

Marcus & Millichap
THE ZUPANCIC GROUP

2023

THE HAVANA 1219 K STREET NE

OFFERING MEMORANDUM

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Please contact the Marcus & Millichap agent for more details.

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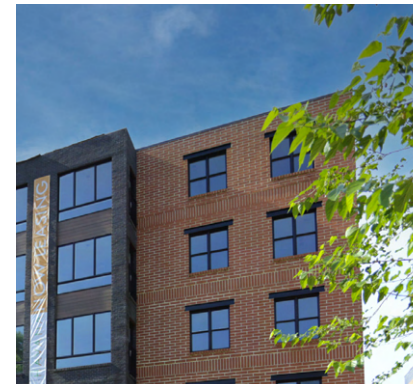
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THE ZUPANCIC GROUP

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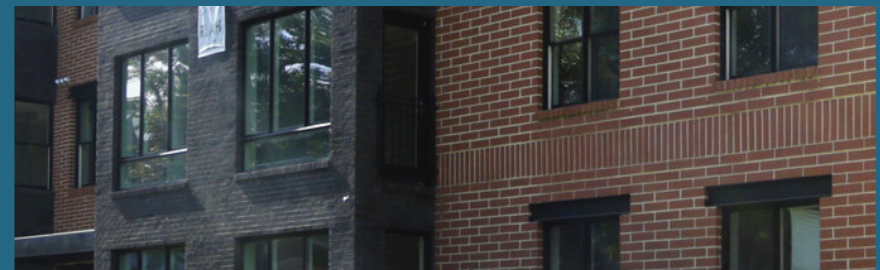


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EXECUTIVE SUMMARY

Section 01

Marcus & Millichap
THE ZUPANCIC GROUP



THE OFFERING

49

Units

38,679

Gross Square Feet

OFFERING OVERVIEW

The Zupancic Group of Marcus & Millichap is excited to present the opportunity to purchase the leasehold interest in The Havana, a 49-unit, Class A, new construction building through a Chapter-11 bankruptcy process which makes the property exempt from DC's Tenant Opportunity to Purchase Act (TOPA). The property is located on the south side of Florida Avenue NE at the intersection of K Street NE, approximately three blocks north of H Street and four blocks west of Bladensburg Road. The property was built in 2018 and is subject to a 99-year ground lease dated June 25th, 2018 that terminates on June 24th, 2117. The leasehold interest includes all buildings and improvements on the land. The Havana will provide investors with the unique opportunity to bid on a TOPA-free, Class A, multifamily apartment building steps away from the thriving H Street Corridor.

THE ASSET

The Havana is a 49-unit, 38,679 gross square foot, Class A multifamily asset located at 1219 K Street NE in the H Street Corridor neighborhood. The building is five stories tall with a basement and an elevator for residents. The structure was built on a poured concrete foundation with a concrete and steel frame. The exterior of the building is 85% brick/masonry and 15% siding with casement and fixed casement windows. The roof is flat and has a rubber membrane cover. The building features 33 one-bedroom units and 16 two-bedroom units. Unit finishes include LVT flooring, painted drywall, and high-end kitchens with stainless steel appliance packages, quartz countertops, kitchen islands, and Martha Stewart cabinetry. Units are all-electric and are separately metered. They also feature in-unit washers and dryers. The building also features 19 underground parking spaces with controlled access and nine surface parking spaces.

THE INVESTMENT OPPORTUNITY

The Havana is a unique investment opportunity in Washington, DC due to the combination of its fantastic location in the path of development near the H Street Corridor, and the fact that an investor will not have to navigate the complex TOPA process. Additionally, the ground lease allows an investor to get into the asset with less capital than would be possible if the property were a fee simple transaction. The building is located in the Old City I Housing Choice Voucher Program (HCVP) neighborhood, allowing an investor to charge \$2,648 (with utilities) or \$2,467 (without utilities) for one-bedroom units, and \$3,113 (with utilities) or \$2,872 (without utilities) for two-bedroom units. An investor could also look to lease the units to market rate tenants given the strong market rents in the area. Given that the rent increases on the ground lease are fixed at 2.18% annually, despite rising inflation, The Havana is well positioned to capitalize on the emergence of H Street Corridor as a local destination with high levels of foot traffic, restaurants, retail, office space, and much more, providing stable cashflow for years to come.



INVESTMENT HIGHLIGHTS

INVESTMENT OVERVIEW

The Havana provides investors with the unique opportunity to acquire a 49-unit, Class A, apartment building built in 2018 in close proximity to H Street Corridor without going through TOPA.



TOPA EXEMPT BANKRUPTCY PROCESS

The Havana is being sold through a Chapter-11 bankruptcy process making the sale of the property not subject to TOPA. The property's high vacancy presents an attractive opportunity for investors to purchase a value add asset without navigating a potentially time consuming TOPA process. This grants investors a level of transactional predictability, which is not typically the case in transactions of tenant occupied buildings in the District. The asset's high vacancy also allows an investor to control the lease-up process.



IN PLACE GROUND LEASE LIMITS UP FRONT COSTS & EXPENSES

The Havana is subject to a 99-year ground lease dated June 25th, 2018 that terminates on June 24th, 2117. The leasehold interest includes all buildings and improvements. The in place ground lease limits the up front cost to an investor, allowing a buyer to get into the deal at a substantially lower cost than if the asset were a fee-simple transaction. Additionally, the ground lease rent increases are set at 2.18% annually, allowing an investor to capitalize on the area's rising rents while limiting increases in operating expenses associated with the ground lease with inflation.



LOCATED NEAR RESTAURANTS, RETAIL, AND ENTERTAINMENT

The Havana is located next to a significant number of restaurants, retail, and entertainment options along H Street Corridor. Some notable examples include Ben's Chili Bowl (A DC institution and home of the world-famous half-smoke), &pizza, Starbucks, CAVA, Nando's PERi-PERi, Giant, Whole Foods Market, and much more.



LOCATED IN CLOSE PROXIMITY TO WHOLE FOODS MARKET

The Whole Foods on H Street is just a short walk from The Havana. Often referred to as the "Whole Foods Effect," Zillow has shown that properties within a one-mile radius of a Whole Foods Market appreciate in value at a significantly higher rate than comparable assets (71% vs. 140% over a 17-year research period).



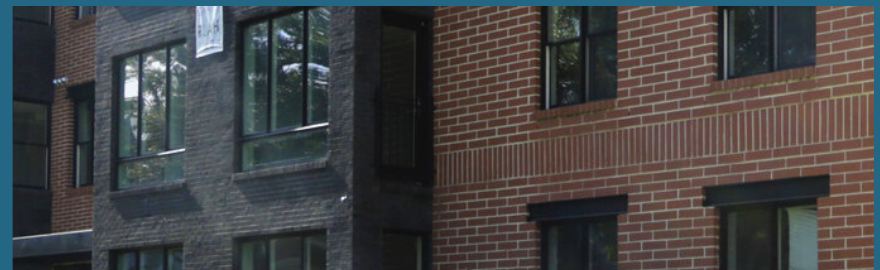
ROBUST PAST, PRESENT, AND FUTURE LOCAL DEVELOPMENT PIPELINE

Northeast DC has been developing rapidly and maintains a robust development pipeline. With growth throughout the H Street Corridor, Union Market, Ivy City, and Benning Road, Northeast DC is positioned to continue its recent transformation, driving an increase in tenant demand and rents.

PROPERTY OVERVIEW

Section 02

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PROPERTY DETAILS

THE HAVANA

1219 K Street NE, Washington, DC 20002

PROPERTY INFORMATION

Neighborhood	H Street Corridor
HCVP Neighborhood Code	Old City I
Units	49
Stories	5 + Basement
Building Class	A
Gross Square Feet	38,679
Lot Square Feet	12,899
Zoning	MU-4
Year Built/Renovated	2018
Parcel Number (APN)	1002-0000-0122
Parking	28 total spaces (19 located in parking garage, 9 surface)
Ground Lease Term	99 Years
Ground Lease Origination	June 25th, 2018
Ground Lease Expiration	June 24th, 2117

UTILITIES	TYPE	PAID BY
Heating	Electric	Tenant
Cooking	Electric	Tenant
Cooling	Electric	Tenant
Unit Power	Electric	Tenant
Hot Water	Electric	Tenant
Water & Sewer	Standard	Landlord





HAVANA NOW LEASING
RLAH

HAVANA APARTMENTS UNIT MIX

49

Number of Units

731

Average Unit Size (SF)

UNIT TYPE	TOTAL UNITS	OCCUPIED UNITS	VACANT UNITS	AVERAGE SIZE (SF)	IN-PLACE RENT PER UNIT	IN-PLACE RENT PER SF
One-Bedroom	33	15	18	629	\$2,390	\$3.72
Two-Bedroom	16	6	10	942	\$2,703	\$2.81
Total / Average	49	21	28	731	\$2,492	\$3.37

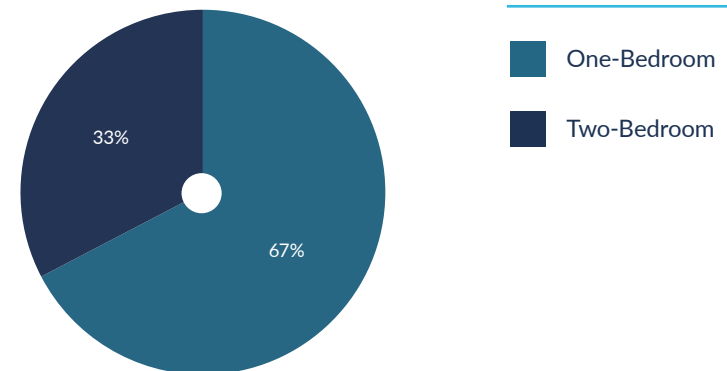
NOTES AND ASSUMPTIONS

1. Vacancy and Rents are based on the most recent Rent Roll provided by ownership from February, 2023.
2. In-place rents are based on occupied units.

OLD CITY I HOUSING CHOICE VOUCHER PROGRAM (H.C.V.P.) RENTAL RATES

NUMBER OF BEDROOMS	WITH UTILITES	WITHOUT UTILITIES
0	\$2,520	\$2,397
1	\$2,648	\$2,467
2	\$3,113	\$2,872
3	\$4,069	\$3,872
4	\$5,008	\$4,753
5	\$5,757	\$5,462

UNIT TYPES



PROPERTY CHARACTERISTICS

FUNCTIONAL CHARACTERISTICS

- CONCRETE AND STEEL CONSTRUCTION
- FOUNDATION - POURED CONCRETE FOOTINGS
- FRAME - HEAVY CONCRETE FRAME
- 85% BRICK/MASONRY 15% SIDING
- FIVE STORIES + BASEMENT
- ROOF TYPE - FLAT
- ROOF COVER - RUBBER MEMBRANE
- INTERIOR WALLS - PAINTED DRYWALL
- WINDOWS - CASEMENT AND FIXED CASEMENT
- INTERIOR LIGHTING - FLOURESCENT FIXTURES
- ALL ELECTRIC UNITS

APARTMENT AMENITIES

- LVT FLOORING
- HIGH-END KITCHEN FINISHES
- STAINLESS STEEL APPLIANCES
- QUARTZ COUNTERTOPS
- MARTHA STEWART CABINETS
- KITCHEN ISLANDS
- IN-UNIT WASHERS AND DRYERS
- SPACIOUS CLOSETS

COMMON AREA AMENITIES

- CONTROLLED ACCESS
- ELEVATOR SERVED
- 19 UNDERGROUND COVERED PARKING SPACES
- 9 SURFACE PARKING SPACES

UTILITIES METERING

- ELECTRICITY (SEPARATE)
- WATER (CENTRAL)

UTILITIES PROVIDED BY

- ELECTRIC - PEPCO
- WATER - DC WASA
- NATURAL GAS - WASHINGTON GAS

UTILITIES PROVIDED AS

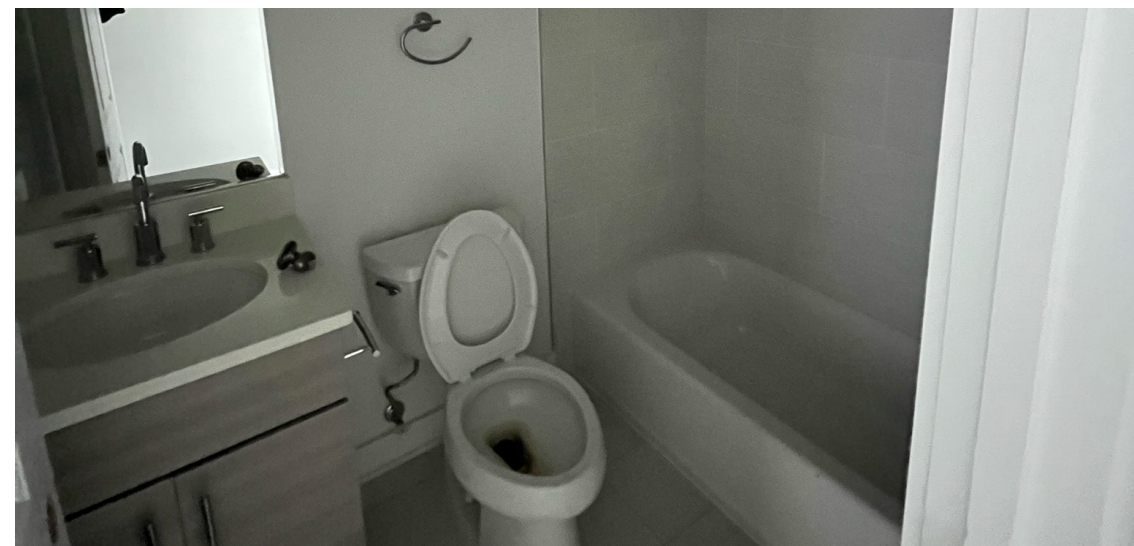
- AIR CONDITIONING - ELECTRIC
- HEATING - ELECTRIC
- COOKING - ELECTRIC
- HOT WATER - ELECTRIC

UTILITIES RESPONSIBILITY

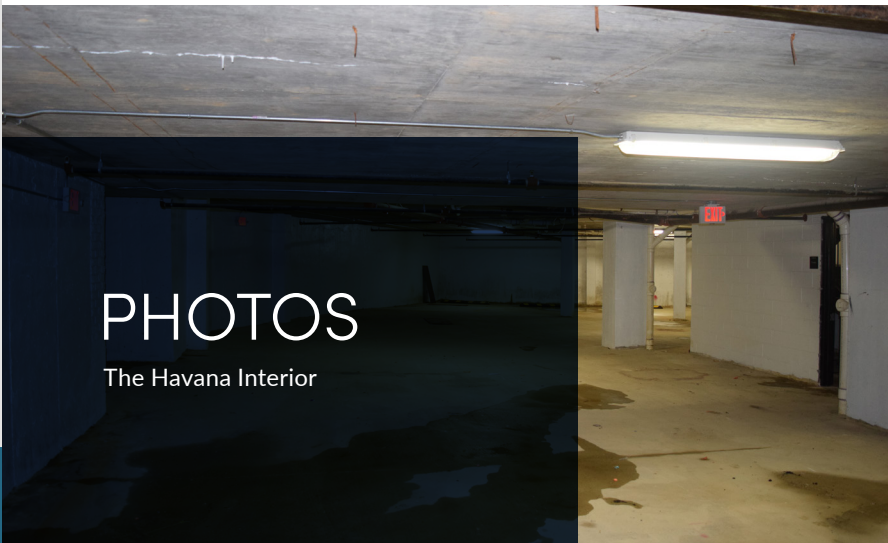
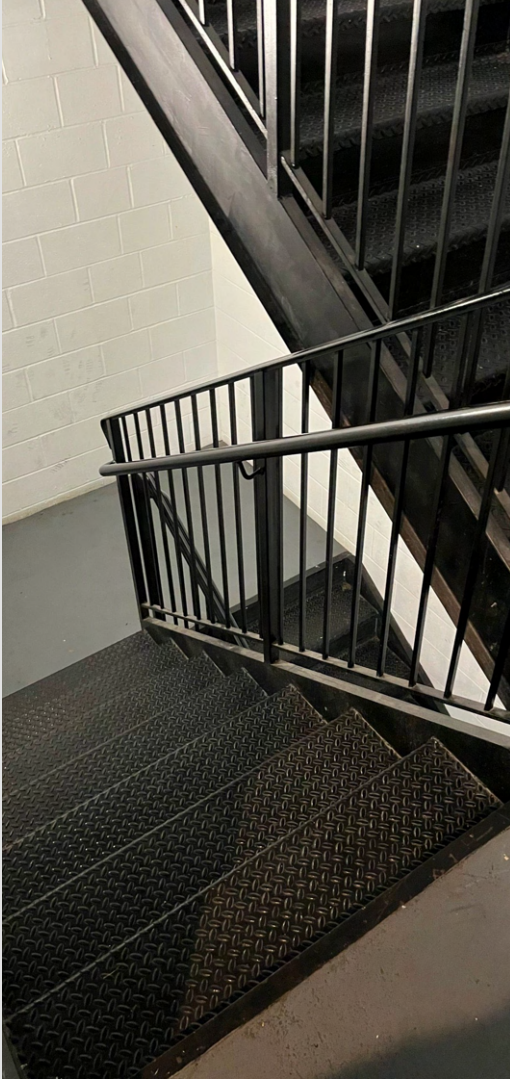
- TENANT PAYS COOLING (ELECTRIC)
- TENANT PAYS HEATING (ELECTRIC)
- TENANT PAYS COOKING (ELECTRIC)

- TENANT PAYS HOT WATER (ELECTRIC)
- OWNER PAYS SEWER
- OWNER PAYS TRASH REMOVAL
- OWNER PAYS WATER
- OWNER PAYS COMMON AREA ELECTRIC



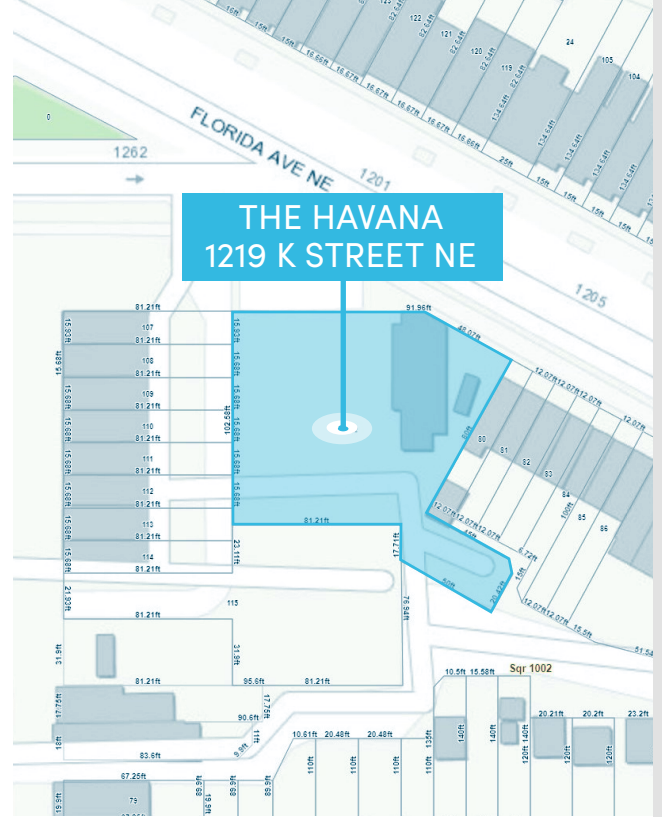


PHOTOS
The Havana Interior



PHOTOS

The Havana Interior



ZONING OVERVIEW

DEVELOPMENT STANDARDS								
	Floor Area Ratio (Max.)	Height (Ft.)	Penthouse Height (ft.)/ Stories	Lot Occupancy (%)	Rear Yard (ft.)	Side Yard (ft.)	Green Area Ratio	Zoning Regulation Reference
MU-4	2.5	50	12 except 15 for penthouse mechanical space	60	15 ²	No side setback is required; however, if a side setback is provided it shall be at least 2 in. wide for each 1 ft. of height of building but no less than 5 ft. ³	0.3	Subtitle G, Chapter 4
	3.0 (IZ)	N/A	1; Second story permitted for mechanical space	75 (IZ)		8 ft. for a single-family detached or semi-detached dwelling		
	1.5 ⁴ (non-residential)							



NOTES AND ASSUMPTIONS

1. Except as prohibited on the roof of a detached dwelling, semi-detached dwelling, rowhouse, or flat in Subtitle C § 1500.4.
2. See Subtitle G § 405.4 and 404.5 for measuring the rear yard.
3. Any portion of a building setback from the side lot line shall be considered a side setback and not a courtyard.
4. In the MU-4 and MU-5 zones, an existing building on a lot with an area 10,000 sq. ft. or less, may have a maximum density of 2.0 FAR for non-residential uses, provided the uses are located in the ground story and the story directly above the ground story. For new construction, any additional use is limited to 0.5 FAR.

THE NEIGHBORHOOD



Section 03

Marcus & Millichap
THE ZUPANCIC GROUP





MARYLAND

BALTIMORE

FREDERICK

GAITHERSBURG

ROCKVILLE

95

97

RESTON

495

BETHESDA

BOWIE

ANNAPOLIS

WASHINGTON, DC

H STREET CORRIDOR

THE HAVANA

ARLINGTON

295

ALEXANDRIA

66

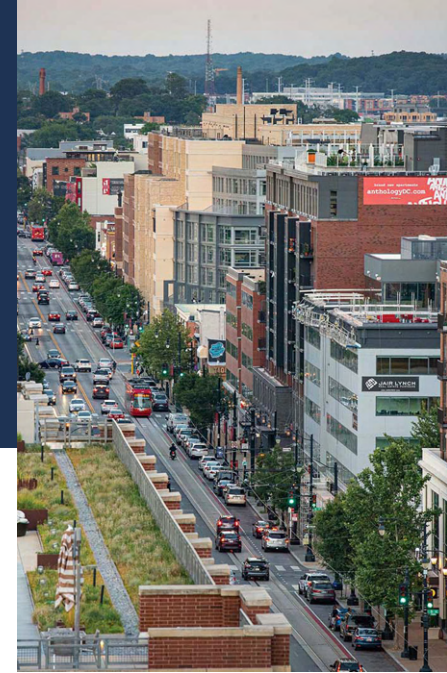
VIRGINIA

95



REGIONAL MAP

Washington, DC MSA



H STREET CORRIDOR

NEIGHBORHOOD OVERVIEW

Located one and a half (1.5) miles northwest of The United States Capitol, H Street Corridor is a booming commercial neighborhood surrounded by historic rowhomes and newly developed luxury apartment buildings. With a rise in new multifamily development in the past 10 years, retailers like boutique fitness studios, and trending bars and restaurants have opened locations. The historic DC Streetcar was relaunched in 2015, after being closed for 50 years, providing residents with direct access to the businesses along H Street between Union Station and Benning Road. H Street is close to NoMa, Union Market, and Gallaudet University, making it an epicenter for nightlife and retail. It hosts yearly local festivals, farmers markets and is home to The Atlas Performing Arts Center, a working theater and a National Register of Historic Places landmark. The H Street Bridge NE Replacement Project is underway until 2029 and the DC Streetcar stops remain, with a new temporary location near Union Station.

FUTURE INFRASTRUCTURE PROJECTS

The east end of the DC Streetcar line, Benning Road is in its final stage of the Benning Road Bridges and Transportation Improvement Project. The goal of the project is to improve travel safety for pedestrians and cyclists while expanding the DC Streetcar, which will provide more commuter travel. Metrobus routes will remain and the expansion project will address vehicular and bus safety operations along the Benning Road NE corridor. The District anticipates a growth in new businesses along the corridor, due to the proximity to employers and the Metrorail. The expanded transit option would support current and future development by its increase in safety and connectivity throughout the corridor.

FEATURED LOCAL NEIGHBORHOOD AMENITIES

- DC Streetcar
- Proximity to Union Station (Red Line, Amtrak, MARC)
- Proximity to Gallaudet University, Union Market, NoMa
- The Atlas Performing Arts Center
- Whole Foods Market
- Maketto
- Ben's Chili Bowl
- Giant Food & Pharmacy
- CVS Pharmacy
- Starbucks
- Nando's Peri Peri
- Mozzarella



GALLAUDET UNIVERSITY

UNION MARKET

TRINIDAD

NOMA

HARRIS TEETER

BEN'S CHILI BOWL

THE HAVANA



ATLAS PERFORMING ARTS CENTER

H STREET CORRIDOR

CATHY HUGHES MARKER



MAKETTO

CAVA



MOSAIC THEATER COMPANY

PO BOY JIM BAR AND GRILL

FLEE MARKET GALLERY

WASHINGTON BREWERY COMPANY HISTORIC SITE

 UNION STATION

FRESCA TAQUERIA

STANTON PARK

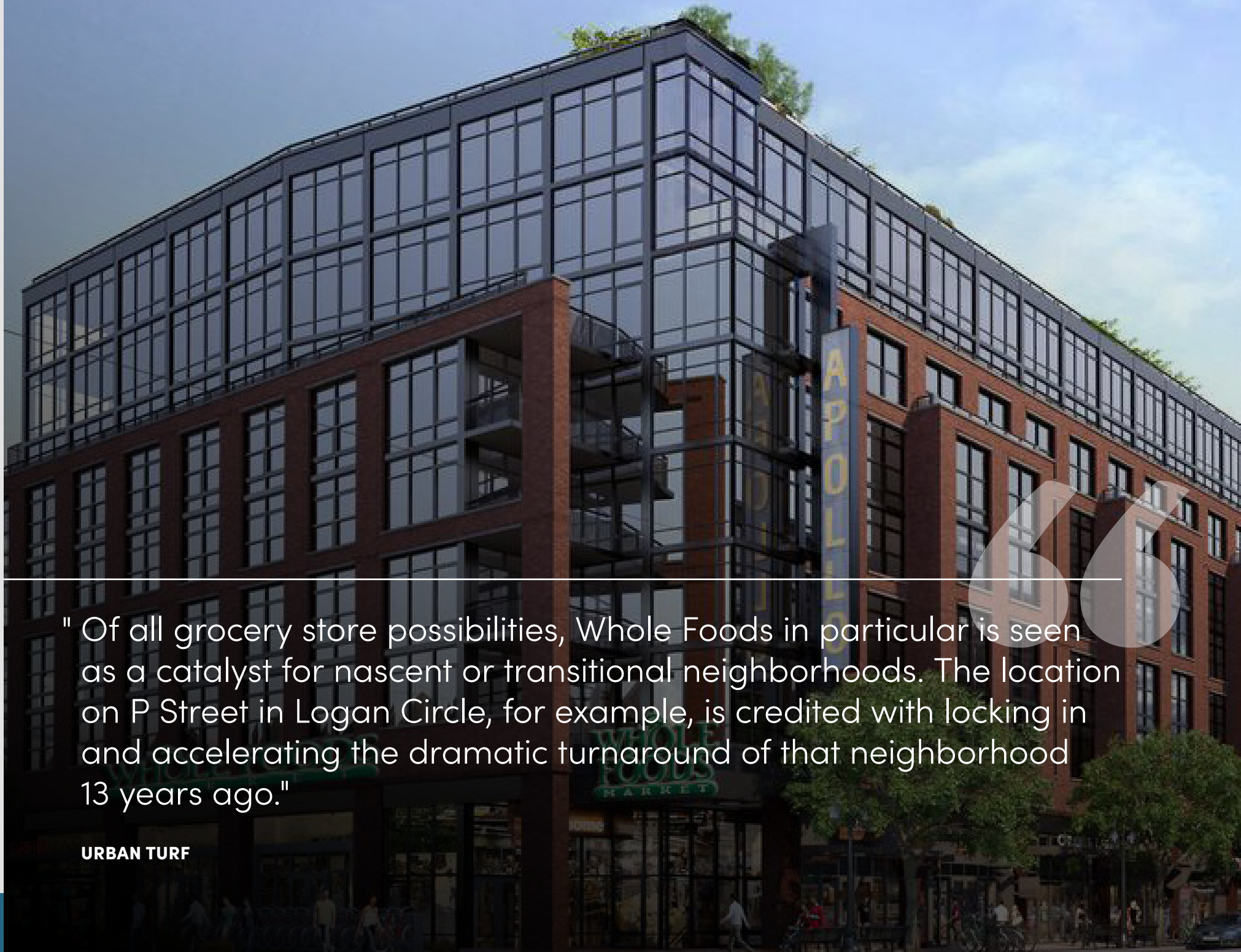
CAPITOL HILL



UNITED STATES CAPITOL

MARKET MAP

The Havana



" Of all grocery store possibilities, Whole Foods in particular is seen as a catalyst for nascent or transitional neighborhoods. The location on P Street in Logan Circle, for example, is credited with locking in and accelerating the dramatic turnaround of that neighborhood 13 years ago."

URBAN TURF



THE “WHOLE FOODS EFFECT”

A Major Driver Of Rental Demand And Property Values



THE WHOLE FOODS ON H STREET IS JUST BLOCKS AWAY FROM THE HAVANA



WHOLE FOODS IS A MAJOR RENTAL DEMAND DRIVER FOR AFFLUENT TENANTS WHO PAY THE HIGHEST RENTS



PROPERTIES WITHIN ONE MILE OF WHOLE FOODS APPRECIATE TWICE AS FAST AS OTHER PROPERTIES

“WHOLE FOODS EFFECT” OVERVIEW

The buzz surrounding the opening of Whole Foods on H Street has been significant, and rightfully so. The widely popular supermarket will not only provide convenient access to retail for residents, but it has been proven to increase the value of properties in the area.

Touted as the “Whole Foods Effect,” research from Zillow has shown that properties within a one-mile radius of a Whole Foods Market appreciate in value at a significantly higher rate than comparable assets. Research over a 17-year span showed that median property values appreciated by 71%, while properties located near a Whole Foods appreciated by nearly double, or 140%.

Whole Foods has a track record of either locating up and coming areas to open their stores, or by simply creating a positive impact on the neighborhoods following their entrance. Thus, in addition to the convenience for residents and a subsequent rise in rental demand, a property owner can expect an improvement in the overall neighborhood following the announcement of a Whole Foods Market.



93 WALK
SCORE

“WALKER’S PARADISE”

Daily errands do not require a car.



68 TRANSIT
SCORE

“GOOD TRANSIT”

Many nearby public transportation options.



87 BIKE
SCORE

“VERY BIKEABLE”

Biking is convenient for most trips.

TRANSPORTATION OVERVIEW

The Havana is located on Florida Avenue and K Street NE and has a good variety of public transportation options. Residents have access to plenty of bus routes along H Street corridor and the DC Streetcar has a direct route from Union Station to Oklahoma Avenue with free trips for residents every day. With a walk score of 93, The Havana is a walker’s paradise and H Street Corridor has been named the 7th most walkable neighborhood in DC. Additionally, the convenience of travel options and proximity to many employers makes walking the area’s top transport method, and most errands can be accomplished on foot. Residents traveling by car have a nine-minute ride to downtown Washington, direct access to U.S. Route 1, or an option to rent a car from the local Zipcar locations. With a bike score of 87, the neighborhood is considered very bikeable, with great bike routes and a large number of Bikeshare stations available throughout the area.

TRANSPORTATION HIGHLIGHTS

- Access to the Metro Red Line via Union Station located a ten-minute walk (0.5 miles) from the property
- Also have access to the MARC and AMTRAK trains via Union Station
- Many bus routes nearby including the X2, X9, D4, D8, 90, 92
- DC Streetcar which runs along H Street to Benning Rd & Oklahoma Ave NE
- Access to Maryland Ave and US Route 1
- Six Zipcar Locations in the neighborhood
- Multiple Capitol Bikeshare Locations



NORTH CAPITOL STREET NE

NEW YORK AVENUE NE

DC STREETCAR

JUDICIARY SQUARE

UNION STATION

NOMA-GALLAUDET

FLORIDA AVENUE NE

H STREET NE

H STREET CORRIDOR

MASSACHUSETTS AVENUE NE

THE HAVANA

BENNING ROAD NE

MARYLAND AVENUE NE

IVY CITY

TRINIDAD

CAPITOL HILL

TRANSIT MAP

The Havana



MAJOR EMPLOYERS IN THE AREA

The Washington Metropolitan Area has one of the largest job markets in the United States. The region has seen a steady flow of industry and a surplus of highly trained professionals. The region is anchored by the stable and steadily growing federal government and related regulatory eco-systems, but increasingly powered by high tech, bio sciences and as a national headquarters, the region's economy attracts and employs a deep and diverse range of highly trained professionals. The area is now perceived to be a center for creativity, with start ups and high-growth companies choosing to operate out of the area. The H Street Corridor neighborhood has become extremely desirable due to its proximity to Capitol Hill, NoMa, Chinatown, and other downtown DC business districts.

Nearby universities, such as George Washington University, Georgetown University, Johns Hopkins University School of Advanced Studies, American University, Gallaudet University, and Catholic University, help to create a high-skilled labor force and provide a diverse range of job opportunities throughout the area.

HIGHLIGHTED MAJOR EMPLOYERS

- Headquarters of United States Government and Every Major Government Agency
- US Capitol Complex (Congress and Related Offices)
- Headquarters or Major Office for All of the Top Ten Am Law 100 Law Firms
- Amazon HQ2 & Amazon Web Services
- Headquarters or Major Office For Nearly Every Leading Consulting Firm, including McKinsey, Booz Allen, Garner, Deloitte CACI, Accenture
- Headquarters for US Department of Defense (Pentagon) and Major Defense Contractors, Including Raytheon, Lockheed Martin
- Headquarters for Major Financial and Investment Companies, Including Capital One, Fannie Mae and The Carlyle Group
- Research and Level 3 Hospital Systems Including: Georgetown University Hospital, GWU Hospital, Children's National, Johns Hopkins Sibley, Howard University Hospital, Medstar Washington, VA Hospital Center, Inova Fairfax

Median Household Income (1 Mile Radius)

\$114,281

Population Nationally That Has Obtained A Bachelor's Degree Or Higher

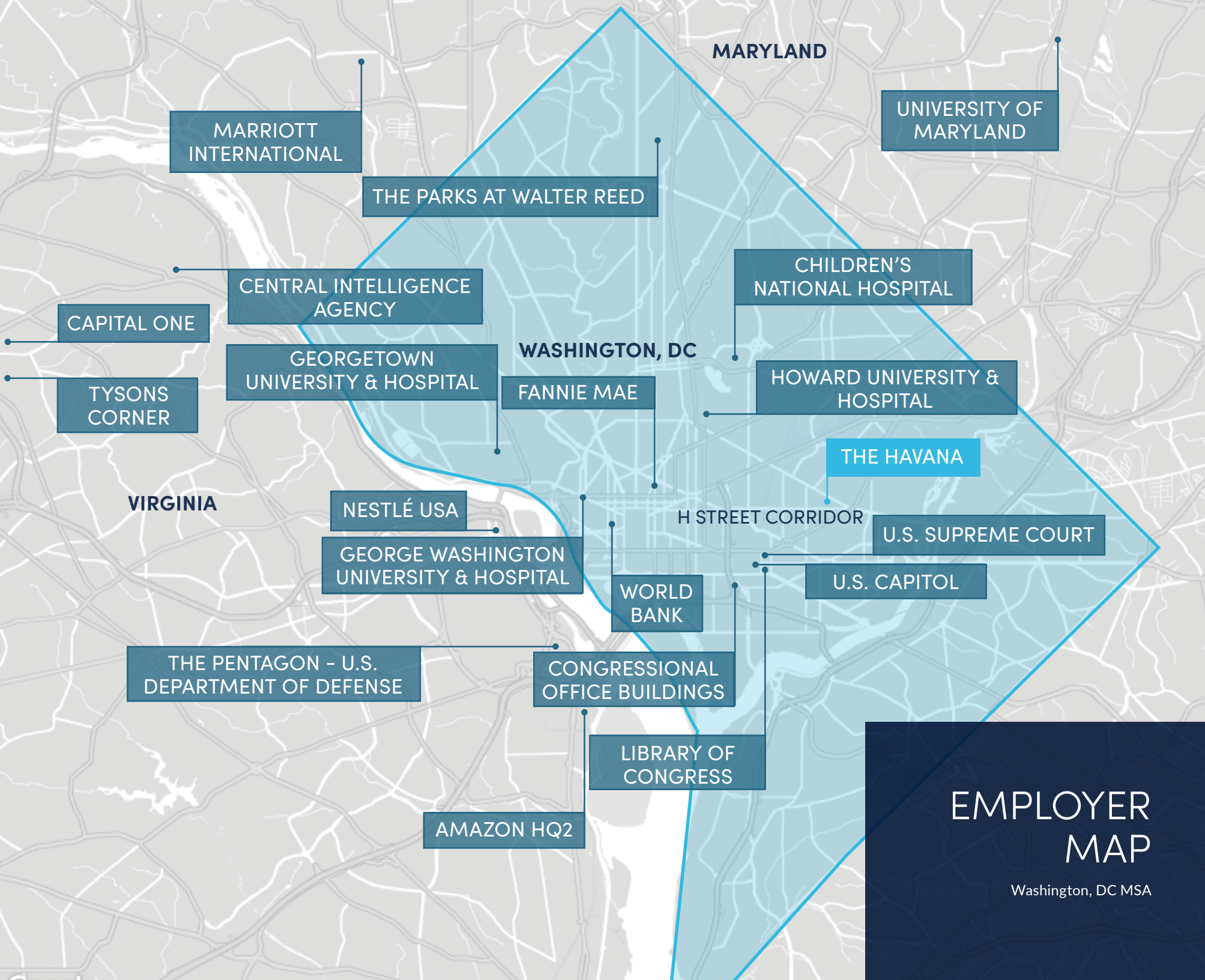
36.0%

Population Within Washington, DC That Has Obtained A Bachelor's Degree Or Higher

59.7%

Population Within One-Mile of The Havana That Obtained A Bachelor's Degree Or Higher

73.3%



MARIOTT INTERNATIONAL

THE PARKS AT WALTER REED

UNIVERSITY OF MARYLAND

CENTRAL INTELLIGENCE AGENCY

CHILDREN'S NATIONAL HOSPITAL

CAPITAL ONE

GEORGETOWN UNIVERSITY & HOSPITAL

WASHINGTON, DC

HOWARD UNIVERSITY & HOSPITAL

TYSONS CORNER

FANNIE MAE

THE HAVANA

VIRGINIA

NESTLÉ USA

H STREET CORRIDOR

U.S. SUPREME COURT

GEORGE WASHINGTON UNIVERSITY & HOSPITAL

WORLD BANK

U.S. CAPITOL

THE PENTAGON - U.S. DEPARTMENT OF DEFENSE

CONGRESSIONAL OFFICE BUILDINGS

LIBRARY OF CONGRESS

AMAZON HQ2

EMPLOYER MAP
Washington, DC MSA

DEVELOPMENT PIPELINE:

In the last 12 months, the Northeast development pipeline has delivered approximately 2,500 units, with over 6,600 units planned, under construction, or prospective.

1. **1701 H Street NE** - Under Construction
(191 Units - Mixed-Use - 1.0 Miles)
2. **Tranvia** - Under Construction
(32 Units - Condominiums - 1.0 Miles)
3. **Ashton Park** - Under Construction
(10 Units - Mixed-Use - 0.5 Miles)
4. **RFK** - Under Construction
(2,300 Units - Mixed-Use - 2.1 Miles)
5. **RIA** - Under Construction
(1,760 Units - Mixed-Use - 2.2 Miles)
6. **1801-1809 Maryland Avenue NE** - Planned
(57 Units - Condominiums - 1.2 Miles)
7. **1200 Bladensburg Road NE** - Planned
(37 Units - Mixed-Use - 1.3 Miles)
8. **The Valvaere** - Planned
(285 Units - Mixed-Use - 1.0 Miles)
9. **Airdome** - Planned
(50 Units - Mixed-Use - 0.6 Miles)
10. **Burnham Place** - Planned
(1,300 Units - Mixed-Use - 0.4 Miles)
11. **836-840 18th Street NE** - Prospective
(38 Units - Multifamily - 1.1 Miles)

LE DROIT PARK

MT VERNON
SQUARE

UNDER CONSTRUCTION

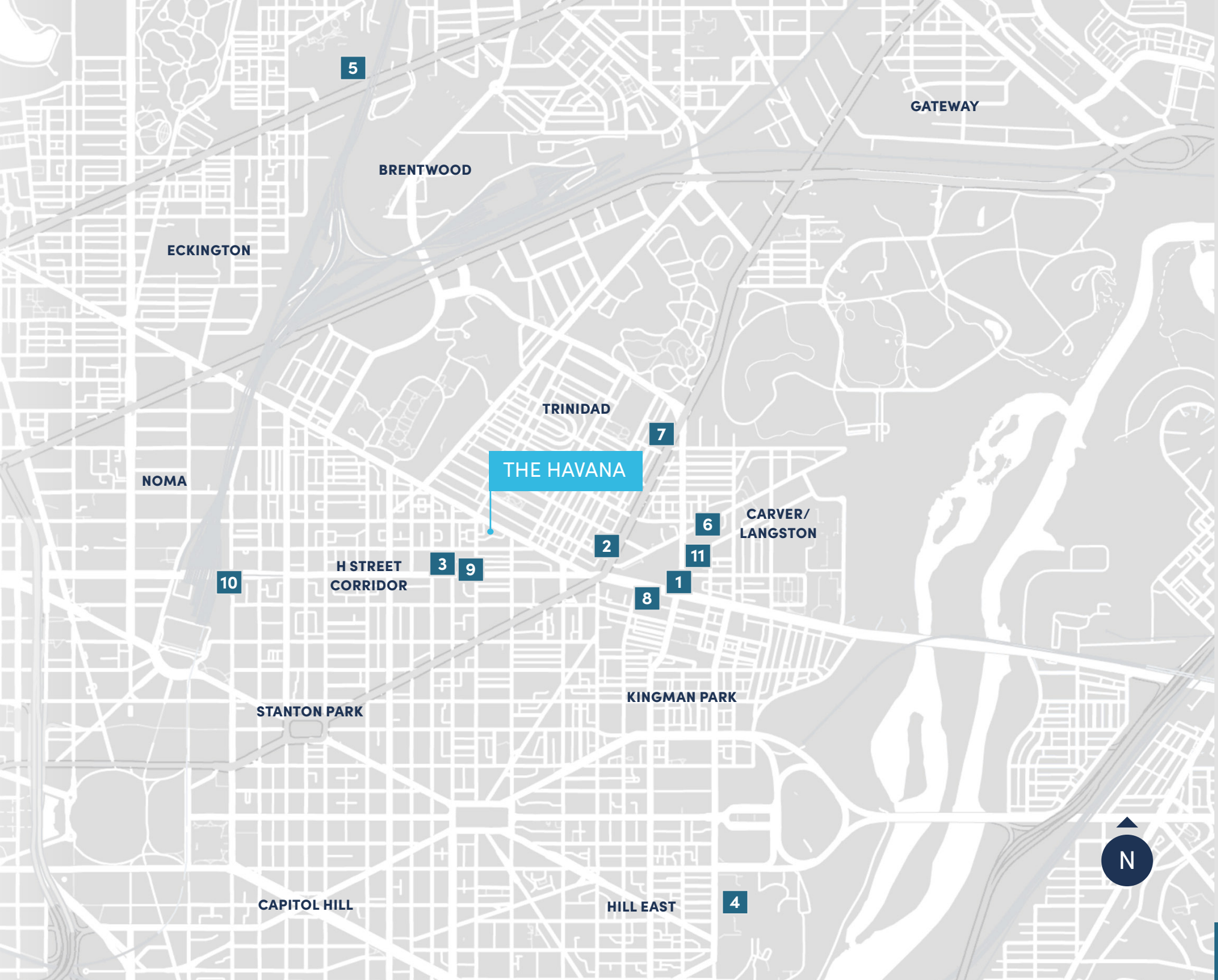
Properties actively being developed. A property remains "Under Construction" until a final certificate of occupancy has been issued. Under construction status begins with permits, monitored monthly, beginning in the fourth month following permit issuance, with completion status confirmed through direct developer or contractor contact during the course of construction.

PLANNED

Planned apartment communities are actively engaged in the development approval process. Planned development relies on a variety of secondary sources for available information: City Design Review Board minutes; development reporting services; and industry publications.

PROSPECTIVE

Prospective Development holds lower status in probability of completion. Communities designated as Prospective are developments which: remain subject to entitlement approvals; are being developed as "either apartments or condominiums - to be determined"; have been announced for "future development", or; have been temporarily placed on hold by the developer.



GATEWAY

BRENTWOOD

ECKINGTON

TRINIDAD

THE HAVANA

NOMA

CARVER/
LANGSTON

H STREET
CORRIDOR

KINGMAN PARK

STANTON PARK

CAPITOL HILL

HILL EAST

5

7

2

6

11

1

8

3

9

10

1



4





H STREET CORRIDOR DEVELOPMENT

A HIGH-GROWTH NORTHEAST DC COMMERCIAL CORRIDOR



BURNHAM PLACE IS A PLANNED 14-ACRE DEVELOPMENT SET TO FEATURE APPROXIMATELY THREE MILLION SQUARE FEET OF MIXED-USE PRODUCT INCLUDING MORE THAN 1,300 RESIDENTIAL UNITS



AIRDOME IS A PLANNED MIXED-USE DEVELOPMENT ON AN APPROXIMATELY 11,500 SQUARE FOOT LOT. THE PROJECT WILL FEATURE 50 CONDOMINIUM UNITS OVER MORE THAN 6,000 SQUARE FEET OF RETAIL SPACE



AVEC ON H STREET, WHICH SPANS 8TH TO 10TH STREET NE, DELIVERED IN 2020. FEATURING 419 RESIDENTIAL UNITS AND APPROXIMATELY 44,000 SF OF STREET-FRONT RETAIL

H STREET CORRIDOR DEVELOPMENT OVERVIEW

The H Street Corridor has seen significant development in recent years and maintains a robust development pipeline. A few projects include Burnham Place, Airdome, and Ashton Park. Burnham Place is a planned development on 14-acres of land just north of Union Station. The project will feature more than three million square feet of mixed-use product including over 1,300 residential units, up to 2.5 million square feet of office space, 100,000 square feet of retail, 500 hotel rooms, and public plazas. Airdome is a planned mixed-use development set to feature 50 condominium units over more than 6,000 square

feet of retail and 17 below grade parking spaces. The zoning commission issued approval for a map amendment for 1101-1107 H Street NE, the site of the project, in the spring of 2020 moving Airdome closer to breaking ground. Ashton Park is an under-construction project being developed by District Development in conjunction with PGN Architects. The team restored the façade of the Parks Hardware Building and added four floors with ten multifamily units above. The project is a hotel/apartment hybrid with leases available for as short as two months and features 3,663 square feet of bi-level commercial space on the ground floor and cellar levels. When delivered, the project will feature a mix of studios, one-bedroom, and two-bedroom units.

RFK STADIUM DEVELOPMENT

DEVELOPING DC'S NEWEST RECREATION DESTINATION



THE DEVELOPMENT PLANS NEAR RFK STADIUM WILL DELIVER MORE THAN 2,000 RESIDENTIAL UNITS TO THE AREA



THE RFK STADIUM DEVELOPMENT WILL DELIVER A VARIETY OF HOUSING TYPES WITH 1/3RD OF UNITS DESIGNATED MARKET-RATE, MIDDLE INCOME, AND AFFORDABLE RESPECTIVELY



THE RFK STADIUM DEVELOPMENT IS LOCATED ROUGHLY TWO MILES FROM THE HAVANA

RFK STADIUM DEVELOPMENT OVERVIEW

The development plans near RFK stadium are set to deliver more than 2,000 residential units to Reservation 13, one of the largest underdeveloped parcels of public land on the east coast.

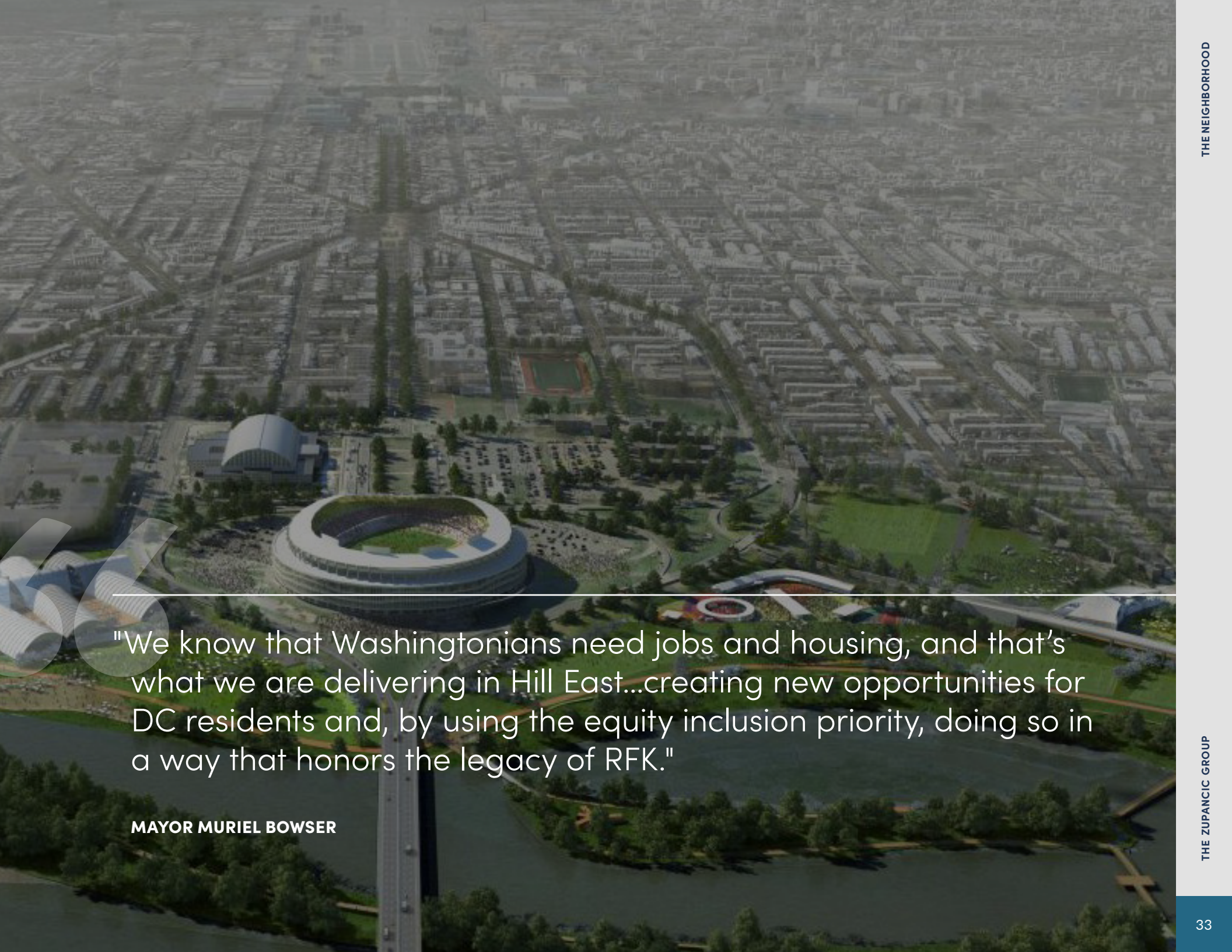
The redevelopment of the 59-year-old stadium will create a recreational campus for the city: asphalt fields, festival grounds, a skate park and more. The amenities plan to be more accessible with upgrades to its transportation networks, such as designing foot bridges and reconnecting Constitution Avenue and Independence Avenue.

Phase One of the project began in December 2020 and is ongoing. Phase Two is divided into two groups, group one proposed by Blue Skye

Development and Donatelli Development, and group two proposed by R13 Community Partners. The proposal for group one includes 1,068 residential units in total comprised of 356 affordable units, 356 middle income units, and 356 market-rate units.

Phase Two of the development consists of approximately 496,000 square feet of land and will feature market-rate units, middle income units (between 60% & 120% AMI), and affordable units (up to 60% AMI). Overall, the proposal contains 25,000 square feet of retail space. Group Two's proposal includes 1,246 residential units in total with 407 affordable units, 334 middle income units, 500 market-rate units, and 5 units reserved for building superintendents.





"We know that Washingtonians need jobs and housing, and that's what we are delivering in Hill East...creating new opportunities for DC residents and, by using the equity inclusion priority, doing so in a way that honors the legacy of RFK."

MAYOR MURIEL BOWSER

AREA DEMOGRAPHICS

Havana Apartments is located in Northeast Washington, DC, which boasts a highly educated workforce, low unemployment rate, and has very high median household incomes.

VIRGINIA

MARYLAND

DC

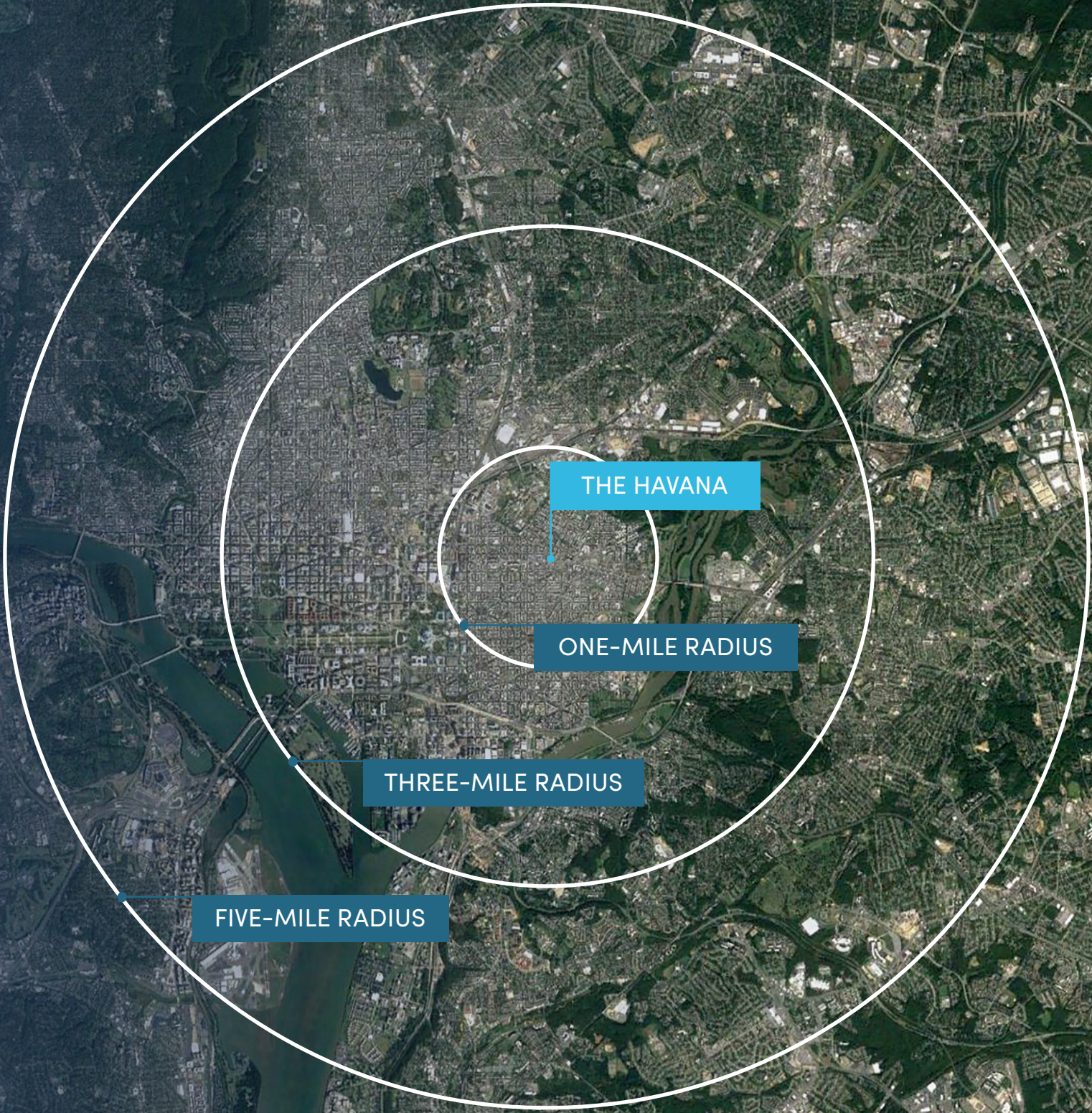
	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
Total Population (2022)	57,860	319,223	749,366
Projected Population (2027)	62,943	350,383	809,283
Population Density	20,602	11,873	9,424
Population Median Age	35	36	36
Median Household Income	\$102,488	\$90,548	\$84,544
Bachelor's Degree (Minimum)	65.1%	58.8%	52.7%
Age (Under 15)	16.1%	14.1%	15.8%
Age (15-24)	9.3%	11.7%	12.5%
Age (25-44)	44.7%	42.5%	38.8%
Age (45-64)	20.6%	20.3%	21.3%
Age (Over 65)	9.3%	11.4%	11.6%
Means of Transportation (Car)	32.0%	31.9%	37.3%
Means of Transportation (Other)	68.0%	68.1%	62.7%

 **3.5%**
National Unemployment Rate

 **2.9%**
DC Metro Area Unemployment Rate

 **18.8% LOWER**
DC Metro Area Unemployment Rate vs. National Unemployment Rate

Sources: U.S. Census Bureau American Communities Survey 2018 and Bureau of Labor Statistics, December, 2022



THE HAVANA

ONE-MILE RADIUS

THREE-MILE RADIUS

FIVE-MILE RADIUS

RENT COMPARABLES



Section 04

Marcus & Millichap
THE ZUPANCIC GROUP



RENT COMPARABLES



- 1. The Havana
- 2. Coda on H
- 3. The Aria
- 4. AVA H Street
- 5. 501 H Street
- 6. The Stanton
- 7. Station House
- 8. AVEC on H Street

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

	1	2	3	4	5	6	7	8
	THE HAVANA	CODA ON H	THE ARIA	AVA H STREET	501 H STREET	THE STANTON	STATION HOUSE	AVEC ON H STREET
STREET ADDRESS	1219 K Street NE	315 H Street NE	300 L Street NE	318 I Street NE	501 H Street NE	816 E Street NE	701 2nd Street NE	901 H Street NE
NEIGHBORHOOD	Near Northeast	H Street Corridor	Near Northeast	Near Northeast	H Street Corridor	Capitol Hill	H Street Corridor	H Street Corridor
OCCUPANCY (%)	42.8%	87.5%	94.0%	99.3%	100.0%	96.7%	86.5%	40.1%
YEAR BUILT/RENOVATED	2018	2018	2013	2013	2017	1927	2016	2020
MANAGEMENT COMPANY	Owner-Managed	Avenue5 Residential	NOVO Properties	AvalonBay Communities	Borger Management	Akelius	Bozzuto Group	WC Smith
NUMBER OF UNITS	49	112	60	138	28	120	378	419
BUILDING CLASS	A-	A-	A	A	A-	A	A-	A-
AVERAGE RENT/UNIT	\$2,492	\$2,107	\$2,242	\$2,233	\$2,609	\$2,593	\$2,366	\$2,099
AVERAGE RENT/SF	\$3.37	\$3.07	\$3.33	\$3.49	\$3.19	\$3.96	\$2.92	\$3.10
AVERAGE UNIT SIZE (SF)	731	687	674	640	817	655	810	677



THE HAVANA

1219 K STREET NE, WASHINGTON, DC 20002

UNIT TYPE	UNITS	AVERAGE SIZE (SF)	AVERAGE RENT/UNIT	AVERAGE RENT/SF
One Bedroom	33	629	\$2,337	\$3.70
Two Bedroom	16	942	\$2,771	\$2.95
Total / Average	49	731	\$2,465	\$3.41

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2018

UTILITIES

Heating: Electric (Paid By: Tenant)

Cooking: Electric (Paid By: Tenant)

Cooling: Electric (Paid By: Tenant)

Hot Water: Electric (Paid By: Tenant)

Water & Sewer: (Paid By: Landlord)

UNIT FEATURES

Stainless Steel Appliances, Dishwashers, Quartz Countertops, Laminate Hardwood Flooring, In-Unit Washer/Dryer

NEIGHBORHOOD

H Street Corridor

COMMUNITY AMENITIES

Elevator, 28 Off-Street Parking Spaces

\$3.37

Havana Apartments Rent PSF
(All Units)

\$3.17

Market Rent PSF
(All Units)

6%

Above Average Comparable Rent PSF
(All Units)

RENT COMPARABLES

The Havana is located in the H Street Corridor neighborhood of Washington, DC. Proximity to downtown Washington, DC, the H Street Commercial Corridor, Gallaudet University, and an abundance of development projects will support rent growth well into the future.

20,053^{TOTAL}

Units in the submarket

4,349^{TOTAL}

Units under construction

22%^{TOTAL}

Units in development relative to existing number of units

THE HAVANA

1219 K Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
One Bedroom	33	629	\$2,390	\$3.72
Two Bedroom	16	942	\$2,703	\$2.81
Total / Average	49	731	\$2,492	\$3.37

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2018

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Stainless Steel Appliances, Dishwashers, Quartz Countertops, Laminate Hardwood Flooring, In-Unit Washer/Dryer

UTILITIES

Heating: Electric (Paid By: Tenant), Cooking: Electric

(Paid By: Tenant), Cooling: Electric (Paid By: Tenant), Hot Water: Electric (Paid By: Tenant), Water & Sewer: (Paid By: Landlord)

COMMUNITY AMENITIES

Elevator, 28 Off-Street Parking Spaces

CODA ON H

315 H Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	27	413-466	\$1,985-\$2,087	\$4.63
One Bedroom	66	673-762	\$3,010-\$3,260	\$4.37
Two Bedroom	19	762-932	\$3,040-\$3,100	\$3.62
Total / Average	112	672	\$2,859	\$4.25

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2018

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Delta Matte Black Fixtures, Electronic Thermostat, Cable Ready, In-Unit Washer/Dryer, Patio/Balcony, Hardwood Floors, Under-Cabinet Lighting, Dishwashers, Microwaves

UTILITIES

Heating: Electric (Paid by Tenant) Cooking: Electric (Paid by Tenant) Cooling: Electric (Paid by Tenant) Hot Water: Electric (Paid by Tenant) Water & Sewer (Paid By: Tenant)

COMMUNITY AMENITIES

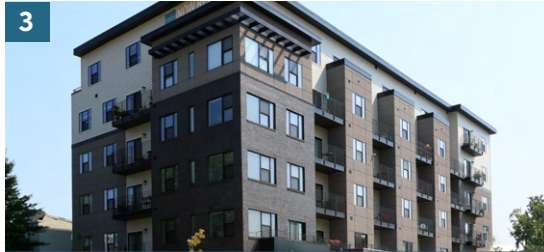
Ground Floor Retail, Indoor/Outdoor Yoga Studio, Rooftop Clubhouse Bar, Courtyard, Private Storage Units, On-Site Maintenance, Package Reception, BBQ/Picnic Area, Rental Furniture Available through CORT, Community Kitchen, Club Room with Fireside Seating, Fitness Center, Off-Street Parking, Business Center, On-Site Management, Elevator, Playground, Swimming Pool, 32 Laundry Facilities

NOTES

No Concessions being offered. Landlord pays utilities and they are then billed back to tenants. The only gas in the building is used for their gas grills.

THE ARIA

300 L Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	1	539	\$1,514	\$2.81
One Bedroom	45	630	\$1,400-\$2,987	\$3.48
Two Bedroom	14	703-948	\$1,778-\$3,120	\$2.97
Total / Average	60	674	\$2,242	\$3.33

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2013

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Hardwood Floors, White Quartz Countertops, Designer Two-Toned Ebony and White Cabinetry, Stainless Steel Appliances, Chic Pendant Lighting, Private Balconies, In-Unit Washer/Dryer, White Subway Tile Backsplash, Digital Programmable Thermostat

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by Tenant)

Hot Water: Electric (Paid by Tenant)

Water & Sewer (Paid By: Landlord)

COMMUNITY AMENITIES

Fitness Center, Bike Storage, 24-Hour Emergency Maintenance, Outdoor Grilling Area, Garage Parking, Storage Space Available.

NOTES

Water & Sewer billed back to tenants through RUBS. Trash is also billed back to residents.

AVA H STREET

318 I Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	46	432-522	\$1,780-\$2,115	\$4.08
One Bedroom	40	594-648	\$2,000-\$2,425	\$3.56
Two Bedroom	52	800	\$2,500	\$3.13
Total / Average	138	640	\$2,233	\$3.49

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2013

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

In-Unit Washer/Dryer, Stainless Steel Appliances, Furnished Units Available

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by Tenant)

Hot Water: Electric (Paid by Tenant)

Water & Sewer (Paid By: Tenant)

COMMUNITY AMENITIES

On-Site Parking, Fitness Center, Bike Storage, On-Site Maintenance, Resident Lounge, On-Site Zipcar

NOTES

Offering up to \$60 per month off on select apartments. Select apartments also offer a waived amenity fee. Trash is paid for by tenants and costs \$8 per month. If you get a furnished apartment then all utilities including cable and wifi are included in rent.

501 H STREET

501 H Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	4	575	\$1,700-\$2,200	\$3.39
One Bedroom	15	679-887	\$2,200-\$2,600	\$3.07
Two Bedroom	9	837-1,123	\$2,999-\$3,500	\$3.32
Total / Average	28	817	\$2,609	\$3.19

AMENITIES & FEATURES

BUILDING CLASS

A-

YEAR BUILT

2017

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Custom Granite Countertops, Stainless Steel Appliances, Hard Surface Plank Flooring, USB Outlets, Custom Built-In Shelving (Select Units), Kitchen Islands (Select Units), Private Balcony or Terrace, In-Unit Washer/Dryer

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by Tenant)

Hot Water: Electric (Paid by Tenant)

Water & Sewer (Paid By: Tenant)

COMMUNITY AMENITIES

Controlled Access

THE STANTON

816 E Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	41	369-579	\$1,700-\$2,500	\$4.43
One Bedroom	53	430-841	\$2,000-\$3,100	\$4.01
Two Bedroom	26	835-1,123	\$2,820-\$4,100	\$3.53
Total / Average	120	655	\$2,593	\$3.96

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

1927

NEIGHBORHOOD

Capitol Hill

UNIT FEATURES

In-Unit Washer/Dryer, Microwave, Electronic Thermostats, Dishwasher, Cable Ready, Hardwood Floors, Rain Shower, Blackout Shaes, Chrome Fixtures, Breakfast Bar, Furnished Studio Apartments Available.

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by

Tenant)

Hot Water: Electric (Paid by Tenant)

Water & Sewer (Paid By: Tenant)

COMMUNITY AMENITIES

Rooftop Infinity Pool, Sundeck, Clubhouse, BBQ/Picnic Area, Fitness Center, Rooftop Yoga Deck, Bike Storage Room, Private Courtyard, Recreation Room, Business Center, Concierge, Package Reception, On-Site Management, Short Term Leases Available, Elevator

NOTES

No Concessions

STATION HOUSE

701 2nd Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	27	413-546	\$1,834-\$2,508	\$4.53
One Bedroom	190	520-757	\$2,587-\$3,764	\$4.97
Two Bedroom	148	815-1,267	\$2,907-\$3,644	\$3.15
Three Bedroom	13	1,125-1,393	\$4,314-\$4,608	\$3.54
Total / Average	378	806	\$3,187	\$3.95

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2016

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Washer & Dryer In All Units, Above Standard Ceiling Height, Hardwood Floors

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by Tenant)

Hot Water: Electric (Paid by Landlord)

Water & Sewer (Paid By: Landlord)

COMMUNITY AMENITIES

Pool, Game Room, Fitness Center, 160 Off-Street Parking Spaces

AVEC ON H STREET

901 H Street NE, Washington, DC 20002



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Studio / Efficiency	68	412-533	\$2,013-\$2,246	\$4.51
One Bedroom	234	636-760	\$2,240-\$2,588	\$3.46
Two Bedroom	117	730-1,064	\$2,698-\$3,477	\$3.44
Total / Average	419	717	\$2,556	\$3.56

AMENITIES & FEATURES

BUILDING CLASS

A

YEAR BUILT

2020

NEIGHBORHOOD

H Street Corridor

UNIT FEATURES

Washer & Dryer In All Units, Above Standard Ceiling Height / Digital Lock in All Units

UTILITIES

Heating: Electric (Paid by Tenant)

Cooking: Electric (Paid by Tenant)

Cooling: Electric (Paid by Tenant)

Hot Water: Electric (Paid by Landlord)

Water & Sewer (Paid By: Landlord)

COMMUNITY AMENITIES

Outdoor Meditation Courtyard, 1450 Square Foot Dog Park, Rooftop Pool, Clubroom,

RENT COMPARABLES

\$3.15

Average One-Bedroom Rent/Square Foot

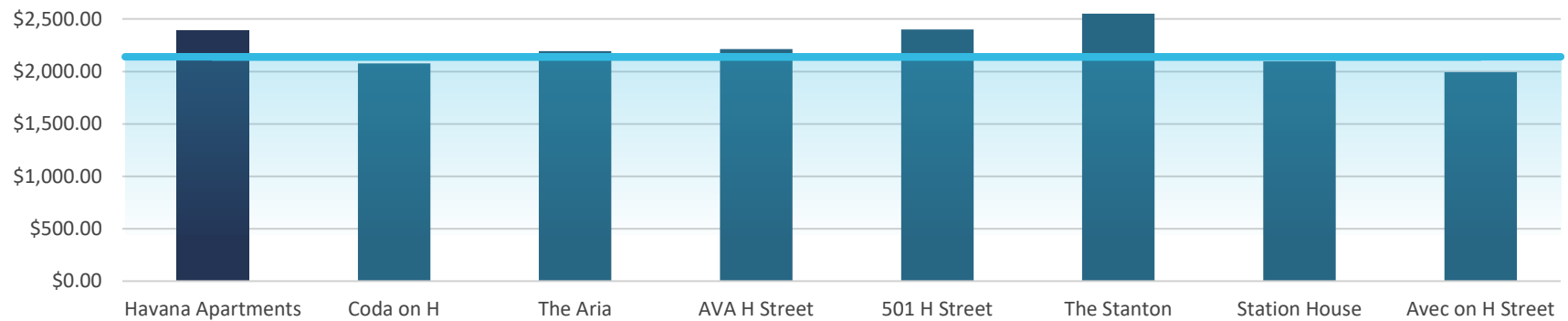
\$2,128

Average One-Bedroom Rent/Unit

AVERAGE ONE-BEDROOM RENT/SQUARE FOOT



AVERAGE ONE-BEDROOM RENT/UNIT



RENT COMPARABLES

\$3.05

Average Two-Bedroom
Rent/Square Foot

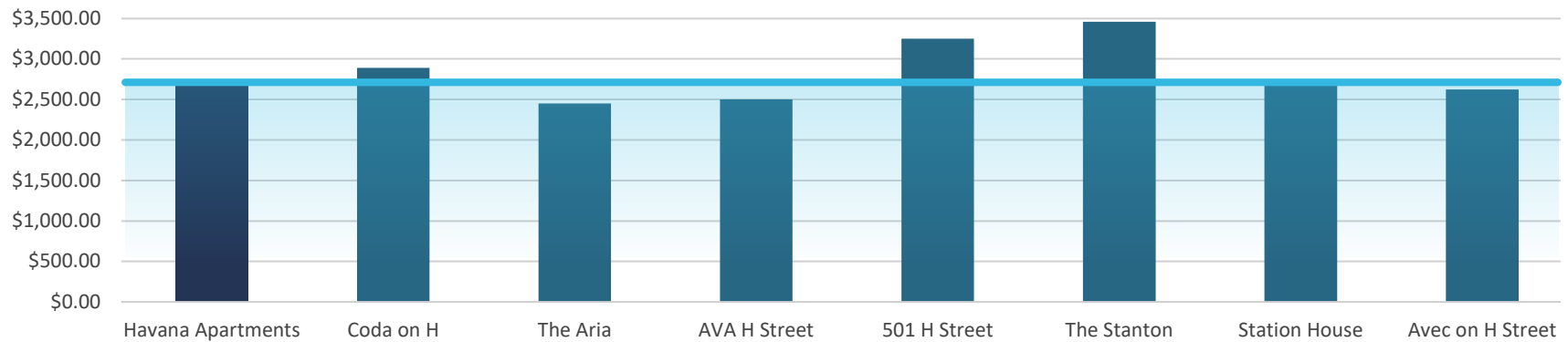
\$2,704

Average Two-Bedroom
Rent/Unit

AVERAGE TWO-BEDROOM RENT/SQUARE FOOT



AVERAGE TWO-BEDROOM RENT/UNIT



FINANCIAL ANALYSIS



Section 05

Marcus & Millichap
THE ZUPANCIC GROUP



HAVANA APARTMENTS UNIT MIX

49

Number of Units

731

Average Unit Size (SF)

UNIT TYPE	TOTAL UNITS	OCCUPIED UNITS	VACANT UNITS	AVERAGE SIZE (SF)	IN-PLACE RENT PER UNIT	IN-PLACE RENT PER SF
One-Bedroom	33	15	18	629	\$2,390	\$3.72
Two-Bedroom	16	6	10	942	\$2,703	\$2.81
Total / Average	49	21	28	731	\$2,492	\$3.37

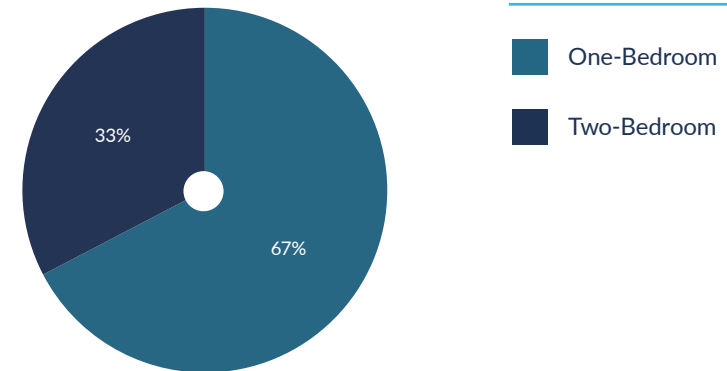
NOTES AND ASSUMPTIONS

1. Vacancy and Rents are based on the most recent Rent Roll provided by ownership from September, 2021.
2. In-place rents are based on occupied units.

OLD CITY | HOUSING CHOICE VOUCHER PROGRAM (H.C.V.P.) RENTAL RATES

NUMBER OF BEDROOMS	WITH UTILITES	WITHOUT UTILITIES
0	\$2,520	\$2,397
1	\$2,648	\$2,467
2	\$3,113	\$2,872
3	\$4,069	\$3,872
4	\$5,008	\$4,753
5	\$5,757	\$5,462

UNIT TYPES



THE HAVANA RENT ROLL (AS OF FEBRUARY, 2023)

UNIT NUMBER	NUMBER OF BEDROOMS	NUMBER OF BATHROOMS	OCCUPANCY STATUS	UNIT SF	CURRENT RENT	CURRENT RENT/ SF	PRO FORMA RENT	PRO FORMA RENT/ SF	LEASE START DATE	RENT TYPE
101	1 Bed	1 Bath	Vacant	576	\$0	\$0.00	\$2,467	\$4.28	N/A	HCVP
102	2 Bed	2 Bath	Vacant	872	\$0	\$0.00	\$2,872	\$3.29	N/A	HCVP
103	1 Bed	1.5 Bath	Vacant	641	\$0	\$0.00	\$950	\$1.45	N/A	IZ Unit (50% MFI)
104	2 Bed	2 Bath	Occupied	875	\$2,872	\$3.28	\$2,872	\$3.28	12/21/2020	HCVP
105	2 Bed	2 Bath	Vacant	1004	\$0	\$0.00	\$2,872	\$2.86	N/A	HCVP
107	1 Bed	1.5 Bath	Occupied	678	\$2,467	\$3.64	\$2,467	\$3.64	1/5/2021	HCVP
108	2 Bed	2 Bath	Occupied	983	\$1,859	\$1.89	\$1,929	\$1.89	7/8/2020	IZ Unit (80% MFI)
109	1 Bed	1 Bath	Vacant	605	\$0	\$0.00	\$950	\$1.53	N/A	IZ Unit (50% MFI)
110	1 Bed	1 Bath	Vacant	601	\$0	\$0.00	\$2,467	\$4.10	N/A	HCVP
201	1 Bed	1 Bath	Vacant	576	\$0	\$0.00	\$2,467	\$4.28	N/A	HCVP
202	2 Bed	2 Bath	Vacant	872	\$0	\$0.00	\$2,872	\$3.29	N/A	HCVP
203	1 Bed	1.5 Bath	Occupied	641	\$2,467	\$3.85	\$2,467	\$3.85	1/6/2021	HCVP
204	1 Bed	1.5 Bath	Occupied	632	\$2,467	\$3.90	\$2,467	\$3.90	1/6/2021	HCVP
205	2 Bed	2 Bath	Vacant	979	\$0	\$0.00	\$1,929	\$1.90	N/A	IZ Unit (80% MFI)
206	1 Bed	1.5 Bath	Vacant	685	\$0	\$0.00	\$2,467	\$3.60	N/A	HCVP
207	1 Bed	1.5 Bath	Occupied	678	\$2,467	\$3.64	\$2,467	\$3.64	1/5/2021	HCVP
208	2 Bed	2 Bath	Occupied	983	\$2,872	\$2.92	\$2,872	\$2.92	1/22/2021	HCVP
209	1 Bed	1 Bath	Occupied	605	\$910	\$1.50	\$950	\$1.53	6/1/2021	IZ Unit (50% MFI)
210	1 Bed	1 Bath	Vacant	601	\$0	\$0.00	\$2,467	\$4.10	N/A	HCVP
301	1 Bed	1 Bath	Occupied	576	\$2,467	\$4.28	\$2,467	\$4.28	1/22/2021	HCVP
302	2 Bed	2 Bath	Vacant	872	\$0	\$0.00	\$2,872	\$3.29	N/A	HCVP
303	1 Bed	1.5 Bath	Vacant	641	\$0	\$0.00	\$2,467	\$3.85	N/A	HCVP
304	1 Bed	1.5 Bath	Occupied	632	\$2,467	\$3.90	\$2,467	\$3.90	1/29/2021	HCVP
305	2 Bed	2 Bath	Occupied	979	\$2,872	\$2.93	\$2,872	\$2.93	1/29/2021	HCVP
306	1 Bed	1.5 Bath	Occupied	685	\$2,467	\$3.60	\$2,467	\$3.60	1/14/2021	HCVP
307	1 Bed	1.5 Bath	Occupied	678	\$2,467	\$3.64	\$2,467	\$3.64	1/14/2021	HCVP
308	2 Bed	2 Bath	Vacant	983	\$0	\$0.00	\$2,872	\$2.92	N/A	HCVP
309	1 Bed	1 Bath	Occupied	605	\$2,467	\$4.08	\$2,467	\$4.08	1/15/2021	HCVP
310	1 Bed	1 Bath	Vacant	601	\$0	\$0.00	\$2,467	\$4.10	N/A	HCVP

THE HAVANA RENT ROLL (AS OF FEBRUARY, 2023)

UNIT NUMBER	NUMBER OF BEDROOMS	NUMBER OF BATHROOMS	UNIT TYPE	UNIT SF	CURRENT RENT	CURRENT RENT/SF	PRO FORMA RENT	PRO FORMA RENT/SF	LEASE START DATE	RENT TYPE
401	1 Bed	1 Bath	Vacant	576	\$0	\$0.00	\$2,467	\$4.28	N/A	HCVP
402	2 Bed	2 Bath	Vacant	872	\$0	\$0.00	\$2,872	\$3.29	N/A	HCVP
403	1 Bed	1.5 Bath	Occupied	641	\$2,467	\$3.85	\$2,467	\$3.85	2/25/2021	HCVP
404	1 Bed	1.5 Bath	Occupied	632	\$2,467	\$3.90	\$2,467	\$3.90	4/1/2021	HCVP
405	2 Bed	2 Bath	Occupied	979	\$2,872	\$2.93	\$2,872	\$2.93	3/26/2021	HCVP
406	1 Bed	1.5 Bath	Occupied	685	\$2,467	\$3.60	\$2,467	\$3.60	2/25/2021	HCVP
407	1 Bed	1.5 Bath	Occupied	678	\$2,467	\$3.64	\$2,467	\$3.64	2/25/2021	HCVP
408	2 Bed	2 Bath	Occupied	983	\$2,872	\$2.92	\$2,872	\$2.92	3/19/2021	HCVP
409	1 Bed	1 Bath	Vacant	605	\$0	\$0.00	\$2,467	\$4.08	N/A	HCVP
410	1 Bed	1 Bath	Occupied	601	\$2,872	\$4.78	\$2,872	\$4.78	2/12/2021	HCVP
501	1 Bed	1 Bath	Vacant	576	\$0	\$0.00	\$2,467	\$4.28	N/A	HCVP
502	2 Bed	2 Bath	Vacant	872	\$0	\$0.00	\$2,872	\$3.29	N/A	HCVP
503	1 Bed	1.5 Bath	Vacant	641	\$0	\$0.00	\$2,467	\$3.85	N/A	HCVP
504	1 Bed	1.5 Bath	Vacant	632	\$0	\$0.00	\$2,467	\$3.90	N/A	HCVP
505	2 Bed	2 Bath	Vacant	979	\$0	\$0.00	\$2,872	\$2.93	N/A	HCVP
506	1 Bed	1.5 Bath	Vacant	685	\$0	\$0.00	\$2,467	\$3.60	N/A	HCVP
507	1 Bed	1.5 Bath	Vacant	678	\$0	\$0.00	\$2,467	\$3.64	N/A	HCVP
508	2 Bed	2 Bath	Vacant	983	\$0	\$0.00	\$2,872	\$2.92	N/A	HCVP
509	1 Bed	1 Bath	Vacant	605	\$0	\$0.00	\$2,467	\$4.08	N/A	HCVP
510	1 Bed	1 Bath	Vacant	601	\$0	\$0.00	\$2,467	\$4.10	N/A	HCVP
49	Total/Average			35,843	\$52,072	\$3.37	\$121,331	\$3.46		

NOTES AND ASSUMPTIONS

1. Vacancy and Rents are based on the most recent Rent Roll provided by ownership from February, 2022.
2. Pro Forma Rent assumes all units are leased at the Old City I HCVP "Without Utilities" rate.
3. Pro Forma Rent assumes no rent growth for occupied HCVP units as all leases are currently at the maximum allowable "without utilities" rental rate.
4. Pro Forma Rent for all vacant inclusionary zoning units assumes they're leased based on comparable floor plans and the maximum allowable inclusionary zoning rent for 50% and 80% MFI units.

INCOME STATEMENT

INCOME	HISTORIC (T-3 ANNUALIZED)	PER UNIT	PRO FORMA	PER UNIT
Gross Potential Rent	\$1,455,972	\$29,714	\$1,455,972	\$29,714
Total Other Income	\$0	\$0	\$33,600	\$686
Parking	\$0	\$0	\$33,600	\$686
Gross Potential Income	\$1,455,972	\$29,714	\$1,489,572	\$30,399
Vacancy/Collection	\$831,884	\$16,977	\$43,679	\$891
Effective Gross Income (EGI)	\$624,088	\$12,736	\$1,445,893	\$29,508
EXPENSES	HISTORIC (T-3 ANNUALIZED)	PER UNIT	PRO FORMA	PER UNIT
Real Estate Taxes	\$117,889	\$2,406	\$117,179	\$2,391
Insurance	\$21,996	\$449	\$22,050	\$450
Utilities Total	\$87,212	\$1,780	\$49,000	\$1,000
Utilities - Electric	\$0	\$0	\$14,700	\$300
Utilities - Water & Sewer	\$87,212	\$1,780	\$34,300	\$700
Contract Services Total	\$26,596	\$543	\$22,050	\$450
Contract Services - Trash	\$20,196	\$412	\$12,250	\$250
Contract Services - Landscape/Snow	\$0	\$0	\$2,450	\$50
Contract Services - Pest Control	\$0	\$0	\$2,450	\$50
Contract Services - Cleaning	\$6,400	\$131	\$4,900	\$100
Repairs & Maintenance & Turnover	\$23,316	\$476	\$53,900	\$1,100
Management Fee	\$19,200	\$392	\$72,295	\$1,475
General & Administrative	\$6,740	\$138	\$6,942	\$142
Licensing & Legal	\$77,000	\$1,571	\$2,450	\$50
Marketing & Advertising	\$3,600	\$73	\$2,450	\$50
Ground Lease	\$380,004	\$7,755	\$388,291	\$7,924
Total Expenses	\$763,553	\$15,583	\$736,606	\$15,033
Expenses Per SF	\$19.09		\$18.42	
% of EGI	122.35%		50.94%	
Net Operating Income (NOI)	-\$139,465	-\$2,846	\$709,286	\$14,475
Reserves	\$0	\$0	\$12,250	\$250

NOTES AND ASSUMPTIONS

1. Historic Financials are pulled from the T-3 as of February, 2023 annualized.
2. Historic Gross Potential Rent assumes vacant units are leased to HCVP tenants based on comparable floor plans.
3. Pro Forma Parking assumes \$100 per spot per month.
4. Historic vacancy backed out from Gross Potential Rent and Effective Gross Income from the T-3 as of February, 2023 annualized. Pro Forma Vacancy assumes a market average of 3%.
5. Historic Real Estate Taxes pulled from the 2022 tax assessed value per the DC Office of Tax & Revenue. Pro Forma Real Estate Taxes assume the property is assessed at the projected 2023 tax assessed value.
6. Pro Forma Insurance set to a market average of \$450 per unit.
7. Pro Forma Electric assumes that common area expenses increase as the 5th floor is leased up.
8. Pro Forma Water & Sewer assume a market average of \$700 per unit, accounting for increased costs associated with leasing up vacant units.
9. Pro Forma Trash costs set to a market average of \$250 per unit.
10. Pro Forma Landscape/Snow set to a market average of \$50 per unit.
11. Pro Forma Pest Control set to a market average of \$50 per unit.
12. Pro Forma Cleaning set to a market average of \$100 per unit.
13. Pro Forma Repairs & Maintenance set to a market average of \$1,100 per unit.
14. Pro Forma Management Fee assumes a market average of 5% of EGI.
15. Pro Forma Marketing & Advertising set to a market average of \$50 per unit.
16. Pro Forma ground lease costs assume year 6 costs associated with a year 1 ground lease payment of \$348,600 growing 2.18% annually.



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