

# FOR SALE BY COURT APPOINTED RECEIVER

## SHERIDAN COURT

MIDTOWN • DETROIT

4417 2nd. AVE.,  
DETROIT, MI 48201

## WELLESLEY

MIDTOWN • DETROIT

651 W. HANCOCK ST.,  
DETROIT, MI 48201



## OFFERING MEMORANDUM

Sheridan Court and The Wellesley

121 Unit Apartment Portfolio with Three (3) Commercial Units

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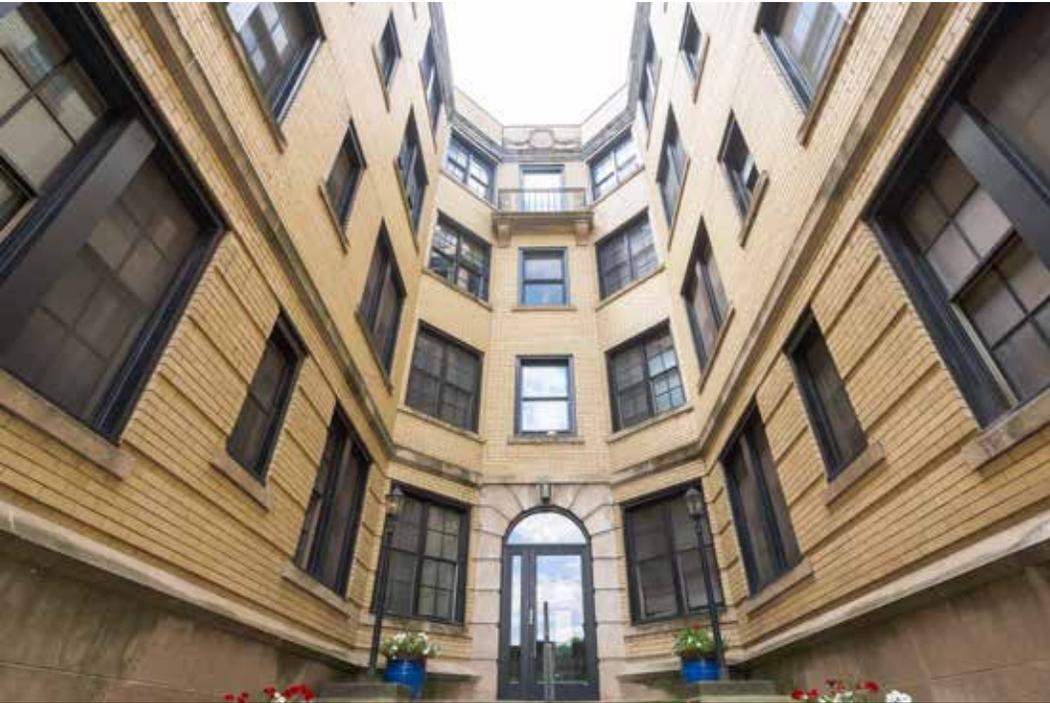
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# SHERIDAN COURT

Midtown • Detroit



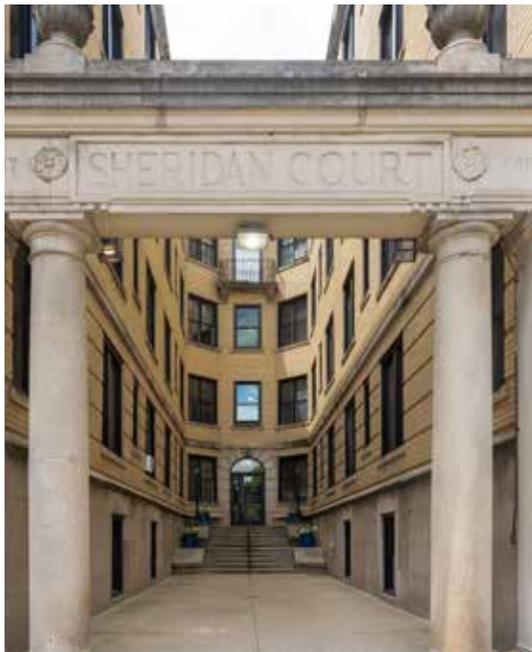
# WELLESLEY

MIDTOWN • DETROIT



## PROPERTY INFORMATION

# Executive Summary



## **EXECUTIVE SUMMARY**

Sheridan Court features 93 units (90 Apartments and 3 Commercial spaces) while the Wellesley is home to 28 apartment units. Nestled in an affluent community in Michigan's largest county, both properties are positioned to benefit from the area's growing demand and proximity to key cultural and commercial hubs. Sheridan Court was originally built in 1919, renovated in 2019 and boasts a mixture of studio, one and two bedroom units. Sheridan Court has received substantial upgrades in 2024 including a new boiler, modern LED lighting, unit renovations, fire exit doors and landscaping. Additional upgrades to the Wellesley include a new roof, newer boiler and updated apartment unit renovations in 2024.

The property is fully staffed with an on-site manager and maintenance staff. Their prime location in Midtown, Detroit, provides easy access to numerous of Detroit's attractions, such as Wayne State University, Detroit Institute of Arts, Michigan Science Center, Little Ceasars Arena, Fox Theater, Comerica Park, Ford Field and Shinola Midtown Flagship Store.

# Property Details

## ADDRESS

Sheridan - 4417 2nd Ave, Detroit, MI 48201

Wellesley - 651 W Hancock Street, Detroit, MI 48201

## LOCATION

Sheridan Court and The Wellesley are located in Midtown, Detroit, west of Woodward Ave, east of the M-10 Lodge Freeway.

## ZONING

Sheridan: SD2- Special Development District

The Wellesley – R5 Medium Density Residential District

## UNITS

Sheridan: 93 total units (90 Apartment Units and 3 Commercial Units)

Wellesley: 28 Apartment Units

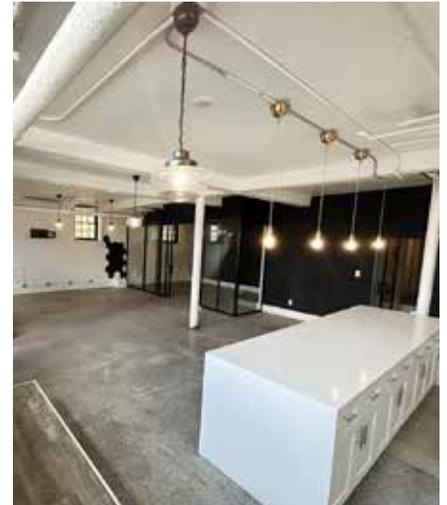
## ASKING PRICE

Offers Considered

SERVICE	PROVIDER	PAID BY
Electricity	DTE	Landlord
Water/Sewer	City of Detroit	Landlord
Trash	City of Detroit	Landlord
Gas	DTE	Landlord

SCHOOLS	NAME
High School	Cass Tech
University	Wayne State

# Photos - Sheridan Court



# Photos - The Wellesley



# Floor Plans - Sheridan Court

## Studio

1 Bath 460 – 500 Sq. Ft



## One Bedroom

1 Bedroom/1 Bath – 695-735 Sq. Ft.



## Two Bedroom

2 Bedroom/1 Bath – 1,005 Sq. Ft.



# Floor Plans - Wellesley

## Studio

1 Bath – 600 Sq. Ft.



## One Bedroom

1 Bedroom/2 Bath 750 - 770 Sq. Ft.



# Aerial



# Area Map



**Sheridan Court**  
4417 2nd Avenue,  
Detroit, MI 48201

**The Wellesley**  
651 West Hancock Street,  
Detroit, MI 48201

## Local Businesses and Attractions

1. Wayne State University
2. Detroit Institute of Arts
3. Michigan Science Center
4. Orchestra Hall
5. Little Caesars Arena
6. Fox Theatre
7. Comerica Park
8. Ford Field
9. Eastern Market
10. Shinola Midtown Flagship Store

# SHERIDAN COURT

Midtown • Detroit



# WELLESLEY

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## FINANCIAL DETAILS AND PROFORMA

# Unit Mix & Rent Schedule

## UNIT MIX AND RENT SCHEDULE - SHERIDAN COURT APARTMENTS

#OF UNITS	GENERAL TYPE	AVERAGE SF	EFFECTIVE RENT	EFF. RENT/ SQ. FT.	TOTAL SQ. FT.	ANNUAL EFFECTIVE RENT
2	STUDIO	460	\$990	\$2.15	920	\$23,760
3	STUDIO	485	\$990	\$2.04	1,455	\$35,640
8	STUDIO	495	\$979	\$1.98	3,960	\$93,984
4	STUDIO	500	\$900	\$1.80	2,000	\$43,200
3	STUDIO	695	\$1,100	\$1.58	2,085	\$39,600
12	1B/1B	710	\$1,600	\$2.25	8,520	\$230,400
5	1B/1B	715	\$1,100	\$1.54	3,575	\$66,000
28	1B/1B	720	\$1,100	\$1.53	20,160	\$369,600
19	1B/1B	735	\$1,100	\$1.50	13,965	\$250,800
2	1B/1B	720	\$1,100	\$1.53	1,440	\$26,400
4	2B/1B	1,005	\$1,600	\$1.59	4,020	\$76,800
3	COMMERCIAL	1,485	\$3,939	\$2.65	4,455	\$141,814
93		727	\$1,375	\$1.85	66,555	\$1,397,998

## UNIT MIX AND RENT SCHEDULE - THE WELLESLEY APARTMENTS

#OF UNITS	GENERAL TYPE	AVERAGE SF	EFFECTIVE RENT	EFF. RENT/ SQ. FT.	TOTAL SQ. FT.	ANNUAL EFFECTIVE RENT
2	STUDIO	470	\$1,100	\$2.34	940	\$26,400
13	STUDIO	600	\$976	\$1.63	7,800	\$152,256
12	1B/1B	750	\$1,100	\$1.47	9,000	\$158,400
1	1B/1B	770	\$1,100	\$1.43	770	\$13,200
28		648	\$1,069	\$1.72	18,510	\$350,256

# Pro-Forma Income & Expense Analysis

<b>REVENUE</b>	<b>ANNUAL</b>	<b>\$/UNIT</b>		
Apartment Rent	\$1,452,530	\$12,522		
Commercial Rent	\$91,800	\$791		
Utility Reimbursement	\$117,283	\$1,011		
Laundry Income	\$186	\$2		
Administrative Fees	\$3,321	\$29		
Pet Fees	\$6,235	\$54		
Late Fees	\$9,600	\$83		
Application Fees	\$1,660	\$14		
Security Deposit Forfeiture	\$2,100	\$18		
Bad Debt	-\$14,525	-\$125		
<b>TOTAL REVENUE</b>	<b>\$1,670,190</b>	<b>\$14,398</b>		
<b>OPERATING EXPENSES</b>				
Payroll				
Payroll	\$160,705	\$1,385		
<b>TOTAL PAYROLL</b>	<b>\$160,705</b>	<b>\$1,385</b>		
<b>REPAIRS AND MAINTENANCE</b>				
Painting	\$3,300	\$28		
Repairs and Maintenance	\$10,800	\$93		
Elevator Maintenance	\$4,500	\$39		
Cleaning	\$4,800	\$41		
Landscape Maintenance	\$2,466	\$21		
Termite & Pest Control	\$5,101	\$44		
<b>TOTAL REPAIR AND MAINTENANCE</b>	<b>\$30,967</b>	<b>\$267</b>		
<b>GENERAL AND ADMINISTRATIVE</b>				
Advertising	\$6,500	\$56		
Bank and Service Charges	\$780	\$7		
Computer Expense	\$900	\$8		
Credit/Background Check	\$1,660	\$14		
Licenses, Permits & Titles	\$2,256	\$19		
Office Expense	\$1,800	\$16		
Postage	\$300	\$3		
Legal Fees	\$6,500	\$56		
Travel	\$399	\$3		
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$21,096</b>	<b>\$182</b>		
<b>UTILITY EXPENSE</b>				
Telephone	\$960	\$8		
Internet	\$2,400	\$21		
Water & Sewer	\$40,900	\$353		
Gas & Electric	\$72,948	\$629		
Trash Removal	\$24,132	\$208		
<b>TOTAL UTILITY EXPENSE</b>	<b>\$141,340</b>	<b>\$1,218</b>		
<b>INSURANCE</b>				
Insurance	\$90,888	\$784		
<b>TOTAL INSURANCE</b>	<b>\$90,888</b>	<b>\$784</b>		
<b>TAXES</b>				
Real Estate Tax	\$80,604	\$695		
<b>TOTAL TAXES</b>	<b>\$80,604</b>	<b>\$695</b>		
<b>MANAGEMENT FEE</b>				
Management Fee	\$50,106	\$432		
<b>TOTAL EXPENSES</b>	<b>\$575,705</b>	<b>\$4,963</b>		
<b>NET OPERATING INCOME</b>	<b>\$1,094,485</b>	<b>\$9,435</b>		
<b>EXPENSE RATIO</b>	<b>34%</b>			

Prepared by M. Shapiro & Company, Inc.

# Pro-Forma Key Assumptions

## PRO-FORMA KEY ASSUMPTIONS

- Total Revenue based on 95.9% stabilized occupancy
- Bad Debt based on 1% of stabilized revenue
- Average Unit Rent - Pro-forma assumption of \$1,066 per unit
- Utility revenue of 85% of expense based upon future initiation of a RUBS utility reimbursement program.
- Fees and other - Pro-Forma 3% management fee
- Insurance - based on current premiums and rates paid

# Area Description

## CITY OF DETROIT

Located in southeast Michigan, Detroit is bordered by the Detroit River, Windsor Canada, Grosse Pointe and Dearborn. It boasted a population of 633,218 as of 2023 and is ranked as the 26th most populous city in America. Notably, Detroit led Michigan in population growth in 2023 reflected a renewed sense of vitality of promise for the city's future. It has also been reported of \$1 billion invested in more than 4,600 units of affordable housing over the past five (5) years, job growth with more than 25,000 additional Detroiters employed since 2014, reductions in crime outpacing the national trends and successfully hosting the largest ever NFL Draft at 775,000 people over three (3) days.

Detroit offers various community and public recreation facilities, including parks, fields, outdoor skating rink, walking paths and golf courses. Notable locations such as Belle Isle, Dequindre Cut, Capitol Park, Detroit International River Walk, Campus Martius Park and Atwater Beach provide residents and tourists with vibrant spaces for recreation and relaxation.

Detroit's development landscape continues to flourish, with several high-profile projects reshaping the city's skyline. Key developments include the Hudson Site Project, City Club Apartments - 344 +/- unit 16 story building, Hotel Water Square consisting of a 25-story high rise luxury hotel, and a 25 story residential tower on the former Joe Louis Arena site. Additionally, the Ralph C. Wilson Centennial Park Project will bring a sprawling 22-acre oasis for public enjoyment and activities.

With its growing economy, renewed energy, and expanding infrastructure, Detroit is becoming a city of opportunity, brimming with potential for residents and visitors alike.



# Disclaimer

## **DISCLAIMER**

This Offering Memorandum is not an appraisal and has not been performed in accordance with the Uniform Standards of Professional Appraisal Practice. Neither you, nor any third parties, may rely on the Offering Memorandum for any investment, tax or regulatory purposes, litigation, lending, or any other matter. This Offering Memorandum was not performed by a licensed appraiser.

Economic conditions, including the current substantial volatility in the capital markets, have created greater uncertainty in the real estate markets. Because of the difficulty in predicting what may happen in the economy and the capital markets going forward, it is difficult to predict the impact on real property values. This Offering Memorandum is based on information available to us at the time of the preparation of this report, and as a result, any conclusions set forth herein are only good as of the date hereof. Constant fluctuations in the marketplace make all information contained in this Offering Memorandum, including any conclusions set forth herein, subject to change at any time.

This Offering Memorandum and all of the exhibits and data included herein are incorporated herein as an integral part of this Offering Memorandum and cannot be separated there from. The Offering Memorandum must be read and interpreted in its entirety. This Offering Memorandum has been specifically prepared for the lender to whom it is addressed and is intended to be for the sole use and benefit of the lender and no other person or entity. It may not be disseminated to the public in any way or otherwise used to induce any third party to take, or fail to take, any action.

Nothing contained herein shall be construed to represent any recommendation as to any future action with respect to the subject property. Any such decisions involve substantial issues and strategies beyond the scope of this Offering Memorandum.

No warranty, expressed or implied, is made whatsoever in connection with this Offering Memorandum, and it is provided to you "AS IS". M. Shapiro Management Company, LLC as Court Appointed Receiver and M. Shapiro & Company, Inc. specifically disclaims the making of any such representations, warranties, including, without limitation, financial viability, merchantability or fitness for a particular use or purpose.

All risk is assumed by the user. In no event shall M. Shapiro Management Company, LLC as Court Appointed Receiver and M. Shapiro & Company, Inc. or any of its owners, officers, directors, employees, or agents be liable to anyone, whether arising out of errors or omissions, negligence, accident, or any other cause, for any loss or damage, including, without limitation, indirect, special, incidental, consequential, or exemplary damages however they arise. Any liability on the part of M. Shapiro Management Company, LLC as Court Appointed Receiver and M. Shapiro & Company, Inc., its owners, officers, directors, employees, or agents is strictly limited to the amount paid for this Offering Memorandum.