



Providence House

86 UNITS | 91% LIHTC | SENIOR | READING, PA



The Offering

Property Summary		
Address	800 Court Street	
City, State	Reading, PA 19601	
Year Built	1999	
Number of Units	86 units + 1 commercial space	
Tenancy Type	Senior (62+)	
Average Unit Size	484 SF	
Total SF	41,656 SF	
Buildings	1 Building	
Acres	0.58 AC	
Current Density (Units/Acre)	148 units/AC	

Construction Summary		
Framing	Wood framing	
Exterior	Painted stucco and brick	
Roof	Flat, built-up membrane	

Utility Information		
SERVICE	SOURCE	PAID BY
Heat	Electric	Landlord
Cooking	Electric	Landlord
Hot Water	Gas	Landlord
Heating / Cooling	Electric	Landlord
Power	Electric	Landlord
Water/Sewer	--	Landlord

Affordable Summary	
Affordable type	50.59% @ 50% AMI, 40% @ 60% AMI
Year Placed-in-service	2000
End of Compliance Period	December 31, 2015
End of Extended Use	December 31, 2030
Tenant-Based Vouchers	17 Units (19.8%)
Avg. 2025 Max LIHTC Rents	\$1,096

Unit Mix Summary					
Units	Unit Description	SF	In-Place Lease Rent	2025 LIHTC Max Rent	2026 JLL Proj. LIHTC Max Rent
44	1 Bedroom, 1 Bath - 50% AMI	481	\$930	\$1,000	\$1,030
41	1 Bedroom, 1 Bath - 60% AMI	487	\$977	\$1,200	\$1,236
1	1 Bedroom, 1 Bath - Market	539	\$1,020	--	--
1	Commercial Unit	132	--	--	--

AMI & Max Rent Growth						
YEAR	AMI	% Change	Income Limit	% Change	50% AMI Max Rent ¹	60% AMI Max Rent ¹
2025	\$99,800	6.5%	\$53,300	4.7%	\$1,200	\$1,440
2024	\$93,700	-1.7%	\$50,900	0.0%	\$1,146	\$1,375
2023	\$95,300	5.1%	\$50,900	5.2%	\$1,146	\$1,375
2022	\$90,700	10.3%	\$48,400	10.3%	\$1,090	\$1,308
2021	\$82,200	4.6%	\$43,900	4.6%	\$988	\$1,186
2020	\$78,600		\$41,950		\$945	\$1,134

1) 2 Bedroom Max LIHTC Rents. Max LIHTC rents are gross and do not take into account applicable utility allowances.



Offering Procedures

TOUR SCHEDULE:

Please contact Michael Klaskin (michael.klaskin@jll.com), Rasto Gallo (rasto.gallo@jll.com), or Tyler Margraf (tyler.margraf@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 LIHTC LURA.

APPROVALS:

Approvals from the Pennsylvania Housing Finance Agency (PHFA) will be required of a prospective Purchaser. However, approval shall not be unnecessarily withheld from Investors.

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



STABLE BOND-LIKE CASHFLOW

- **+45%** spread between in-place lease rents and market-rate rents
- **5+ year** average tenant tenure
- **96% current occupancy**
- **99% collections**, 31+ days as of April 1st



MARKET CONVERSION FLEXIBILITY

- Potential for a full market conversion due to the **Expiration of the LIHTC LURA in December 31, 2030**
- **+\$325 JLL estimated Rent Upside**
- **100% Market-Rate by January 1, 2034**



ATTRACTIVE SENIOR ASSET BENEFITS FROM OUTSIZED RENTER DEMAND

- **+33% estimated senior population (65+) growth in Berks County by 2035**
- **5,000+ unit shortage** in Berks County as of today
- **+59%** of homes are renter-occupied



IDEAL NEIGHBORHOOD FOR SENIORS

- **Walkability Score of 90**
- Walking distance from various arts and performance centers, the BARTA transit center, and a hospital
- Adjacent to Mount Penn Preserve - a 4,000-acre nature preserve that features 40+ miles of walking and biking trails



CENTRALLY LOCATED IN A KEYSTONE OPPORTUNITY ZONE (KOZ)

- A state-level economic development program designed to revitalize underserved communities throughout PA
- Offers investors incentives that reduces or entirely eliminates state and local tax burdens



Community Amenities

- Community Room with Full Kitchen
- Community Library
- Business Center
- Laundry Facilities (4)
- Resident Lounges (4)
- Picnic Area
- On-Site Beauty Salon
- On-Site Leasing Office
- Controlled Access

Apartment Amenities

- Fully-Equipped Kitchens Include:
 - Electric range
 - Refrigerator
 - Oven
- Handicap Accessible Showers
- Grab Rails in Bathroom
- Fully-Sprinklered
- PTAC Heating/Cooling

Units	Unit Description	SF	Avg. In-Place Lease Rents	2025 Max LIHTC Rents ¹	2025 Max Rent Growth	2026 Max LIHTC Rents ¹	JLL Proforma Market Rent (Jan. 26'-April 26')	JLL Proforma Market Rent (May 26'-Dec. 26')	JLL Proforma Annual Market Rents
44	1 Bedroom, 1 Bath - 50% AMI	481	\$930	\$1,000	3%	\$1,030	\$1,000	\$1,030	\$538,560
41	1 Bedroom, 1 Bath - 60% AMI	487	\$977	\$1,200	3%	\$1,236	\$1,050	\$1,082	\$526,932
1	1 Bedroom, 1 Bath - Market	539	\$1,020	--	--	--	\$1,100	\$1,133	\$13,464
86		484	\$954	\$1,096	3%	\$1,129	\$1,025	\$1,056	\$1,078,956

1) Max LIHTC rents DO NOT take into account applicable utility allowances as all utilities are included in lease rents.

Stable, Bond-Like Cash Flow

Providence House is insulated from typical market volatility and offers Investors a stable return due to the existing rent and income restrictions on 99% of the units. Consistent operations and occupancy are bolstered by a significant spread in rents between nearby market-rate properties and current lease rents. The Property benefits from **strong occupancy at 96%** with a majority of units occupied by long-term tenants with an **average tenure of 5+ years**. The Property also stands as the **premier senior affordable option** in the submarket given its newer vintage (1999) compared to the average vintage across all multifamily assets in the submarket (1950).



+\$450

Avg. Comparable Market-Rate Rent Spread Above In-Place Lease Rents



96%

Current Occupancy



5.2 Years

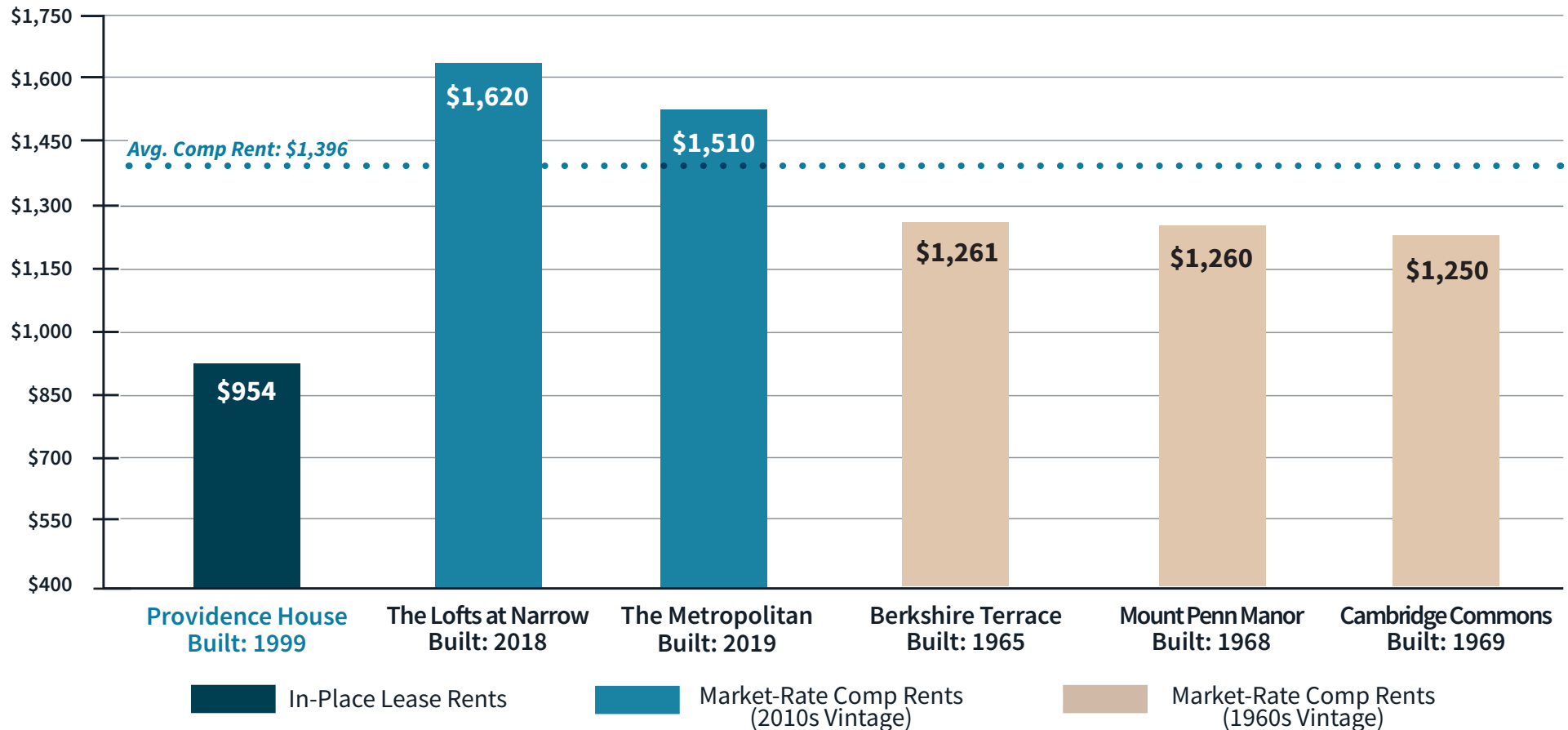
Average Tenant Tenure



99%

Collections (31+ days, as of April 1st)

Market Comparable Rent Spread over In-Place Rents



Market Conversion Flexibility

Providence House is an ideal candidate to potentially undergo a future market-rate conversion and repositioning. Beginning in January 2031, an Investor could begin converting **all of the existing 50% and 60% units to market-rate with all units being market-rate by 2034.**

2031

Decontrol Period

2034

LURA Expiration /
Decontrol Period Begins

End of Decontrol Period /
Property is 100% Market-Rate

Decontrol Period / 3-Year Tail

- During the decontrol period, once an affordable tenant vacates the Property, their unit may immediately be rented to any resident without any rent or income restrictions
- Any current resident that occupied a unit prior to the termination of the extended use agreement must be grandfathered in under the original rent and income restrictions
- Immediately following the end of the 3rd year of decontrol, the property will be fully market-rate



Providence
House



Attractive Senior Asset Garnering Strong Demand

Providence House is located in Berks County, PA - an area that is undergoing a rapid increase in its senior population. Since 2010, the 65+ age cohort has grown 32%+, **making it the fastest growing age demographic in the County**. By 2030, this age group is projected to make up 20% of the County's population, its largest share since the Census began recording population data. There is surplus demand for senior LIHTC units, as the County is **estimating a current housing shortage of 5,000 units**. With over 60% of households unable to afford the median market rent and 75%+ of the County's population earning less than 80% AMI, assets such as Providence House will continue to garner strong demand.



52% Market Rent Growth
(Jan. 2020 - Jul. 2023)

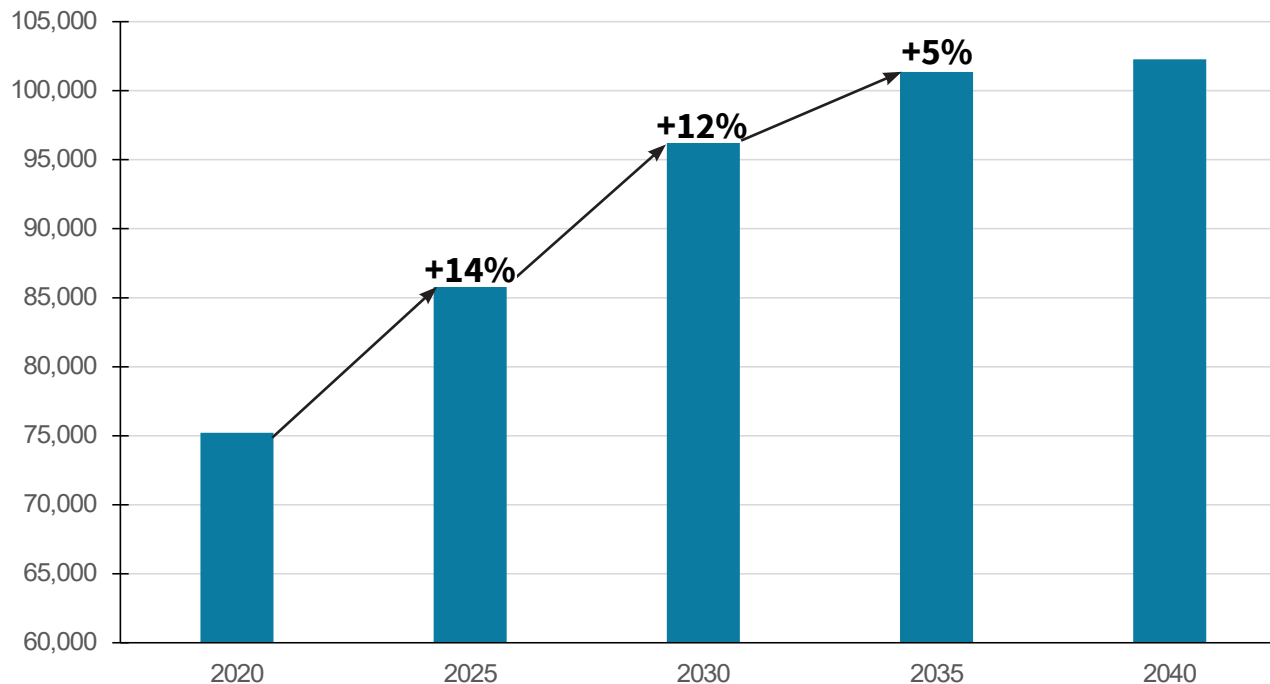


59% of Homes are
Renter-Occupied
(PA avg: 31%)



5,000+ Housing
Unit Shortage in
Berks County, PA

Berks County, PA - Senior Population Estimates



GoggleWorks
Center for the Arts



Reading Area Community College

- 4,700+ Total Student Enrollment
- 650+ Total Employees
- \$15MM Renovation Planned

Santander Performing Arts Center

- Home of the Reading Symphony Orchestra & the "Broadway on 6th Street" series



PennState Health
St. Joseph



CVS

Santander Arena

- \$32MM, 8,800-Seat Multi-Purpose Arena

BARTA Transportation Center

- \$12MM Facility Serves as a Central Transfer Point for Bus Routes



PROVIDENCE HOUSE

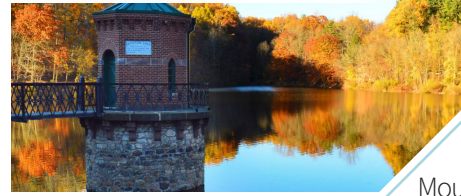


PROVIDENCE HOUSE

Ideal Neighborhood for Seniors

Providence House is centrally located in Reading, PA, making it an ideal destination for seniors. **With a Walkability Score of 90**, Providence House offers easy and convenient access to all of Reading's top amenities, which include various art and performance centers, an arena, a YMCA, a public transit hub, and Reading's largest ambulatory care hospital. In addition, the property is within walking distance of Mount Penn Preserve, a 4,000-acre park featuring miles of walking and biking trails, picnic sites, as well as historic monuments and landmarks.

4,000-Acre Nature Preserve



40+ Miles of Hiking Trails



Mount Penn Preserve

Famous Reading Pagoda



And Many Scenic Views!



- 1 PENN STATE HEALTH - ST. JOSEPH MEDICAL**
Largest ambulatory care center in Reading
 - +200 bed acute care hospital
 - Includes emergency care, cardiac care, women's health, and cancer treatment
- 2 SANTANDER ARENA**
Reading's largest event hub
 - +8,800-seat multi-purpose arena
 - Home of the Reading Royals - the City's minor league hockey team
- 3 BARTA TRANSPORTATION CENTER**
Main public transit hub in Berks County
 - Serves +3MM passengers annually
 - Operates around 28 fixed bus routes throughout Reading and Berks County
- 4 GOOGLEWORKS CENTER FOR THE ARTS**
One of the largest arts centers in the Country
 - +145,000 SF multi-purpose art complex
 - Features 34 art studios, 5 teaching classrooms, and 7 large teaching galleries
- 5 SANTANDER PERFORMING ARTS CENTER**
A historic performing arts theater
 - +1,800 seating capacity
 - +125 events annually, including Broadway shows, concerts, and community events



Centrally Located in a Keystone Opportunity Zone (KOZ)

Reading, PA is home to **6 Keystone Opportunity Zones (KOZs)**,



Pennsylvania's version of an Opportunity Zone. KOZs are designed to stimulate economic development in distressed areas throughout the state and serve as powerful economic development tools aimed at revitalizing low-income communities by attracting investment to areas needing development and improvement. Businesses and property owners located within these designated zones receive substantial benefits including **tax credits, exemptions, and abatements** that reduce or sometimes entirely eliminate state and local tax burdens for up to 10 years. By offering these significant tax incentives, KOZs create powerful financial motivation for investors to direct resources toward previously underinvested communities.

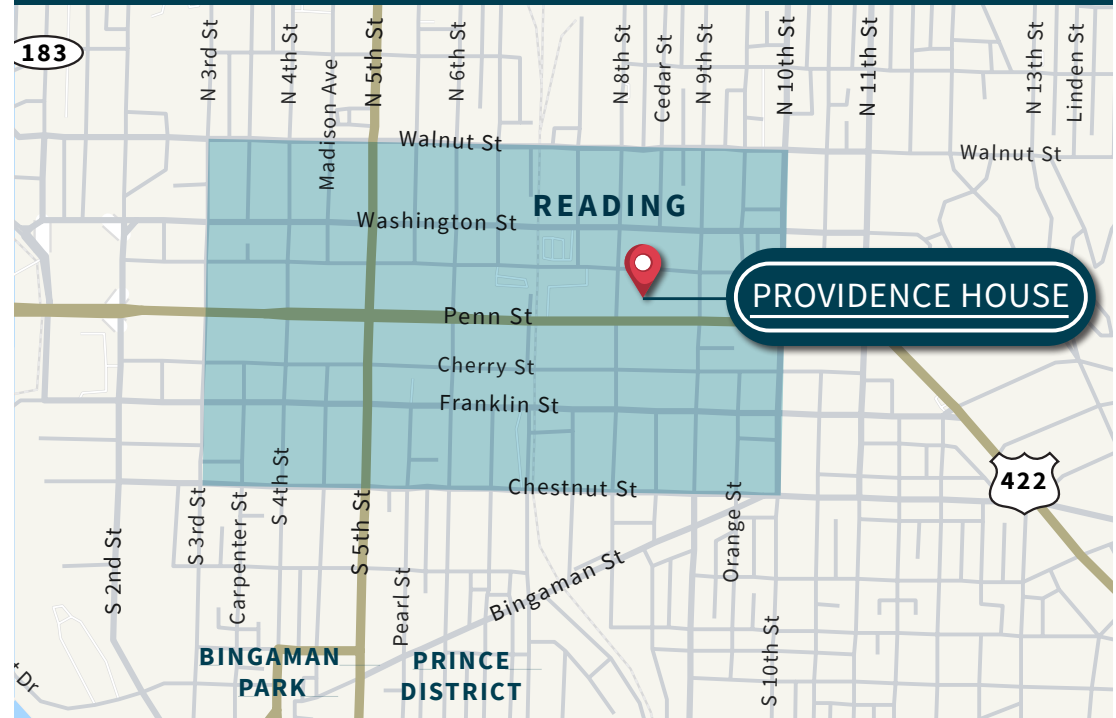
In order to qualify, businesses relocating to a KOZ must either:

Increase full-time employment by 20% within the first full year of operation, or

Make a 10% capital investment in the KOZ Property based on T12 revenues

Within the first 15 years of the Program's inception, KOZs have:

- Garnered \$3.0B+ in Private Capital Investment to Underutilized Communities
- Created or Retained 40,000+ jobs
- Generated \$5 in Economic Activity for Every \$1 Forgone in Tax Revenue



Tax Benefits Include:



Business Net Income Tax:

Up to 100% exemption



Personal Income Tax (from qualified businesses):

Up to 100% exemption



Local Earned Tax:

Up to 100% abatement

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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.