

OFFERING MEMORANDUM



Core City Homes

4220 16th St  
Detroit MI 48208

# Core City Homes

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*Exclusively Marketed by:*

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01 **Executive Summary**

Investment Summary

Unit Mix Summary

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## OFFERING SUMMARY

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ADDRESS	4220 16th St Detroit MI 48208
COUNTY	Wayne
MARKET	Detroit
SUBMARKET	Wayne County
BUILDING SF	78,850 SF
NUMBER OF UNITS	45
YEAR BUILT	2005
YEAR RENOVATED	2021
OWNERSHIP TYPE	Fee Simple

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## FINANCIAL SUMMARY

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OFFERING PRICE	\$5,625,000
PRICE PSF	\$71.34
PRICE PER UNIT	\$125,000
OCCUPANCY	85.35%
NOI (CURRENT)	\$377,642
NOI ((Max AMI))	\$657,238
CAP RATE (CURRENT)	6.71%
CAP RATE ((Max AMI))	11.54%

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### The Property

- Core City Homes is a 45 scattered-site single-family homes located in Detroit, Michigan's 48208 zip code, comprising 28 four-bedroom and 17 three-bedroom residences across a concentrated cluster of streets including 15th, 16th, 17th, 18th, and W Forest Avenue. The portfolio represents a rare opportunity to acquire significant residential density in a single transaction, a scale that is difficult to replicate in Detroit's fragmented single-family market, with a clear value-add path through renovation and stabilization, or the ability to sell the homes individually.

## General

- The properties were built in 2005. Each property has an unfinished basement with HVAC, a hot water tank, and an AC unit. The properties also come with a washer and dryer, in the home. Tenants are responsible for all utilities and yard maintenance. The landlord is responsible for property taxes, insurance and general maintenance.

## Rental Portfolio

- The portfolio currently generates \$749,580 in gross potential rent and \$651,639 in effective gross income after an approximately 14% vacancy factor, producing a net operating income of \$377,642. Under a fully stabilized, 80% Max AMI rent scenario (in order to get the PILOT Tax), effective gross income increases to \$1,040,000 with a corresponding NOI of \$657,000. Notably, current real estate taxes of \$125,033 drop to \$57,040 under the Max AMI scenario, suggesting meaningful tax abatement potential tied to affordable housing compliance that a buyer should underwrite and pursue aggressively.
- Core City Homes is positioned to benefit from Detroit's Payment in Lieu of Taxes (PILOT) program, which replaces traditional ad valorem property taxes with a flat percentage of rental income. By targeting 80% AMI affordability across the portfolio, the property qualifies for a 4% PILOT rate — reducing annual property taxes from \$94,262 to \$26,076, a savings of \$68,186 per year (\$1,705 per door). Unlike conventional property taxes, which scale with assessed value and create unpredictable operating expenses, PILOT payments are tied directly to rental income, giving investors a stable, income-linked tax obligation that grows only as revenue grows. Critically, the 80% AMI rent caps for Wayne County — approximately \$1,819 for 3-bedroom and \$2,020 for 4-bedroom units — are above where the portfolio is currently renting, meaning PILOT compliance does not require any rent reduction. The current 3-bedroom average is \$1,395 and 4-bedroom average is \$1,344, leaving meaningful room to grow rents.

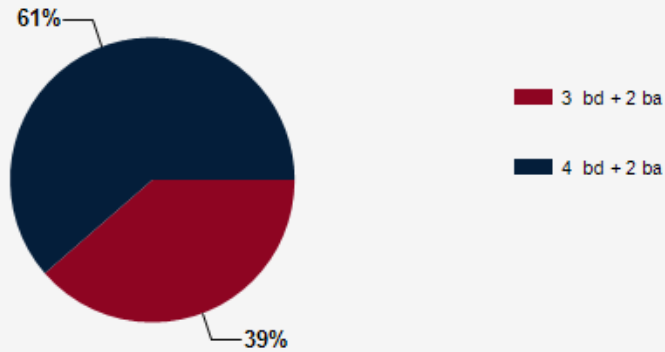


## Individual Sales

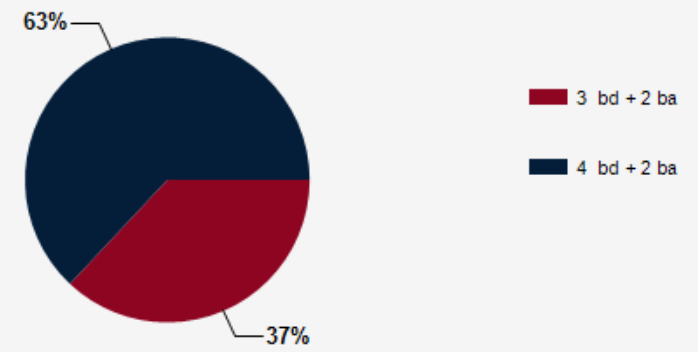
- The Detroit 48208 market currently reflects an average home value of approximately \$131,000, with fully rehabbed homes at the upper tier of the market trading in the \$175,000–\$210,000 range for four-bedroom product and \$155,000–\$175,000 for three-bedroom product. This creates meaningful optionality for a buyer: the portfolio can be held as a stabilized rental operation generating \$657,000+ in NOI at scale, or individual homes can be sold off as renovations are completed — with fully rehabbed four-bedroom homes supporting individual sale prices of \$175,000–\$210,000 and three-bedrooms at \$155,000–\$175,000, implying a gross sellout value approaching \$8M+ across the portfolio. Either path is viable, and the scattered-site nature of the portfolio gives a buyer flexibility to pursue both strategies simultaneously.

Unit Mix	# Units	Square Feet	Actual			Market		
			Current Rent	Rent PSF	Monthly Income	Market Rent	Market Rent PSF	Market Income
3 bd + 2 ba	17	1,250	\$1,504	\$1.20	\$25,568	\$1,890	\$1.51	\$32,130
4 bd + 2 ba	27	1,350	\$1,343	\$0.99	\$36,261	\$1,950	\$1.44	\$52,650
<b>Totals/Averages</b>	<b>44</b>	<b>1,311</b>	<b>\$1,405</b>	<b>\$1.08</b>	<b>\$61,829</b>	<b>\$1,927</b>	<b>\$1.47</b>	<b>\$84,780</b>

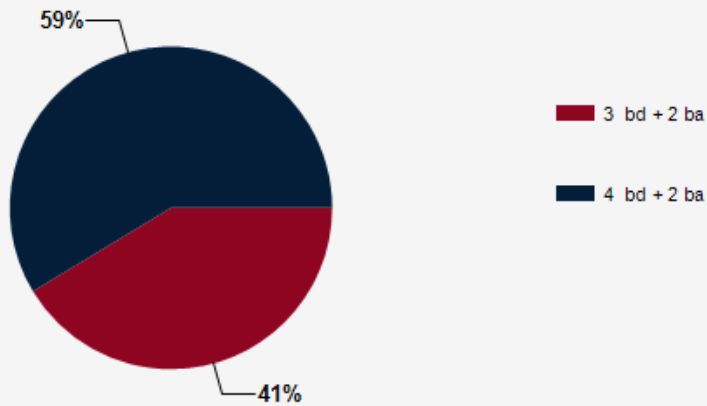
Unit Mix Summary



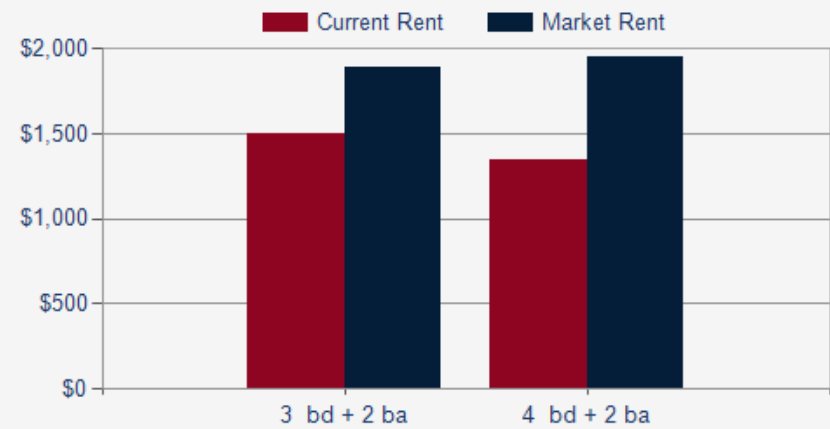
Unit Mix SF



Unit Mix Revenue



Actual vs. Market Revenue



# CORE CITY HOMES

## 02 Location

Location Summary

Major Employers Map

Local Map

Regional Map

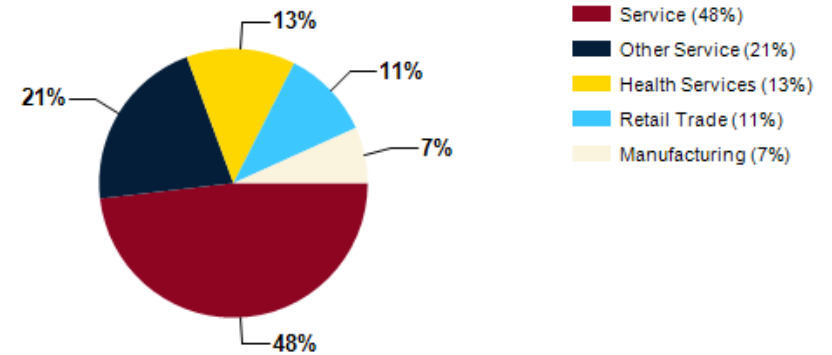
## Core City

- The MLK Homes portfolio is situated in Core City, a roughly four-square-mile neighborhood on Detroit's near west side that has emerged as one of the city's most actively reinvesting residential communities. Historically an industrial and working-class corridor, Core City has seen over \$1.6 million in new private investment and more than 140 newly renovated homes in recent years, supported by ongoing infrastructure improvements from the Detroit Land Bank Authority and targeted infill development initiatives. The neighborhood's density of single-family homes, tree-lined streets, and access to major corridors including Michigan Avenue position it as a logical recipient of the investment spillover occurring in adjacent areas — offering investors an opportunity to acquire at a basis well below surrounding neighborhoods while broader market forces continue to compress that discount.

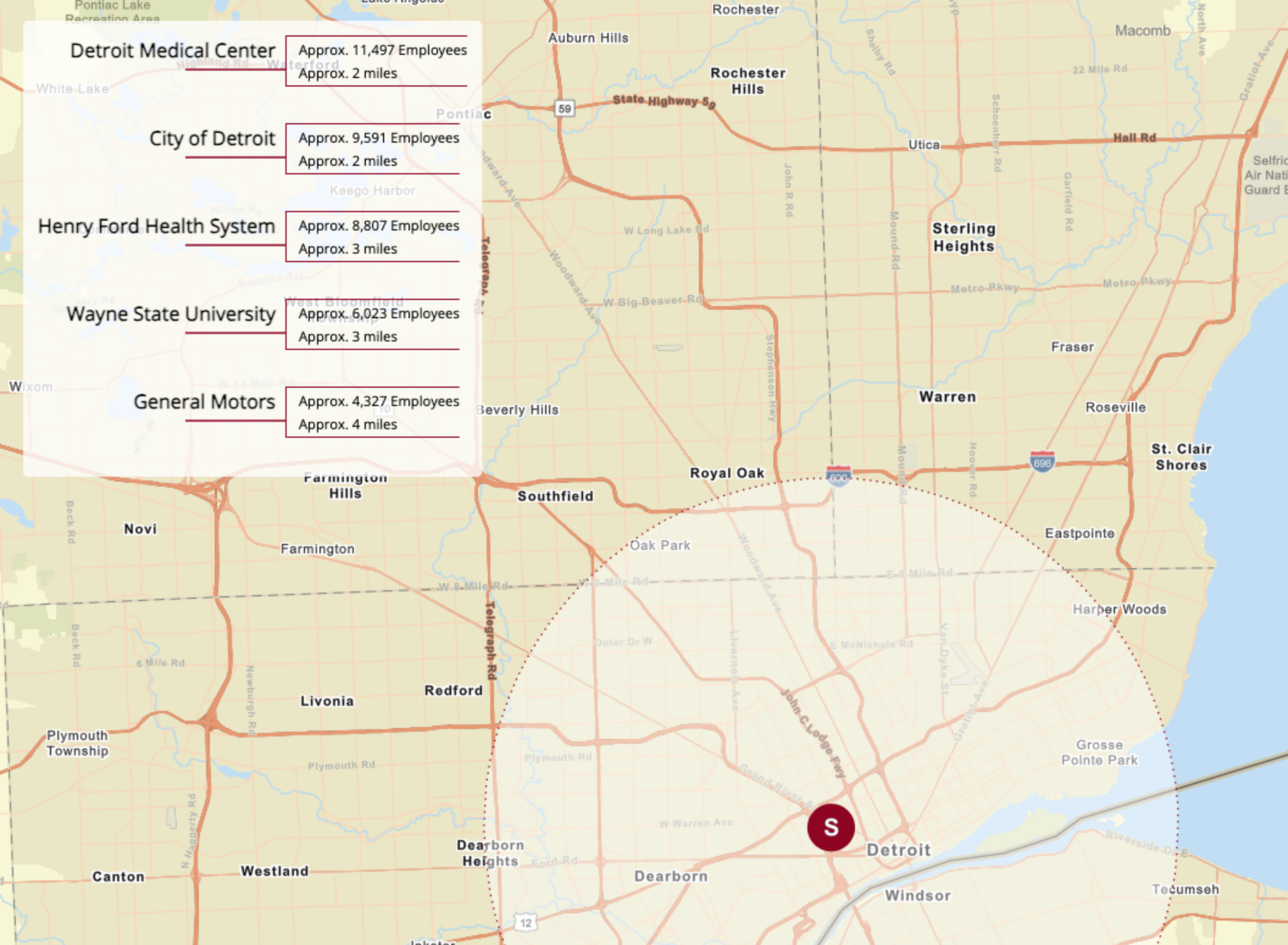
## Corktown

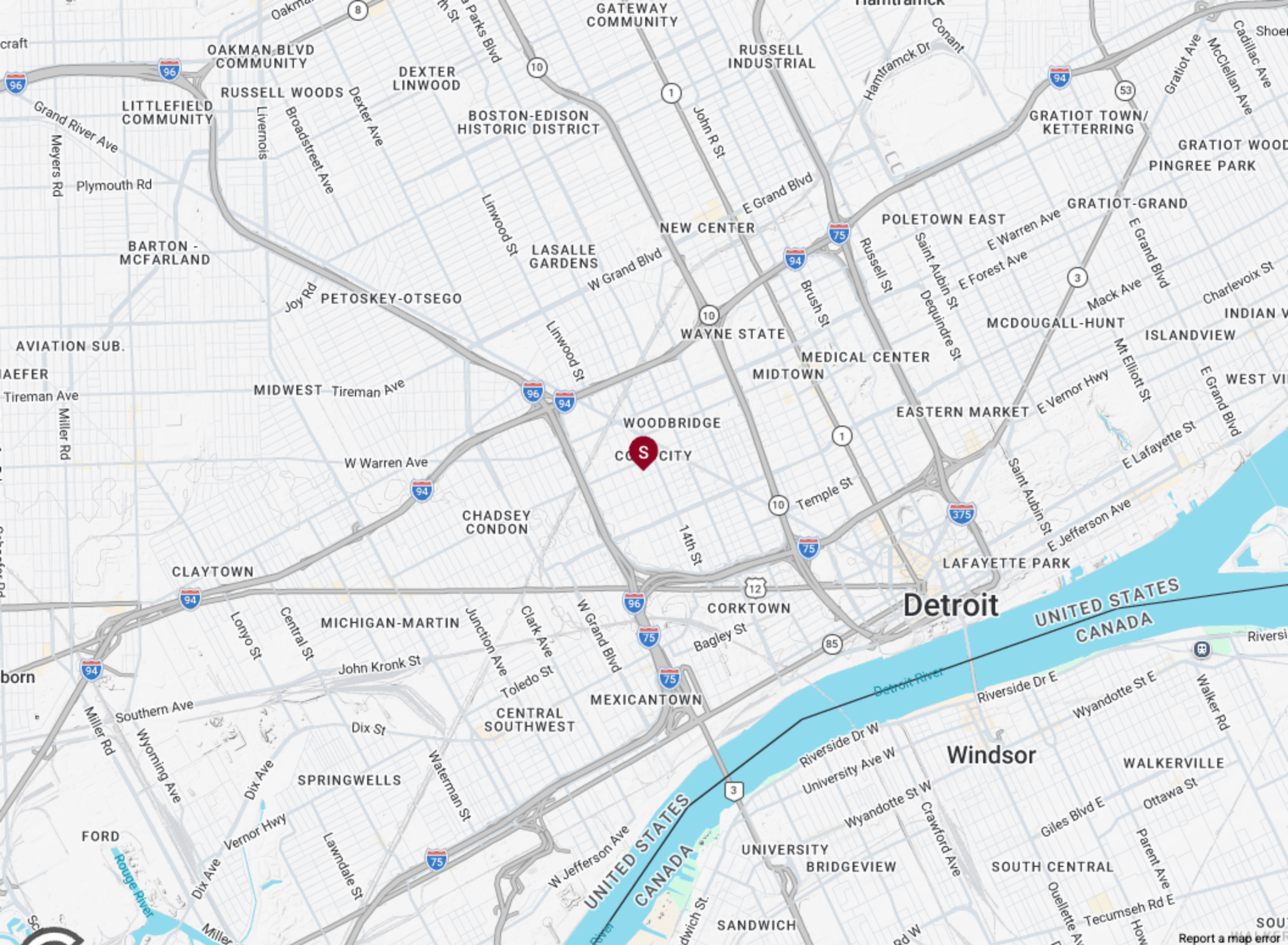
- The most significant of those forces is Corktown, Detroit's oldest neighborhood and the epicenter of the city's most consequential private investment in decades. Ford Motor Company's \$950 million restoration of Michigan Central Station has transformed the 30-acre campus into a mobility innovation district expected to bring approximately 5,000 jobs to the area, including 2,500 Ford employees alongside startup founders, tech partners, and academic researchers. High-profile tenants including Google have already established a presence, and the economic spillover is actively reshaping commercial corridors along Michigan Avenue and Vernor Highway — both of which connect directly to the Core City market. Residential values in Corktown have more than doubled since 2018, with renovated homes now regularly trading above \$500,000, and the expansion of the Joe Louis Greenway will physically link Corktown to Core City and dozens of surrounding neighborhoods. For an investor acquiring the MLK Homes

## Major Industries by Employee Count



<b>Detroit Medical Center</b>	Approx. 11,497 Employees Approx. 2 miles
<b>City of Detroit</b>	Approx. 9,591 Employees Approx. 2 miles
<b>Henry Ford Health System</b>	Approx. 8,807 Employees Approx. 3 miles
<b>Wayne State University</b>	Approx. 6,023 Employees Approx. 3 miles
<b>General Motors</b>	Approx. 4,327 Employees Approx. 4 miles









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Property Description

Property Features

Property Images

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## PROPERTY FEATURES

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NUMBER OF UNITS	45
BUILDING SF	78,850
YEAR BUILT	2005
YEAR RENOVATED	2021
# OF PARCELS	45
ZONING TYPE	Residential
NUMBER OF STORIES	2
NUMBER OF BUILDINGS	45
NUMBER OF PARKING SPACES	Garage
WASHER/DRYER	In Unit

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## MECHANICAL

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HVAC	HVAC
FIRE SPRINKLERS	No

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## UTILITIES

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WATER	Tenant
TRASH	Tenant
GAS	Tenant
ELECTRIC	Tenant

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## CONSTRUCTION

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FOUNDATION	Basement
FRAMING	Wood
PARKING SURFACE	Concrete

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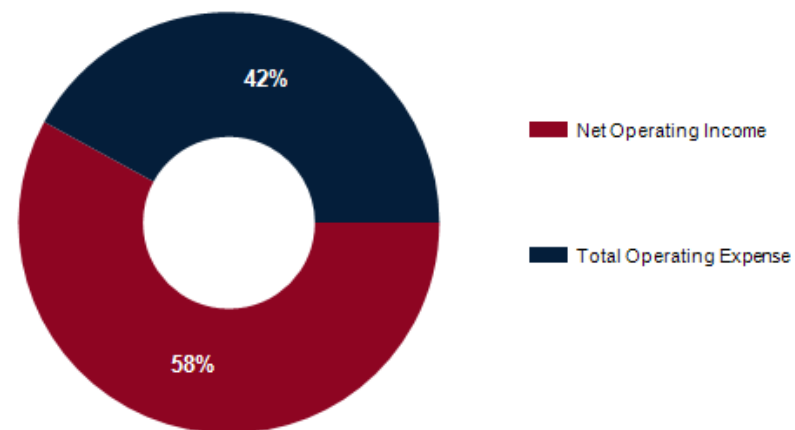


## 04 Financial Analysis

Income & Expense Analysis

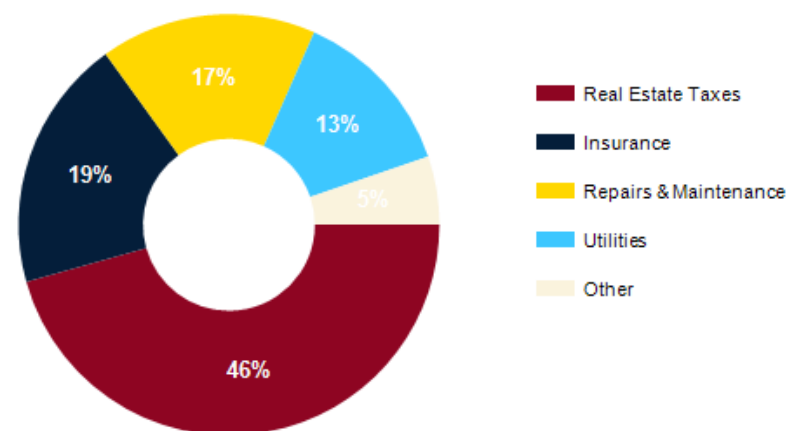
## REVENUE ALLOCATION CURRENT

INCOME	CURRENT		(MAX AMI)	
Gross Potential Rent	\$749,580	98.4%	\$1,040,760	
Other Income	\$11,859	1.6%		
<b>Gross Potential Income</b>	<b>\$761,439</b>		<b>\$1,040,760</b>	
General Vacancy	-\$109,800	14.64%	-8.00%	
Bad Debt			-2.00%	
<b>Effective Gross Income</b>	<b>\$651,639</b>		<b>\$936,684</b>	
Less Expenses	\$273,997	42.04%	\$279,446	29.83%
<b>Net Operating Income</b>	<b>\$377,642</b>		<b>\$657,238</b>	



EXPENSES	CURRENT	Per Unit	(MAX AMI)	Per Unit
Real Estate Taxes	\$125,033	\$2,779	\$57,040	\$1,268
Insurance	\$53,172	\$1,182	\$53,172	\$1,182
Management Fee (5.00% of EGI)			\$46,834	\$1,041
Marketing			\$1,200	\$27
Repairs & Maintenance	\$45,490	\$1,011	\$45,000	\$1,000
Utilities	\$35,903	\$798	\$25,000	\$556
Payroll			\$45,000	\$1,000
Administration			\$1,200	\$27
Professional Fees	\$6,690	\$149	\$5,000	\$111
Other Expenses	\$7,709	\$171		
<b>Total Operating Expense</b>	<b>\$273,997</b>	<b>\$6,089</b>	<b>\$279,446</b>	<b>\$6,210</b>
Expense / SF	\$3.47		\$3.54	
% of EGI	42.04%		29.83%	

## DISTRIBUTION OF EXPENSES CURRENT



**Expense Notes:** Property Taxes assumes a PILOT Program in Place, which seller is already obtaining.

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