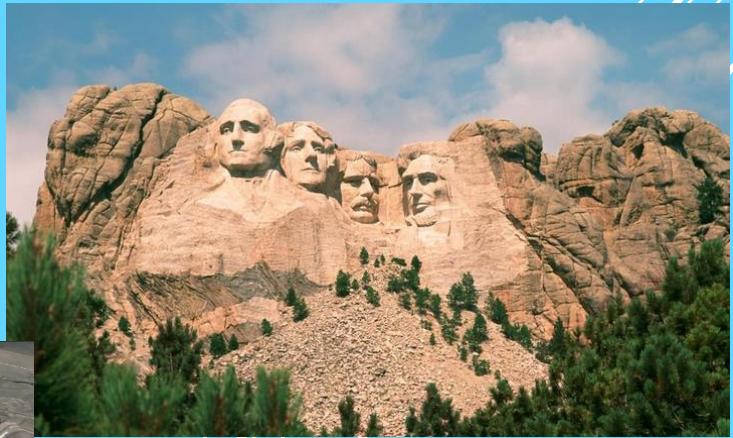


THE ELKVALE

Development Gem to Meet
the Needs and Growth
of
Rapid City, SD



What's Happening

What do you say when presented opportunity to buy and develop 450+ acres of prime real estate in the middle of one of the fastest growing cities in the United States?.....Tell Me More!

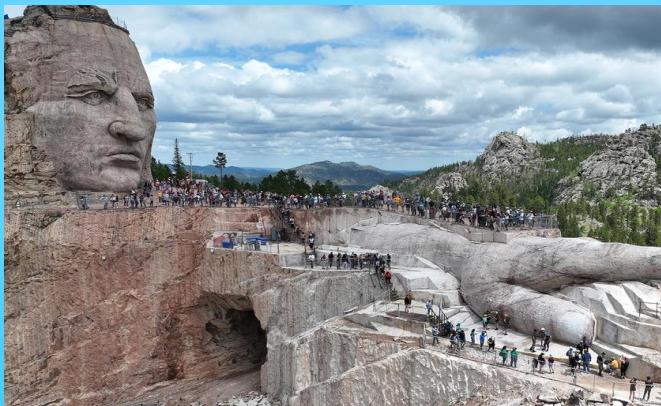
What is The Elkvale?

- The Elkvale is over 450 acres of prime undeveloped land in the fastest growing corridor of the fastest growing metro area in the Midwest
 - Rapid City, South Dakota

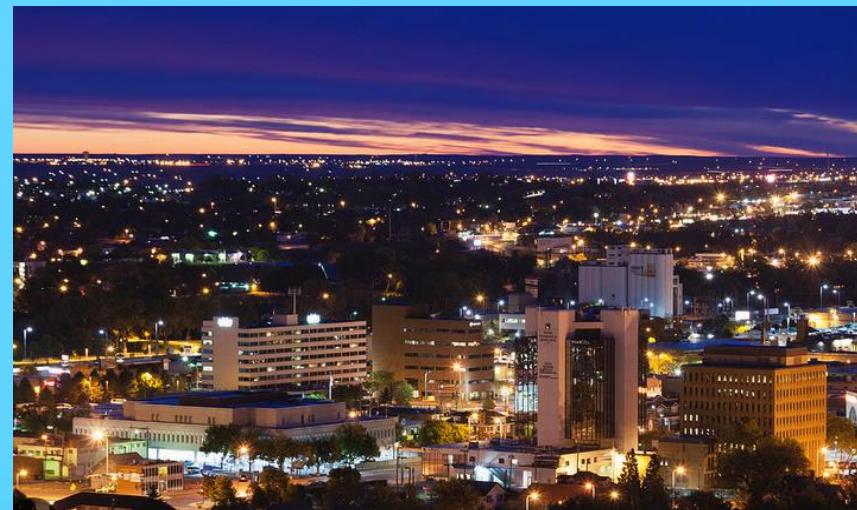
What's happening in Rapid City?.....Rapid City is exploding as it's:

- The Gateway to the Black Hills, Sturgis Bike Rally, Mt Rushmore and Crazy Horse Monuments drawing over 2.5 million visitors per year
- The second-largest city in South Dakota (MSA 148,933) serving a greater economic area of over 400,000 people
- Primed for real estate investment and development opportunities
- An accelerating economic engine attracting business, technology, medical, defense, tourism, real estate investment and development
Over past 5 years average population growth has been over 2.4% annually (Anticipated growth rate will increase)
- Per the Rapid City and Black Hills Area Housing Study released January 4, 2022, Rapid City is expanding so fast the city needs an at least 3500-4000 housing units for both owners and renters PLUS an additional 3500 residences throughout the Black Hills region
- Home of Ellsworth AFB which was selected to be the home of the B-21 "Raider" the newest plane in the Air Force inventory
 - Over \$2 billion in construction projects and upgrades to the base and infrastructure have begun and will continue through 2030
 - Base and surrounding communities are already preparing for an additional 4000+ people and 1500+ on and off the base jobs
- Home to the South Dakota School of Mines, an engineering, science and tech university ranked in top 6% of best small colleges in nation

Where the Past, Present & Future Meet



The Magic of the Rapid City Area Brings Nature, History, Excitement and Technology Together Like No Other Place in the U.S.A.



Rapid City, the gateway to the Black Hills, Crazy Horse & Mt Rushmore, Sturgis motorcycle rally, and the most advanced aircraft in the nation



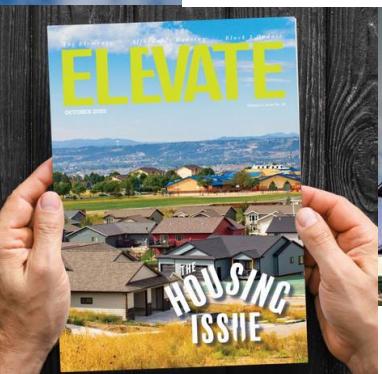
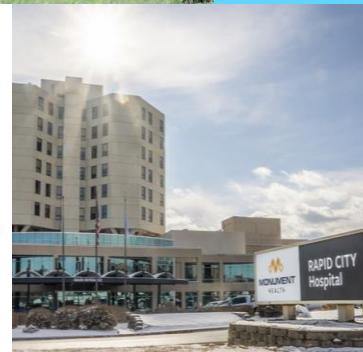
Rapid City Constant Innovation, Constant Growth, Constant Opportunities

Why Rapid City, South Dakota?

South Dakota, especially the Black Hills, is attracting people from all over causing housing and commercial demand to outpace supply, driving growth in real estate opportunities



B-21 Raider First Home
Ellsworth AFB



South Dakota - Focused on growth and business diversity

- No state personal income taxes, No corporate income taxes
- Pro-Economy mindset – Ranks in Top 5 for GDP growth
- State actively attracts, encourages and supports new businesses & talent
- Where Ranching, Tech, Mining, Military and Business flourish together
- Rapid City – A heartland where Ranching, Mining, Military and Business flourish together
 - Escape big city congestion & politics
 - Quaint, enjoyable pace of life with room to breathe & relax
 - School of Mines & Technology – A nationally top-rated engineering, science and technology university
- Ellsworth Air Force Base 8000+ military, families, civilians & growing with the new B-21 "Raider" and defense industry support
- High Tech Research and Tech Incubator program
- Hospitality supporting over 2.5 million visitors/year
- Medical Care, Med Tech and Elderly Support industries

Greater Black Hills Area Attractions



In the Black Hills and within an hour's drive of The Elkvale are the things that attract over 2.5 million visitors every year

- Natures Beauty, Forests, Waterfalls, Hot Springs, Lakes
- Hunting, Fishing, Boating, and Skiing
- World Famous Mt. Rushmore National Monument
- The Crazy Horse Monument and Museum
- Custer and Wind Cave National Parks where the Buffalo roam and the Deer and Antelope play
- Mammoth Site – Largest concentration of mammoths in the world
- Ellsworth Air Force Base Air Museum
- Sturgis – Largest Motorcycle Rally in the World
- Deadwood - Historic Mining Town & Gambling Entertainment Center
- Belle Fourche - Geographic Center of the United States
- Pine Ridge Reservation – Home to the Oceti Sakowin / Lakota People
- Wounded Knee – Historical Landmark
- Badlands National Park
- Free Range Cattle Ranches

Land & Area Specs

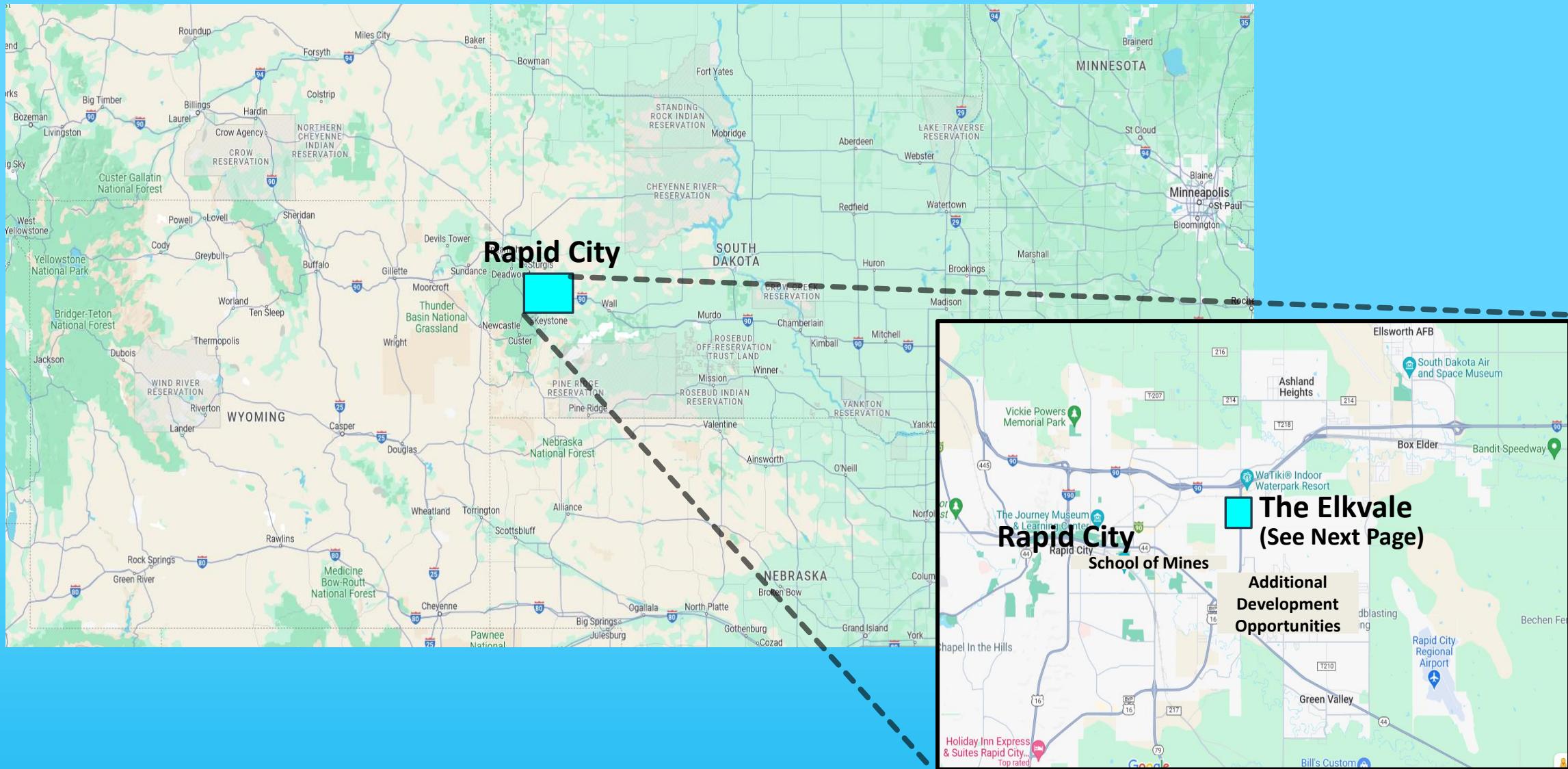
The Elkvale is a 477.5+ acre undeveloped land assemblage right in the heart of the highest growth area in Rapid City.

- The Elkvale is actually made up of two contiguous parcels of land (266.33 acres and 207.23 acres) making up a massive infill master plan opportunity surrounded by commercial, retail, residential developments and is ripe for immediate development with utilities and infrastructure at doorstep.
- This property is located just south of the interchange (Exit 61) between US Hwy 90, the northern most route interstate crossing the upper United States, and SD Hwy 16, AKA Elk Vale Road, a truck by-pass and the eastern boundary of the loop around Rapid City.
- Hwy 16 virtually bisects the two contiguous parcels of The Elkvale thus providing massive highway frontage for potential commercial development and access along the north/south axis of each parcel.
- Very High Traffic Volume - Elk Vale Road has an average daily vehicle volume of 18,000+ and the South Dakota Department of Transportation projects and is preparing for over 44,000 average per day by 2045*
- This land also includes one of the highest, buildable elevations in the metro area providing for fantastic views of downtown Rapid City, the Black Hills to the west and the plains to the east.

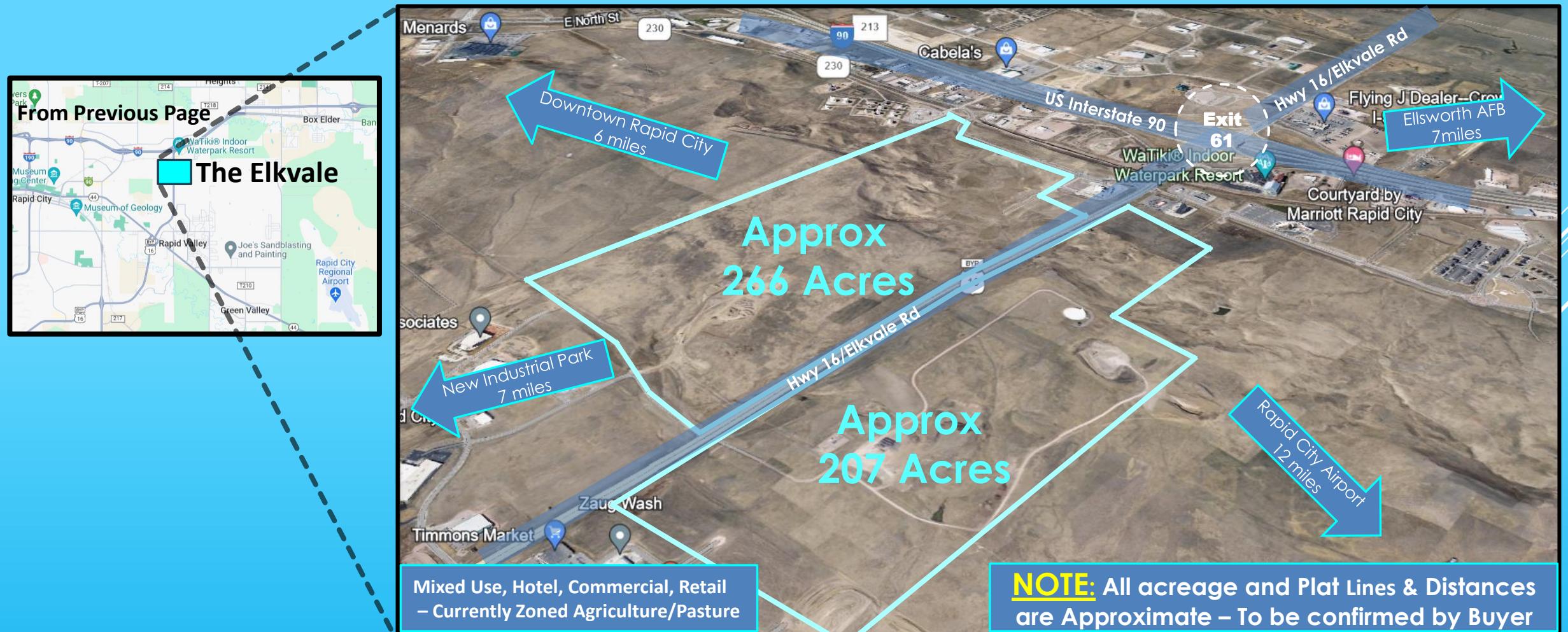
Opportunities like this in the heart of growing metro area rarely come along. Everything is in place for an amazing ROI. Now is the time, The Elkvale is the place.

* US HIGHWAY 14A CORRIDOR STUDY INCLUDING I-90 EXIT 14, Prepared for: South Dakota Department of Transportation by Flesburg Holt & Ullevig, March 2012

The Location



The Property – The Elkvale



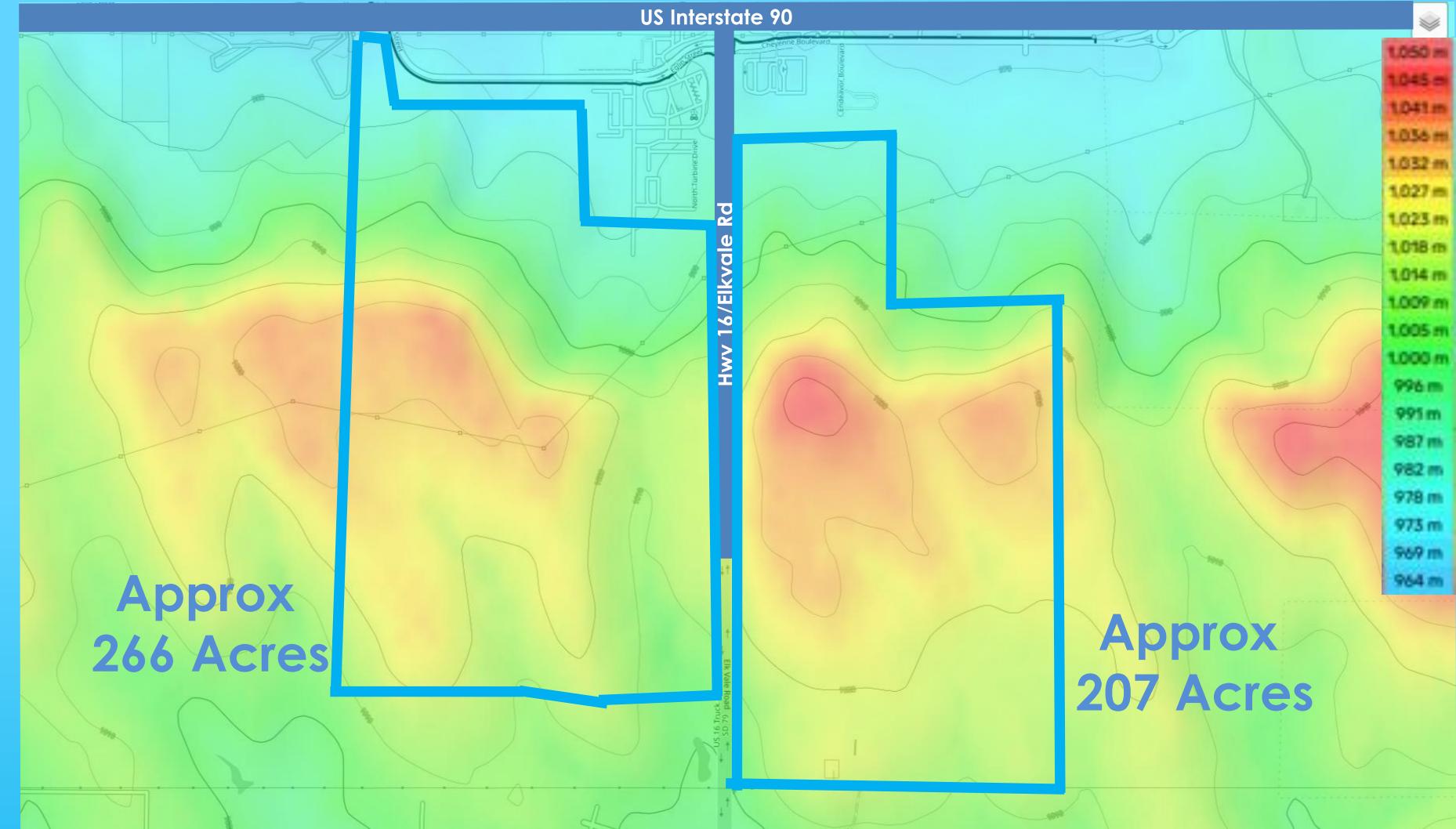
The Topography

The Elkvale topography provides views of Rapid City, the Black Hills and the rolling plains.

The high vista views of the city offer an ideal elevation for hospitality or housing.

The lower highway frontage ideal for commercial, retail or easy access industrial development.

The inner portions may be strong candidates for single family and higher density residential as well as commercial, retail and even light industrial opportunities.



NOTE: Plat Lines & Distances are Approximate

Projected Housing Demand



- Housing is in short supply and driven by current demand and significant projected growth
- There are housing shortage both within and around Rapid City
- The demand includes all types of housing communities: Single Family, Multi-family, Senior & Assisted Living, Rental, Middle and Higher Income, Affordable, Work Force
- Along with housing comes demand for commercial opportunities: Retail, Industrial, Warehouse, Restaurant, Entertainment, Hotel and Short-Term Living Spaces

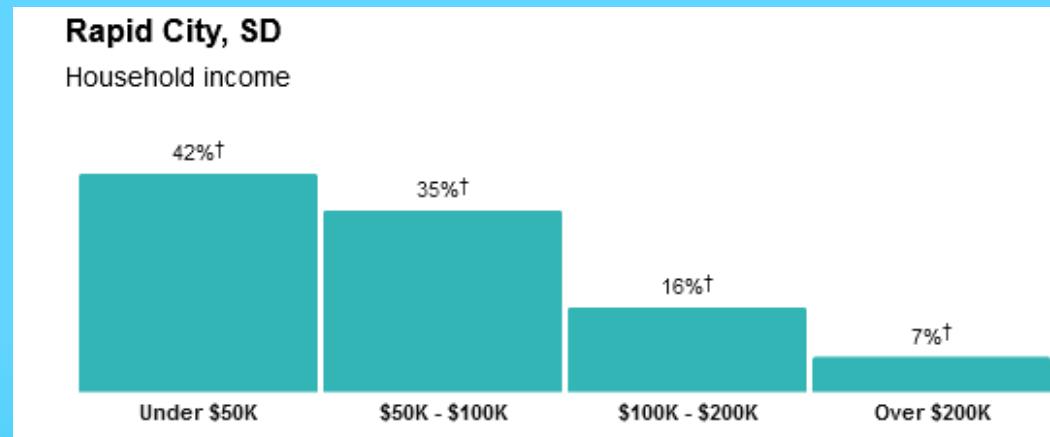
* Source: Rapid City and Black Hills Area Housing Study, January 4, 2022, Housing Outlook presentation by Elevate Rapid City, Laura Jones, January 5, 2023

High Level Market Breakdown

Rapid City has seen dramatic population growth with a 15% increase between 2010 and 2020. The city is expected to grow at an even faster rate over the next 8 years with an anticipated 18.9% increase between 2020 and 2030 *

Market Breakdown

- 58% of Rapid City households have incomes over \$50,000 (Per U.S. Census ACS, 2022)



- A rental vacancy rate of 1-2% is estimated in Rapid City, far lower than the healthy target of 5-7%*
- Older adult populations grew the fastest in the last decade, including 59% growth in the 65-84 age group in Rapid City*
- Demand for nursing care and assisted living options will continue to grow, including a projected 362 additional nursing beds and 167 assisted living beds by 2030*

*Source: Rapid City and Black Hills Area Housing Study commissioned by the Rapid City Strategic Housing Coalition

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Sales, Vacancies, Permits

Sales

- Grew over 15% within five years
- Slight dip due to COVID
- Median sales prices grew over 42% over same five-year period

Vacancy Rates

- In the ownership market, ideal vacancy is 1.5%
 - Currently that number is about 0.7%
- Ideal vacancy rate for rentals is 5-7%, which allows for mobility within the market
 - Currently, we are at about 2.5% regionally

Building Permits *

- Single Family in Rapid City - 1,222 since 2018
- Single Family in outlying areas - 1,779 since 2018
- Multifamily in Rapid City – 2437 units since 2018
- Multifamily in outlying areas – 946 units since 2018



*Source: Rapid City and Black Hills Area Housing Study, January 4, 2022, Housing Outlook presentation by Elevate Rapid City, Laura Jones, January 5, 2023

Housing Market Overview

Rapid City

Ownership unit demand for Rapid City through 2030 is projected to be 3,410 - 4,105 units*

- Households over 80% AMI are projected to need approximately 2,459-2,955 ownership units*
- The most desired housing type revealed in the community survey is new single-family detached, followed by older single-family and then attached townhouse
- Overall owner-occupancy is at about 52%*

Surrounding Area

- Expected to need an additional 3,563-4,259 units in the communities surrounding Rapid City by 2030*
 - This includes 2,669-3,044 ownership units and 894-1,215 rental units *
 - These are in addition to the units needed in Rapid City*

*Source: Rapid City and Black Hills Area Housing Study commissioned by the Rapid City Strategic Housing Coalition

Total Regional Market

| Demand Drivers | | Totals by Type | | |
|--|--|----------------|---------------|---------------|
| Demand from Household Growth 2020-2030 | | Ownership | Rental | Total |
| Net Additional Households under age 55 | | 1,659 | 1,618 | 3,277 |
| Net Additional Households age 55-74 | | 3,347 | 1,626 | 4,973 |
| Net Additional Households over age 75+ | | 1,341 | 887 | 2,228 |
| Subtotal Units - Demand from Household Growth | | 6,347 | 4,131 | 10,478 |
| Units Needed to Accommodate Growth Vacancy | | 489 | 258 | 747 |
| Subtotal Units - Growth & Vacancy | | 6,836 | 4,389 | 11,225 |
| Units needed to Restore Target Vacancy | | 212 | 565 | 777 |
| Units Already Permitted in 2020 & 2021 | | -1,054 | -1,757 | -2,811 |
| Total Additional Units by 2030 | | 5,994 | 3,197 | 9,191 |

*Source: Rapid City and Black Hills Area Housing Study, January 4, 2022, Housing Outlook presentation by Elevate Rapid City, Laura Jones, January 5, 2023

Rapid City Breakout

| Demand Drivers | | Totals by Type | | |
|--|--|----------------|--------------|--------------|
| Demand from Household Growth 2020-2030 | | Ownership | Rental | Total |
| Net Additional Households under age 55 | | 939 | 1,148 | 2,087 |
| Net Additional Households age 55-74 | | 1,948 | 1,049 | 2,997 |
| Net Additional Households over age 75+ | | 939 | 767 | 1,705 |
| Subtotal Units - Demand from Household Growth | | 3,825 | 2,964 | 6,789 |
| Units Needed to Accommodate Growth Vacancy | | 57 | 178 | 235 |
| Subtotal Units - Growth & Vacancy | | 3,882 | 3,142 | 7,024 |
| Units needed to Restore Target Vacancy | | 74 | 532 | 606 |
| Units Already Permitted in 2020 & 2021 | | -546 | -1,565 | -2,111 |
| Total Additional Units by 2030 | | 3,410 | 2,109 | 5,519 |

*Source: Rapid City and Black Hills Area Housing Study, January 4, 2022, Housing Outlook presentation by Elevate Rapid City, Laura Jones, January 5, 2023

Surrounding Area Breakout

| Demand Drivers | | Totals by Type | | |
|--|--------------|----------------|--------|--------------|
| Demand from Household Growth 2020-2030 | | Ownership | Rental | Total |
| Net Additional Households under age 55 | 720 | 470 | | 1,190 |
| Net Additional Households age 55-74 | 1,399 | 577 | | 1,976 |
| Net Additional Households over age 75+ | 403 | 120 | | 523 |
| Subtotal Units - Demand from Household Growth | 2,522 | 1,167 | | 3,689 |
| Units Needed to Accommodate Growth Vacancy | 432 | 80 | | 512 |
| Subtotal Units - Growth & Vacancy | 2,954 | 1,247 | | 4,201 |
| Units needed to Restore Target Vacancy | 138 | 33 | | 171 |
| Units Already Permitted in 2020 & 2021 | -508 | -192 | | -700 |
| Total Additional Units by 2030 | 2,584 | 1,088 | | 3,672 |

*Source: Rapid City and Black Hills Area Housing Study, January 4, 2022, Housing Outlook presentation by Elevate Rapid City, Laura Jones, January 5, 2023

Interested in Investing in
The Elkvale
or
Other South Dakota opportunities?
CONTACT



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