



Ginosko Ecosystem: Modular Housing

Another Piece of the Housing Pie

Enhancing Communities with a Myriad of Residential Building Types

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GINOSKO
DEVELOPMENT
COMPANY



GINOSKO
MODULAR



GINOSKO
CONSTRUCTION



The Ginosko Ecosystem

Firm Overview



VERTICALLY INTEGRATED

The Ginosko ecosystem of companies is currently the only vertically integrated minority-owned group in the country with a sole focus on affordable housing and modular manufacturing. Development, Property Asset Management, and Fund Management all function within Ginosko Development Company; whereas design and other construction related endeavors function within Ginosko Modular and Ginosko Construction.



GINOSKO DEVELOPMENT COMPANY



GINOSKO
MODULAR



GINOSKO
CONSTRUCTION

Q: How Does Ginosko Modular Help Solve the Affordable Housing Crisis?



A: Introduces advance manufacturing technology to the Affordable Housing Industry



Units are Produced Faster

Decreases "Time to Market" by 35%.¹

- 75,000 unit affordable Housing SUPPLY SHORTAGE in Michigan.
- Decreases Neighborhood disturbances.
- Accelerates development processes.

Shorter Schedules / Quicker Return-on-Investment



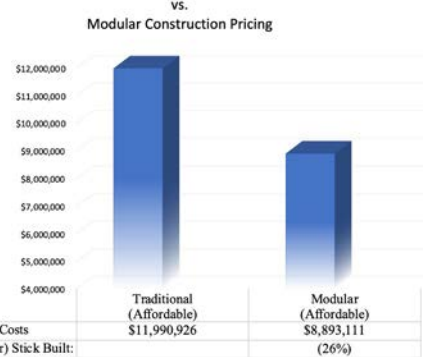
More Units are Created Efficiently

Same building costs 26% LESS!²

- Mitigates Seasonal work stoppages.
- Decreases environmental disturbance.

Exact Same Apartment Building

Traditional Construction (Stick Built) Pricing vs. Modular Construction Pricing



Reduces the "Cost Burden" to Residents

Cost Savings are Passed to the Renters.³

- Can reduce monthly rental costs by 15% in over 200 markets in the Midwest.



Source:
¹ 2022 Permanent Modular Construction Report: Modular Building Institute's Key Findings and Best Practices for Successful Modular Projects
² Actual Project Bid Comparison.
³ CoStar



The Ginosko Ecosystem

Corporate Background



FIRM OVERVIEW

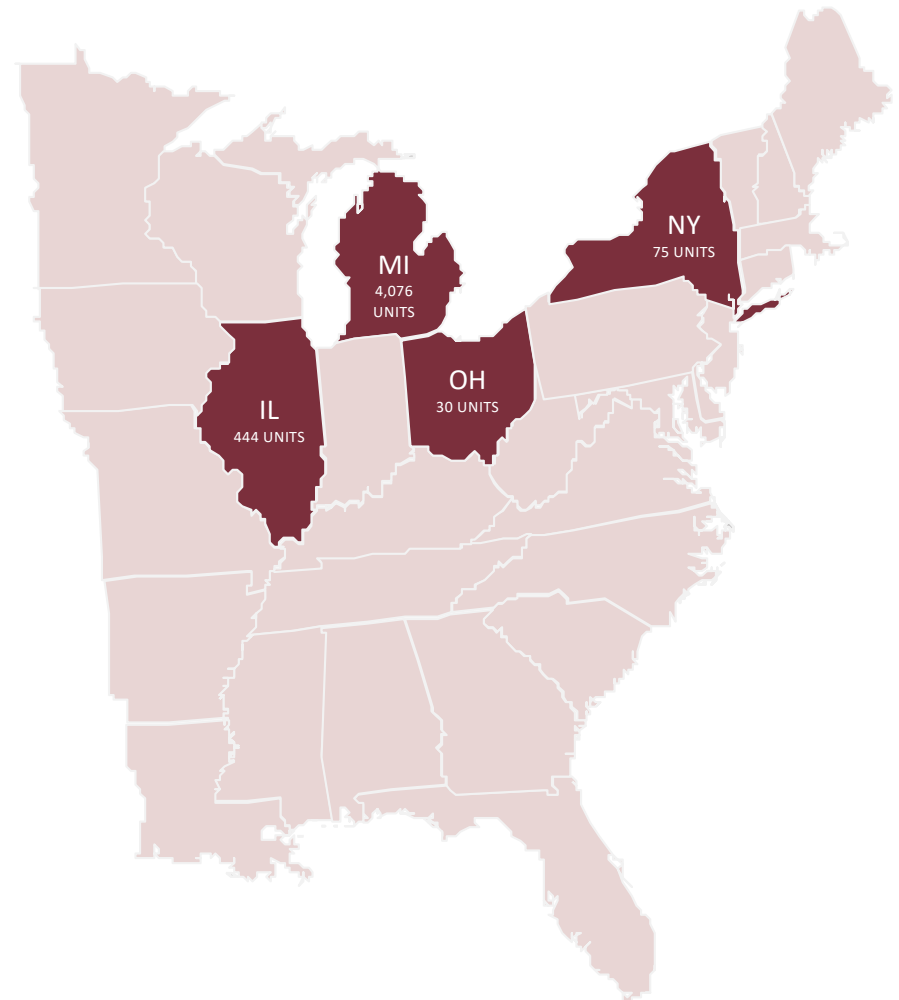
Ginosko Development Company (GDC) is a real estate development firm specializing in quality affordable housing creation and preservation.

Founded in Michigan in 2002, Ginosko Development Company (GDC) began by recognizing the growing demands of establishing and preserving safe, quality residences for the full spectrum of socio-economic households.

GDC develops, acquires, repositions, and manages affordable multifamily properties in the U.S., primarily in the Midwestern region, with a focus to expand to select U.S. markets. GDC is involved in all aspects of multifamily residential housing development, construction, ownership, and management.

Through GDC's **20 years of affordable housing experience**, it has identified and created unique **strategies to increase net distributable proceeds to owners and investors by decreasing the housing cost burden to renters, especially low-income renters.**

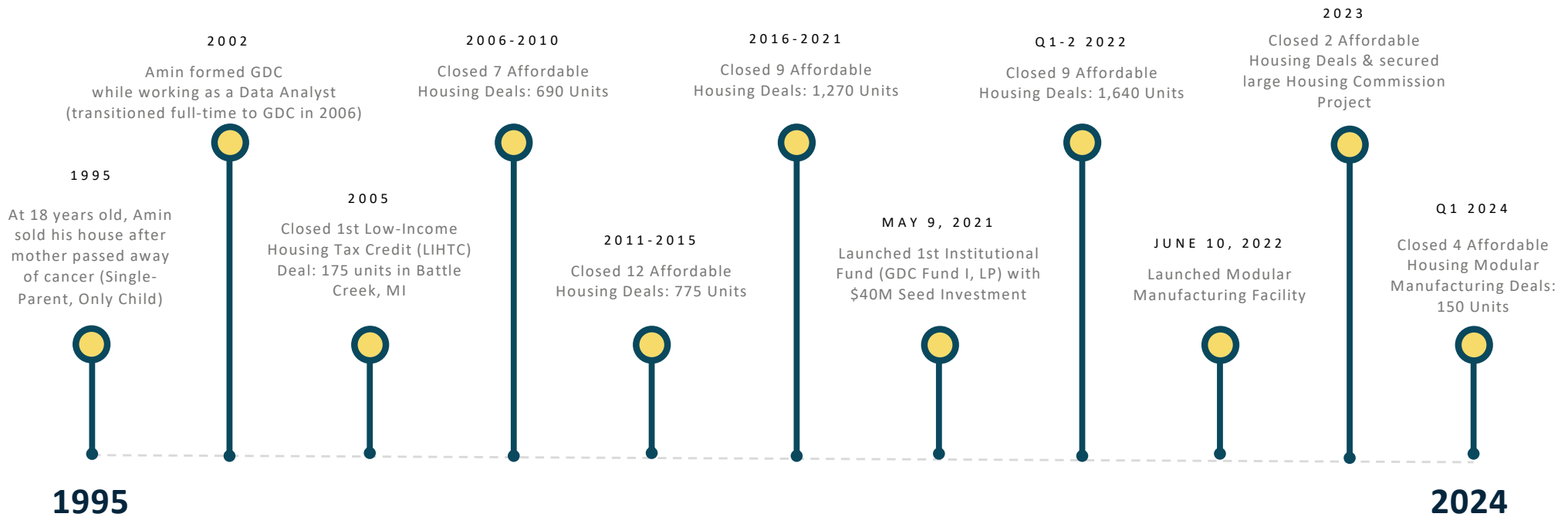
Square Feet Owned	4,354,171
Properties Owned	39
Units Owned	4,625
Capitalized Value	\$587 MILLION





CORPORATE GROWTH TIMELINE

Two decades of consistent growth developing, acquiring, and repositioning multifamily assets.





The Ginosko Ecosystem

What is Affordable Housing?

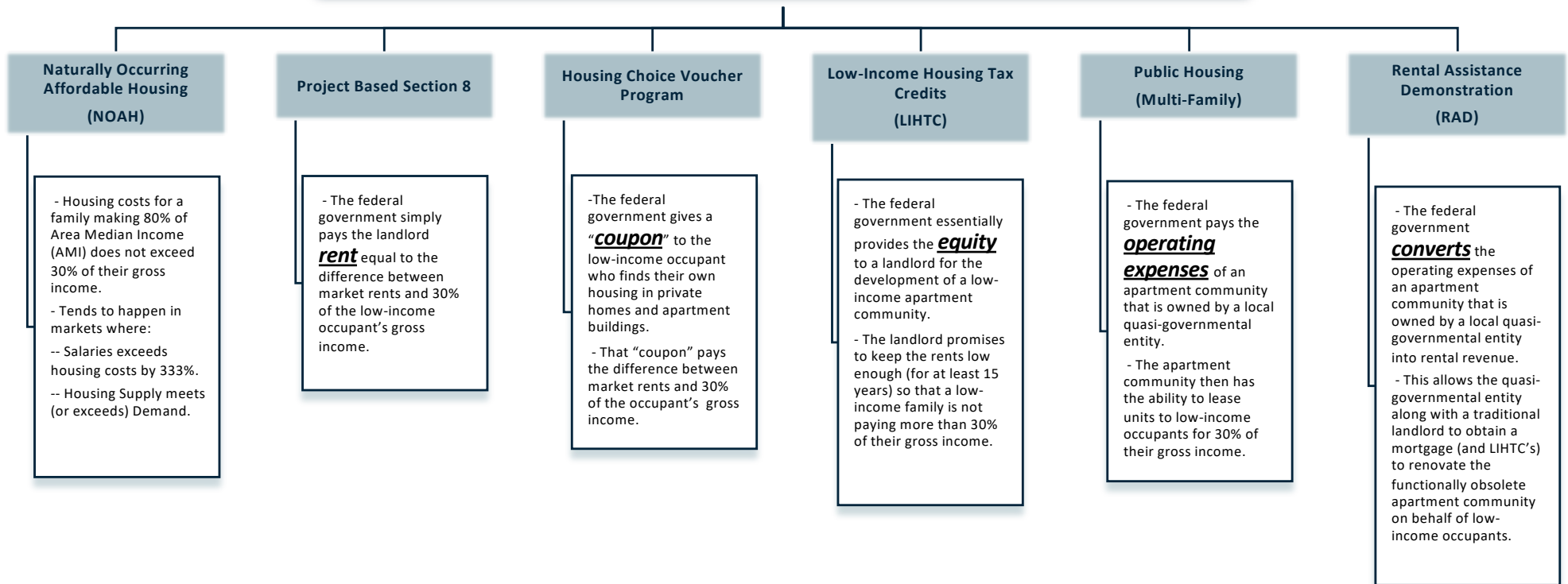


WHAT IS AFFORDABLE HOUSING?

Affordable Housing is generally defined as housing on which the occupant is paying no more than 30% of gross income for housing costs, including utilities.¹

- An occupant is considered "low-income" if they make less than 80% (and in some programs 60%) of an Area's Median Income (AMI).
- An occupant is considered "Cost Burdened" when they pay more than 30% of their gross income on housing costs including utilities.

METHODS TO ACHIEVE AFFORDABLE HOUSING



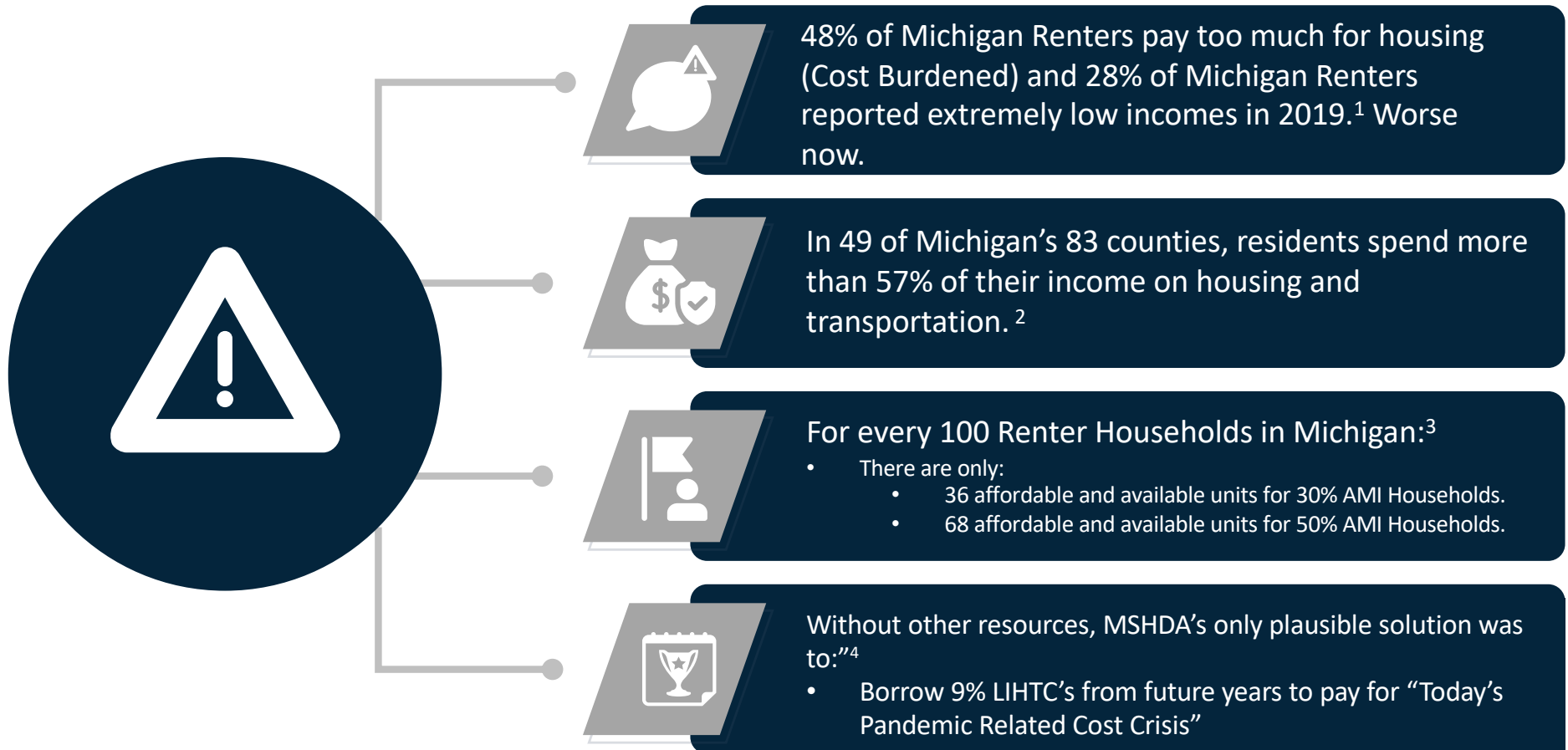
Source:
¹ HUD.gov

Ginosko Modular's Specific Target Market:

Ginosko Modular primarily focuses its new construction efforts on the Low to Moderate Income Housing.

Michigan Affordable Housing: THE PROBLEM

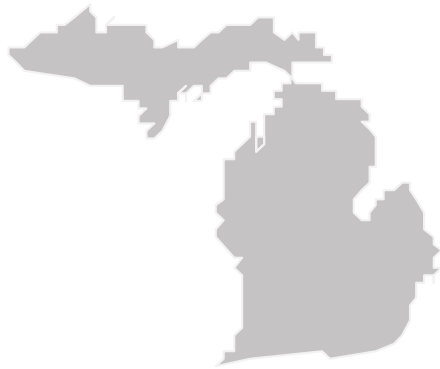
Currently, the State of Michigan's Affordable Housing ecosystem lacks the appropriate funding to address current demand.



Source:
¹ Michigan Statewide Housing Plan & United for ALICE and Michigan Association of United Ways, ALICE in Michigan: A Financial Hardship Study, 2021, https://static1.squarespace.com/static/52fd39ec4b060243dd722d8/6058ddc11252c23b5e62146b/1616436677469/2021ALICEReport_MI_FINAL-3-15-21.pdf/
² Ibid.
³ Housing Crisis Solution Coalition (HCSC), 2021; NLIHC tabulations of 2020 5-Year ACS PUMS.
⁴ MSHDA FOIA Data (1/18/22 and 7/1/22 Supplemental 9% LIHTC Funding Rounds)



Michigan Affordable Housing: KEY STATISTICS¹



77
Work Hours Per Week At
Minimum Wage To Afford a **2-Bedroom**
Rental Home (at FMR)

62
Work Hours Per Week At
Minimum Wage To Afford a **1-Bedroom**
Rental Home (at FMR)

1.9
Number of Full-Time Jobs At
Minimum Wage To Afford a
2-Bedroom Rental Home (at FMR)

1.5
Number of Full-Time Jobs At
Minimum Wage To Afford a
1-Bedroom Rental Home (at FMR)

State Facts

MINIMUM WAGE	\$9.87
2-BEDROOM HOUSING WAGE	\$19.10
NUMBER OF RENTER HOUSEHOLDS	1,124,923
NUMBER OF RENTER HOUSEHOLDS BELOW 30% AMI	319,644
PERCENT OF RENTER HOUSEHOLDS BELOW 30% AMI	28%
NUMBER OF RENTER HOUSEHOLDS BELOW 50% AMI	510,969
PERCENT OF RENTER HOUSEHOLDS BELOW 50% AMI	45%

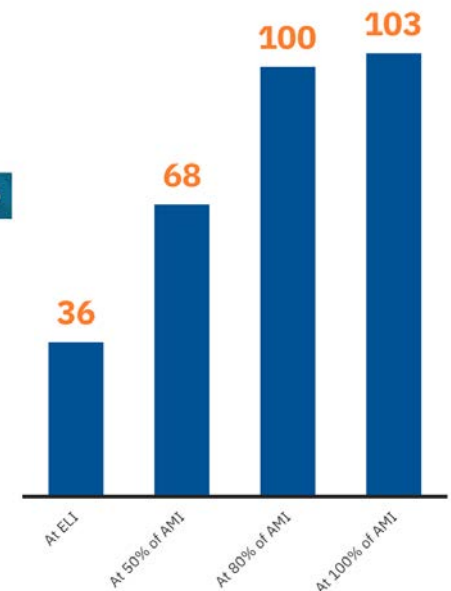
Affordable Rent for Low Income Households



Fair Market Rent



AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source:

¹ National Low Income Housing Coalition – Out of Reach, 2022

² Housing Crisis Solution Coalition (HCSC), 2021: NLIHC tabulations of 2020 5-Year ACS PUMS

“We need to build an average of 328,000 new apartments per year at a variety of price points to keep up with demand.”

Housing Coalition
Solutions

328,000 Units
Per Year





Why?

Michigan Affordable Housing: Construction Costs¹

Construction Projects are typically finished 20% later than scheduled, at 80% over budget.¹ The reasons for these delays and increased costs include:



Thousands of Raw Materials

- Each subject to supply chain disruptions, shortages, and delays.



Labyrinth of Data Architecture

- From spreadsheets, to data warehouse to data lakes, built on top of asset-, contractor-, project- and portfolio-management systems, overlaid by payroll, insurance claims, audit logs, and more.



Siloed Sourcing

- Siloed design, sourcing, procurement, labor, and warehousing teams, without cross-functional visibility into project planning



Conflicting Crew Schedules

- The need to balance these raw materials against hundreds of conflicting crew schedules, which in turn are complicated by labor shortages



Highly Complex Project Plans

- A competing portfolio of built assets, each with highly complex project plans, each subject to delays that hinder work orders



Fragmented Landscape of Contractors

- With a complex web of contracts and negotiations.

Source:

¹ Imagining construction's digital future (<https://www.mckinsey.com/capabilities/operations/our-insights/imagining-constructions-digital-future>)



The Ginosko Ecosystem

What is Modular Manufacturing?



Ginosko Multi-Family Modular Factory

Ginosko Modular Produces:

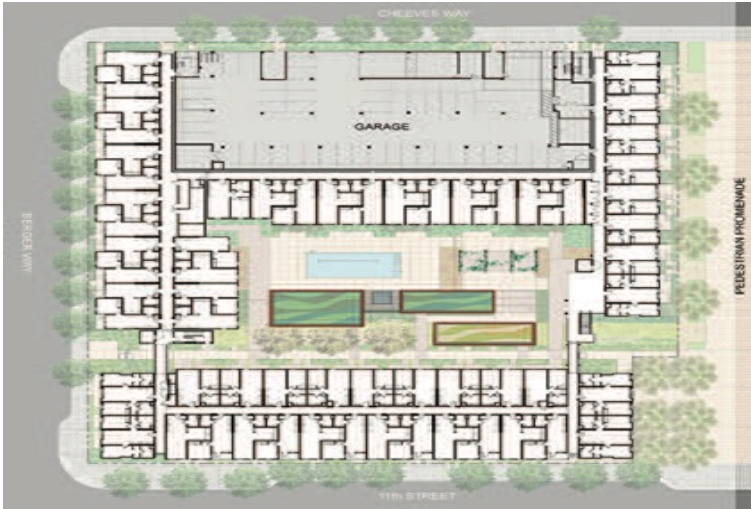
- ✓ Standardized modules ("Lego Blocks") of an apartment building in an **off-site** factory located in Romulus, Michigan.
- ✓ Connects those Lego Blocks **on-site** at a final destination.
- ✓ A different and more efficient process to assemble the materials and components of a building. When implemented effectively this approach has been shown to result in a higher-quality building, delivered in a shorter time frame, with more predictable costs, and fewer environmental impacts.



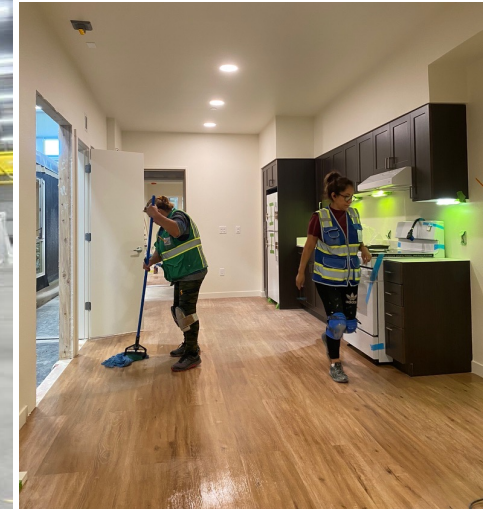


Stages of Modular Building

1. Design approval by the end-user and any regulating authorities.



2. Assembly of Modular components in a controlled environment.



3. Transportation of modules to a final destination.



4. "Button-Up" of modular units to form a finished building.





IMPLEMENTATION & RESULTS

GDC utilizes a methodical proprietary data-driven approach to assess, plan and execute its projects:



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PERSPECTIVE RENDERINGS - VARIES
SCALE = N.T.S.



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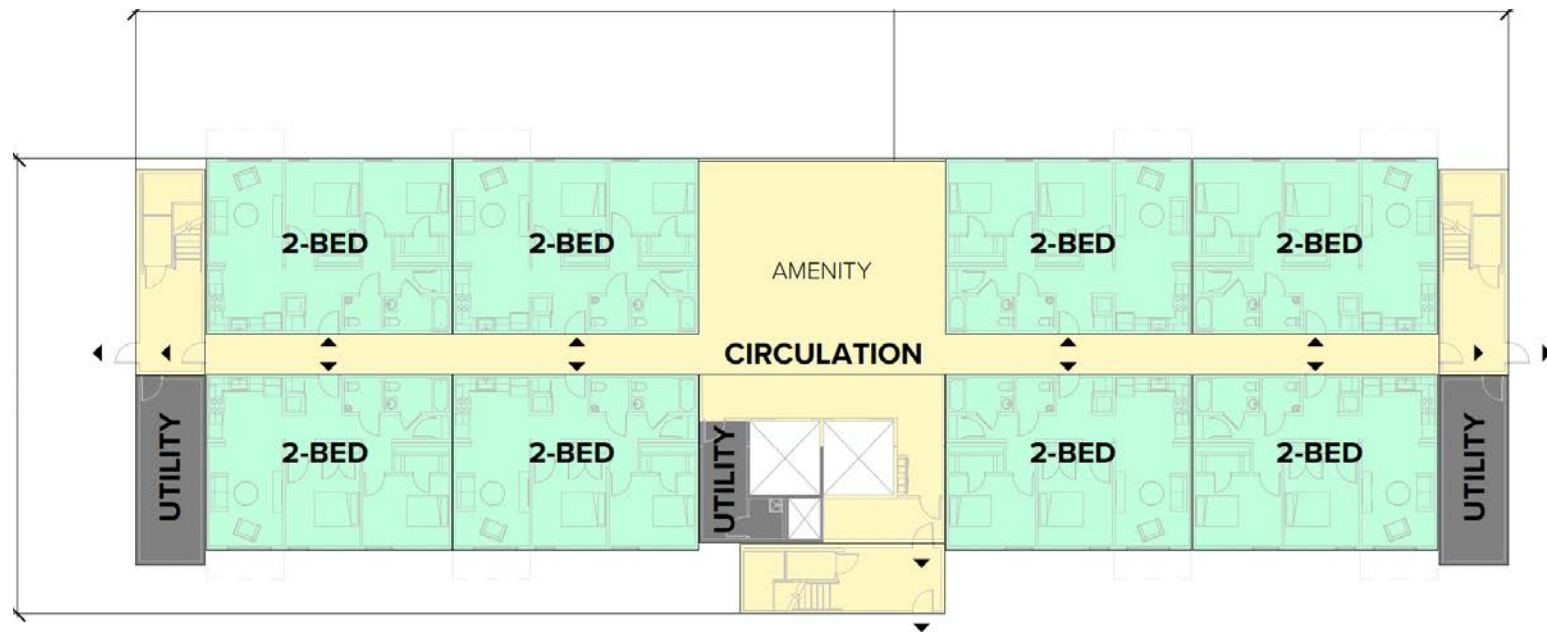


UNITS FLOOR PLAN - BUILDING 1



IMPLEMENTATION & RESULTS

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UNITS FLOOR PLAN - BUILDING 4



The Solutions

Michigan Affordable Housing: Gap Elimination Strategies

"Ah-Ha" Moments for Modular Manufacturing!



Time Savings:

1. In Michigan, modules are approved at the State Level.
 - Once modules are approved, all building configurations are approved.
2. Design Savings in terms of not needing variances to zoning and setback waivers.
3. Decreases construction interest savings
4. Terms in your Operating Agreement get better:
 - Deliver Credits faster
 - Mitigates your risk on a downward adjuster
 - Increases you chances to receive a timing upward adjustment



Construction Cost Savings:

1. Level of Design 450 Savings
2. Less Internal Construction Contingency Fluff
3. Avoid Davis Bacon wages on over 50% of construction costs



Other Unique Opportunities:

1. Opens the door to other gap dollars as you build to Zero-Emission standards, which is easier for a Modular Manufacturer to do.
2. Take those construction cost savings and pass it onto the residents, which lower vacancy rates and increases you cash flow.



The Ginosko Ecosystem

Appendix



The Ginosko Ecosystem

Renderings of Ginosko Modular Buildings



Briarwood Gardens
425 E. Eisenhower Pkwy.
Ann Arbor, MI





Woodward Lane
8230 Woodward
Detroit, MI





Platform Land 2
7039 E. Jefferson Ave.
Detroit, MI





Mathis Manor
19300 Greenfield
Detroit, MI





7850 Phase V
7850 E. Jefferson
Detroit, MI





COGIC - Highland Park
16340 Hamilton Ave.
Highland Park, MI





Wealth Fund-Residential - Capitol Ave
2709 Capitol Ave.
Warren, MI









COGIC - Flint (Mildred - Pastor McCuien)
3311 Mildred
Flint, MI



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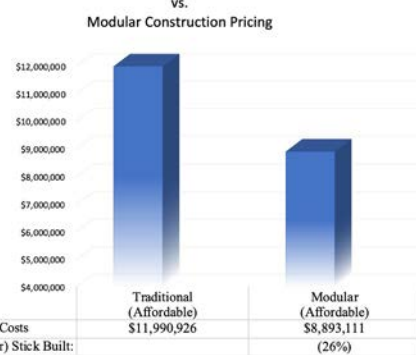
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