



STEELE PROPERTIES MEDIA RELEASE

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STEELE PROPERTIES ADDS 26TH STATE TO PORTFOLIO WITH ACQUISITION OF PENNEL PARK COMMONS AND LARSON COMMONS IN MINNESOTA

Steele's national portfolio now exceeds 9,000 apartment units

[Denver, CO, July 2nd, 2024] Today [Steele Properties](#), announced the \$24.3M acquisition and rehabilitation of Pennel Park Commons, a Project Based Section 8, 101-unit community serving seniors and disabled residents in Duluth, Minnesota and the \$18M acquisition and rehabilitation of Larson Commons, a Project Based Section 8, 85-unit community serving seniors and disabled residents in Cloquet, Minnesota. This marks Steele's first acquisitions in Minnesota and 26th state in Steele's national portfolio, which now exceeds 9,000 apartments units. [Monroe Group, Ltd.](#), Steele's sister company, will oversee property management at the communities.

Pennel Park will receive more than \$46,000 per unit in hard cost renovations as part of Steele's acquisition, and Larson Commons will receive more than \$42,000 per unit in hard cost work. Steele's strong commitment to accessibility will be at the forefront of these comprehensive renovations. We are looking forward to providing each unit with a complete refresh and update, which will include upgraded kitchens, including new appliances, all new flooring and freshly painted interior. The exteriors will receive new siding, building signage and redone parking areas. The rehabilitations will include complete boiler and HVAC replacements for each community as well as full roof replacements. Common space amenities will undergo a thorough upgrade, further enhancing the residents' overall experience. Another key factor to this rehabilitation is energy saving features, which will include the installation of low-flow plumbing fixtures and high-efficiency LED lighting in each unit, reducing energy consumption and promoting sustainability.

The project is financed with 4% tax credits issued by Minnesota Housing, tax-exempt bonds issued by the City of Cloquet and the City of Duluth, construction and permanent financing provided by JLL through Fannie Mae, and tax credit equity provided by CREA.

"We are excited to add a new state to our growing portfolio. Pennel Park and Larson Commons are both in need of significant renovations. We look forward to providing a fully comprehensive rehab to these communities so their residents will have a place they will continue to be proud to call home for many years. We are grateful to our partners for sharing in our mission to provide safe and quality affordable housing," Principal of Steele Properties, Hud Karshmer shares.

Built in 1977, Pennel Park Commons is a Project-Based Section 8 property consisting of one, 7-story building and 101 units. Pennel Park Commons is located in Duluth, Minnesota just northwest of Lake Superior, near local restaurants and grocers. Built in 1980, Larson Commons is a Project-Based Section 8 property consisting of one, 7-story building and 85 units. Larson Commons is located in Cloquet, Minnesota just east of Highway 33, near a number of local restaurants, grocers and Veterans Park.

About [Steele Properties](#)

Steele Properties is a Denver-based national real estate investment company specializing in the acquisition, rehabilitation and new construction of affordable family and senior rental properties. Steele consistently is ranked as one of the top ten companies for substantial rehabs by Affordable Housing Finance. The company was formed in 2006 with the mission to preserve, improve and increase affordable housing opportunities for vulnerable communities across the country. Steele has successfully completed over \$1 billion in acquisitions, sales and development activity involving over 90 properties and more than 9,000 apartment units, including over 85 tax credit projects.

About [Monroe Group](#)

Monroe Group is a privately held company headquartered in Denver CO. Stuart Heller founded the company over 30 years ago, with a single management contract for an 81-unit property. Today, the Monroe Group has grown to become one of the country's leading affordable housing property management companies with a portfolio of over 90 properties and over 9,000 apartment homes located in 26 states across the country. In 2006, Monroe Group's leadership founded Steele Properties to conduct all real estate development and property acquisitions.

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