Offering Memorandum

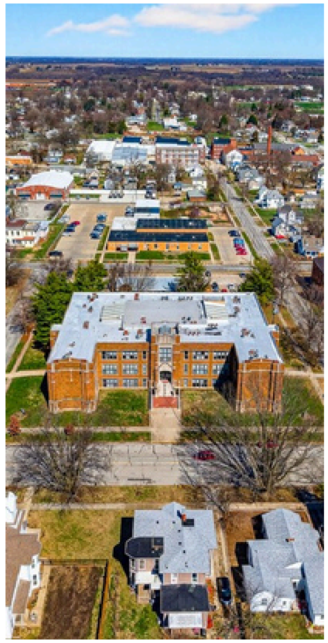
58 Units

SCHOOL APARTMENTS

500 W STATE ST JACKSONVILLE, IL 62650

Marcus & Millichap





OFFERING SUMMARY

58 UNITS | JACKSONVILLE, IL

LIST PRICE: $2,800,000

CAP RATE: 8.03%

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THE OFFERING

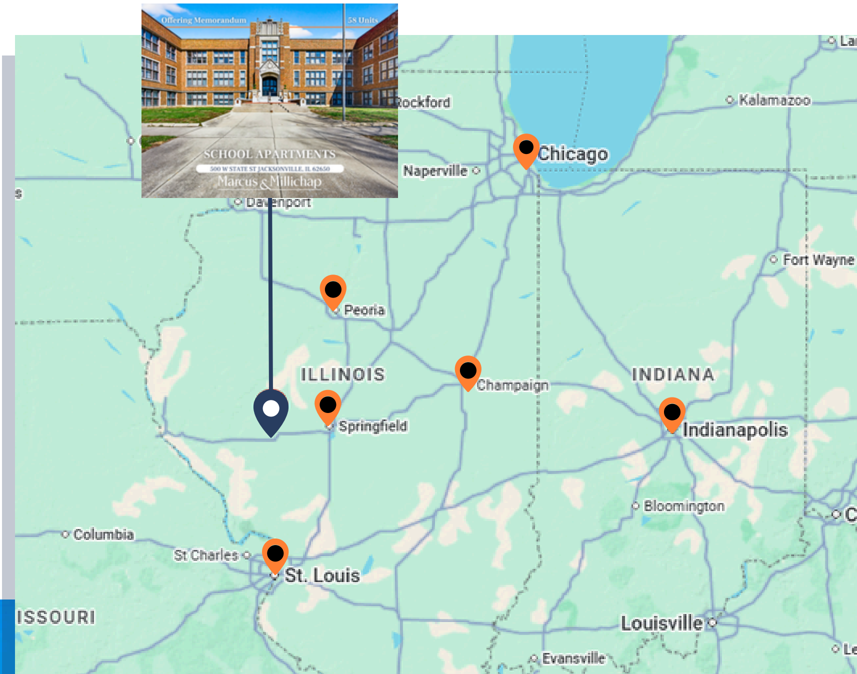
Marcus & Millichap is pleased to present School Apartments, a 58-unit multifamily asset located at 500 W. State Street in Jacksonville, Illinois. Originally constructed as a school building and thoughtfully converted to multifamily use, the property offers distinctive architectural character supported by durable construction elements not typically found in conventional garden-style product. Positioned within an established residential corridor in Morgan County, its centralized location enhances accessibility to employment, retail, and community services, supporting consistent rental demand.

School Apartments benefits from immediate proximity to neighborhood retail and daily needs shopping. Jacksonville Shoppes and Wal-Mart Plaza are located within approximately 1.5 miles, providing convenient access to grocery, pharmacy, and general retail amenities. The property is also just two miles from Passavant Area Hospital, one of the area's primary healthcare providers and a significant employment anchor. In addition, Illinois College contributes to steady rental demand from students, faculty, and administrative staff. Located within the Jacksonville School District 117 attendance area and near major local roadways, the property is well-positioned within a stable and accessible residential submarket.

Jacksonville serves as a key hub in Central Illinois, supported by employment across healthcare, education, corrections, government services, and light manufacturing. Major employers include Passavant Area Hospital, Illinois College, Jacksonville Correctional Center, and several regional manufacturing operators. The city benefits from connectivity to Springfield and surrounding communities via U.S. Route 67 and IL-104 while maintaining a lower cost structure relative to larger Illinois metro markets. School Apartments presents investors with the opportunity to acquire a distinctive, income-producing asset in a steady, institutionally anchored Central Illinois rental market.

DRIVE TIMES

- **35 Miles | 40 Minutes to Springfield**
- **85 Miles | 2 Hours to Peoria**
- **90 Miles | 2 Hours to St. Louis**
- **120 Miles | 2 Hours to Champaign**
- **230 Miles | 3.5 Hours to Chicago**
- **250 Miles | 4 Hours to Indianapolis**



OFFERING SUMMARY

SALE PRICE:	$2,800,000
NUMBER OF APARTMENTS:	58
PRICE PER UNIT:	$48,276
GRM:	6.77
CAP RATE:	8.03%

THE PROPERTY

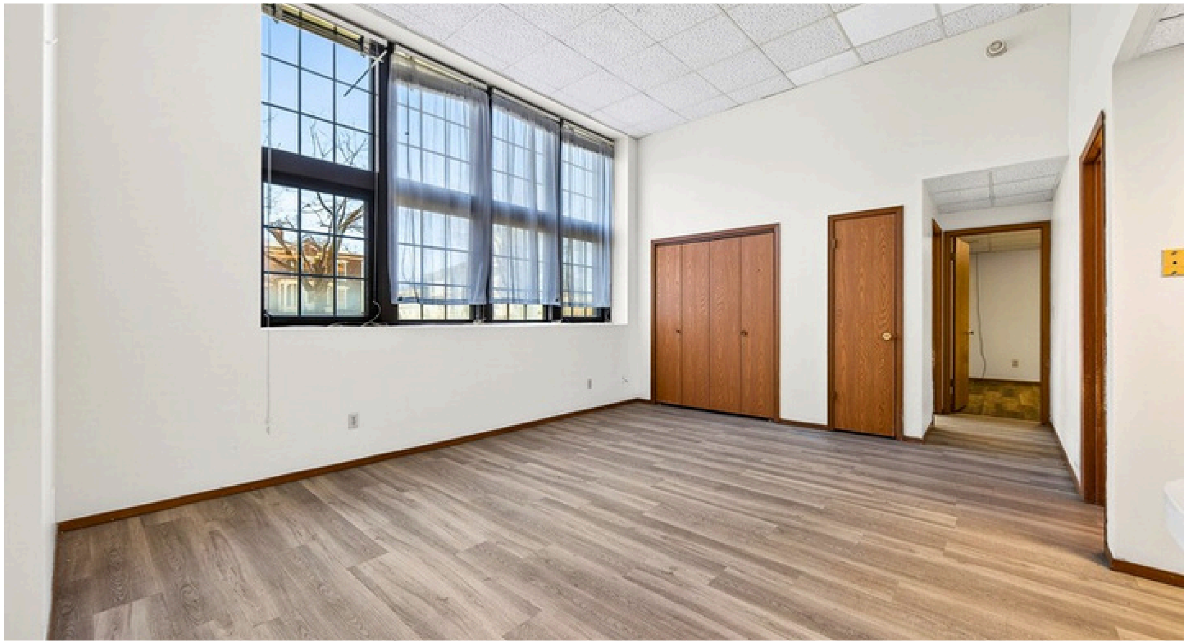
SCHOOL APARTMENTS

Year Built/Converted	# of Buildings	Building SF
1920/1983	**1**	**73,791**

Ownership	# of Units	Lot Size (Acres)
Fee Simple	**58**	**2.23**

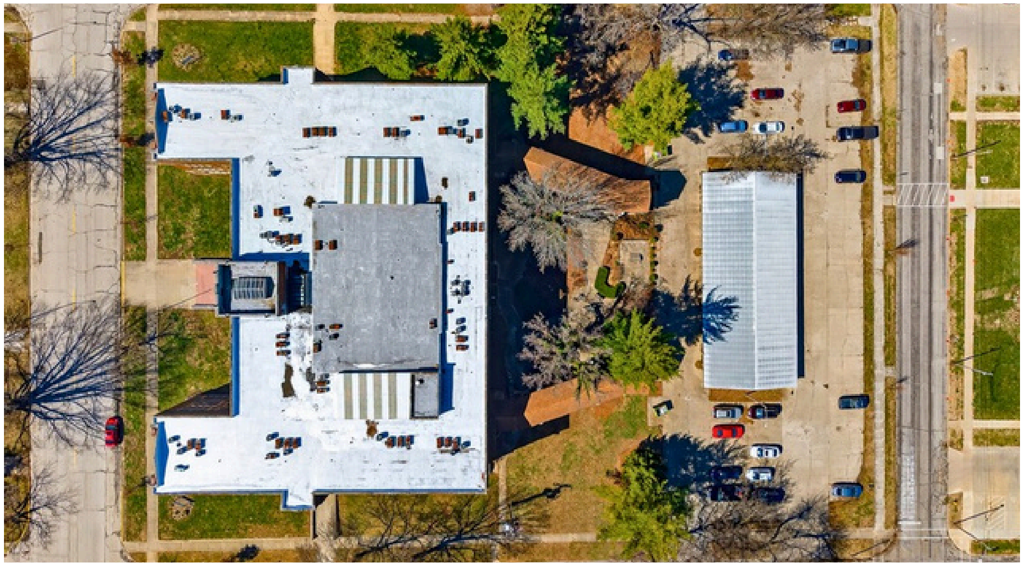
Water	Gas	Electric
Landlord Paid	**Landlord/Tenant Paid**	**Tenant Paid**

SCHOOL APARTMENTS



INTERIOR PHOTOS

SCHOOL APARTMENTS



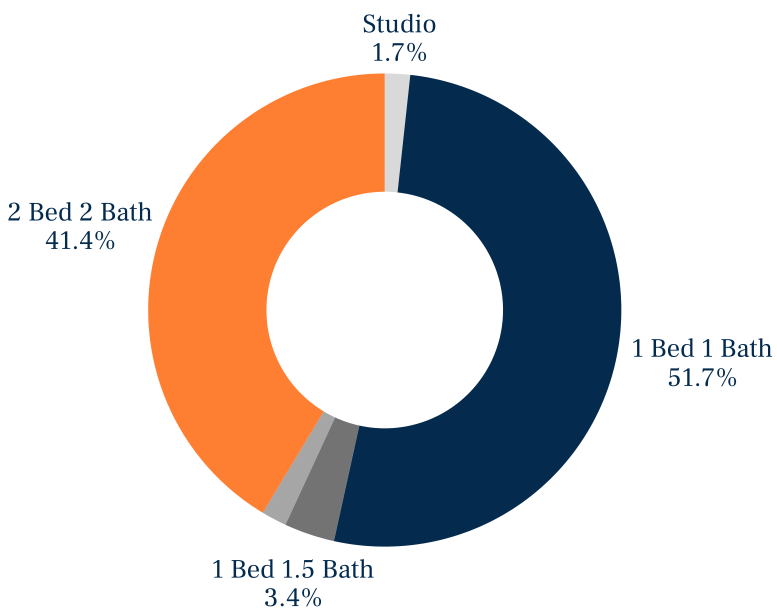
EXTERIOR PHOTOS

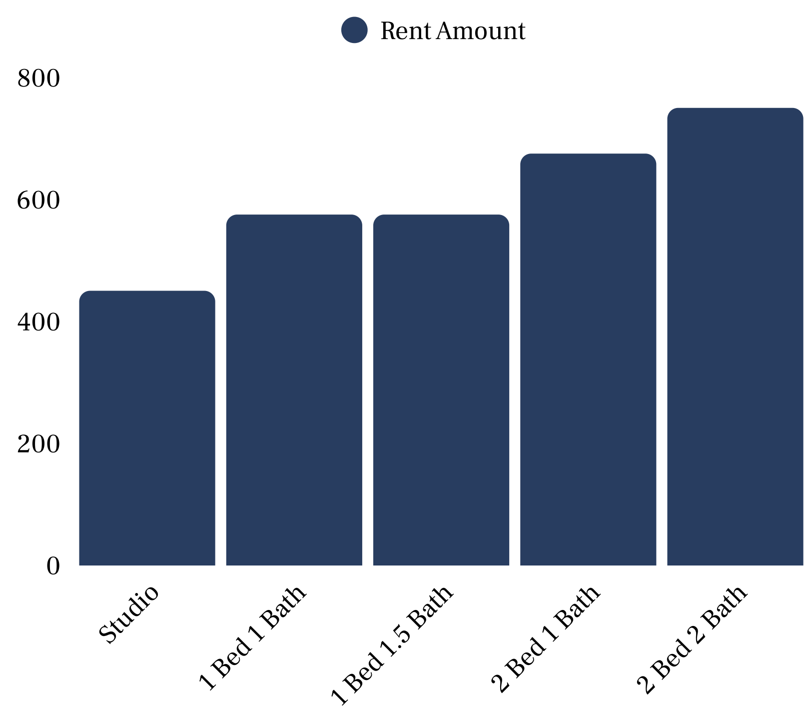
FINANCIAL ANALYSIS

School Apartments

UNIT MIX SUMMARY

UNIT TYPE	Total Units	CURRENT RENT RANGE	HIGHEST ACHIEVED RENT	AVG. CURRENT RENT	AVG. MARKET RENT
Studio	1	$450-$450	$450	$450	$450
1 Bedroom 1 Bath	30	$450-$575	$575	$532	$575
1 Bedroom 1.5 Bath	2	$525-$575	$575	$550	$575
2 Bedroom 1 Bath	1	$675-$675	$675	$675	$675
2 Bedroom 2 Bath	24	$465-$750	$750	$626	$750





School Apartments

OPERATING STATEMENT

RESIDENTIAL INCOME	Owner 2025	Current Rent Roll	Stabilized	Proforma	Per Unit	Notes
Gross Potential Rent			$450,300	$517,380	$7,759	[1]
Loss to Lease			($36,699)	($12,935)	8.15%	[2]
Gross Rent			$413,601	$504,446	$7,131	
Vacancy			($20,680)	($25,222)	5.00%	[3]
Net Apartment Income	**$364,540**	**$392,220**	**$392,921**	**$479,223**	**$6,774**	
Other Income	$18,490	$18,490	$18,490	$18,490	$319	[4]
Total Net Revenue	**$383,030**	**$409,620**	**$411,411**	**$497,713**	**$7,093**	

RESIDENTIAL EXPENSES	Owner 2025	Owner 2025	Stabilized	Proforma	Per Unit	Notes
Real Estate Taxes	$51,045	$51,045	$51,045	$62,000	$880	[5]
Insurance	$20,353	$20,353	$20,353	$20,353	$351	[6]
Management	-	-	$20,571	$24,886	$355	[7]
Reserves	-	-	$14,500	$14,500	$250	[8]
Total Utilities	$12,600	$12,600	$12,600	$12,600	$1,791	[9]
Total Repairs & Maintenance	$20,856	$20,856	$31,900	$31,900	$550	[10]
Total Cleaning & Decorating	-	-	$13,050	$13,050	$225	[11]
Total Contract Services	$6,540	$6,540	$6,540	$6,540	$113	[12]
Total Office & Admin	$1,233	$1,233	$7,250	$7,250	$125	[13]
Total Advertising	-	-	$4,350	$4,350	$75	[14]
Total Supplies	-	-	$4,350	$4,350	$75	[15]
Total Expenses	**$112,625**	**$112,625**	**$186,509**	**$201,779**	$3,748	
Net Operating Income	**$270,403**	**$296,995**	**$224,902**	**$295,935**	$3,485	
Expense Ratio	29%	28%	45%	41%		

NOTES TO OPERATING STATEMENT

[1] Weighted average of $647/unit

[2] Per Broker Estimate

[3] Broker Estimate of 5% Market Vacancy

[4] Please see Broker for details

[5] Per County Assessor

[6] Per Owner Statement (2025)

[7] Per Broker Estimate

[8] Broker Estimate of $250 / unit

[9] Per Owner Statement (2025)

[10] Broker Estimate of $550 / unit

[11] Broker Estimate of $225 / unit

[12] Per Owner Statement (2025)

[13] Broker Estimate of $125 / unit

[14] Broker Estimate of $75 / unit

[15] Broker Estimate of $75 / unit

School Apartments

Pricing

	Stabilized	Proforma
Purchase Price:	$2,800,000	$2,800,000
Number of Units	58	58
Price Per Unit	$48,276	$48,276
Cap Rate	8.03%	10.57%

Market Loan

	Stabilized	Proforma
Interest Rate	6.50%	6.50%
Amortization Period	30 Years	30 Years
Loan to Value	75.00%	75.00%
Loan Amount	$2,100,000	$2,100,000
Down Payment	$700,000	$700,000

Returns

	Stabilized	Proforma
Cap Rate	8.03%	10.57%
GRM	6.77	5.55
Cash-on-Cash	9.37%	19.52%
DSCR	1.41	1.86

Apartment Fundamentals

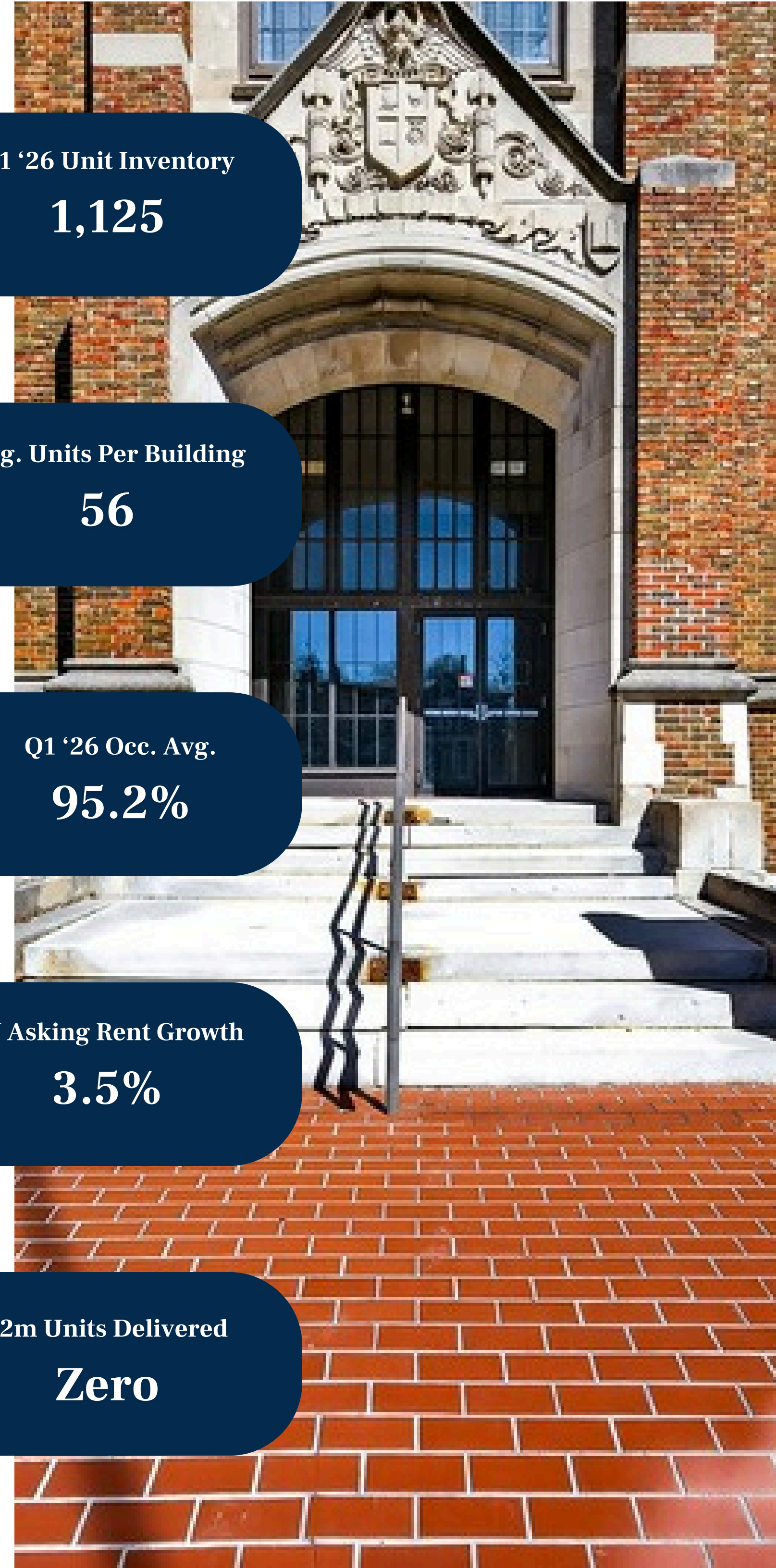
JACKSONVILLE RENTAL MARKET:
STABLE DEMAND & TIGHT SUPPLY

Jacksonville's multifamily market is defined by stability and a lack of new development, creating a favorable backdrop for existing owners. With no units under construction and no recent deliveries, the market remains insulated from supply-side pressure, allowing occupancy to hold firm and limiting competitive lease-up risk. Vacancy remains low at approximately 4.8%, reflecting a consistently occupied inventory and supporting steady operations for stabilized assets.

Rent growth has remained positive, with market rents increasing to approximately $717 per unit, reinforcing the reliability of income rather than volatility. This steady performance - paired with minimal concessions - creates a "sticky" tenant base where affordability and retention work in tandem to support consistent cash flow.

Demand in Jacksonville is driven primarily by local, needs-based renters rather than transient or speculative demand. A workforce anchored by healthcare, education, light manufacturing, and local services provides a stable tenant base across multiple income cohorts. While overall population growth has been modest, the composition of renters continues to support consistent absorption and occupancy over time.

Looking ahead, the absence of new supply, combined with stable demand drivers and affordable rent levels, positions Jacksonville for continued operational consistency. For buyers, the opportunity lies in capturing dependable cash flow with incremental upside through interior renovations, expense optimization, and modest rent increases. In short: no new supply, stable demand, and durable yield characteristics make Jacksonville a fundamentally sound market for long-term multifamily investment.



Q1 '26 Unit Inventory
1,125

Avg. Units Per Building
56

Q1 '26 Occ. Avg.
95.2%

3Y Asking Rent Growth
3.5%

12m Units Delivered
Zero

Anchored by Government. Strengthened by Healthcare. Supported by Education.

Springfield–Jacksonville–Lincoln Combined Statistical Area

Why the Springfield–Jacksonville–Lincoln Region?

Strategically positioned in central Illinois, the Springfield–Jacksonville–Lincoln region offers strong connectivity, affordability, and economic stability. Anchored by Springfield, Illinois - the capital of Illinois - the region benefits from a highly stable employment base driven by state government, healthcare, education, and professional services. Major employers include the State of Illinois, Memorial Health, Springfield Clinic, and Southern Illinois University School of Medicine.

Positioned along key transportation corridors including Interstate 55 and Interstate 72, the region provides convenient access to major Midwestern markets such as Chicago, Illinois, St. Louis, Missouri, and Peoria, Illinois. For investors, the region offers stable rental demand, attractive entry pricing, and long-term upside supported by one of the most consistent employment anchors in the Midwest.

Economic Base & Major Employers

The Springfield–Jacksonville–Lincoln regional economy is stable and diversified, anchored by state government, healthcare systems, education institutions, manufacturing, and regional distribution operations. Major employers include:

- State of Illinois (13,000+ employees) – Government administration headquartered in Springfield, IL
- Memorial Health (9,000+) – Regional hospital system and healthcare provider
- Springfield Clinic (2,500+) – One of the Midwest's largest physician-owned medical groups
- Southern Illinois University School of Medicine (1,500+) – Medical education & research institution
- BUNN-O-Matic Corporation (1,000+) – Global beverage equipment manufacturing
- Illinois College & Lincoln Land Community College (Combined 1,500+) – Higher education

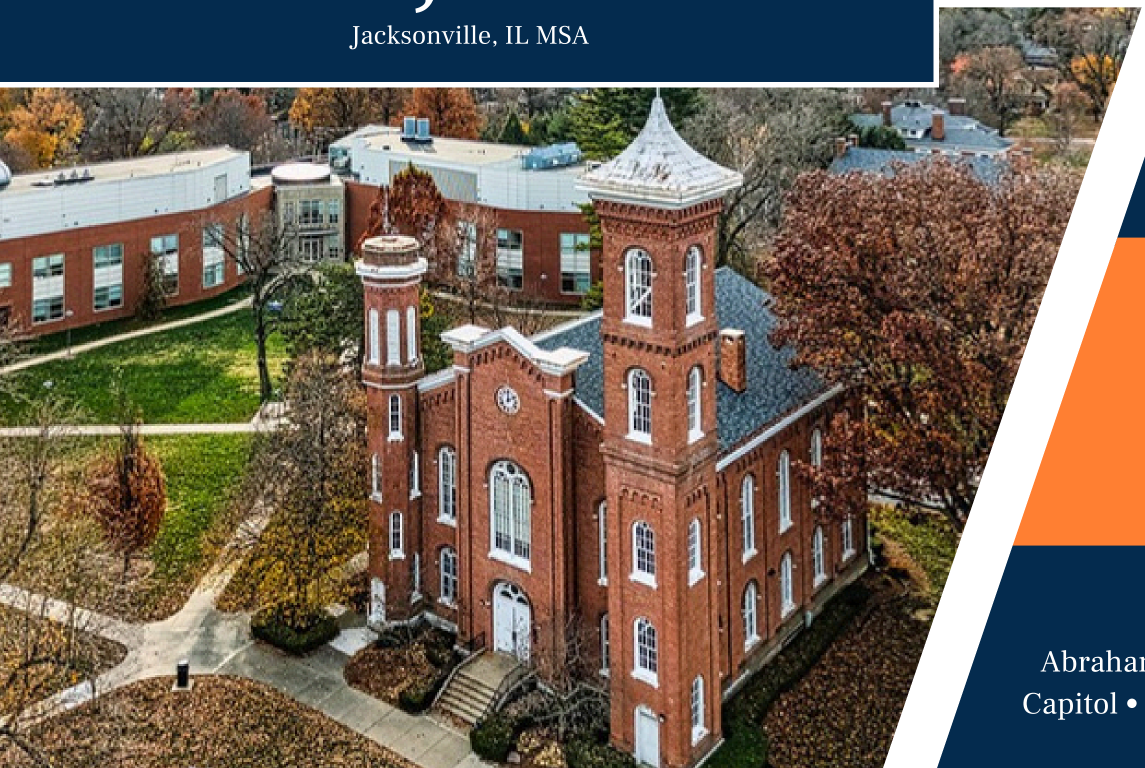
Location & Accessibility

The Springfield–Jacksonville–Lincoln region benefits from strong connectivity, with direct access to Interstate 55, Interstate 72, and Interstate 155, along with Class I rail lines and Abraham Lincoln Capital Airport. Located within a few hours of Chicago, Illinois (200 mi), St. Louis, Missouri (100 mi), Peoria, Illinois (75 mi), and Bloomington, Illinois (65 mi), the region serves as a central hub for government, commerce, and workforce mobility.
A well-integrated highway network supports commuter traffic throughout the area, while nearby communities such as Jacksonville, Illinois, Lincoln, Illinois, Decatur, Illinois, and Taylorville, Illinois fall within a 60-mile radius, expanding regional labor access and economic connectivity.

Metro Population:

32,000

Jacksonville, IL MSA



MAJOR EMPLOYERS

• Memorial Health Passavant Area Hospital • Illinois College • WestRock • Nestlé Purina • Prairie Farms Dairy • Eli Bridge Company

DIVERSE ECONOMY

Manufacturing, Healthcare, Education, Agriculture, Food Production & Government

EDUCATION

Illinois College • Lincoln Land Community College • SIU School of Medicine

LIVABILITY & ACCESS

Abraham Lincoln Capital Airport • Bank of Springfield Center • Illinois State Capitol • Lincoln Home National Historic Site • Lake Springfield • Nichols Park

School Apartments

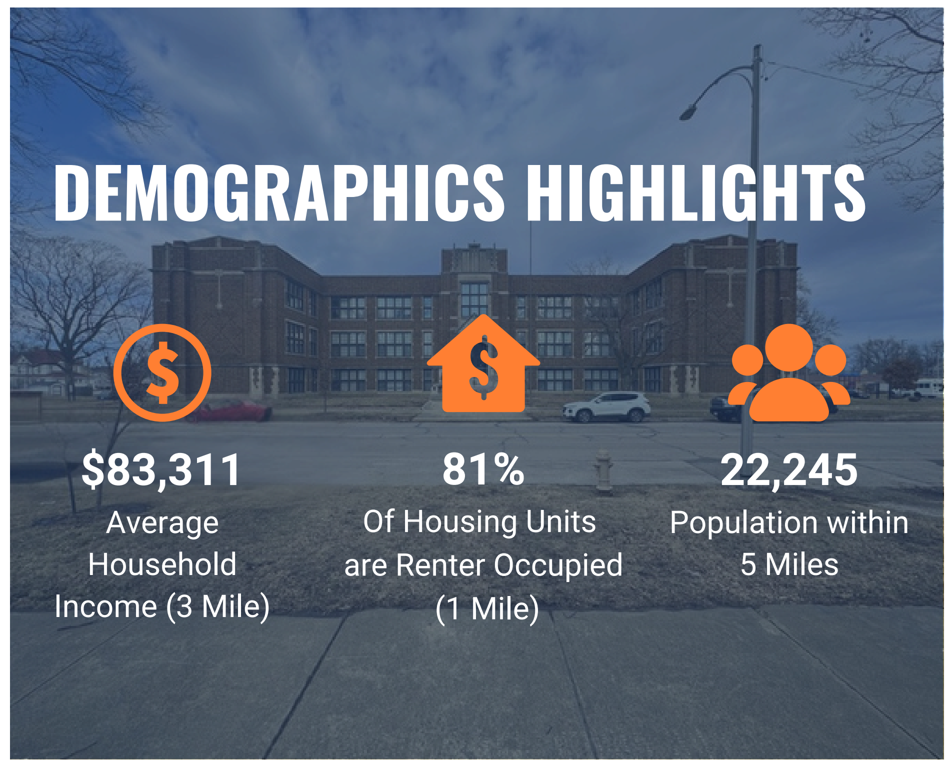
Demographics

POPULATION	1 Mile	3 Miles	5 Miles
2030 Projection			
Total Population	8,816	19,736	22,245
2025 Estimate			
Total Population	8,859	19,883	22,404
2020 Census			
Total Population	9,177	20,581	23,162
2010 Census			
Total Population	10,248	22,301	25,030
Daytime Population			
2025 Estimate	10,630	20,843	24,094

HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2030 Projection			
Total Households	3,560	8,708	9,308
2025 Estimate			
Total Households	3,569	8,745	9,345
Average (Mean) Household Size	2.2	2.1	2.1
2020 Census			
Total Households	3,587	8,814	9,414
2010 Census			
Total Households	3,812	9,211	9,820
Growth 2025-2030	-0.3%	-0.4%	-0.4%

HOUSING UNITS	1 Mile	3 Miles	5 Miles
Occupied Units			
2030 Projection	4,103	9,729	10,380
2025 Estimate	4,114	9,770	10,422
Owner Occupied	1,978	5,355	6,004
Renter Occupied	1,602	3,225	3,354
Vacant	545	1,026	1,077
Persons in Units			
2025 Estimate Total Occupied Units	3,569	8,745	9,345
1 Person Units	38.9%	37.9%	37.4%
2 Person Units	32.1%	35.7%	36.1%
3 Person Units	12.4%	11.9%	12.0%
4 Person Units	10.0%	8.8%	8.8%
5 Person Units	4.5%	3.7%	3.8%
6+ Person Units	2.2%	1.9%	1.9%

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2025 Estimate			
$200,000 or More	4.1%	5.4%	5.6%
$150,000-$199,999	6.1%	5.3%	5.5%
$100,000-$149,999	14.1%	19.1%	19.4%
$75,000-$99,999	13.6%	16.1%	16.1%
$50,000-$74,999	13.0%	14.1%	14.3%
$35,000-$49,999	12.8%	11.7%	11.5%
$25,000-$34,999	11.8%	8.8%	8.6%
$15,000-$24,999	9.1%	8.3%	8.1%
Under $15,000	15.3%	11.1%	10.8%
Average Household Income	$72,377	$81,863	$83,311
Median Household Income	$59,086	$68,748	$69,697
Per Capita Income	$30,796	$36,253	$36,517



SCHOOL APARTMENTS

500 W STATE ST JACKSONVILLE, IL 62650

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