

CANDA MANOR

A P A R T M E N T S

72 UNITS | 58% HAP & 42% MARKET | ISHPEMING, MI

EXECUTIVE SUMMARY



The Offering

Property Summary

ADDRESS	711 W Empire Street
CITY, STATE	Ishpeming, MI 49849
YEAR BUILT / RENOVATED	1974
NUMBER OF UNITS	72 units
AFFORDABLE TYPE	58% HAP & 42% Market
TENANCY TYPE	Family
CURRENT OCCUPANCY	98.6%
AVERAGE UNIT SIZE	720 SF
TOTAL SF	51,840 SF
BUILDINGS	3 Residential, 1 Common
ACRES	7.17 AC
CURRENT DENSITY (UNITS/ACRE)	10.04 units/AC
HAP CONTRACT TYPE	Option 1
HAP CONTRACT EXPIRATION	July 31, 2025
MOST RECENT REAC DATE	June 12, 2023
MOST RECENT REAC SCORE	95b



Offering Procedures

TOUR SCHEDULE:	Please contact Michael Klaskin (michael.klaskin@jll.com) or Rasto Gallo (rasto.gallo@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, income, age, and occupancy restrictions required by the existing HAP Contract.
APPROVALS:	Approval from HUD will be required for the assignment and assumption of the HAP contract. However, approval shall not be unnecessarily withheld from investors. Owner must also notify and receive approval from MSHDA in advance of any sale, assignment, transfer or exchange of the Property.
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 Highlights



PARTIAL HAP CONTRACT PROVIDES STABLE OPERATIONS

- HAP Contract on 42 (58%) Units
- Stable Annual Rent Increases
- HAP Contracts Hedge against Inflation
- Implicit Government Guaranty
- Limited Historical Turnover



RENT UPSIDE

- **\$326+** spread between current contract rents and average market rate rent
- **36.3%** proforma contract growth via Option 1 Mark-to-Market execution



PROXIMITY TO ECONOMIC DRIVERS & AFFORDABILITY

- Canda Manor benefits from its affordability while maintaining proximity to economic drivers such as:
 - Northern Michigan University
 - UP Health Systems - Marquette



Community Amenities

- On-site Leasing Office
- On-site Laundry
- 83 parking spaces
- BBQ Grilling area

Apartment Amenities

- Fully-Equipped Kitchens Include:
 - Dishwasher
 - Electric Range
 - Refrigerator
- Large Closets

Units	Unit Description	SF	In-Place Contract/Market Rents	2024 FMR
21	1 Bedroom, 1 Bath HAP	675	\$849	\$876
15	1 Bedroom, 1 Bath Market	675	\$844	--
21	2 Bedroom, 1 Bath HAP	765	\$954	\$1,054
2	2 Bedroom, 1 Bath Market	765	\$885	--
2	3 Bedroom, 1.5 Bath Market, Deck	765	\$906	--
6	3 Bedroom, 1.5 Bath Market	765	\$985	--
5	4 Bedroom, 1.5 Bath Market, Deck	765	\$960	--
72		720	\$900	\$965

Partial HAP Contract Provides Stable Operations



Implicit Government Guaranty

2023 HUD budget for rental based assistance increased to \$32.1B, a YoY increase of nearly \$1.7B



Consistent, Bond-Like Returns

HAP assets enjoy stable rent increases each year and historically high occupancy



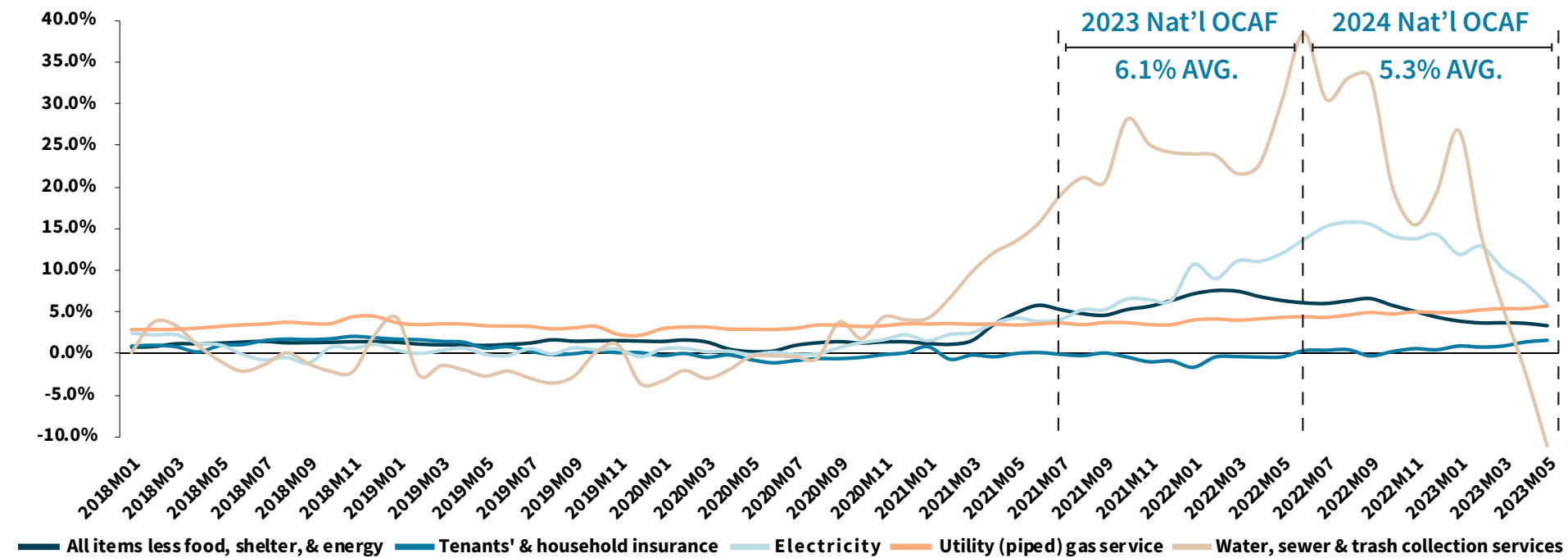
Limited Turnover

There have been approximately 16 units turned over at the Property over the past 12 months, driven by longer tenured residents

HAP Contracts are a Hedge Against Inflation

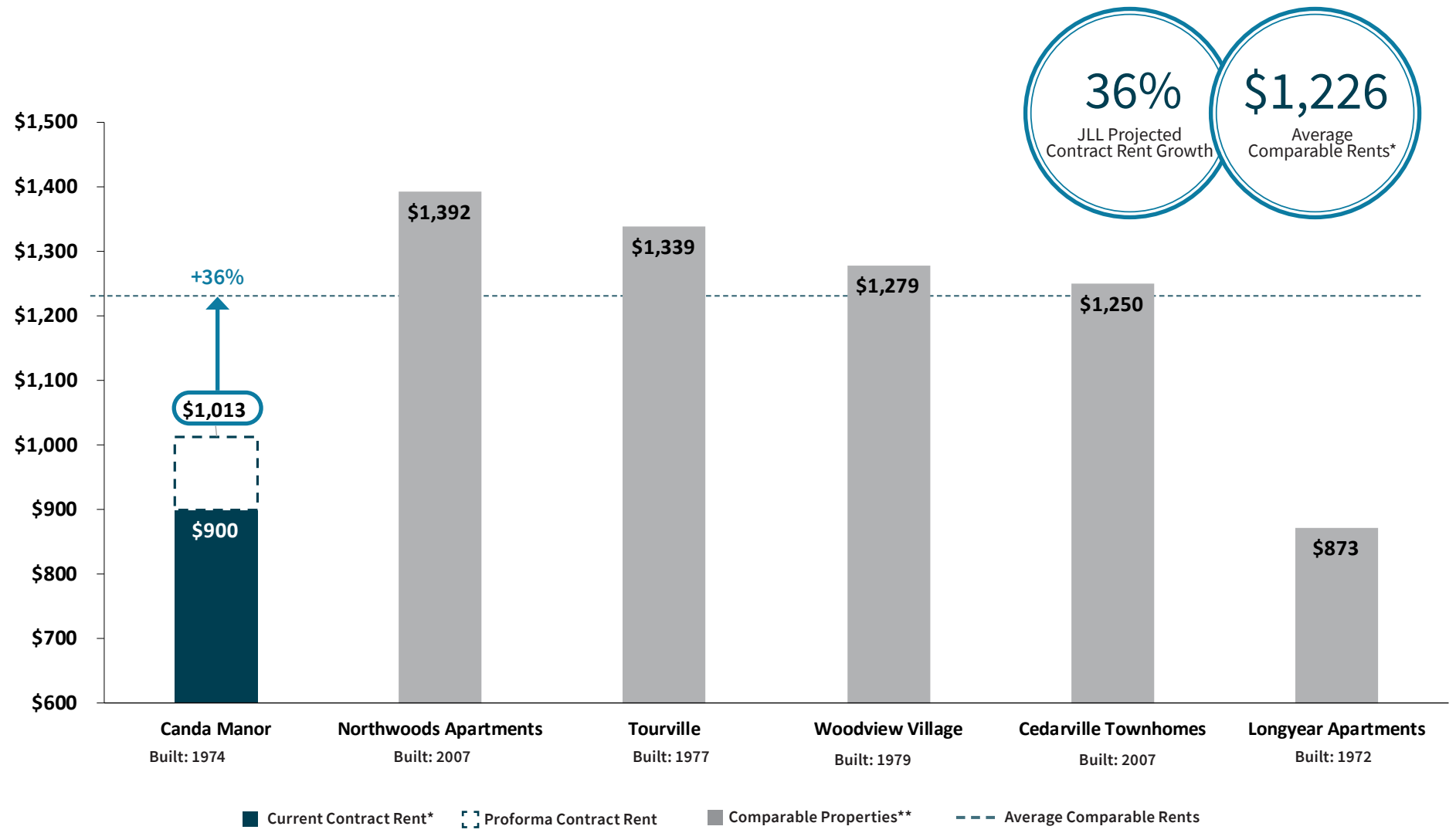
The Property benefits from mid-term rent adjustments every five years, with OCAF increases in between. Six of the nine components of OCAF are directly linked to inflation, mitigating the impact of expense growth on the Property. Furthermore, the nation has experienced out sized OCAF in 2023 and 2024 relative to the historical average.

MoM GROWTH OF OCAF COMPONENTS



Significant Rent Upside

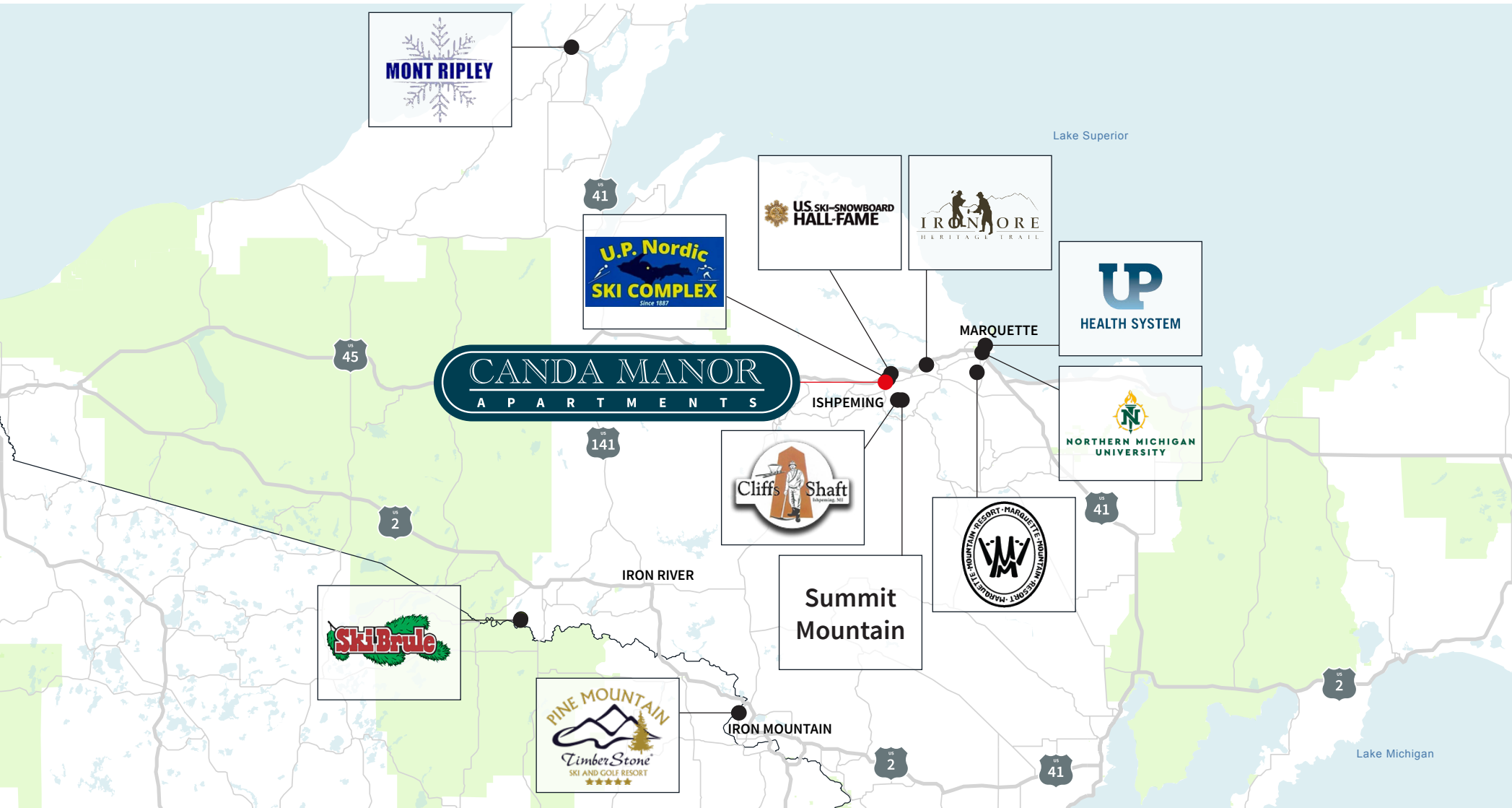
Based on a comprehensive survey of the surrounding rental market, JLL estimates an Investor can benefit from approximately 36% increase in contract rents following a mark up to market extension of the existing HAP contract and increasing market rate units to market.



*Weighted average of contract rents for HAP and Market Rate units at the property.
 **JLL has applied adjustments for utilities consistent with market standards.

Proximity to Economic Drivers With Affordability

The Property is situated approximately 15 miles from Marquette via Highway 41. Residents of Canda Manor enjoy the advantages of being conveniently located near major employment centers in Marquette, while also maintaining affordability. Additionally, Canda Manor's location near numerous national and regional retailers, along with Downtown Ishpeming's thriving local retail scene, adds to its appeal. Furthermore, this location is conveniently close to various recreational attractions such as ski resorts, state parks, and hiking trails, serving as additional economic drivers.



CONTACT INFORMATION

AFFORDABLE HOUSING ADVISORS

Michael Klaskin

Senior Director
Affordable Housing
+1 847 525 5053
michael.klaskin@jll.com

Rasto Gallo

Senior Director
Affordable Housing
+1 216 387 4774
rasto.gallo@jll.com

Doug Childers

Senior Managing Director
Affordable Housing
+1 404 942 3187
doug.childers@jll.com

Michael Fox

Managing Director
Affordable Housing
+1 404 942 2216
michael.fox@jll.com

Melissa Bloem

Director
Affordable Housing
+1 404 942 2215
melissa.bloem@jll.com

CAPITAL MARKETS ADVISORS

C.W. Early

Senior Managing Director
Affordable Housing
+1 972 646 1125
c.w.early@jll.com

David Lott

Vice President
Affordable Housing
+1 727 437 4917
david.lott@jll.com

Jillian Grzywacz

Senior Director
Affordable Housing
+1 202 719 5602
jillian.grzywacz@jll.com

ANALYTICAL SUPPORT

Matt Heidt

Associate
Affordable Housing
+1 404 495 8720
matt.heidt@jll.com

Clifford Murphy

Analyst
Affordable Housing
+1 404 460 1659
clifford.murphy@jll.com

Emma Rollins

Analyst
Affordable Housing
+1 404 995 6512
emma.rollins@jll.com

Anders Russell

Analyst
Affordable Housing
+1 404 995 2217
anders.russell@jll.com



3344 Peachtree Road NE Suite 1200 | Atlanta, GA 30326

www.us.jll.com/capitalmarkets

Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL"), a licensed real estate broker, has been engaged by the owner of the property to market it for sale. Information concerning the property described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2023. Jones Lang LaSalle IP, Inc. All rights reserved.

***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.*