

# THE UNIVERSITY OF ALABAMA<sup>®</sup>

MCFARLAND BLVD

HELEN KELLER BLVD

JACK WARNER PKWY



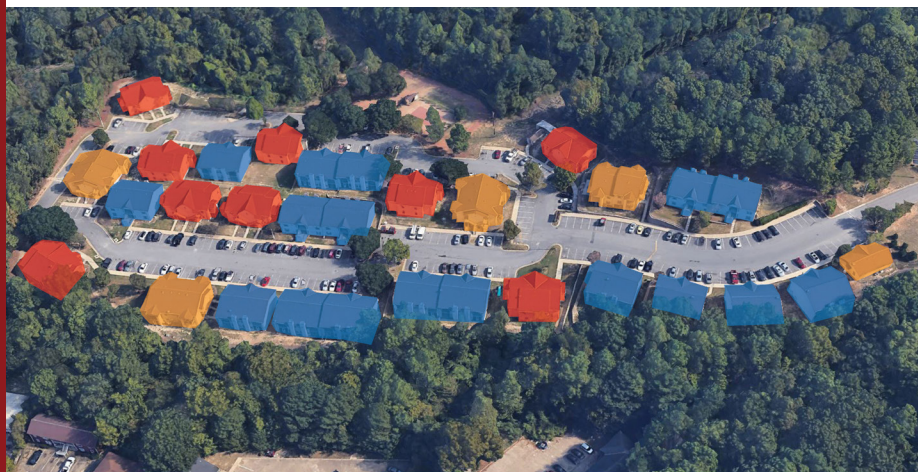
## HILLSIDE COMMONS

VALUE-ADD OPPORTUNITY AT THE UNIVERSITY OF ALABAMA



# EXECUTIVE SUMMARY

Jones Lang LaSalle, L.P. and JLL Real Estate Limited (collectively, “JLL”) proudly presents Hillside Commons (the “Property”). Located in Tuscaloosa, Alabama this student housing property consists of 278 beds / 138 units at the University of Alabama (“Alabama”). Hillside Commons sits less than a mile from the northeast corner of campus just south of the Black Warrior River. The University of Alabama is a nationally recognized Power-5 University with enrollment of 38,320 and a record-breaking freshman class of 7,593. The recent capital infusion of ~\$3.5 million allows new ownership the opportunity to match the occupancy and rents of the immediate comparable properties as well as reduce the number of model and employee units which would result in an additional \$200,000+ in annual revenue. Additionally, there is opportunity to add a clubhouse on the vacant land and bring the asset in-line with the recently renovated comp-set which is currently achieving \$175+ per bed premiums over Hillside Common’s current in-place rents. This would result in an additional \$590,000+ in annual revenue. Furthermore, the University of Alabama boasts one of the most successful football teams of NCAA history with 18 national championships, drawing nationwide attention and encouraging continued enrollment growth.



 **ONE BEDROOM**  
1 BATH APARTMENTS

 **TWO BEDROOM**  
2 BATH APARTMENTS

 **THREE BEDROOM**  
2 BATH APARTMENTS



## INVESTMENT HIGHLIGHTS

### TIER 1, POWER 5 UNIVERSITY LOCATED IN GROWTH STATE

The University of Alabama experienced a 20% growth in enrollment over the past decade and is the largest University in the state enrolling over 38,300 students. Per Axiometrics, the university is projected to continue enrollment growth through 2025. Current campus expenditures include an \$83 million refurbishing of Peter Bryce Hospital and a \$54 million Hewson Hall addition to the Culver College of Business. The university offers 100+ majors within 13 colleges, with high accolades for their school of Law and Medicine. The student-faculty ratio is 20 to 1 and the most popular majors include Business, Engineering, Health and Communication. The University of Alabama is known for robust academics, research and extracurriculars, and is home to over 20 research centers and institutes.

### IMPRESSIVE STUDENT HOUSING SUBMARKET FUNDAMENTALS

The current off campus competitive set is averaging 96% occupancy this academic year with \$660 effective rents per bed. University-owned student properties are expected to exceed 95% occupancy this academic year and hold a 5% vacancy through 2025 meaning more students will be looking for off-campus housing. There is currently only one student housing property under construction that is expected to add 396 beds by fall 2022. During that time, enrollment is projected to add 228 students which will absorb the new supply.

# RECENT CAPITAL INFUSION ALLOWING A NEW BUYER THE OPPORTUNITY TO BRIDGE THE SIGNIFICANT RENT AND OCCUPANCY GAP

Hillside Commons provides an excellent opportunity to buy a newly renovated asset with rent and occupancy upside while also allowing a new investor the opportunity to take the property to the next level and push rents significantly higher. The Property has recently undergone exterior capital expenditures and interior renovations on 130 of the 136 units, or 264 of the 278 beds. Current ownership invested nearly \$3.5 million into the asset allowing a new buyer the opportunity to bridge the \$40+ per bed gap between the subject and the current competitive set. Additionally, new ownership could reduce the number of model units from 5 to one and the number of employee units which would increase revenue an additional \$60,000 annually. Finally, there is an opportunity to bring the asset to the next level by building a clubhouse on the vacant ~0.6 acres. This would allow Hillside Commons to bridge the \$175 per bed gap between in-place rents and the recently renovated comp set and increase income by \$590,000+ annually.

## RENOVATIONS INCLUDE:



**KITCHEN FULLY RENOVATED**  
*(brand-new kitchen cabinets, granite counters and stainless appliances)*



**NEW VINYL WOOD PLANK AND CARPET THROUGHOUT**



**UPGRADED LIGHTING**



**BATHROOMS FULLY RENOVATED**  
*(tubs, vanities with granite tops, and brand-new toilets)*



**ALL NEW DOORS, TRIM, BASEBOARD AND ELECTRONIC DOOR LOCKS**



**ALL NEW WINDOWS THROUGHOUT THE PROPERTY**



**NEW DOG PARKS**



**PREVIOUS POOL FILLED IN AND CONVERTED TO FIRE PIT LOUNGE AREA & GRILL SPACE**



**BRAND NEW RESORT-STYLE POOL (OPENING SPRING 2022)**



**SECURITY CAMERAS ADDED THROUGHOUT**



**CABLE AND HIGH-SPEED INTERNET ADDED THROUGHOUT**



**LANDSCAPING, IRRIGATION & DRAINAGE IMPROVEMENTS MADE THROUGHOUT**



**ALL NEW FURNITURE AND TVS THROUGHOUT**



**BRAND NEW SECURITY GATE ADDED**

## VALUE ADD POTENTIAL REMAINS AS NEW OWNERSHIP HAS THE OPPORTUNITY TO ADD:



**CLUBHOUSE**



**FITNESS CENTER**



**STUDY LOUNGE**



**COVERED PARKING**



**REDUCING MODEL/STAFF UNITS**



**CHARGING FOR VALET TRASH**



**IMPLEMENTING A SHUTTLE**

# EIGHTEEN TIME, NCAA NATIONAL CHAMPIONSHIP FOOTBALL TEAM

Alabama boasts one of the strongest NCAA football records of all time and continually draws students from all over the world who want to be part of the BAMA pride! Universities with strong athletic programs have seen record enrollment across the country as many students focus more on their college experience over purely seeking academics. The SEC continues to showcase some of the best athletes and teams of all the conferences, and in Alabama's case this is especially true for the 18-time national championship football program. The University of Alabama is also a leader among SEC schools for the number of National Merit Scholars, as it currently enrolls more than 900.



## ROBUST POPULATION & ECONOMIC GROWTH IN ALABAMA

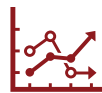
The population increase and economic growth in the state will be exaggerated by new employer relocations which will effectively increase the student base for the Alabama public university system.



**6.3% Growth in State Population from 2010 to 2020**



**Nearly 40% In-State Students**



**Increase Of 27% in Freshman Enrollment Year Over Year**



**Over 5 Million Residents State-Wide**

**Landing**

**Landing to Relocate Headquarters from San Francisco to Alabama Creating Over 800 Jobs, and Over the Next 20 Years Projected to Add \$1.3 Billion in Payroll, \$112 Million to State Revenue and a Return of Investment of 356%**



**KBR to Expand Operations with New Headquarters in Alabama Adding 1,100 Jobs**



**US Space Command Headquarters Plans for Alabama Location Bringing Over 1,400 Service Members and Employees to the State**

## HILLSIDE COMMONS

Address:	1130 Jack Warner Parkway Tuscaloosa, AL
Year Built:	1985/2019
Total Units/Beds:	138 Units   278 Beds
Current Occupancy:	90.3% (11/1/2021) (5.7% below comp set)
Effective Rent:	\$619 per bed (\$40+ below current comp set)
Average Bed Size:	488 SF
Square Footage:	135,688 SF
Number of Buildings:	26
Parking:	328 Surface Parked Spaces (1.24 Spaces / Bed)
Land Area:	13 Acres
Distance to Campus:	0.62 Miles - 5 Minutes



Vacant ~0.6 acres at entrance of the property. Ideal location for a clubhouse and/or additional units.

## Interior Amenities:



Carpet & Luxury Vinyl  
Plank Flooring



Fully Furnished with 55"  
Smart HDTV's



Granite Countertops



Stainless Steel Appliances



In-Unit Washer and Dryer



Key Fob Access



Central Air and Ceiling Fans



Private Patio or Balcony

## Community Amenities:



Outdoor Fire Tower Patio



Largest Area Resident Dog  
Park & Separate Private  
Dog Run



Access Controlled  
Gated Community



New Resort-Style  
Swimming Pool (Opening  
Spring 2022)

# THE UNIVERSITY OF ALABAMA

Founded in 1831, The University of Alabama is the flagship university in the state of Alabama. Stretching across 1,143 acres and enrolling 38,320 students, the university is among the fastest growing flagships in the nation. Within the past decade enrollment has grown by nearly 20%. In response, twelve new residence halls, 88 total facilities and 577 acres of land have been added in the last 10 years to accommodate the growing needs of faculty and students. The university has nearly 600 student organizations and a popular greek life community involving 35% of the student body. The University of Alabama competes in the NCAA Division I Southeastern Conference and has one of the most successful football teams in NCAA history which will continue to drive enrollment.

# THE UNIVERSITY OF ALABAMA

OPERATING AT  
Full Capacity  
FOR THE 2021-2022 SCHOOL YEAR

20%  
ENROLLMENT GROWTH OVER THE PAST DECADE

86%  
FIRST-YEAR RETENTION RATE

R1: Doctoral University Status  
HIGH RESEARCH RANKING

#67  
TOP PUBLIC SCHOOL BY US NEWS  
BEST KNOWN FOR LAW & MEDICAL PROGRAMS



## Off Campus Student Housing Properties:

14,269  
TOTAL OFF CAMPUS BEDS  
(37% of total enrollment)

\$674  
EFFECTIVE RENT PER BED  
(*\$55+ compared to Hillside Common's effective rents*)

96%  
OCCUPANCY AT  
COMPARABLE  
PROPERTIES

Only  
396 Beds  
UNDER CONSTRUCTION  
EXPECTED DELIVERY  
AFTER 2023

Black Warrior River



STUDENT CENTER

UNIVERSITY TOWN CENTER  
♥CVS pharmacy Publix

University Blvd

BRYANT DENNEY STADIUM

Paul W Bryant Drive

THE STRIP  
GALLETTES The Twelve25  
THE HOUNDSTOOTH  
FIREHOUSE SUBS  
Jersey Mike's  
FOUNDED BY FIREMEN  
SUBS

8 \ HILLSIDE COMMONS





# HILLSIDE COMMONS



Jack Warner Parkway



STUDENT RECREATION CENTER

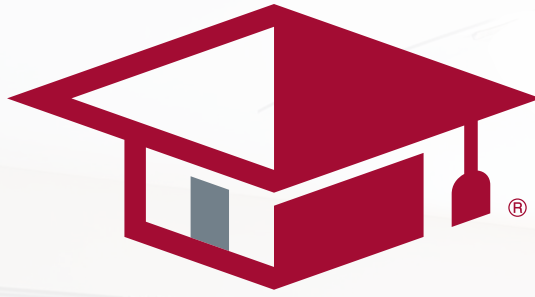
McFarland Blvd

SORORITY & FRATERNITY ROW

SEWELL-THOMAS STADIUM

UNIVERSITY MALL

JC Penney



# HILLSIDE COMMONS

## DEAL CONTACTS

### **TEDDY LEATHERMAN**

Senior Director  
T: 469 232 1975  
D: 503 260 4402  
teddy.leatherman@am.jll.com

### **SCOTT CLIFTON**

Senior Director  
T: 312 300 7286  
D: 847 767 3980  
scott.clifton@am.jll.com

### **STEWART HAYES**

Senior Director  
T: 312 300 7287  
D: 248 939 3990  
stewart.hayes@am.jll.com

### **ANDRE FERRARI**

Associate  
T: 214 692 4717  
andre.ferrari@am.jll.com

### **VALARIE BRADLEY**

Analyst  
T: 469 232 1941  
valarie.bradley@am.jll.com

### **TY MIDDLEBROOKS**

Analyst  
T +1 469 232 1962  
ty.middlebrooks@am.jll.com

## DEBT CONTACTS

### **JOHN GAVIGAN**

Director  
T: 704 526 2809  
john.gavigan@am.jll.com

### **NICHOLAS THORNTON**

Analyst  
T: 980 819 3854  
nicholas.thornton@am.jll.com

