

Offering Memorandum

The Townhomes and Flats at MSU

110 Units | Stabilized Student Housing Opportunity

101-313 Lois Lane | Morehead, KY 40351



Presented By:

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EXECUTIVE SUMMARY



THE TOWNHOMES AND FLATS AT MSU

SVN Stone Commercial Real Estate is pleased to present the exclusive offering of The Townhomes and Flats at MSU, a **fully stabilized, purpose-built student housing community** serving Morehead State University in Morehead, Kentucky.

The property consists of **13 buildings with 110 units** (including a model home/office) across five distinct floor plans, offering a mix of spacious townhome and flat-style residences. **Located just minutes from campus**, The Townhomes and Flats at MSU is **ideally positioned** to capture strong student demand while offering a quiet residential environment with superior finishes and professional management.

Since acquiring the property in 2023, current ownership has **invested over \$2.55 million** in capital improvements, ensuring both durability and an enhanced resident experience. Upgrades include unit renovations and community enhancements, resulting in a premium product that continues to outperform market competitors. **Avg rent (\$940/unit) in 2024-2025 grew 6.86% in 2025-26 (to \$1,005/unit). Over 50% of residents renewed at a higher price, showing strong demand for the subject property.**

Morehead State University continues to support **strong housing demand**, with steady enrollment growth and limited purpose-built student housing supply in the market. This favorable dynamic positions new ownership to benefit from stable cash flow while capturing additional organic rent growth.

With a **NOI of \$962,004**, the offering is priced at \$12,535,000, reflecting a **7.67% cap rate** and a projected 10%+ Year 1 cash-on-cash return. Professionally managed by a capable local team, the asset provides a **true turnkey opportunity** to acquire a top-tier student housing community in an undersupplied market, backed by a stable tenant base and proven operational success.



EXECUTIVE SUMMARY

PROPERTY SUMMARY

OFFERING PRICE:	\$12,535,000
UNIT COUNT:	110
YEAR BUILT:	1996
UNIT TYPES:	Mix of Townhomes 2 Bedroom, 1 Bedroom Units
AVERAGE IN PLACE RENT:	\$1,005 Per Unit
OCCUPANCY:	100%
NOI (SEPT '24 - AUG '25)	\$962,004
CAP RATE:	7.67%
PROJECTED YEAR 1 COC:	10.53%
# OF BUILDINGS	13



UNIT MIX

Name	Type	# of Units	Average In Place Rent	Market Rent
Gold Flat	1 Bed 1 Bath	4	\$812	\$853
Gold Flat	2 Bed 2 Bath	32	\$970	\$1,018
Blue Flat	2 Bed 2 Bath	38	\$986	\$1,035
Townhomes	2 Bed 2 Bath	35	\$1,081	\$1,135
Office	2 Bed 2 Bath	1		
Total			\$109,505	\$114,980
Average			\$1,005	\$1,055



PROPERTY HIGHLIGHTS

- **Stabilized Student Housing Asset:** 110 units, comprised of 13 buildings with five distinct floor plans (townhomes and flats).
- **Proximity to Campus:** Just minutes from Morehead State University, offering proximity to class and a quiet residential setting.
- **Full Renovation Program Completed:** Current ownership invested \$2.55M+ in upgrades, including new flooring, all new shingled roofing, HVAC systems, appliances, parking lots, plumbing, lighting, and interior finishes.
- **Management:** Current management has offered to continue their expert management of the property, creating the potential of a hands-off investment for a potential investor.
- **Market-Leading Rents:** Achieves an average rent of \$1,005 per unit, positioning the property at the top of the local student housing market.
- **Consistently 100% Occupied:** Proven demand from MSU's enrollment base supports strong leasing performance year after year.
- **Professional Local Management:** Experienced team in place ensures operational continuity and tenant satisfaction.
- **Attractive Financial Profile:** Current NOI of \$962,004, offered at \$12,535,000 (7.67% cap rate), with a projected 10%+ cash-on-cash return for year 1.
- **Undersupplied Market:** Limited competition from purpose-built student housing or housing for grad students/young professionals in Morehead creates ongoing demand stability and rent growth potential.

PROPERTY AMENITIES

- Washer/Dryer Included
- Modern Black Appliances
- All Vinyl Flooring
- Updated Finish Features
- Modern Internet/Cable Access
- Quiet, Breathtaking Views
- Plenty of Green-Space for Walking and Playing with Pets including a newly installed dog park
- 1 mile Away from MSU
- Ample Parking
- On-Site Management
- Online Payments and Maintenance Requests
- 24/7 Emergency Maintenance
- A standard has been set for a clean, safe, environment by current management.



NEWLY
RENOVATED



UPDATED
FINISHES



VINYL
FLOORING



QUIET, SCENIC
ATMOSPHERE



1.3 MILES
TO MSU

LIST OF IMPROVEMENTS

SIGNIFICANT CAPITAL INVESTMENT BY CURRENT OWNERSHIP

The Townhomes and Flats at MSU have benefited from substantial reinvestment, with **more than \$2,550,000 in capital improvements completed since 2023**. Ownership has undertaken a comprehensive upgrade program that included new flooring, HVAC systems, appliances, all new shingled roofing, parking lot resurfacing, plumbing, lighting, and extensive interior and exterior renovations. With the major CapEx completed and virtually no deferred maintenance, **the property is well-positioned for stable long-term performance**. Future ownership can now focus on operational efficiency, branding, and continued rent growth to capture additional upside in a supply-constrained market.

Description of Work	Value
Exterior power wash	\$ 7,332.00
Exterior painting, railing & shutters	\$ 21,751.00
Tread replacement	\$ 1,662.00
Pest Control	\$ 11,365.00
Exterior doors	\$ 4,436.00
Ext door hardware	\$ 8,994.00
Ext door full light blind inside	\$ 17,450.00
Painting	\$ 82,241.00
Lights supply/labor	\$ 33,605.00

Description of Work	Value
Exterior lights	\$ 7,760.00
Fans	\$ 24,196.00
Steps & railing in townhomes	\$ 17,475.00
Kitchen cabinets	\$ 22,692.00
Light fixtures, faucets & handles	\$ 48,069.00
Baseboards	\$ 18,388.00
Bathroom fixtures & labor	\$ 78,234.00
Electrical covers	\$ 9,654.00
Flooring	\$ 513,783.00
HVAC	\$ 784,524.00
Plumbing	\$ 65,499.00
Appliances	\$ 330,550.00
Signage	\$ 7,943.00
Roofing	\$ 138,818.75
Final Cleaning	\$ 13,440.00
Parking Lots	\$ 246,844.00
Exterior Drainage	\$ 24,440.00
Replace Dryer Vents	\$ 10,387.00
Misc	\$ 2,591.00
Total	\$ 2,554,123.75

PROPERTY AERIAL

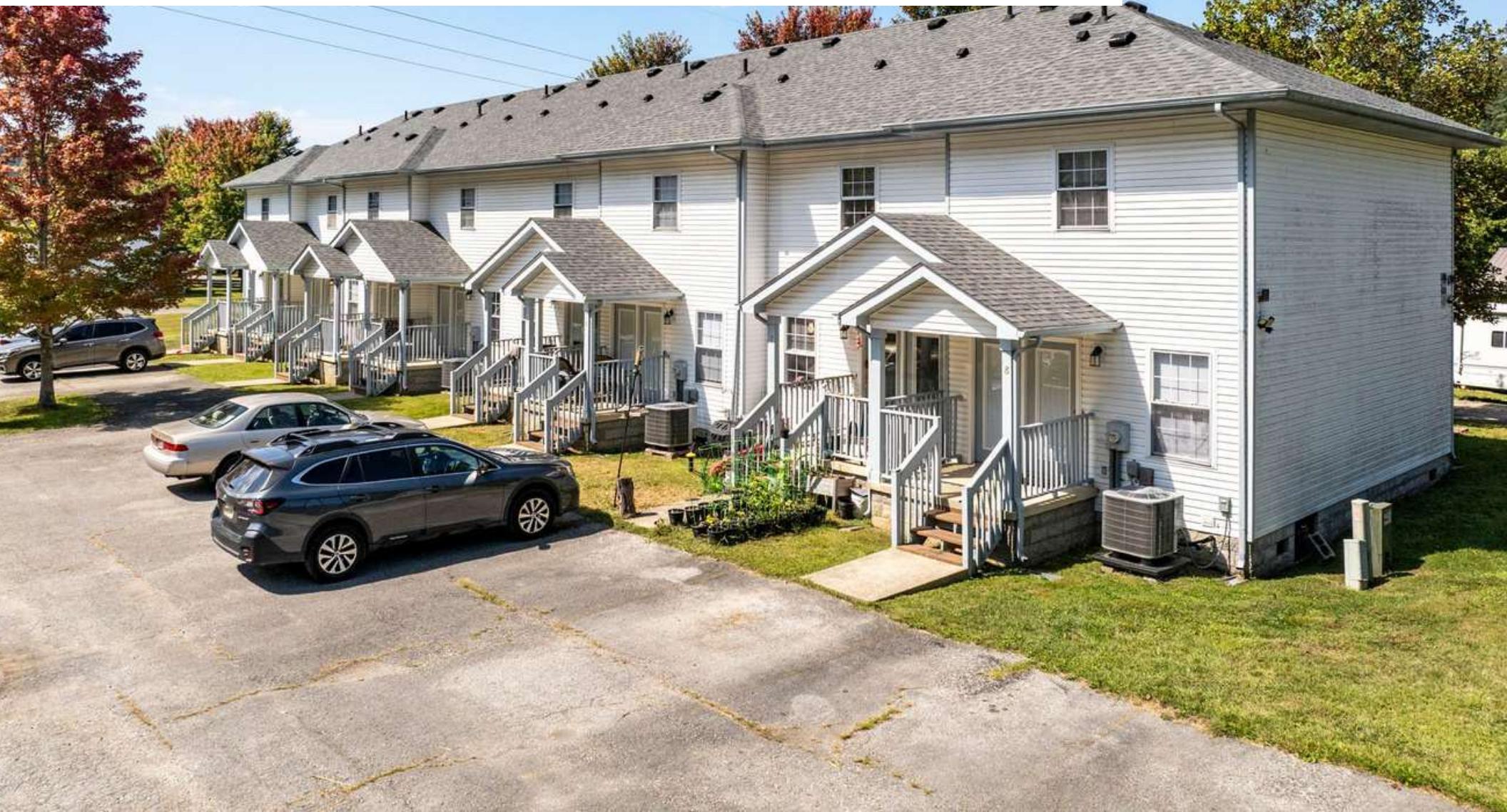


LAYOUT OF 13 BUILDINGS





PROPERTY LOCATION



A DYNAMIC UNIVERSITY TOWN ANCHORED BY MSU

Nestled in the foothills of the Daniel Boone National Forest, Morehead, Kentucky combines the charm of a small town with the vitality of a **thriving university community**.

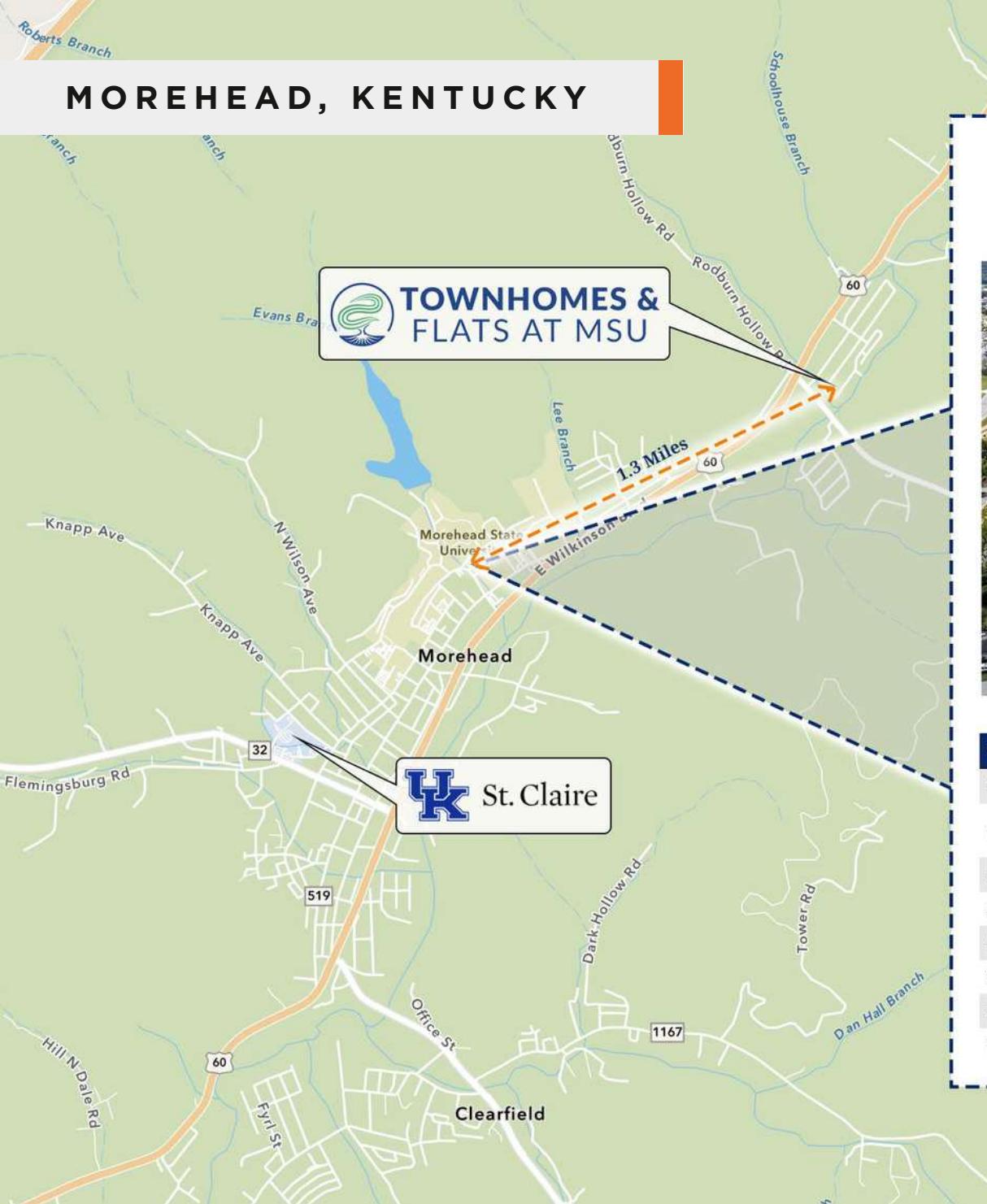
Serving as the home of Morehead State University (MSU), the city has established itself as a regional hub for education, healthcare, and outdoor recreation. The presence of MSU drives **consistent housing demand**, ensuring reliable occupancy and **long-term stability** for purpose-built student housing assets.



A GROWING REGIONAL ECONOMY

- Beyond the university, Morehead plays an important role as a regional employment and healthcare hub
- **St. Claire HealthCare**, one of Eastern Kentucky's largest employers, provides jobs and services that extend across the region.
- The city benefits from its **strategic location on I-64**, midway between Lexington and Huntington/Ashland, making it easily accessible to larger metros while serving as a gateway for regional commerce.
- **Nearby industries**, including automotive and logistics, contribute to job stability and income growth in the area.
- This economic mix provides investors with confidence that Morehead's housing demand is well-supported beyond the university alone.

MOREHEAD, KENTUCKY

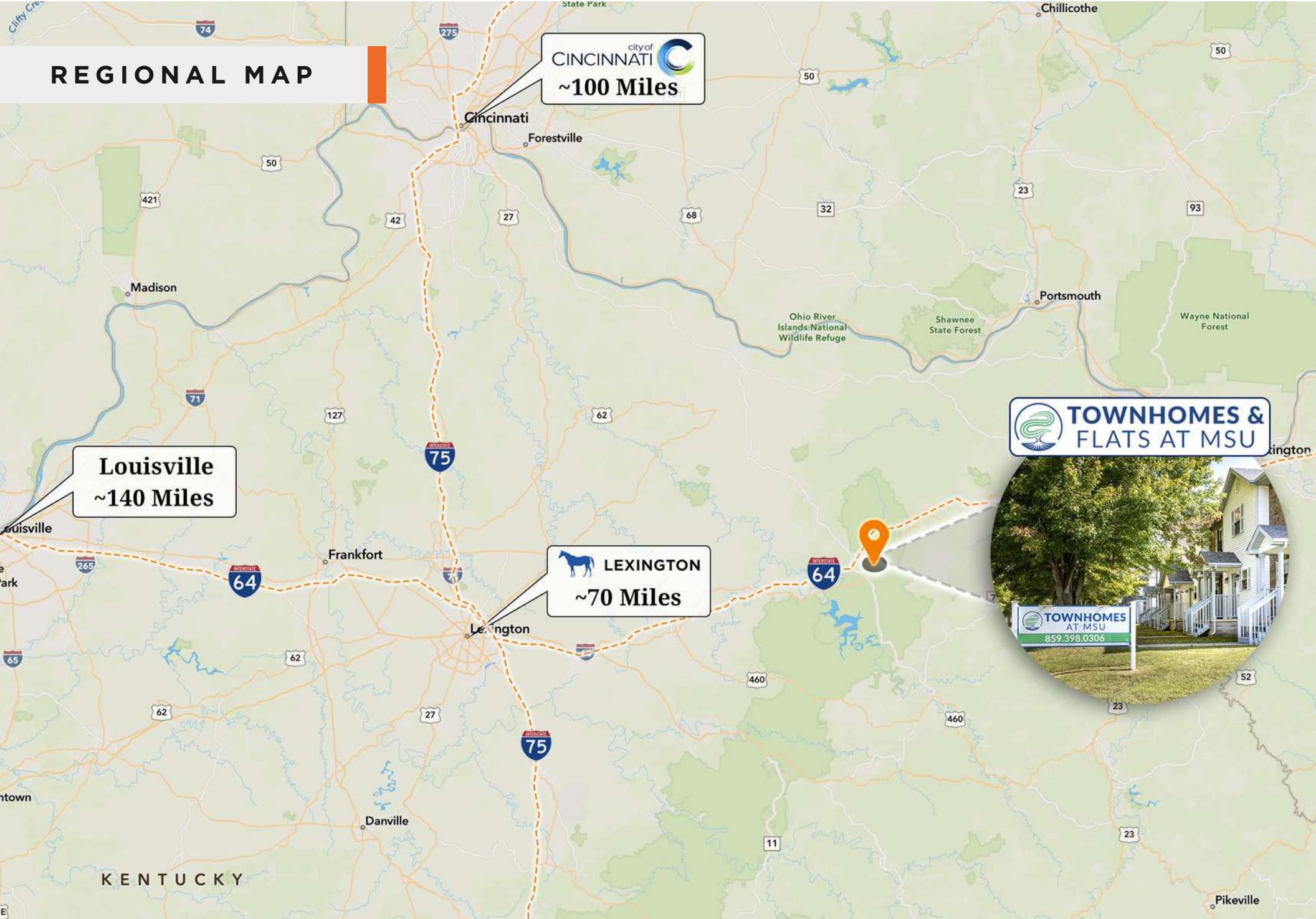


MOREHEAD STATE
UNIVERSITY



Category	Detail
Founded	1887
Enrollment	9,000+ students
Faculty & Staff	1,400+
Academic Strengths	Space Systems Engineering, Aviation, Education, Business, Healthcare
Athletics	NCAA Division I (Ohio Valley Conference)
Campus Size	700+ acres in Rowan County
Distance to Property	Minutes from The Townhomes and Flats at MSU
Regional Role	Top employer and cultural hub for Eastern Kentucky

REGIONAL MAP

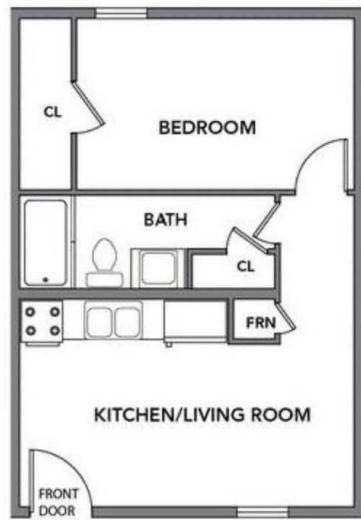




FLOOR PLANS



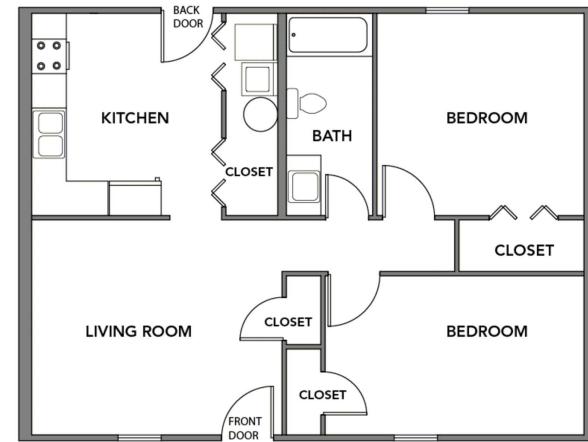
FLOORPLANS



Gold Flats | 1 Bed 1 Bath | 504 SF



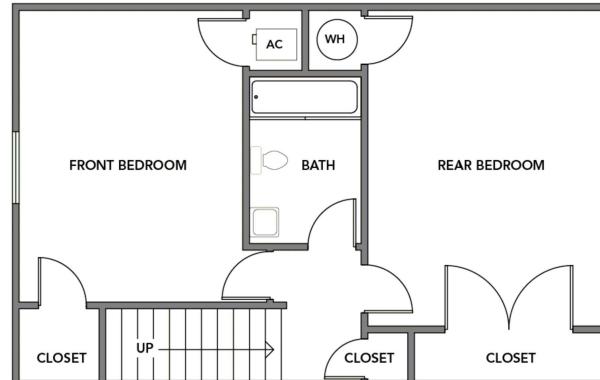
Gold Flats | 2 Bed 2 Bath | 750 - 800 SF



Blue Flats | 2 Bed 1 Bath | 850 SF



Townhouse 1st Floor | 2 Bed 1 Bath | 1,100 SF



Townhouse 2nd Floor | 2 Bed 1 Bath | 1,100 SF

GOLD FLAT | 1 OR 2 BED, 1 BATH



FLOOR PLAN DETAILS

- **1 Bedroom | 504 SF | \$825 / Month Rent**
- **2 Bedroom | 750 - 800 SF | \$975 / Month Rent**
- Smoke Free
- Washer/Dryer
- Ceiling Fans
- Heating
- Air Conditioning
- Dishwasher
- Family Room
- Vinyl Flooring





FLOOR PLAN DETAILS

- **2 Bed, 1 Bath**
- **\$1,095 / Month Rent**
- 1,100 SF
- Washer/Dryer
- Ceiling Fans
- Heating
- Air Conditioning
- Smoke Free
- Dishwasher
- Vinyl Flooring





FLOOR PLAN DETAILS

- **2 Bed, 1 Bath**
- **\$995 / Month Rent**
- 850 SF
- Ceiling Fans
- Heating
- Air Conditioning
- Smoke Free
- Washer/Dryer
- Dishwasher
- Family Room
- Vinyl Flooring





ADDITIONAL PHOTOS



ADDITIONAL PHOTOS



ADDITIONAL PHOTOS



ADDITIONAL PHOTOS







ADVISOR BIOS





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PROFESSIONAL BACKGROUND

Justin Ryder, CCIM is a distinguished Advisor at SVN Stone Commercial Real Estate, specializing in multi-family and auto-related investment sales. With over 184 transactions across Central Kentucky, Justin excels in maximizing property value through exclusive listings and comprehensive project management, including development land and stabilized properties.

A 4-time national award winner for sales volume at SVN, Justin was honored as the company-wide "Influencer of the Year" in 2023 for his impactful presence in commercial real estate media on platforms like LinkedIn, Twitter, and YouTube. He earned the globally recognized CCIM designation in 2021, signifying mastery in financial and market analysis, investment strategy, and ethical business practices. Justin has also served as President of the Lexington CCIM Chapter twice.

In addition to his real estate expertise, Justin is a partner and consultant with Bluegrass Business Advisors, continuing the firm's legacy of business brokerage in Central Kentucky since 1982.

A devoted family man, Justin and his wife, Libby, are proud parents to three wonderful daughters. He considers it a privilege to raise his family in such a vibrant community. Outside of work and family life, Justin is an avid CrossFitter, an enthusiastic reader, a passionate UK fan, and a dedicated Green Egg grilling connoisseur.

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PROFESSIONAL BACKGROUND

Rachel Ridd is a Commercial Real Estate Advisor with SVN Stone Commercial Real Estate in Lexington, KY, where she specializes in Multifamily sales. With a commitment to helping clients maximize the value of their investments, Rachel serves on a team that brings a wealth of experience and a passion for delivering exceptional service.

Rachel's journey in the commercial real estate sector is marked by a diverse background that uniquely positions her in the industry. Prior to her role as a Commercial Real Estate Advisor, she served as the Marketing Director at SVN Stone Commercial Real Estate for five years. In this capacity, Rachel honed her skills in effectively marketing a wide array of commercial properties, gaining invaluable insights into the nuances of the real estate market.

Before transitioning to commercial real estate, Rachel's career reflected her commitment to making a positive impact on the lives of others. As a social worker, she dedicated herself to serving children in need, particularly those navigating the complexities of the foster care system. This early experience instilled in her a deep sense of empathy and a commitment to understanding the unique needs of individuals, qualities that continue to guide her in her current role.

Having called Lexington home for over two decades, Rachel is deeply ingrained in the local community. She shares her life with her husband, Eric, and their four children. Beyond her professional pursuits, Rachel finds joy in exploring the world with her family, delving into a good book, gardening at her home, and taking leisurely walks with her dog.

Rachel Ridd's multifaceted background, coupled with her genuine passion for client success, positions her as a trusted advisor in the field. Contact Rachel at 859.327.7261 or rachel.ridd@svn.com.

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