

JEFFERSON COURT APARTMENTS

400 11th Street NE · Watertown, South Dakota



Bender
COMMERCIAL

EXCLUSIVE OFFERING MEMORANDUM

\$1,350,000

\$56,250/UNIT



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PRESENTED BY

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INVESTMENT HIGHLIGHTS

Price	\$1,350,000
Number of Units	24
Price per Unit	\$56,250
Year Built	1975
Lot Size	2.44 Acres

UNIT TYPE	TOTAL UNITS	SF	CONTRACT RENT	MARKET RENT	150% 2026 FMR / MAX LIHTC RENT
2 Bed 1.5 Bath HAP	14	896	\$836	\$1,350	\$1,569
2 Bed 1.5 Bath LIHTC	10	896	\$737	\$1,350	\$1,269

PROPERTY DETAILS:

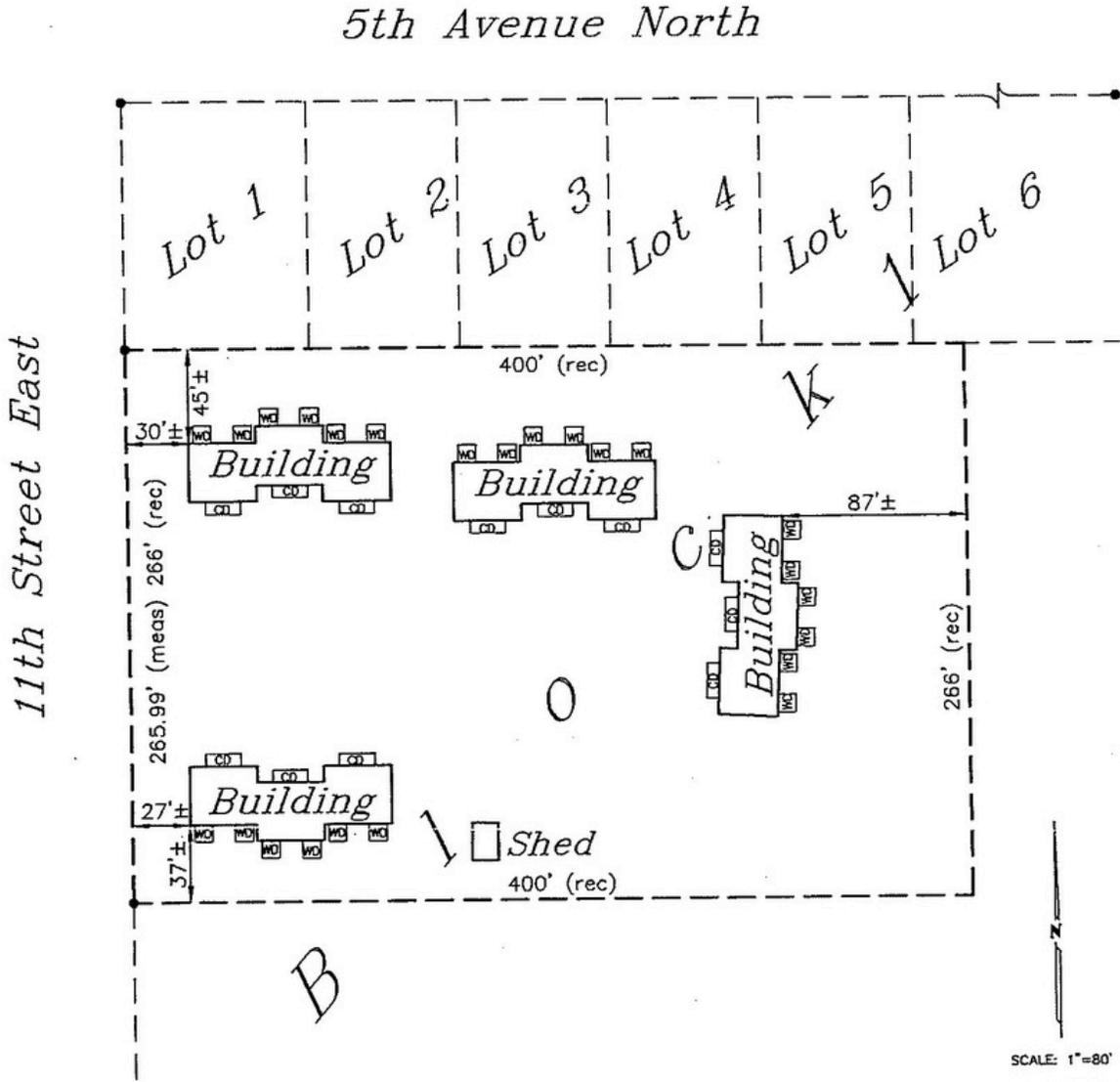
- Property is comprised of four townhouse buildings totaling 24 units.
- Central air with tenants paying heat, electric, and cable.
- In-unit washer/dryer in unfinished basement.
- Interior and exterior of property is well maintained.
- Property is adjacent to Watertown High School and Lake Area Technical College.
- Contact broker for financials, rent roll, and showing access. Nick Gustafson, CCIM: 605-201-2809, nick@benderco.com

PROPERTY OVERVIEW



PROPERTY INTERIOR





PROJECT-BASED SECTION 8 INFORMATION

- Contract Number: SD99M000087
- Option: 2
- Expires: 6/30/2035
- Coverage: 14/24 units
- REAC Score: 86 June 2025
- See contract for additional information.

LIHTC SECTION 42 INFORMATION

- Initial compliance period expired in 2018.
- Extended use period expires in 2033.
- Fourteen (14) units are restricted for rent to tenant at 50% or less of AMI.
- Ten (10) units are restricted for rent level at 60% or less of AMI.

Project is further restricted as follows:

- Fourteen (14) units are restricted for rent to tenants at 50% or less of AMI. In addition, units are restricted to the lesser of the FMR for 2BR units or 92% of the 50% AMI HTC rent maximum for 2BR units. All 14 units have Section 8 rental assistance and are also considered HOME units and shall comply with the requirements of the HOME Investment Partnership HOME 24 CFR Part 92.
- Ten (10) units are restricted for rent to tenants at 60% or less of AMI. Rents are limited to 80% of the 60% AMI HTC rent maximum for 2BR units.
- See LURA for additional details.

HOME LOAN RESTRICTIONS

- Expires June 1, 2022.
- Fourteen (14) 2BR rental units are restricted for rent to tenants at 50% AMI with low home rents.
- See LURA for additional details.

SECTION 42 INCOME LIMITS

CURRENT INCOME PERCENTAGES

HOUSEHOLD SIZE	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON
60% AMI	\$39,480	\$45,120	\$50,760	\$56,340	\$60,900	\$65,400
140% AMI	\$55,272	\$63,168	\$71,064	\$78,876	\$85,260	\$91,560

**Income guidelines are a percentage of median family income (MFI). Effective 6/01/2025 by the US Department of HUD.*

SALE COMPARABLES

PROPERTY	LOCATION	SALE DATE	TYPE	BUILD DATE	SALE PRICE	UNITS	PRICE PER UNIT	CAP RATE	
Birmingham Townhomes	St. Paul, MN	Oct-22	Section 8	1981	\$1,900,000	21	\$90,476	5.53%	
Southwinds Apartments	Des Moines, IA	Dec-23	Section 8 / LIHTC	1993	\$4,200,000	59	\$71,186	6.65%	
Linderhof Park Apartments	New Ulm, MN	Jun-23	Section 8	1997	\$2,600,000	56	\$46,429	6.93%	
Westview Apartments	Forest Lake, MN	Nov-24	Section 8 / LIHTC	1980	\$5,440,000	64	\$85,000	6.62%	
South Creek Townhomes	Rapid City, SD	Mar-24	LIHTC	2004	\$6,000,000	80	\$75,000	6.00%	
Valley Hi Apartments	Custer, SD	Jan-23	Section 8	1974	\$1,035,000	28	\$36,964	6.30%	
				AVERAGES	1988	\$3,529,167	51	\$67,509	6.34%

PROFORMA

Name	Jefferson Court Apartments
Location	Watertown, SD
Property Type	Multi-Family
Date	October 22, 2025
Units	24
<hr/>	
Price	\$1,350,000
-Loans	\$945,000
Down Payment	\$405,000
+Acq Costs	0
+Loan Points	0
Investment	\$405,000
<hr/>	
Capitalization Rate	6.46%
Gross Income Multiplier	5.73
Cash on Cash	5.09%
Debt Coverage Ratio	1.310
Price/Unit	\$56,250

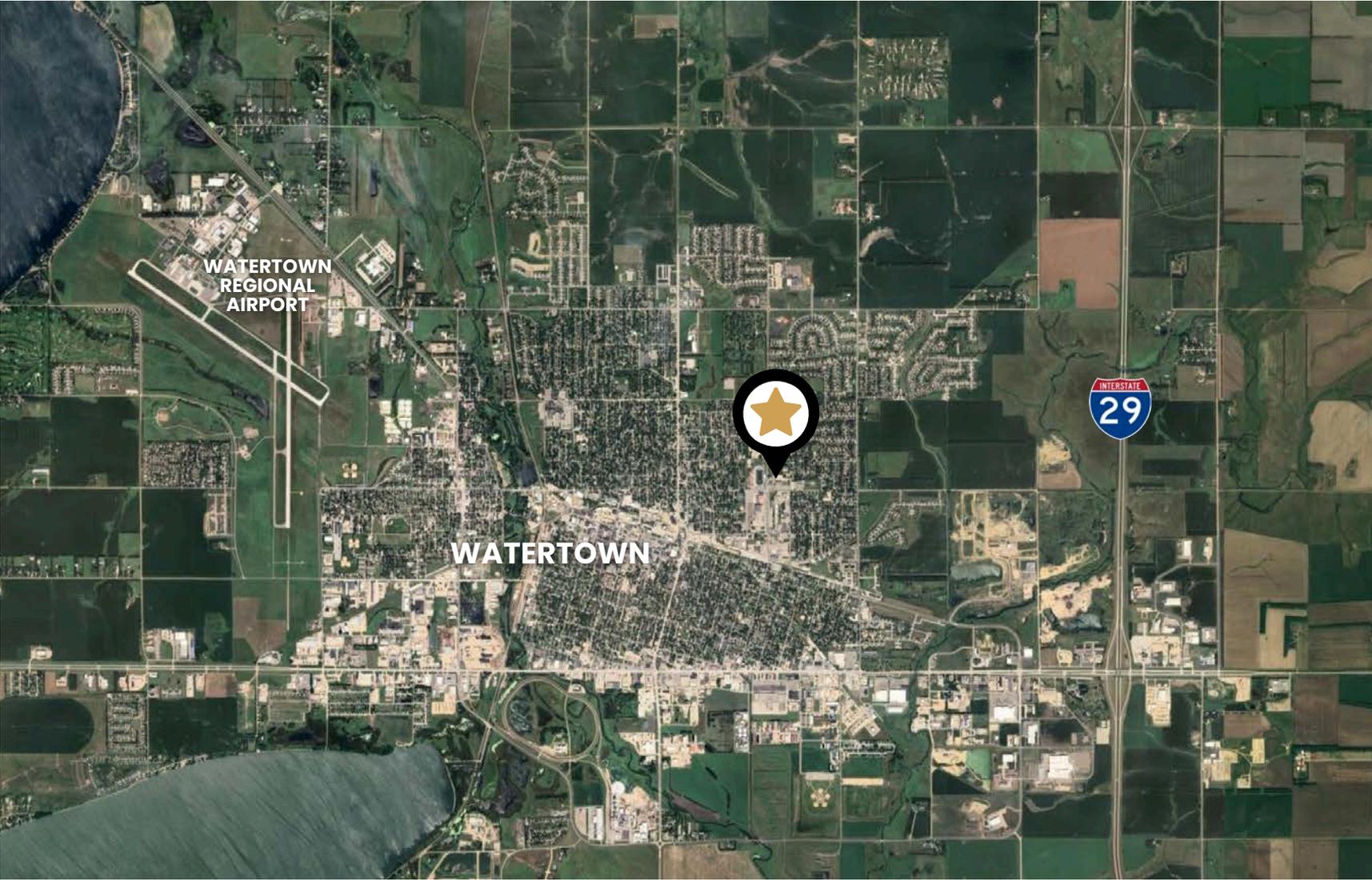
Contact Broker for Financials, Rent Roll, and Showing Access.

	\$/UNIT	% OF GI	ANNUAL \$
GROSS INCOME			
Tenant Rent		51.7%	\$121,805
Rent Assistance		39.8%	\$93,714
Other Subsidy		5.5%	\$13,050
Vacancy Assistance		0.5%	\$1,232
Late Charges		0.5%	\$1,067
Tenant Charges		1.9%	\$4,377
Credit Check Income		0.1%	\$240
TOTAL GROSS INCOME	\$9,812	100.0%	\$235,485
Vacancy & Credit Loss	\$981	10.0%	\$23,549
EFFECTIVE INCOME	\$8,831	90.0%	\$211,937
Less: Operating Expenses			
Office Expense	\$119	1.2%	\$2,866
Credit Check Expense	\$52	0.5%	\$1,255
Management Fee	\$667	6.8%	\$16,000
Manager Salary	\$583	5.9%	\$14,000
Compliance Fee	\$79	0.8%	\$1,885
Audit Fee	\$171	1.7%	\$4,097
Electricity	\$124	1.3%	\$2,977
Water	\$358	3.7%	\$8,602
Sewer	\$461	4.7%	\$11,066
Garbage	\$251	2.6%	\$6,012
Grounds Contract	\$307	3.1%	\$7,369
Repairs	\$625	6.4%	\$15,000
Snow Removal	\$132	1.3%	\$3,175
Property Taxes	\$833	8.5%	\$20,000
Property Insurance	\$437	4.4%	\$10,476
Total Operating Expenses	\$5,199	53.0%	\$124,780
NET OPERATING INCOME	\$3,632	37.0%	\$87,157
Less: Debt Service			
Loan	\$2,772	28.3%	\$66,538
Total Debt Service	\$2,772	28.3%	\$66,538
NET OPERATING CASH FLOW	\$859	8.8%	\$20,619

PROPERTY LOCATION



PROPERTY LOCATION



1 MILE RADIUS DEMOGRAPHICS

KEY FACTS



BUSINESS



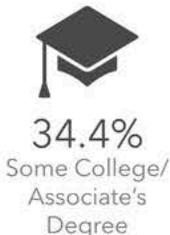
EMPLOYMENT



INCOME



EDUCATION



HOUSING STATS



3 MILE RADIUS DEMOGRAPHICS

KEY FACTS

21,097
Population



Average
Household Size

38.4

Median Age

\$60,853

Median Household
Income

BUSINESS



1,330

Total Businesses



16,673

Total Employees

EMPLOYMENT



White Collar

54.5%



Blue Collar

29.4%



Services

16.1%



Unemployment
Rate

INCOME



\$60,853
Median Household
Income



\$34,940
Per Capita Income



\$113,527
Median Net Worth

EDUCATION



No High School
Diploma



36.7%
High School
Graduate



34.0%
Some College/
Associate's
Degree



22.0%
Bachelor's/Grad/
Prof Degree

HOUSING STATS



\$233,890
Median Home
Value



\$8,699
Average Spent on
Mortgage & Basics



\$750
Median Contract
Rent

5 MILE RADIUS DEMOGRAPHICS

KEY FACTS

23,724

Population



Average Household Size

38.9

Median Age

\$63,489

Median Household Income



1,425

Total Businesses



17,888

Total Employees

EMPLOYMENT



White Collar

55.1%



Blue Collar

29.1%



Services

15.8%



Unemployment Rate

EDUCATION



No High School Diploma



36.4%
High School Graduate



33.6%
Some College/
Associate's Degree



22.9%
Bachelor's/Grad/
Prof Degree

BUSINESS

INCOME



\$63,489
Median Household Income



\$36,951
Per Capita Income



\$134,652
Median Net Worth

HOUSING STATS



\$246,284
Median Home Value



\$9,330
Average Spent on Mortgage & Basics



\$752
Median Contract Rent



For more information,
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