

THE STRETCH

— STUDENT HOUSING —

OFFERING SUMMARY



EXECUTIVE SUMMARY

Jones Lang LaSalle, L.P. and JLL Real Estate Limited (collectively, “JLL”) proudly present The Stretch (the “Property”), a 533 bed / 170 unit student housing community located at the University of Kentucky (“Kentucky”). Kentucky is a nationally recognized Power-5 university with back-to-back years of record enrollment numbers after a Fall 2021 enrollment of 31,800 students that featured a 10% year over year increase in graduate students. The Property allows investors to take advantage of a meaningful value-add opportunity requiring minimal capital. Current ownership has invested over \$2.5 Million in upgrading the Property which allows a new investor to take advantage of the work that has been done and push rents and occupancy to market which results in a \$1.2 Million increase in annual revenue.



PROPERTY OVERVIEW

ADDRESS:	1051 Red Mile Rd, Lexington, KY 40504
YEAR BUILT:	2009 / 2011
TOTAL UNITS/BEDS:	170 Units 533 Beds
CURRENT OCCUPANCY:	78.6%
EFFECTIVE RENT:	\$490 PER BED
UNIT SIZE:	1,155 SF per Unit 368 SF per Bed
SQUARE FOOTAGE:	196,356
NUMBER OF BUILDINGS:	7
PARKING:	501 SURFACE PARKED SPACES (0.94 SPACES / BED)
LAND AREA:	7.4 Acres
DISTANCE TO CAMPUS:	0.5 Miles 2 Minutes





UNIVERSITY OF KENTUCKY

Founded in 1865, the University of Kentucky is the flagship university in the state of Kentucky. The University has experienced back to back years of record enrollment, with a Fall 2021 enrollment of 31,800 students. Located in the heart of the horse capital of the world, Lexington, KY. There are more than 500 student organizations and the University of Kentucky Greek life is a popular extracurricular choice, with about 27% of the full-time undergraduates as members of Greek organizations. The Kentucky Wildcats compete in the NCAA Division I SEC Conference and have the most successful basketball program in NCAA history.

2ND CONSECUTIVE YEAR OF RECORD ENROLLMENT

OPERATING AT
FULL CAPACITY
FOR THE 2021-2022 SCHOOL YEAR

16.8%
ENROLLMENT GROWTH SINCE 2011

TOP 100
TOP PUBLIC SCHOOLS, BEST
UNDERGRADUATE BUSINESS PROGRAMS,
BEST UNDERGRADUATE ENGINEERING
PROGRAMS



UNIVERSITY OF KENTUCKY

OFF CAMPUS STUDENT HOUSING PROPERTIES:

6,348
TOTAL OFF CAMPUS BEDS
(LESS THAN 1 PER 4 EVERY STUDENTS)

\$658
EFFECTIVE RENT PER BED
(\$168+ COMPARED TO THE STRETCH'S
EFFECTIVE RENTS)

94%
OCCUPANCY AT
COMPARABLE PROPERTIES

NO BEDS
UNDER CONSTRUCTION



MAJOR RENOVATIONS RECENTLY COMPLETED

The current owner has invested over \$2.5 million in upgrades at The Stretch. New ownership will have the opportunity to close the \$119 per bed rent gap and 15.8% occupancy gap, which would result in an additional \$1.2 Million in annual revenue. The current ownership's renovation program included adding plank flooring in the common areas, replacing light fixtures with energy efficient lighting, repainting walls and cabinets, and updating the in-unit washers and dryers. The current owner also remodeled the fitness center, leasing office, and lounge, rebuilt the pool, built a new large jacuzzi and pergola, installed hammocks, upgraded pool furniture and gym equipment, resurfaced the basketball court, and improved the landscaping, fencing, lighting, and signage

RENOVATED TWO-STORY FITNESS CENTER



REFRESHED POOL AND BBQ AREA



UPGRADED LOUNGE



**INTERIOR RENOVATIONS INCLUDING
UPGRADED FLOORS AND CABINETRY**



BEST IN CLASS LOCATION NEAR RESTAURANTS, NIGHTLIFE & CAMPUS

The Stretch is located less than a half-mile from the University of Kentucky campus. Students can walk to class, take a scooter, bike, or take advantage of the free bus that stops in front of the clubhouse. The Property is located along Red Mile Road which feeds directly into the heart of campus.

NO NEW SUPPLY UNDER CONSTRUCTION

There are currently no purpose-built student housing projects under construction at the University. The only planned development has been battling zoning issues since 2019 as it would require the demolition of several homes listed in the National Historic Register and faces significant opposition from the community.



COMMUNITY AMENITIES



TWO-STORY FITNESS CENTER



BASKETBALL COURT



RESORT-STYLE POOL



FULL COURT VOLLEYBALL



COMPUTER LAB



PRIVATE STUDY LOUNGES



TANNING BEDS



OUTDOOR FIREPIT



GRILLING STATIONS



LEXTRAN BUS STOP

UNIT AMENITIES



BLACK APPLIANCES



PLANK FLOORING



VAULTED CEILINGS



MODERN CABINETS



FULLY FURNISHED



BED/BATH PARITY

UPGRADE FLOORING AND CABINETS IN BATHROOMS



UPGRADE FLOORING IN BEDROOMS



REFRESH FURNITURE AND PAINT WALLS LIGHTER COLORS

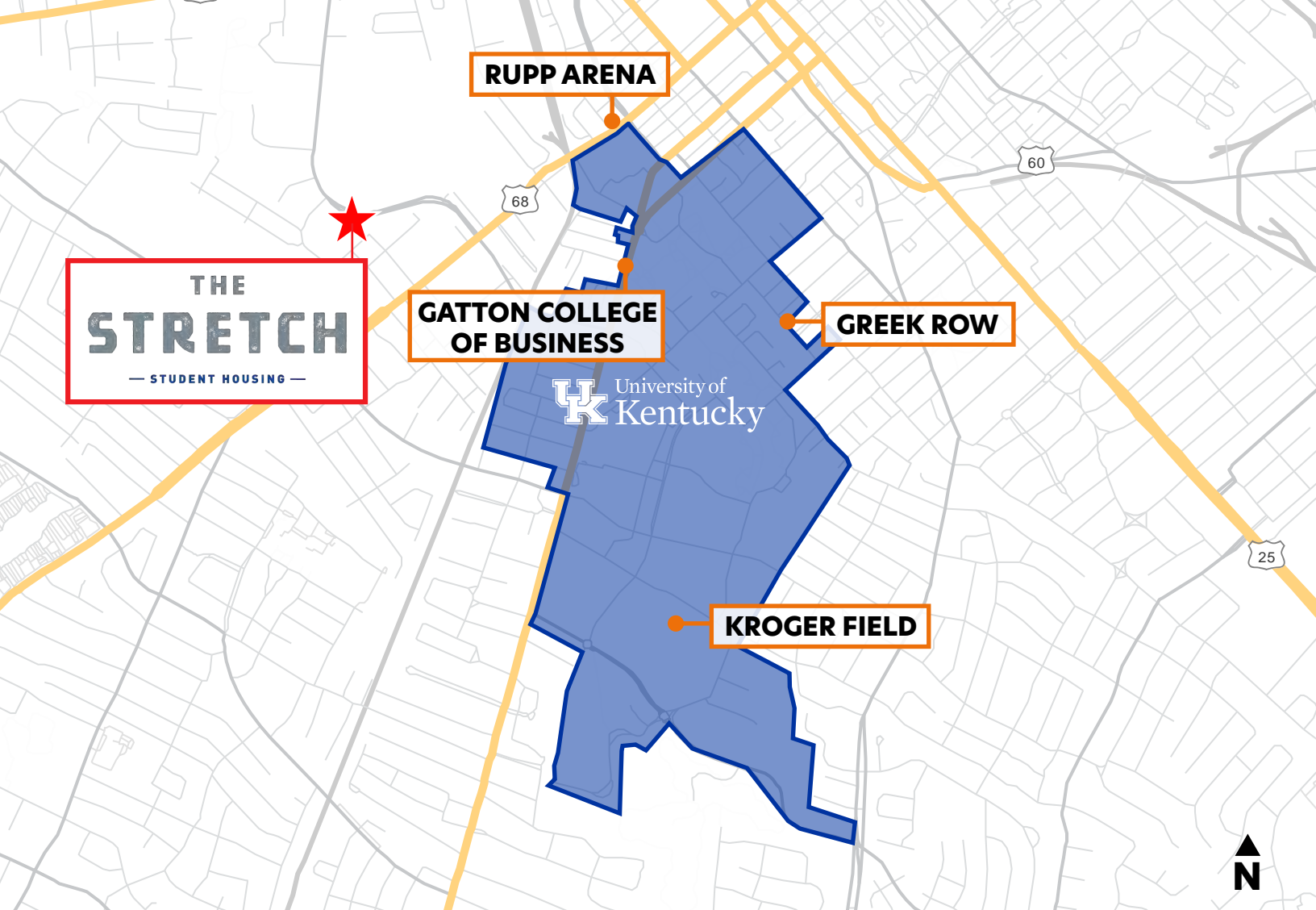


REBRANDING OPPORTUNITY

Due to COVID-19, current ownership changed their leasing strategy and lowered rents to low as \$350 per bed, which allowed for a lot of non-student tenants. This resulted in a tenant base that did not appeal to the student residents. New ownership has the opportunity to rebrand the Property and bring tenancy back to 100% students, which would result in higher rents and a better-quality tenant base.

LIGHT-VALUE ADD OPPORTUNITY ON INTERIORS

Several inexpensive interior upgrades exist in order to bring the Property in-line with or surpass the interiors at neighboring properties. Potential unit upgrades include: painting interior walls a lighter color to brighten the rooms, refreshing the furniture, replacing carpets in bedrooms and tile in bathrooms with plank flooring, and upgrading the cabinetry in bathrooms to match the kitchen cabinets.



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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.