



community STARTS HERE

WALKER & DUNLOP

MULTIFAMILY RENTAL CONSTRUCTION FORUM



HOME BUILDERS ASSOCIATION
OF MICHIGAN



CONSTRUCTION
ASSOCIATION OF
MICHIGAN



APARTMENT ASSOCIATION OF MICHIGAN

Walker & Dunlop

WHO IS WALKER & DUNLOP

Ranked #1 Multifamily Capital Provider by the MBA in 2021

\$116 Billion of commercial Real Estate Loans; comprising 7,600 loans and over 2 million apartment units

#1 Fannie Mae Lender Nationwide

We offer debt placement, investment sales and co-investment through mezzanine and equity participation

July of 2021 purchased Zelman & Associates, an industry leading housing research firm

Walker & Dunlop

David Wilkins

Managing Director, Bloomfield Hills

Experience, 40 years

Expertise in Affordable housing, and debt restructuring

Board Member Apartment Association of Michigan



Charles Krisfalusi (Charlie)

Senior Director

Experience +10 years Commercial Real Estate

Expertise; Acquisition, Rehab

Strengths; Tax Credits, complex structures



Michael Manetta, CPA

Senior Analyst

Experience +10 years Public Accounting

Expertise; Refinance and small balance lending

Strengths; disposition and recapitalization



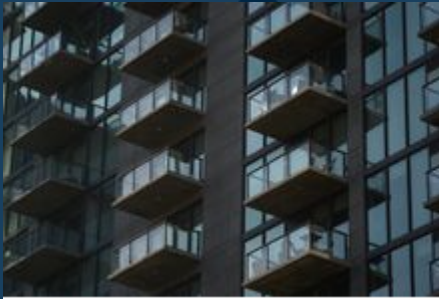
HOW LONG SINCE YOU HAVE BEEN TO AN APARTMENT COMMUNITY?

HBA Multifamily Construction Builder of the Year 2021

Dilusso Builders

Damiano DiMercurio





PROPERTY REPORT

Rising Interest Rates Concern Apartment-Building Owners, Renters

Returns fall below mortgage figures, with landlords looking at higher rents to fill the gap.

Konrad Putzier and Will Parker | May 24, 2022

POLITICS

Biden Administration Targets Housing Supply Shortage with Affordable Housing Plan

The regulatory moves are technical and modest, though the administration hopes they will collectively dent the housing shortage of millions of U.S. homes over the coming years.

By Andrew Ackerman and Nicole Friedman 8 hours ago

PROPERTY REPORT

Dreaded Commute to the City Keeps Offices Mostly Empty

Urban areas where people live closer to work have a higher return-to-office rate, a WSJ analysis shows.

Konrad Putzier | May 31, 2022

Organizations address affordable housing challenges

Danielle Nelson - April 29, 2022

The availability of affordable homes in West Michigan is scarce, according to some area housing experts.

Opinion: Why housing costs aren't likely to cool despite potential market slowdown

The coming months will give us the final answer on how buyers and builders respond to the surge in mortgage rates in this supply-constrained market.

Index falls 4%, Dow skids about 900 points on inflation, rate fears

Investors' fears over inflation and the economy's outlook in the face of rising interest rates tipped the S&P 500 into bear-market territory, lifted bond yields and dragged down cryptocurrencies and other riskier holdings. If the loss holds to the close, the S&P would fall into a bear market for the first time since 2020.

- **Bond Yields Surge Ahead of Fed Meeting**

How the Fed Rate Change Will Affect You

Higher rates could affect how much you pay on your mortgage, credit cards and car loans.

Fed Likely to Consider 0.75-Percentage-Point Rate Increase

A string of troubling inflation reports is likely to lead Federal Reserve officials to consider surprising markets with a larger-than-expected interest rate increase at their meeting this week. 42 min ago ⌚ 5 min read

PROPERTY REPORT

Office Building Owners Drown in Sublease Space

Office space is hitting the market as landlords grapple with low demand, lease expirations.

Mortgage rates are rising, but the hot housing market is slow to cool

Near the end of April, mortgage purchase applications were down 17% from a year earlier, according to the Mortgage Bankers Association.

YOU HAVE DEEP AND EXPERIENCED
RESOURCES AVAILABLE TO YOU

Michigan is the Amazon of multifamily ownership, development and management



Walker & Dunlop

OUR PANELIST

Walker & Dunlop

Jon Durham

Owner, Developer, Manager

Urban Kalamazoo Portfolio

Market Rate and Tax Credit Properties

Residential and Commercial

Steve Calverley

CEO - Krimson, LLC

Owner, Developer, Manager

Portfolio of 50 properties across Michigan

Market Valuation exceeds \$500mm

Jason Fracassa

CFO – DevMar Development, LLC

Owners, Developers

\$200mm Development Experience

Dual Sports Scholarships

Dave Vivio

President - O'Brien Construction

Large Regional Contractor

Market Rate and Tax Credit Properties

Residential and Commercial

WHAT WILL WE ASK THESE BUILDERS

WHAT SKILLS DID YOU BRING/BUY?

WHAT WAS UNIQUE ABOUT THE LOCATION/PROJECT?

HOW LONG DID THE PROJECT TAKE?

HOW MUCH DID THE PROJECT COST?

SELF MANAGE OR THIRD PARTY MANAGE?

CURRENT ASKING RENTS?

Recent Michigan Multifamily Developments



Above: Walbridge Common Apartments, Kalamazoo



Left: Marquette Apartments, Milford

Recent Michigan Multifamily Developments



Central Park Apartments
Greenville, Michigan

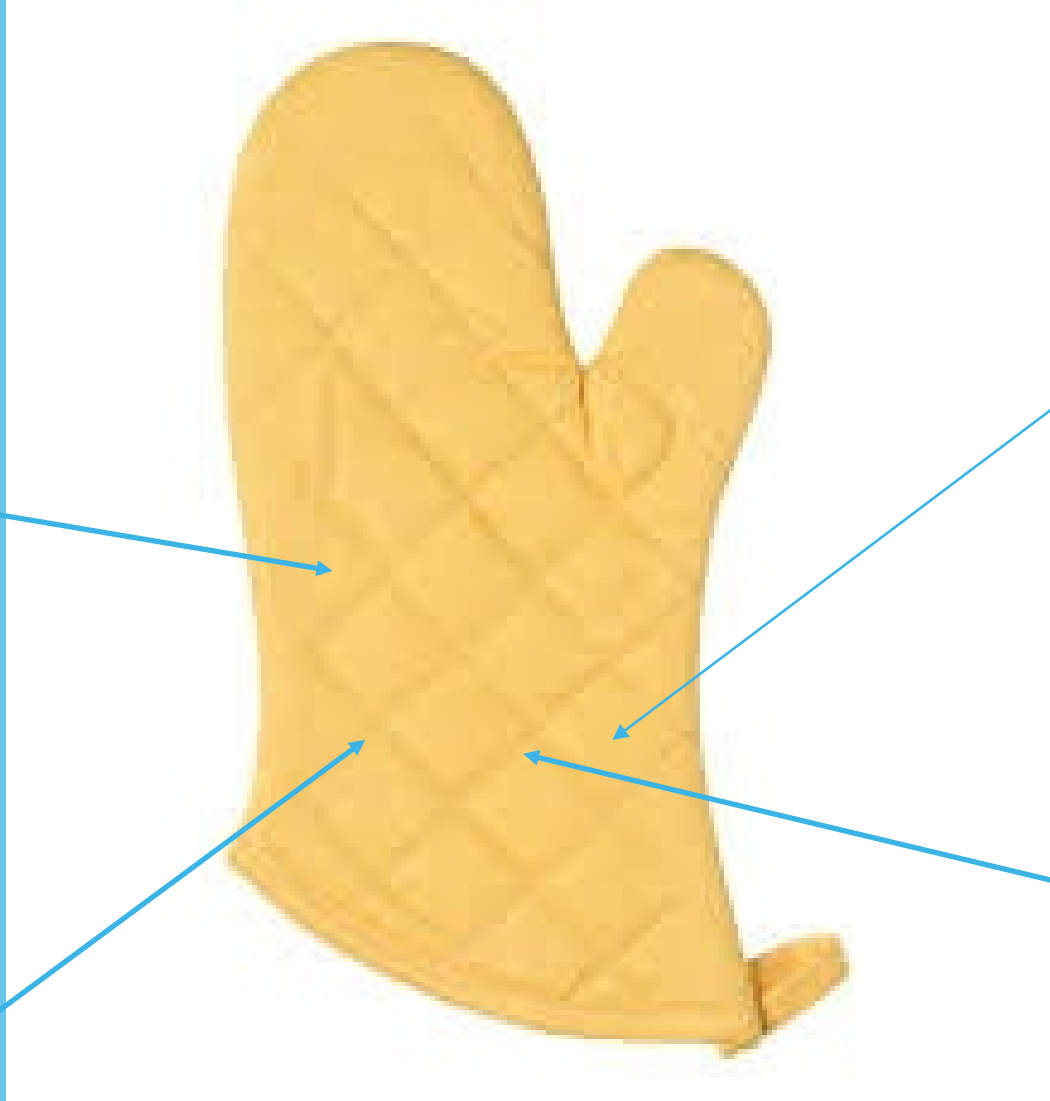
PROPERTY LOCATOR MAP



Greenville, MI



Kalamazoo, MI



Troy, MI



Milford, MI

THE WALLBRIDGE COMMONS APARTMENTS

KALAMAZOO, MI

JON DURHAM

CO-DEVELOPER AND CO-OWNER

SELF MANAGED

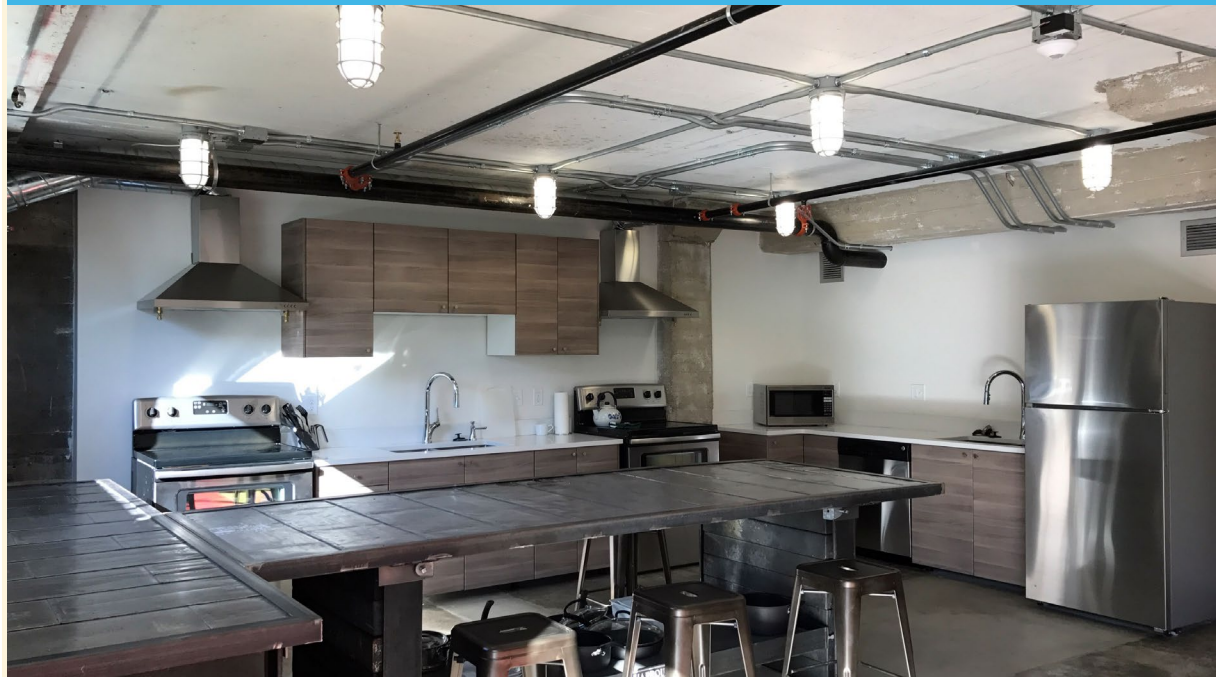
John Durham

Profession: Mortician/Developer/Owner

Construction: Substantial Rehabilitation

Property Type : Urban/mixed use/market rate

Property Location: Kalamazoo/Urban



Walbridge Commons Apartments

- * Was GC on project
- * Knew market well
- * Metal siding
- * Energy efficiency
- * Self managed
- * Specialty financing

Current Occupancy

Current Asking Rents

1 bedroom: \$1,325 / 750 sq ft

2 bedroom: \$2,105 / 1000 sq ft



Walbridge Commons Apartments

- * Was GC on project
- * Knew market well
- * Metal siding
- * Energy efficiency
- * Self managed
- * Specialty Financing

Exposed concrete and brick



HVAC system, unpainted doors



When design and
cost need to co-exist



Commercial Tennant



Creates a unique tenant amenity



THE CENTRAL PARK APARTMENTS

GREENVILLE, MI

STEVE CALVERLEY

OWNER/SYNDICATOR/
DEVELOPER/MANAGER

Steve Calverley

Profession: President Krimson

Construction: New Construction

Property Type : Suburban / market rate

Property Location: Greenville, rural/suburban



Central Park Apartments

- * Hired GC
- * Knew market well
- * Work force housing
- * Appliance package
- * Self managed

Current Occupancy

Current Asking Rents

1 bedroom: \$ 990 / 685 sq ft

2 bedroom: \$1,250 / 1080 sq ft



Newly Constructed work force housing

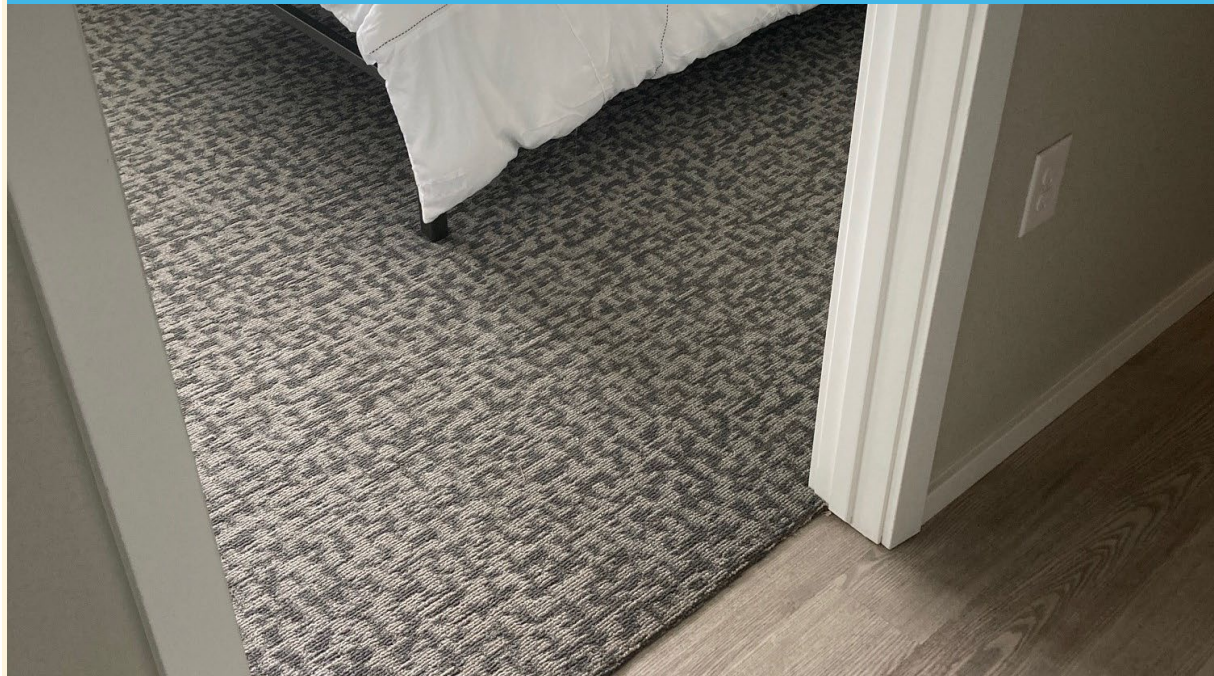
Exterior Door Key Fob



Vinyl Siding



How Do you Build Workforce Housing?



Central Park Apartments

- * laminate countertops
- * value engineered exterior
- * use of laminate and carpeting

Energy Saving Devices



Exposed HVAC



Amenities to attract and keep tenants



Outdoor Community Grills

Attractive play area

Donated Land for Community Bark
Park

RENT COMPARISON

	Bed/Bath	Sq.Ft.	Rent	Rent/Sq.Ft.
Wallbridge	1/1	750	\$1,325	\$1.77
	2/1	1,000	\$2,105	\$2.11
Central Park	1/1	685	\$990	\$1.45
	2/2	1081	\$1,250	\$1.16

THE MARQUETTE APARTMENTS

MILFORD, MICHIGAN

JASON FRACASSA

OWNER/SYNDICATOR/DEVELOPER

Jason Fracassa

Profession: CFO, DevMar Development, LLC

Construction: New Construction

Property Type : “urban” / market rate

Property Location: Milford, suburban



The Marquette Apartments

- * Hired GC
- * Knew market well
- * Workforce housing
- * Appliance package
- * Self managed
- * Bank to HUD financing
- * Bark Park amenity

Current Occupancy

Current Asking Rents

1 bedroom: \$1,914 / 852 sq ft

2 bedroom: \$2,170 / 1092 sq ft



The Marquette Apartments

Community Room

Granite Counters

Stainless Appliances

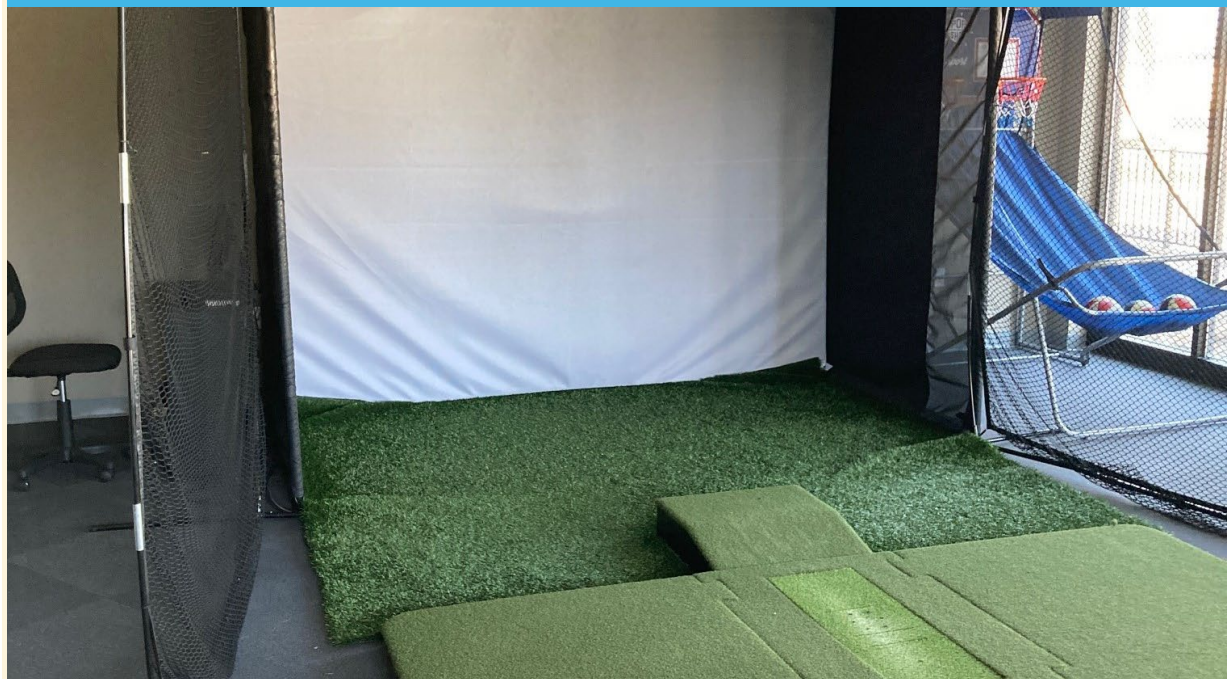
Space Saving Washer/Dryer



Exposed HVAC

Vinyl Flooring

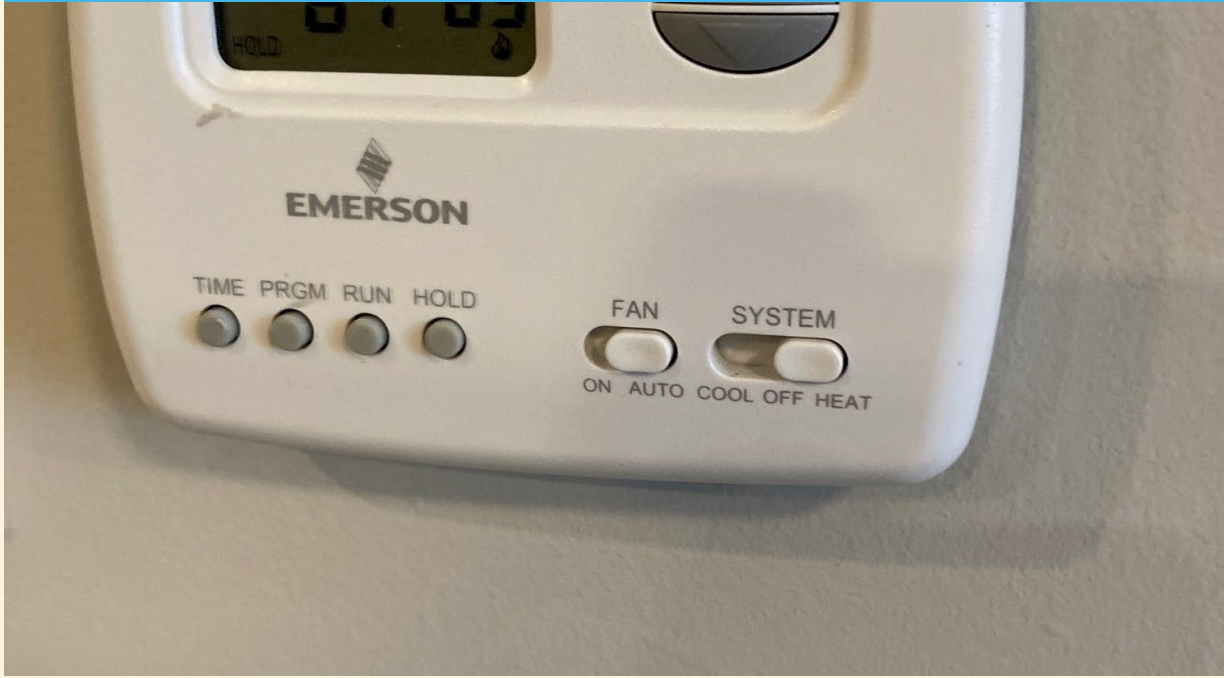
Amenities to attract and retain tenants



Exercise Room is all but required in moderate and large communities.

Tenants ask; What else can you offer?





The apartment interiors have to
deliver as much as the amenities



modern, clean, fresh

RENT COMPARISON

	Bed/Bath	Sq.Ft.	Rent	Rent/Sq.Ft.
Wallbridge	1/1	750	\$1,325	\$1.77
	2/1	1,000	\$2,105	\$2.11
Central Park	1/1	685	\$990	\$1.45
	2/2	1,081	\$1,250	\$1.16
Marquette	1/1	852	\$1,914	\$2.25
	2/2	1,092	\$2,170	\$1.99

THE ZEN APARTMENTS
AT ZEN CITY CENTER

TROY, MICHIGAN

DAVE VIVIO

GENERAL CONTRACTOR

Dave Vivio

Profession: President, O'Brien Construction

Construction: New Construction

Property Type : “urban” / market rate

Property Location: Troy, suburban



The Zen Apartments

- * Developed entire Parcel
- * Experienced in Multifamily Development
- * Tax Credit Housing experience
- * High rise, mid rise and garden level experience

Current Occupancy

Current Asking Rents

1 bedroom: \$2,000 / 860 sq ft
2 bedroom: \$2,585 / 1,143 sq ft



The community provides gathering
areas on par with fine hotels

7,000 square feet
Indoor/Outdoor fireplaces
Grilling area
Game room

What amenities drive rent?

STEAM
ROOM

SAUNA

Mail Rooms are a must for mid rise buildings

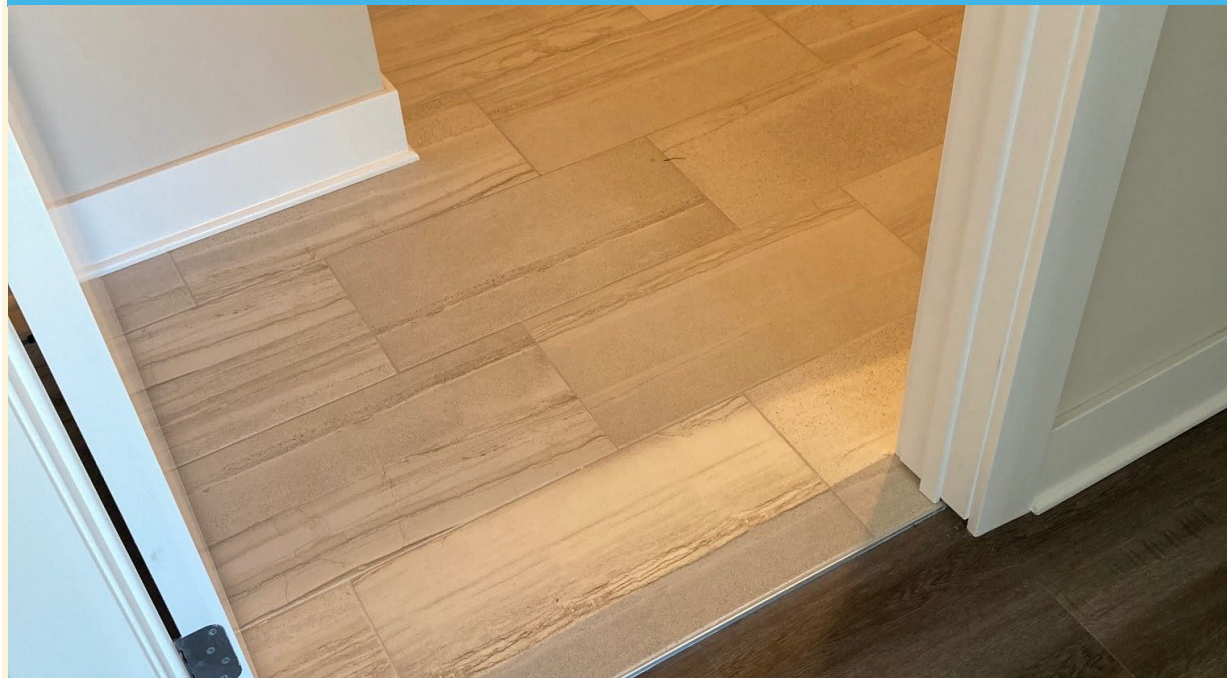


Tenants want smart amenities like
package acceptance/storage

Tenants Want Smart Units



Class-A rents require Class-A finishes



- Upgraded Appliances
- Tile Bathroom Floors

What Drives Rents?



RENT COMPARISON

	Bed/Bath	Sq.Ft.	Rent	Rent/Sq.Ft.
Wallbridge	1/1	750	\$1,325	\$1.77
	2/1	1,000	\$2,105	\$2.11
Central Park	1/1	685	\$990	\$1.45
	2/2	1,081	\$1,250	\$1.16
The Marquette	1/1	852	\$1,914	\$2.25
	2/2	1,092	\$2,170	\$1.99
Zen City Center	1/1	860	\$2007	\$2.33
	2/2	1,143	\$2,584	\$2.26

THE LIGHTNING ROUND!!!

WITH LIMITED AUDIENCE
PARTICIPATION

Walker & Dunlop

THE LIGHTNING ROUND!!!

DO YOU HAVE AN ONGOING MULTIFAMILY
PROJECT GOING ON NOW?

WHERE?

HOW MANY UNITS?

THE LIGHTNING ROUND!!!

DO YOU HAVE PLANS TO BEGIN A NEW
MULTIFAMILY PROJECT IN THE NEXT
12 TO 18 MONTHS?

WHERE?

HOW MANY UNITS?

THE LIGHTNING ROUND!!!

ARE YOU MORE CONCERNED ABOUT
INTEREST RATES OR BUILDING COST?

THE LIGHTNING ROUND!!!

WHAT IS THE MORE IMPORTANT
ADAGE?

LOCATION, LOCATION, LOCATION

PARTNERS, PARTNERS, PARTNERS

BUY LAND, THEY AREN'T MAKING
ANY MORE

(H I N T , A L L O F T H E A B O V E)

THE LIGHTNING ROUND!!!

WHAT ADVICE WOULD YOU GIVE
YOUR YOUNGER SELF ABOUT
MULTIFAMILY DEVELOPMENT?

FUTURE TOPICS TO DISCUSS

SFR-BFR

(WHEN IS A SUBDIVISION NOT A SUBDIVISION?)

COMPUTER PRINTED HOMES

(WE'RE GOING TO NEED A BIGGER CARTRIDGE)

TAX CREDITS

(HISTORIC, NEW MARKET, AFFORDABLE)

W & D

Bloomfield Hills

and

Nationwide

www.walkerdunlop.com