



## PARK WOODS APARTMENTS

100 Units  
HAP (M2M)

924 Shonat Street  
Muskegon, MI 49442

Direct, confidential sales of  
affordable housing.™

### **KYLE SHOEMAKER**

*Managing Director*

5100 Main Street  
Unit 201D  
Downers Grove, IL 60515

P 630.405.6501

F 630.405.6511

C 773.573.7978

shoemaker@ahibinc.com

www.ahibinc.com

**AFFORDABLE HOUSING**

INVESTMENT BROKERAGE, INC.

## **CONFIDENTIALITY AND DISCLAIMER**

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

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

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

## **OFFERING PROCEDURES**

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

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





**INVESTMENT OVERVIEW**

- Offering Summary
- Property Summary
- Photos

## OFFERING SUMMARY

### INVESTMENT HIGHLIGHTS

- » 100% HAP Coverage
- » Current rents below HUD FMR
- » Walmart Supercenter and Sam's Club nearby

### THE OFFERING

Park Woods is a 100-unit apartment community located in Muskegon, Michigan. The property consists of one elevator building for senior tenants with 70 units, and 5 townhome buildings with 30 units for families. The property went through HUD's Mark to Market debt restructuring program, with the Use Agreement in place through 2034. The current debt consists of a 223f, Mortgage Restructuring Note, and Contingent Repayment note, totaling just under \$3M.

The senior building is primarily comprised of one bedroom floor plans, and has building amenities such as laundry, a hair salon, and a community room. The townhomes have both two- and three-bedroom floorplans that are just over 800 or 960 square feet. Muskegon is a city of just under forty thousand people, situated around a harbor on Lake Michigan. The property is within a short distance of four colleges and universities, including Bake College of Muskegon and Muskegon Community College only four minutes away. Furthermore, Grand Rapids is a forty-minute drive from the property.

Park Woods provides the opportunity to acquire a stable, primarily senior apartment investment with full HAP coverage. There is a possible path to a LITHC execution and/or assumption of existing debt. The deal would also likely work with new financing and light renovations to improve the existing operation.



**PROPERTY SUMMARY**

**PROPERTY DETAILS**

Park Woods Apartments	Park Woods
Property Address	924 Shonat Street
City, State, Zip	Muskegon, MI 49442
Year Built	1983
Total Units	100
Rentable Square Feet	65,238

**SITE OVERVIEW**

APN	10-022-300-0014-00
Number of Buildings	6
Number of Stories	3
Parking	N/A

**UTILITIES**

Water / Sewer	Landlord Paid
Electric	Tenant Paid
Gas - Senior	Landlord Paid
Gas - Townhomes	Tenant Paid
Trash	Landlord Paid

**CONSTRUCTION**

Foundation	Concrete Slab
Framing	Wood Framing
Exterior	Vinyl Siding
Roof	Pitched Asphalt
HVAC - Townhomes	Individual Gas-Forced
HVAC - Senior	Central Boiler System
Patio /Balcony	Yes
Elevators	Senior Only
Handicapped Modified?	Yes
Washer/Dryer Hookups	Townhomes Only
Fire Sprinklers	No



**AFFORDABLE HOUSING**

INVESTMENT BROKERAGE, INC.

This information is taken from sources believed to be reliable. Affordable Housing Investment Brokerage, Inc. makes no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risks for any inaccuracies.

**INTERIOR UNIT PHOTOS**



Kitchen



Bedroom



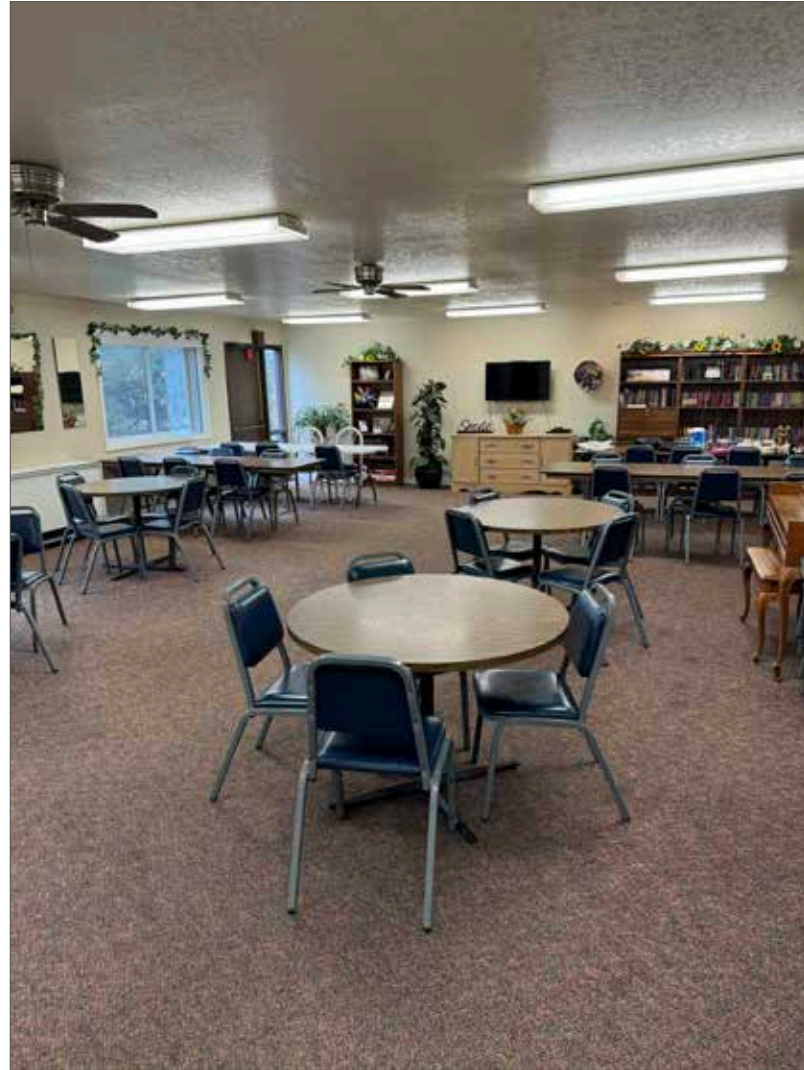
Bathroom



PROPERTY PHOTOS



Beauty Salon



Community Room





## FINANCIAL ANALYSIS

- Executive Summary
- Rent Roll Summary
- Income and Expenses



**EXECUTIVE SUMMARY**

**Property Details**

Total Number of Units	100
Total Square Feet	65,238
Average Square Feet Per Unit	65,238
Year of Construction	1983
Current Occupancy	97.00%
Average Monthly Rent Per Unit	\$759
Asset/Location Class	C/B
Asset Type	3 Story Garden / 2 Story Townhome

**All Cash Summary**

<b>Price</b>	<b>\$4,200,000</b>
<b>Cap Rate - Year One</b>	<b>9.02%</b>
Cap Rate - 08/24 T12	2.50%
Cap Rate - 2023	1.33%
GRM	4.46
Price Per Unit	\$42,000
Price Per Foot	\$64.38

**Debt Assumptions - Proposed New First Mortgage**

Interest Rate	5.50%
Amortization Period	30 Years
Years of Interest Only	0 Years
Annual Loan Constant	6.81%
Loan Term	10 Years
Year 1 DCR	1.65
Loan to Value	80%
Loan Amount	\$3,360,000

**Leveraged Summary**

Cash on Cash Return - Year 1	17.16%
Cash on Cash Return - 3 Yr. Average	18.01%
All Cash IRR	10.61%
Leveraged IRR	23.95%

**Net Residual Value Assumptions**

Year Capitalized	2036
Capitalization Rate	9.00%
Cost of Sale	5.00%

**Subsidy Contract Profile**

Section 8 Coverage (#Units / %)	100 / 100%
Contract Number	MI330008002
Expiration Date	10/31/2034
REAC	85b
Rent Increase Program	OCAF
Qualified Census Tract (2024)	No
Opportunity Zone	No

**Exsisting Debt Profile**

First Mortgage	\$1,555,690
Interest Rate	3.23%
Annual Debt Service	\$85,920
Mortgage Restructuring Note	\$1,346,118
Interest Rate	1.00%
Annual Debt Service	75% of surplus cash
Contingent Repayment Note	\$91,961
Interest Rate	1.00%
Annual Debt Service	75% of surplus cash
<b>Total Existing Debt</b>	<b>\$2,993,769</b>



RENT ROLL SUMMARY

Rents effective as of 11/01/2024, Occupancy as of 09/16/2024

Unit Count	Number Vacant	Type	Unit Size	Scheduled Monthly Rent	Contract Rent	Utility Allowance	Gross Rent	HUD FMR	Max 60% LIHTC Rent	Average Rent/Sq.Ft.
68	0	1 Bedroom / 1 Bath Elderly	558	\$48,416	\$712	\$48	\$760	\$820	\$972	\$1.28
2	1	2 Bedroom / 1 Bath Elderly	802	\$1,864	\$932	\$79	\$1,011	\$1,080	\$1,165	\$1.16
20	2	2 Bedroom / 1 Bath Family	802	\$15,160	\$758	\$142	\$900	\$1,080	\$1,165	\$0.95
10	0	3 Bedroom / 2 Bath Family	965	\$10,460	\$1,046	\$195	\$1,241	\$1,320	\$1,347	\$1.08
<b>100</b>	<b>3</b>		<b>Totals</b>	<b>65,238</b>	<b>\$75,900</b>					
	<b>3.00%</b>	<b>Vacant</b>	<b>Averages</b>	<b>652</b>	<b>\$759</b>	<b>\$82</b>	<b>\$841</b>	<b>\$927</b>	<b>\$1,052</b>	<b>\$1.16</b>

INCOME AND EXPENSES

	2023	Per Unit		08/24 T12	Per Unit		Year 1	Per Unit		Per Foot	% of SGI
Gross Potential Rent	\$838,912	\$8,389		\$863,940	\$8,639		\$942,678	\$9,427		\$14.45	
Physical Vacancy	(\$21,179)	(\$212)	2.5%	(\$25,801)	(\$258)	3.0%				\$0.00	
Collection Loss / Concessions	\$0	\$0	0.0%	(\$50,126)	(\$501)	5.8%				\$0.00	
Total Economic Vacancy	(\$21,179)	(\$212)	2.5%	(\$75,927)	(\$759)	8.8%	(\$28,280)	(\$283)	3.0%	(\$0.43)	
Effective Rental Income	\$817,733	\$8,177		\$788,013	\$7,880		\$914,398	\$9,144		\$14.02	
Ancillary Income	\$25,307	\$253		\$63,592	\$636		\$63,592	\$636		\$0.97	
<b>Gross Operating Income</b>	<b>\$843,040</b>	<b>\$8,430</b>		<b>\$851,605</b>	<b>\$8,516</b>		<b>\$977,990</b>	<b>\$9,780</b>		<b>\$14.99</b>	
<b>Variable Expenses</b>											
Maintenance & Repairs	\$33,953	\$340		\$23,826	\$238		\$50,000	\$500	*	\$0.77	5.11%
Cleaning & Decorating				\$17,357	\$174		\$17,357	\$174		\$0.27	1.77%
Refuse	\$10,470	\$105		\$13,742	\$137		\$13,742	\$137		\$0.21	1.41%
Pest Control				\$8,183	\$82		\$8,183	\$82		\$0.13	0.84%
Contracts	\$82,168	\$822		\$2,741	\$27		\$2,741	\$27			
Landscaping / Grounds				\$22,438	\$224		\$22,438	\$224		\$0.34	2.29%
Snow Removal	\$11,200	\$112		\$9,758	\$98		\$9,758	\$98		\$0.15	1.00%
Payroll	\$210,965	\$2,110		\$210,895	\$2,109		\$170,000	\$1,700	*	\$2.61	17.38%
Employee Benefits	\$130,823	\$1,308		\$133,161	\$1,332		\$25,000	\$250	*	\$0.38	2.56%
Legal & Accounting	\$16,744	\$167		\$17,693	\$177		\$17,693	\$177		\$0.27	1.81%
Advertising & Promotion	\$10,132	\$101		\$3,180	\$32		\$3,180	\$32		\$0.05	0.33%
Administrative	\$45,730	\$457		\$59,575	\$596		\$25,000	\$250	*	\$0.38	2.56%
Management Fee	\$51,792	\$518		\$53,908	\$539		\$39,120	\$391		\$0.60	4.00%
<b>Total Variable Expenses</b>	<b>\$603,977</b>	<b>\$6,040</b>		<b>\$576,456</b>	<b>\$5,765</b>		<b>\$404,210</b>	<b>\$4,042</b>		<b>\$6.20</b>	<b>41.33%</b>
<b>Fixed Expenses</b>											
Utilities - Water & Sewer	\$47,567	\$476		\$29,295	\$293		\$29,295	\$293		\$0.45	3.00%
Utilities - Electric	\$15,505	\$155		\$16,754	\$168		\$16,754	\$168		\$0.26	1.71%
Utilities - Gas	\$19,425	\$194		\$19,606	\$196		\$19,606	\$196		\$0.30	2.00%
Insurance	\$41,924	\$419		\$46,215	\$462		\$46,215	\$462		\$0.71	4.73%
Real Estate Taxes	\$58,924	\$589		\$58,087	\$581		\$58,087	\$581		\$0.89	5.94%
<b>Total Fixed Expenses</b>	<b>\$183,345</b>	<b>\$1,833</b>		<b>\$169,957</b>	<b>\$1,700</b>		<b>\$169,957</b>	<b>\$1,700</b>		<b>\$2.61</b>	<b>17.38%</b>
<b>Total Expenses</b>	<b>\$787,322</b>	<b>\$7,873</b>		<b>\$746,413</b>	<b>\$7,464</b>		<b>\$574,166</b>	<b>\$5,742</b>		<b>\$8.80</b>	<b>58.71%</b>
<b>Net Operating Income Before Reserves</b>	<b>\$55,718</b>	<b>\$557</b>		<b>\$105,193</b>	<b>\$1,052</b>		<b>\$403,823</b>	<b>\$4,038</b>		<b>\$6.19</b>	<b>41.29%</b>
Capital Reserves		\$0			\$0		\$25,000	\$250		\$0.38	2.56%
<b>Net Operating Income After Reserves</b>	<b>\$55,718</b>	<b>\$557</b>		<b>\$105,193</b>	<b>\$1,052</b>		<b>\$378,823</b>	<b>\$3,788</b>		<b>\$5.81</b>	<b>38.73%</b>

\*broker proforma based on market underwriting averages





**COMPARABLES**

- Rent Comparable Summary
- Sales Comparable Summary



# PARK WOODS APARTMENTS | Comparables

## RENT COMPARABLE SUMMARY

Property	City	Total Units	Year Built	Occ.	1 Bedroom Sq Ft	1 Bedroom Rent	2 Bedroom Sq Ft	2 Bedroom Rent	3 Bedroom Sq Ft	3 Bedroom Rent	Type
★ Parks Woods Apartments	Muskegon	100	1983	98%	558	\$681	802	\$808	965	\$1,000	HAP
1 Pine Grove Manor	Muskegon	172	1974	-	540	\$744	816	\$912	-	-	Market
2 Glen Oaks Apartments	Muskegon	667	1973	97%	567	\$746	676	\$1,106	-	-	Market
3 Muskegon Townhouses	Muskegon	213	1973	-	670	\$830	893	\$1,010	1071	\$1,150	Market
4 Oakhill Townhomes	Muskegon	175	-	95%	589	\$835	795	\$1,010	965	\$1,135	Market
5 Terrace Flats	Muskegon	20	1978	-	711	\$1,442	-	-	-	-	Market
6 Arbor Crossings	Muskegon	112	1996	96%	684	\$1,200	916	\$1,325	1165	\$1,475	LIHTC
7 The Amazon Apartments	Muskegon	132	1895	93%	648	\$1,409	1044	\$1,550	1160	\$1,705	Market
					Average 1 Bedroom Rent	\$1,029	Average 2 Bedroom Rent	\$1,152	Average 3 Bedroom Rent	\$1,366	



SALES COMPARABLE SUMMARY

Property	City	Sale Date	Sale Price	Total Units / Beds	Year Built	Price per Unit / Bed	Type
★ Parks Woods Apartments	Muskegon	-	\$4,200,000	100	1983	\$42,000	HAP
Old Mill Race	Coldwater	6/21/2024	\$1,757,366	48	1983	\$36,612	HAP / 515
Sunshine Canyon	Stanton	4/25/2024	\$1,860,000	26	1981	\$71,538	HAP / 515
Hidden Pines	Greenville	4/26/2024	\$3,560,000	40	1981	\$89,000	HAP / 515
Carson Place	Carson City	4/30/2024	\$1,560,000	22	1982	\$70,909	HAP / 515
Royale Glen Apartments	Muskegon	8/24/2023	\$4,250,000	78	1994	\$54,487	Market
Croswell Manor	Croswell	2/28/2023	\$1,325,000	24	1980	\$55,208	HAP
Barwin Place Apartments	Mount Clemens	7/8/2022	\$2,128,000	48	1969	\$44,333	HAP
Aspen Hollow Apartments	Lansing	12/6/2021	\$2,764,125	50	1981	\$55,283	HAP
<b>Average Price / Unit</b>						<b>\$59,671</b>	





**MARKET OVERVIEW**

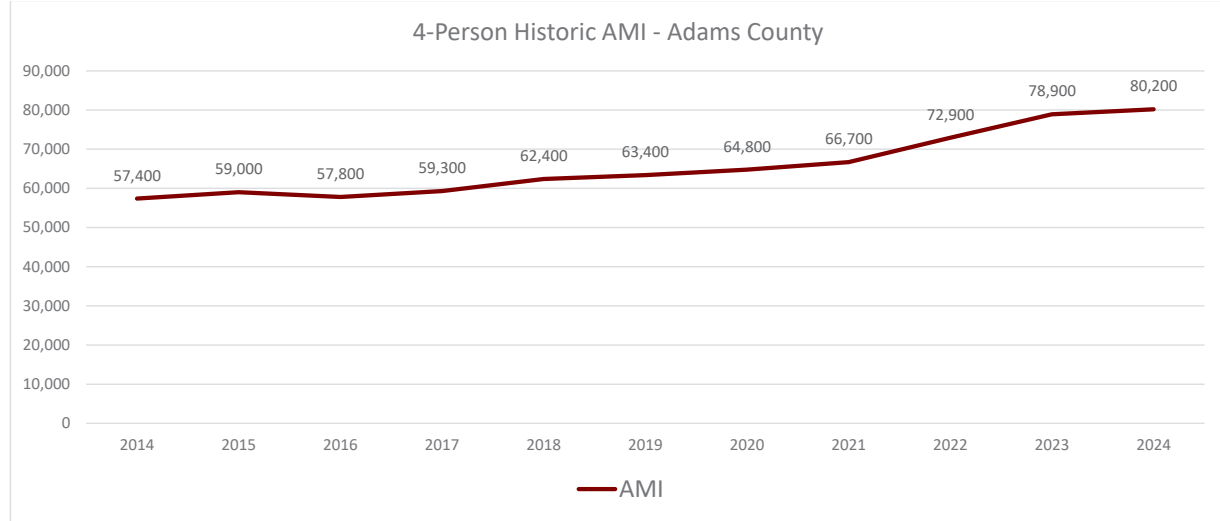
- AMI History
- Regional Map View
- Market Amenities Map
- Market Overview
- Aerial Overview
- Local Demographics



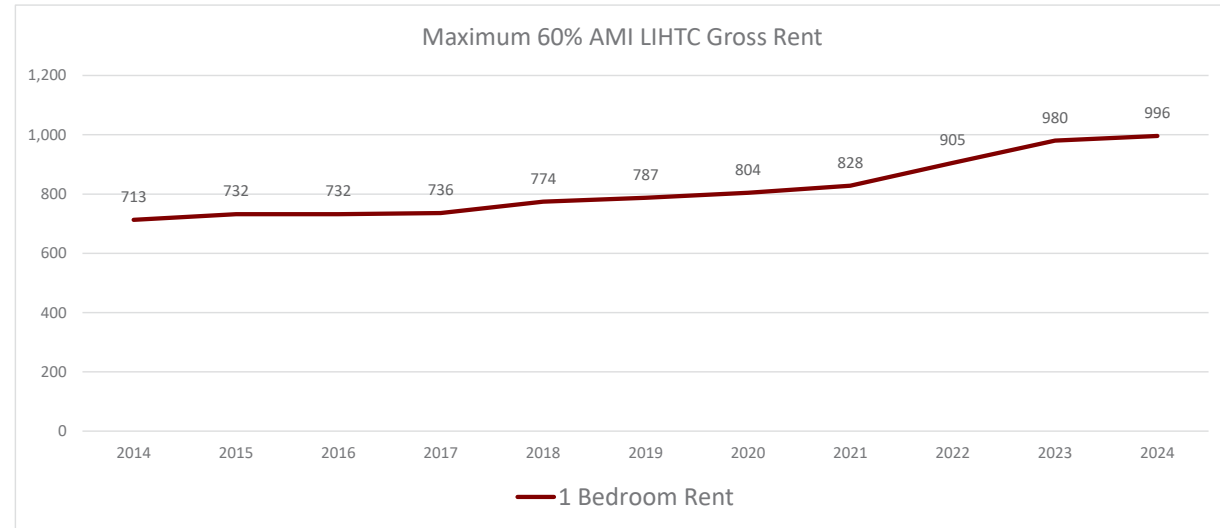
# PARK WOODS APARTMENTS | Investment Overview

## AMI HISTORY

AMI Growth Rate		
Year	AMI	% Change
2014	57,400	-
2015	59,000	2.79%
2016	57,800	-2.03%
2017	59,300	2.60%
2018	62,400	5.23%
2019	63,400	1.60%
2020	64,800	2.21%
2021	66,700	2.93%
2022	72,900	9.30%
2023	78,900	8.23%
2024	80,200	1.65%
5yr Average		4.86%
10yr Average		3.45%

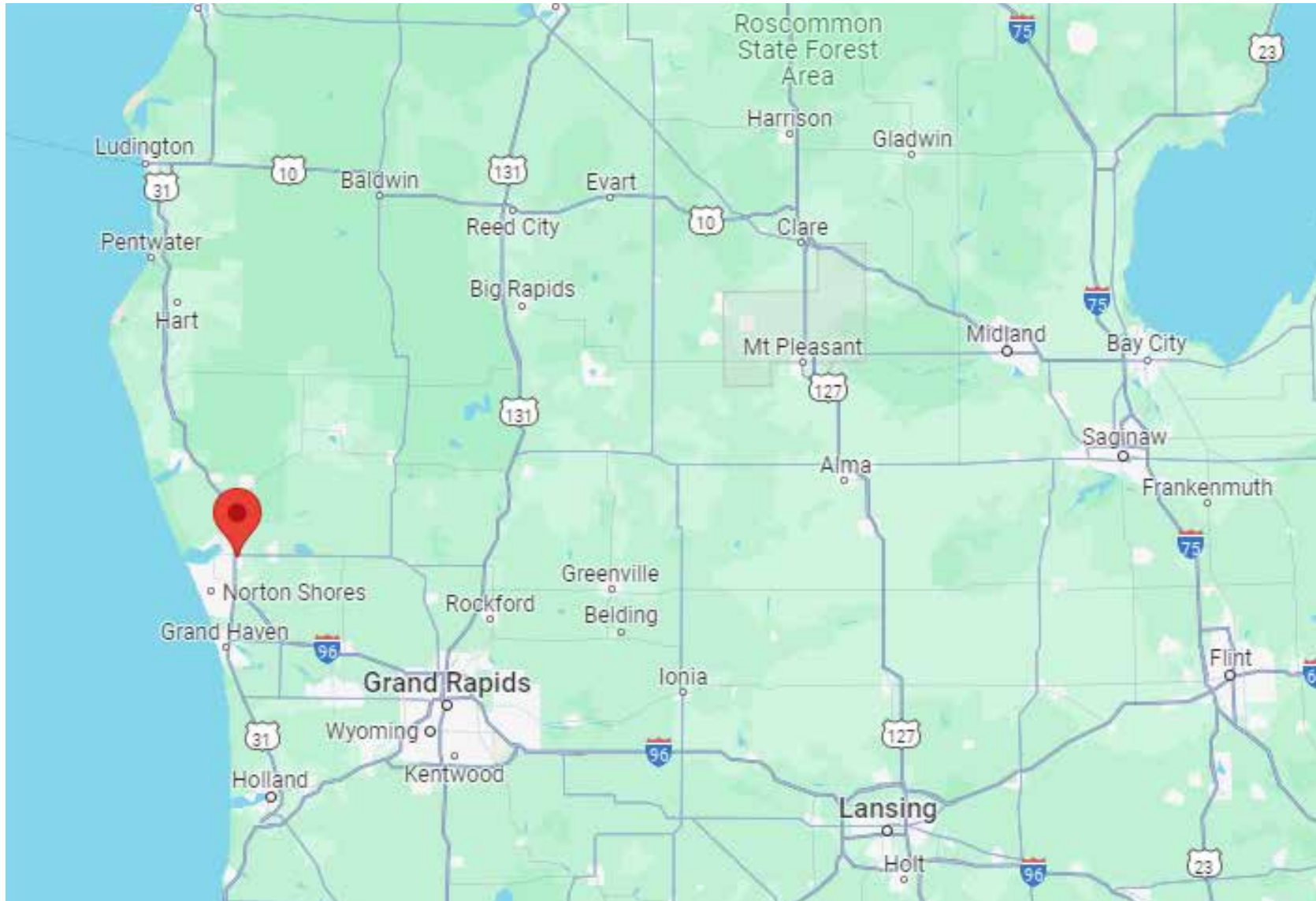


Max 60% AMI LIHTC Gross Rent		
1 Bedroom		
Year	Rent	% Change
2014	713	-
2015	732	2.66%
2016	732	0.00%
2017	736	0.55%
2018	774	5.16%
2019	787	1.68%
2020	804	2.16%
2021	828	2.99%
2022	905	9.30%
2023	980	8.29%
2024	996	1.63%
5yr Average		4.87%
10yr Average		3.44%





REGIONAL MAP

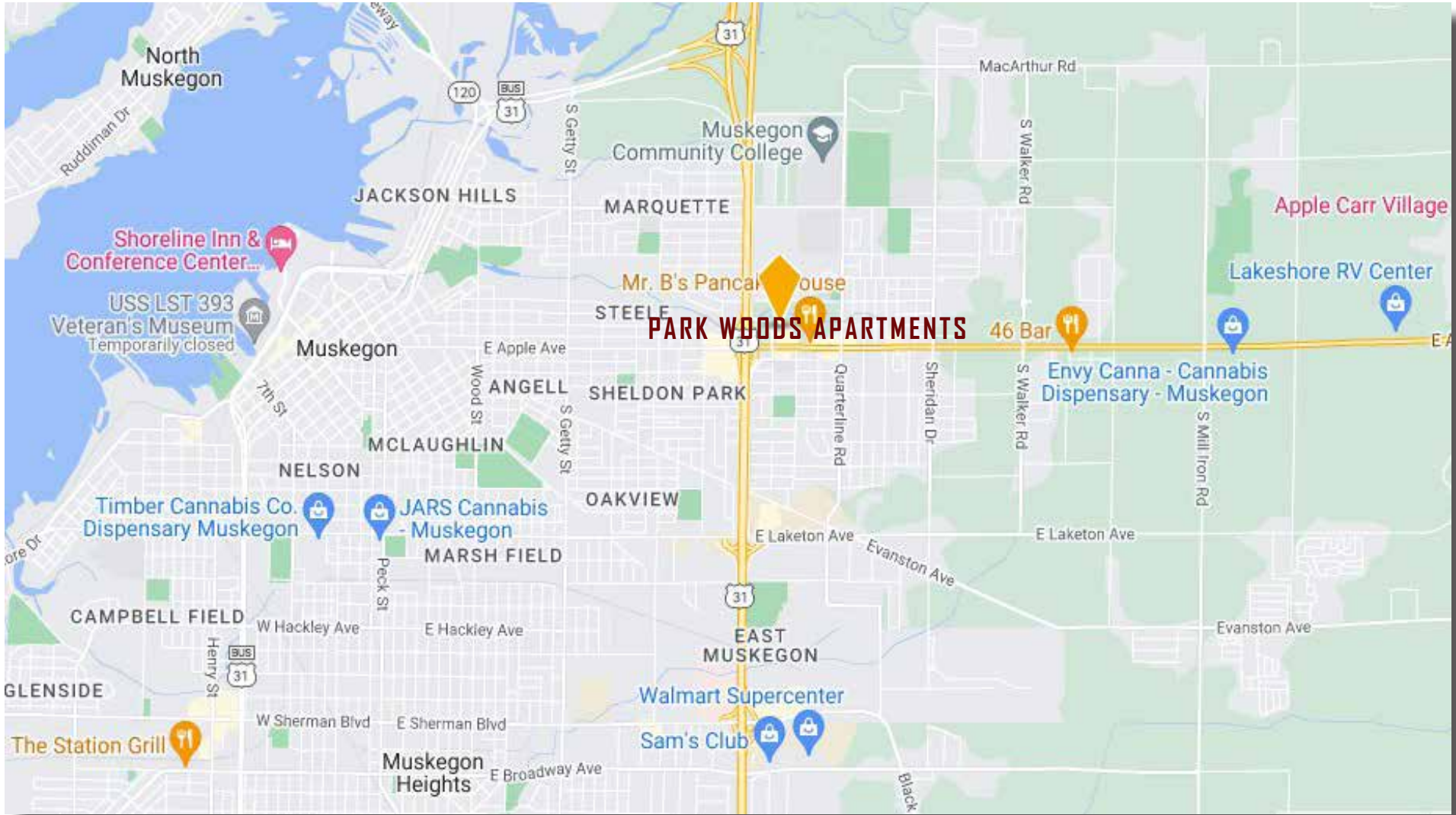


**AERIAL MAP VIEW**

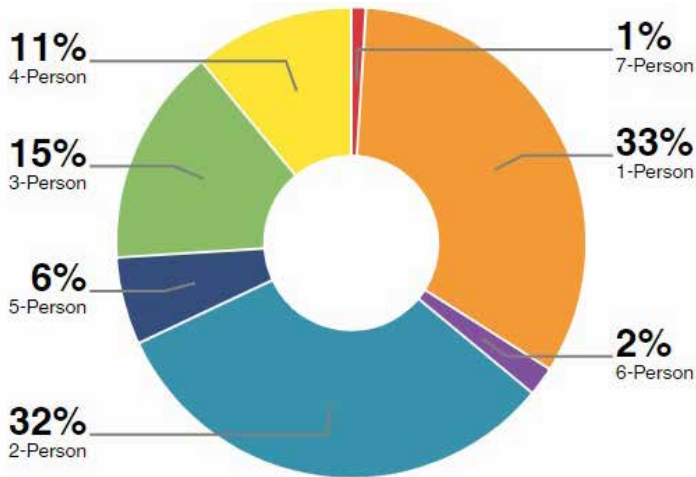




AMENITIES OVERVIEW



LOCAL DEMOGRAPHICS



Population:	2 Mile Radius	5 Mile Radius	10 Mile Radius
2010 Population	9,186	15,281	27,873
2023 Population	9,684	15,782	27,772
2028 Population Projection	9,962	16,176	28,260
Annual Growth 2010-2023	1.40%	0.80%	-0.10%
Annual Growth 2023-2028	0.60%	0.50%	0.40%

Households:	2 Mile	5 Mile	10 Mile
2010 Households	3,866	6,206	10,194
2023 Households	4,039	6,366	10,142
2028 Household Projection	4,149	6,517	10,321
Annual Growth 2010-2023	1.00%	0.60%	0.10%
Annual Growth 2023-2028	0.50%	0.50%	0.40%
Owner Occupied	2,786	4,747	8,186
Renter Occupied	1,363	1,770	2,135

Income:	2 Mile	5 Mile	10 Mile
<b>Avg Household Income</b>	<b>\$52,268</b>	<b>\$62,167</b>	<b>\$72,203</b>
<b>Median Household Income</b>	<b>\$45,102</b>	<b>\$52,841</b>	<b>\$58,089</b>
< \$25,000	893	1,157	1,518
\$25,000 - 50,000	1,271	1,806	2,594
\$50,000 - 75,000	967	1,493	2,295
\$75,000 - 100,000	442	875	1,519
\$100,000 - 125,000	395	605	1,045
\$125,000 - 150,000	62	227	501
\$150,000 - 200,000	10	135	403
\$200,000+	0	69	268

Housing	2 Mile	5 Mile	10 Mile
Median Home Value	\$120,663	\$146,789	\$173,941
Median Year Built	1964	1968	1968



# PARK WOODS APARTMENTS

100 Units  
HAP (M2M)

924 Shonat Street  
Muskegon, MI 49442

**KYLE SHOEMAKER**  
*Managing Director*

5100 Main Street  
Unit 201D  
Downers Grove, IL 60515

P 630.405.6501

F 630.405.6511

C 773.573.7978

shoemaker@ahibinc.com  
www.ahibinc.com