



MOLINE INVESTMENT MANAGEMENT

MOLINE INVESTMENT MANAGEMENT [MIM] ACQUIRES 156-UNIT MATURE LIHTC PROPERTY

Arrington Apartments is MIM's first buy in Arkansas and advances the firm's Mature-LIHTC-to-Middle Market Investment Strategy

(Springfield, MO – September 29, 2022) Moline Investment Management [MIM], a specialist investment manager focused on the ownership and operation of workforce multifamily assets across the Midwest and Central U.S. has acquired Arrington Apartments, a 156-unit mature LIHTC property, announced Charlie Moline, MIM's Founder and CEO.

"Arrington Apartments is a great property in the middle of a dynamic Little Rock submarket," stated Moline, "and this acquisition is another forward step in our mission to be the dominant player in the Mature LIHTC to Middle Market space, nationally."



Arrington Apartments North Little Rock, AR

The property was acquired from a private owner and local LIHTC developer.

"We're quite pleased with our execution, overall, and the team did a superb job" explained Paul Arena, Chief Operating Officer of MIM. "The transaction became a bit tricky about midway through as the Fed continued to modulate business conditions and a fast-rising inflationary environment took hold," continued Arena, "though tactically, we rate locked our debt at the dip and were able to competitively bid insurance and deal with our other expense variables."

"Ultimately," continued Moline, "MIM came away with a great asset where we expect to unlock significant upside as we take it out of the program, make unit and community-

wide improvements and reintroduce it to Little Rock's 61% to 90% Area Median Income (AMI) demographic at value-added rents."

"Our pipeline is deep and we're acquiring mature LIHTC assets as quickly as we possibly can," offered Arena. "With a growing cadre of multifamily players sitting it out on the sidelines, we intend to exploit this attractive buying opportunity over the next two to three quarters."

"The debt markets, inflation and looming risk of an economic contraction have many buyers hesitant," offered Moline. "We might be too, though we're acquiring assets in a space - - LIHTC - - with real barriers to entry, and the property type's inherent rent and income restrictions generally keep their valuations well below comparable properties absent the LIHTC designation."

MIM's revitalized LIHTC properties target the demographic "missing middle," broadly defined as the lower-middle through middle income renter who typically earns too much to qualify for a traditional LIHTC apartment. MIM's Mature LIHTC to Middle Market investment strategy may be the only one of its kind designed to address this need, as presently there are no formal governmental programs and new construction is geared either to affordable (the 30% to 60% Area Median Income demographic) or to upper income residents paying market rate.

Arrington Apartments continues MIM's buying streak. In July the firm acquired a 613-unit mature LIHTC portfolio and is currently undertaking the improvement and repositioning of those assets. Last Spring, MIM acquired a 214-unit mature LIHTC portfolio under the same strategy.

About Moline Investment Management [MIM] | Moline Management, LLC

Founded in 2010, MIM (www.molinemgt.com [#maturelihtctomiddlemarket](https://twitter.com/maturelihtctomiddlemarket)) is a specialist investment manager focusing on the redevelopment, ownership and operation of affordable, workforce multifamily apartment communities across the U.S. With a dynamic portfolio currently totaling 2,500 units and growing, MIM targets redevelopment and/or acquisition opportunities within dynamic secondary and tertiary urban and suburban markets where current and projected supply, demand, and price metrics - - reinforced by MIM's hands-on operating paradigm and asset management process - - allow the firm to unlock value and generate superior returns for its investors.

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