



SIGNATURE.

Kennedy Property Development is proposing to develop 4, 4 unit, residential row style townhomes at the vacant lot at 11th Ave in Maplewood, PID #112922240029, which was successfully rezoned for high density residential use back in the end of 2022 by way of our Comprehensive Plan Amendment & Rezone proposal. In this design review plan, Kennedy Property Development will be building 16 total three-bedroom, three-bathroom single family units with attached 2 car garages. The townhomes we propose to develop will be called Kennedy Square, as the buildings themselves will create a square shape on the lot with two 4 unit buildings facing west and two 4 unit buildings facing east. (Building Plans included in Design Review). Our proposal for Kennedy Square Townhomes will create housing opportunities in alignment with the goals of the City of Maplewood Comprehensive Plan.

The current site is vacant and has remained vacant for quite some time. By successfully rezoning the land and including great transitional elements between the neighboring lots in the building design, it is our desire to advance this opportunity to collaborate with the City and begin developing Kennedy Square Townhomes in 2023.

The timing proposed for the development, Phase 1 (Units 1 - 8) of Kennedy Square is Spring 2023, where Units 1 - 8 will be available for homebuyers Spring 2024. We are estimating a 10-11 month construction timeline (See pg 12 & 13 of attached for detailed timeline.)

There will be a total of 32 parking stalls in front of each unit's garage and 8 visitor parking stalls in the development, within city requirements. Kennedy Property Development will be creating a Homeowner's Association for the development that offices at the developer's headquarters located at 842 Rice Street in Saint Paul.

The building exterior will be D4 lap vinyl siding and vinyl shake, which will provide long term durability with minimal required maintenance. Landscaping will be done in accordance with the City of Maplewood Standards using a combination of trees, shrubs, and grasses planted around the perimeter of the building and throughout the overall site. The design of the building is intended to create a transitional feel and modern craftsmanship between the neighboring buildings, as one neighboring building is commercial, while the other is residential.

Developer | Rashad Kennedy, Kennedy Property Development
Realtor | Paige Severson, Signature Group (KW Integrity Lakes)

Maplewood 16 Unit Townhome Development

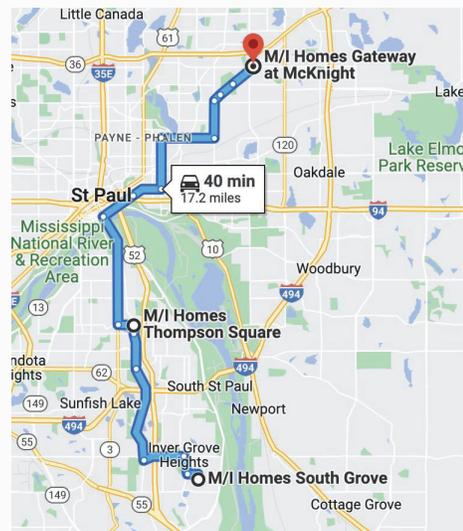
Developer | Rashad Kennedy, Kennedy Property Development
Realtor | Paige Severson, Signature Group (KW Integrity Lakes)

- Phase One: Units 1-8, Buildings A & B - Available Spring 2024
- Phase Two: Units 9 - 16, Building C & D - Available Spring 2025

National Builder Trends - Local Performance Indicators

New Construction Row Style Townhome Developments

- M/I Homes - Thompson Square, West Saint Paul (Price TBD)
- M/I Homes - South Grove, Inver Grove Heights (Starting at \$369,990 | \$1,810/mo*)
- M/I - Gateway at McKnight, North Saint Paul (Average Sales Price \$368,300)



Maplewood Supply/Demand Economics

Maplewood Comprehensive Plan Statistics:

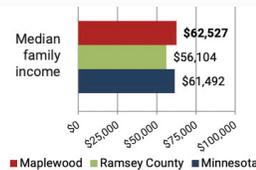
“While there was an increase in the percentage of attached single family units like row houses and townhomes from **8.7%** in 2000 to **13.5%** in 2015, single-family detached homes remain the predominant housing type at **58%**.”

“The City also saw the number of people per housing units remain steady between 2000 and 2015 at **2.5**.” (page 20 of the Comprehensive Plan).

The 3 bed/3 bath unit townhomes accommodate the city’s people per housing units noted in the plan. Additionally, our 16 units will contribute **9%** of the overall unit goal for the city’s Comprehensive Plan for increasing high density residential land use. $(16/184=.086)$

Economic Data from 2040 Maplewood Comprehensive Plan in Relation to Buyer Demand

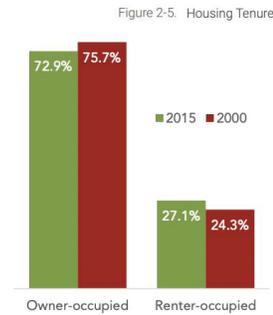
- » The City's educational attainment level increased since 2000 with 91% of residents 25 years and over holding a high school diploma or greater and 20% having a bachelor's degree. While the percentage with a high school diploma or greater is similar in Maplewood as Ramsey County and the State of Minnesota, the City does have lower rates of Bachelor's Degrees or higher (Maplewood 29%, Ramsey County 40%, and State of Minnesota 34%).
- » Median income levels were \$78,649 for households and \$62,527 for families in 2015. As shown in Figure 2-4, Maplewood's median income levels are higher than both Ramsey County and the State of Minnesota.



Households

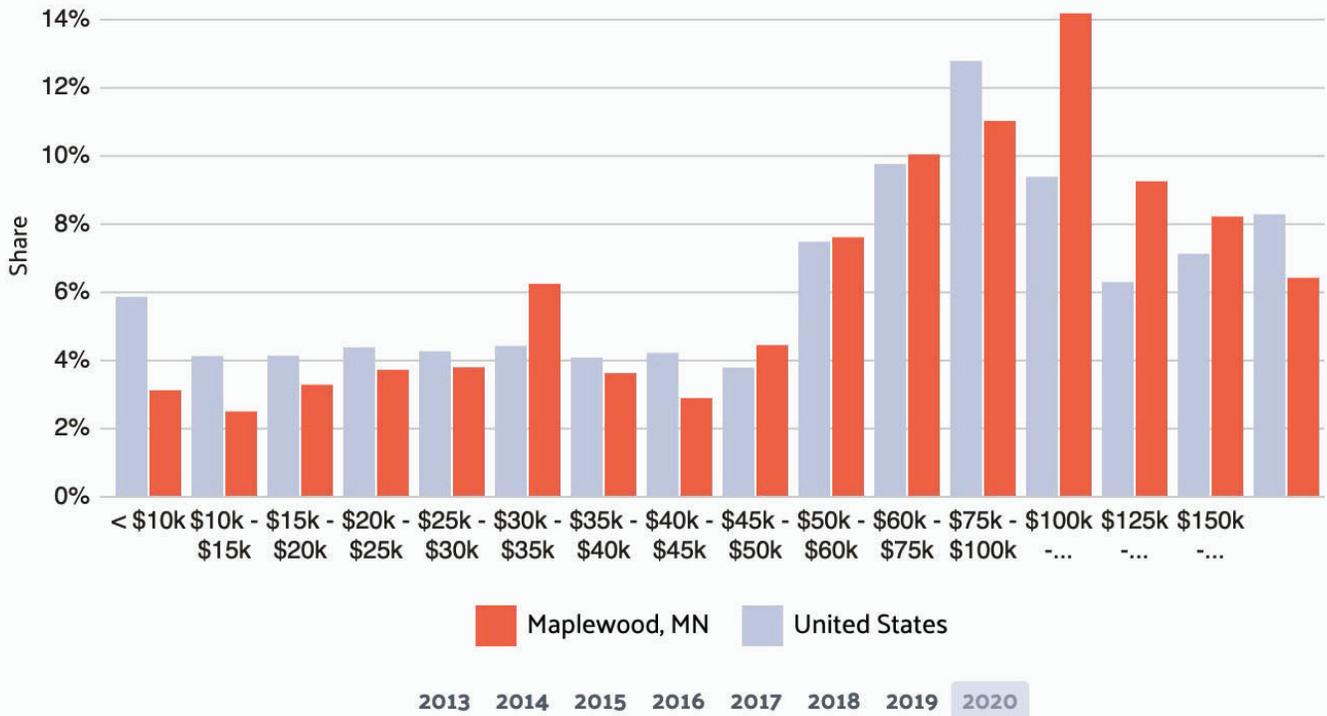
As shown in Figure 2-1, the number of households in Maplewood has steadily grown, though not at the same rate as population. Metropolitan Council projections estimate the City will add more than 5,000 households by 2040. Additional characteristics of Maplewood's households include:

- » In contrast to other communities where there has been an increase in people living alone or with unrelated roommates, the percentage of family households in Maplewood has generally remained steady at 64%. Approximately 44% of all households have children in Maplewood.
- » While there was an increase in the percentage of attached single family units like rowhouses and townhomes from 8.7% in 2000 to 13.5% in 2015, single-family detached homes remain the predominant housing type at 58%.
- » Housing units are occupied by renters approximately 27% of the time and owners 73%. The percent owner occupied dropped 3 percent since 2000.
- » The City also saw the number of people per housing units remain steady between 2000 and 2015 at 2.5.



Sources Figures 2-1 - 2-5: Metropolitan Council, US Census, 2011-2015 American Community Survey

Maplewood Household Income Profile from DATA USA (2020)





narresearch



LAWRENCE YUN
NAR CHIEF ECONOMIST

INSTANT REACTION

Inflation, January 12, 2023

"Inflation has been coming down. Mortgage rates will also, therefore, come down. The latest consumer price inflation of 6.45% in December is in the sixth consecutive month of deceleration after peak inflation of 9.1% in June 2022. Housing inflation due to rising rents is the one major item still showing acceleration but is soon expected to come down as well. Rents increased by 8.35% in December, its highest reading in more than 40 years. Private sector data in recent months have been pointing to near-zero rent growth in some major cities, and robust apartment construction will raise rental vacancy rates.

The overall inflation of 6.45% is still above the average hourly earnings of 4.6%. Therefore, a good majority of Americans are falling behind in their standard of living. Food prices are up 10.4%, including egg price gains of 60%, a daily reminder of the grind people face. Gasoline prices have fallen by 1% from a year ago, though still up 42% from pre-pandemic levels in March 2020.

The 30-year mortgage rate dropping under 6% is now a distinct possibility. The gate is beginning to open for homebuyers who got shut out in October and November when the rates went above 7%. However, there is still a housing shortage and not enough listings."



NAR Chief Economist Lawrence Yun said last week,

"The 30 year mortgage rate dropping under 6% is now a distinct possibility. The gate is beginning to open for homebuyers who got shut out in October & November when the rates were above 7%. However, there is still a housing shortage and not enough listings."



NADIA EVANGELOU
NAR Senior Economist &
Director of Forecasting

INSTANT REACTION

Mortgage Rates: January 12, 2023

“Following market trends, mortgage rates dropped this week. According to Freddie Mac, the average rate on a 30-year fixed mortgage fell to 6.33% from 6.48% the previous week. Rates moved closer to 6% as inflation slowed further in December for the sixth straight month. Since their latest peak in mid-November, mortgage rates have decreased by 0.75 percentage points.

The beginning of the new year allows people to start over again and set their resolutions for the year. One of those resolutions may be buying a home. This downward trend of mortgage rates gives a scrap of hope for many home buyers for the months ahead. With a 6% rate instead of 7%, buyers pay about \$2,700 less every year on their mortgage. As a result, owning a home becomes affordable to about 1.4 million more renters and 4.3 million more homeowners. This could bring more buyers back to the market, boosting demand for housing and increasing market competition.

Nevertheless, it's not just affordability that's a roadblock. There's also a persistent shortage of homes. Historically, a 6-month supply is necessary for a normal market with enough homes available for active buyers. However, there's a 3-month supply of homes at the current sales pace. Even with 1.1 million homes available for sale, buyers still have difficulty finding a home to purchase.”



- The November/December 2022 interest rates of 7% interest rate had buyers paying about \$2,700 more per year to their mortgage.
- Now, with rates closer to 6% interest rates, owning a home becomes affordable to about 1/4 million renters and 4.3 million homeowners.

First Home - Home Buying Assistance Program that eligible buyers could utilize to purchase a Kennedy Square Townhome

HOMEBUYER ASSISTANCE

New guidelines effective September 29, 2022.

Ramsey County's FirstHome program assists first-time buyers and first-generation homebuyers with low-to-moderate incomes who are purchasing homes in Ramsey County communities, outside the City of Saint Paul. The loans can be used for down payment assistance, closing costs and, occasionally, health, safety or code improvements.

Eligible buyers may purchase a home up to \$372,600 and qualify for loans that can be used for down payment assistance, closing costs and, occasionally, health, safety or code improvements. A maximum investment of \$3,726 is required from the buyer, with consideration of earnest money. This principal-only subordinate mortgage must be repaid when the property is sold.

ELIGIBILITY REQUIREMENTS

FIRST-TIME BUYER(S)

- May qualify for a loan up to \$20,000 for down payment or closing costs with 0% deferred loan interest, due upon sale.
- Must be at or below 80% Area Median Income (AMI), according to household size.

FIRST-GENERATION HOMEBUYER(S)

- May qualify for a loan up to \$93,150 for down payment or closing costs with maximum loan 25% of home purchase price. Loan interest forgiven at 5% per year for a 20-year period.
- Must be at or below 80% AMI with 1-3 household members. Buyer(s) with 4 or more household members must be at or below 100% AMI.
- Must sign a document stating they have never owned a home and their parents have never owned a home.

GENERAL REQUIREMENTS

FIRST-TIME BUYER(S)

- May qualify for a loan up to \$20,000 for down payment or closing costs with 0% deferred loan interest, due upon sale.
- Must be at or below 80% Area Median Income (AMI), according to household size.

GENERAL REQUIREMENTS

- New and existing single-family detached homes, condos, townhouses and duplexes are eligible for FirstHome assistance. The home must be inspected and meet housing quality standards and local codes prior to occupancy.
- Buyers must successfully complete an approved homebuyer class, either HomeStretch or Framework, before closing the loan.

RAMSEY COUNTY CITIES



**ROSEVILLE
MAPLEWOOD
SHOREVIEW
MOUNDS VIEW
NORTH SAINT PAUL
ARDEN HILLS
LITTLE CANADA
VADNAIS HEIGHTS
FALCON HEIGHTS
NORTH OAKS
LAUDERDALE
GEM LAKE**

SIGNATURE

SIGNATURE

SIGNATURE

SIGNATURE

Marketing Strategy

Custom Website

- About the Builder & Development/Community
- Lead Capture direct Agent follow-up & nurture
- BuilderTrend Integration
- Live Opportunity/Availability Updates
- Photo/Video Tours

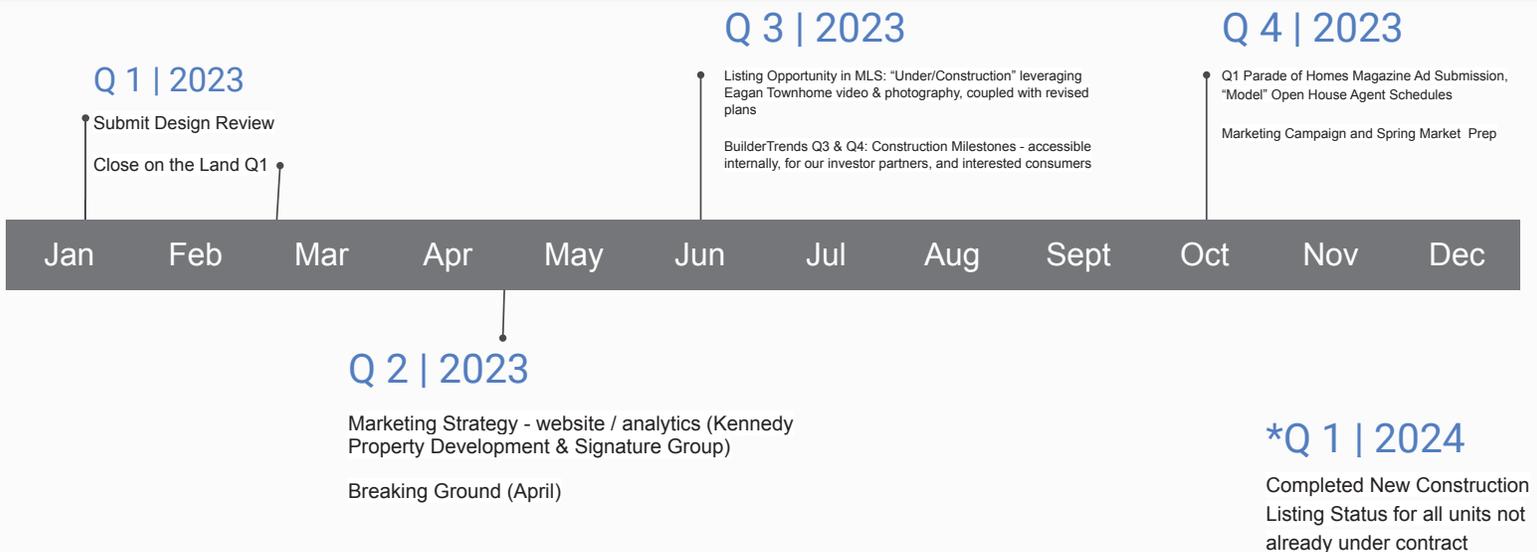
MLS

- "Under Construction" Status
- "Completed New Construction" Status

Spring 2024 Parade Of Homes

Milestones

An Overview of the Process



*10 - 11 Month Construction

Strategically Targeting Spring Market 2024

Timeline & Breakdown

Staggering Construction

- *Buildings A & B will be built as Phase One of the Development (Units 1-8) Move-In/Available Spring 2024*
- *Buildings C & D will be built as Phase Two (Units 9 - 16) Move-In/Available Spring 2025*

Consumers will be able to reserve or "hold" future Phase Two units with a \$2,500 deposit (broker trust account) & have the option to discuss interior selections with KPD designer

Phase One opportunities will be available to buyers in the MLS as "Under Construction" opportunities so that we may go under contract prior to completion