



## Tudor Arms Apartments 3065 – 3075 Tremainsville Road, Toledo, Ohio 43613

### Quick Facts

- 96 unit complex
- Washington Local School District
- 95% Occupancy
- Near shopping

### Challenge

This property was developed as a Project Based Section 8 complex and these are typically operated and expensed differently than a market rate property. A few years prior to our engagement it had been converted to market-rate housing but still maintained approximately 65% Section 8 tenants with many of the same developer fees and operating expenses in place. This arrangement made it difficult project cash flow that buyers of market rate properties could get comfortable with.

### Solution

Our team dissected the numbers to better understand what could be modified or removed to eliminate non-recurring costs or extraordinary fees and expenses. Our objective was to better illustrate the potential of the property to prospective investors. We put together a realistic pro-forma and a complete and thorough Offering Memorandum and began marketing to our database. A great deal of interest was generated, but many prospects struggled with the past operating expenses and some needed capital improvements. We worked to address these and show what could be changed to enhance performance while screening thru a number of the interested parties looking for one that could understand and be willing to address these issues not only to their own satisfaction but also to that of their prospective lender. One of the prospects was two brothers who own other apartment properties in the immediate area. They did extensive research on how to reduce expenses and address improvements. We assisted in structuring some attractive financing to make it work and the brothers purchased the property.

### Results

We were able to market and sell a property that was performing well for the owners who developed it, but which needed a new approach to make it attractive to the current market. We created a realistic plan that a new owner could use to take this to the next level and worked it with numerous prospects until we found the right buyer.