



# Chapel Ridge of Claremore

2500 FREDERICK RD, CLAREMORE, OK 74019



**EXECUTIVE SUMMARY** • 104-UNIT GARDEN LIHTC COMMUNITY IN THE TULSA MSA

**HFF**

## PROPERTY OVERVIEW

Address:	2500 Frederick Rd
City, State:	Claremore, OK 74019
Year Built:	2001
Number of Units:	104 Units
Average Unit Size:	896 SF
Net Rentable SF:	93,136 SF
Buildings:	6 Residential, 1 Community
Acres:	5.88 Acres
Density:	17.69 Units/Acre
Income Restrictions:	104 Units (100%) @ 60% AMI
End of Initial Compliance:	December 31, 2015
End of Extended Use:	December 31, 2040

## PRICING OVERVIEW

Purchase Price:	\$4,160,000
Price Per Unit:	\$40,000/unit
Price Per Square Foot:	\$45/sf
Cap Rate - Year-1 Proforma:	7.00%
Year-1 Cash-On-Cash Return (Including I/O):	14.5%
Year-1 Cash-On-Cash Return (Amortizing):	9.9%





# OFFERING PROCEDURES

**Tour  
Schedule:**

Please contact Doug Childers (dchilders@hfflp.com), Michael Fox (mfox@hfflp.com), or Steven Hahn (shahn@hfflp.com) to schedule a tour. Under no circumstances are Investors allowed to visit the Property without approval from HFF. Failure to adhere to this request will be taken into consideration by the Seller when offers are selected.

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**Offer Date:** To Be Announced

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**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.

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**Terms and  
Conditions:**

The Property is offered on an “as is” basis, subject to the existing rent, income, and occupancy restrictions required by the existing Bond Regulatory Agreement and LIHTC Regulatory Agreement.

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**Approvals:**

Approval from the Oklahoma Housing Finance Agency will be required of a prospective Purchaser. However, approval shall not be unnecessarily withheld from legitimate Investors.

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**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.

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## COMMUNITY

- Swimming Pool and Sun Deck
- Fitness Center
- Business Center
- 2 Playgrounds
- Scenic Pond
- Laundry Facilities
- On-Site Leasing Office
- Community Center

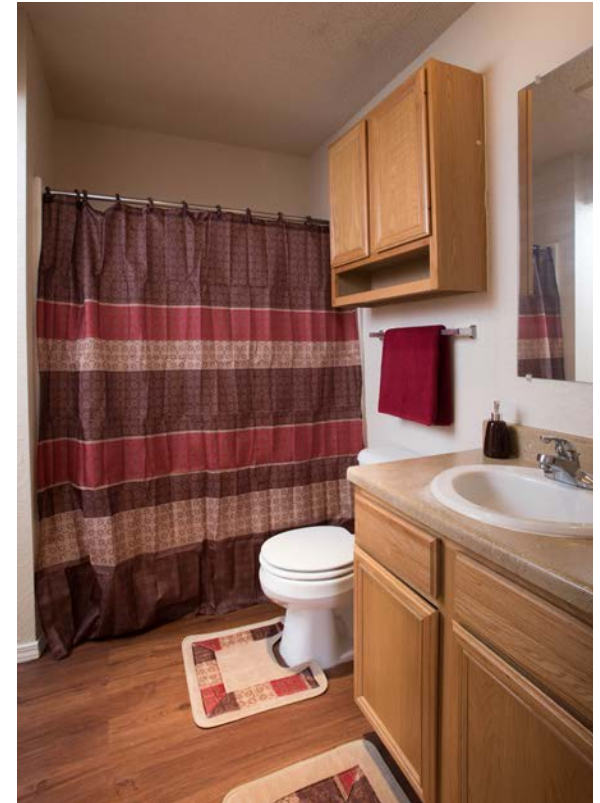
## INTERIORS

- Vinyl Plank Floors (Select Units)
- Fully-Equipped Kitchens Include:
  - Dishwasher
  - Refrigerator
  - Electric Range and Oven
  - Garbage Disposal
  - Open Breakfast Bar
- Washer/Dryer Connections

ON-SITE LEASING OFFICE



COMMUNITY CENTER



SWIMMING POOL



PLAYGROUND



Units	Unit Description	Unit Code	% of Total	SF	Total SF	2016 Maximum LIHTC Rent*	In-Place Effective Rent	HFF Proforma Market Rent	HFF Proforma Annual Rent
16	1 Bed, 1 Bath, 60% AMI	a1.1	15.4%	667	10,672	\$604	\$561	\$575	\$110,400
1	2 Bed, 2 Bath, 60% AMI	b1.2	1.0%	908	908	\$726	\$672	\$660	\$7,920
71	2 Bed, 2 Bath, 60% AMI	b2.2	68.3%	908	64,468	\$726	\$654	\$660	\$562,320
1	3 Bed, 2 Bath, 60% AMI	c1.2	1.0%	1,068	1,068	\$841	\$841	\$849	\$10,188
15	3 Bed, 2 Bath, 60% AMI	c2.2	14.4%	1,068	16,020	\$841	\$811	\$849	\$152,820
<b>104</b>			<b>100%</b>	<b>896</b>	<b>93,136</b>	<b>\$725</b>	<b>\$661</b>	<b>\$676</b>	<b>\$843,648</b>

\*Proforma Max LIHTC Rents displayed take into account applicable utility allowances.



## WELL-MAINTAINED, FAMILY-ORIENTED COMMUNITY

Constructed in 2001, Chapel Ridge of Claremore stands as one of the area's few new-construction, family-oriented LIHTC communities. Conveniently located near historic Route 66 and Interstate-44, the Property offers well-maintained affordable housing and residents enjoy access to a variety of amenities including a resort-style swimming pool, playground, and a clubhouse that includes a fully-equipped fitness center, business center, and laundry facility. The Property offers some of the submarket's most sought after affordable family housing as 85% of units feature two or three-bedrooms that are 15% larger than the nearest competitors. Each one-, two- and three-bedroom unit features a fully-equipped kitchen that includes a refrigerator, dishwasher, garbage disposal, electric range and oven, and an open breakfast bar.



# OPPORTUNITY TO INCREASE OPERATIONAL EFFICIENCIES

Chapel Ridge of Claremore allows a Buyer with an existing regional footprint or local management network the unique opportunity to increase their existing economies of scale in the region. Furthermore, by creating efficiencies across local operations, staffing and contract services, a new owner can move the expense ratio at the Property to a level that is on par with their local portfolio.



# CONVENIENT LOCATION WITH EXCELLENT ACCESS TO REGION'S TOP EMPLOYERS

Chapel Ridge of Claremore is conveniently located within minutes of Interstate-44, which, along with OK-20, OK-88, and historic Route 66, provide easy access to some of the region's top employers and the Tulsa CBD. Residents of the Property can quickly access a host of nearby retailers, including Walmart and Lowe's, both of which are within walking distance of the Property. Located near Downtown Claremore are Rogers State University and the Hillcrest Hospital Claremore, which anchor the Property's immediate submarket and provide considerable employment opportunities for local residents. Chapel Ridge of Claremore is well-positioned less than 25 minutes from Downtown Tulsa, Tulsa International Airport and a number of the Greater Tulsa Area's top employers including the Tulsa Port of Catoosa and American Airlines, which combined, employ over 10,000 residents and help to support Tulsa's well-diversified and stable economy.



HILLCREST HOSPITAL CLAREMORE

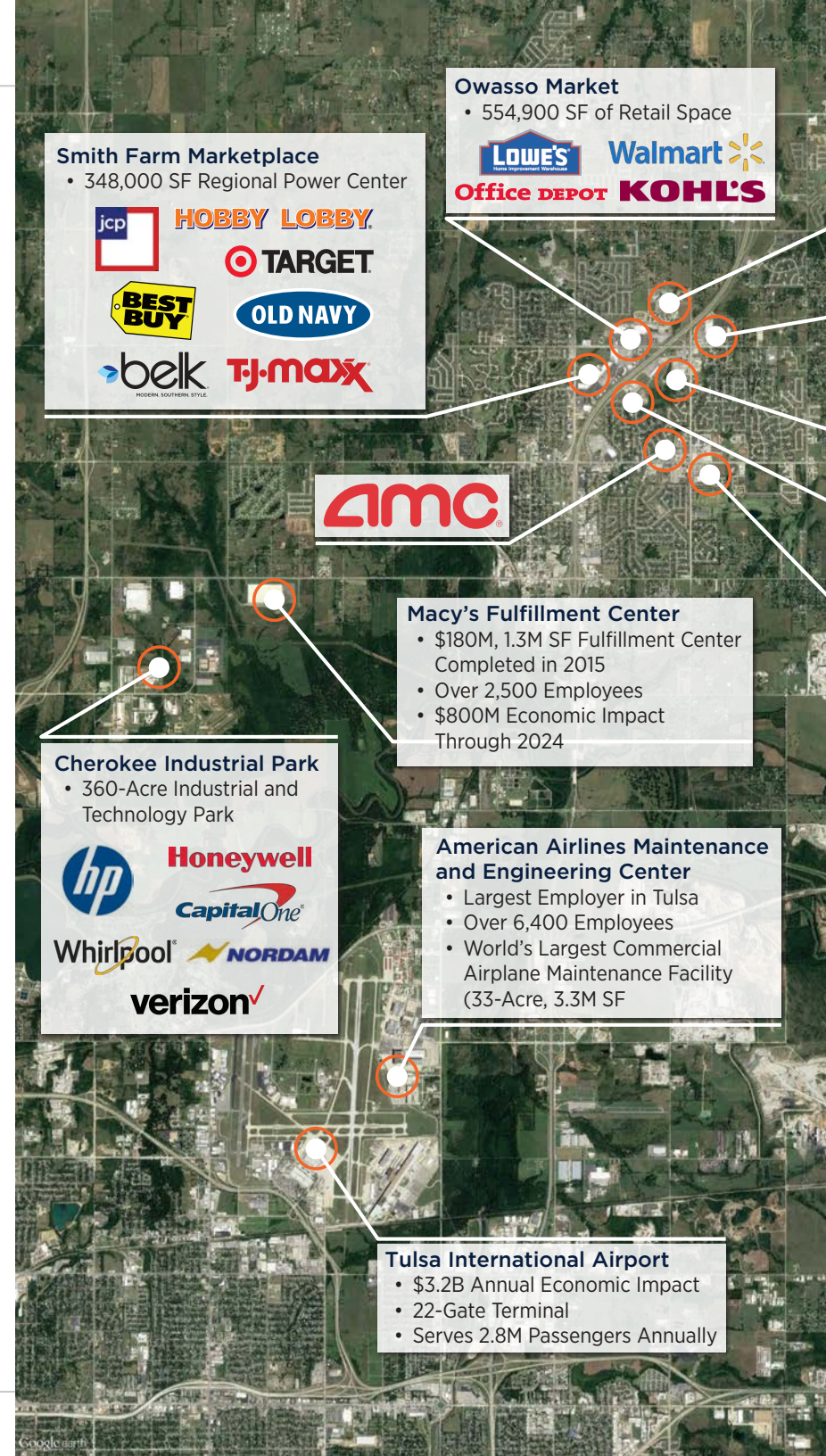


TULSA PORT OF CATOOSA



ROGERS STATE UNIVERSITY

INVESTMENT HIGHLIGHTS | 8





Claremore Senior High School

**Rogers State University**  
• 2,700 Total Students  
• 160-Acre Main Campus

Hillcrest Hospital Claremore

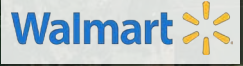
St. John Owasso Hospital



Claremore Indian Hospital



**Claremore Expo Center**  
• \$20M, 55-Acre Multi-Use Complex  
• 150,000 SF of Event Space  
• Home to RSU Men's and Women's Basketball



Catalayah Elementary School

# Chapel Ridge of Claremore

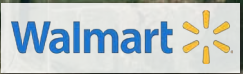
**Tulsa Port of Catoosa**  
• Employs Over 4,000 Local Residents  
• 2500-Acre Multi-Modal Shipping Complex and Industrial Park  
• \$300M Annual Economic Impact  
• Over 2M Tons of Cargo Shipped Through the Port in 2016

**Cherokee Casino Will Rogers Down**  
• \$3.5M Expansion Project Underway  
• 236-Acre Casino and Entertainment Complex  
• Employs Over 200 Local Residents

**Cherokee Outlets**  
• Proposed 350,000 SF, \$80M Shopping and Entertainment Development  
• Will Create Nearly 1,000 Permanent Local Jobs  
• Expected to Attract 2M Additional Visitors Annually

**Hard Rock Hotel and Casino Tulsa**  
• \$155M, 454-Room Luxury Hotel  
• 18-Hole Championship Golf Course

DOWNTOWN TULSA



# ATTRACTIVE FINANCING TERMS VIA AGENCIES

HFF Proposed Debt Terms	
Lender	Agency
Type	Fixed
Term	10 Years
Loan to Value	75%
Amortization Period	30 Years
Spread	2.23%
Treasury	2.40%
<b>Discount From Grid</b>	<b>-0.25%</b>
All-In Rate	4.38%
Interest Only	24 Months

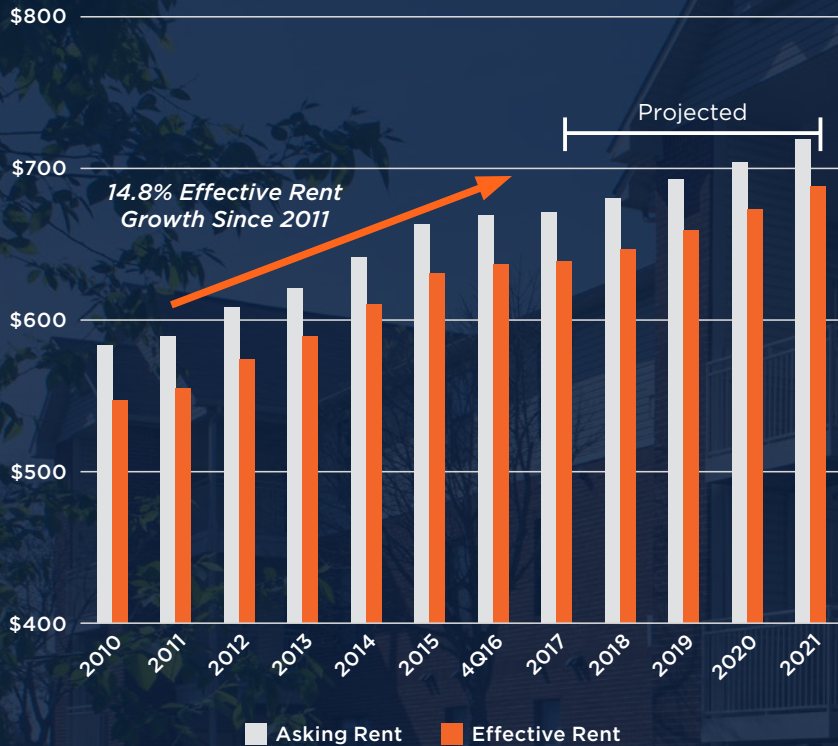
The affordable housing restrictions encumbering Chapel Ridge of Claremore will allow Investors to source attractive financing from both Fannie Mae and Freddie Mac (the “Agencies”), who have programs that specifically target affordable housing. The Agencies currently have a strong desire to originate affordable housing business that qualifies as “uncapped” volume and, as a result, are offering pricing breaks and incentives to Borrowers seeking financing on affordable housing assets. HFF is confident that the Agencies will aggressively pursue the debt placement opportunity for Chapel Ridge of Claremore and the existing rent and income restrictions will allow the Property to fall into the Agencies “uncapped” business. As a result, an Investor who utilizes Agency financing will benefit from enticing debt terms, further enhancing future levered yields.



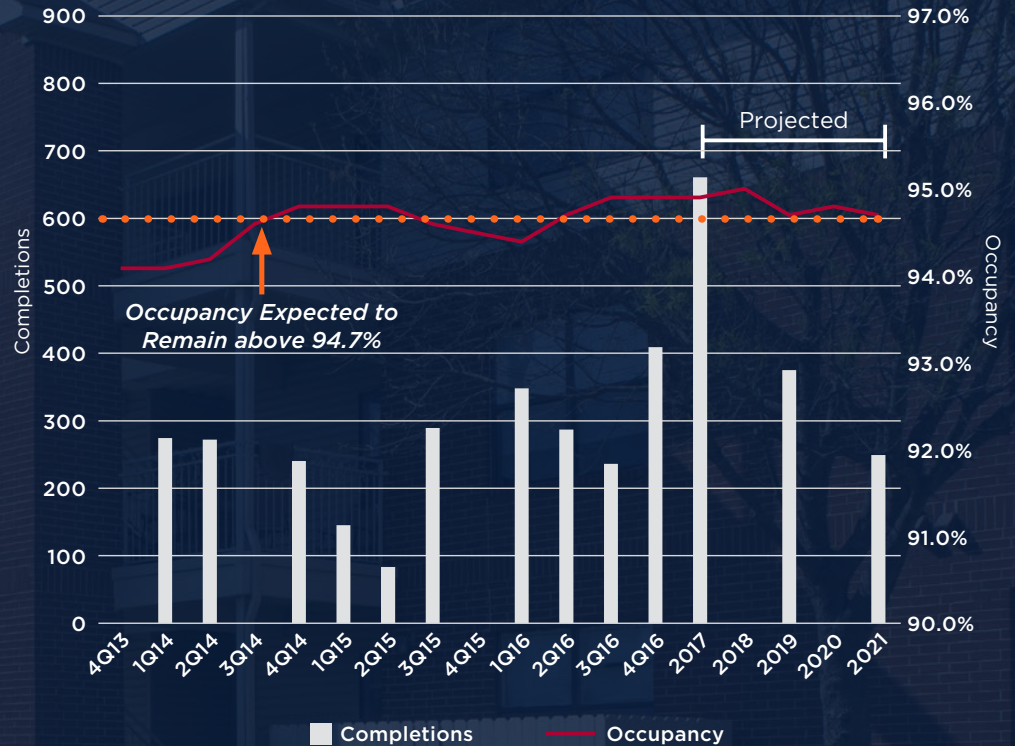
# STRONG APARTMENT FUNDAMENTALS

Effective rents in the Tulsa apartment market have continued to experience consistent growth, **amassing a 14.8% increase since 2011**. Forecasts project rents will increase by an additional 8.0% through 2021. For the third consecutive year, occupancy in the Tulsa MSA has remained above 94%, and is projected to remain above 94.7% through 2021. The supply-demand balance will continue to remain in favor of owners, as REIS projects the 1,285 new units (only 2% of current inventory) expected to come on-line through 2021 to be quickly absorbed by the marketplace.

## TULSA MSA RENTAL TRENDS



## TULSA MSA SUPPLY AND OCCUPANCY TRENDS



## Transaction Leaders

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