

## STADIUM VIEW

2119 S 11th Ave, Bozeman, MT 59715



All-new, 139-unit, 499-bed student housing adjacent to Montana State University



STUDENT HOUSING NEAR  
MONTANA STATE UNIVERSITY



Brand new, 2015 construction



### TARGETED BENEFITS

- 7.00% 1ST YEAR CASH-ON-CASH RETURN
- 100% CURRENT OCCUPANCY (12-MONTH LEASES)
- LOCATION: ADJACENT TO CAMPUS
- TAX SHELTER EFFICIENCY FROM PASS THROUGH DEPRECIATION

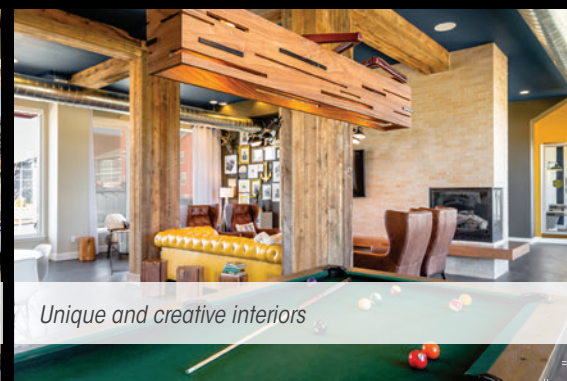
ANCHORED BY THE HISTORICAL STABILITY OF MONTANA STATE UNIVERSITY



Queen-size beds, dressers in spacious private bedrooms



High-end fitness center with golf simulator



Unique and creative interiors



## PROPERTY SUMMARY

Stadium View was just recently opened for the 2015-2016 school year. With steady enrollment growth at Montana State and limited new supply, Stadium View pre-leased to capacity by May 2015 – 3 months before school began. Each lease is for a 12-month term with parental guaranteed for both rent and damage liability.

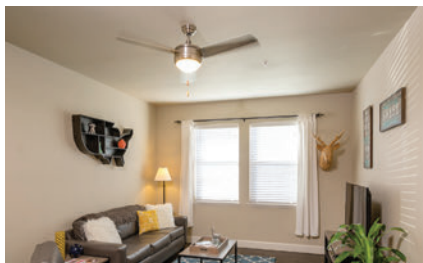
Located on the south side along University Way, the property is directly adjacent to the Montana State University and the Bobcat football stadium, providing excellent visibility and an easy walk to campus for students.

STADIUM VIEW provides an upscale living experience that balances luxury, security with what Nelson Brothers believes to be an excellent location convenient to campus – all at a price point comparable to on-campus housing and Class B communities that make up most of the market.

All units are fully furnished with a 48-inch flat screen TV and feature private bedrooms with queen sized, pillow-top mattress bed and private bathrooms. The property features a fully amenitized 4,971 square foot clubhouse with business center, first class workout room, study lounges and gathering spaces. Additional on-site amenities include a hot tub, volleyball court, ski tuning & bike maintenance room, ski storage, covered bike storage, a leasing office and 1600 square feet of ground floor retail space.



Upgraded kitchen and appliances



Spacious units with modern décor



Clean, classic finishes throughout

## MARKET

The university currently has dorm room capacity for roughly 3500 students on-campus. The school has been in the process of adding new dorms to help support its strong enrollment growth. A trend Nelson Brothers views as a huge positive for Stadium View. First, it acclimates incoming freshmen to the benefits of living close to campus and in particular, in new housing. Second, it signals the university's commitment and investment to continued growth.

Outside of the on-campus housing, there are no other purpose-built, by-the-bed student housing complexes in Bozeman. The vast majority of the competitive set is comprised of smaller 20- to 80-unit apartment complexes disbursed throughout Bozeman that also cater to non-student tenants. However, with a strong economy in Bozeman and limited supply of housing, all comparable properties show an average of 99% occupancy.

Stadium View boasts more than 60% of available private housing beds adjacent to campus.

## FLOOR PLANS AND UNIT MIX

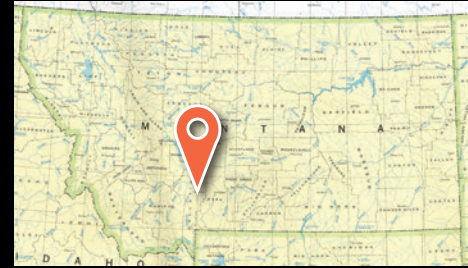


Stadium View features an efficient unit mix of 1-, 2-, 4- and 5-bedroom units designed to capture a broad market of students with rents ranging from \$530 to \$885 per bed per month. While most bedrooms have their own private bathroom, the property does have a handful of shared bedrooms/bathrooms for more price sensitive students.

UNIT MIX AND RENTS					
UNIT TYPE	# OF UNITS	# OF BEDS	UNIT SIZE	2015 RENT	2016 RENT
S1 - Eff	6	6	499	\$860	\$885
S2 - Eff	1	1	425	\$810	\$825
A1 - 1Bd, 1Bth	12	12	548	\$900	\$925
B1 - 2Bd, 2Bth	8	16	841	\$740	\$750
B2 DbI - 2Bd, 2Bth	6	24	1,160	\$509	\$530
D1 - 4Bd, 4Bth	66	264	1,423	\$630	\$675
D2 - 4Bd, 4Bth	24	96	1,388	\$610	\$650
E1 - 5Bd, 5Bth	16	80	1,702	\$590	\$630
<b>Total</b>	<b>139</b>	<b>499</b>	<b>178,147</b>	<b>\$312,906</b>	<b>\$332,955</b>



Adjacent to campus



Bozeman is located in southwest Montana

## STUDENT HOUSING

Nelson Brothers believes that students will pursue degrees from major universities regardless of the economic climate. The company's strategy is based upon that belief and contends that well-positioned properties can stay well-occupied and profitable even during economic downturn. For investors, the target of this strategy is to help provide stable cash flow and diversification to assets that may be less correlated to the economy.

## PROPERTY PROFILE

<b>Number of Units</b>	139
<b>Number of Beds</b>	499
<b>Year of Construction Opened</b>	August 2015
<b>Land Size</b>	9 acres
<b>Current Occupancy</b> (underwritten at 96%)	100%

## OFFERING DETAILS

<b>1st Year Cash-on-Cash</b>	7.00%
<b>Total Offering Price</b>	\$47,731,725
<b>Total Loan Amount</b>	\$28,119,000
<b>Investor Equity</b>	\$19,612,725
<b>Loan-to-Value</b>	58.91%
<b>Minimum Investment</b>	\$50,000

## TARGETED CASH-ON-CASH RETURN

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
7.00%	7.00%	7.10%	7.10%	7.20%	7.20%	7.30%	7.30%	7.40%	7.40%

## LOAN DETAILS (May be subject to change prior to close)

Non-recourse. 10-year, 30-year amortization, 3 years interest-only. Anticipated interest rate, 4.64%. DST structure.



Site Plan

## Targeted Pro Forma Analysis\*

<b>Investor Equity</b>	\$19,612,725
<b>Revenue Growth Rate</b>	3.0%
<b>Expense Growth Rate</b>	1.80%

	Actual	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Total Operating Income</b>	\$3,765,468	\$3,787,100	\$3,900,200	\$4,016,500	\$4,136,400	\$4,260,200	\$4,387,300	\$4,518,400	\$4,653,600	\$4,792,000	\$4,935,900
<b>Total Expenses</b>	\$1,185,637	\$1,010,361	\$1,365,916	\$1,390,497	\$1,415,310	\$1,440,859	\$1,466,649	\$1,492,985	\$1,520,272	\$1,547,914	\$1,575,918
<b>Net Operating Income</b>	\$2,579,830	\$2,776,739	\$2,534,284	\$2,626,003	\$2,721,090	\$2,819,341	\$2,920,651	\$3,025,415	\$3,133,328	\$3,244,786	\$3,359,982
<b>Debt Service</b>		(\$1,251,296)	(\$1,251,296)	(\$1,251,296)	(\$1,251,296)	(\$1,251,296)	(\$1,699,688)	(\$1,699,688)	(\$1,699,688)	(\$1,699,688)	(\$1,699,688)
<b>Cash Flow After Debt Service</b>	\$2,579,830	\$1,525,443	\$1,282,989	\$1,374,708	\$1,469,795	\$1,568,045	\$1,220,963	\$1,325,727	\$1,433,640	\$1,545,097	\$1,660,294
<b>Projected Cash Return</b>		7.00%	7.00%	7.10%	7.10%	7.10%	7.20%	7.20%	7.30%	7.30%	7.40%

\*There is no guarantee the property will achieve these results. Actual results will vary, based on assumptions from historical performances and estimates of 3% annual revenue growth and 2% annual expense growth, which management believes are reasonable. Please review the Private Placement Memorandum for detailed risk factors to be considered and for details on financial targets.

For more information on the future events and circumstances that may cause actual results to materially differ from our assumptions, please review the section of the PPM under the caption "Risk Factors," including "Forward-Looking Statements."



- LARGEST UNIVERSITY IN MONTANA
- FOUNDED 1893
- ENDOWMENT: \$120 MILLION
- CURRENT ENROLLMENT 15,200
- NICKNAME BOBCATS
- NCAA DIVISION 1, BLUE SKY CONFERENCE



## BOZEMAN DAILY CHRONICLE

### MSU finding classrooms, beds for surge of students

By Gail Schontzler Chronicle Staff Writer • Aug 26, 2015

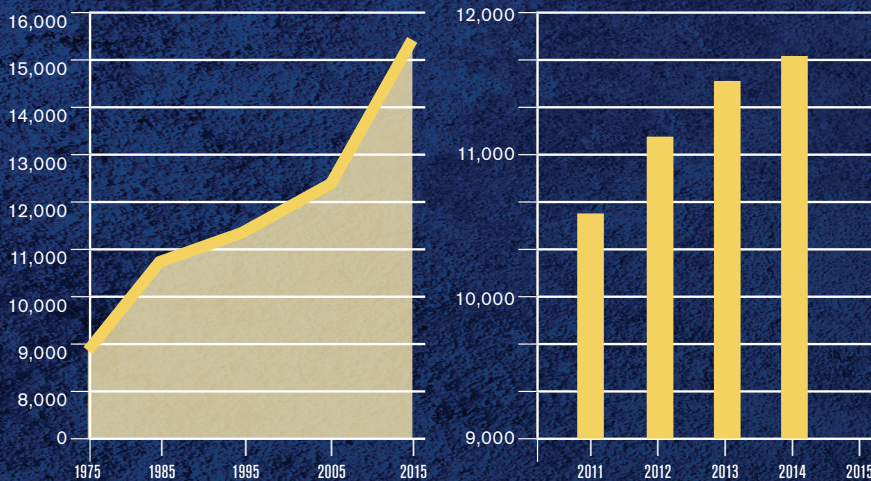
First-year student Hannah Herrick says she hasn't had any trouble getting into the housing or classes she wants at Montana State University, despite an expected record enrollment at the Bozeman campus.

Herrick said a friend told her that some residence halls have students "sleeping in the lobby." But she and a half-dozen students walking outside North Hedges dorm said they haven't had any problems...

Read full article:

[http://www.bozemandailychronicle.com/news/montana\\_state\\_university/msu-finding-classrooms-beds-for-surge-of-students/article\\_a5c0cd08-f3e5-5633-bf8c-4f58c6e7b307.html](http://www.bozemandailychronicle.com/news/montana_state_university/msu-finding-classrooms-beds-for-surge-of-students/article_a5c0cd08-f3e5-5633-bf8c-4f58c6e7b307.html)

### Montana State – Fall enrollment yearly figures



Montana State University has experienced consistent enrollment growth with decade-after-decade of incline. More recently the university has shown steady year-over-year growth as part of the Plan 2015. MSU's 2015 freshman class is the university's largest ever with 3,026 students, an increase of 3% over last year. The University is anticipating continued growth of over 16,000 students by 2019.



## ABOUT NELSON BROTHERS

### Current Management Portfolio At-A-Glance:

Over \$300 million in Real Estate under Management

24 Properties, Across 11 States

19 Student Housing Properties

More than 500 Investors

## Nelson Brothers

STUDENT HOUSING AND ASSISTED LIVING INVESTMENTS

16B Journey, Suite 200 | Aliso Viejo, CA 92656  
(800) 580-1031



Nelson Brothers recently purchased and renovated 16-B Journey, a 10,000 sf office building in Aliso Viejo (South Orange County) to serve as company headquarters.

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