

THE  
**REEF**  
— APT —  
TOSA

A 180-Home Core-Plus Apartment  
Community in the Premier  
Wauwatosa Suburb of Milwaukee, WI



# The Offering

JLL is pleased to present The Reef Apartments, a 180-unit core-plus apartment community in the premier Milwaukee suburb of Wauwatosa. An investor has the opportunity to increase rents at the property both organically and through value-add. The property has performed exceptionally well maintaining **average occupancy of 99% over the last 2 years** and is achieving **16% rent growth on new leases over the last 3 months**. Additional upside may be achieved through expanding the community amenities and via interior upgrades.

Since delivering in 2016, this property has consistently boasted a **Top 10 ORA Rating for the state**. The Reef offers two building styles—**stacked flats and apartments**—and a range of floor plans from efficient studios with built-ins to spacious three bedrooms with private entries and attached garages. The 9-acre site bordering pre-historic Schoonmaker Coral Reef features a clubhouse and leasing center, an oversized heated pool with sundeck, and a dog park.

Situated in beloved “Tosa” Village, The Reef is walkable to three grocery stores and quaint dining, shopping, and community events. The Reef is also a short 7-minute drive to the **Milwaukee Regional Medical Center (“MRMC”)** and the **Milwaukee County Research Park**, which is home to GE Healthcare. Not surprising, one-third of Reef residents work at one of the six healthcare institutions at the MRMC. Beyond healthcare, residents benefit from a quick commute to top downtown employers including Northwestern Mutual, Fiserv, and Milwaukee Tool.

This unbeatable opportunity is available free and clear.

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## Unit Mix Summary

Description	Count	SF	Lease Rent	PSF
Studio	14 homes	±505	\$1,331	\$2.64
1x1	124 homes	±731	\$1,616	\$2.21
2x2	34 homes	±1,114	\$2,263	\$2.03
3x2	8 homes	±1,374	\$2,938	\$2.14
<b>Total/Avg</b>	<b>180 homes</b>	<b>±815</b>	<b>\$1,771</b>	<b>\$2.18</b>

## Property Overview

Name	The Reef
Address	1215 N 62nd Street
City, State, Zip	Wauwatosa, WI 53213
County	Milwaukee
Year Built	2016
# Buildings	6 Residential, 1 Clubhouse
# Homes	180
Average Home Size	±815 SF
Total Rentable SF	±146,611 SF
Occupancy	96% (as of 10/26/2023)
Parking	276 Total Spaces
	32 Attached Garages
	100 Parking Garage Spaces
	33 Detached Garage Spaces
111 Surface Spaces	
Financing	Available All-Cash

## UNIT MIX



- **8%** | Studio
- **69%** | 1 Bed, 1 Bath
- **19%** | 2 Bed, 2 Bath
- **4%** | 3 Bed, 2 Bath

## BUILDING TYPE



- **60%**  
4-Story Apartment Buildings  
108 Units
- **40%**  
Stacked Flats  
72 Units

# Investment Highlights



## OUTSTANDING PROPERTY PERFORMANCE

- #5 Best Apartment Community in Wisconsin per 2023 ORA Rankings
- 96% Current Occupancy; 99% Avg Occupancy Since Aug 2021
- 16% Rent Growth on Trade Outs and 7% on Renewals (T3 Months)
- 71% YTD Retention Rate



## SUPERIOR WAUWATOSA SUBURB

- A+ Overall Niche Rating
- #2 Best Suburb for Young Professionals
- #15 Best Milwaukee Suburb per Niche.com
- Steps to three grocery stores and parks, 15-min walk to beloved Tosa Village
- 10-min drive to downtown & Fortune 500 Employers



## HEALTHCARE-CENTRIC RESIDENT BASE

- 7-min drive to Milwaukee Regional Medical Center & Milwaukee County Research Park
- 32% work at the Milwaukee Regional Medical Center and/or in Healthcare
- Strong Avg Resident Household Income of \$122,000
- Other notable resident employers include GE Healthcare, Northwestern Mutual, Milwaukee Tool, Fiserv, Molson Coors, etc.



## COMPELLING CASE FOR VALUE-ADD

- Excellent quality construction and features including attached garages, private entries, built-in shelving and storage, oversized kitchens in select units
- A potential value-add program including new community amenities and upgraded interiors could achieve a \$150 rent premium
- Only one project proposed (<200 units) in high barrier-to-entry Tosa Village
- Current 18% Rent-to-Income Ratio indicates room to push rent with existing residents
- Renting at the Reef is 54% more affordable than purchasing a \$364K Wauwatosa home with a current mortgage



# Interiors Ideal for Upgrades

## CURRENT APARTMENT INTERIORS

- Granite Counters
- Stainless Steel Appliances
- Modern Cabinets with Pulls
- Full Size Washer & Dryer
- Wood-Style Flooring
- Spacious Walk-In Closets with Shelving
- Sizeable Balcony/Patio\*
- 9' Ceilings with Oversized Energy Efficient Windows
- Built-Ins including desks, shelving, medicine cabinet, dressers

\*Select Units



## POTENTIAL VALUE-ADD ENHANCEMENTS

### Kitchen/Living Room Upgrades

- Backsplash
- Modern Light Fixtures
- Painted White Cabinets
- Undermount Lights
- White Trim
- Smart Fixtures
- Ceiling Fan

### Bathroom Upgrades

- Framed Mirror
- Ceramic Tile Floors
- Glass Doors
- Tile Surround
- Updated Lighting

# Amenities Ready for Refresh

## CURRENT APARTMENT AMENITIES

- Oversized Heated Pool & Sundeck
- Standalone Clubhouse & Leasing Center
- 24/7 Fitness Center
- Clubroom with Fireplace & Kitchen
- Outdoor Fireplace & Gas Grill Station
- Private Dog Park
- Complimentary Coffee Station



## POTENTIAL AMENITY VALUE-ADD

- Existing Amenities Refresh
- New Pool Cabanas
- Add Pet Wash Station
- New Built-in Outdoor Kitchen
- New Outdoor Living Room With TVs
- Add Outdoor Games
- Enhanced Coffee & Beverage Bar
- Create Private Work Stations
- Electric Vehicle Charging Stations

# Phenomenal Property Performance



## TOP RATED PROPERTY

95 ORA Score

5-Star Apartments.com Rating

#5 Highest ORA Rating in State of Wisconsin

Source: J Turner Research, 2023



## TOP LINE GROWTH

16% New Lease Trade Outs (T3 Months)

7% Renewal Increases (T3 Months)

6 Consecutive Months of EGI Growth



## CUSTOMER SATISFACTION

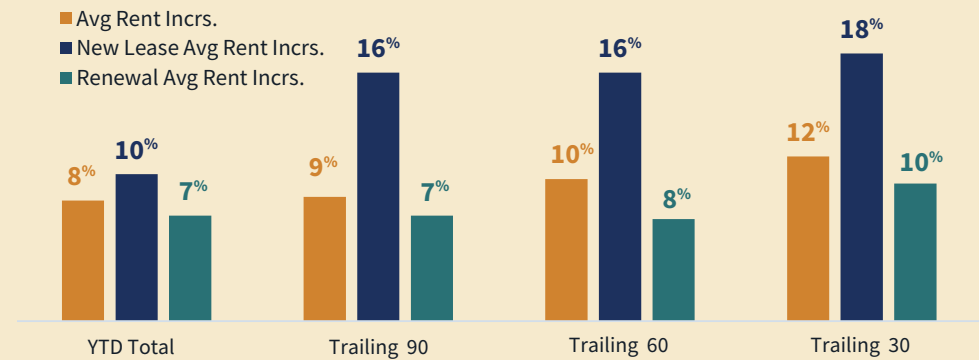
96% Current Occupancy

99% Avg Occ. Since Aug 2021

71% YTD Retention Rate



## The Reef 2023 Rent Growth



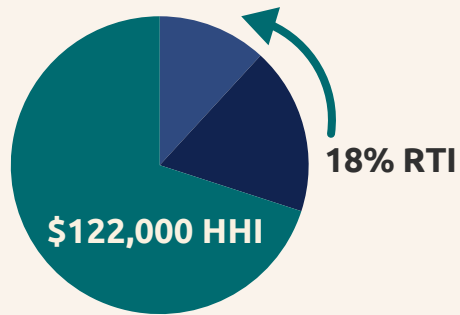
## Lease Signed Analysis

Lease Trend	Avg. Eff. Rent	Avg. SF Per Home	Avg. Eff Rent PSF
173 In-Place Leases	\$1,771	813SF	\$2.18
Last 100 Leases	\$1,769	798SF	\$2.22
Last 75 Leases	\$1,797	801SF	\$2.24
Last 50 Leases	\$1,811	787SF	\$2.30
Last 25 Leases	\$1,811	773SF	\$2.34

# Rent Growth & Value-Add Upside

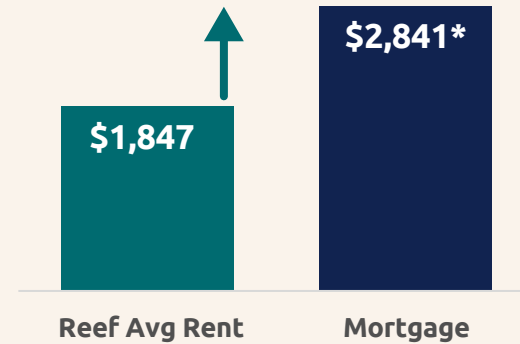
A future owner of The Reef has the opportunity for considerable top-line growth given excellent demographics at the property, lack of supply, and both organic and value-add rent growth.

## BARGAIN FOR AFFLUENT RESIDENTS



With an avg HHI of \$122,000 at The Reef, rents can comfortably increase to 20%-25% of monthly income of current residents.

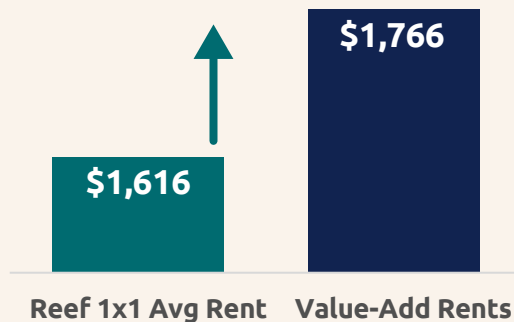
## SIZEABLE SAVINGS TO BUYING



It's 54% more affordable to rent at The Reef than to purchase a \$364,000 Wauwatosa home with a current mortgage.

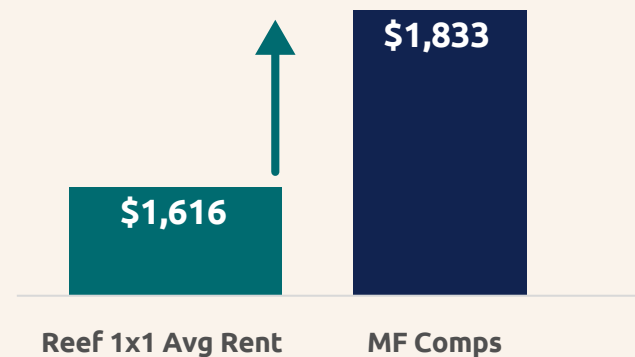
*\*Mortgage Calc: Zillow Mortgage Calculator as of 10/23/23, 30-yr fixed, 20% down, 7.75% rate*

## \$150+ POTENTIAL RENOVATED RENT PREMIUM



A potential value-add program at The Reef, including refreshed and new community amenities and interior upgrades, could easily achieve \$150 and would still be a value for in-demand Wauwatosa living.

## REEF VS NEARBY RENTS



Nearby apartments at State Street Station and Reserve at Wauwatosa fetch an average rent that is \$217 higher than current in-place 1x1 rents at The Reef.





# Discover Wauwatosa

Wauwatosa is a first-ring suburb of Milwaukee just 10 minutes west of downtown. A top-rated place to live, Wauwatosa residents easily access the growing CBD while enjoying a exceptional suburban experience. The heart of Wauwatosa is the charming historic Village of Wauwatosa called “Tosa” featuring twinkling streets of artisanal shops, delicious eateries, and community spaces.

## WAUWATOSA ATTRACTIONS

- Mayfair Mall is the #2 Mall in Wisconsin
- Nearby Milwaukee County Zoo ranks #10 in the US
- American Family Field, home of the Milwaukee Brewers, neighbors Wauwatosa

~45,000

\$120K

\$364K

#2

A+

#15

#19

2023 POPULATION

AVERAGE HOUSEHOLD INCOME

AVERAGE ZILLOW HOME VALUE

BEST SUBURB FOR YOUNG PROFESSIONALS IN WISCONSIN

*Niche 2023*

OVERALL NICHE GRADE

*Niche*

BEST PLACES TO LIVE IN WISCONSIN

*Niche 2023*

WAUWATOSA EAST HIGH SCHOOL STATE RANKING

*US News, 2023*



Hart Park

# Twinkling Tosa Village

Twinkling at all hours of the day, historic Village of Wauwatosa is nestled on the banks of the majestic Menomonee River. Featuring a seamless blend of Old World cobblestone, quaint courtyards, and tasteful new developments, Village residents enjoy a walkable community full of local shops, restaurants, and magical moments. The Reef is just a 10 minute walk from the heart of the village.

## VILLAGE HISTORY

Wauwatosa was named for the Potawatomi word for “firefly” and was first settled in the 1800s. Originally known as Hart’s Mills, 17 settlers used the mill to build the first homes that now make up this thriving community.



*Visit the Village*  


## SCHOONMAKER REEF



The Reef derives its name from the pre-historic “Schoonmaker Reef,” which runs along the northern perimeter of the property. Discovered in 1862 and now designated as a National Historic Landmark, Schoonmaker Reef is

425 million years old and was the first fossil coral reef identified in North America. More than 200 different fossil species have been identified from the reef, and its artifacts now appear in museums.

# Walkable Wauwatosa & Beyond

**Mayfair Mall**  
 12-min drive from The Reef  
 NORDSTROM PELOTON  
 lululemon PANDORA  
 Crate&Barrel Madswell

**Village of Wauwatosa**  
 87 Walk Score  
 50+ Retailers & Restaurants  
 packed into six pedestrian-friendly blocks



**Wauwatosa East High School**  
 one of the best high schools in the state

- Employment
- Retail
- Recreation
- Education



**CHASE**

10-min drive to downtown Milwaukee



Ristorante Bartolotta dal 1993

Leff's Lucky Town

Metro Market

Metcalf's Market

Wisconsin Athletic Club

Wick Playground

Hays Companies



Zywave

Milwaukee County Research Park

Café Hollander Tosa

Doyme Park

Doyme Park Golf Course

Clifton Larson Allen

Innovation Campus



Badger CrossFit

Hawthorn Glen

Big Head Brewing Co.

Molson Coors Corporate Offices

**Milwaukee Regional Medical Center**

7-min drive from The Reef



WEST ALLIS

VILLAGE OF WEST MILWAUKEE

# State-of-the-Art Health Center

Wauwatosa is home to the Milwaukee Regional Medical Center (MRMC), a consortium of 6 healthcare institutions forming Wisconsin's largest academic health center. This 255-acre complex comprises nearly 7 million square feet of healthcare real estate and employs more than 17,000 people.

**\$4.9B**  
Annual  
Economic Impact

**1.5M**  
Patients  
Per Year

**#2**  
Hospital in Wisconsin  
Froedtert Hospital  
US News, 2022

**17,000**  
Employees



Milwaukee Regional Medical Center

## MEMBER MEDICAL INSTITUTIONS

**Froedtert**  
HOSPITAL

**Curative Care**  
Dedicated to Helping People Thrive

**Children's**  
Hospital of Wisconsin  
Kids deserve the best.

**MEDICAL**  
COLLEGE  
OF WISCONSIN

**versiti**

**BHD** Behavioral  
Health  
Division  
A Division of the Department of  
Health & Human Services



- **32% of Reef Residents** Work in Healthcare
- **7-minute drive** from The Reef

# Health Care Centric & Professional Renter Base

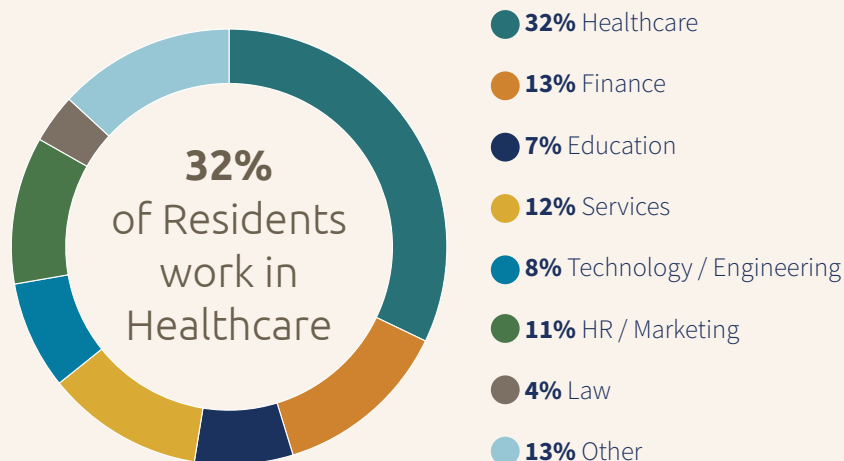
The Reef's premier location offers convenient access to major employment hubs, including the Milwaukee Regional Medical Center (7-minute drive west), Milwaukee County Research Park (10-minute drive), and downtown Milwaukee (10-minute drive). While 32% of The Reef residents work in healthcare, the remaining residents work at the "Who's who" of Milwaukee top employers and Fortune 500 such as Northwestern Mutual, Milwaukee Tool, and Fiserv.

## THE REEF RESIDENT STATS

**\$122,000** Average Household Income

**18%** Rent-to-income Ratio

**32** Average Age



## RESIDENT EMPLOYERS

### Healthcare Employers

- GE Healthcare
- Froedtert Health
- Children's Hospital Wisconsin
- Aurora Healthcare
- Ascension
- Medical College of Wisconsin

### Other Major Resident Employers

- Northwestern Mutual
- Fiserv
- CDW
- Molson Coors
- Baird
- Milwaukee Tool



# Supply Constrained Submarket

The Wauwatosa/West Allis Submarket is one of Milwaukee's densest and most popular housing markets encompassing 9 Class A communities with ~1,700 units. While supply expanded considerably in the last five years, demand for suburban luxury living has led to 97% absorption of new inventory by YE22 and double-digit rent growth. As vacancies continue falling toward full occupancy, projects struggle to gain approval as homeowners contest the growth of the city and no projects are under construction.



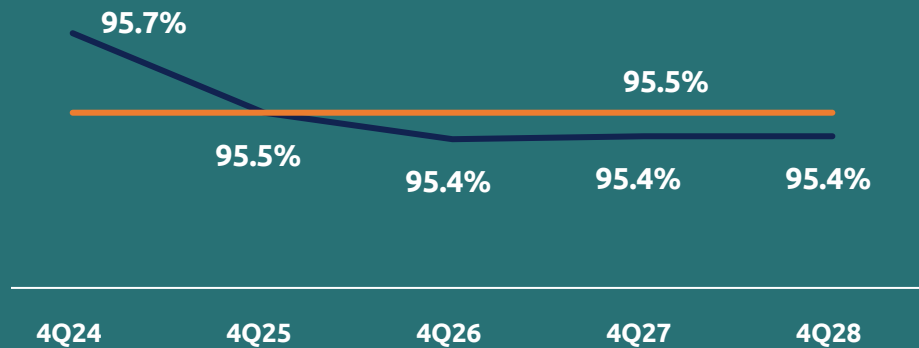
**#3** Milwaukee Ranked 3rd Lowest Vacancy Market in U.S. by Costar

**3.2% 5-Yr Avg.** Annual Projected Submarket Rent Growth Per CoStar

**96% 5-Year Avg.** Proj. Submarket Occupancy

**No Properties** Under Construction in Submarket

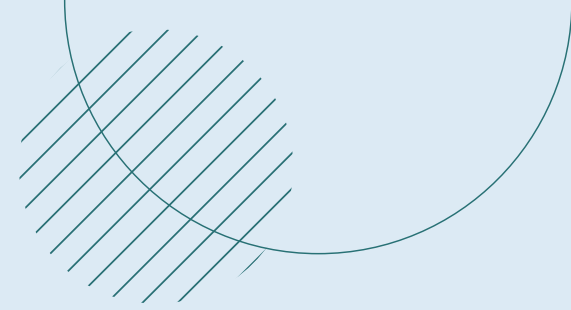
## STABILIZED OCCUPANCY PROJECTION



Source: Costar, Wauwatosa/West Allis, 3Q23



Milwaukee, which means “The Good Land,” is ideally situated along Lake Michigan’s beautiful western shore. This charming city is known for breweries, its beloved professional and collegiate sports teams including the Brewers, Bucks, and Marquette’s Golden Eagles, and a mix of unique neighborhoods. While its historical architecture stands as a tribute to Milwaukee’s past, the metro is rapidly modernizing with cutting edge timber high rises, urban manufacturing campuses, and major sustainability projects. At 1.6 million residents, Milwaukee is growing with young professionals drawn to the city’s blue-collar roots, relatively low cost of living, and exciting future.



#6

Best Beer City in America

USA Today, 2023



#1

Largest Music Festival in US

(farandwide.com)



#10

Most Livable U.S. Cities

AARP.org, 2022



#1

Largest City in Wisconsin

Census.gov, 2023



Lakefront Beaches



American Family Field



Historic Third Ward



U.S. Bank Center



Northwestern Mutual



Milwaukee Art Museum



Fiserv Forum



Marquette University



MILWAUKEE REGIONAL  
MEDICAL CENTER



Tosa Village

Tosa East High School



UW Credit Union

Hart Park



State Street  
10,000 Vehicles Per Day



Jacobus Park

Walgreens

Firefly Yoga Loft

Schnoonmaker Reef

Big Head Brewing Co

Molson Coors  
Corporate Offices  
(5 minute drive)

10 Minutes / 5 Miles  
West to Milwaukee

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