

Northeast Philadelphia Multifamily Portfolio

PHILADELPHIA, PA



OFFERING MEMORANDUM

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PHILADELPHIA, PA

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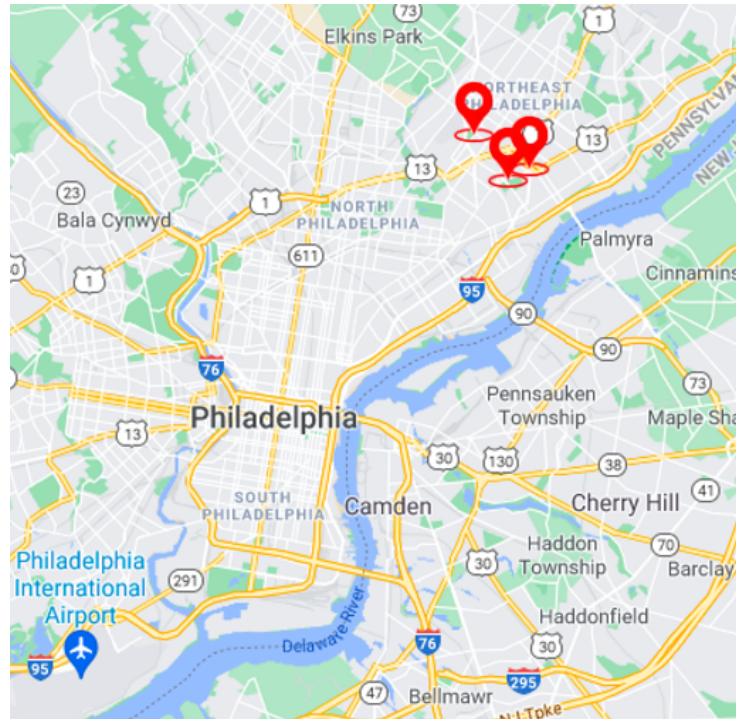
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Executive Summary



OFFERING SUMMARY

SALE PRICE:	\$3,990,000
NUMBER OF UNITS:	32
CAP RATE:	5.02%
NOI:	\$200,277
LOT SIZE:	0.97 Acres
BUILDING SIZE:	29,066 SF
RENOVATED:	2007
ZONING:	RM1 + *RSA5 + R9
MARKET:	Philadelphia
SUBMARKET:	Northeast Philadelphia
PRICE / SF:	\$137.27
PRICE / UNIT:	\$121,875

PROPERTY HIGHLIGHTS

- 32 Unit Portfolio in Philadelphia Market
- 100% Unit Occupancy
- 90% of units under market rent - \$33,588 in potential additional rental income
- Landlord pays utilities, ability to assign to tenants - \$17,980 in potential additional income
- Potential Additional Unit Development (up to 30 units) RSA5 Zoning
- All three properties within 3 minute drive of one another for reduced management cost
- Located in High Score walkability and transportation areas
- Dedicated Parking Lots (10-16 spaces) at each property totaling 40 spaces / Ample non-metered street parking
- Solar Energy Panels being utilized at Devereaux Ave and Frankford Ave properties

Property Details

LOCATION INFORMATION

Building Name	Northeast Philadelphia Multifamily Portfolio
Street Address	2946 Devereaux Ave + 6311-19 Everett Ave + 5766 Frankford Ave
City, State, Zip	Philadelphia, PA 19135
County/Township	Philadelphia
Market	Philadelphia
Submarket	Northeast Philadelphia
Population	66,880
Med HH Income	\$45,257
Median Age	32
Vacancy Rate	2.5%

BUILDING INFORMATION

Building Size	29,066 SF
Units	32
NOI	\$200,277
Cap Rate	5.02%
Price / SF	\$137.27
Price / Unit	\$121,875
Year Built	1972
Last Renovated	2007
Occupancy %	100%
Tenancy	Multiple
Unit Mix: 1 Bd/1 Ba / 2 Bd/1 Ba	27 / 5
Parking Spaces	40

SALE PRICE

\$3,990,000

PROPERTY DETAILS

Property Type	Multifamily
Property Subtype	Low-Rise/Garden
Zoning	RM1 + *RSA5 + R9
Lot Size	0.97 Acres
Submarket	Northeast Philadelphia
Number Of Buildings	3
Land (Acre)	.97
Land (SF)	42,253
Zoning	RSA5
Transit Score	80
Walk Score	80
Distance From Center City	9 Miles
Distance Philadelphia Intl Airport	17 Miles

Property Description



PROPERTY OVERVIEW

KW Commercial is pleased to present a unique Value Add Multifamily Portfolio in the heart of Northeast Philadelphia. The portfolio consists of three separate buildings all located within a three minute drive of one another.

The unit breakdown among the three buildings are:

11 units in Devereaux Ave which consists of all 1 bed / 1 bath.

10 units in 6311-19 Everett Ave which consists of five (5) 1 bed / 1 bath and five (5) 2 bed / 1 bath as well as a garage rental unit.

11 Units units in 5766 Frankford Ave which consists of all 1 bed / 1 bath

The portfolio is at 100% occupancy and located in an area with high walking and transportation scores.

This portfolio has massive value add. All but three units are currently under market rent which gives the investor upside potential of up to \$33,588 in additional annual rental income. The investor could also assign all utilities to tenants (currently paid by Landlord) which would lower the operating expenses and provide up to \$17,980 in potential additional income, totaling up to \$51,568 in additional income in the short term. Another value add component included in this deal is in relation to 6311-19 Everett Ave. There are currently 10 Units fully occupied, however there is a large portion of the parcel that is raw land. The parcel is zoned RSA5, Construction of additional units is possible. (RSA-5 districts are primarily intended to accommodate attached and semi-detached houses on individual lots and can accommodate up to 30 units, but may be applied in areas characterized by a mix of housing types, including detached houses. Single-family dwellings do not require zoning approval. Other uses require either a use registration permit from the Department of Licenses and Inspection or a special exception or a variance from the Zoning Board of Adjustment. Variance uses include: Two Family and Multifamily dwellings).

LOCATION OVERVIEW

The 32 Unit Multifamily Portfolio is located in the Castor/Mayfair neighborhood of Northeast Philadelphia. The three properties are located just 9 minutes from Center City Philadelphia. All three properties are located in highly a concentrated residential and retail corridor (Frankford Ave, Roosevelt Blvd (Route 1), Harbison Ave).

Each property has a dedicated parking lot containing 10 -16 spaces (40 total) and is surrounded by non metered street parking.

Financial Summary

INVESTMENT OVERVIEW

NORTHEAST PHILADELPHIA MULTIFAMILY PORTFOLIO

Price	\$3,990,000
Price per Unit	\$124,687
GRM	12.4
CAP Rate	5.0%
Cash-on-Cash Return (yr 1)	4.55 %
Total Return (yr 1)	\$110,332
Debt Coverage Ratio	1.37

OPERATING DATA

NORTHEAST PHILADELPHIA MULTIFAMILY PORTFOLIO

Gross Scheduled Income	\$320,958
Other Income	\$6,602
Total Scheduled Income	\$327,560
Vacancy Cost	\$9,628
Gross Income	\$317,931
Operating Expenses	\$117,654
Net Operating Income	\$200,277
Pre-Tax Cash Flow	\$54,413

FINANCING DATA

NORTHEAST PHILADELPHIA MULTIFAMILY PORTFOLIO

Down Payment	\$1,197,000
Loan Amount	\$2,793,000
Debt Service	\$145,864
Debt Service Monthly	\$12,155
Principal Reduction (yr 1)	\$55,919

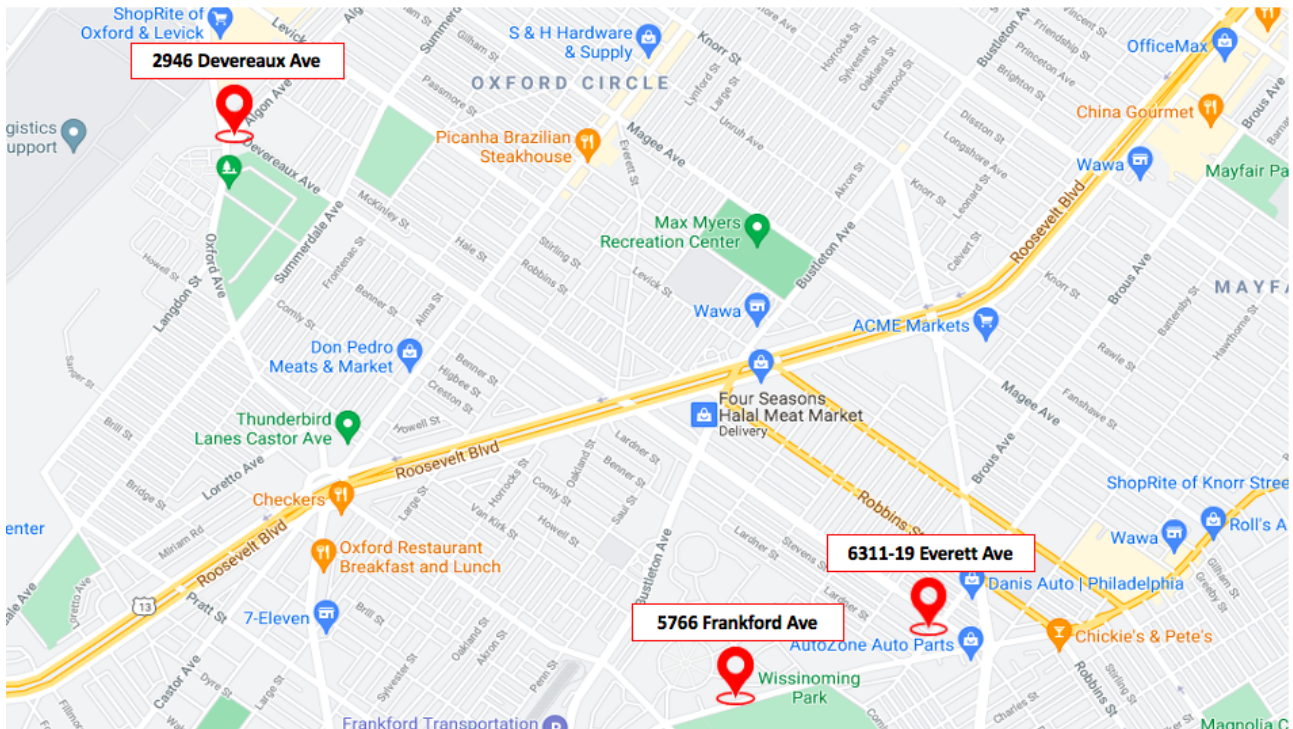
Income & Expenses

UNIT NUMBER	UNIT BED	UNIT BATH	LEASE START	LEASE END	CURRENT RENT	MARKET RENT
Dev 1	1	1	4/5/19	3/31/20	\$850	\$900
Dev 2	1	1	12/14/18	5/31/21	\$875	\$900
Dev 3	1	1	5/5/18	5/31/21	\$815	\$900
Dev 4	1	1	8/7/20	7/31/21	\$887	\$900
Dev 5	1	1	10/5/12		\$720	\$900
Dev 6	1	1	3/1/16		\$750	\$900
Dev 7	1	1	3/15/16	4/30/21	\$809	\$900
Dev 8	1	1	7/1/18	10/31/21	\$825	\$900
Dev 9	1	1	3/1/19		\$730	\$900
Dev 10	1	1			\$850	\$900
Dev 11	1	1	7/16/20	6/30/21	\$883	\$900
Eve 6311 Garage			12/1/17		\$125	\$200
Eve 6311-1	2	1	2/1/19	7/31/21	\$855	\$995
Eve 6311-2	2	1	8/24/19	2/28/22	\$927	\$995
Eve 6313-1	1	1	7/13/19	8/31/21	\$862	\$925
Eve 6313-2	1	1	10/1/18	9/30/22	\$800	\$925
Eve 6315-1	1	1	7/7/20	6/30/21	\$865	\$925
Eve 6315-2	1	1	10/29/17	9/30/21	\$775	\$925
Eve 6317-1	1	1	10/12/19	3/31/22	\$918	\$925
Eve 6317-2	2	1	2/7/20	3/31/22	\$995	\$995
Eve 6319-1	2	1	2/1/19	9/30/22	\$875	\$995
Eve 6319-2	2	1	5/1/17	4/30/22	\$680	\$995
Fra 1	1	1			\$909	\$895
Fra 2	1	1			\$880	\$895
Fra 3	1	1			\$865	\$895
Fra 4	1	1			\$820	\$895

Income & Expenses

UNIT NUMBER	UNIT BED	UNIT BATH	LEASE START	LEASE END	CURRENT RENT	MARKET RENT
Fra 5	1	1			\$762	\$895
Fra 6	1	1			\$760	\$895
Fra 7	1	1			\$770	\$895
Fra 8	1	1			\$870	\$895
Fra 9	1	1			\$860	\$895
Fra 10	1	1			\$760	\$895
Fra 11	1	1			\$818	\$895
Totals/Averages					\$26,746	\$29,545
INCOME SUMMARY			NORTHEAST PHILADELPHIA MULTIFAMILY PORTFOLIO			
Gross Income					\$317,931	
EXPENSE SUMMARY			NORTHEAST PHILADELPHIA MULTIFAMILY PORTFOLIO			
Taxes						\$22,834
Insurance						\$7,387
Trash/Recycling						\$14,703
Management 5%						\$16,050
Landscaping						\$7,917
Snow Removal						\$4,860
R&M 5%						\$16,050
Exterminator						\$1,390
Marketing						\$174
Bank Charges						\$148
Office						\$211
Legal & Accounting						\$1,635
Rental License						\$1,915
Gas						\$7,920
Water						\$9,920
Electric						\$1,402
Fire Alarm						\$3,136
Gross Expenses					\$117,654	
Net Operating Income					\$200,277	

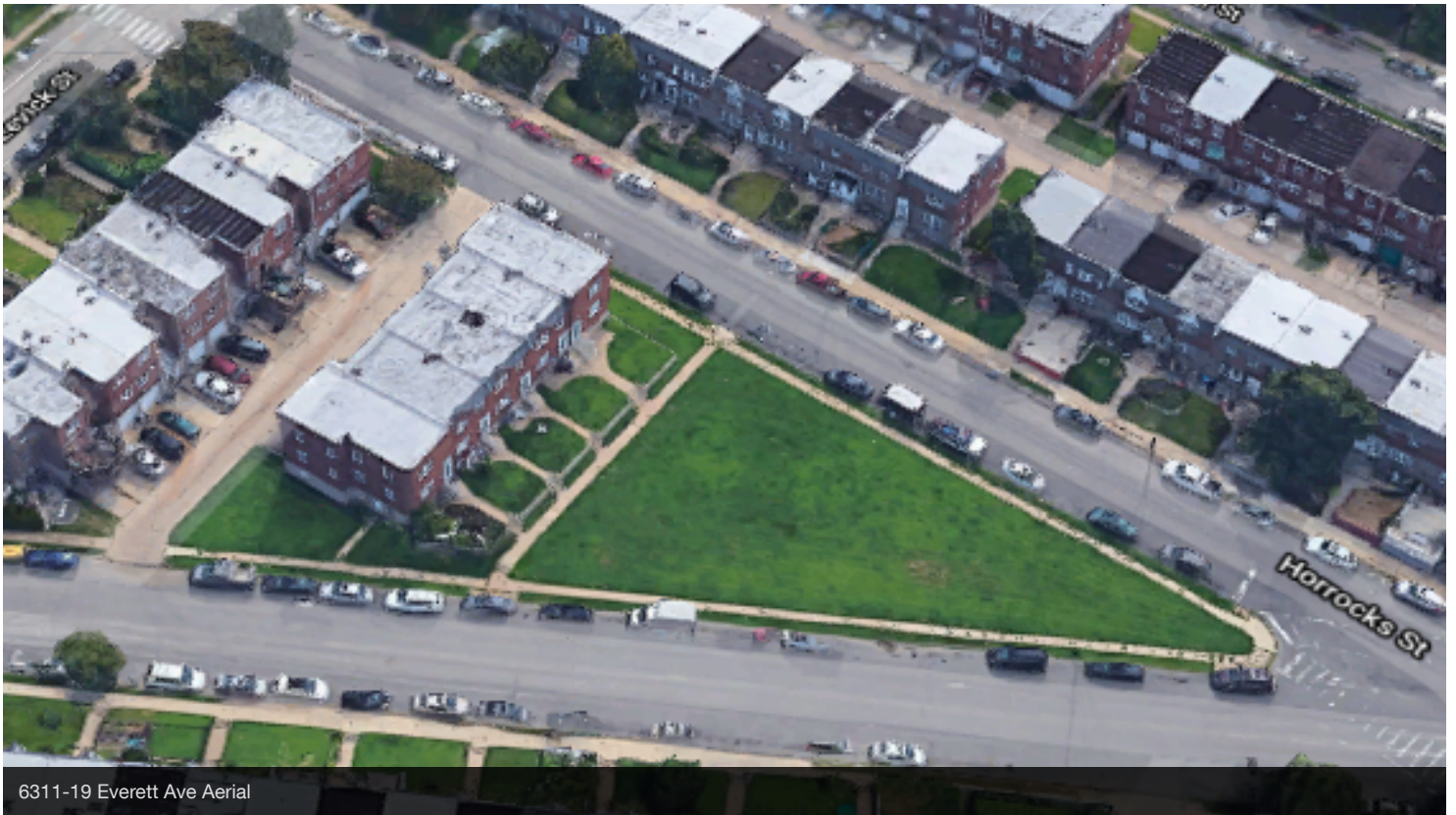
Location Maps



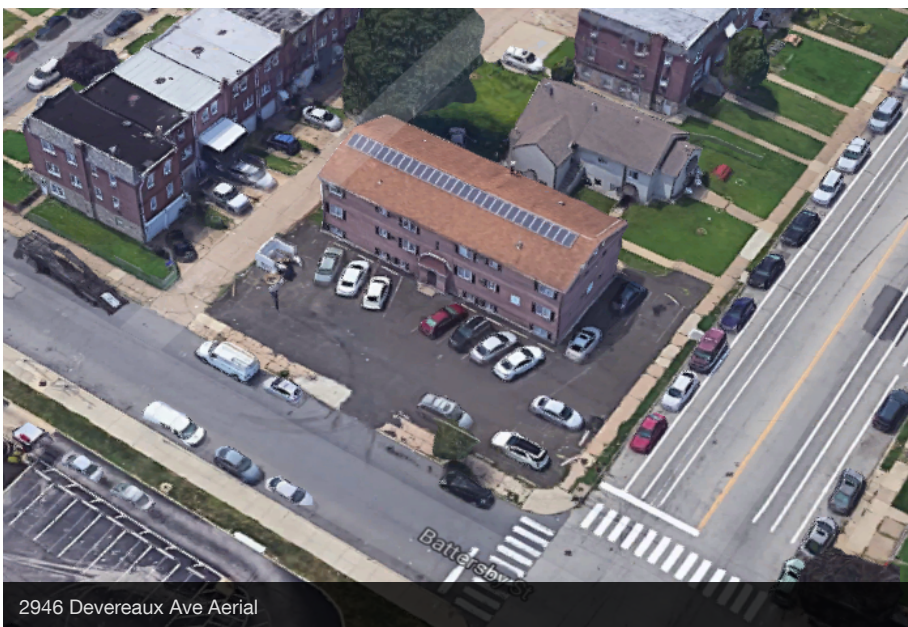
Aerial Map



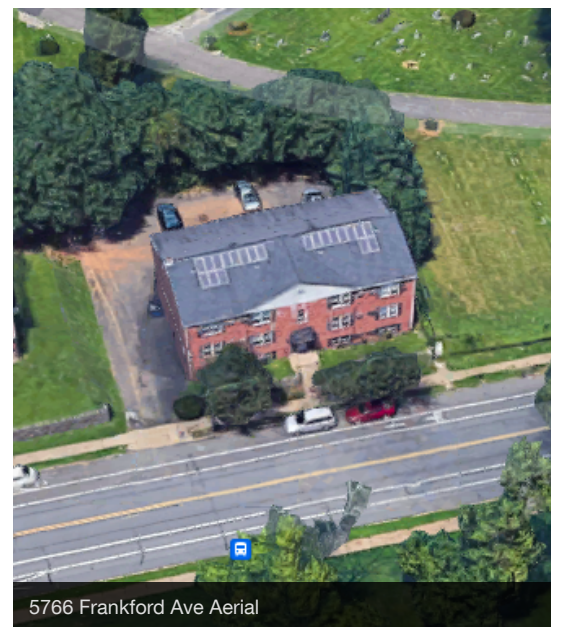
Aerial Photos



6311-19 Everett Ave Aerial



2946 Devereaux Ave Aerial



5766 Frankford Ave Aerial

Property Photos 2946 Devereaux Ave



Property Photos 6311-19 Everett Ave



Property Photos 5766 Frankford Ave

