

Riverview Townhouses

302 E. Pine Street, Philip SD 57567



OFFERING MEMORANDUM

Brooks Commercial
Real Estate

Riverview Townhouses

CONTENTS

01 Executive Summary

Investment Summary
Unit Mix Summary

02 Location

Location Summary
Local Business Map
Aerial View Map

03 Property Description

Property Features
Property Images

04 Rent Roll

Rent Roll

05 Financial Analysis

Income & Expense Analysis

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RIVERVIEW TOWNHOUSES



01 Executive Summary

Investment Summary

Unit Mix Summary

OFFERING SUMMARY		
ADDRESS	302 E. Pine Street Philip SD 57567	
COUNTY	Haakon	
BUILDING SF	8,308 SF	
LAND SF	16,556 SF	
NUMBER OF UNITS	10	
YEAR BUILT	1979	
APN	61-0101-001-0005 & 61-0101-005-0005	
OWNERSHIP TYPE	Fee Simple	
FINANCIAL SUMMARY		
PRICE	\$530,000	
PRICE PSF	\$63.79	
PRICE PER UNIT	\$53,000	
NOI (Pro Forma)	\$45,133	
CAP RATE (Pro Forma)	8.52%	
CASH ON CASH (Pro Forma)	12.24%	
GRM (Pro Forma)	4.92	
PROPOSED FINANCING		
Proposed New Loan		
LOAN TYPE	Amortized	
DOWN PAYMENT	\$106,000	
LOAN AMOUNT	\$424,000	
INTEREST RATE	6.50%	
LOAN TERMS	5	
ANNUAL DEBT SERVICE	\$32,159	
LOAN TO VALUE	80%	
AMORTIZATION PERIOD	30 Years	

Notes

The property is anticipated to qualify for conventional agency financing through Fannie Mae or Freddie Mac. Based on recent lender feedback, current market rates are in the mid-5% range for a 5-year term loan, with approximately a 10 basis point premium for a 10-year term. For underwriting purposes, we have modeled a 6.5% interest rate, which is slightly conservative but reasonable given current conditions.

Disclaimer: Financing terms are provided for illustrative purposes only and are subject to lender approval, borrower qualifications, prevailing market conditions, and final underwriting.

Property Information

- HUD Section 8 (HAP Contract) property for sale in Philip, SD!

Unit Mix: One (1) one-bedroom/one-bathroom unit, eight (8) two-bedroom/one-bathroom unit, and one (1) three-bedroom/one bathroom unit.

Owner Responsibility: Water, sewer, trash removal, repairs/maintenance, lawn care, and snow removal.

Tenant Responsibility: Electric, phone, cable, and internet.

Unit Amenities: Stove, refrigerator, air conditioner, electric baseboard heat, washer & dryer hookups, carpet/vinyl floor coverings, and mini-blinds.

Property Amenities: Off-street parking and separate individual entrances.

A new roof was installed in October 2022 following a wind and hail damage insurance claim. Insurance proceeds covered both the roof and siding; however, while the roof was replaced, the siding was not.

On December 13, 2022, a tenant-caused fire in Unit #4 resulted in a complete, insurance-funded restoration of the unit.

The parking lot was chip sealed in June 2024.

Subsidy Contract Profile

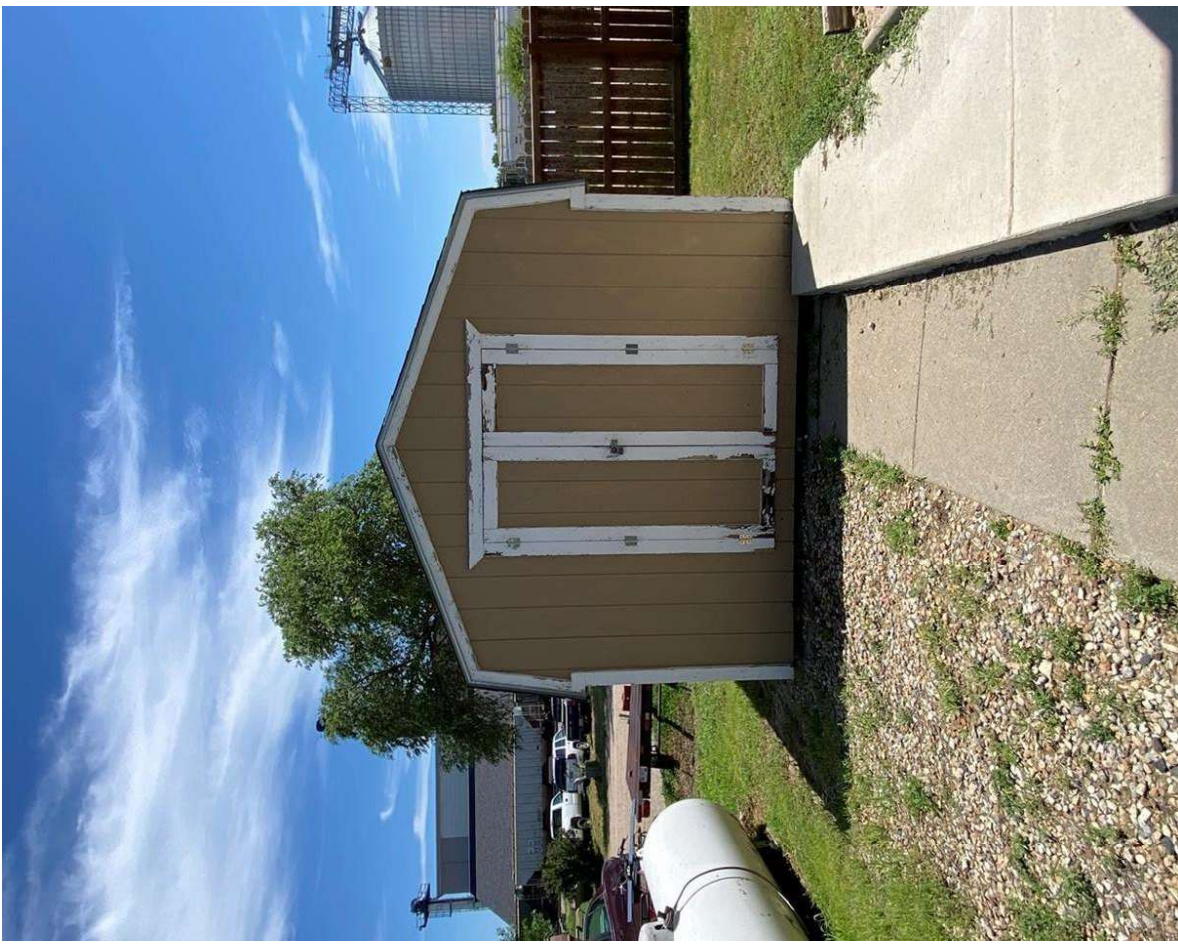
- Section 8 Coverage (# units / %): 6 units / 60%
- Section 8 Contract #: SD99-H001-074
- Renewal Option: Option 4
- Term / Expiration: 20 Years / May 31, 2040
- Elderly / Family: Family
- Management Occupancy Review (MOR): Above-Average (July 2025)
- NSPIRE: 92 (June 2025)

Investment Highlights

- 60% Project-Based Section 8 rental subsidy.
- In July 2025, the property completed a HUD Section 8(bb) transaction, resulting in the removal of four (4) units from the HAP Contract and associated budget authority. This strategic use of the 8(bb) program allowed the owner to reposition the asset by converting these units to market-rate, with the goal of enhancing occupancy performance and better aligning with community housing needs. HUD's Section 8(bb) program permits the transfer of budget authority from one property with a Project-Based Section 8 HAP contract to another eligible property.
- Stewart Avenue Improvement Project: City of Philip. Expected completion date is October 15, 2025. Contact listing broker for details.
- The Riverview Townhouses are being offered as part of a portfolio transaction and must be acquired together with the Senechal Apartments, located at 125 Pine Street, Philip, SD 57567. Please contact the listing broker for additional details.

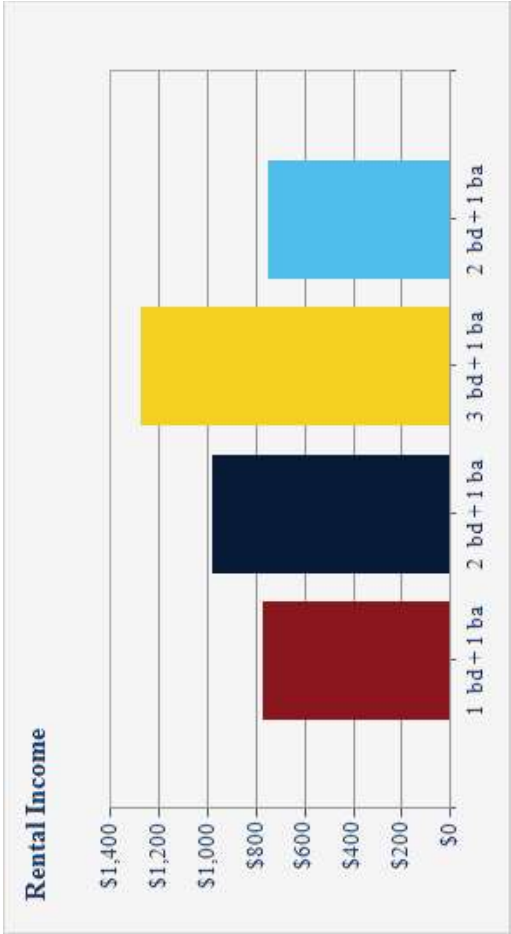
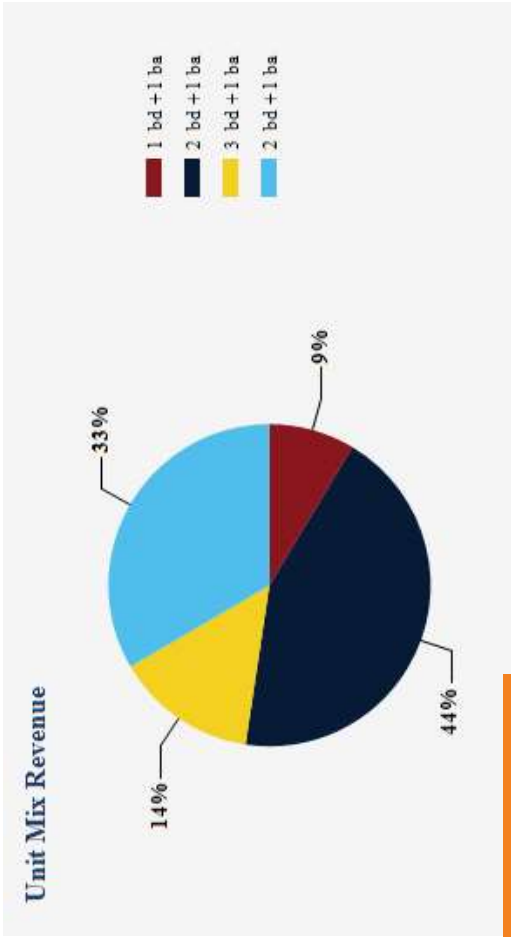
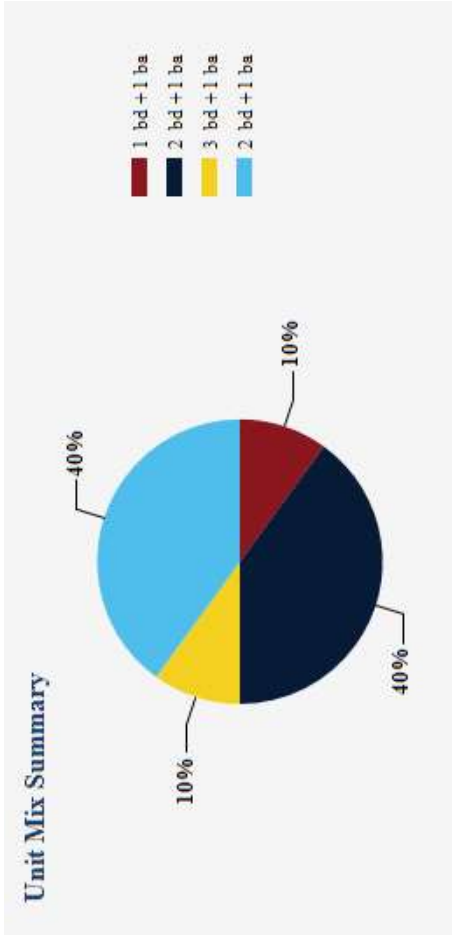
Real Estate License Disclosure

- Jeff Brooks is a licensed real estate broker in the State of South Dakota and part of the selling entity.



Unit Mix	# Units	Current Rent	Monthly Income
1 bd + 1 ba	1	\$773	\$773
2 bd + 1 ba	4	\$982	\$3,928
3 bd + 1 ba	1	\$1,274	\$1,274
2 bd + 1 ba	4	\$750	\$3,000
Totals/Averages	10	\$898	\$8,975

Notes: In July 2025, the property completed a HUD Section 8(bb) transaction, resulting in the removal of four (4) units from the HAP Contract and associated budget authority. This strategic use of the 8(bb) program allowed the owner to reposition the asset by converting these units to market-rate, with the goal of enhancing occupancy performance and better aligning with community housing needs. HUD’s Section 8(bb) program permits the transfer of budget authority from one property with a Project-Based Section 8 HAP contract to another eligible property.



RIVERVIEW TOWNHOUSES

02

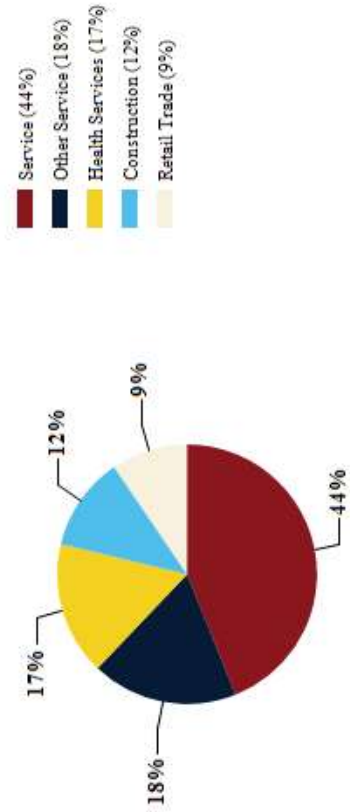
Location

- Location Summary
- Local Business Map
- Aerial View Map



- Philip is the county seat of Haakon County and home to about 759 residents (2020 census). It is a close-knit town with a strong agricultural base, supported by local businesses, schools, and essential services.
- Located at the junction of U.S. Highway 14 and South Dakota Highway 73, Philip provides convenient access to nearby communities and to Rapid City, the region's largest urban center, approximately 90 miles west.
- Residents benefit from a full range of services including the Haakon School District, Philip Health Services, retail shops, grocery options, and local dining establishments, all of which contribute to the town's self-sufficiency.
- The community offers abundant recreational opportunities such as hunting, fishing, golfing, and swimming, along with Lake Waggoner and city parks. Its location near the Badlands region adds to its scenic appeal and outdoor lifestyle.
- Local and regional landmarks include the Prairie Homestead, Bad River Museum, and the Minuteman Missile National Historic Site. These cultural assets highlight the area's heritage and attract visitors year-round.
- Philip is known for its friendly atmosphere and relaxed pace of life. Its combination of natural surroundings, small-town charm, and essential amenities makes it an attractive place to live, work, and visit.

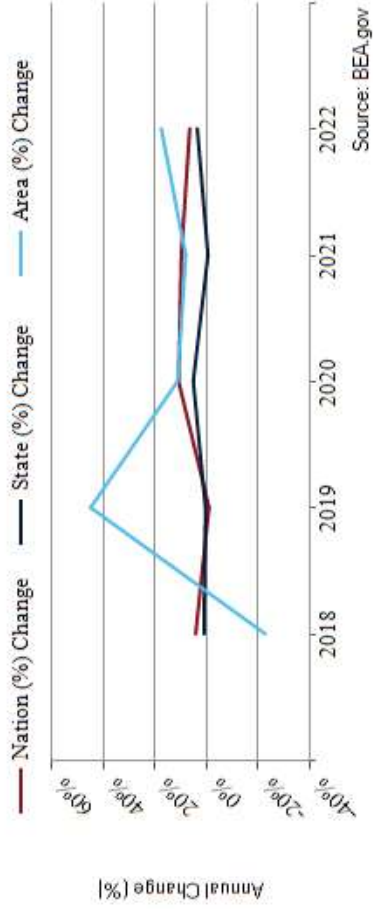
Major Industries by Employee Count

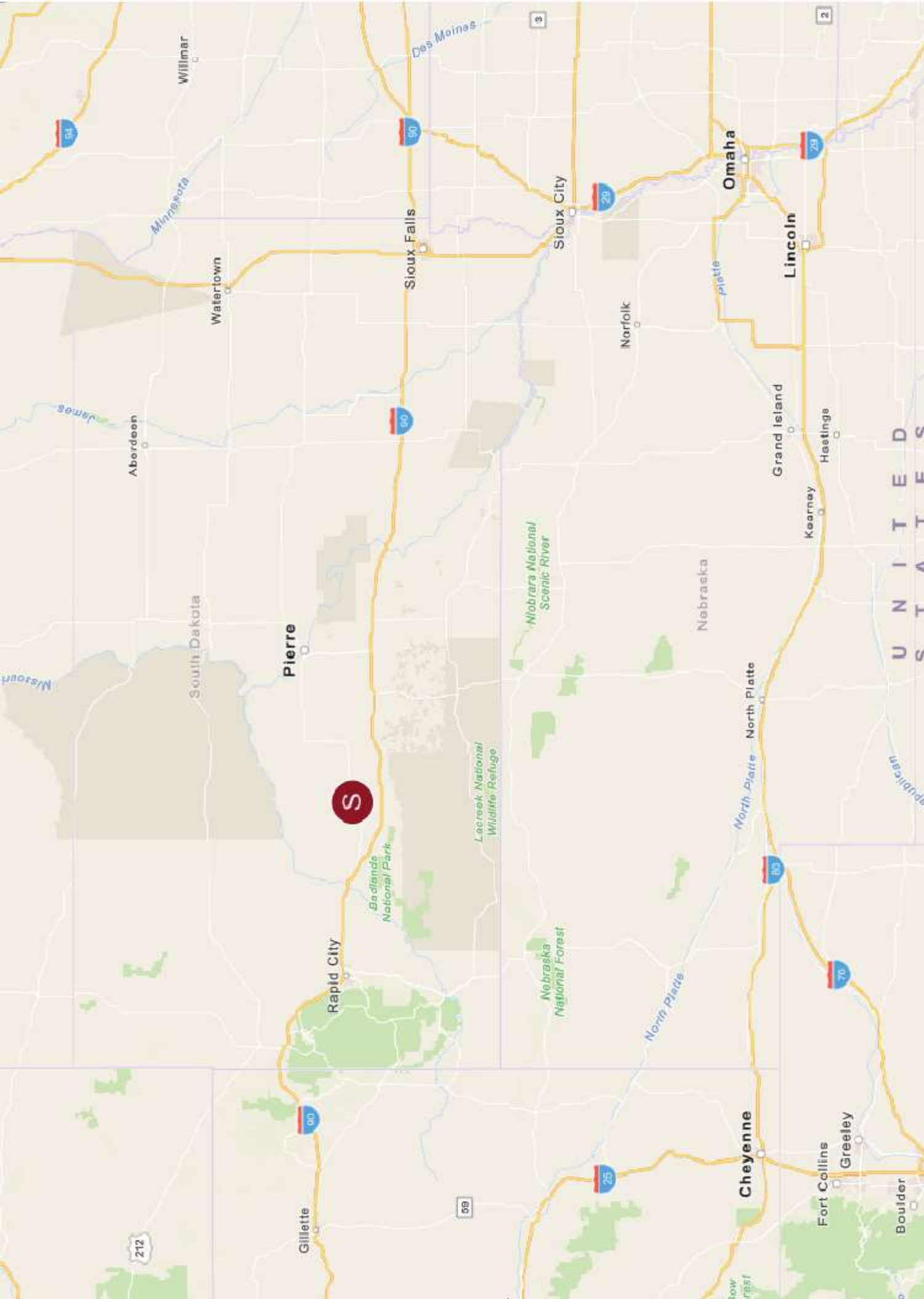


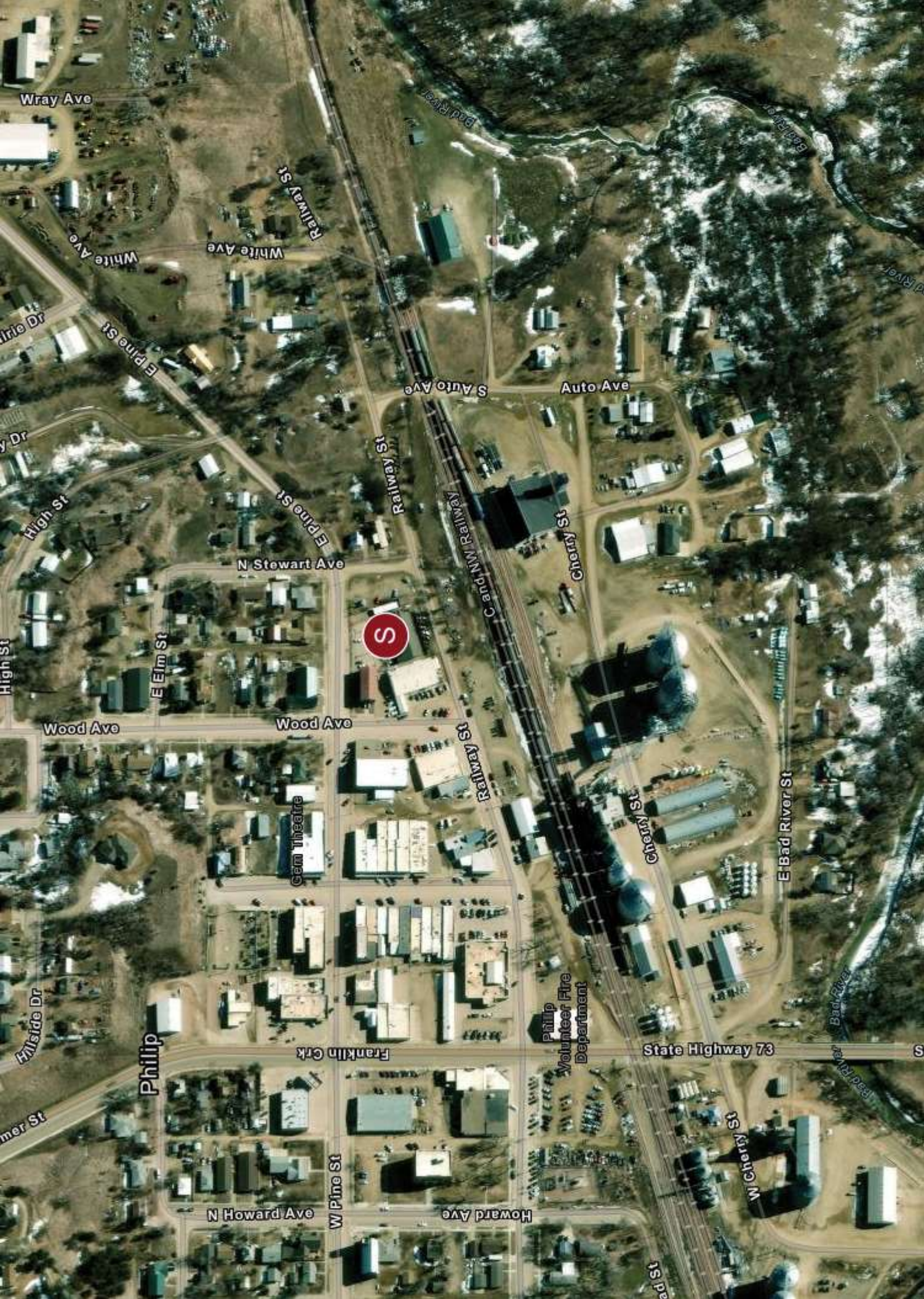
Largest Employers

Philip Health Services	100
Philip Motor Inc.	50
Philip Nursing Home	30
Conoco	10
Philip Hardware LLC	5
Petersen's Variety	3
Haakon County Prairie Transportation Service Inc	3
Bad River Senior Citizens Center	2

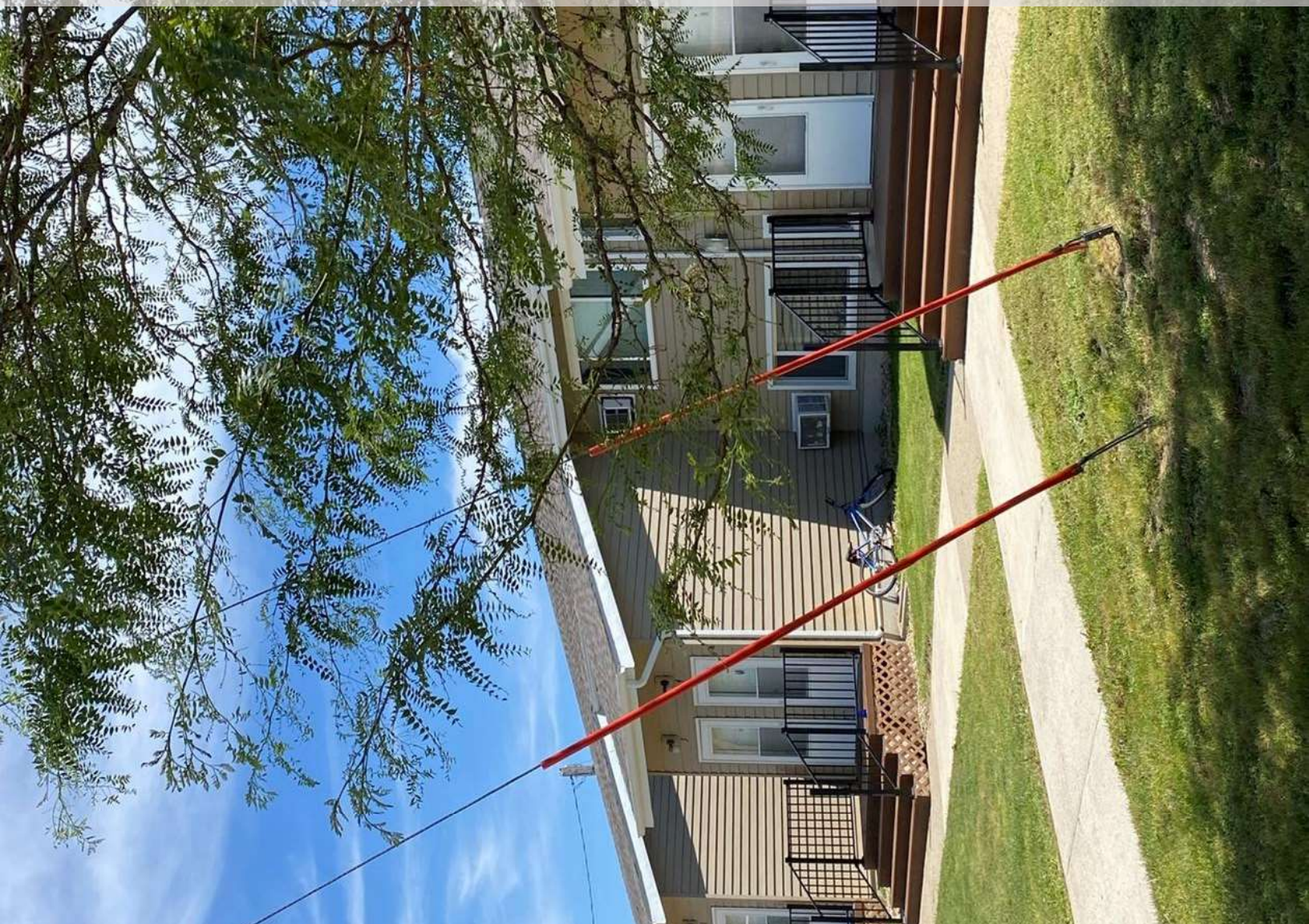
Haakon County GDP Trend







RIVERVIEW TOWNHOUSES



03 Property Description

[Property Features](#)

[Property Images](#)

PROPERTY FEATURES	
NUMBER OF UNITS	10
BUILDING SF	8,308
LAND SF	16,556
YEAR BUILT	1979
# OF PARCELS	2
ZONING TYPE	Commercial
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	1
MECHANICAL	
HEAT	Baseboard Electric
AIR CONDITIONING	Through the Wall
UTILITIES	
ELECTRIC	Tenant
WATER / SEWER	Owner
TRASH REMOVAL	Owner
CONSTRUCTION	
FRAMING	Wood
EXTERIOR	Metal
PARKING SURFACE	Asphalt / Chip Sealed
ROOF	Pitched, shingles, replaced 2022







RIVERVIEW TOWNHOUSES



Rent Roll

Rent Roll

04

Unit	Unit Mix	Current Rent	Notes
1	3 bd + 1 ba	\$1,274.00	HUD Section 8
2	2 bd + 1 ba	\$982.00	HUD Section 8
3	2 bd + 1 ba	\$982.00	HUD Section 8
4	1 bd + 1 ba	\$773.00	HUD Section 8
5	2 bd + 1 ba	\$750.00	Market Rate
6	2 bd + 1 ba	\$750.00	Market Rate
7	2 bd + 1 ba	\$750.00	Market Rate
8	2 bd + 1 ba	\$750.00	Market Rate
9	2 bd + 1 ba	\$982.00	HUD Section 8
10	2 bd + 1 ba	\$982.00	HUD Section 8
Totals / Averages		\$8,975.00	

Notes: In July 2025, the property completed a HUD Section 8(bb) transaction, resulting in the removal of four (4) units from the HAP Contract and associated budget authority. This strategic use of the 8(bb) program allowed the owner to reposition the asset by converting these units to market-rate, with the goal of enhancing occupancy performance and better aligning with community housing needs. HUD's Section 8(bb) program permits the transfer of budget authority from one property with a Project-Based Section 8 HAP contract to another eligible property. Contact the listing broker for the most current rent roll.



RIVERVIEW TOWNHOUSES



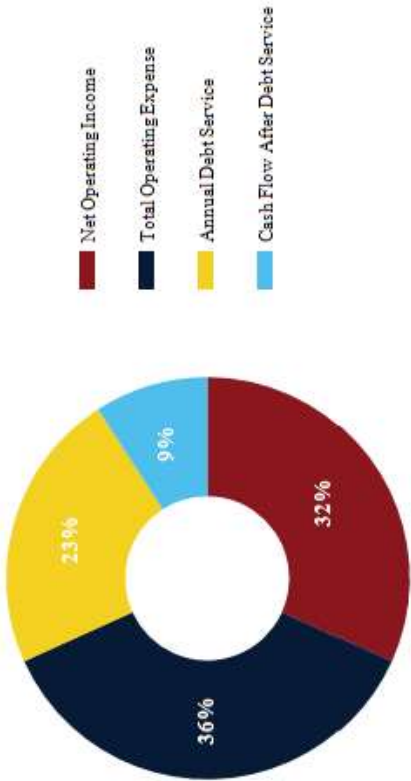
05

Financial Analysis

Income & Expense Analysis

REVENUE ALLOCATION
PRO FORMA

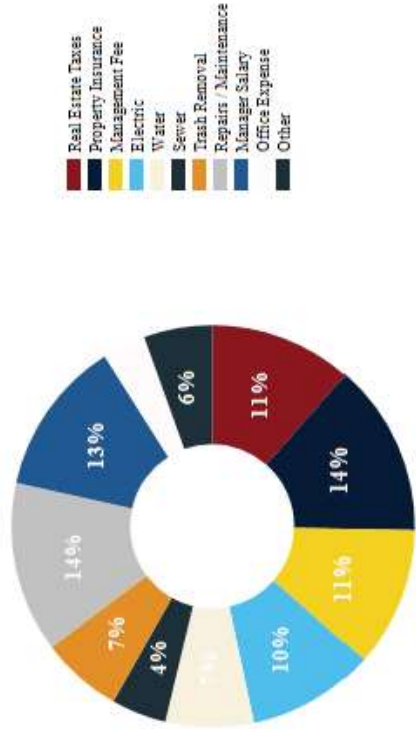
INCOME	PRO FORMA
Gross Scheduled Rent	\$107,700
Gross Potential Income	\$107,700
General Vacancy	-10.00%
Effective Gross Income	\$96,930
Less Expenses	\$51,797 53.43%
Net Operating Income	\$45,133
Annual Debt Service	\$32,159
Cash flow	\$12,974
Debt Coverage Ratio	1.40



EXPENSES	PRO FORMA	Per Unit
Real Estate Taxes	\$5,951	\$595
Property Insurance	\$7,157	\$716
Management Fee	\$5,816	\$582
Electric	\$5,239	\$524
Water	\$3,682	\$368
Sewer	\$2,295	\$230
Trash Removal	\$3,390	\$339
Repairs / Maintenance	\$7,117	\$712
Manager Salary	\$6,500	\$650
Office Expense	\$1,800	\$180
Legal & Professional Fees	\$1,500	\$150
Advertising / Marketing	\$500	\$50
Lawn Care / Snow Removal	\$850	\$85
Total Operating Expense	\$51,797	\$5,180
Annual Debt Service	\$32,159	
Expense / SF	\$6.23	
% of EGI	53.43%	

DISTRIBUTION OF EXPENSES

PRO FORMA



Riverview Townhouses

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