

MOEGENBURG RESEARCH, INC.
REAL ESTATE APPRAISAL AND CONSULTING

TO: Neil Palmer, President, Village of Elm Grove

FROM: Peter Moegenburg, MAI, ASA, Moegenburg Research, Inc.

DATE: September 12, 2020

RE: School Sisters Redevelopment Plan (Elm Grove, WI)

I support the Mandel Group's plan to redevelop the School Sister's site in the Village of Elm Grove. This memo intends to highlight the basis for my support. My thoughts are consolidated within several themes.

THE SITE

- The site is being vacated by the School Sisters of Notre Dame (SSND). The SSND own Mount Mary University (MMU) and intend on building a new assisted living facility on the MMU grounds within a 10-acre parcel of excess land. This new facility is much smaller than the Elm Grove site and is intended to accommodate the planned SSND population (80+/- beds) while lowering the overall operational costs to the School Sisters.
- The SSND site is large enough to accommodate a variety of future uses, thus creating a community campus of public and private space. The planned density with the future development will result in a significant amount of green space – perpetuating the calm environment village residents have come to enjoy.
- With the buildings being preserved, and the surrounding land uses, the planned development will enhance the overall appearance within its neighborhood.

THE DEVELOPMENT

- The development offers a mix of market rate apartments, along with single-family development and an option for senior housing. These three components of residential development reflect an addition to the residential uses which currently exist in Elm Grove, further enhancing the overall quality of life in the village.
- The cost of new development today is high. These high costs require that the end development either sell or rent at a level commensurate with the costs. Based on my understanding of market trends, the following estimates offer relatively realistic financial guidance for a future development:

Single-Family: Average home (2,800 SF) x \$300/SF (includes land, basement & garage) = \$840,000
Market Rate Apartments: Average unit (1,300 SF) x (\$2.00/SF monthly rent/SF) = \$2,600/month

- Based on the estimates indicated above, the *average* household income required for homeownership or for the potential renter would be comparable to the median household income in Elm Grove (\$115,000).

THE DEVELOPER

- Mandel Group successfully delivered the Watermark Condominiums (directly north of the SSND site).
- Mandel Group has developed a reputation as a developer which places keen attention on the specific needs of a community. An excellent example of the abundant sensitivity to detail is represented by the Echelon Apartments in Wauwatosa. This development faced significant political, environmental and architectural challenges. What emerged was a development which represents a best-in-class apartment community.
- Mandel Group is an organization which prides itself on its long term commitment to its investments. Thus, its investment in a new development is an investment in its reputation, and as any developer knows, your reputation is all you sell to the marketplace. Mandel Group's commitment to its continued growth has led to a knowledge of how best to enhance a community. The citizens of Elm Grove take great pride in preserving its wonderful reputation. As the citizens of Elm Grove continue to invite new development into the community, the proposed plans put forth by Mandel Group for the SSND site will reinforce the fundamental character of the Elm Grove community.