

# SOUTHEAST HAP PORTFOLIO

12 Properties | 1,261 Units | 100% HAP  
Across GA and SC



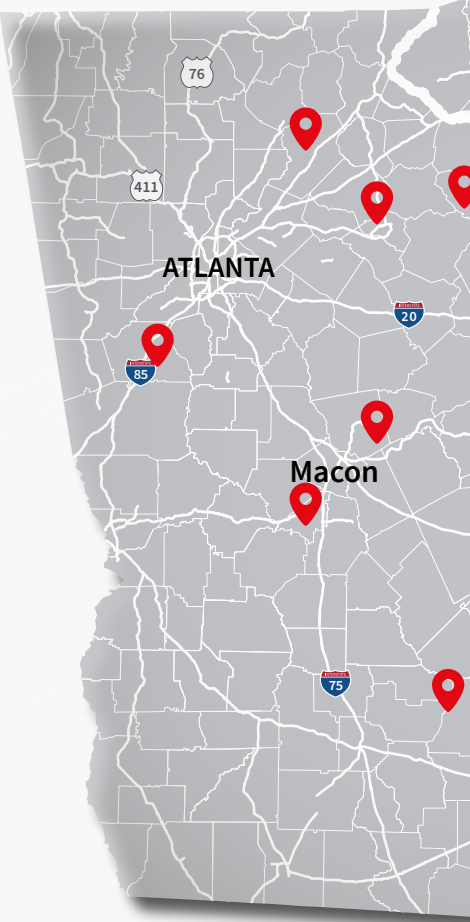
# THE OFFERING

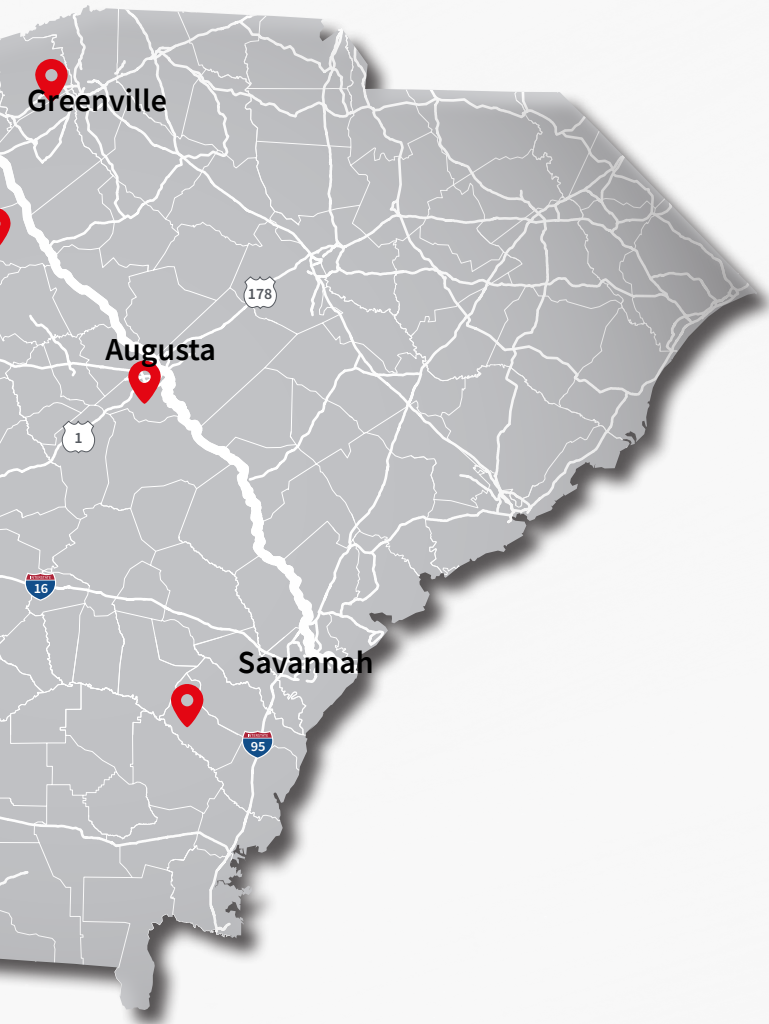
## Portfolio Overview

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NUMBER OF PROPERTIES	12 Properties
GEOGRAPHY	Georgia, South Carolina
NUMBER OF UNITS	1,261
AVERAGE YEAR BUILT	1979
AVERAGE UNIT SIZE	778 SF
NET RENTABLE SF	981,204 SF
AVERAGE IN-PLACE CONTRACT RENT	\$745
TYPE	100% HAP
RENEWAL TYPES (% BY UNIT)	48% Option 1/2 - 52% Option 3
AVERAGE CURRENT CONTRACT EXPIRATION YEAR	2026

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## Offering Procedures

### TOUR SCHEDULE

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

### OFFER DATE

TBD

### 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 Portfolio is offered on an “as is” basis, subject to the existing rent, income, and occupancy restrictions required by the existing Section 8 (“HAP”) Contracts.

### APPROVALS

HUD approval of the assignment and assumption of the HAP contract will be required.

### 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.

# Investment Overview

JLL is offering qualified investors the opportunity to acquire the Southeast HAP Portfolio (the “Portfolio” or “Properties”, the “Offering”).

The 12-property Portfolio consists of 1,261 multi-housing units located in Georgia and South Carolina. All properties were developed utilizing project-based Section 8 (HAP) contracts.

The Portfolio presents Investors the rare opportunity to deploy significant capital into an inflation-protected vehicle that generates federally-backed cash-flow and is sheltered from typical market volatility. Furthermore, the Portfolio provides Investors the opportunity to potentially preserve and renovate the Properties through an allocation of both federal and state Low Income Housing Tax Credits.



**12**  
PROPERTIES

ACROSS  
**2**  
STATES

**1,261**  
UNITS

**HAP**  
AFFORDABILITY  
TYPE

**1979**  
AVG. YEAR BUILT



## STABLE CASH FLOW FROM HAP CONTRACT WITH IMPLICIT GOVERNMENT BACKING

100% of the Portfolio benefits from project-based Section 8 (HAP) contracts that generate bond-like returns and ensure consistently high economic occupancy. This property serves as an ideal investment opportunity for an affordable housing owner looking to deploy capital into an inflation protected vehicle that is sheltered from typical market volatility.



## POTENTIAL REDEVELOPMENT AND PRESERVATION AIDED BY ACCRETIVE M2M DEBT

An assumption of the existing M2M debt will help a developer bridge to a potential resyndication and fund additional rehab at Option 3 properties across the Portfolio.



## IMMEDIATE HAP UNIT SCALE IN THE SUNBELT

The Portfolio offers 1,261 units in Georgia and South Carolina - both of which have experienced 11% & 15% population growth over the past ten years, respectively.



## MARK-UP-TO-MARKET OPPORTUNITY

5 of the 12 portfolio properties are eligible to benefit from a mark-up-to-market contract rent increase. Current contract rents at these properties are 25% below FMR & 40% below HUDs 140% median rent threshold.



## IMMEDIATE ORGANIC UPSIDE

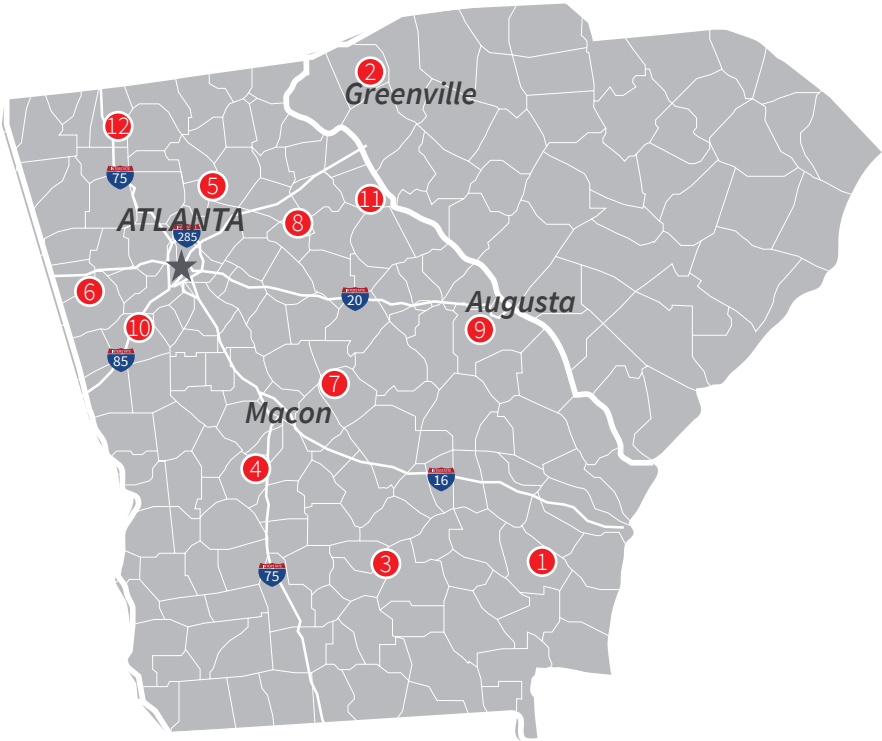
A new Investor will have the ability to address capital needs across the Portfolio, thereby reducing ongoing expenses and increasing future net operating income.



## FUTURE PRESERVATION OPPORTUNITY

The Portfolio represents a tremendous opportunity to preserve over 1,200 units of affordable housing through a future rehabilitation using LIHTCs, including the Georgia State LIHTC which facilitates additional rehab and developer fee generation.

# PROPERTY OVERVIEW



	PROPERTY NAME	ADDRESS	CITY	ST	UNITS	YEAR BUILT	HAP CONTRACT TYPE	CURRENT CONTRACT RENT	2022 FMR	140% MEDIAN RENT
1	BRIARWOOD	1201 S 1st St	Jesup	GA	90	1981	Option 3	\$655	\$813	\$900
2	CRESTVIEW VILLAGE	908 Crestview Rd	Elberton	SC	76	1980	Option 3	\$846	\$984	\$1,191
3	GEORGIAN WOODS	120 McNeil Dr	Douglas	GA	66	1983	Option 3	\$769	\$635	\$871
4	INDIAN OAKS	1103 E Church St	Fort Valley	GA	150	1979	Option 3	\$739	\$895	\$906
5	LAKE FOREST	1360 Otila Dr	Gainesville	GA	117	1977	Option 1/2	\$847	\$1,104	\$1,372
6	LAKEVIEW	1210 Stewart St	Carrollton	GA	99	1979	Option 1/2	\$765	\$1,010	\$1,184
7	RIVERBEND	441 E McIntosh St	Milledgeville	GA	75	1979	Option 3	\$873	\$839	\$986
8	ROLLING RIDGE	100 Rolling Ridge Dr	Athens	GA	160	1980	Option 1/2	\$744	\$888	\$1,158
9	SHADOWOOD	2506 Lumpkin Rd	Augusta	GA	78	1980	Option 3	\$658	\$894	\$1,245
10	SHENANDOAH	8 Forest Circle	Shenandoah	GA	100	1980	Option 1/2	\$770	\$1,585	\$1,898
11	SUNNYBROOK	1300 Mineral Springs Rd	Elberton	GA	130	1980	Option 1/2	\$760	\$733	\$988
12	THE CLIFFS	826 Shugart Rd	Dalton	GA	120	1978	Option 3	\$691	\$833	\$1,035
	<b>TOTAL</b>				<b>1,261</b>	<b>1979</b>		<b>\$745</b>	<b>\$937</b>	<b>\$1,233</b>

# OPTION 3 DEBT SUMMARY

Property	Option Type	M2M Use Agreement Date Placed	M2M Use Agreement Date Expiration	M2M Debt 2nd Mortgage	M2M Debt 3rd Mortgage	Total M2M Soft Debt <sup>1</sup>	Note Holder
Briarwood	Option 3	2007	2037	\$1,626,647	\$121,650	\$1,748,297	HUD
Crestview Village	Option 3	2007	2037	\$733,166	--	\$733,166	HUD
Georgian Woods	Option 3	2004	2034	\$915,963	\$599,767	\$1,515,730	HUD
Indian Oaks	Option 3	2011	2041	\$1,260,833	--	\$1,260,833	HUD
Riverbend	Option 3	2007	2037	\$836,021	--	\$836,021	HUD
Shadowood	Option 3	2002	2032	\$812,446	\$350,561	\$1,163,007	HUD
The Cliffs	Option 3	2011	2041	\$899,914	--	\$899,914	HUD
<b>Total</b>				<b>\$7,084,990</b>	<b>\$1,071,978</b>	<b>\$8,156,968</b>	

**Notes:**

1) The table above displays M2M restructuring soft debt balances, per 2020 audits. Because HUD is still the holder of the M2M restructuring notes, JLL understands a Buyer will likely be required to pay down the notes with a certain allocation of net proceeds.

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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.

