MULTIFAMILY · 22 UNITS

Birchwood **Apartments**

8150 E Michigan Ave Galesburg, MI 49053

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OFFERING HIGHLIGHTS

List Price	**$2,025,000**
Units	**22**
Cap Rate	**7.71%**
Proforma Cap Rate	**8.89%**
GRM	**6.34**
Square Footage	**17,500**

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BIRCHWOOD APARTMENTS

8150 E MICHIGAN AVE GALESBURG, MI 49053

LIST PRICE	CAP RATE	UNITS
$2,025,000	7.71%	22

INVESTMENT OVERVIEW

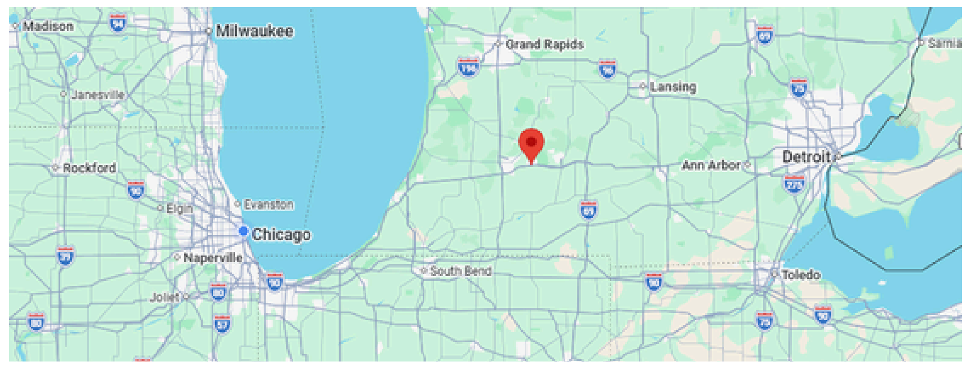
Birchwood Apartments is a 22-unit multifamily community located in Galesburg, Michigan, within the Kalamazoo MSA. The property consists of 6 one-bedroom and 16 two-bedroom units across two well-maintained buildings situated on an expansive 10-acre lot with 132-unit expansion potential.

Birchwood features on-site laundry facilities, ample outdoor space, and convenient access to Interstate 94, the Kalamazoo/Battle Creek International Airport, Comstock Public Schools, and nearby recreational amenities such as Chipman Preserve. Current ownership has completed recent renovations, leaving an incoming investor well-positioned with exposure to stable tenant demand and Kalamazoo employment base.

INVESTMENT HIGHLIGHTS

- **Attractive unit mix —** 6 one-bedroom and 16 two-bedroom units across two well-maintained buildings
- **Recent renovations —** enhanced long-term appeal with reduced near-term execution risk
- **Diverse employment base —** anchored by Eaton Corporation, Pfizer, Stryker Corporation, and Western Michigan University

REGIONAL LOCATION



DRIVE TIMES

KALAMAZOO 10 mi · 15 Min	**GRAND RAPIDS** 70 mi · 1 hr
SOUTH BEND 90 mi · 1.5 hrs	**CHICAGO** 150 mi · 2.5 hrs
DETROIT 130 mi · 2.5 hrs	**INDIANAPOLIS** 220 mi · 3 hrs

BIRCHWOOD APARTMENTS

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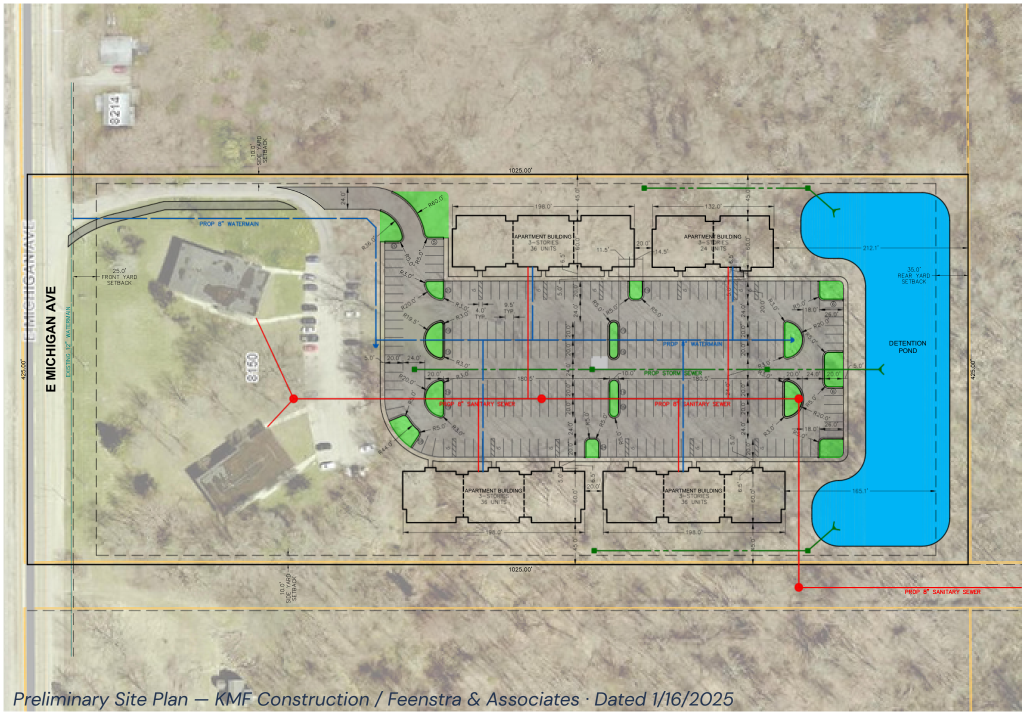
EXPANSION OPPORTUNITY



Preliminary Site Plan — KMF Construction / Feenstra & Associates · Dated 1/16/2025

ADDITIONAL BUILDINGS	ADDITIONAL UNITS
4	**132**
3-Story, Garden-Style	36 / 24 / 36 / 36 Unit Mix

LOT SIZE	TOTAL POTENTIAL UNITS
~10 AC	**154**
Existing site	22 Existing + 132 Proposed

SITE PLAN REQUIREMENTS

- **Zoning —** R-1C Cluster Housing District
- **Setbacks —** Front yard 25 ft · side yard 5 ft (15 ft total) · rear yard 35 ft
- **Parking —** 270 spaces proposed vs. 264 required (2 spaces / unit)
- **Landscaping —** 8,364 SF proposed vs. 8,100 SF required

PROJECT STATUS

- **Engineered —** Full preliminary site plan completed by KMF Construction and Feenstra & Associates
- **Utility-mapped —** Preliminary plan depicts proposed sanitary sewer and watermain extensions
- **Pre-application —** Preliminary site planning completed; formal Township application not submitted
- **Team ready —** Existing project team can be re-engaged; Township review and required approvals would need to be pursued

NOTE: This expansion concept is preliminary and unentitled. No rezoning, variance, site-plan approval, or other formal Comstock Township approval has been obtained, and there is no assurance the concept as depicted is achievable. The engineered site plan reflects a revised 36/24/36/36 unit mix (132 units). Buyer and its advisors should independently verify zoning, utility capacity, and entitlement feasibility with Comstock Township and its engineers.

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OFFERING SUMMARY

LIST PRICE	CAP RATE	TOTAL UNITS	GRM
$2,025,000 $92,045 / Unit	**7.71% | 8.89%** Stabilized & Proforma	**22** 6 - 1 Bed / 1 Bath 16 - 2 Bed / 1 Bath	**6.34** Gross Rent Multiplier

Square Feet	17,500 SF
Cost Per SF	$115.71
Year Built	1974
Parking	Off Street

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PROPERTY DETAILS

BUILDINGS **2** Garden-Style	TOTAL UNITS **22** 1 & 2 Bed Units	RENTABLE SQUARE FOOTAGE **17,500** 795 Avg / Sf / Unit
LOT SIZE **~10 AC**	OWNERSHIP **Fee Simple**	PARKING **Off Street**
Water / Sewer **Landlord Paid**	Gas **Tenant Paid**	Electric **Tenant Paid**

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UNIT MIX SUMMARY

UNIT MIX

1 BED 1 BATH · 650 SF

6 Total Units

Average Current Rent $1,078

Highest Achieved Rent $1,200

Occupancy % by Unit Type 100%

UNIT MIX

2 BED 1 BATH · 850 SF

16 Total Units

Average Current Rent $1,190

Highest Achieved Rent $1,310

Occupancy % by Unit Type 81%

BIRCHWOOD APARTMENTS

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STABILIZED NOI

$156,111

INCOME

ITEM	CURRENT RENT ROLL	STABILIZED		PROFORMA
Gross Potential Rent		$337,920		$337,920
Loss to Lease		($18,586)	[1]	($4,224)
Vacancy		($15,967)	[2]	($16,685)
Other Income	$16,841	$11,911	[3]	$11,911
Net Revenue	**$281,801**	**$315,279**		**$328,922**

NOTES:

[1] Loss to Lease of 5.00%

[2] Broker Est. of 5% Market Vacancy

[3] Please see Broker for details

[4] Per Broker Estimate

(In-Place Taxes: $24,999)

[5] Per Broker Estimate

[6] Per Owner June ‘26 T12

[7] Est. 5% Stabilized - 7.5% Proforma

[8] Broker Estimate of $250 / unit

[9] Broker Estimate of $450 / unit

[10] Broker Estimate of $350 / unit

[11] Per Owner June ‘26 T12

[12] Broker Estimate of $125 / unit

[13] Broker Estimate of $150 / unit

[14] Broker Estimate of $50 / unit

[15] Broker Estimate of $850 / unit

EXPENSES

ITEM	OWNER T-12	STABILIZED		PROFORMA
Real Estate Taxes	$24,999	$44,000	[4]	$44,000
Insurance	$1,592	$14,300	[5]	$14,300
Utilities	$12,699	$12,699	[6]	$12,699
Management	$12,064	$15,764	[7]	$24,669
Reserves	–	$5,500	[8]	$5,500
Repairs & Maintenance	$4,858	$9,900	[9]	$9,900
Cleaning & Decorating	$16,834	$7,700	[10]	$7,700
Contract Services	$23,455	$23,455	[11]	$23,455
Office & Admin	$3,080	$2,750	[12]	$2,200
Advertising	$9,028	$3,300	[13]	$3,300
Supplies	$169	$1,100	[14]	$1,100
Payroll	$26,096	$18,700	[15]	–
Total Expenses	**$134,874**	**$159,168**		**$148,823**

Expense Ratio: 50.48%   NOI: $156,111   Cap Rate: 7.71%

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INVESTMENT RETURNS

	STABILIZED	PROFORMA
Price	$2,025,000	
Down Payment	$506,250	
Number of Units	22	
Price Per Unit	$92,045	

FINANCING	STABILIZED	PROFORMA
Interest Rate	6.70%	6.70%
Amort. Period	30Y	30Y
Loan to Value	75%	75%
Loan Amount	$1,518,750	$1,518,750

RETURNS	STABILIZED	PROFORMA
Cap Rate	**7.71%**	**8.89%**
GRM	6.34	6.07
Cash-on-Cash	**7.61%**	**12.35%**
DSCR	1.33	1.53

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INTERIOR PHOTOS

Kitchen

Bathroom

Living Room

Bedroom

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EXTERIOR PHOTOS

MARKET OVERVIEW

Kalamazoo MSA Rental Market

Resilient Demand · Compelling Yield

Q1 '26 UNIT INVENTORY

19,267

Total units in market

Q1 '26 OCCUPANCY AVG

93.2%

Market-wide

Q1 '26 MKT PRICE / UNIT

$104k

Avg sale price per unit

1-YEAR ASKING RENT GROWTH

3.3%

Steady annual growth

MARKET CAP RATE

7.4%

Q1 2026

MARKET NARRATIVE

The Kalamazoo MSA multifamily market continues to be defined by resilient fundamentals, supported by a diverse and durable economic base spanning advanced manufacturing, healthcare, education, and life sciences. Market-wide occupancy reached 93.2% in Q1 2026 – reflecting steady renter demand across the metro. With zero units currently under construction, the development pipeline has fully cleared, positioning the market for continued tightening as any remaining lease-up activity concludes and near-term supply pressure recedes entirely.

Renter demand in the Kalamazoo MSA is anchored by a deep and diverse employer base. Bronson Healthcare, the largest employer in southwest Michigan, employs over 9,000 workers locally, while Western Michigan University adds nearly 4,000 faculty and staff alongside a student enrollment of over 17,000. Global firms with significant local presence – including Stryker Corporation, Pfizer/Zoetis, and Whirlpool – contribute to a broad, multi-sector labor market that supports consistent household formation and stable renter demand. Average market rents have grown at 3.3% year-over-year, reflect healthy income momentum while remaining attainable relative to broader regional benchmarks.

From an investment standpoint, the Kalamazoo MSA offers a compelling combination of strong current yield and an attractive entry basis. A market cap rate of 7.4% represents a meaningful premium to primary Midwest markets and well above the national multifamily average, providing investors with outsized income returns at current pricing. Average sale prices of approximately $104,000 per unit reflect a compelling basis relative to replacement cost, with values appreciating 3.5% year-over-year. With positive rent growth, a cleared construction pipeline, and clear value-add opportunities through unit renovations, utility reimbursements, and operational efficiencies, the market is well-positioned for continued NOI growth and long-term value creation.

Market data: CoStar Realty Information Inc., Report #142988961, dated 6/25/2026. Employer data: public sources.

ECONOMIC BASE & MAJOR EMPLOYERS

KALAMAZOO MSA · BUILT ON MANUFACTURING. POWERED BY HEALTHCARE.

~263,000 METRO POP.

WHY KALAMAZOO?

Strategically located in southwestern Michigan along I-94, the Kalamazoo MSA offers affordability, accessibility, and deep economic diversity. Home to approximately 263,000 people, the metro is anchored by globally recognized employers across healthcare, advanced manufacturing, life sciences, and higher education. Ongoing investment in medical research, downtown redevelopment, and innovation infrastructure continues to fuel long-term economic vitality

LOCATION & ACCESSIBILITY

Direct access to Interstate 94 and US-131, Kalamazoo/Battle Creek International Airport, and Class I rail lines. Located approximately 140 miles from Chicago, 145 miles from Detroit, and 50 miles from Grand Rapids. Surrounding communities including Battle Creek, Portage, and Benton Harbor fall within a 30–60 mile radius, expanding the regional labor pool and logistics reach.

MAJOR EMPLOYERS

BRONSON HEALTHCARE
9,000+
Largest employer in southwest Michigan · Regional health system

WESTERN MICHIGAN UNIVERSITY
4,000+
Faculty & staff · 17,000+ student enrollment

STRYKER CORPORATION
Medical Technology Regional HQ

PFIZER / ZOETIS
~3,000
Pharmaceuticals & animal health · Major manufacturing presence

ASCENSION BORGESS
Regional Healthcare System

KALAMAZOO PUBLIC SCHOOLS
Education & Workforce Dev.

THE KALAMAZOO MSA

BUILT ON MANUFACTURING · POWERED BY HEALTHCARE · GROWING THROUGH INNOVATION

METRO POPULATION
~263,000

ECONOMY SECTORS	YOY PRICE GROWTH	YOY RENT GROWTH	MARKET OCCUPANCY
Mfg · Healthcare · Life Sciences	**+3.5%** Sale price per unit	**+3.3%** Asking rent, year-over-year	**93.2%** Q1 2026

MAJOR EMPLOYERS

Bronson Healthcare · Western Michigan University · Stryker Corporation · Pfizer / Zoetis · Ascension Borgess · Komatsu · Parker Hannifin · Whirlpool

EDUCATION

Western Michigan University · Kalamazoo College · Kalamazoo Valley Community College · WMU Homer Stryker M.D. School of Medicine — providing a steady pipeline of student, medical, and professional renters across the metro.

LIVABILITY & ACCESS

Kalamazoo/Battle Creek International Airport · Wings Event Center · Kalamazoo Institute of Arts · Arcadia Creek Festival Place · Kalamazoo River Valley Trail · Bell's Brewery & vibrant downtown entertainment district.

NON-ENDORSEMENT & DISCLAIMER NOTICE

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Broker of Record

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