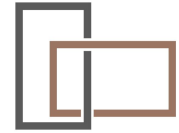


# Presenting two projects in Iowa both offering IRRs of approximately 20%



THE JAMES

Iowa City



THE  
CONTINENTAL  
LOFTS AND TOWER

Davenport



**Newbury**  
LIVING

**Frank Levy**, President

# Sponsor Overview



- Based in West Des Moines, IA
- 61 projects developed since 1987
- \$130 mm developed since 2017
- 3,648 units managed in IA and SD
- Team:
  - 231 total payroll
  - 19 home office staff
- Frank Levy, President
  - Yale B.A. (History), 1989
  - Harvard MBA, 1995
  - Early career jobs in consulting & tech
  - Joined Newbury in 2002

# Deal #1: The James on Melrose

## 113 Units - Iowa City, IA



### Projected Returns:

- *IRR: 19%*
- *Return On Cost: 7.0%*
- *Cash on Cash: 7.7%*





# Iowa City - a charming and bustling college town





# Home to the University of Iowa

- 70,000 alumni
- Loyal and engaged fan base
- \$103k median alumni salary 10 years out





# Key Demand Driver: U of I Medical Center

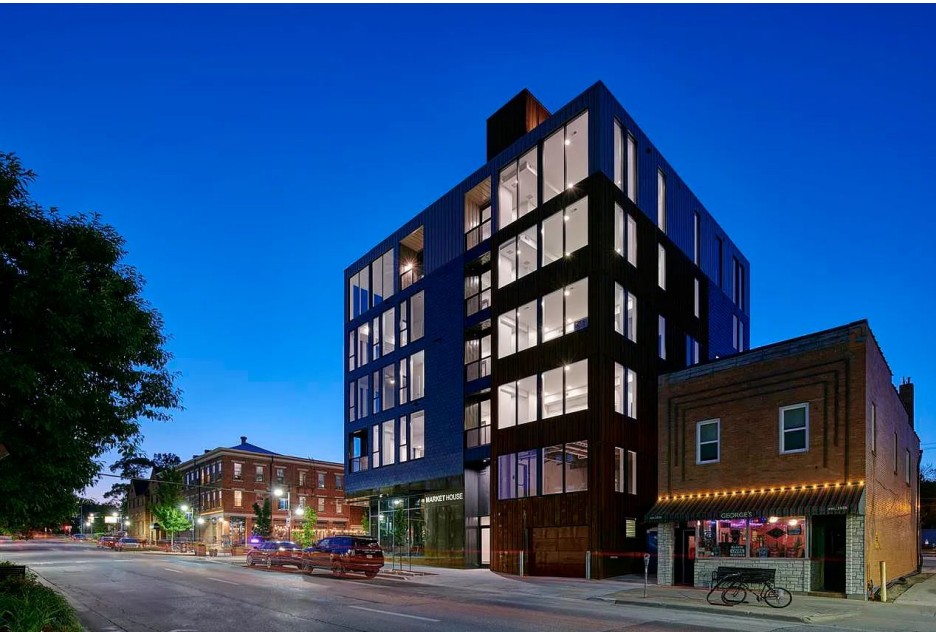


- 860 beds
- \$2.7 billion in revenues
- 1,076 doctors
- 605 Medical Students
- 5,000+ faculty members and other medical staff





# Some of the highest condo prices in IA



## Example:

- New construction
- \$599,999
- 1,081 sq ft 1BR
- \$555/sq ft

## But not everyone who can afford to own, wants to own

There is growing trend of affluent renters looking for well-appointed, large units and:

- Flexibility
- Capital preservation
- Pied-à-Terre (perhaps not downtown)
- Relocation Solution
- Downsizing Option (not age-restricted)



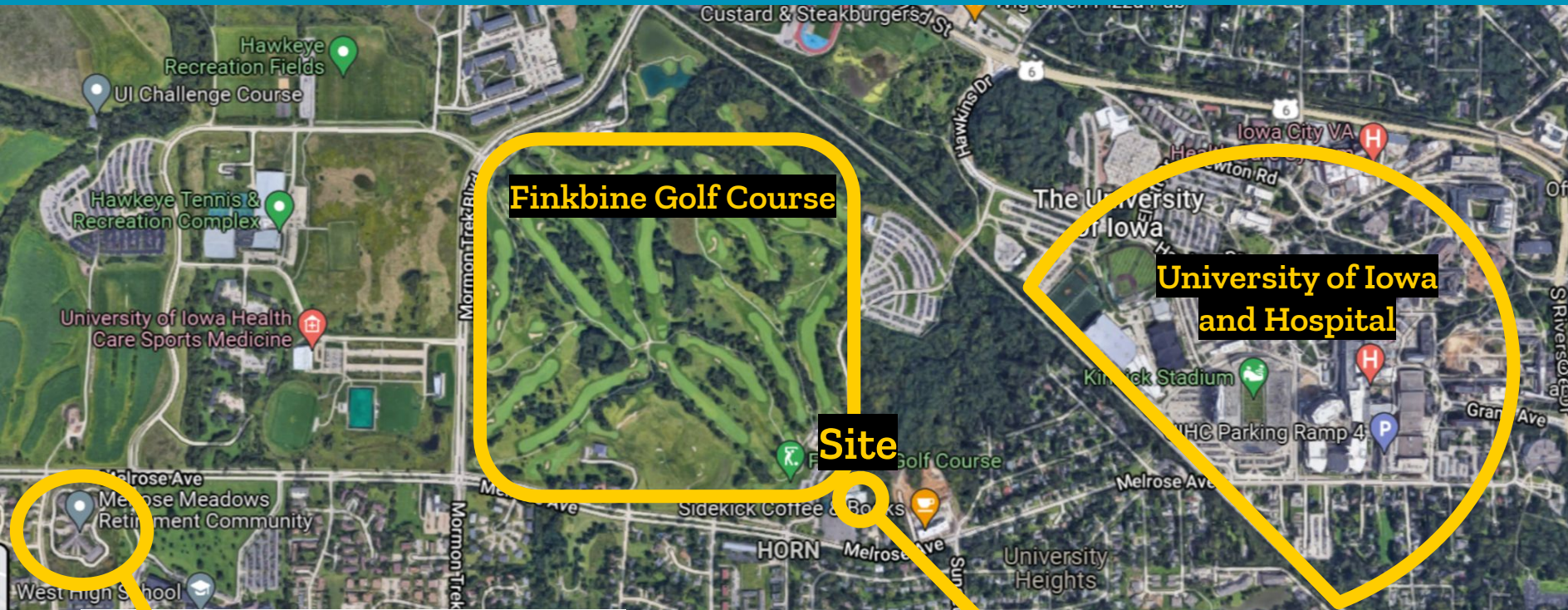
# Introducing: The James

113 premium, large, rental units





# The highly visible site is just off campus...



  
**MELROSE MEADOWS**  
**Newbury-owned Assisted/Independent**  
**Living Facility**

  
**THE JAMES**  
**95-Year Land Lease**



...with unsurpassed views and amenities

Site:  
The James on Melrose

University of Iowa campus

University of Iowa Finkbine Golf Course

Golf course, clubhouse &  
dining managed by



Nagle Family Clubhouse  
& Bumps Restaurant

# Executive Summary

## **Project Details:**

- *Total Cost: \$44 million*
- *Sponsor Group Equity: \$3 million*
- *Outside Equity Sought: \$10 million*
- *Debt Commitment in Hand: \$30 million*

## **Projected Returns:**

- *IRR: 19.6%*
- *Return On Cost: 7.0%*
- *Cash on Cash: 7.7% (first stabilized year)*



# Proof of Concept: 4000 Ingersoll (Des Moines)

Producing 8%  
dividends



- 25 units. Average unit size = 1,223 square feet.
- Not age restricted, but average age = 60 (with a range of 20s-80s).
- Opened 11/1/19. Fully leased 2/29/20.
- Net realized rent = \$2.01/SF.
- Half the turnover of normal Class A apartments



# Further Proof of Concept: The James on Grand



- Same concept as Finkbine project
- Located on Grand Ave in Des Moines
- Under construction: completion Mar 20
- 22 of 56 units pre-leased
- Largest units are most popular



**Preleasing at  
\$2.25/SF  
wtd avg**



**We're onto  
something.**

# Outdoor space is crucial for this clientele





# 5th Floor Lounge & Roof Deck



# East face (forest views)



1:1 indoor parking

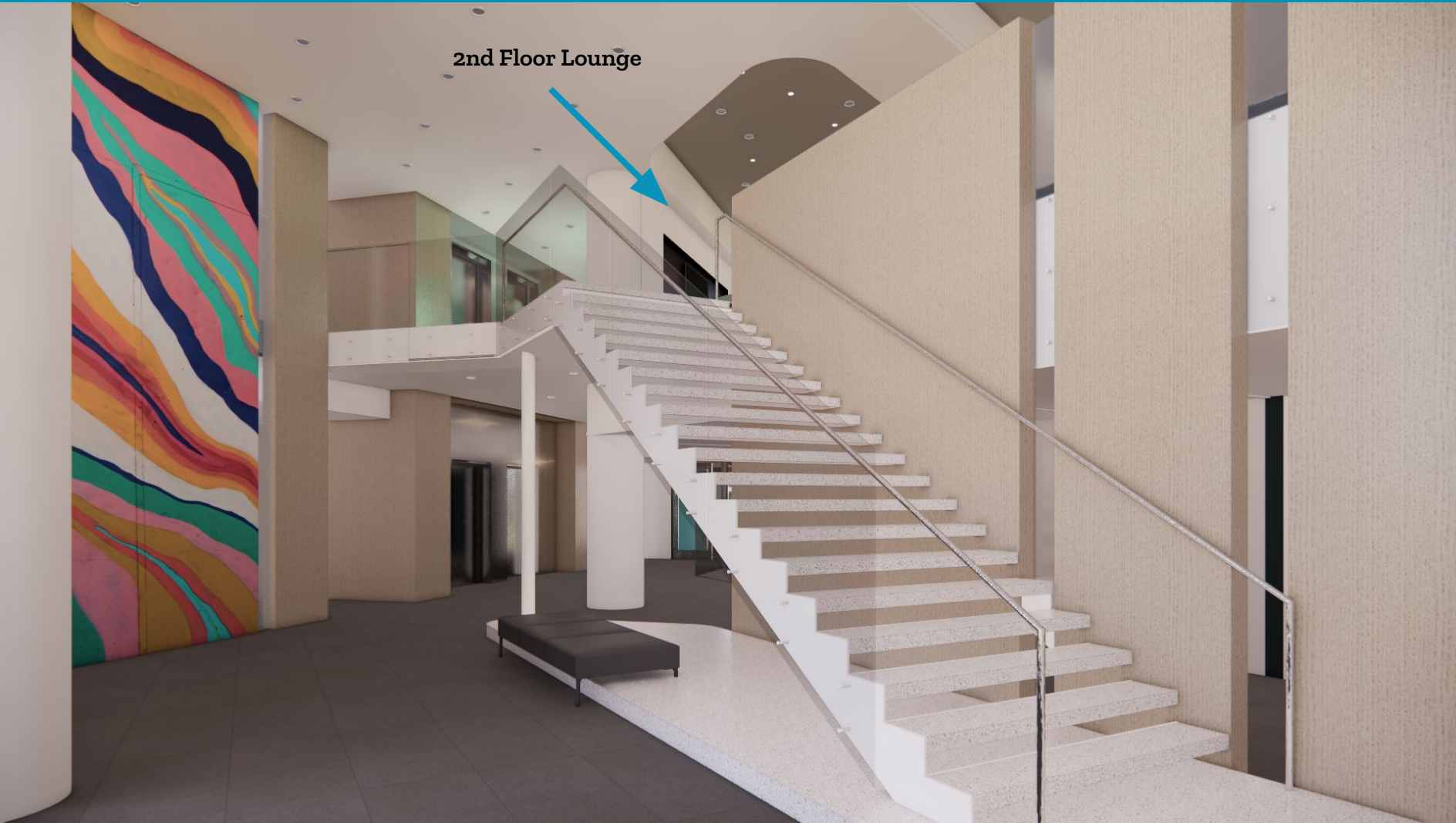
Gym



# 1st Floor Gym



# Entry lobby





**This clientele is extremely social**



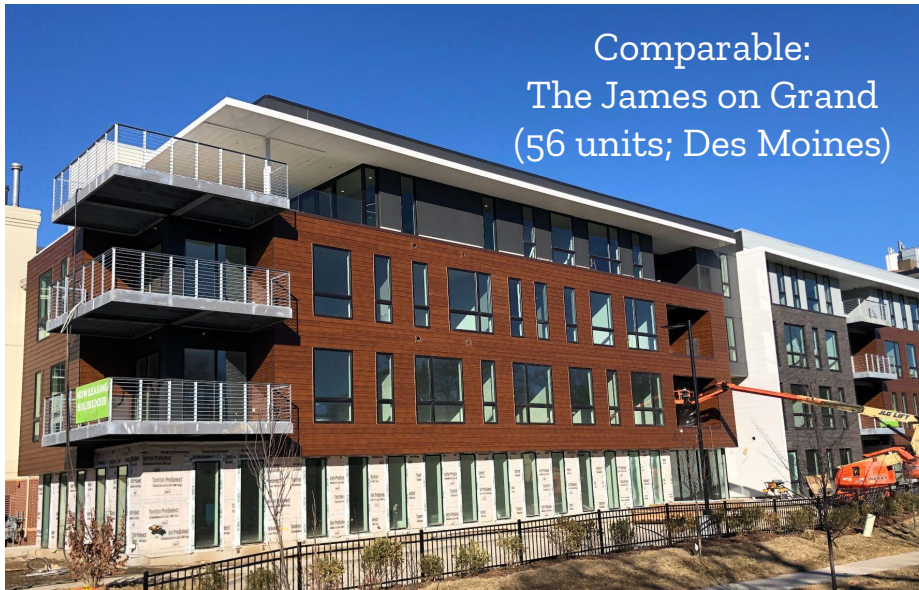
# Typical Kitchen





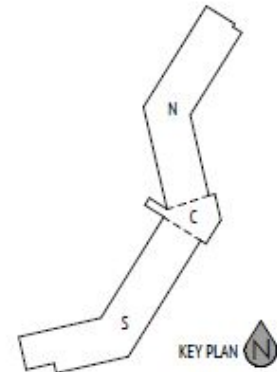
# Unit Mix

Unit Type	Quantity	Size Range (sq ft)	Price Range
1 Bedroom	23 (20%)	748-1,165	\$1,611-\$2,873
2 Bedroom	58 (51%)	1,103-1,508	\$2,148-\$3,619
3 Bedroom	32 (28%)	1,506-1,910	\$2,775-\$4,641
<b>TOTAL</b>	<b>113 (110%)</b>	<b>1,261 average</b>	<b>\$2,981 average</b>



- **22 reservations**
- **Rents: \$2.02-\$2.36/sf**
- **Wtd avg = \$2.25/sf**
- **Wtd avg size = 1,499**
- **Age Distribution:**
  - **<40: 5**
  - **40-60: 7**
  - **>60: 10**

# Typical 3BR (1,507 sq ft -- \$3,100/month)



1

UNIT TYPE H

SCALE: 3/16" = 1'-0"

1,507 SF

FLOOR	ORIENTATION							
	N	NE	E	SE	S	SW	W	NW
1								
2								
3								
4								
5								



# Melrose Meadows - marketing & staffing synergy



**SENIOR LIVING AVERAGE  
STAFF TURNOVER: 85%**

**AVERAGE MELROSE STAFF  
TURNOVER: 25%**

**AVERAGE MELROSE  
LEADERSHIP TEAM TENURE:  
11 yrs (and counting)**





# Deal #1 Summary:



Putting a proven, premium concept on one of the best sites in the state of Iowa.





# Deal 2: The Continental Lofts & Tower

## 75 Units - Davenport, IA



### Projected Returns:

- IRR: 22.6% (with O.Z.)
- Return On Cost: 7%
- Cash on Cash: 6%



# The Quad Cities - a regional commerce node



- Second biggest market in Iowa with 475k metro residents
- 2.5 hours to Des Moines and Chicago on Interstate 80
- Class A apartment rents similar to Des Moines
- Site is a short walk to the central business district



**In this metro, river views = premium prices**



## **Bridges Lofts**

Bettendorf, IA

132-unit market rate project

**Built:** 2019

**Occupancy:** 99%

Wtd avg in-place rent: \$1.68/sq ft

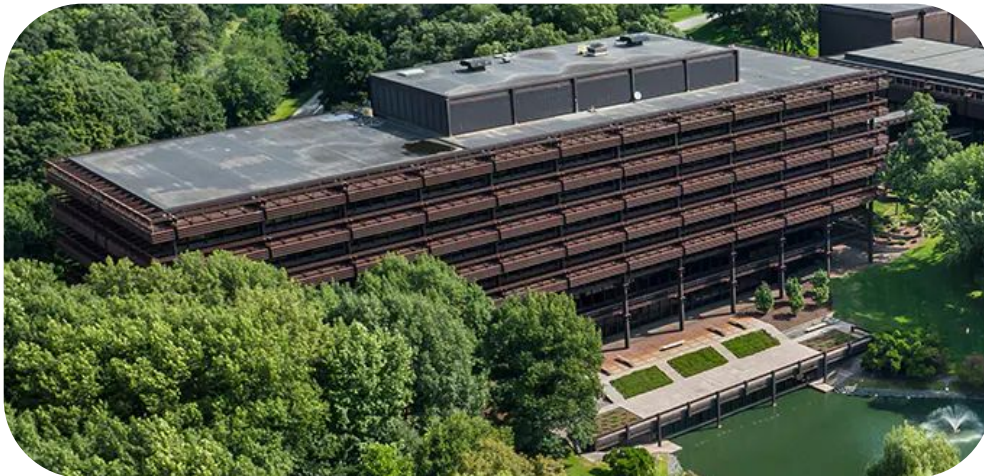
Just hit \$3.05/sq ft on a studio  
(5 month lease)

# Demand Drivers



## Rock Island Arsenal

- Largest government-owned weapons manufacturing
- 6,000+ personnel
- Popular last posting before retirement



## John Deere World Headquarters

- 900 employees work at the headquarters in Moline
- 75,600 employees worldwide
- \$45bn in revenues (48% from outside the US)



# Video Overview



<https://youtu.be/gw3T7-8aeAQ>

# Opportunity Zone Benefits

## **Benefit #1:**

- Investors can harvest gains from any investment class.
- The tax on the capital gain is deferred until the 2026 tax year.

## **Benefit #2:**

- If the project is held for 10 years, the basis is "stepped up".
- Investors do not pay tax on the capital gains created.



# Executive Summary

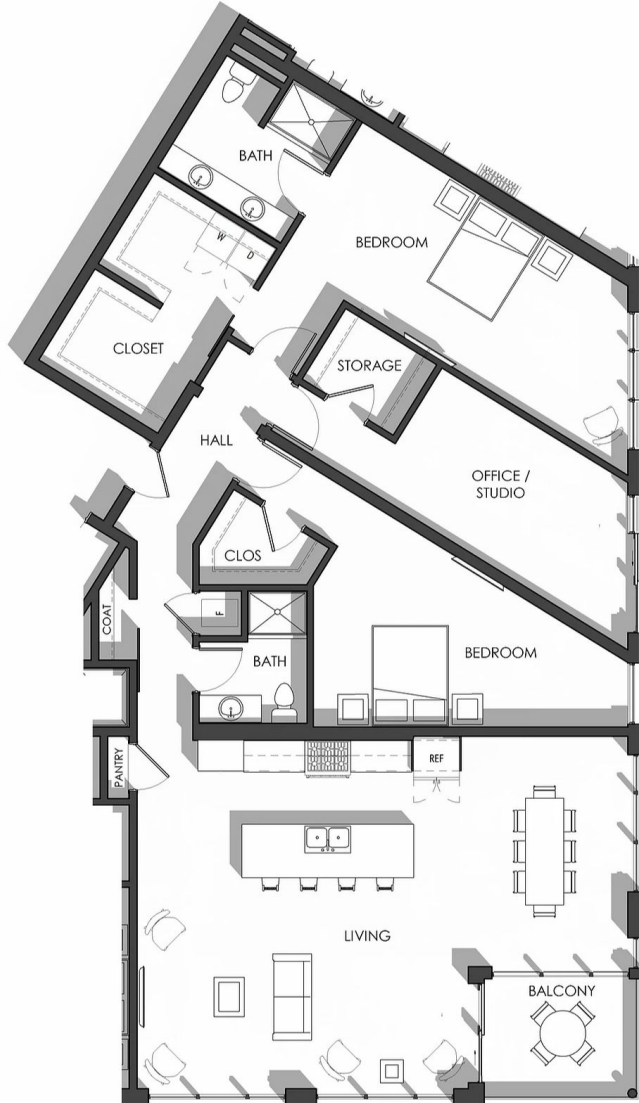
## **Project Details:**

- *Total Cost: \$35 million*
- *Sponsor Group Equity: \$1 million*
- *Outside Equity Sought: \$10 million*
- *Incentives: \$7 million*
- *Debt: \$17 million*

## **Projected Returns:**

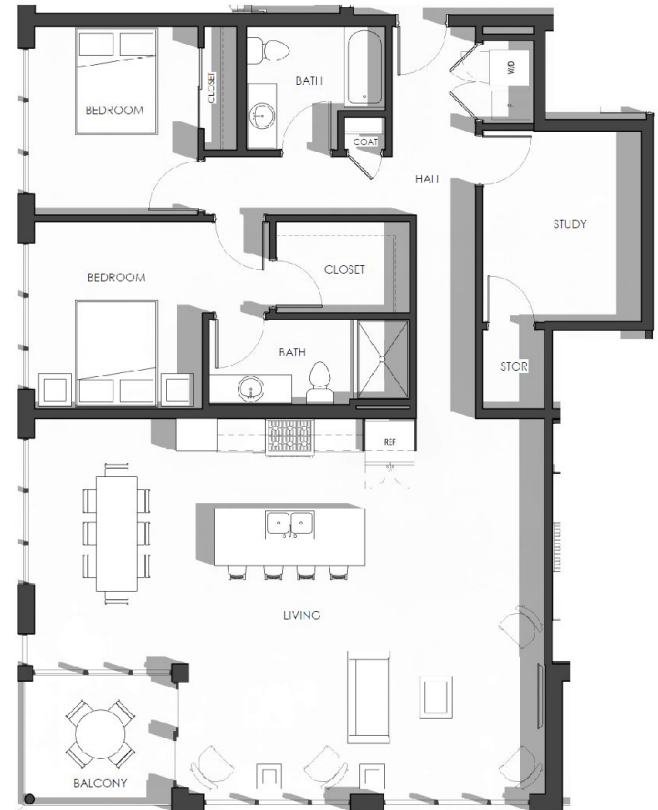
- *IRR: 19% pre-tax. \$22.6% with O.Z. benefits.*
- *Return On Cost: 7% (excluding incentives)*
- *Cash on Cash: 6% (first stabilized year)*

# Sample Units



**Unit 805 (1,965 sq ft 3BR)**

Reserved at \$4,000/mo



**Unit 803 (1,500 sq ft 2BR)**

Reserved at \$3,000/mo



# Deal #2 Summary:



Utilizing the Opportunity Zone and other government incentives to meet upscale demand in a metro where river views command a proven premium.



Let's talk more...

515-490-9001



**Frank Levy**, President

