

HOOPER POINTE

4888 HOOPER ROAD, BATON ROUGE, LA | 176 UNITS | MARKET-RATE CONVERSION FROM 100% LIHTC



THE OFFERING

Property Summary

ADDRESS:	4888 Hooper Rd
CITY, ST:	Baton Rouge, LA 70811
YEAR BUILT:	2008
NUMBER OF UNITS:	176 units
TYPE:	Market-Rate Conversion from 100% LIHTC
IN-PLACE RENT & INCOME RESTRICTIONS:	176 units (100%) @ 60% AMI
AVERAGE UNIT SIZE:	929 SF
NET RENTABLE SF:	163,520 SF
BUILDINGS:	11 buildings
ACRES:	14.2 acres
CURRENT DENSITY (UNITS/ACRE):	12 units/acre
YEAR PLACED-IN-SERVICE:	2008
DEED IN-LIEU OF FORECLOSURE RECORDED:	February 2021
START OF DECONTROL:	February 2021
END OF YEAR 15*:	December 31, 2022
TERMINATION OF AFFORDABLE RESTRICTIONS:	February 2024

**Seller will require the existing LIHTC rent and income restrictions will remain in place until the end of Year 15, even though the 3-year decontrol began in February 2021. After December 31, 2022, units will begin converting to market-rate as they turnover.*



Offering Procedures

TOUR SCHEDULE:

Please contact Michael Fox (michael.fox@am.jll.com), Doug Childers (doug.childers@am.jll.com), Steven Hahn Jr. (steven.hahn@am.jll.com), or Art Barnes (art.barnes@am.jll.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from JLL. Failure to adhere to this request will be taken into consideration by the Seller when offers are selected.

OFFER DATE:

To Be Announced

BEST & FINAL:

Upon review of the initial offers submitted, if appropriate, a select group of Investors will be notified of their participation within the Best and Final Round.

TERMS AND CONDITIONS:

The Property is offered on an “as is” basis, subject to the existing rent and occupancy restrictions required by the existing LIHTC LURA and Bond LURA, both of which fully expire in 2024. After December 31, 2022, units may begin converting as they turnover.

APPROVALS:

Because of the deed-in-lieu in February 2021, JLL assumes Investors will not be required to receive approval from the Louisiana Housing Authority.

SELECTION AND CRITERIA:

The prospective Investor will be selected by the Owner, in its sole and absolute discretion, on the basis of a complement of factors, including, but not limited to, purchase price; the Investor’s financial strength/balance sheet capacity; level of discretion to invest funds; ability to close in a timely fashion; experience in closing similar transactions; reputation within the industry and the extent to which due diligence is completed.

HOOPER POINTE

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Market-Rate Conversion Allowing
for Outsized Revenue Growth



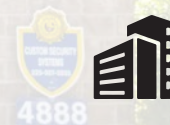
Attractive Basis Below
Replacement Costs



Recent Management
Change & Improvement in
Operations



Favorable Capital Markets
Environment



Prime Location Adjacent to
Major Employers in Robust
MSA

PROPERTY OVERVIEW

Current Unit Mix	Unit Description	SF	2021 Net Max LIHTC Rents ¹	In-Place Market Rents	In-Place Lease Rents	JLL Proforma Market Rents	JLL Proforma Annual Rent
136	2 Bed, 2 Bath, 60% AMI	882	\$994	\$994	\$859	\$945	\$1,542,240
32	3 Bed, 2 Bath, 60% AMI	1,057	\$1,142	\$1,142	\$1,002	\$1,050	\$403,200
8	4 Bed, 2 Bath, 60% AMI	1,218	\$1,267	\$1,267	\$1,119	\$1,200	\$115,200
176		929	\$1,033	\$1,033	\$897	\$976	\$2,060,640

1) Max LIHTC rents take into account applicable utility allowances.

COMMUNITY

- Pool
- Outdoor Recreational Area
- Playground and Gazebo
- Business Center
- Clubhouse

INTERIORS

- Fully-Equipped Kitchens Include:
 - Electric range
 - Refrigerator
 - Microwave
 - Dishwasher
 - Food Waste Disposal
- Ceiling Fans
- In-Unit Washer/Dryer
- Patio/Balcony
- Storage Units
- Walk-in Closet

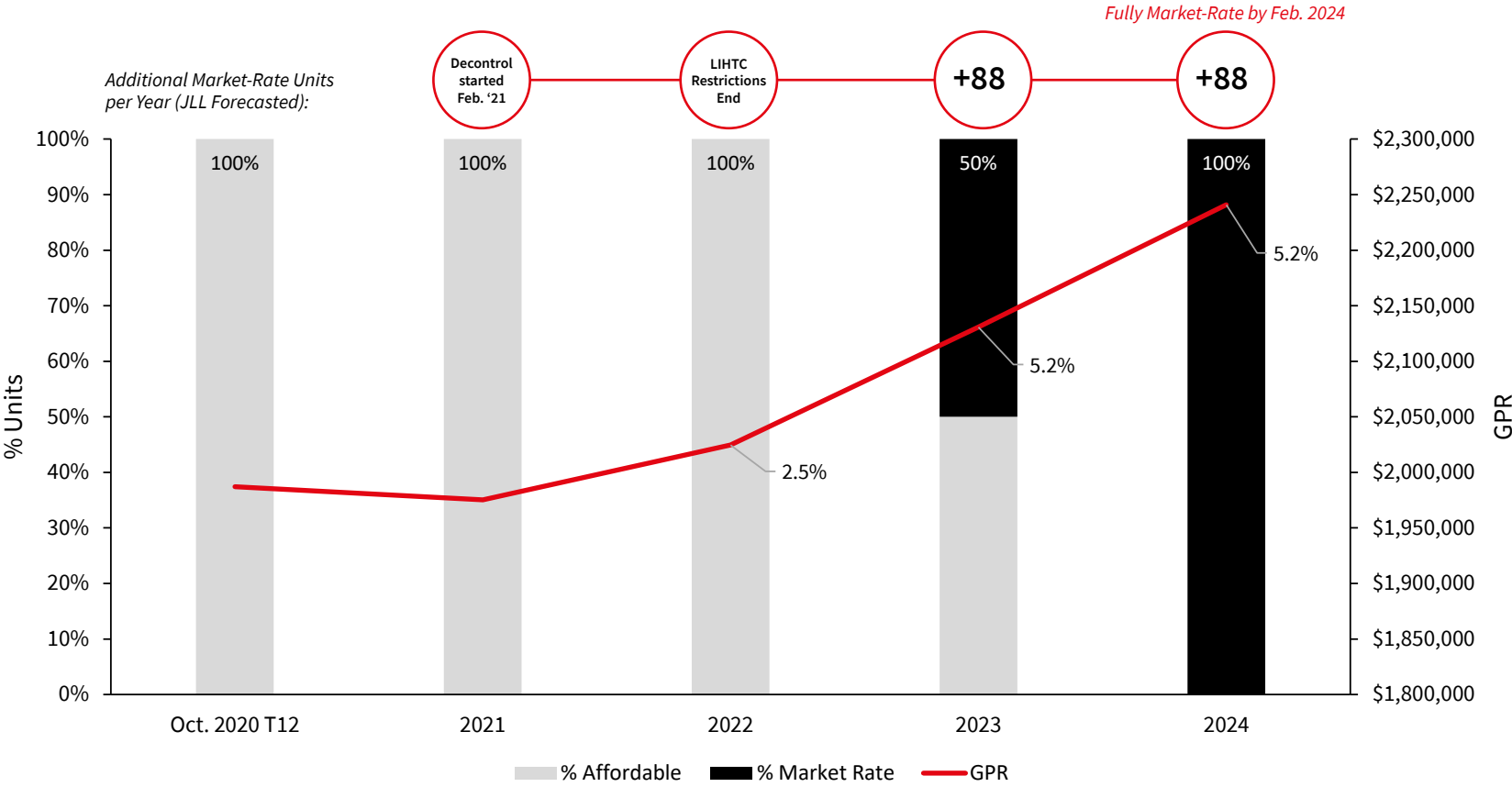


MARKET RATE CONVERSION

The deed in lieu of foreclosure was recorded in February 2021 starting the clock on the 3-year decontrol period during which units could *theoretically* begin converting to market-rate; however, the Seller will require the Property will maintain all rent and income restrictions until the end of year 15 on December 31, 2022, to avoid tax credit recapture.

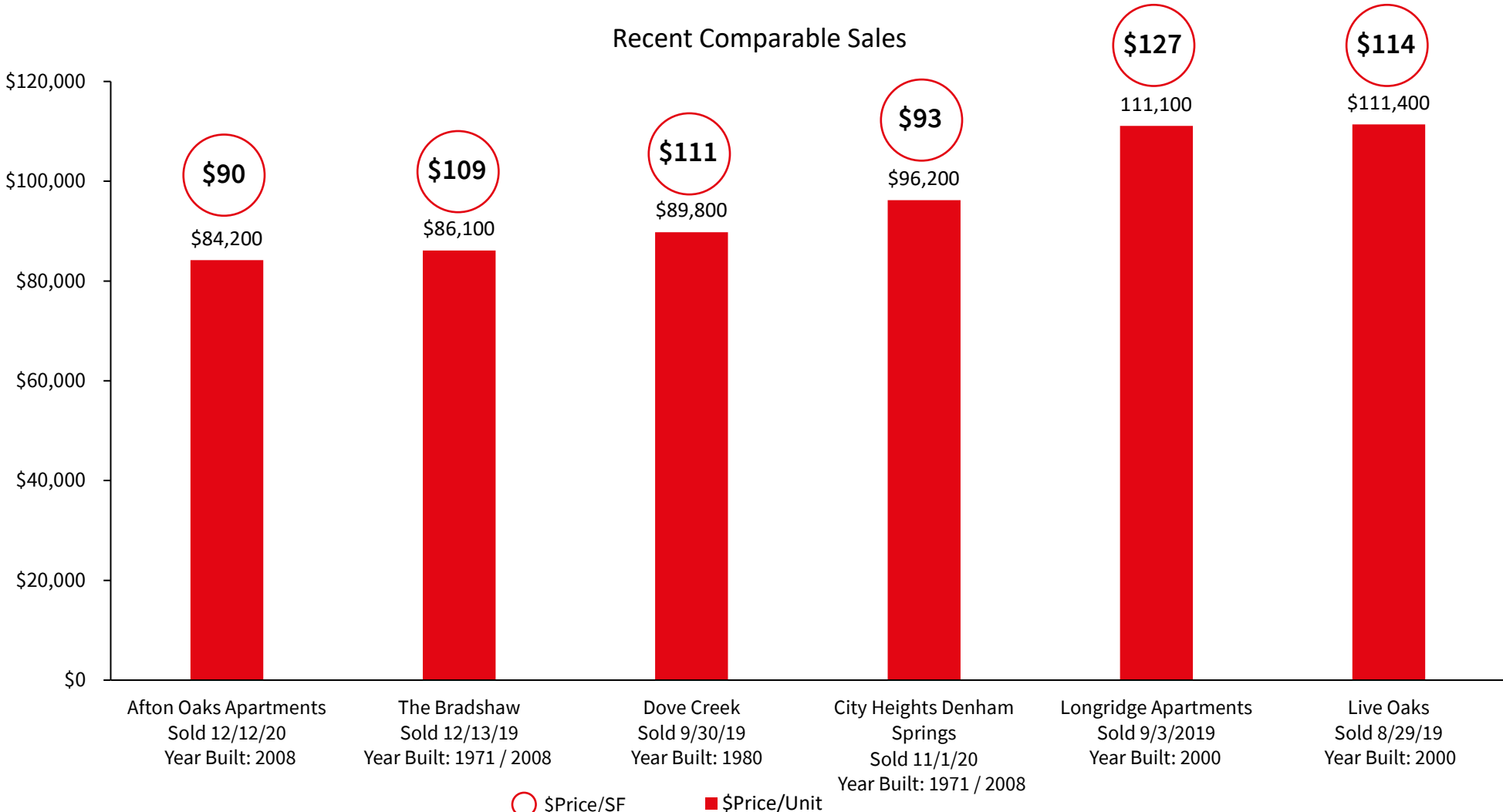
During decontrol and after the end of Year 15, once an affordable tenant vacates the Property, the unit may immediately be rented to any resident regardless of income at whatever rent the market will bear. Otherwise, any resident that occupied a unit when the extended use agreement was terminated must be grandfathered into the existing rent and income restrictions. Beginning January 1, 2023, the Property will begin converting vacated units to market-rate. The end of decontrol is February 2024, at which time the Property will be fully market-rate and the rents any remaining affordable units may immediately be marked to whatever rent the market will bear. As a result, JLL projects a 12% increase in GPI over December T12 by February of 2024.

GPR and Market-Rate Units by Year



ATTRACTIVE BASIS BELOW COMPARABLE COMMUNITIES

The Property offers an attractive opportunity to acquire a garden style multihousing asset located in a sunbelt market at a significant discount to comparable market-rate communities. Based on recent trades, the appealing going-in basis compares favorably to properties of similar age and unit count in the Baton Rouge market. When paired with the overall low acquisition basis, the ability to remove the in-place restrictions adds upside to an offering with reliable risk adjusted returns.

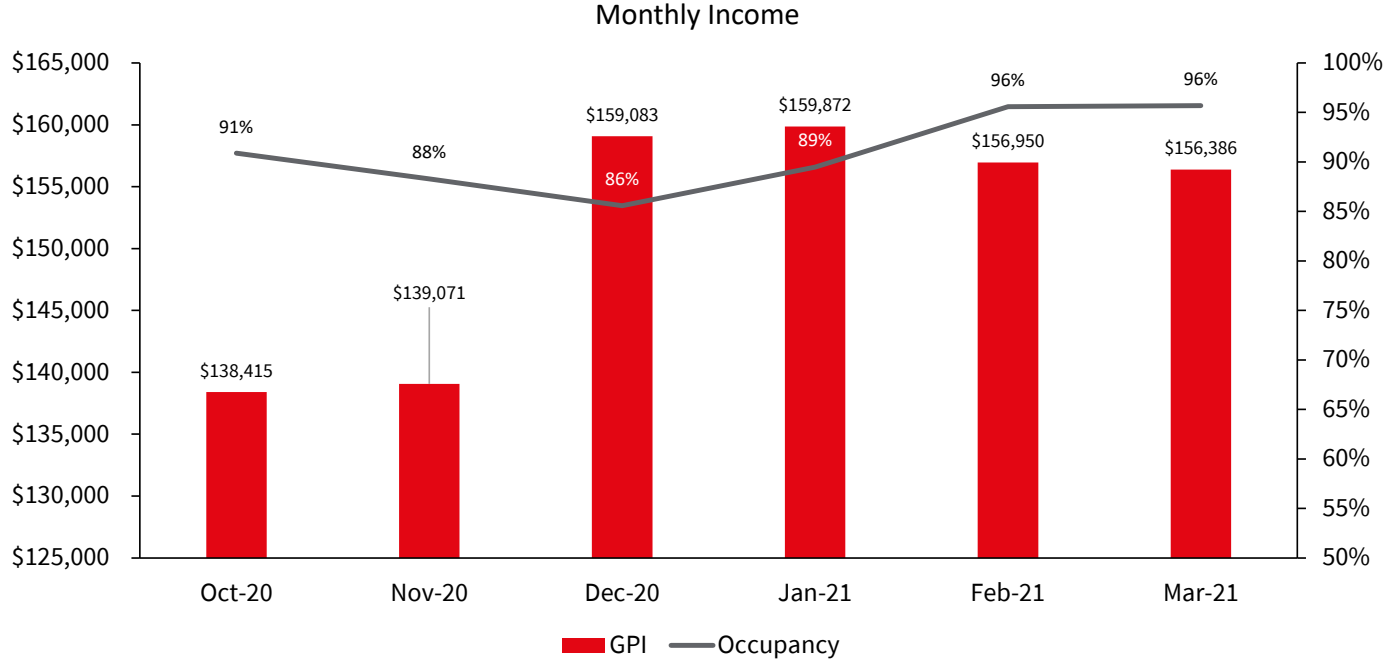


RECENT CHANGES TO MANAGEMENT

Average GPI Increase:
13.0%

Current Pre-Leased Occupancy:
95.0%

NOI Increase¹:
16.0%



The Property recently underwent a change in management in order to stabilize operations, improve market reception for prospective tenants, and maximize net operating income. Since the management overhaul in October 2020, the Property has seen a material increase in gross potential income and occupancy, as illustrated in the chart above, along with a reduction in controllable expenses. In addition, the management change has received an objectively positive reception from both existing and prospective tenants.

JLL expects positive rent trends to continue moving forward, offering potential investors the rare opportunity to combine “value add” potential with the relatively low basis that is synonymous with the affordable housing space.

1) Comparing normalized March 2021 T3/T12 Financials to March T3/T6 Financials, excluding capex.

FAVORABLE CAPITAL MARKETS CONDITIONS

Borrowers are benefiting from unprecedented capital market conditions wherein investors enjoy historically low debt pricing. The Property will capture aggressive rates based on the scale and limited nearby competition in the immediate submarket, providing a Buyer the opportunity to utilize flexible bridge debt with the potential for future funding of capital.

Bridge Debt Financing

Loan to Purchase Price	75%
Debt Coverage Ratio	1.00
Loan Term	3 + 1 + 1
Interest Only	3 Years
LIBOR	0.11%
LIBOR Floor	0.25%
Spread	3.50%
All-In Rate	3.75%



WELL-LOCATED TO MAJOR EMPLOYERS & ECONOMIC DRIVERS, BENEFITING FROM LSU AND EXXONMOBIL

Located less than a 20 minute drive from Louisiana State University, 15 minutes from a future fulfillment center for a large online retailer, and sitting 10 minutes from the ExxonMobil Refinery, Hooper Pointe is conveniently located near two of the largest economic drivers in Baton Rouge. Additionally, the Property sits just minutes from the The Baton Rouge Metropolitan Airport. These three employers alone provide over 30,000 full-time and part-time employment opportunities and contribute billions of dollars annually to the local economy.

ExxonMobil

6,000+

Employees and contractors working at the ExxonMobil Plants (including an oil refinery, chemical, aviation, lubricants, polyolefins, and plastics plants)

\$550M+

Annual Payroll & Benefits



\$1.1B

Annual economic impact for the city of Baton Rouge

4,500

Employees and Contractors

LSU

\$5.1B

Annual economic impact for the state of Louisiana

\$815M

Annual Payroll and Benefits

19,000+

Direct Employees and Contractors



World's Largest Online Retailer Breaking Ground on New Distribution Center

3,000+

Direct Employees and Contractors

3.5M SF

Size of footprint in revised site plan

2022

Expected date of completion



Port of Greater Baton Rouge

- Eighth Largest Port in Nation in terms of Tonnage
- Generates \$11B + in annual state spending
- Contributes over 200,000 jobs across Louisiana

Downtown Baton Rouge

Mississippi River

2.8mi.



Southern University and A&M College

- \$275M Economic Impact
- One of six public universities in Louisiana with an engineering program
- Only Louisiana university to offer a PhD in Nursing



Louisiana State University

- \$5.1B + Annual Economic Impact
- Highest ranked public university in Louisiana
- 30,000 + total annual enrollment

190

110



ExxonMobil Refinery

- 6,000 Employees/Contractors
- \$550M + Annual Payroll & Benefits
- Fifth Largest Oil Refinery in Nation
- Potential to produce 500K Oil Barrels/Day

67

**HOOPER POINTE
APARTMENT HOMES**

**Baton Rouge
Metropolitan Airport**

Hooper Road



Contact information

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**The outbreak of the COVID-19 virus (novel coronavirus) since the end of January 2020 has resulted in market uncertainty and volatility. While the economic impact of a contagion disease generally arises from the uncertainty and loss of consumer confidence, its impact on real estate values is unknown at this stage. Given the prevailing domestic and global uncertainty arising from the Coronavirus, we recommend that the intended recipients of this information regularly seek our guidance.