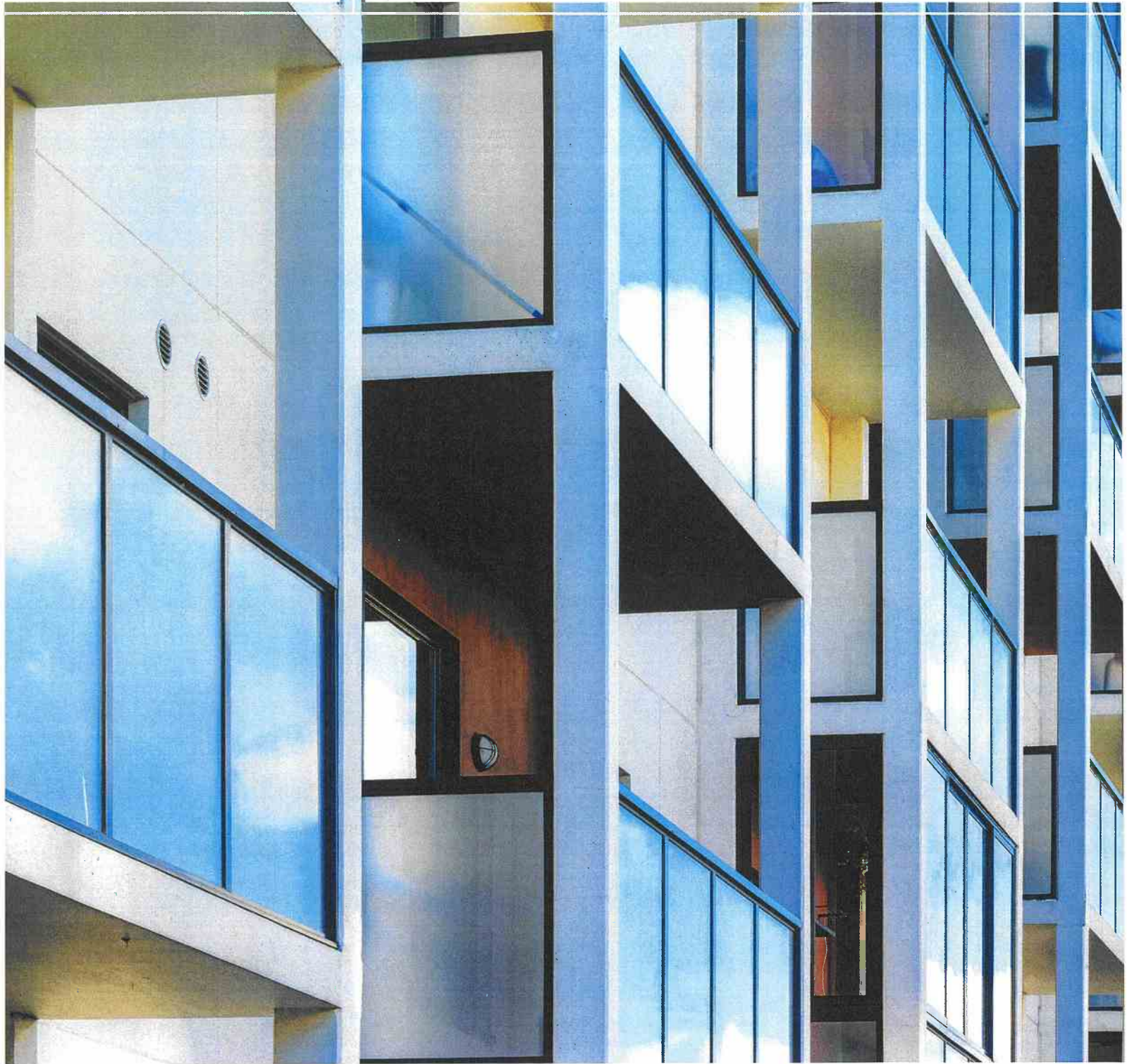




SR Apartment Fund III, LLC

\$10,000,000 Offering / Minimum Investment \$200,000



Identified Opportunities

> WHITE BEAR LAKE APARTMENTS

White Bear Apartments is a 193-unit, Class A apartment development in White Bear Lake, Minnesota, a suburb in the northeastern metro of the Twin Cities of Minneapolis and St. Paul. With a population of 25,888, White Bear Lake is known for its quaint downtown, lake and associated recreation opportunities, and easy access to major highways. The development site is located two blocks from Hwy 61, a major thoroughfare and future Bus Rapid Transit line, and one block from a future rails-to-trails bike path.

With a market vacancy rate of 1.7% as of Q4 2018, White Bear Lake has not had market rate general population apartments built since 2015, and the bulk of the market rate product is of an older vintage. The competitive properties in the market are at 98% occupancy, indicating an opportunity for additional supply to meet consumer demand. Also, White Bear Lake is a mature suburban community and therefore opportunities for new, larger scale development are limited.

This ground up development will feature luxury amenity spaces including outdoor patio with grilling stations, pool, dog run area, community room, fitness facilities, package center and on-site staffing. Apartment features will include wood-style flooring, stainless steel appliances, stone countertops, and in-unit washer/dryer.

Project Highlights:

- > 4 levels above grade, one level below grade parking
- > 193 market rate apartments
- > 283 parking stalls (137 underground, 146 surface)
- > 4.6 acre parcel with opportunity for phase II to the east
- > Rents from \$1,100 - \$2,100, with an average rent of \$1.80/sf or \$1,578/month
- > Delivery to market in fall 2020



WHITE BEAR LAKE AVERAGE RENT & VACANCY

Data from GVA Marquette Advisors 4th Quarter 2018 Apartment Trends Report

UNIT TYPE	UNITS SURVEYED	UNITS VACANT	AVG RENT 2018 Q4	AVG RENT 2017 Q4	% CHANGE	VACANCY 2018 Q4	VACANCY 2017 Q4	% CHANGE
Studio	10	0	\$893	\$792	12.8%	0%	0%	0%
One Bedroom	336	5	\$1,011	\$926	9.2%	1.5%	2.1%	-0.6%
One + Den	18	0	\$1,080	\$1,013	6.6%	0%	0%	0%
Two Bedroom	1,098	20	\$1,151	\$1,043	10.4%	1.8%	2.5%	-0.6%
Two + Den	9	0	\$1,445	\$1,373	5.3%	0%	0%	0%
Three Bedroom	38	1	\$1,456	\$1,278	14.0%	2.6%	2.6%	0%
Total	1,509	26	\$1,127	\$1,023	10.2%	1.7%	2.3%	-0.6%

