,501	64,376	66,308	68,297	70,346	72,456	74,630	76,869	79,175	81,550
Marketing & Advertising	48,247	49,695	51,186	52,721	54,303	55,932	57,610	59,338	61,118	62,952
Utilities	201,358	207,399	213,620	220,029	226,630	233,429	240,432	247,645	255,074	262,726
Management Fee Expense	109,681	112,989	116,361	119,852	123,447	127,151	130,965	134,894	138,941	143,109
Operating & Maintenance	174,959	180,208	185,614	191,182	196,918	202,825	208,910	215,177	221,633	228,282
Insurance	128,000	131,840	135,795	139,869	144,065	148,387	152,839	157,424	162,147	167,011
Apt. RE Taxes	112,932	93,805	77,460	78,727	80,019	81,337	82,681	84,052	85,450	86,877
Miscellaneous Expense	18,834	19,399	19,981	20,580	21,197	21,833	22,488	23,163	23,858	24,574
Total Expenses	\$1,131,428	\$1,142,872	\$1,157,982	\$1,191,664	\$1,226,345	\$1,262,052	\$1,298,818	\$1,336,673	\$1,375,650	\$1,415,782
Expense to Income Ratio	51.6%	50.6%	49.8%	49.7%	49.7%	49.6%	49.6%	49.5%	49.5%	49.5%
Net Operating Income	\$1,062,199	\$1,116,907	\$1,169,237	\$1,205,371	\$1,242,602	\$1,280,963	\$1,320,488	\$1,361,212	\$1,403,171	\$1,446,404
Reserves	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
NOI After Reserves	\$1,022,199	\$1,076,907	\$1,129,237	\$1,165,371	\$1,202,602	\$1,240,963	\$1,280,488	\$1,321,212	\$1,363,171	\$1,406,404

Underwriting Notes

UNIT MIX

Floorplan	Total Units
1BD/1BA	42
2BD/1BA	118
Total/Avg.	160



INCOME

Gross Potential Rent

Forecasted Year One (FY1) Gross Potential Rent (GPR) is calculated by annualizing the most recent rent roll and increasing the rents by 5%. Vacant units are assumed to be occupied at the current asking rent. Baseline rents will continue to grow 3% annually thereafter.

Concessions

Concessions is projected to be 0.5% of GPR annually

Vacancy Loss

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

Bad Debt

Bad Debt is projected to be 0.1% of GPR annually.

Other Income

Other income includes laundry income, pet fee, late fees, application fees, and other fees such as break lease fee, utility fees, other receipts, etc. Other Income for FY1 is calculated by increasing the T12 [Trailing 12 months] numbers by 3%. It is projected to grow 3% annually thereafter.

Income from security deposit forfeited, which was present in T12 is eliminated from the proforma since it is non-recurring in nature.

EXPENSES

The majority of the expense line items in FY1 are projected to increase 3% over T12 [Trailing 12 months] numbers.

Security deposit expense, which was present in T12 is eliminated from the proforma since it is non-recurring in nature.

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

Insurance is projected at \$800/unit/year.

Apt. RE Taxes

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

Assessment Year	Payable Year	Market Value	Payable	Tax Rate	Discount	Special Assessment	Net Payable
2022	2023	\$18,600,000	\$195,385	1.05%	0%	\$10,811	\$206,196
2023	2024	\$24,873,100	\$216,405	0.87%	0%	\$11,245	\$227,650
2024	2025	\$22,495,200	\$94,750	0.42%*	0%	\$20,338	\$115,088
2025	2026	\$25,069,300		0.42%*	0%	\$14,131	\$119,723

*Effective January 1, 2025, the Low-Income Rental Classification (LIRC) tax rate for affordable properties was reduced. This adjustment has significantly lowered the property's tax burden.

For the Payable year 2026, net payable tax is estimated using the 2026 assessed value and applying the 2025 applicable tax rate and the special assessment amount.

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

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

Reserves

Replacement reserves are projected at \$250 per unit.

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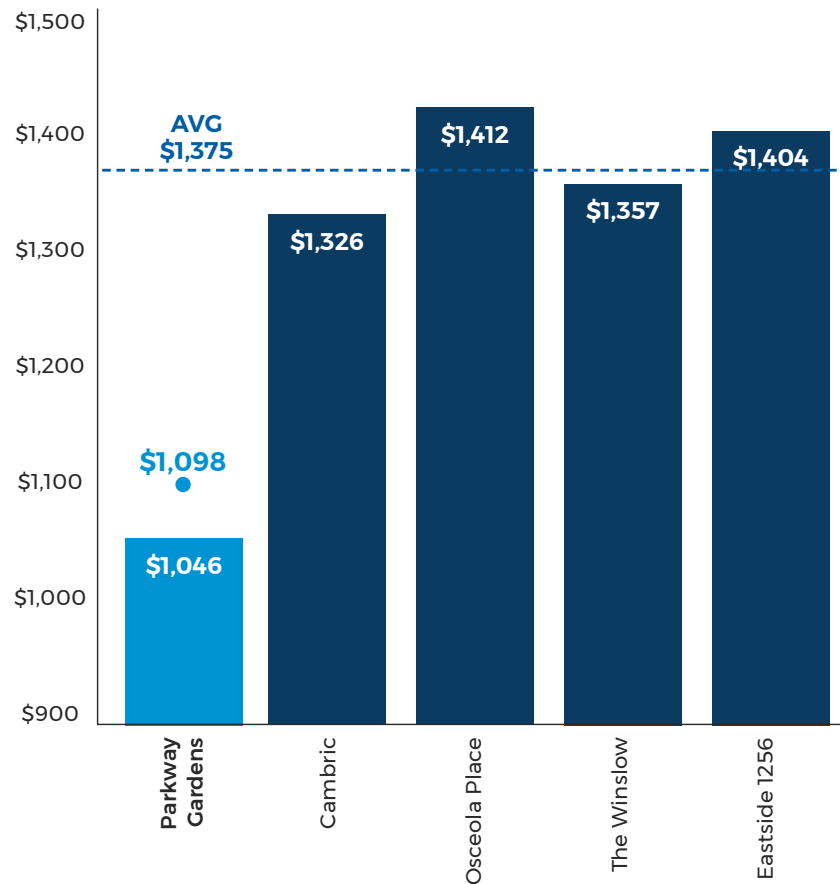


Rent & Sale
Comparables

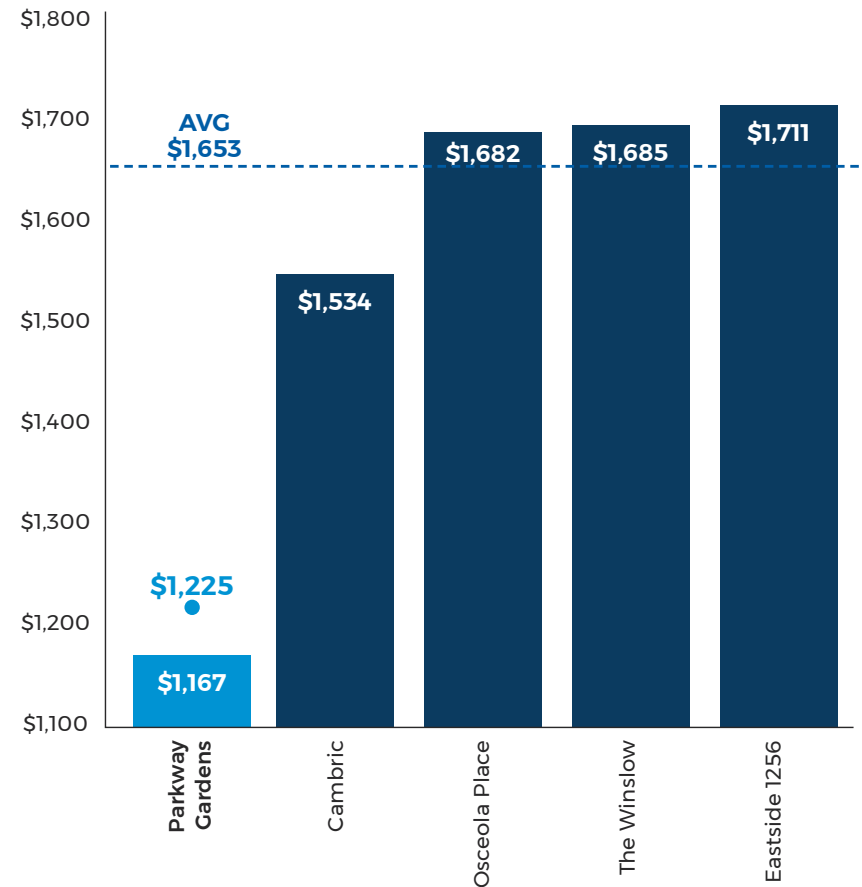
Bedroom/Rent Comparison

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

1 Bedroom



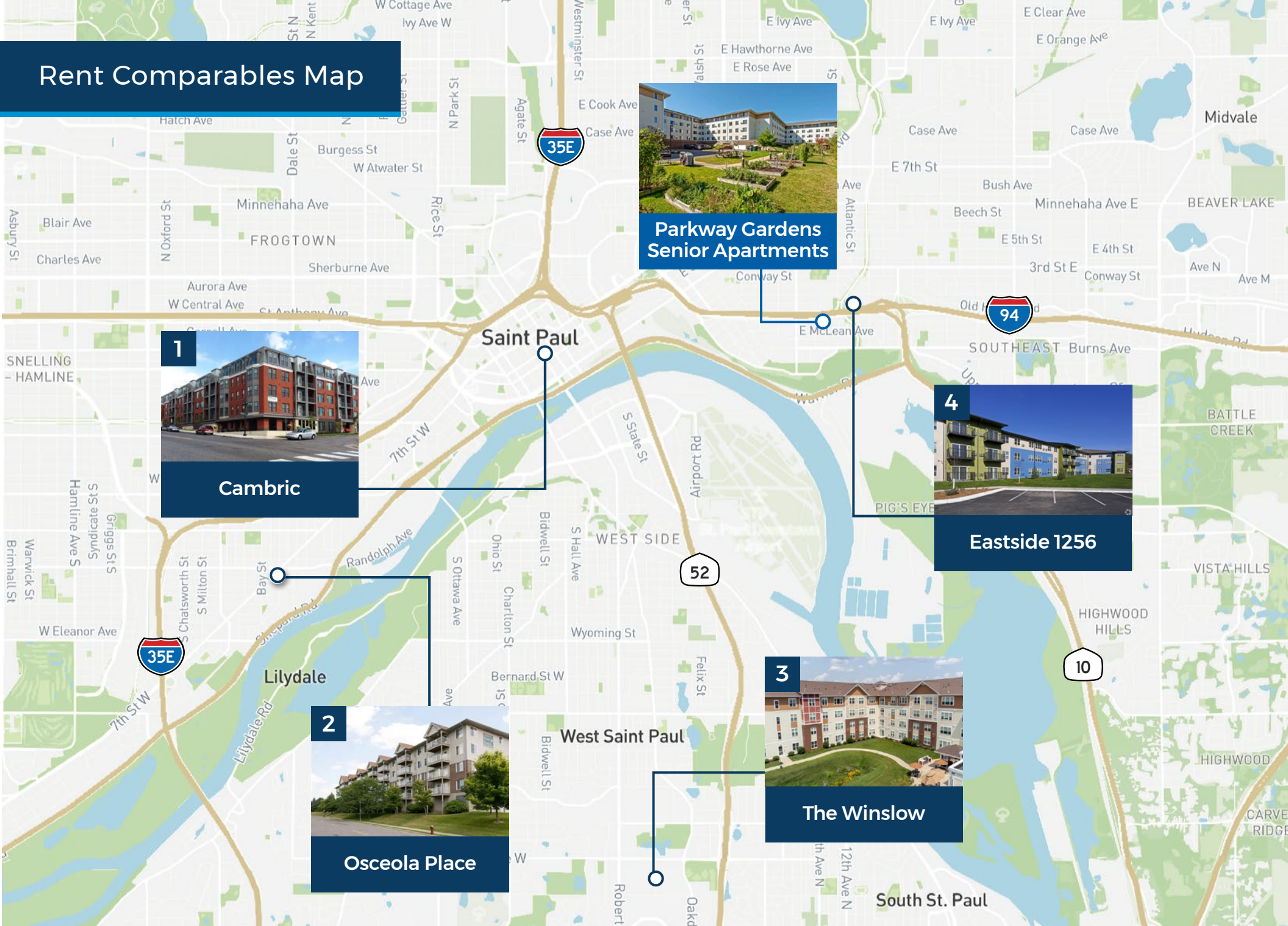
2 Bedroom



Rent Comparables

						
	Subject	1	2	3	4	Comp Avgs.
Property	Parkway Gardens 1145 Hudson Road Saint Paul	Cambric 720 7th St E Saint Paul	Osceola Place 260 Osceola Ave S Saint Paul	The Winslow 1631 Marthaler Ln Saint Paul	Eastside 1256 1256 Wilson Ave Saint Paul	
Rent Type	Affordable	Affordable	Affordable	Affordable	Affordable	
Year Built	2005	2016	2003	2019	2017	2014
# of Units	160	113	89	172	114	122
1 Bedroom						
# of Units	42	63	55	112	63	73
SF	564	804	754	739	642	735
Rent	\$1,046	\$1,326	\$1,412	\$1,357	\$1,404	\$1,375
Rent PSF	\$1.85	\$1.65	\$1.87	\$1.84	\$2.19	\$1.89
2 Bedroom						
# of Units	118	50	34	60	51	49
SF	753	1,126	1,150	1,089	1,001	\$1,092
Rent	\$1,167	\$1,534	\$1,682	\$1,685	\$1,711	\$1,653
Rent PSF	\$1.55	\$1.36	\$1.46	\$1.55	\$1.71	\$1.52
Electric	Resident Paid	Resident Paid	Resident Paid	Resident Paid	Resident Paid	
Gas	Included in Rent	Resident Paid	Resident Paid	Resident Paid	Resident Paid	
Water	Included in Rent	Included in Rent	Resident Paid	Included in Rent	Resident Paid	
Trash	Included in Rent	Included in Rent	Resident Paid	Included in Rent	Resident Paid	
Laundry	On-Site	In-Unit	In-Unit	In-Unit	In-Unit	

Rent Comparables Map

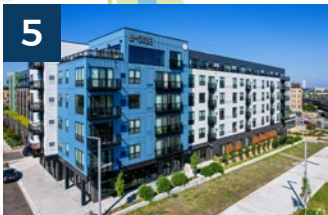


Sale Comparables



	Subject	1	2	3	4	5	Comp Avgs.
Property	Parkway Gardens 1145 Hudson Rd Saint Paul	The Donegan 241 Kellogg Blvd E Saint Paul	Haven of Battle Creek 200 Winthrop St S Saint Paul	Goldenstar 321 Larpenteur Ave E Maplewood	3021 Holmes Ave S Minneapolis	B-Side 3027 22nd Ave S Minneapolis	
Year Built	2005	2020	1976	1966	2009	2021	1998
# of Units	160	93	216	109	60	147	125
Studios	0	21	0	0	10	80	22
1 Bedroom	42	60	112	55	37	31	59
2 Bedroom	118	12	60	27	13	36	30
3 Bedroom	0	0	44	27	0	0	14
Price Per Unit	Market	\$153,763	\$99,537	\$93,578	\$164,167	\$137,623	\$129,734
Sale Price		\$14,300,000	\$21,500,000	\$10,200,000	\$9,850,000	\$20,230,650	\$15,216,130
Sale Date		4/1/25	3/12/25	10/10/24	10/10/24	9/26/24	

Sale Comparables Map



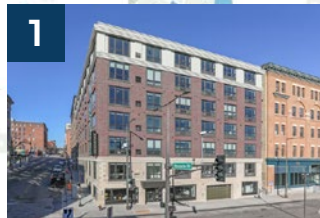
B-Side



Goldenstar



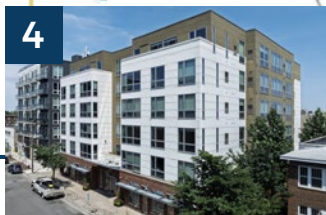
Parkway Gardens Senior Apartments



The Donegan



Haven of Battle Creek



3021 Holmes Ave S



6 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

612.850.4539

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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



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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pmichel@michelcommercialre.com

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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Parkway Gardens Senior Apartments

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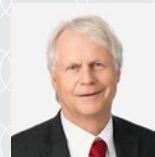
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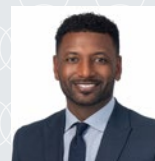
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