



FINCH TOWERS - SCRANTON, PA.

434 Wyoming Ave • Scranton, PA 18503

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FINCH TOWERS - SCRANTON, PA.
Scranton, PA
ACT ID Z0300244

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INVESTMENT OVERVIEW



EXECUTIVE SUMMARY

		VITAL DATA		
			CURRENT	YEAR 1
Price	\$3,300,000			
Down Payment	25% / \$825,000	CAP Rate	5.76%	6.17%
Loan Amount	\$2,475,000	GRM	6.76	6.44
Loan Type	Proposed New	Net Operating Income	\$190,115	\$203,595
Interest Rate / Amortization	5.15% / 30 Years	Net Cash Flow After Debt Service	3.39% / \$27,945	4.42% / \$36,425
Price/Unit	\$68,750	Total Return	7.69% / \$63,484	8.95% / \$73,837
Price/SF	\$230.21			
Number of Units	48			
Rentable Square Feet	14,335			
Year Built / Renovated	1896 / 1982			
Lot Size	0.65 acre(s)			

**Down Payment Grant Available
Assumable Debt Available
See Page 7 For Details**

UNIT MIX		
NUMBER OF UNITS	UNIT TYPE	APPROX. SQUARE FEET
16	1 Bedroom / 1 Bath	360
32	Efficiencies	268
48	Total	14,335



MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Community Pharmacy Services	1,800
Scranton Hospital Company LLC	1,231
Mercy Health Partners	1,120
University of Scranton	1,020
Quincy Scranton Hospital LLC	1,005
Prudential	890
Lackawanna County Government	714
Cpg International Holdings LP	695
US Post Office	659
City of Scranton	610
Foster Penn Inc	516
Allied Rehab Hospital	500

DEMOGRAPHICS

	1-Miles	3-Miles	5-Miles
2017 Estimate Pop	22,589	92,223	120,533
2010 Census Pop	22,497	91,848	120,056
2017 Estimate HH	7,956	36,626	48,774
2010 Census HH	7,953	36,687	48,875
Median HH Income	\$29,664	\$37,888	\$40,312
Per Capita Income	\$17,921	\$22,073	\$23,613
Average HH Income	\$45,272	\$53,403	\$56,616

INVESTMENT OVERVIEW

Marcus and Millichap is pleased to present for sale the Finch Towers Apartment Building, located at 434 Wyoming Avenue, Scranton, PA., just north of US 11 and PA 307 in the Downtown Scranton Multi-family Submarket. This 48 unit 5 story Mid-Rise Class B Apartment Building is categorized as; Subsidized HUD Low-Income - Section 8 Affordable Senior Housing Units. Finch Towers has significant historical prominence, and is registered on the 'National Register of Historical Places - Pennsylvania, Lackawanna County.

The subject property is a renaissance revival style stone building designed by William Scott-Collins; construction started in 1896 and was completed in 1899. The first occupant was the International Correspondence School in the early 1900's; in 1976 it was added to the National Historic Registry; in 1983 the property was renovated and converted into an apartment building. The property has had significant repairs and improvement projects completed over the past six years. (See Pages 9 - 10)

The subject property has 30 surface parking spaces, sites on .65 acres of land, and has a typical floor plate of 9,747 square feet - totaling 48,735 square feet. This asset is ideal for a non-profit, or apartment investor looking for a stabilized 'affordable housing' apartment building. The property is walking distance to many local amenities with a 90 point walkability score.

Ownership also recently updated the Elevator Systems

INVESTMENT HIGHLIGHTS

- 48 Unit Mid-Rise Apartment Building in Downtown Scranton, PA.
- Low Income - HUD Section 8 Affordable Housing
- Upside in Increasing Rents
- *Grants Available - Up to \$750,000 for Qualified Non-Profits*
- Significant Repairs and Improvements Completed Over Past Six(6) Years



INVESTMENT OVERVIEW**Assumable Mortgage Info:**

The two Mark-2-Market HUD mortgages are assumable: HUD mortgage #35174V totals \$766,609, HUD mortgage #35174W totals \$1,089,613

HUD would generally consider forgiveness on indebtedness for qualified non-profits.

Accrued and unpaid interest to date:

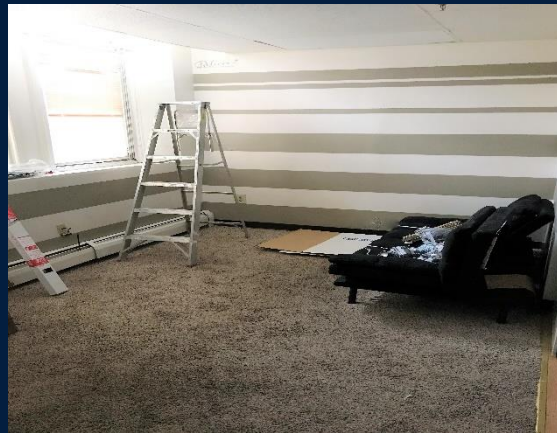
#35174V = \$152,136

#35174W = \$137,479

The assumption of the HUD debt would be an offset against the purchase price. The sale is not contingent on assuming the debt. The property can be purchased free and clear.

Section 42 of the IRS Code (Low Income Housing Tax Credits) are available on a competitive basis for rehabilitation of the property. The applications for that funding are available through PA Housing Finance Agency. Pre-application due July 13, 2018. Application due end of September, 2018. Generally, properties that have a stable rental scenario accompanied by project-based Section 8 HAP contracts are looked at favorably during the application process.

**** Grant Funding is available for qualified, bone-fide non-profits seeking to acquire this property. We can provide a direct contact to apply for a grant. Funds are available up to \$750,000.*****



PROPERTY OVERVIEW

The Finch Building is located on Wyoming Avenue, just north of US 11 and PA 307, in downtown Scranton, Pennsylvania, United States. It is a stone building designed by William Scott-Collins in the Renaissance revival style and completed in 1899.

It takes its name from the Finch Manufacturing Company, a maker of finished steel products such as manhole covers that had been based in the city for much of the later 19th century. Its first occupant was the International Correspondence School, a business that offered study-by-mail classes to the many coal miners in the Northeastern Pennsylvania region. The school, founded in 1894, had quickly outgrown its offices at the nearby Coal Exchange Building and needed the space. Later it was used as offices for the Hudson Coal Company. In 1976 it was added to the National Register of Historic Places. Today it has been remodeled into an apartment building called Finch Towers.

48 one bedroom units.

5 Stories

Project-Based Rental Assistance

Finch Towers is a HUD Apartment. HUD residents usually pay 30% of their gross income for rent. The rent amount, less approved HUD deductions such as medical and child care expenses, and other allowances, includes a utility allowance. HUD Residents also may choose to pay what is known as flat rent. The HACC works with applicants to determine which rent arrangement is best for them. Finch Towers is a Senior Low-Income Housing Apartment Building subsidized by the federal governments HUD (Housing and Urban Development Division).

Established as apartments in 1982



Common Area Amenities

- First Floor Lobby Area
- Large Social Room on the First Floor - w/ TV
- Full Laundry on the First Floor
- Two Public Restrooms on the First Floor



PROPERTY REPAIRS AND IMPROVEMENTS

DATE	VENDOR	ITEM	Invoice	Location	paid in full
9/10/2012	PACE Construction	gutters, roof repairs, front door, carpet, community room bathroom	133,237.00	lobby	9/24/2012
9/24/2012	PACE Construction	lobby carpet, new office	1,392.00	lobby	9/24/2012
8/1/2013	Diamond Door & Hardware	closers for fire doors	925.38	Hall	8/27/2013
9/30/2013	AJS Mechanical	Thermostat & radiator valves, valve actuators	1,008.00		10/10/2013
10/2/2013	Taylor Structures	Shed	1,987.00	Grounds	10/2/2013
2/12/2014	AJS Mechanical	Pump, kit, gasket	585.65	Apt 209	3/7/2014
9/3/2014	Mechanical Service Co.		1,943.41		12/30/2014
12/31/2014	Lameo & Associates	install new shower faucet	695.00	Apt 412	1/8/2015
1/17/2015	Lameo & Associates	new anti-scald self balance tub & shower faucet, shower arm	1,000.00	Apt 108 & 106	5/8/2015
2/20/2015	Capie Sprinkler Inspection	replaced two sprinkler heads damaged by ice	770.00		3/15/2015
3/1/2015	Lameo & Associates	replace two tub & shower faucets	1,935.00	Apt 309 & 405	11/7/2016
4/24/2015	Port elevator	replace interlock latch assemble	625.50	Elevator	2/18/2016
5/4/2015	D&O Enterprises	Elevator Replacement	142,000.00	Elevator	6/2/2015
5/28/2015	Site Service Group	Professional surveying	3,000.00	grounds	8/16/2016
12/11/2015	Lameo & Associates	Replace & supply shower faucet, replace fittings to retro fit new faucet	525.00	Apt. 102	12/1/2016
12/21/2015	AAA Hockenberry	Gutter repair & refinishing	4,000.00	Roof	2/4/2016
12/28/2015	AJS Mechanical	Replace valve	647.90	Apt, 307	2/3/2016
12/31/2015	SCE Environmental Group	Mold Abatement and demo apt	3,449.00		10/11/2017
1/1/2016	AAA Hockenberry Roofing	sealed cracks missing motor & gaps	650.00	Roof	3/18/2016
1/9/2016	Lameo & Associates	Replaced tub/shower Faucet	643.00	Apt 106	2/23/2017
3/4/2016	Stanley	4040 Series Door closers	725.40	Hall	8/30/2017
3/28/2016	AJS Mechanical	Replaced second valve	647.90	Boiler Room	3/1/2016

PROPERTY REPAIRS AND IMPROVEMENTS

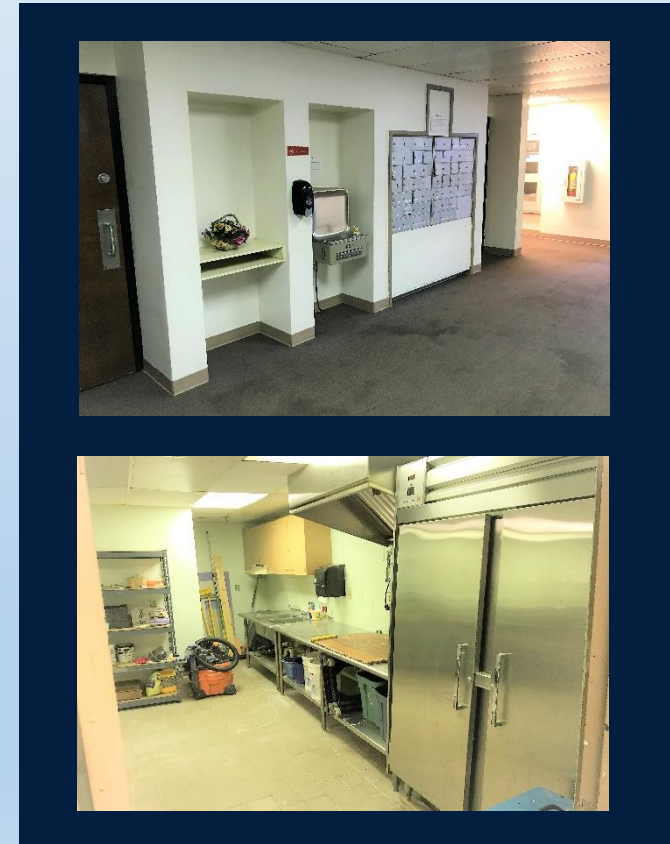
4/28/2016	Capie Sprinkler Insp.	Installed Sprinkler Head	676.00	In the egress area on 2nd flr.	7/17/2017
6/2/2016	AJS Mechanical	Replaced ball & thermostatic valve & valve head	978.00	boiler room	9/9/2016
6/29/2016	D & O Enterprises	Dry Wall	3,850.00	Apt. 307	7/6/2016
7/21/2016	AAA Hockenberry	Roof Repair	6,900.00	Roof	9/20/2016
9/21/2016	Capie Sprinkler Insp.	Install 1 DCDA backflow preventer and test	3,183.58	Maintenance area	12/1/2016
10/26/2016	Mittelman/Lowes	Carpets	856.57	Apt. 302 & 210	12/1/2016
1/30/2017	Advanced Bio Treatment	Bio Clean Up	2,500.00	Apt. 210	8/30/2017
2/22/2017	Mittelman/Computer Ex	Computer & set-up	641.91	Office	3/27/2017
3/7/2017	Mittelman/Lowes	Carpet	543.29	Apts109 & 207	4/13/2017
9/20/2017	Mechanical Service Co.	Battery Charger, Terminal End, Cable & Lugs,	807.41	Generator Room	11/7/2017
9/27/2017	Mechanical Service Co.	Refurbish & Reinstall Heat Pump	3,101.33	Boiler Room	11/7/2017
9/28/2017	Mechanical Service Co.	Replace flow check valves, fittings, discharge valve, piping around main mixing valve	4,700.00	Boiler Room	11/7/2017
10/1/2016	Port Elevator	Repaired elevator door lock. Not making contact	1,215.00	Elevator	6/1/2017
10/7/2017	Lameo & Associates Inc.	Replaced tub & shower faucet, plate, shower arm, backing board, access door, arm diverter, wall mount braacket, spray head with hose, R-vales	1,291.00	Apt 301 & 303	2/5/2018
10/16/2017	D & P Plumbing & Heating	Replace Tub & Shower Faucets, cut panels, unstaill shower trim & spout. Replace shout offs, braided LAV supply, Replaced R-value,	776.04	Apt 103, 211,305,405,403	1/9/2018
10/18/2017	Mechanical Service Co.	Labor, overfill valve, excavating, travel & misc material	4,442.33	Boiler Room	11/7/2017
10/25/2017	Mechanical Service Co.	Replace 3 polit stats, 2 sets of ribbon burners & 1 complete pilot assembly.	2,790.00	Boiler Room	11/7/2018
10/31/2017	Capie Sprinkler Inspect.	Replace 2 sprinkler heads and replaced gauges	940.00	Apt 306 & 204 & main water supply room	1/24/2018
11/7/2017	Mechanical Service Co.	Replace six burners to fire correctly, plug-in flame sensor, gas valve & pilot assembly	1,250.00	Boiler Room	1/24/2018
12/7/2017	Mechanical Service Co.	Install pressure relief valve, pressure indicator & thermometer	2,375.00	Boiler Room	1/24/2018
1/3/2018	Mechanical Service Co.	Troubleshoot heat on 4th floor, bllled air from baseboard, adjustments	1,137.95	4th floor	1/24/2018
1/24/2018	Mechanical Service Co.	Repair Exhaust Fan in laundry room	1,171.90	Laundry Room	1/24/2018
2/20/2018	D&P Plumbing & Heating	Replaced Faucet Body, shower trim & spout, replace angle stop valve & water supply line toilet,,	775.00	Apt 211, 202 & 103	1/9/2018
4/4/2018	Eric S. Smith Best Value Har	Improvements to Apt 412	12,000.00	Apt 412	5/29/2018
5/2/2018	Mechanical Service Co.	Install safety valve, boiler thermostate and repairs	1,516.89	Boiler Room	6/8/2018
5/14/2018	Trigard	Install three cameras	975.00	parking lot & alley	6/12/2018

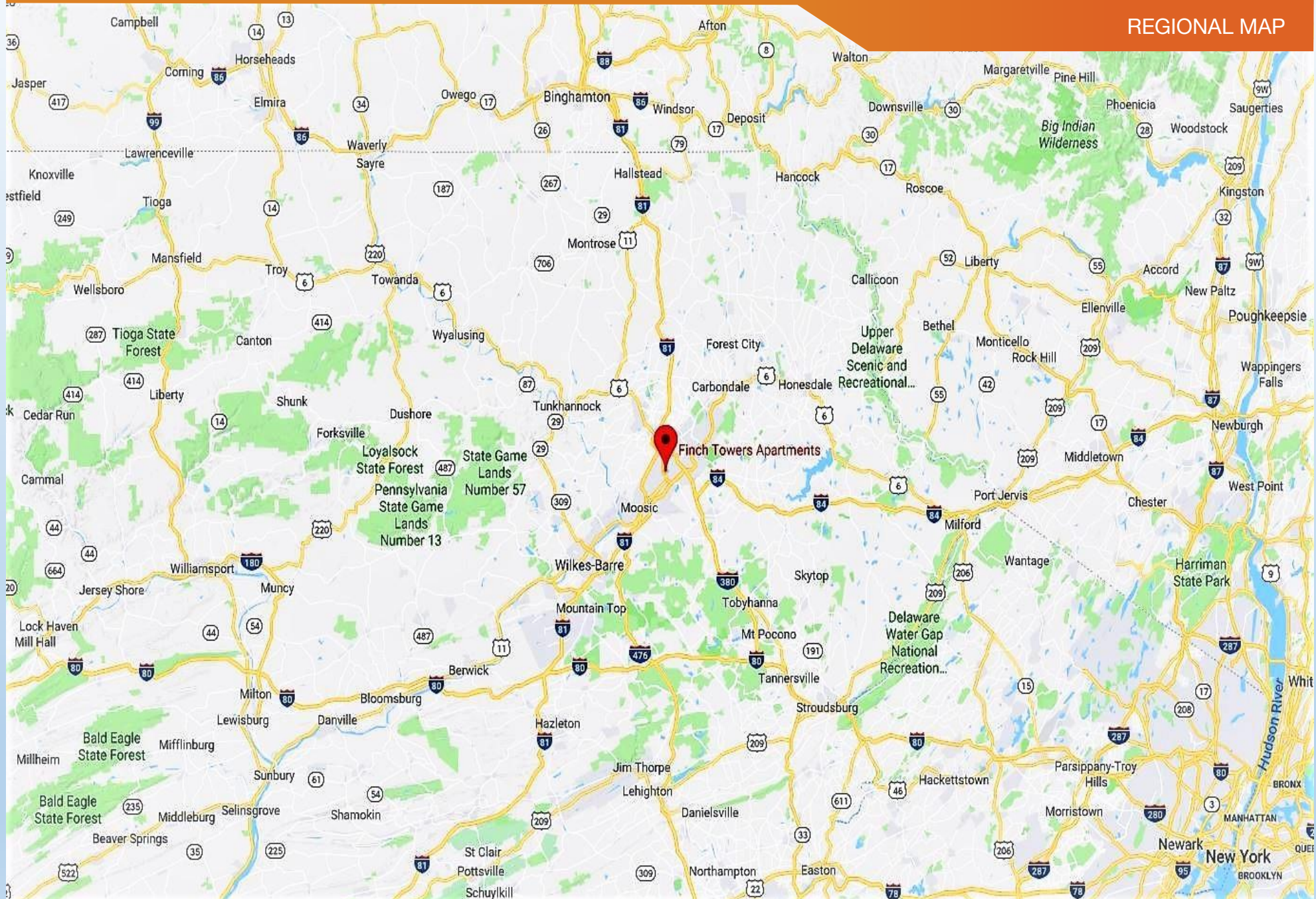
PROPERTY SUMMARY

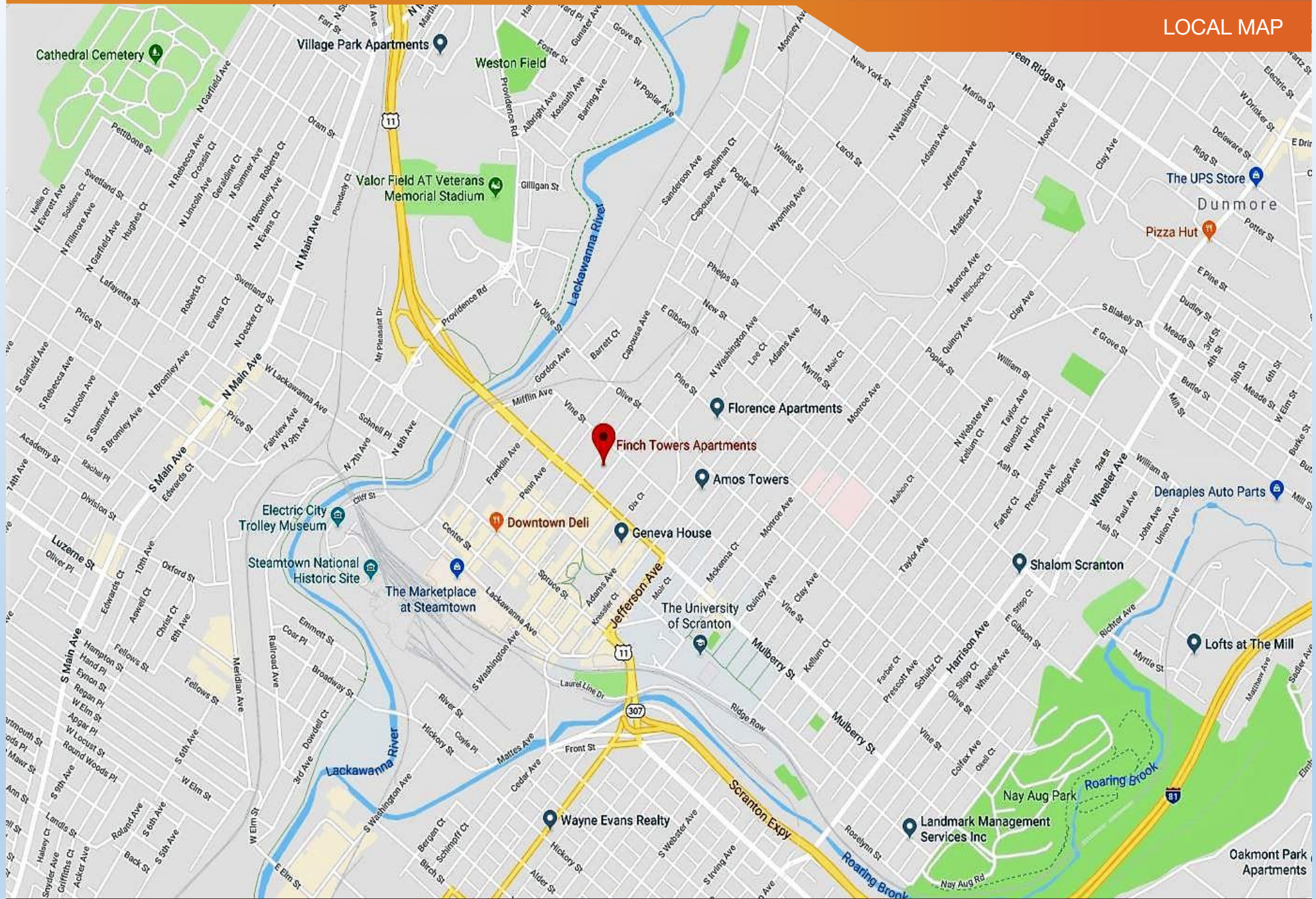
THE OFFERING	
Property	Finch Towers - Scranton, PA.
Price	\$3,300,000
Property Address	434 Wyoming Ave, Scranton, PA

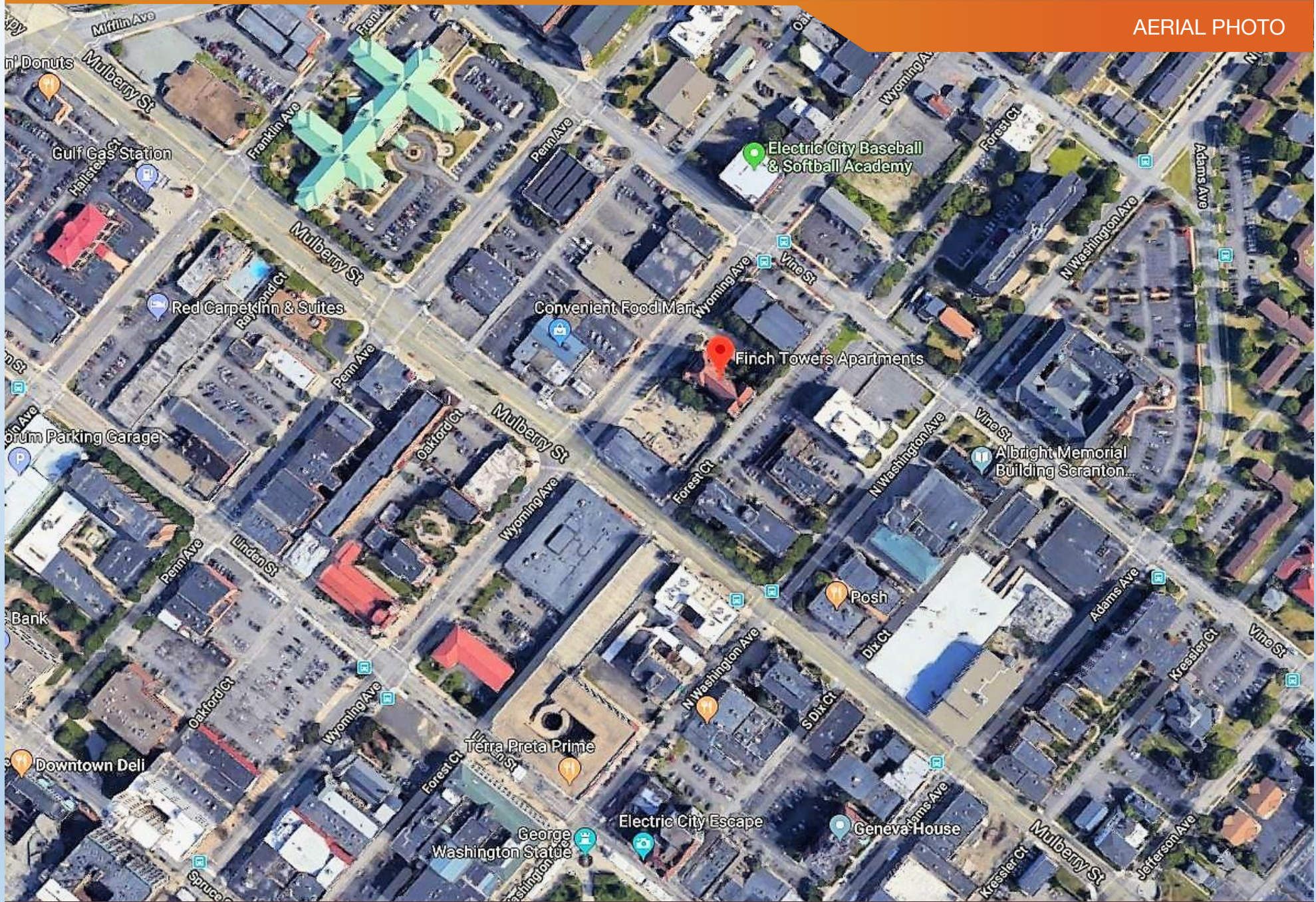
SITE DESCRIPTION	
Number of Units	48
Year Built/Renovated	1982
Rentable Square Feet	14,335

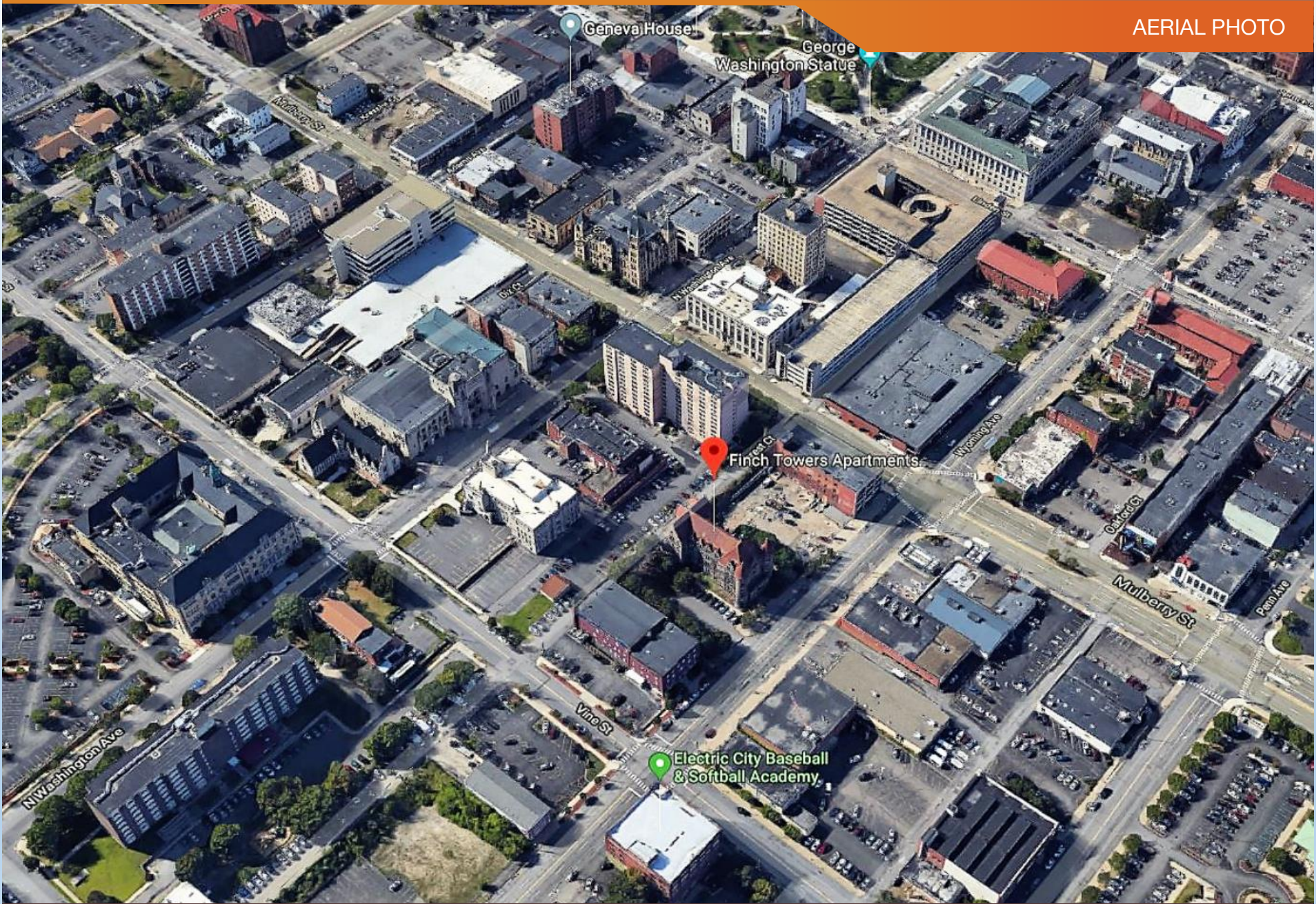
PROPOSED FINANCING	
First Trust Deed	
Loan Amount	\$2,475,000
Loan Type	Proposed New
Interest Rate	5.15%
Amortization	30 Years
Loan Term	10 Years
Loan to Value	75%
Debt Coverage Ratio	1.20

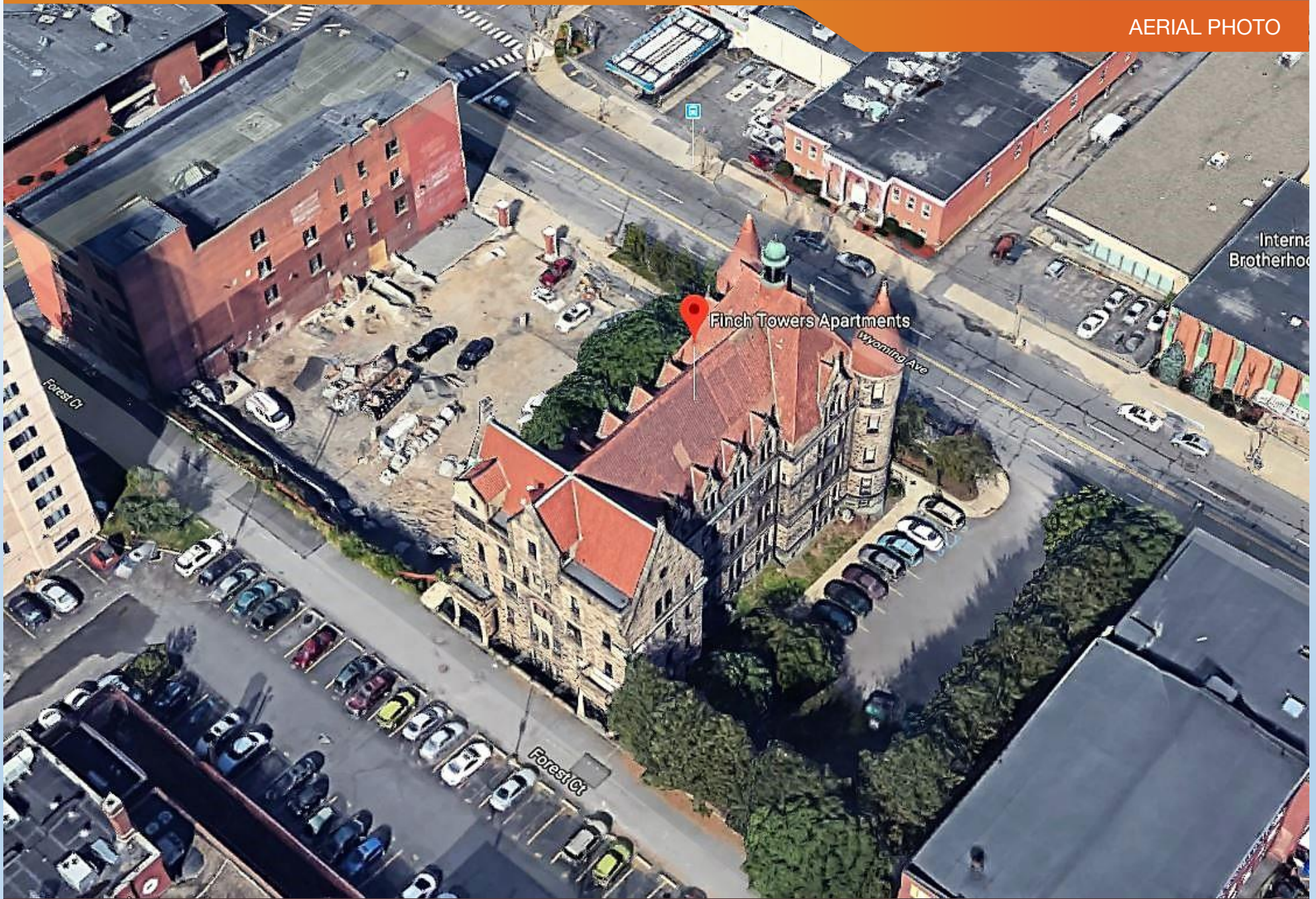


















FINANCIAL ANALYSIS



RENT ROLL DETAIL

As of June, 2018

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month
101	1 Bed / 1 Bath	530	\$902	\$1.70	\$902	\$1.70
102	1 Bed / 1 Bath	530	\$902	\$1.70	\$902	\$1.70
103	Efficiencies	216	\$823	\$3.81	\$823	\$3.81
104	Efficiencies	247	\$823	\$3.33	\$823	\$3.33
105	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
106	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
107	Efficiencies	258	\$823	\$3.19	\$823	\$3.19
108	Efficiencies	266	\$823	\$3.09	\$823	\$3.09
109	Efficiencies	332	\$823	\$2.48	\$823	\$2.48
110	1 Bed / 1 Bath	351	\$902	\$2.57	\$902	\$2.57
111	1 Bed / 1 Bath	272	\$902	\$3.32	\$902	\$3.32
112	Efficiencies	300	\$823	\$2.74	\$823	\$2.74
201	1 Bed / 1 Bath	530	\$902	\$1.70	\$902	\$1.70
202	1 Bed / 1 Bath	349	\$902	\$2.58	\$902	\$2.58
203	Efficiencies	216	\$823	\$3.81	\$823	\$3.81
204	Efficiencies	247	\$823	\$3.33	\$823	\$3.33
205	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
206	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
207	Efficiencies	259	\$823	\$3.18	\$823	\$3.18
208	Efficiencies	266	\$823	\$3.09	\$823	\$3.09
209	Efficiencies	332	\$823	\$2.48	\$823	\$2.48
210	1 Bed / 1 Bath	351	\$902	\$2.57	\$902	\$2.57
211	1 Bed / 1 Bath	272	\$823	\$3.03	\$823	\$3.03
212	Efficiencies	300	\$823	\$2.74	\$823	\$2.74
301	1 Bed / 1 Bath	288	\$902	\$3.13	\$902	\$3.13
302	1 Bed / 1 Bath	349	\$902	\$2.58	\$902	\$2.58
303	Efficiencies	216	\$823	\$3.81	\$823	\$3.81
304	Efficiencies	247	\$823	\$3.33	\$823	\$3.33
305	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
306	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
307	Efficiencies	259	\$823	\$3.18	\$823	\$3.18
308	Efficiencies	266	\$823	\$3.09	\$823	\$3.09
309	1 Bed / 1 Bath	323	\$902	\$2.79	\$902	\$2.79

RENT ROLL DETAIL

As of June, 2018

Unit	Unit Type	Square Feet	Current Rent / Month	Current Rent / SF/ Month	Scheduled Rent / Month	Scheduled Rent / SF/ Month
310	1 Bed / 1 Bath	351	\$902	\$2.57	\$902	\$2.57
311	Efficiencies	272	\$823	\$3.03	\$823	\$3.03
312	Efficiencies	300	\$823	\$2.74	\$823	\$2.74
401	1 Bed / 1 Bath	288	\$902	\$3.13	\$902	\$3.13
402	1 Bed / 1 Bath	349	\$902	\$2.58	\$902	\$2.58
403	Efficiencies	216	\$823	\$3.81	\$823	\$3.81
404	Efficiencies	247	\$823	\$3.33	\$823	\$3.33
405	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
406	Efficiencies	270	\$823	\$3.05	\$823	\$3.05
407	Efficiencies	259	\$823	\$3.18	\$823	\$3.18
408	Efficiencies	266	\$823	\$3.09	\$823	\$3.09
409	Efficiencies	332	\$823	\$2.48	\$823	\$2.48
410	1 Bed / 1 Bath	351	\$902	\$2.57	\$902	\$2.57
411	1 Bed / 1 Bath	272	\$902	\$3.32	\$902	\$3.32
412	Efficiencies	300	\$823	\$2.74	\$823	\$2.74
Total		14,335	\$40,689	\$2.84	\$40,689	\$2.84

RENT ROLL DETAIL – BREAKDOWN

Finch Towers Associates effective April 30, 2018

UNIT #	Unit Size	Avg. Sq. Ft.	Tenant Rent Paid	Utility Allowance	Total Tenant Expense	Rental Assistance Pmt.	Source	Contract Rent	Gross Rents	% of Rent Increase	Tenant Ages	Tenant Income	Lease Expiration Date	Student Y/N?	PBS8
101	1 BR	530 sq. ft.	177	46	223	725	HUD S8	902	948	0%	59	9,325	11/30/2018	N	Yes
102	1 BR	530 sq.ft	318	46	364	584	HUD S8	902	948	0%	52	15,101	1/31/2019	N	Yes
103	Eff.	216 sq.ft	181	45	226	642	HUD S8	823	868	0%	53	10,440	12/31/2018	N	Yes
104	Eff.	247 sq.ft.	143	45	188	680	HUD S8	823	868	0%	44	7,918	5/31/2018	N	Yes
105	Eff.	270 sq.ft	148	45	193	675	HUD S8	823	868	0%	59	9,420	2/28/2019	N	Yes
106	Eff.	270 sq.ft	172	45	217	651	HUD S8	823	868	0%	56	9,265	5/30/2019	N	Yes
107	Eff.	258 sq.ft	178	45	223	645	HUD S8	823	868	0%	41	9,329	10/31/2018	N	Yes
108	Eff.	266 sq.ft	183	45	228	640	HUD S8	823	868	0%	55	9,505	3/31/2019	N	Yes
109	Eff.	332 Sq.Ft.	170	45	215	653	HUD S8	823	868	0%	53	8,993	10/31/2018	N	Yes
110	1 BR	351 sq. ft.	166	46	212	736	HUD S8	902	948	0%	26	8,485	2/28/2019	N	Yes
111	1 BR	272 sq.ft	434	46	480	468	HUD S8	902	948	0%	41/58	13,370	6/30/2018	N	Yes
112	Eff.	300 sq.ft	172	45	217	651	HUD S8	823	868	0%	65	9,060	11/30/2018	N	Yes
201	1 BR	530 sq.ft	256	46	302	646	HUD S8	902	948	0%	88	12,492	10/31/2018	N	Yes
202	1 BR	349 sq.ft	168	46	214	734	HUD S8	902	948	0%	76	8,946	10/31/2018	N	Yes
203	Eff.	216 sq.ft.	279	45	324	544	HUD S8	823	868	0%	68	13,368	7/31/2018	N	Yes
204	Eff.	247 sq.ft.	170	45	215	653	HUD S8	823	868	0%	59	9,000	3/31/2019	N	Yes
205	Eff.	270 sq.ft.	169	45	214	654	HUD S8	823	868	0%	54	8,965	11/31/2018	y	Yes
206	Eff.	270 sq.ft.	178	45	223	645	HUD S8	823	868	0%	33	9,325	5/31/2018	N	Yes
207	Eff.	259 sq.ft	183	45	228	640	HUD S8	823	868	0%	54	9,504	3/31/2019	N	Yes
208	Eff.	266 sq.ft.	160	45	205	663	HUD S8	823	868	0%	42	8,605	7/31/2018	N	Yes
209	Eff.	332 sq.ft.	172	45	217	651	HUD S8	823	868	0%	65	9,060	5/31/2018	N	Yes
210	1 BR	351 sq.ft.	107	46	153	795	HUD S8	902	948	0%	61	6,511	1/31/2019	N	Yes
211	1 BR	272 sq.ft.	177	46	223	725	HUD S8	902	948	0%	71	9,325	1/31/2019	N	Yes
212	Eff.	300sq.ft	172	45	217	651	HUD S8	823	868	0%	53	9,085	6/30/2018	N	Yes
301	1 BR	288 sq.ft	125	46	171	777	HUD S8	902	948	0%	71	7,236	2/28/2019	N	Yes
302	1 BR	349 sq.ft	371	46	417	531	HUD S8	902	948	0%	46/53	18,000	6/30/2018	N	Yes
303	Eff.	216 sq.ft	170	45	215	653	HUD S8	823	868	0%	57	9,000	2/28/2019	N	Yes
304	Eff.	247 sq.ft.	232	45	277	591	HUD S8	823	868	0%	63	14,664	4/30/2019	N	Yes
305	Eff.	270 sq.ft	177	45	222	646	HUD S8	823	868	0%	59	9,265	9/30/2018	N	Yes
306	Eff.	270 sq.ft	172	45	217	651	HUD S8	823	868	0%	59	9,085	7/31/2018	N	Yes

RENT ROLL DETAIL – BREAKDOWN

UNIT #	Unit Size	Avg. Sq. Ft.	Tenant Rent Paid	Utility Allowance	Total Tenant Expense	Rental Assistance Pmt.	Source	Contract Rent	Gross Rents	% of Rent Increase	Tenant Ages	Tenant Income	Lease Expiration Date	Student Y/N?	PBS8
307	Eff.	259 sq.ft.	249	45	294	574	HUD S8	823	868	0%	37	12,168	3/31/2019	N	Yes
308	Eff.	266 sq.ft.	171	45	216	652	HUD S8	823	868	0%	65	9,043	1/31/2019	N	Yes
309	1 BR	323 sq.ft.	139	46	185	763	HUD S8	902	948	0%	63	7,800	7/31/2018	N	Yes
310	1 BR	351 sq.ft.	207	46	253	695	HUD S8	902	948	0%	53	10,488	9/30/2018	N	Yes
311	Eff.	272 sq.ft.	172	45	217	651	HUD S8	823	868	0%	48	9,060	8/31/2018	N	Yes
312	Eff.	300 sq.ft.	169	45	214	654	HUD S8	823	868	0%	59	8,941	11/30/2018	N	Yes
401	1 BR	288 sq.ft.	270	46	316	632	HUD S8	902	948	0%	63	13,056	6/30/2018	N	Yes
402	1 BR	349 sq.ft.	165	46	211	737	HUD S8	902	948	0%	61	8,845	11/30/2018	N	Yes
403	Eff.	216 sq.ft.	196	45	241	627	HUD S8	823	868	0%	64	10,044	3/31/2018	N	Yes
404	Eff.	247 sq.ft.	167	45	212	656	HUD S8	823	868	0%	45	9,000	12/31/2019	N	Yes
405	Eff.	270 sq.ft.	275	45	320	548	HUD S8	823	868	0%	82	13,200	2/28/2019	N	Yes
406	Eff.	270 sq.ft.	175	45	220	648	HUD S8	823	868	0%	68	9,326	2/28/2019	N	Yes
407	Eff.	259 sq.ft.	247	45	292	576	HUD S8	823	868	0%	62	12,322	4/30/2019	N	Yes
408	Eff.	266 sq.ft.	163	45	208	660	HUD S8	823	868	0%	75	12,080	4/30/2019	N	Yes
409	Eff.	332 sq.ft.	172	45	217	651	HUD S8	823	868	0%	60	9,061	9/30/2018	N	Yes
410	1 BR	351 sq.ft.	173	46	219	729	HUD S8	902	948	0%	35	9,173	2/28/2018	N	Yes
411	1 BR	272 sq.ft.	175	46	221	727	HUD S8	902	948	0%	30	9,240	2/28/2019	N	Yes
412	Eff.	300 sq.ft.	0	43	43	0	HUD S8	0	43	0%					Yes

RENT ROLL SUMMARY

As of June, 2018

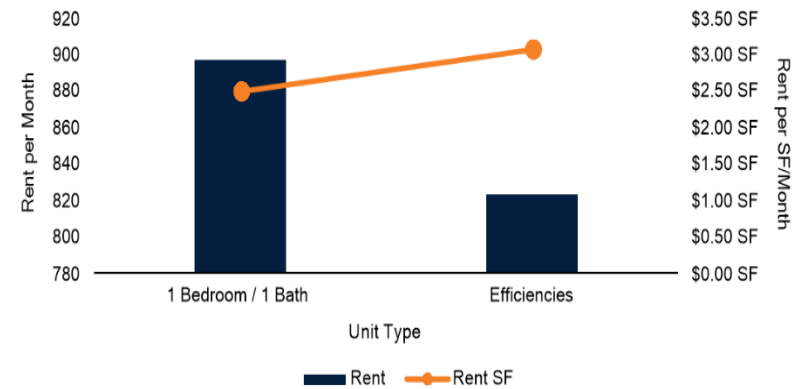
Unit Type	# of Units	Ava Sq Feet	Rental Range	Scheduled			Potential		
				Average Rent	Average Rent / SF	Monthly Income	Average Rent	Average Rent / SF	Monthly Income
1 Bed / 1 Bath	16	360	\$823 - \$902	\$897	\$2.49	\$14,353	\$897	\$2.49	\$14,353
Efficiencies	32	268	\$823 - \$823	\$823	\$3.07	\$26,336	\$823	\$3.07	\$26,336
Totals/Weighted Averages	48	299		\$848	\$2.84	\$40,689	\$848	\$2.84	\$40,689
Gross Annualized Rents				\$488,268			\$488,268		

0

Unit Distribution



Unit Rent



OPERATING STATEMENT

Income	Current		Year 1	Notes	Per Unit	Per SF
Gross Potential Rent	488,268		512,681		10,681	35.76
Loss / Gain to Lease	0	0.0%	0		0	0.00
Gross Scheduled Rent	488,268		512,681		10,681	35.76
Physical Vacancy	(4,883)	1.0%	(5,127)	1.0%	(107)	(0.36)
Economic Vacancy						
Non-Revenue Units	(823)	0.2%	(513)	0.1%	(11)	(0.04)
Bad Debt	(1,500)	0.3%	(1,538)	0.3%	(32)	(0.11)
Concession	(513)	0.1%	(513)	0.1%	(11)	(0.04)
Total Vacancy	(\$7,719)	1.6%	(\$7,690)	1.5%	(\$160)	(\$1)
Economic Occupancy	98.42%		98.50%			
Effective Rental Income	480,549		504,991		10,521	35.23
Other Income						
	0				0	0.00
					0	0.00
Total Other Income	\$0		\$0		\$0	\$0.00
Effective Gross Income	\$480,549		\$504,991		\$10,521	\$35.23
Expenses	Current		Year 1	Notes	Per Unit	Per SF
Real Estate Taxes	72,169		72,169	[1]	1,504	5.03
Insurance	25,479		25,845	[2]	538	1.80
Utilities - Electric	12,511		13,000		271	0.91
Utilities - Water & Sewer	40,346		30,000		625	2.09
Utilities - Gas	19,271		20,000		417	1.40
Trash Removal	4,551		4,651		97	0.32
Repairs & Maintenance	30,488		30,500		635	2.13
Landscaping & Snow	1,639		1,700		35	0.12
Janitorial and Cleaning	1,286		1,300		27	0.09
Payroll	27,277		44,685		931	3.12
Alarm Monitoring/Inspection	5,779		5,867		122	0.41
General & Administrative	6,000		6,180		129	0.43
Misc. Expenses	5,000		5,150		107	0.36
Operating Reserves	5,000		5,000	[3]	104	0.35
Management Fee	33,638	7.0%	35,349	7.0% [4]	736	2.47
Total Expenses	\$290,434		\$301,396		\$6,279	\$21.03
Expenses as % of EGI	60.4%		59.7%			
Net Operating Income	\$190,115		\$203,595		\$4,242	\$14.20

Notes and assumptions to the above analysis are on the following page.

PRICING DETAIL

Summary		
Price	\$3,300,000	
Down Payment	\$825,000	25%
Number of Units	48	
Price Per Unit	\$68,750	
Price Per SqFt	\$230.21	
Rentable SqFt	14,335	
Lot Size	0.65 Acres	
Approx. Year Built	1896/1982	

Returns	Current	Year 1
CAP Rate	5.76%	6.17%
GRM	6.76	6.44
Cash-on-Cash	3.39%	4.42%
Debt Coverage Ratio	1.17	1.26

Financing	1st Loan
Loan Amount	\$2,475,000
Loan Type	New
Interest Rate	5.15%
Amortization	30 Years
Year Due	2028

Loan information is subject to change. Contact your Marcus & Millichap Capital Corporation representative.

# Of Units	Unit Type	SqFt/Unit	Scheduled Rents	Market Rents
16	1 Bedroom / 1 Bath	360	\$897	\$897
32	Efficiencies	268	\$823	\$823

Operating Data				
Income		Current		Year 1
Gross Scheduled Rent		\$488,268		\$512,681
Less: Vacancy/Deductions	1.6%	\$7,719	1.5%	\$7,690
Total Effective Rental Income		\$480,549		\$504,991
Other Income		\$0		\$0
Effective Gross Income		\$480,549		\$504,991
Less: Expenses	60.4%	\$290,434	59.7%	\$301,396
Net Operating Income		\$190,115		\$203,595
Cash Flow		\$190,115		\$198,595
Debt Service		\$162,170		\$162,170
Net Cash Flow After Debt Service	3.39%	\$27,945	4.42%	\$36,425
Principal Reduction		\$35,538		\$37,412
Total Return	7.69%	\$63,484	8.95%	\$73,837

Expenses	Current	Year 1
Real Estate Taxes	\$72,169	\$72,169
Insurance	\$25,479	\$25,845
Utilities - Electric	\$12,511	\$13,000
Utilities - Water & Sewer	\$40,346	\$30,000
Utilities - Gas	\$19,271	\$20,000
Trash Removal	\$4,551	\$4,651
Repairs & Maintenance	\$30,488	\$30,500
Landscaping & Snow	\$1,639	\$1,700
Janitorial and Cleaning	\$1,286	\$1,300
Payroll	\$27,277	\$44,685
Alarm Monitoring/Inspection	\$5,779	\$5,867
General & Administrative	\$6,000	\$6,180
Misc. Expenses	\$5,000	\$5,150
Operating Reserves	\$5,000	\$5,000
Management Fee	\$33,638	\$35,349
Total Expenses	\$290,434	\$301,396
Expenses/Unit	\$6,051	\$6,279
Expenses/SF	\$20.26	\$21.03

MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Our ability to enhance buyer pool by expanding finance options

Our ability to enhance seller control

- **Through buyer qualification support**
- **Our ability to manage buyers finance expectations**
- **Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings**
- **By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file**

MARKET
COMPARABLES

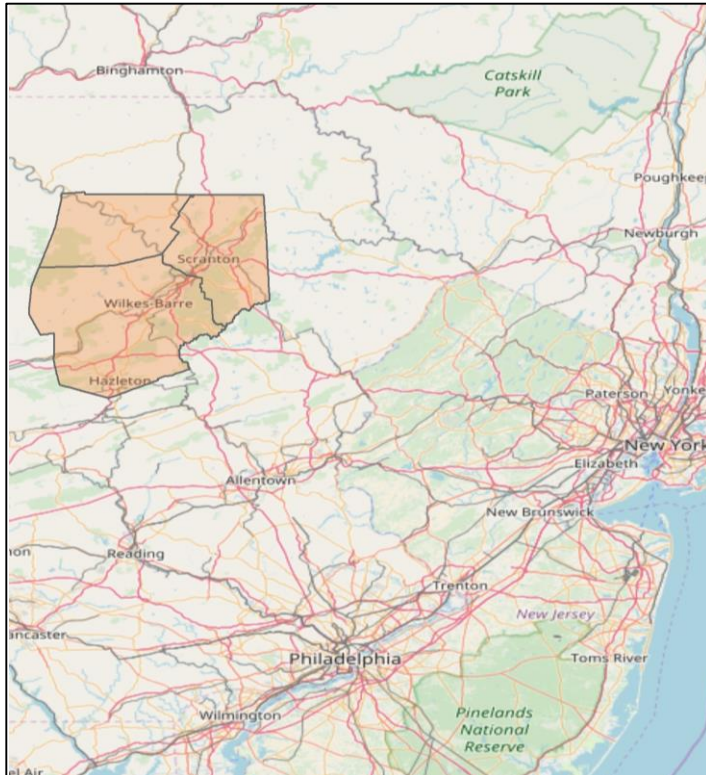


MARKET OVERVIEW



SCRANTON OVERVIEW

The Scranton metro is located in the Appalachian mountains of northeast Pennsylvania roughly 120 miles northwest of New York City and 125 miles north of Philadelphia. The metro encompasses Luzerne, Lackawanna and Wyoming counties and is also known as the Wyoming Valley. The region has diversified from its coal mining roots. Now many people move to the Valley to take advantage of the lower cost of living and commute into New Jersey and New York City for employment. The most populous city is Scranton with 76,400 people.



METRO HIGHLIGHTS



STRATEGIC LOCATION

Situated at the crossroads of Interstates 81, 84, 380 and 476, the metro has easy transportation access to a large portion of the nation's population, which is growing a logistics and distribution sector.



DIVERSIFYING ECONOMY

Once based in mining, the metro has expanding industries that include food and beverage manufacturing; defense and security; back-office operations, healthcare and distribution/logistics.



LOWER LIVING COSTS

A median home price, which is well below the national median, and lower natural gas prices contribute to more affordable living expenses.



ECONOMY

- The vast infrastructure network provides for a large manufacturing and distribution base. Hershey, Amazon, Pride Mobility Products, and Bemis are some of the many firms located in the region.
- A number of the area's biggest employers are healthcare providers including Wyoming Valley Health Care System, VA Medical Center, Wilkes-Barre Hospital and Mercy Health Partners.
- The metro receives economic benefits from back-office operations of major companies, including Bank of America, PC Data Centers and Cigna Health and Life Insurance Co.
- Access to the Marcellus Shale formation provides a large supply of natural gas at a relatively affordable price.

DEMOGRAPHICS



* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Moody's Analytics; U.S. Census Bureau

Created on June 2018

POPULATION	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Population	21,801	90,319	118,951
■ 2017 Estimate			
Total Population	22,589	92,223	120,533
■ 2010 Census			
Total Population	22,497	91,848	120,056
■ 2000 Census			
Total Population	22,252	92,159	120,407
■ Daytime Population			
2017 Estimate	49,690	116,165	153,202
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2022 Projection			
Total Households	7,669	36,046	48,422
■ 2017 Estimate			
Total Households	7,956	36,626	48,774
Average (Mean) Household Size	2.33	2.34	2.34
■ 2010 Census			
Total Households	7,953	36,687	48,875
■ 2000 Census			
Total Households	8,507	38,063	49,795
Growth 2015-2020	-3.61%	-1.58%	-0.72%
HOUSING UNITS	1 Miles	3 Miles	5 Miles
■ Occupied Units			
2022 Projection	7,669	36,046	48,422
2017 Estimate	9,277	41,453	54,693
Owner Occupied	2,849	19,546	28,062
Renter Occupied	5,108	17,080	20,713
Vacant	1,320	4,826	5,919
■ Persons In Units			
2017 Estimate Total Occupied Units	7,956	36,626	48,774
1 Person Units	40.10%	34.41%	33.48%
2 Person Units	26.58%	30.98%	31.84%
3 Person Units	12.90%	14.93%	15.37%
4 Person Units	10.36%	11.33%	11.38%
5 Person Units	5.15%	5.02%	4.86%
6+ Person Units	4.93%	3.33%	3.07%

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2017 Estimate			
\$200,000 or More	1.51%	1.71%	2.02%
\$150,000 - \$199,000	2.05%	2.02%	2.22%
\$100,000 - \$149,000	5.53%	8.01%	8.60%
\$75,000 - \$99,999	6.91%	9.54%	10.31%
\$50,000 - \$74,999	11.79%	17.19%	17.86%
\$35,000 - \$49,999	14.20%	14.71%	14.59%
\$25,000 - \$34,999	14.09%	12.87%	12.24%
\$15,000 - \$24,999	17.94%	14.64%	14.19%
Under \$15,000	25.98%	19.30%	17.95%
Average Household Income	\$45,272	\$53,403	\$56,616
Median Household Income	\$29,664	\$37,888	\$40,312
Per Capita Income	\$17,921	\$22,073	\$23,613
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2017 Estimate Total Population	22,589	92,223	120,533
Under 20	24.68%	23.81%	23.08%
20 to 34 Years	27.88%	22.66%	21.54%
35 to 39 Years	4.86%	5.32%	5.41%
40 to 49 Years	9.72%	11.20%	11.63%
50 to 64 Years	16.93%	19.33%	19.97%
Age 65+	15.93%	17.68%	18.37%
Median Age	32.78	38.27	39.97
■ Population 25+ by Education Level			
2017 Estimate Population Age 25+	13,790	62,400	83,476
Elementary (0-8)	3.04%	2.59%	2.46%
Some High School (9-11)	11.82%	9.68%	9.03%
High School Graduate (12)	37.29%	38.37%	38.67%
Some College (13-15)	17.95%	17.71%	17.33%
Associate Degree Only	6.30%	7.40%	7.95%
Bachelors Degree Only	14.02%	14.46%	14.82%
Graduate Degree	7.17%	8.18%	8.31%
■ Population by Gender			
2017 Estimate Total Population	22,589	92,223	120,533
Male Population	49.96%	48.05%	48.05%
Female Population	50.04%	51.95%	51.95%

Source: © 2017 Experian



Population

In 2017, the population in your selected geography is 22,589. The population has changed by 1.51% since 2000. It is estimated that the population in your area will be 21,801.00 five years from now, which represents a change of -3.49% from the current year. The current population is 49.96% male and 50.04% female. The median age of the population in your area is 32.78, compare this to the US average which is 37.83. The population density in your area is 7,177.22 people per square mile.



Households

There are currently 7,956 households in your selected geography. The number of households has changed by -6.48% since 2000. It is estimated that the number of households in your area will be 7,669 five years from now, which represents a change of -3.61% from the current year. The average household size in your area is 2.33 persons.



Income

In 2017, the median household income for your selected geography is \$29,664, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 23.46% since 2000. It is estimated that the median household income in your area will be \$33,122 five years from now, which represents a change of 11.66% from the current year.

The current year per capita income in your area is \$17,921, compare this to the US average, which is \$30,982. The current year average household income in your area is \$45,272, compare this to the US average which is \$81,217.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 69.11% White, 9.97% Black, 0.06% Native American and 8.80% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 15.66% of the current year population in your selected area. Compare this to the US average of 17.88%.



Housing

The median housing value in your area was \$105,559 in 2017, compare this to the US average of \$193,953. In 2000, there were 3,348 owner occupied housing units in your area and there were 5,159 renter occupied housing units in your area. The median rent at the time was \$348.



Employment

In 2017, there are 19,778 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 52.88% of employees are employed in white-collar occupations in this geography, and 46.86% are employed in blue-collar occupations. In 2017, unemployment in this area is 12.38%. In 2000, the average time traveled to work was 19.00 minutes.

Source: © 2017 Experian

