

Marcus & Millichap
THE ZUPANCIC GROUP

2023

801 49TH STREET NE WASHINGTON, DC 20019

OFFERING MEMORANDUM

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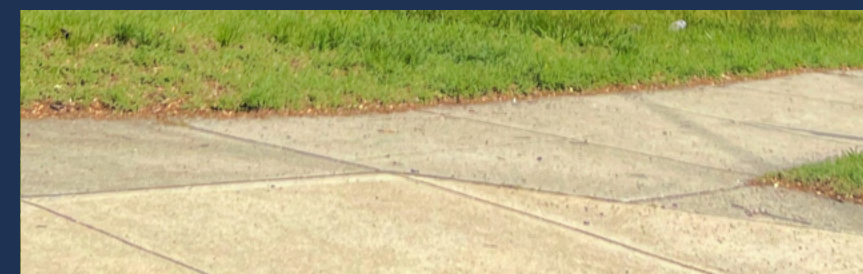


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EXECUTIVE SUMMARY

Section 01

Marcus & Millichap
THE ZUPANCIC GROUP



THE OFFERING

OFFERING OVERVIEW

As the exclusive listing agent, the Zupancic Group of Marcus & Millichap is pleased to present 801 49th Street NE, a 14-unit multifamily property in Deanwood, one of the most rapidly growing neighborhoods in the DC Metropolitan area. This offering presents the opportunity to acquire an asset that has undergone recent upgrades, features a strong-unit mix, and is well-positioned for value-add upside with the potential for future rental growth and appreciation in value due to a location in such a high growth submarket.

THE ASSET

801 49th Street NE is a 14-unit, 13,280 gross square foot building consisting of three stories plus a basement. The property features a favorable unit mix, with 12 two-bedroom, one-bathroom units, and two (2) four-bedroom, two-bathroom units. All units feature washers and dryers, and select units have been updated to feature stainless steel appliances, new cabinets, new countertops, and renovated bathrooms. Each unit is completely self-contained for all utilities, and the property was recently converted to all-electric utilities, with separate meters for each individual unit. The property is currently operating with 100% occupancy, and in-place average rents for the property are \$1,300/month. An investor has the opportunity to execute a strong value-add strategy in the short, medium, and long-term by incrementally increasing rents for the two-bedroom units to market (average two-bedroom market rents in Deanwood are above \$1,500/month, but current DC rent control allows for a 6% annual increase on an occupied unit), while continuing to receive strong rents above \$2,100/month for each of the four-bedroom units in the basement. As many capital expenditures have already been performed, an investor can allocate resources to perform necessary renovations upon turnover to two-bedroom units to increase demand and rental revenue over time.

THE LOCATION

801 49th Street NE is well-positioned for future appreciation in value and rental growth as it is located in one of the fastest-growing and “hottest” neighborhoods of Washington, DC. The Deanwood neighborhood has seen property values nearly double in the last five years, and there are newly constructed residential and commercial developments along Minnesota Avenue near the Deanwood Metro Station, Nannie Helen Burroughs Avenue, Benning Road, and Eastern Avenue, which will continue to drive rental demand as even more restaurants, retail, and jobs are brought to the area. The property is located directly next to a police station, providing convenient support and a safe neighborhood. There are also plenty of nearby convenient retail options nearby like 7-11, Subway, and recently opened neighborhood favorite, Deanwood Deli. The property is also situated in a transit-oriented location, as it is just 0.3 miles from the Benning Road Metro Station (Blue and Silver Line Service), and has direct access to the entire DMV through Benning Road NE, East Capitol Street NE, and Interstate 295.



INVESTMENT HIGHLIGHTS

INVESTMENT OVERVIEW

801 49th Street NE presents the opportunity to acquire an asset with upgrades already completed, but with significant value-add upside through rental growth and appreciation in value as the neighborhood continues to grow.



VALUE-ADD THROUGH RENTAL GROWTH

801 49th Street NE has significant value-add upside through rental growth. The property already features a favorable unit mix and has potential future upside for the two-bedroom units to be brought up to market rate rents (over \$1,500/month) through additional renovations and over time as the neighborhood continues to grow and improve.



RECENT UNIT UPDATES

All units feature washers and dryers, and select units have been updated to feature stainless steel appliances, new cabinets, new countertops, and renovated bathrooms.



RAPIDLY GROWING NEIGHBORHOOD

The Deanwood neighborhood has seen property values nearly double in the last five years, and there are newly constructed residential and commercial developments along Minnesota Avenue near the Deanwood Metro Station, Nannie Helen Burroughs Avenue, Benning Road, and Eastern Avenue, which will continue to drive rental demand as even more restaurants, retail, and jobs are brought to the area.



TRANSIT-ORIENTED LOCATION

801 49th Street NE is located nearby two metro stations, the Minnesota Avenue Station (Orange Line Service) is just 0.8 miles from the property, and the Benning Road Station (Blue and Silver Line Service) is just 0.7 miles from the property. These convenient metro locations and nearby Eastern Avenue NE, Benning Road NE, Sheriff Road NE, East Capitol Street NE, and Interstate 295 all provide direct access throughout the DMV.



ALL-ELECTRIC AND SELF-CONTAINED UNITS

Each unit is completely self-contained for all utilities, and the property was recently converted to all-electric utilities, with separate meters for each individual unit.



FAVORABLE UNIT MIX

The property features a favorable unit mix, with 12 two-bedroom, one-bathroom units, and two (2) four-bedroom, two-bathroom units. Average in-place rents for the two-bedroom units are \$1,300/month and average in-place rents for the four-bedroom units are \$2,116.

SUMMARY OF TERMS

801 49th Street NE

INTEREST OFFERED

One hundred percent fee-simple interest in the 14-unit property located at 801 49th Street NE, Washington, DC 20019.

TERMS OF SALE

The property is being offered on a market-bid basis.

PROPERTY TOURS

All property tours will be conducted by appointment only and must be scheduled directly with the listing agents. Prospective purchasers, their vendors, or their affiliates may not visit the property or gain property access without being accompanied by the listing agents. At no time shall the tenants or property management be contacted by a prospective purchaser without prior written approval from Marcus & Millichap.

DUE DILIGENCE AND CLOSING

The buyer's due diligence and closing timeline will be a consideration in the buyer selection process. All appropriate information will be made available at that time. It is the buyer's responsibility to confirm all of the information contained herein independently. Any projections, opinions, assumptions, or estimates used herein are for example purposes only and do not represent the current or future performance of the property. All costs and expenses incurred by the buyer will be the sole responsibility of the buyer.

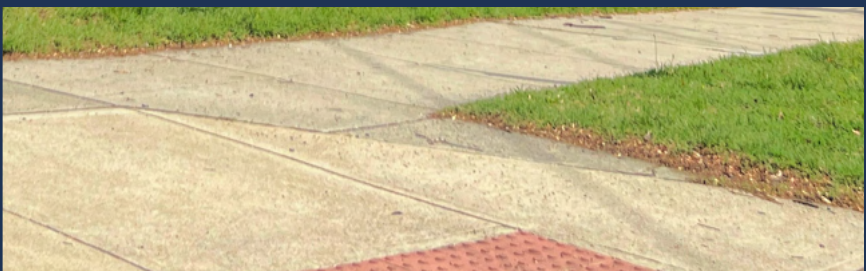
OFFER PROTOCOL

A formal offer deadline will be set at a later date.

PROPERTY OVERVIEW

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PROPERTY DETAILS

801 49TH STREET NE
801 49th Street NE, Washington, DC 20019

PROPERTY INFORMATION

Neighborhood	Deanwood
Units	14
Building Class	C
Gross Square Feet	13,280
Lot Square Feet	6,906
Zoning	R-2
Year Built	1953
Parcel Number (APN)	5175-000-0005
Parking	Off-Street Spaces

UTILITIES

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



801 49TH STREET NE UNIT MIX

14

Number of Units

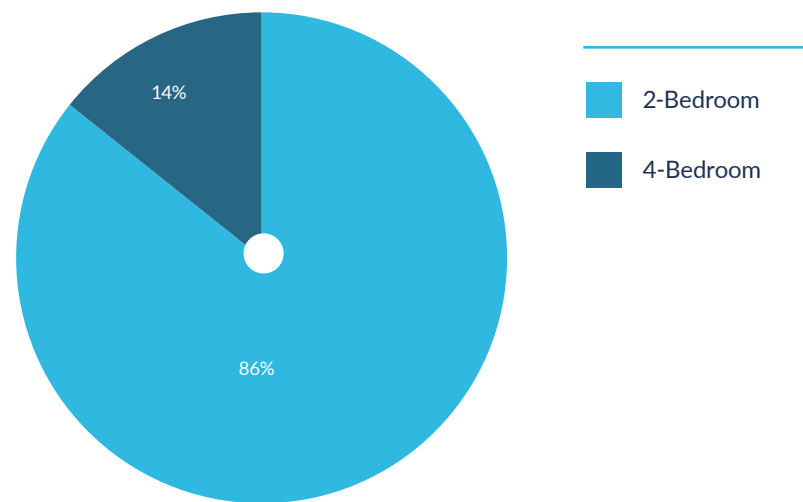
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Average Unit Size (SF)

UNIT TYPE	TOTAL UNITS	OCCUPIED UNITS	VACANT UNITS	AVERAGE SIZE (SF)*	IN-PLACE RENT PER UNIT	IN-PLACE RENT PER SF
Two Bedroom	12	12	0	775	\$1,164	\$1.60
Four Bedroom	2	2	0	1000	\$2,116	\$2.12
Total / Average	14	14	0	807	\$1,300	\$1.61

* Unit SF are estimates, buyers should do their own due diligence

UNIT TYPES

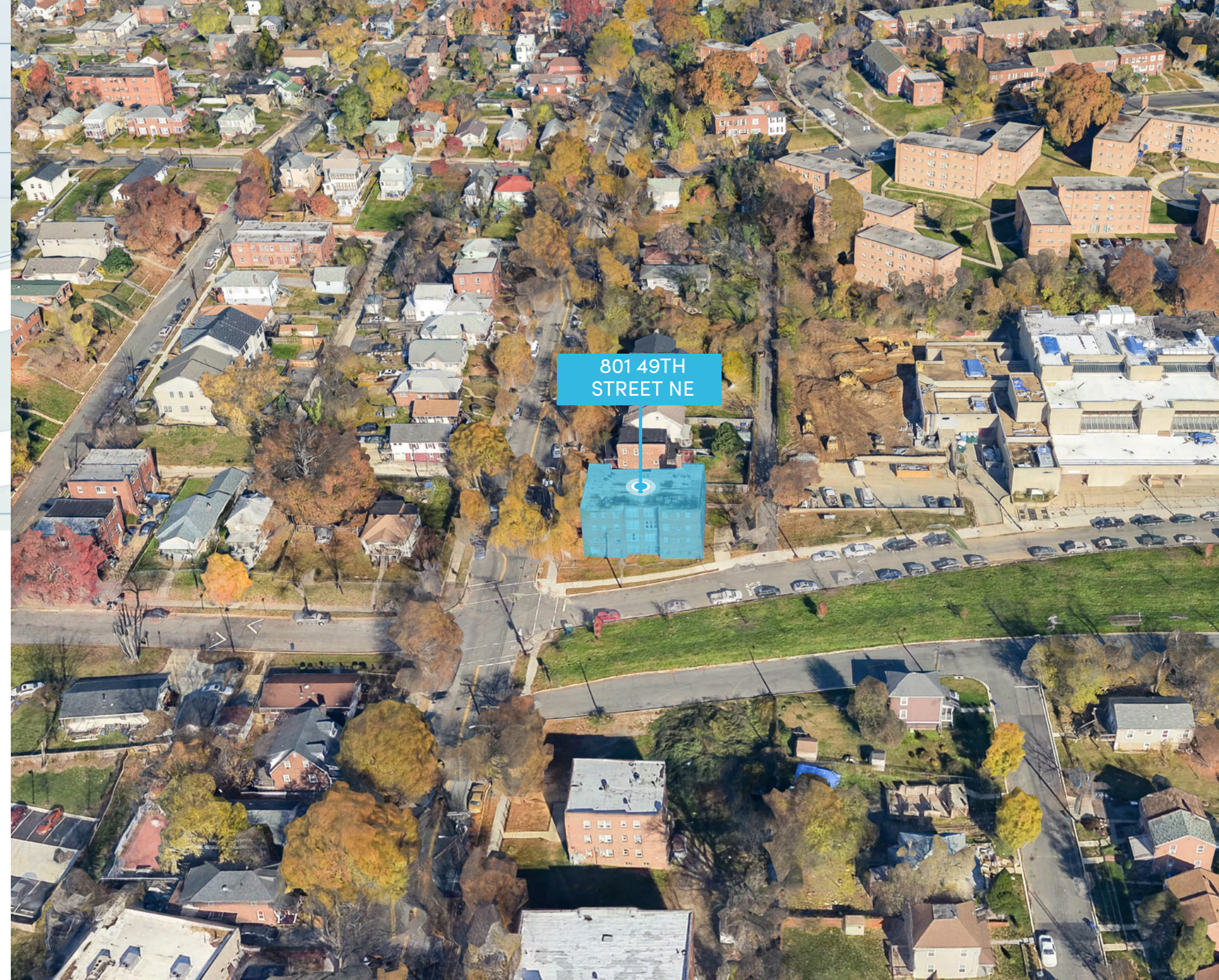
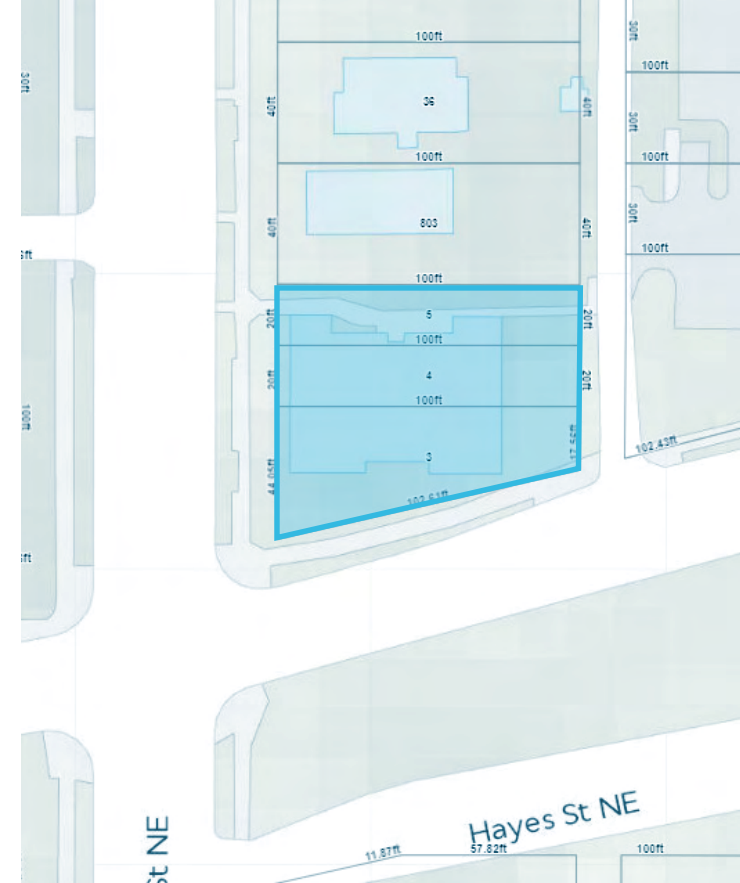


REGIONAL MAP

Washington, DC MSA



801 49TH STREET NE

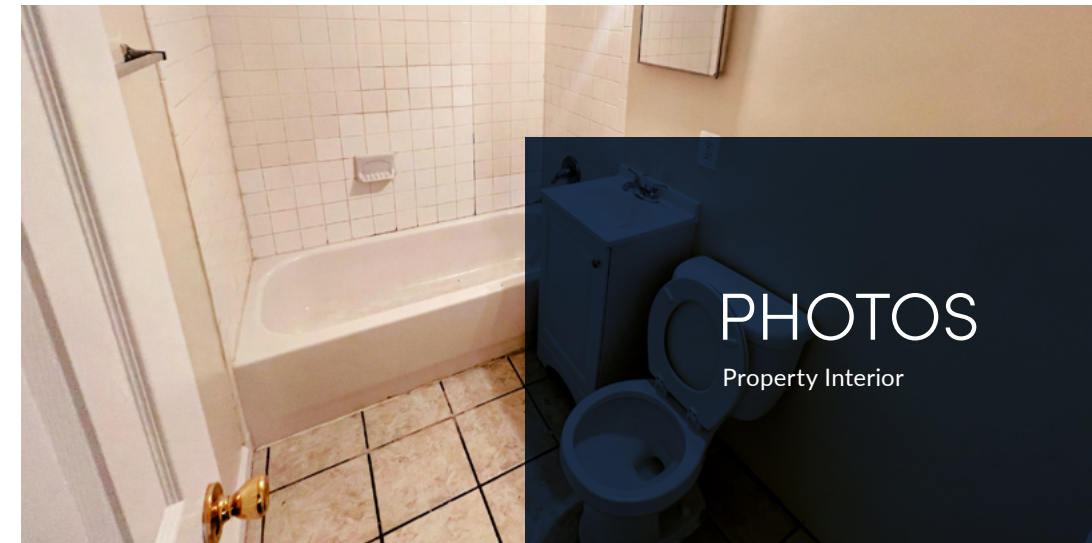
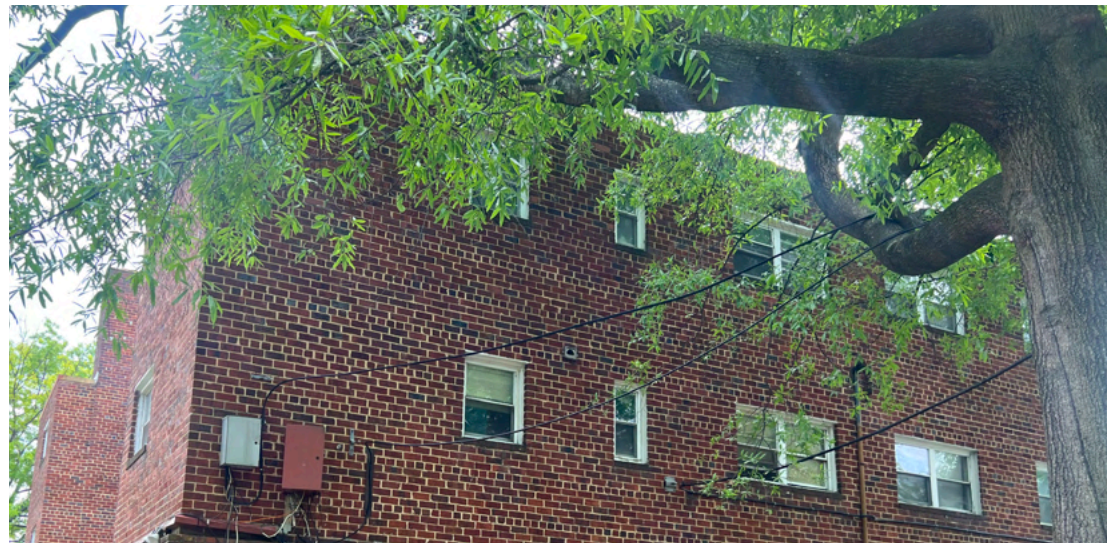


801 49TH STREET NE

ZONING OVERVIEW

		DEVELOPMENT STANDARDS								
	Building Category	Description	Height (Ft.)	Stories	Minimum Lot Width (ft)	Minimum Lot Area (sq ft)	Lot Occupancy	Front Setback	Rear Setback (Ft.)	Side Setback (Ft.)
R-2	All Other Buildings & Structures	Provide areas predominantly developed with semi-detached houses on moderately-sized lots that also contain some detached dwellings	40	3	40	4000	40%		20	8
	Institutional		90	N/A						
	Detached		40	3	32	3200				
	IZ Detached				30	3000				
	Semi-Detached				25	2500				
IZ Semi-Detached										



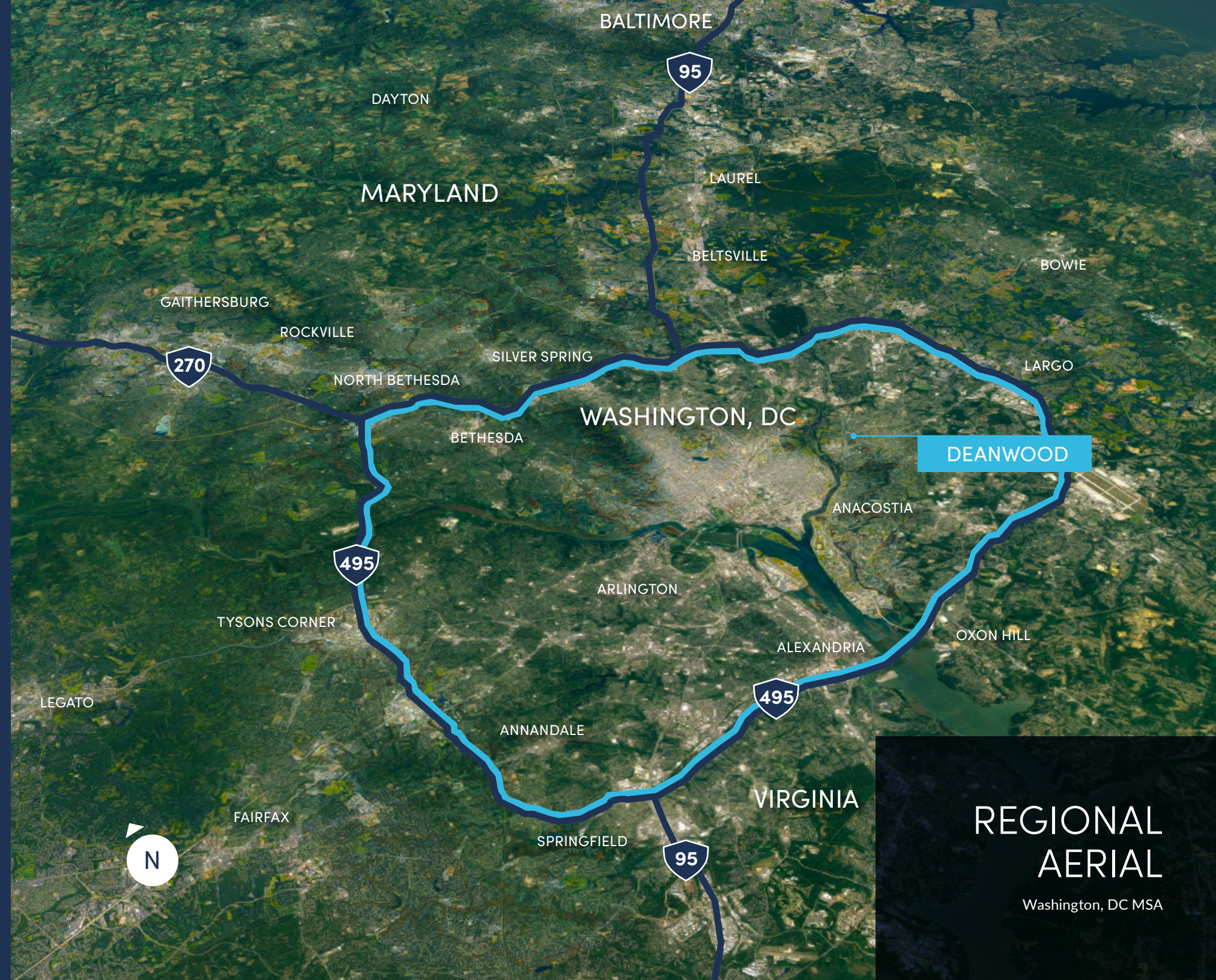
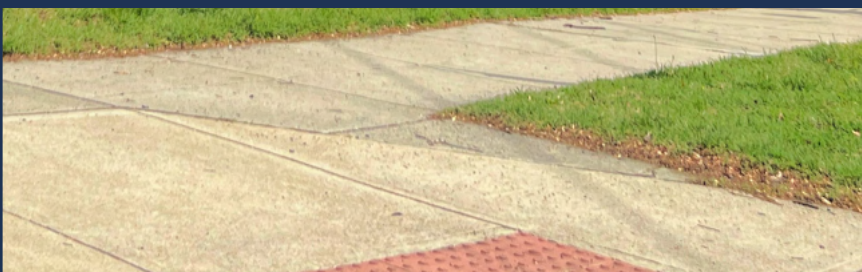


THE NEIGHBORHOOD



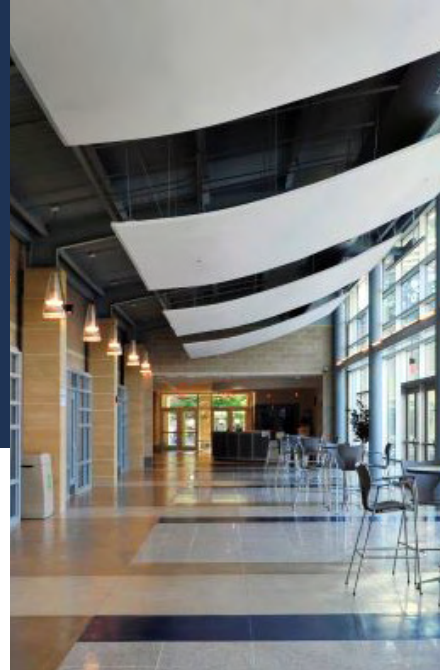
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REGIONAL AERIAL

Washington, DC MSA



NEIGHBORHOOD OVERVIEW

DEVELOPMENT IS BOOMING EAST OF THE RIVER

There are currently over 15-billion dollars of development and infrastructure projects in the pipeline, including 5,000 residential units, 1 million square feet of retail space, and nearly 3.5 million square feet of office space either planned or under construction. The two largest active projects are Skyland Town Center and St. Elizabeth's East. Continued developer interest should encourage prospective investors to enter the market with confidence because there is demonstrable growth.

DEANWOOD

Deanwood is a burgeoning neighborhood in Northeast Washington, DC and is located directly nearby the DC and Maryland border East of the Anacostia River. Recently considered to be one of the "hottest" neighborhoods in the country, the mostly residential enclave of Northeast DC has seen major growth and is drawing demand from developers, investors, home buyers, renters, and retailers due to its proximity to major thoroughfares, metro stops, and numerous amenities in mainland DC, and just across the border into Maryland. A notable amenity near by Benning Road Apartments is the Deanwood Community Center, a 63,000 square foot recreation center and library that was built in 2013 for \$32 million. The Deanwood neighborhood currently has a robust development pipeline with over 5,000 residential units either planned or in development, and recent openings like the popular Deanwood Deli present a very promising picture for the future of the neighborhood.

LOCATION HIGHLIGHTS

- 801 49th Street NE is located nearby two metro stations, the Minnesota Avenue Station (Orange Line Service) is just 0.8 miles from the property, and the Benning Road Station (Blue and Silver Line Service) is just 0.7 miles from the property.
- Located nearby numerous bus stops (W4, R12, U7, and V14)
- Convenient access to major roads such as I-295, I-495, Route 50, Baltimore-Washington Parkway, and Eastern Avenue.
- Steps from the Deanwood Community Center, which features amenities such as an indoor pool, library, gymnasium/indoor basketball court, multi-purpose room, senior room, park site, multi-purpose field, and playground.
- Significant nearby development along with public and private investment.



DEANWOOD OVERVIEW

The Neighborhood



MAJOR EMPLOYERS EAST OF THE RIVER

While Deanwood is predominantly a residential neighborhood, there has been major employer activity throughout submarkets east of The River. Multiple Public and Private initiatives are in the pipeline that will help drive job growth throughout the area over the next decade. For example, on the public side, with a mayoral order, Muriel Bowser is requiring DC government agencies looking to lease new office space over the next five years to prioritize options in Wards 7 and 8 east of the Anacostia River. In the order, Bowser says, “the mere presence of even a fraction of the city’s 37,000 employees can help turn underserved areas around.” Furthermore, “The District government’s decisions of where to lease space for its offices and other facilities can therefore be a powerful tool for investing in the economic vitality of communities and can be a particularly powerful tool to build, catalyze, and sustain neighborhood and economic development in communities that currently experience underinvestment by the private sector.”

In the private sector, major employment drivers such as the two-and-a-half-billion-dollar construction of Amazon’s HQ2, will expand the employment opportunities throughout the D.C. area. For example, Amazon’s project will bring more than 25,000 jobs to the area over the next 12 years. With these massive Public and Private initiatives, along with many others, Fort Dupont is well-positioned to capitalize on the significant employment growth over the next decade.

HIGHLIGHTED MAJOR EMPLOYERS

- Department of Human Services
- DC Department of For-Hire Vehicles
- Department of Housing and Community Development (DHCD)
- Defense Intelligence Agency (Joint Base Anacostia-Bolling)
- Joint Base Anacostia-Bolling
- Department of Homeland Security
- United States Coast Guard
- KIPP DC
- The U.S. Army Corps of Engineers

Employment Rate (3 Mile Radius Pre-Covid)

87.0%

Unemployment Rate (3 Mile Radius Pre-Covid)

11.0%

Participating (3 Mile Radius Pre-Covid)

67.5%

Not Participating (3 Mile Radius Pre-Covid)

32.5%



LOCAL DEVELOPMENT PIPELINE:

A ROBUST PIPELINE OF AFFORDABLE AND MARKET-RATE MULTIFAMILY AND MIXED-USE DEVELOPMENTS IN THE AREA

- 1. Kenilworth Courts** - Under Construction (530 Units - Market & Affordable)
- 2. 3450 Eads** - Under Construction (49 Units - Fully Affordable)
- 3. Deanwood Town Center** - Planned (193 Units & 15,900 SF Retail - Fully Affordable)
- 4. Deanwood Metro** - Prospective (300+ Units & 10,000 SF Retail)
- 5. Northeast Heights** - Under Construction (1,500 Units, 300 Affordable, & 120,000 SF Retail)
- 6. Fletcher-Johnson Development** - Planned (816 Units, 179 Market, 637 Affordable, 20,000 SF Retail and 50,000 SF Office)
- 7. Parkside** - Under Construction (Master Planned community 1,500 Residential Units, 650,000 SF Office, 50,000 SF Retail)
- 8. Lincoln Heights Redevelopment** - Prospective (442 Affordable Units)
- 9. Capital Gateway Marketplace** - Prospective (312 Affordable Units)
- 10. 125 45th Street NE** - Prospective (156 Affordable Units)
- 11. 4401 Benning Road** - Prospective (109 Affordable Units)
- 12. 35th Street** - Prospective (90 Affordable Units)

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

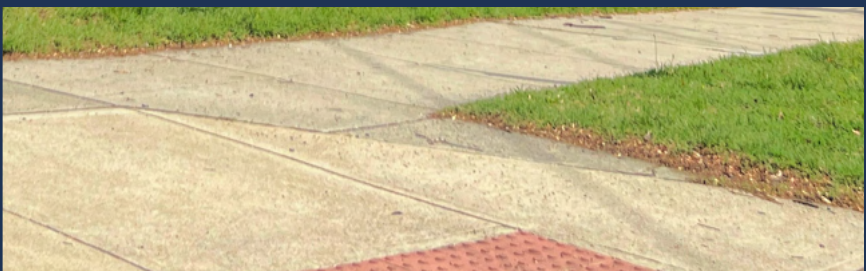
Prospective Development holds lower status in probability of completion. Communities designated as Prospective are developments which: remain subject to entitlement approvals; are being developed as "either apartments or condominiums - to be determined"; have been announced for "future development",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



MARKET COMPARABLES

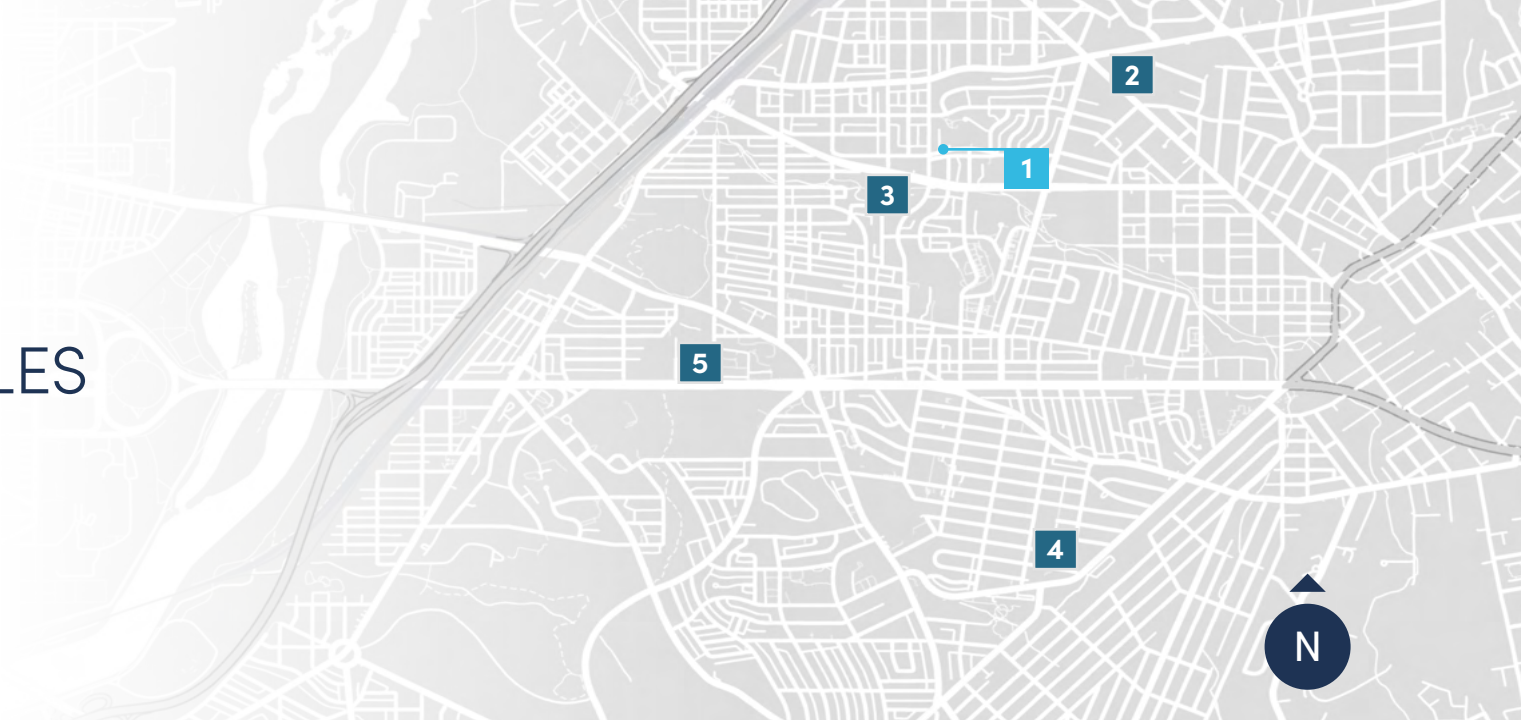
Section 04

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RENT COMPARABLES

1. 801 49th Street NE
2. Hilltop
3. Glendale Plaza
4. Elsinore Courtyard
5. Benning Woods



	1	2	3	4	5
	801 49TH STREET NE	HILLTOP	GLENDALE PLAZA	ELSINORE COURTYARD	BENNING WOODS
STREET ADDRESS	801 49th Street NE	908 Eastern Avenue NE	4651 Nannie Helen Burroughs Avenue	5312 E Street SE	4040 East Capital Street NE
NEIGHBORHOOD	Deanwood	Deanwood	Deanwood	Marshall Heights	Deanwood
OCCUPANCY (%)	100%	97.20%	96.30%	88.80%	97.20%
YEAR BUILT/RENOVATED	1953	1966/2018	1970/2014	1967	1967
NUMBER OF UNITS	14	106	80	152	107
BUILDING CLASS	C	C+	C	C	C
AVERAGE RENT/UNIT	\$1,300	\$1,770	\$1,737	\$1,395	\$1,375
AVERAGE RENT/SF	\$1.61	\$2.05	\$2.29	\$1.76	\$1.89
AVERAGE UNIT SIZE (SF)	807	864	758	794	726

RENT COMPARABLES

801 49th Street NE is located in Deanwood, a high-growth neighborhood in Northeast DC that has seen significant development in recent years and is well-positioned for continued future growth.

801 49TH STREET NE

801 49th Street NE, Washington, DC 20019



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
Two Bedroom	12	775	\$1,164	\$1.60
Four Bedroom	2	1000	\$2,116	\$2.12
Total / Average	14	807	\$1,300	\$1.61

AMENITIES & FEATURES

BUILDING CLASS

C

YEAR BUILT

1953

NEIGHBORHOOD

Deanwood

UTILITIES

Tenants Pay Electric, Landlord Pays Water & Sewer

UNIT FEATURES

Washers and Dryers, New Cabinets in Select Units, Updated Countertops in Select Units, Dishwashers, LVT and Carpet Floors

HILLTOP

908 Eastern Avenue NE, Washington, DC 20019



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT	AVERAGE RENT/SF
One Bedroom	52	670-826	\$1,622-\$1,704	\$2.22
Two Bedroom	54	914-1,039	\$1,809-\$1,939	\$1.92
Total / Average	106	864	\$1,770	\$2.05

AMENITIES & FEATURES

BUILDING CLASS

C+

YEAR BUILT/RENOVATED

1966/2018

NEIGHBORHOOD

Deanwood

UTILITIES

Tenants Pay Electric, Landlord Pays Gas, Water & Sewer

UNIT FEATURES

Balconies in Select Units, Marble Countertops in Bathrooms, Carpet Floors in Select Units, Large Closets

COMMUNITY AMENITIES

Free Off Street Parking, Controlled Access, Laundry Facilities

GLENDALE PLAZA

4651 Nannie Helen Burroughs Avenue, Washington, DC 20019

3



UNIT TYPE	UNITS	SIZE (SF)	RENT/ UNIT	AVERAGE RENT/SF
One Bedroom	14	613	\$1,399	\$2.28
Two Bedroom	40	713	\$1,749	\$2.45
Three Bedroom	26	904	\$1,899	\$2.10
Total / Average	80	758	\$1,737	\$2.29

AMENITIES & FEATURES

BUILDING CLASS

C

YEAR BUILT/RENOVATED

1970/2014

NEIGHBORHOOD

Deanwood

UTILITIES

Landlord Pays All Utilities

UNIT FEATURES

Floor to Ceiling Windows, Wall to Wall Carpet, Large Closets

COMMUNITY AMENITIES

Free Off Street Parking, Laundry Facilities, Controlled Access

ELSINORE COURTYARD

5312 E Street SE, Washington, DC 20019

4



UNIT TYPE	UNITS	SIZE (SF)	RENT/ UNIT	AVERAGE RENT/SF
One Bedroom	51	670	\$1,137	\$1.70
Two Bedroom	91	850	\$1,483	\$1.74
Three Bedroom	10	910	\$1,916	\$2.11
Total / Average	152	794	\$1,395	\$1.76

AMENITIES & FEATURES

BUILDING CLASS

C

YEAR BUILT

1967

NEIGHBORHOOD

Marshall Heights

UTILITIES

Tenants Pay Electric and Gas, Landlord Pays Water & Sewer

UNIT FEATURES

Highspeed Internet, Hardwood Floors

COMMUNITY AMENITIES

Controlled Access, Playground, Laundry Facilities, 60 Parking Spaces

BENNING WOODS

4040 East Capital Street NE, Washington, DC 20019

5



UNIT TYPE	UNITS	SIZE (SF)	RENT/ UNIT	AVERAGE RENT/SF
One Bedroom	43	638	\$1,236	\$1.94
Two Bedroom	64	785	\$1,468	\$1.87
Total / Average	107	726	\$1,375	\$1.89

AMENITIES & FEATURES

BUILDING CLASS

C

YEAR BUILT

1967

NEIGHBORHOOD

Deanwood

UTILITIES

Tenants Pay Electric, Landlord Pays Gas, Water & Sewer

UNIT FEATURES

Walk in Closets, Balconies/ Patios, Hardwood Floors in Select Units

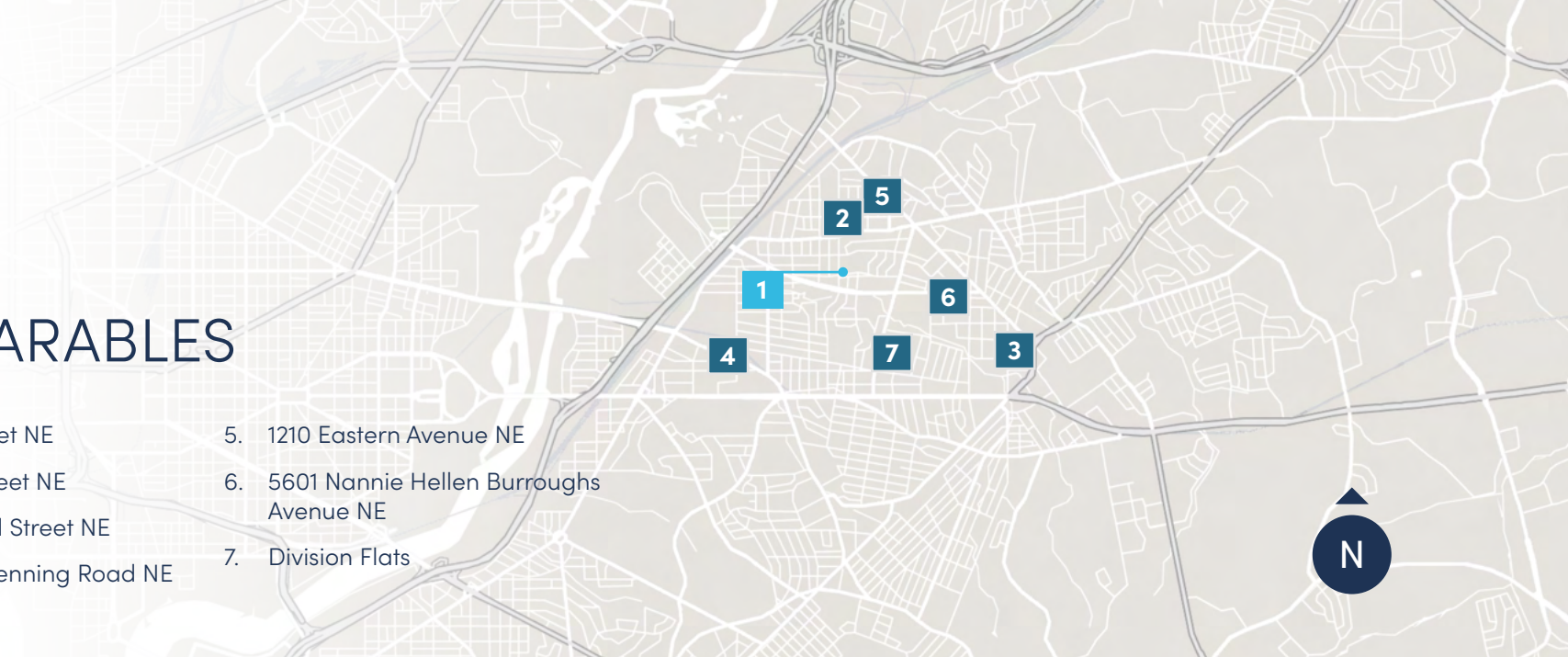
COMMUNITY AMENITIES

Laundry Facilities, 198 Parking Spaces



SALES COMPARABLES

- 1. 801 49th Street NE
- 2. 1035 48th Street NE
- 3. 330-336 63rd Street NE
- 4. 4256-4264 Benning Road NE
- 5. 1210 Eastern Avenue NE
- 6. 5601 Nannie Hellen Burroughs Avenue NE
- 7. Division Flats



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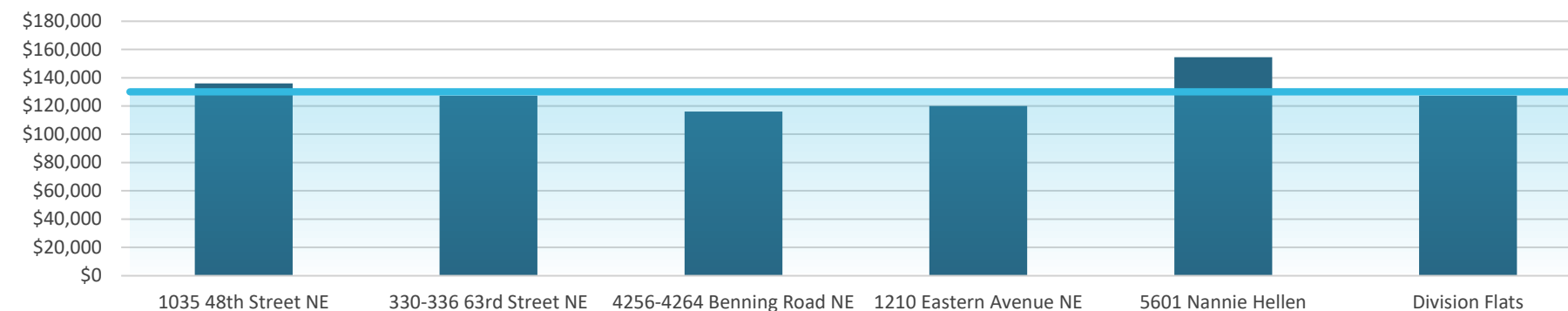
	1	2	3	4	5	6	7
	801 49TH STREET NE	1035 48TH STREET NE	330-336 63RD STREET NE	4256-4264 BENNING ROAD NE	1210 EASTERN AVENUE NE	5601 NANNIE HELLEN BURROUGHS AVENUE NE	DIVISION FLATS
STREET ADDRESS	801 49th Street NE	1035 48th Street NE	330-366 63rd Street NE	4256-4264 Benning Road NE	1210 Eastern Avenue NE	5325 Bass Place SE	307-311 Division Avenue NE
NEIGHBORHOOD	Deanwood	Deanwood	Deanwood	Deanwood	Deanwood	Deanwood	Deanwood
SALES PRICE	-	\$1,632,000	\$2,800,000	\$3,135,525	\$1,680,000	\$1,700,000	\$2,800,000
CLOSE OF ESCROW	-	12/2022	11/1/2022	10/27/2022	10/3/2022	6/29/2022	3/1/2022
NUMBER OF UNITS	14	12	22	27	14	11	22
PRICE/UNIT	-	\$136,000	\$127,273	\$116,131	\$120,000	\$154,545	\$127,273
YEAR BUILT	1953	1951	1955	1954	1959	1957	1955
GROSS SF	13,280	8,640	19,204	24,008	11,742	8,210	18,366
PRICE/GROSS SF	-	\$188.89	\$145.80	\$130.60	\$143.08	\$207.06	\$152.46
ZONING	R-2	R-2	R-2	RA-1	RA-1	R-2	R-2
LOT SF	6,906	7,266	14,000	21,688	13,290	8,015	13,654

SALES COMPARABLES

\$130,204

Average Sale Price/Unit

AVERAGE SALE PRICE/UNIT

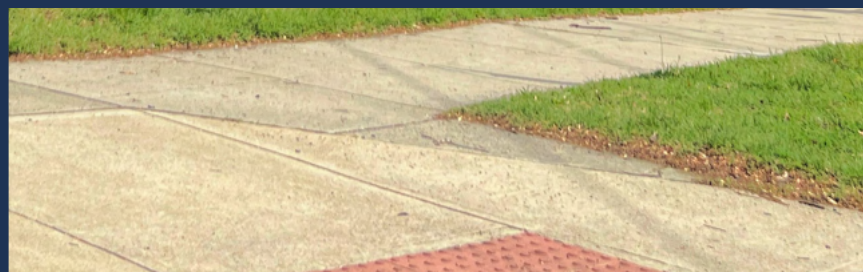


FINANCIAL ANALYSIS



Section 05

Marcus & Millichap
THE ZUPANCIC GROUP



RENT ROLL

UNIT NUMBER*	NUMBER OF BEDROOMS	NUMBER OF BATHROOMS	UNIT TYPE	UNIT SF*	CURRENT RENT*	CURRENT RENT/SF	PRO FORMA RENT	PRO FORMA RENT/SF	RENT TYPE
101	2 Bed	1 Bath	Occupied	775	\$1,230	\$1.59	\$1,230	\$1.59	HCVP
102	2 Bed	1 Bath	Occupied	775	\$1,500	\$1.94	\$1,500	\$1.94	HCVP
103	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
104	2 Bed	1 Bath	Occupied	775	\$1,150	\$1.48	\$1,219	\$1.57	Market
201	2 Bed	1 Bath	Occupied	775	\$1,150	\$1.48	\$1,219	\$1.57	Market
202	2 Bed	1 Bath	Occupied	775	\$1,150	\$1.48	\$1,219	\$1.57	Market
203	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
204	2 Bed	1 Bath	Occupied	775	\$1,184	\$1.53	\$1,184	\$1.53	HCVP
301	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
302	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
303	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
304	2 Bed	1 Bath	Occupied	775	\$1,100	\$1.42	\$1,166	\$1.50	Market
T-1	4 Bed	1 Bath	Occupied	1000	\$2,116	\$2.12	\$2,116	\$2.12	HCVP
T-2	4 Bed	1 Bath	Occupied	1000	\$2,116	\$2.12	\$2,116	\$2.12	HCVP
14	Total/Average			11,300	\$18,196	\$1.61	\$18,799	\$1.64	

*Market Rents are increased 6% on Pro Forma Consistent with DC Rent Control Filings for 2023

*Subsidized Rents are kept the same on Pro Forma

* Unit SF are estimates, buyers should do their own due diligence

INCOME STATEMENT

INCOME	CURRENT	PER UNIT	PRO FORMA	PER UNIT
Gross Potential Rent ¹	\$218,352	\$15,597	\$225,588	\$16,113
Gross Potential Income	\$218,352	\$15,597	\$225,588	\$16,113
Vacancy/Collection Loss ^{2,6}	\$62,241	\$4,446	\$15,791	\$1,128
Concessions ⁷	\$1,080	\$77	-	-
Effective Gross Income (EGI)	\$155,031	\$11,074	\$209,797	\$14,985
EXPENSES ^{3,15}	CURRENT	PER UNIT	PRO FORMA	PER UNIT
Real Estate Taxes ^{4,8}	\$11,107	\$793	\$11,974	\$855
Insurance ⁹	\$11,007	\$786	\$5,950	\$425
Utilities Total	\$19,591	\$1,399	\$20,179	\$1,441
	Utilities - Water & Sewer	\$17,744	\$1,267	\$1,305
	Utilities - Electric	\$1,846	\$132	\$136
Contract Services Total	\$9,135	\$652	\$10,373	\$741
	Contract Services - Trash ¹⁰	\$6,540	\$467	\$250
	Contract Services - Landscape/Snow ¹¹	-	\$1,200	\$86
	Contract Services - Pest Control	\$2,595	\$185	\$191
	Contract Services - Cleaning ¹²	-	\$3,000	\$214
Payroll	\$720	\$51	\$742	\$53
Repairs & Maintenance & Turnover ^{5,13}	\$34,065	\$2,433	\$17,500	\$1,250
Management Fee ¹⁴	\$9,302	\$664	\$12,588	\$899
General & Administrative	\$2,299	\$164	\$2,368	\$169
Licensing & Legal	\$1,380	\$99	\$1,421	\$102
Marketing & Advertising	\$758	\$54	\$781	\$56
Total Expenses	\$99,364	\$7,097	\$83,876	\$5,991
	Expenses Per SF	\$7.48	\$6.32	
	% of EGI	64.09%	39.98%	
Net Operating Income (NOI)	\$55,667	\$3,976	\$125,921	\$8,994

NOTES & ASSUMPTIONS

- Current Gross Potential Rent assumes May 2023 Rents are annualized at full occupancy.
- Vacancy/Collection Loss represents the difference between Gross Potential Rent and Annualized Rent Collection from May 2023 T-5.
- All Current Expenses are annualized from the May 2023 T-5 operating statement.
- Current Real Estate Taxes taken from DC OTR 2023 Tax Bill.
- Current Repairs & Maintenance does not include \$6,045.17 in annualized Equipment Purchases as they are assumed to be CapEx.
- Pro Forma Vacancy/Collection Loss assumes delinquent tenants are bought out and a new owner is able to achieve a market 7% Physical & Economic Vacancy Rate.
- Concessions are assumed to be removed on Pro Forma.
- Pro Forma Real Estate Taxes are calculated based on the 2024 Assessed Value from DC OTR.
- Pro Forma Insurance assumes a market average of \$425/Unit.
- Pro Forma Trash assumes a market average of \$250/Unit.
- Pro Forma Landscape/Snow assumes an average of \$100/Month.
- Pro Forma Cleaning assumes monthly service at \$250/Visit.
- Pro Forma Repairs and Maintenance assumes a market average of \$1,250/Unit based on comparable properties.
- Pro Forma Management Fee assumes 6% of EGI.
- All other expenses assume 3% growth to account for inflation.

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