

Cottonwood Forest Condominium Apartments

A 158-Unit Apartment Community Located in Jenison, MI

Class B, Fractured Condominium - 158 Unsold Units (Out Of 168 Units) - Value Add Opportunity



NAI Global
Great Lakes Region

Executive Summary

An aerial photograph of the Cottonwood Forest Condominiums. The image shows two large, two-story brick buildings with red roofs. One building is a long, rectangular structure, and the other is a smaller, more compact building. They are situated on a grassy area next to a large, calm pond. The pond has a small water fountain in the center. In the background, there is a dense forest of green trees. A parking lot with several yellow-painted spaces is visible in the foreground. The overall scene is peaceful and well-maintained.

Cottonwood Forest CONDOMINIUM

Investment Highlights



Stabilized Asset with Significant Upside Potential: Offers investors stable cash flow, along with both rental and operational upside.



Value Add Opportunity: While existing rents are currently below market, the asset offers clear potential for significant rental premiums through implementation of unit upgrades.



High Quality Construction: Brick buildings reduce the cost of exterior maintenance, thus lowering long term capital expenditures.



Little Deferred Maintenance: Well maintained buildings with some capital improvements made recently – reduces need for major capital expenses in the near future (keep more of your cash flow!).



Attractive Grounds: Quiet community nestled on 28.46 acres adorned with professional landscaping, flowering trees, beautiful pond with water fountain feature, nature preserve and walking trails along the Grand River



Strong Rental Submarket: Submarket occupancy exceeds 97% and subject property occupancy is 98.6%, thus supporting healthy annual rental rate increases.



New Financing Opportunity: The property is offered free and clear of existing debt, providing an investor the opportunity to take advantage of the highly aggressive capital markets, low interest rates, long-term financing with interest only period, and maximum leverage.



Priced Well Below Replacement Cost: Maintain rental pricing advantage over any new product constructed in the market.



Stable and Diverse Economy: Grand Rapids metropolitan area is a dynamic and growing market with a stable and diverse economy anchored by over 90 international companies, including 4 of Forbes largest private companies, in addition to a strong medical component.

Offering Summary



Property	Cottonwood Forest Condominium
Property Address	7701 Riverview Drive Jenison, MI 49428
County	Ottawa
Total Units	168
Total Rentable SF	115,662 SF
Average Unit Size	787 SF
Occupancy	98%
Year Built	1972 - 1988
Parking Spaces	170 Covered Carports Spaces 225 Ample Parking Spaces
Parking Ratio	2.35
Land Area	28.46 Acres (multiple tax parcels)
Density	5.9 Units Per Acre

Construction



- Poured Concrete Foundation
- Wood Frame Construction with painted drywall over wood studs



- Brick veneer with vinyl trim
- Thermal pane windows
- Beveled hardwood grain luxury vinyl flooring



- Roof is slopped with wood joist, plywood deck, and asphalt composite shingles



- Hardwired smoke detectors within units and full fire suppression system in each building
- HVAC - Baseboard heaters and wall A/C units



School District



Jenison Public Schools

- Jenison Senior High
- Jenison Junior High
- Pinewood Elementary



Pinewood Elementary - 2017 National Blue Ribbon School of Excellence Award

17:1

Jenison Senior High School Student-Teacher Ratio

#41

Jenison Public Schools Ranked 41st in Michigan

Utilities

Electric

Service by Consumers Energy, Separately Metered

Gas

Service by DTE Energy, Master Metered

Water

Service by City of Grand Rapids, Submetered Per Building

Tenant Pays

Electricity

Landlord Pays

Gas, Sewer, Trash and Water



Apartment Amenities

Excellent Design



Spacious Living Area

Window Coverings

Dining Area

Vinyl & Ceramic Title Flooring

Modern Living



Fully Equipped Kitchen*

Air Conditioning

Cable Ready

Units Available with a Den

Desirable Features



Walk-In Closets

Private Patio & Balconies

Wooded & Pond Views Available

Assigned Cover Parking

Community Amenities

Daily Convenience



24 Hour On-Site Maintenance

On-site Leasing Office with Drop-In Capability

Discounts on Nearby Storage Units

Carports

Coin Operated Laundry Facilities in Each Building & Select In-Unit Washer & Dryers

Package Service

Fantastic Landscaping



Playground

Private Pond for Fishing and Viewing

Community Garden

Private Nature Walking Trails

Pet Friendly Community



Dog Walking Area

One-Time Pet Fee - \$300 Deposit

Monthly Pet Rent - \$25 Per Pet





Unit Mix

				Lease		Projected			
Number of Units	Unit Type	Average SF	Total Rentable SF	Rent Month	Rent SF	Monthly Total	Rent Month	Rent SF	Monthly Total
139	2-1	840	116,760	\$703	\$0.84	\$97,696	\$900	\$1.07	\$125,100
19	2-1 Den	957	18,183	\$796	\$0.83	\$15,123	\$950	\$0.99	\$18,050
158	Total/Avg.	854	134,943	\$714	\$0.84	\$112,819	\$906	\$1.06	\$143,150

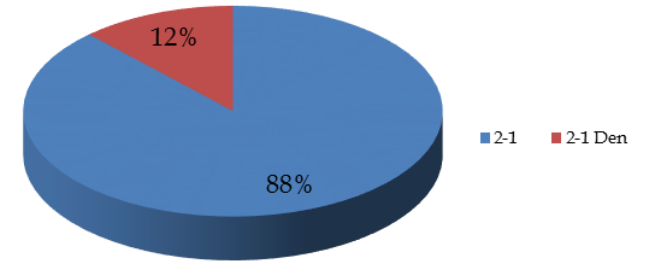
				Lease		Projected			
Unit Status	Number of Units	Average SF	Total Rentable SF	Rent Month	Rent SF	Monthly Total	Rent Month	Rent SF	Monthly Total
Occupied	154	854	131,583	\$714	\$0.84	\$109,915	\$906	\$1.06	\$139,450
Vacant	3	840	2,520	\$734	\$0.87	\$2,202	\$917	\$1.09	\$2,750
Non Revenue	1	840	840	\$703	\$0.84	\$703	\$950	\$1.13	\$950
Total/Avg.	158	854	134,943	\$714	\$0.84	\$112,819	\$906	\$1.06	\$143,150

Note:

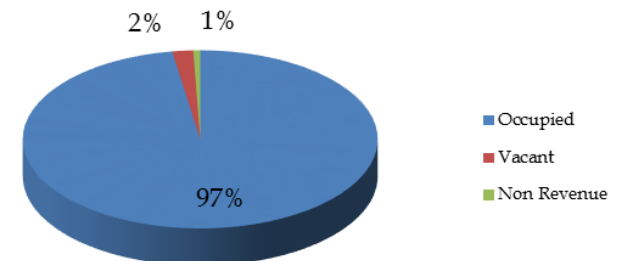
Lease rents reflect Apartment Rent Roll as of November 16, 2018.

Projected rents reflect current estimated market rents based on lease comparable data and current rent roll.

Unit Mix Summary

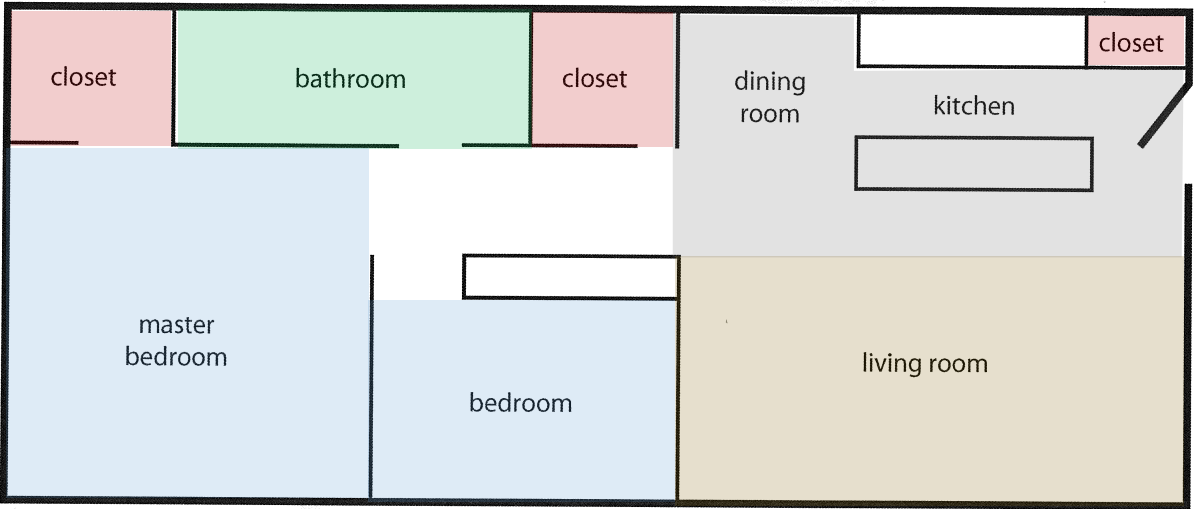


Occupancy Summary



Two Bedrooms Floor Plans

FLOOR PLAN
2 bedroom
776 sq. feet

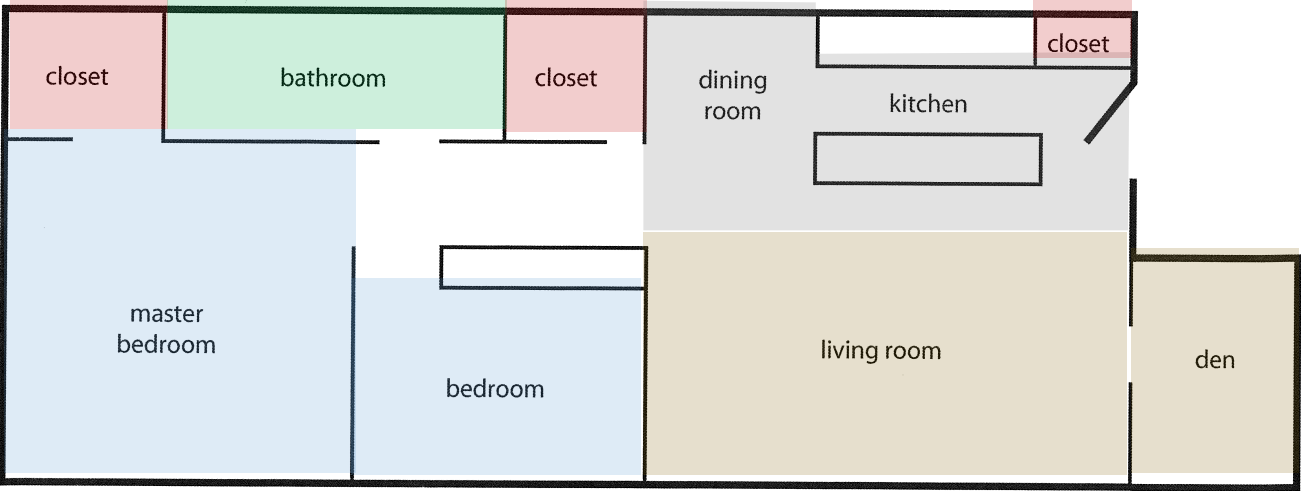


Condominium
Measurements

2b 1b
776 SF

2b 1b Den
882 SF

FLOOR PLAN
2 bedroom w/den
882 sq. feet

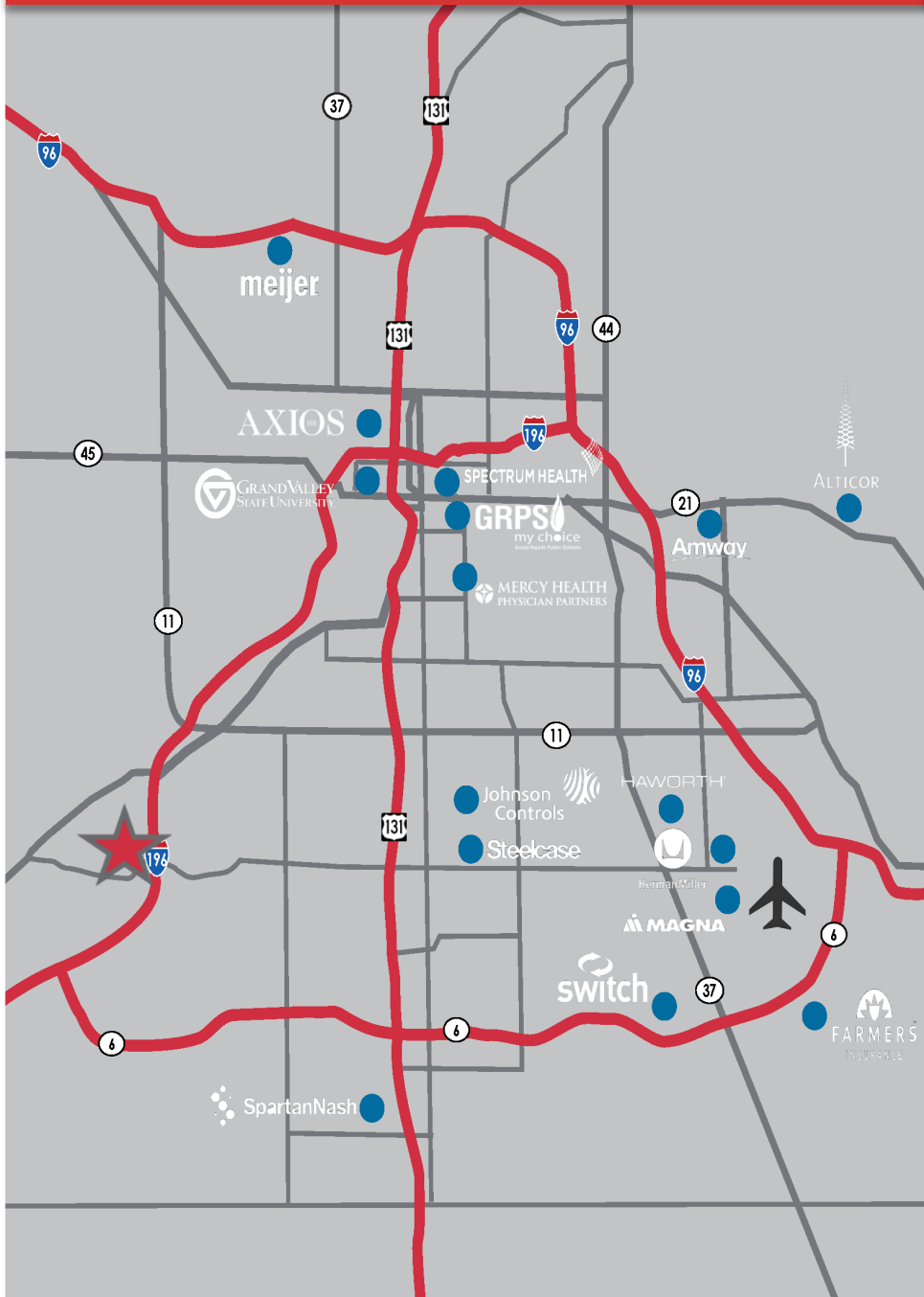


Apartment
Measurement
(BOMA)

2b 1b
840 SF

2b 1b Den
957 SF

Grand Rapids' Largest Employers



Grand Rapids' Universities & Colleges



1. Aquinas College
2. Calvin College
3. Central Michigan University
Grand Rapids Center
4. Western Michigan University
Cooley Law School
5. Cornerstone University
6. Davenport University
7. Ferris State University
8. Grace Bible College
9. Grand Rapids Community College
10. Grand Valley State University
11. GVSU - Cook-DeVos Center
For Health Sciences
12. GVSU - Kirkoff College of Nursing
13. GVSU - Robert C. Pew Campus
14. Kendall College of Art & Design
15. Kuyper College
16. Michigan State University - College of
Human Medicine
17. Secchia Institute for Culinary Education
18. Western Michigan University - Beltline
Location
19. Western Michigan University -
Downtown Location

Grand Rapids' Retail Attractions



1 Woodland Mall



2 Shops at Centerpoint



Grand Rapids Michigan

Population



198,829

The 2017 Population of the City of Grand Rapids

Primary Renters



46,387

34.3% of city residents are **primary renter age** between 18-34 years old

Education



85.4%

85.4% of Grand Rapids residents hold a high school degree or higher

Household Value



\$113,600

The median home value is based on owner occupied housing

Median Household Income



\$42,019

Since 2011 the median income has grown **4.5%**

Businesses



16,153

67.4% of Grand Rapids Residents are in the Labor Force

For quite some time, Grand Rapids has been creating an irresistible aura and energy, providing a perfect place for growth and stability. Far from the generic, Grand Rapids offers the tools and resources to be successful. With its diversified economy, hard working citizens and extensive natural resources, it has proven that even through the toughest of times, it can far exceed what is expected. Grand Rapids is the world headquarters companies such as Amway, BISSELL, Steelcase, Herman Miller, and Wolverine World Wide, which have contributed to this Midwest economy's unprecedented growth and investment. It is no surprise the Wall Street Journal recently recognized Grand Rapids as the 2nd best place to live in the United States, as well as being voted the #1 place that Millennials are flocking to in the U.S. to get a job, buy a home, and start a life.

31.1

MEDIAN AGE of Grand Rapids RESIDENTS

55.2% OF EMPLOYED GRAND RAPIDS RESIDENTS WORK IN **WHITE-COLLAR OCCUPATIONS**

OCCUPANCY & RENT TRENDS AT A GLANCE



93.2% OCCUPANCY RATE Down 1.7 bps since 2017



\$955 ASKING RENTS Up 4.0% since 2017



0.76% CONCESSIONS Down 24 bps since 2017



Source: Data USA, CoStar Group, U.S. Census Bureau

Why Grand Rapids?

#1

Hottest Real Estate Market to Watch in 2018, Trulia

#1

Fastest Growing Economy City in the U.S, Forbes

#2

Best Large Cities to Start a Business

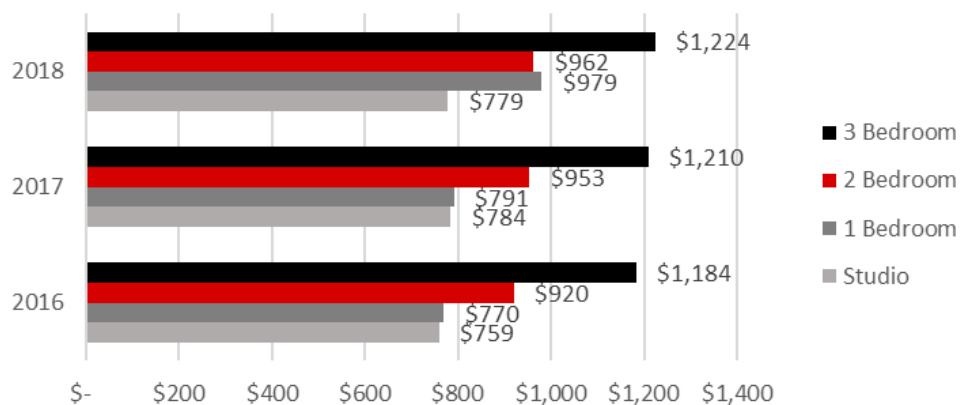
#3

Nation's Best Economy

#4

High-Tech Workforce in the Nation

Average Rents by Unit Type



University Enrollment

Colleges and Universities	Enrollment
Grand Rapids, MI	
Grand Valley State University	25,049
Grand Rapids Community College	14,285
Davenport University-Western Region	8,423
Calvin College	3,840
Aquinas College	1,900
Cornerstone College	1,856
Western Michigan University	1,500
Ferris State University—Grand Rapids	1,425
Kendall College of Art and Design	1,071
Total	58,349



Employers

Employers	Employees
Spectrum Health	21,300
Axios, Inc.	8,000
Meijer, Inc.	7,725
Mercy General Health	6,446
Amway Corp. (Hotels Included)	5,233
Spartan Stores, Inc.	4,176
Johnson Controls	4,050
Grand Rapids Public Schools	4,000
Grand Valley State University	3,991
Perrigo Company	3,800
Herman Miller Inc.	3,300
Steelcase, Inc.	3,200
Total	75,221

Grand Rapids Attractions



Van Andel Arena

One of the nation's highest revenue arenas in it's size category and host to Grand Rapids Griffins (Red Wings Affiliate team) Capacity: 12,500.



"Medical Mile"

More than two dozen hospitals and medical related entities grouped along Michigan Street in downtown GR.



DeVos Place Convention Center & Performance Hall

163,000SF column free exhibit hall and adjoining 2,404 seat state of the art performing theater.



Gerald R. Ford Presidential Museum

Highlights and honors the life and public service of the 38th President of the United States.



Grand Rapids Art Museum (GRAM)

Gold Level LEED Certified Building that houses modern art exhibits from around the world and key location of Art Prize.



Grand Valley State University

With over 25,000 enrolled, GVSU made the Forbes list for best valued public regional university



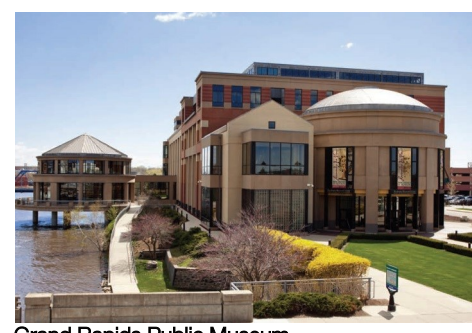
Fifth Third Ball Park

Home of the West Michigan Whitecaps who are the Class A farm team for the Detroit Tigers. Capacity is 10,071.



John Ball Zoo

4th most visited cultural facility in Michigan with an \$30 million economical impact. New tiger facility and the newly built treehouse banquet hall accessible by monorail.



Grand Rapids Public Museum

Focused on a fun learning environment, including a well rounded list of science, natural science, industry and natural history exhibits. Newly renovated Planetarium and hosts many social events.



Founders Brewing Company

Rapidly growing as one of the most popular and largest craft breweries in the nation, Founders Brewing Co. offers delicious craft beers in a relaxing musical environment.

Highlighted Projects



Canopy by Hilton / Studio Park

The Canopy by Hilton hotel and Studio Park will be located adjacently to one another, both hosting amenities found nowhere else in the state. Canopy is a proposed 164-room hotel focusing on the uniquely local culture in its designs and features. One of which is a rooftop bar serving local brewed beer overlooking Park Place. Park Place is a \$140 million project including a 9-screen theater, 250 living units, and 40,000 square feet



Frederik Meijer Gardens and Sculpture Park Expansion

Groundbreaking for the \$115 million expansion project took place this past October at the Meijer Gardens. This expansion will continue over the next four years, adding more room for guests to move about safely, host more events, and create additional space that is LEED-certified and architecturally significant. This is one of the state's leading tourist attractions, and new developments hope to grow those numbers.



Warner Building

The \$55-million Warner Building will encompass 291,549 square feet and include a seven-story parking deck with 400 parking spaces. The development will feature a Hyatt Place hotel, restaurant, shops and Chemical Bank's main West Michigan office. The tower will also be occupied by Grand Rapids-based law firm Warner Norcross + Judd. The first tenants are expected to move in in late 2019.



24-Story DeVos Place hotel

A proposed \$97 million 400-room hotel addition to DeVos Place convention center. The addition would solve the downtown's need for another convention hotel, while also utilizing the under-used section of the area. The project would mean the City of Grand Rapids and Kent County would own a hotel.



GVSU Health Building—Raleigh J. Finkelstein Hall

Grand Valley State University expects to begin construction in December on a new \$37.5 million health building downtown to provide space to meet the growing demand of students seeking careers in health professions.

Grand Rapids

By the Numbers

#1

"City in the Nation for Greatest Decrease in Unemployment from 2009-2015"

Site Selection Group - 2016

Top 25

"Best Performing Cities in America"

The Millen Institute - 2016

#1

"Beer City, U.S."

Beer City USA Poll - 2012-2013
USA Today - 2016

#1

"Best Housing Market in the US"

Forbes.com - 2016

#1

"Airport in America For It's Size"

Airports Council International - 2016

#1

"Largest Art Competition in the World"

Art Prize - 2009-2015

#1

"Best Place to Live in the U.S."

U.S. News & World Report - 2016

#20

"52 Places to Go in the World in 2015"

New York Times - 2016

#3

"Best Mid-Sized Cities for Jobs"

Forbes.com - 2014

#4

"Best Cities For Finding Jobs"

Forbes.com - 2014

#1

"America's Next Boomtowns"

Forbes - 2016

#9

"Fastest Growing Economy in the U.S."

Brooking Institution - 2015

#5

"In the U.S. Winter Job Outlook"

Manpower Group - 2015

#1

"Top 15 Places To Visit in the U.S. in 2015"

Groupon - 2015

#6

"In the Nation for Major New Corporate Facilities and Expansions"

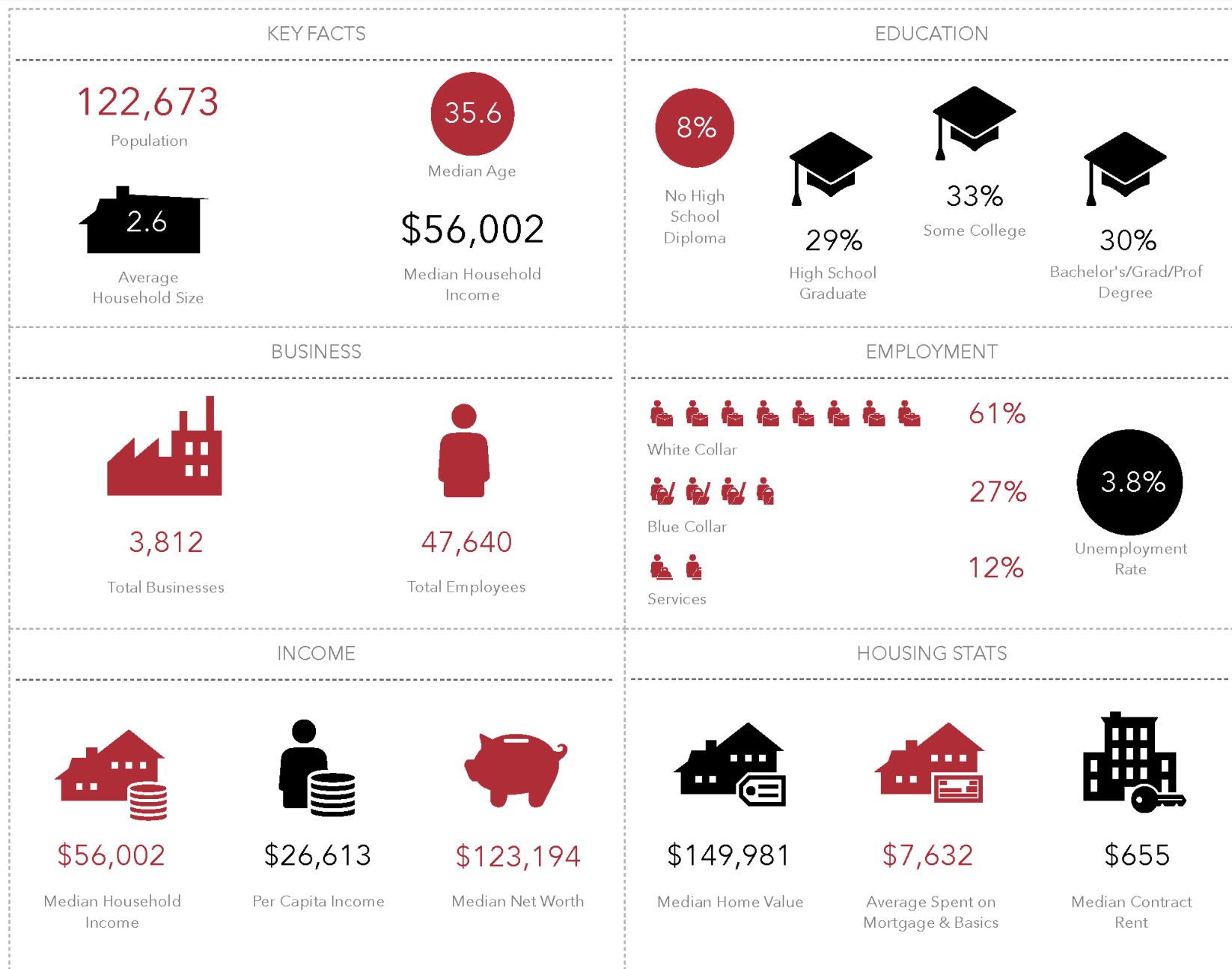
Site Selection Magazine - 2016

#2

"Most Secure Metro in the U.S."

State Farm Insurance - 2014

Property Demographics - 5 Mile Ring



Source: This infographic contains data provided by American Community Survey (ACS), Esri, Esri and Bureau of Labor Statistics, Esri and Infogroup. The vintage of the data is 2011-2015, 2017.



Exclusively Listed By:

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Great Lakes Region

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