

Marcus & Millichap
THE ZUPANCIC GROUP

2023

SPRING VALLEY APARTMENTS

OFFERING MEMORANDUM

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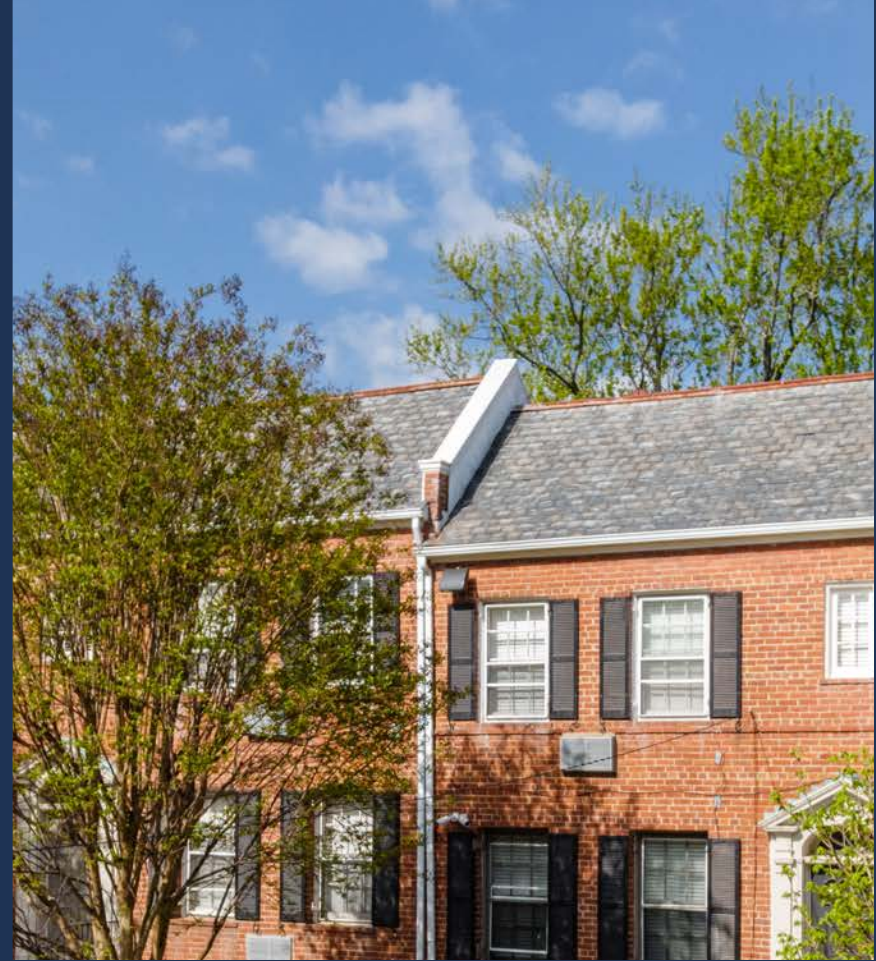
Marcus & Millichap
THE ZUPANCIC GROUP

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EXECUTIVE SUMMARY



Section 01

Marcus & Millichap
THE ZUPANCIC GROUP



THE OFFERING

OFFERING OVERVIEW

As the exclusive listing agent, the Zupanic Group of Marcus & Millichap is pleased to present the opportunity to acquire a rare “turnkey” asset --- the Spring Valley Apartments, a 28-unit student housing / multi-family community --- that is “unimpaired by rent control.”

A student population that moves every year or two allows the rent to be unimpaired by rent control. That is, the rent can be raised 10% per year with each vacancy – which is more than sufficient to be unimpaired. There are no comparable garden-style properties near American University. The Spring Valley Apartments are located between the American University and the Spring Valley retail center --- just a few blocks in either direction. The students indicate that they are 5 minute walk to class or a 5 minute walk to the retail center (restaurants, coffee shops, banks, laundry, gas station, etc.).

The owner has spent roughly two million dollars on capital improvements over the past 10 years. Both the outside (new foam roofs, community decks, stairs, railings, bike racks, floodlights, security cameras), and the inside (AC units, electrical fixtures, flooring, plumbing, electrical, flooring, appliances, etc.) of the property have been upgraded. Consequently, the maintenance expense is relatively minor --- it is largely limited to plumbing stoppages and painting.

In addition to the rent growth potential from improved marketing, solar panels will produce income of roughly \$75,000 to \$100,000 per year. Towards that end, a solar roof design drawing was prepared and high-value polyurethane foam roofs were installed in 2022.

The property generally has a 100% student population and offers the lowest rent for the highest quality apartments. Because the apartments are the only town-house style apartments near the university, there is no low-rise competition --- only 15-story apartment buildings located on the other traffic impaired side of American University. Also, parking is free in the neighborhood versus paid parking at some of the comparable properties.

Improving the market exposure with improved advertising will improve the rents. Word of mouth is often the reason that many students move from the high-rise apartments (Avalon at Foxhall) to the Spring Valley apartments --- town-house living is usually preferred and often commands a premium.

THE ASSET

The property has 28 apartments --- twenty-two 2-bedroom apartments and six 3-bedroom apartments. The apartments are separately metered --the tenants pay for gas (heating and cooking) and electric (cooling and lighting) --- the landlord only pays for water and trash collection. As is the case with all town-house style apartments, some rooms do not have windows and therefore are considered dens versus bedrooms --- but are used as bedrooms. Ten of the apartments are fully furnished, which allow rents to be raised up to \$1,200 per month, if the market will bear the increase. The furniture option allows the opportunity to raise rents independent of the rent control.

THE LOCATION

Spring Valley is a prestigious, high priced residential neighborhood that is removed from the traffic and congestion on the other side of American University. The Spring Valley shopping center has a complete range of stores (CVS, Starbucks, Crate & Barrel, restaurants, gas station, several banks, etc.) that are just a few blocks away. There is free, on-street parking in front of every building --- bike racks between the buildings --- and a reasonable walk to the Tenleytown - AU Metro station.

The landscape has been replaced, enhanced, and upgraded to match the beauty and value of the neighborhood



COMPLETE LIST OF IMPROVEMENTS

INTERIOR IMPROVEMENTS

- LIGHTING
- PLUMBING FIXTURES
- WASHER/DRYER MACHINES
- REFRIGERATORS
- RANGES
- KITCHEN FLOORS - PORCELAIN
- BATHROOM FLOORS - MARBLE
- BUILDING FOYERS - MARBLE

EXTERIOR IMPROVEMENTS

- SECURITY CAMERAS
- FLOODLIGHTS
- HANDRAILS
- BIKE RACKS
- COMMUNITY DECKS
- LANDSCAPING - SHRUBS, TREES, GROUND COVER

INVESTMENT HIGHLIGHTS

INVESTMENT OVERVIEW

Spring Valley Apartments presents an investor with the exciting opportunity to acquire a 28-unit multifamily asset steps from American University with strong rents and minimal capital expenditures necessary



TRACK RECORD OF STRONG RENTS & STEADY CASHFLOW

Spring Valley Apartments boasts an impressive track record of consistently strong rents and steady cashflow. Current ownership's strategic focus on renting to American University students has garnered strong rents (\$3,200-\$4,400 depending on unit mix and finishes) but there is still the ability to increase rents further based on comparable American University housing options. Strong rents coupled with minimal expenses due to the capital that ownership has invested in the building will produce consistent cashflow well into the future.



MAJOR CAPITAL INVESTMENT BY CURRENT OWNERSHIP

Over the past few years, current ownership has invested over \$2 million towards unit renovations and building upgrades. The majority of the units have been upgraded with tile and refinished hardwood floors, new stoves and washer/dryers, and granite countertops. Some of the building upgrades and capital expenditures include: interior paint, brand new landscaping, roof, new plumbing and electrical wiring throughout the building, and more.



SEPARATELY METERED FOR GAS AND ELECTRIC

Spring Valley Apartments is separately metered for gas and electric. Tenants pay for all gas (heating and cooking) and electric (cooling and unit power), passing a majority of the utility burden to the tenants and reducing an investor's uncontrollable expenses.



CLOSE PROXIMITY TO NATIONALLY RANKED UNIVERSITIES AND HOSPITALS

Spring Valley Apartments is steps from American University, a top 100 nationally ranked university, according to U.S. News & World Report. The property is also a 10-minute drive from Georgetown University & Hospital and Sibley Memorial Hospital.



STRONG DEMOGRAPHICS

The area's strong demographics continue to drive nearby housing prices and rental rates. Spring Valley attracts a well-educated workforce, thanks in large part to its proximity to prominent Universities. The average median household income is over \$270,000 and there are over 165,000 people residing within a 3-mile radius of the subject property.



FAVORABLE UNIT MIX

Spring Valley Apartments has a favorable unit-mix: there are 22 two-bedroom units and six (6) three-bedroom units. The mix of two-bedroom and three-bedroom units allows the property to cater to a larger pool of renters than many of the other buildings nearby which carry a heavier mix of studios and one-bedrooms.

SUMMARY OF TERMS

Spring Valley Apartments

INTEREST OFFERED

One hundred percent fee-simple interest in the 28-unit property located at 4000-4013 47th Street NW, Washington, DC 20016.

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



Section 02

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PROPERTY DETAILS

SPRING VALLEY APARTMENTS

4000-4013 47th Street NW, Washington, DC 20016

PROPERTY INFORMATION

Neighborhood	Spring Valley
Units	28
Number of Buildings	6
Gross Square Feet	23,264
Lot Square Feet	28,350
Zoning	R-1-B
Year Built/Renovated	1936/2013
Parcel Number(s) (APN)	1528-0000-0046 1557-0000-0030 1557-0000-0031 1528-0000-0045 1557-0000-0032 1528-0000-0044
Parking	Off-Street Spaces

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

* Property is Separately Metered for Gas & Electric



SPRING VALLEY APARTMENTS UNIT MIX

28

Number of Units

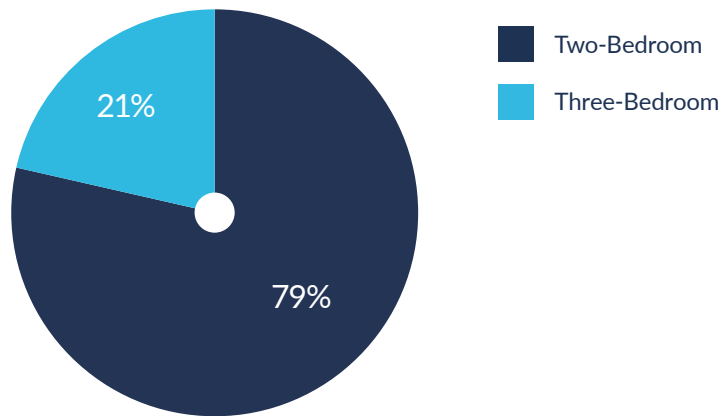
713

Average Unit Size (SF)

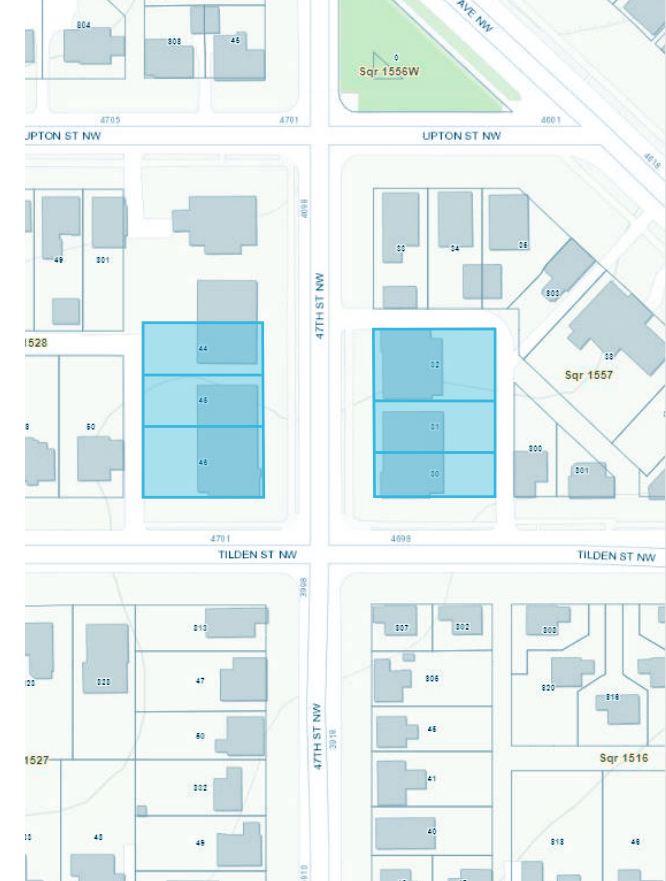
UNIT TYPE	TOTAL UNITS	UNIT SIZE (SF) ¹	CURRENT RENT	CURRENT RENT/SF
Two-Bedroom	22	670	\$3,241	\$4.84
Three-Bedroom	6	870	\$4,210	\$4.84
Total / Average	6	713	\$3,471	\$4.84

* Unit Square Footage taken from American University Student Housing listing. Buyer should conduct their own due diligence.

UNIT TYPES



SPRING VALLEY APARTMENTS



ZONING

DEVELOPMENT STANDARDS								
	Height (ft.) / Stories	Minimum Lot Width (ft.)/Area (sq. ft)	Lot Occupancy	Front Setback	Rear Yard (ft.)	Side Yard (ft.)	Previous Surface (min.)	Zoning Regulation Reference
R-1-B	40	50	40%	No lesser or greater than existing setbacks on the same block	25	8	50%	Subtitle D, Chapter 3
	3	5,000						





AMERICAN
UNIVERSITY

4009 47TH STREET NW

4005 47TH STREET NW

4013 47TH STREET NW

4001 47TH STREET NW

4012 47TH STREET NW

4000 47TH STREET NW

4004 47TH STREET NW

4008 47TH STREET NW



BIRD'S EYE VIEW

Spring Valley Apartments



MARYLAND

BALTIMORE

FREDERICK

GAITHERSBURG

ROCKVILLE

95

97

RESTON

495

BETHESDA

BOWIE

ANNAPOLIS

SPRING VALLEY APARTMENTS

WASHINGTON, DC

ARLINGTON

66

ALEXANDRIA

295

VIRGINIA

95



REGIONAL MAP

Washington, DC MSA



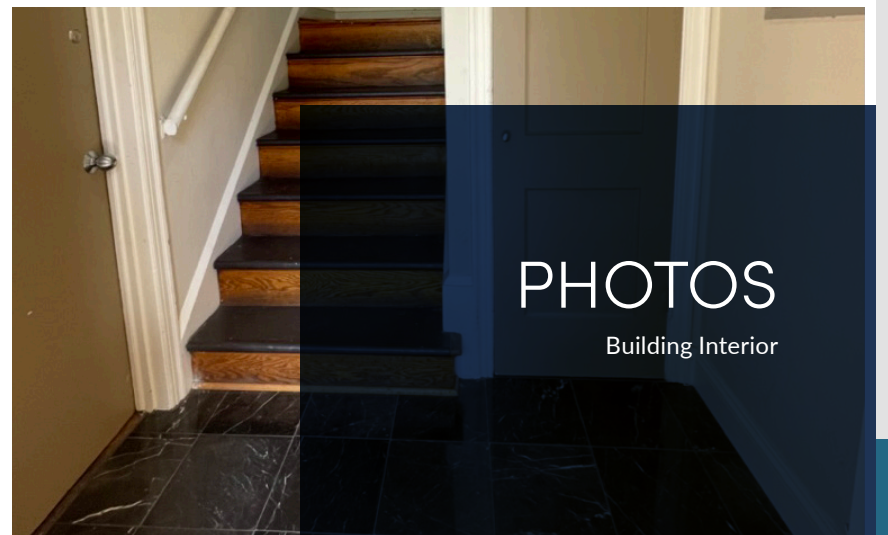




PHOTOS

Building Exterior





PHOTOS
Building Interior

THE LOCATION



Section 03

Marcus & Millichap
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BALTIMORE



DAYTON

MARYLAND

LAUREL

BELTSVILLE

BOWIE

GAITHERSBURG

ROCKVILLE



SILVER SPRING

LARGO

NORTH BETHESDA

WASHINGTON, DC

BETHESDA

ANACOSTIA

SPRING VALLEY



ARLINGTON

TYSONS CORNER

ALEXANDRIA

OXON HILL

LEGATO



ANNANDALE

VIRGINIA



FAIRFAX

SPRINGFIELD



REGIONAL AERIAL

Washington, DC MSA



SPRING VALLEY NEIGHBORHOOD OVERVIEW

SPRING VALLEY OVERVIEW

The Spring Valley neighborhood is located in the Northwestern quadrant of DC. It offers residents a quiet suburban feel while being close to a wide range of amenities and attractions. Spring Valley is one of DC's most affluent residential neighborhoods that features shady, tree-lined streets filled with well-maintained detached homes on spacious lots, providing an alternative to the classic row homes of DC.

Residents can enjoy the outdoors as several parks border the neighborhood, such as Turtle Park, Spring Valley Park, and Battery Kemble Park. Spring Valley is also just a short distance from some of the city's most notable attractions, such as the Smithsonian National Zoo and the National Cathedral. Residents in Spring Valley are also just a short car or metro ride away from Bethesda, home to many national and specialty restaurants and retail options. The area attracts high-income renters and homeowners as Spring Valley property values have shot up recently, with houses routinely selling for around \$2 million. Spring Valley is also

rich in history as it was previously home to several famous residents such as George H.W. Bush, Richard Nixon, Warren Buffett, and Lyndon B. Johnson. It is still a popular neighborhood among DC elites, as owners of the Washington Nationals and several high-profile ambassadors and attorneys currently call Spring Valley home.

AMERICAN UNIVERSITY & NEIGHBORHOOD HIGHLIGHTS

Founded in 1893, American University is located in the heart of Spring Valley. American University is a top-ranked private research university with strong political science, public policy, and international relations programs. There are several notable landmarks within American University, such as the Museum at the Katzen Arts Center, the historic Bender Arena, The School of Education, and the American University Arboretum. The Arboretum features several walking trails and gardens, making it an ideal place to take in Spring Valley's tranquil atmosphere. While Spring Valley is primarily a single-family residential neighborhood, its commercial hub Spring Valley Village is in

the northern part of the neighborhood along Massachusetts Avenue. Anchored by a Crate & Barrel, Spring Valley Village also features local restaurants such as Pizzeria Paradiso, Millie's, Compass Coffee, and the iconic Wagshal's Deli. The mix of college students, young families, and retirees makes Spring Valley a peaceful and attractive neighborhood for residents and investors.

SPRING VALLEY HIGHLIGHTS

- American University
- American University Museum at the Katzen Arts Center
- American University School of Education
- Millie's Restaurant
- Wagshal's Deli & Market
- Crate & Barrel
- CVS Pharmacy
- Starbucks

AMERICAN UNIVERSITY

AMERICAN UNIVERSITY MUSEUM AT THE KATZEN ARTS CENTER

TURTLE PARK

SPRING VALLEY APARTMENTS

AMERICAN UNIVERSITY SCHOOL OF EDUCATION BUILDING



WAGSHAL'S DELI & MARKET

CRATE & BARREL

COMPASS COFFEE

PLAYA BOWLS

BLUESTONE LANE

MILLIE'S SPRING VALLEY

MARKET AERIAL

Spring Valley Apartments



75 WALK SCORE

“VERY WALKABLE”

Most errands can be accomplished on foot.



42 TRANSIT SCORE

“SOME TRANSIT”

A few nearby public transportation options.



53 BIKE SCORE

“BIKEABLE”

Some bike infrastructure.

TRANSIT OVERVIEW

Spring Valley has a suburban neighborhood feel within the northwest quadrant of Washington, DC. It’s walker-friendly, with a Walk Score of 75, and most errands and recreation in the surrounding area can be reached on foot. Massachusetts Avenue NW runs from Hill East through Dupont Circle, Cathedral Heights, Spring Valley, and across the Maryland line. In addition, there are designated bike lanes on Massachusetts Avenue NW leading to American University and throughout Spring Valley through Cleveland Park to the Cleveland Park Metro. Spring Valley also has access to the Tenleytown American University stop along Wisconsin Avenue. Massachusetts Avenue NW, Connecticut Avenue NW, and Wisconsin Avenue NW are popular commuter roads with direct access to downtown Washington, DC, and beyond North Bethesda in Montgomery County, Maryland. The Metrobus has stops along Massachusetts Avenue NW and Connecticut Avenue NW (adjacent to the Metrorail’s Red Line).

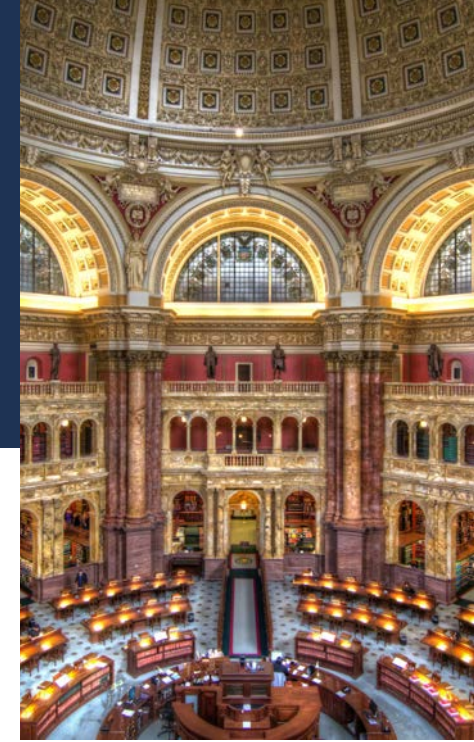
VARIETY OF TRANSIT OPTIONS

- 5-minute walk to Spring Valley Shopping Center
- Steps from Massachusetts Avenue
- 15-minute drive to Dupont Circle
- 10-minute drive to Bethesda, Maryland
- 20-minute drive to Amazon HQ2
- 1.3 miles to the Tenleytown American University Metro Station (Red Line)
- 2 blocks from American University
- Metrobus stops along Massachusetts Avenue NW, New Mexico Avenue NW, and Wisconsin Avenue NW
- Two Capitol Bikeshare locations 0.5 miles away
- 0.5 miles from Maryland Line
- 4 blocks from Spring Valley Retail Center



TRANSIT AERIAL

Spring Valley



MAJOR EMPLOYERS IN THE AREA

The Washington Metropolitan Area has one of the largest, most stable, and steadily growing job markets in the United States. The region is anchored by the stable and steadily growing federal government and related regulatory ecosystems. This is evident in Spring Valley, as 20% of the neighborhood's workforce are government employees. Increasingly powered by big tech, biosciences, and national headquarters for hospitality and advisory firms, the region's economy attracts and employs a deep and diverse range of highly trained professionals. Spring Valley is at the center of all of this. The combination of lifestyle amenities, historic, walkable neighborhood charm, and easy access to regional transportation make Spring Valley a first-tier choice for residents.

Spring Valley is one of the most highly educated neighborhoods in the nation, with 85% of residents having a bachelor's degree and 54% having an advanced degree. Nearby universities include American University, Georgetown University, George Washington University, Johns Hopkins University, Virginia Tech (NOVA), and the Catholic University of America.

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 Amlaw100 law firms
- Amazon HQ2 & Amazon Web Services
- Headquarters or major office for nearly every leading consulting firm, including McKinsey & Company, Booz Allen Hamilton, Garner, Deloitte, CACI, Accenture
- Headquarters for U.S. Department of Defense (Pentagon) and major defense contractors, including Raytheon and 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, George Washington University Hospital, Children's National, Sibley Memorial Hospital, Howard University Hospital, Medstar Washington Hospital Center, Virginia Hospital Center, INOVA Fairfax Hospital

Median Household Income (1 Mile Radius)

\$207,567

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

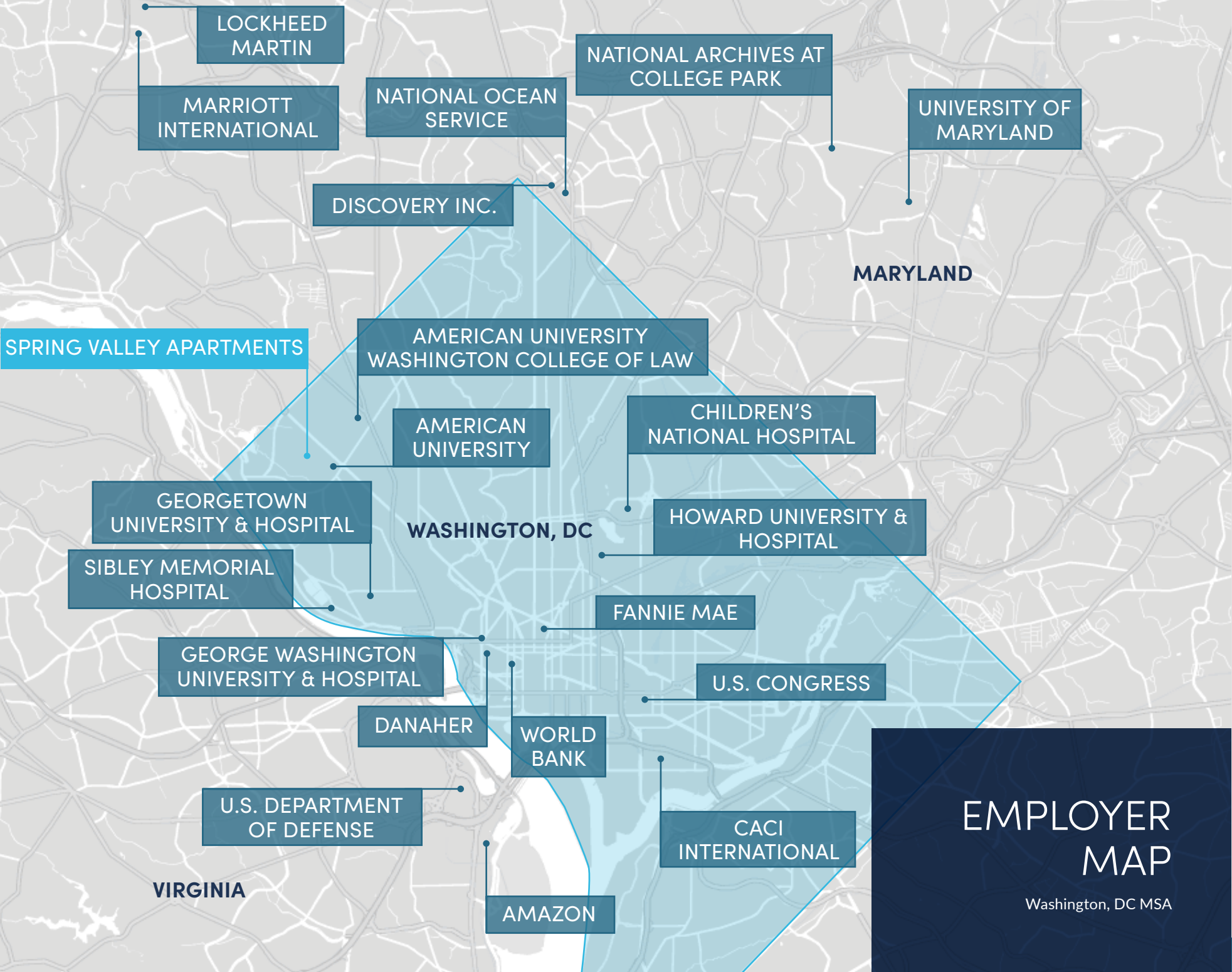
36.0%

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

59.7%

Population Within One-Mile Of Spring Valley Apartments That Obtained A Bachelor's Degree Or Higher

89.9%



MARYLAND

WASHINGTON, DC

VIRGINIA

EMPLOYER MAP

Washington, DC MSA



" In a time of unprecedented challenges, the American University community steps up to take on issues and make an impact. At AU, we learn, research, and work to spark positive change in our neighborhood and world."



AMERICAN UNIVERSITY

A Leader Among Washington, DC Universities in Global Education



AMERICAN UNIVERSITY IS JUST 2 BLOCKS FROM SPRING VALLEY APARTMENTS



AMERICAN UNIVERSITY IS A TOP 100 NATIONALLY RANKED UNIVERSITY (US NEWS & WORLD REPORT)



AMERICAN UNIVERSITY TOTAL ENROLLMENT OF OVER 21,000 STUDENTS PROVIDES STABLE TENANT BASE

AMERICAN UNIVERSITY OVERVIEW

American University, located in the vibrant heart of Washington, DC, stands as a prominent institution of higher learning renowned for its commitment to academic excellence and civic engagement. Founded in 1893, American University has consistently upheld its mission to prepare students for meaningful careers and responsible citizenship in a globalized world. With a diverse and dynamic student body representing all 50 states and over 140 countries, AU fosters a rich tapestry of perspectives and experiences, creating an inclusive and intellectually stimulating environment.

At American University, students are encouraged to explore their passions and engage in rigorous academic inquiry. The university offers a wide range of undergraduate, graduate, and professional

programs across various disciplines, from the arts and humanities to the sciences and international affairs. Its esteemed faculty comprises experts in their fields who are dedicated to fostering critical thinking, research, and community involvement. Beyond the classroom, AU's location in the nation's capital provides unparalleled opportunities for internships, networking, and involvement in public policy, making it an ideal destination for those aspiring to make a positive impact on society. With a commitment to sustainability, social justice, and global awareness, American University continues to empower its students to become leaders and change-makers in an ever-evolving world.

AREA DEMOGRAPHICS

Spring Valley Apartments is located in the Spring Valley neighborhood of Washington DC, which boasts a highly educated workforce, low unemployment rate, and one of the country's highest median household incomes.

VIRGINIA

MARYLAND

DC

	ONE-MILE RADIUS	THREE-MILE RADIUS	FIVE-MILE RADIUS
Total Population (2022)	19,137	165,724	609,712
Projected Population (2027)	18,588	167,016	617,491
Population Density	6,324	6,020	8,059
Population Median Age	31	40	37
Median Household Income	\$207,567	\$160,672	\$129,366
Bachelor's Degree (Minimum)	89.9%	88.5%	78.6%
Age (Under 15)	19.9%	15.9%	14.9%
Age (15-24)	24.7%	13.9%	12.9%
Age (25-44)	15.7%	25.9%	35.5%
Age (45-64)	23.7%	24.9%	22.7%
Age (Over 65)	16.0%	19.4%	14.0%
Means of Transportation (Car)	40.1%	40.8%	36.5%
Means of Transportation (Other)	59.9%	59.2%	63.5%



3.6%

National Unemployment Rate



2.7%

DC Metro Area Unemployment Rate



28.6% LOWER

DC Metro Area Unemployment Rate vs. National Unemployment Rate

Sources: US Census Bureau American Communities Survey 2018 and Bureau of Labor Statistics, June, 2023



SPRING VALLEY APARTMENTS

ONE-MILE RADIUS

THREE-MILE RADIUS

FIVE-MILE RADIUS

MARKET COMPARABLES



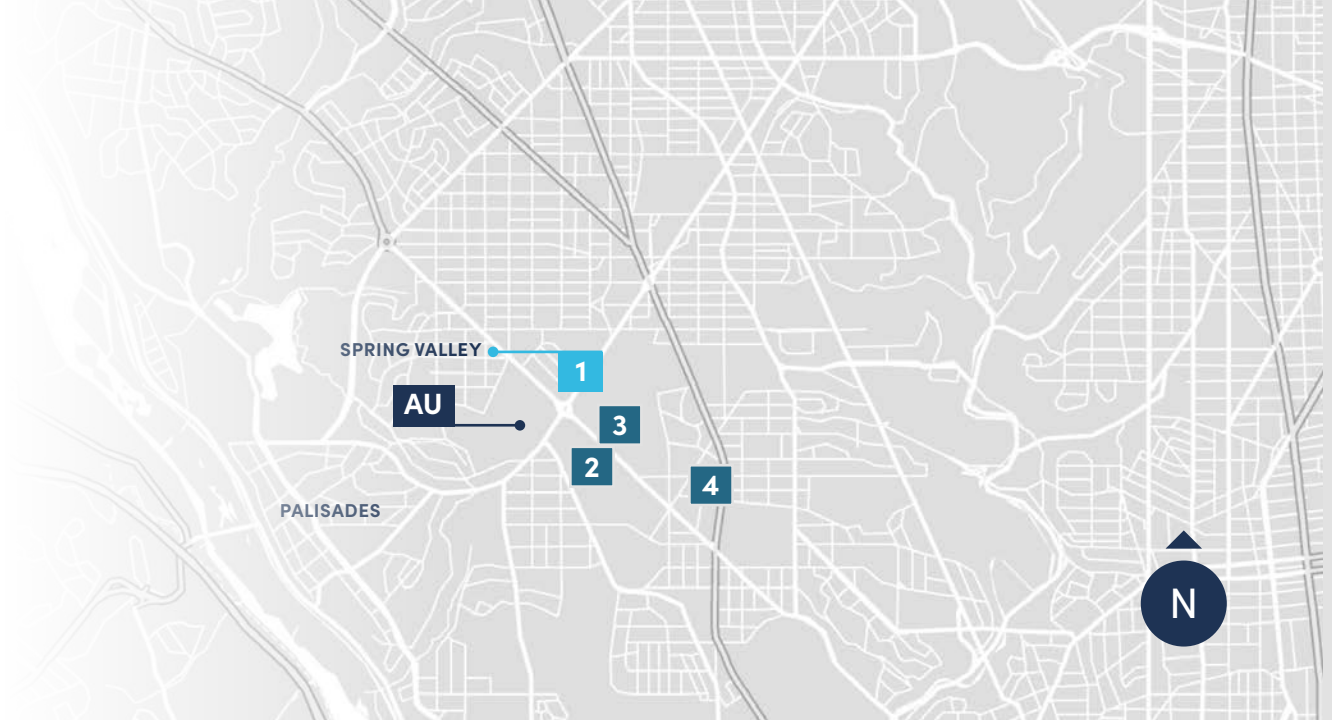
Section 03

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RENT COMPARABLES

1. Spring Valley Apartments
2. Avalon at Foxhall
3. The Berkshire
4. The Elaine



	1	2	3	4
	SPRING VALLEY APARTMENTS	AVALON AT FOXHALL (FURNISHED)	THE BERKSHIRE	THE ELAINE
STREET ADDRESS	4000-4013 47th Street NW	4100 Massachusetts Avenue NW	4201 Massachusetts Avenue NW	3210 Wisconsin Avenue NW
NEIGHBORHOOD	Spring Valley	Cathedral Heights	Cathedral Heights	Cathedral Heights
OCCUPANCY (%)	75.0%	91.1%	84.2%	92.0%
YEAR BUILT/RENOVATED	1936/2013	1982	1950	1954
MANAGEMENT COMPANY	Knox Properties	AvalonBay	Gables Residential	Gelman Company
NUMBER OF UNITS	28	308	757	40
BUILDING CLASS	B	B	B	C+
AVERAGE RENT/UNIT	\$3,448	\$5,047	\$3,957	\$3,548
AVERAGE UNIT SIZE (SF)	713	1,225	1,142	1,137
DISTANCE FROM SUBJECT (MILES)	0	0.8	0.7	1.24



SPRING VALLEY APARTMENTS

4000-4013 47TH STREET NW, WASHINGTON, DC 20016

UNIT TYPE	UNITS	UNIT SIZE (SF)	CURRENT RENT
Two-Bedroom	22	670	\$3,241
Three-Bedroom	6	870	\$4,210
Total / Average	28	713	\$3,471

AMENITIES & FEATURES

BUILDING CLASS

B

YEAR BUILT/RENOVATED

1936/2013

NEIGHBORHOOD

Spring Valley

UTILITIES

Heating: Gas (Paid By: Tenant)

Cooking: Gas (Paid By: Tenant)

Cooling: Electric (Paid By: Tenant)

Hot Water: Gas (Paid By: Tenant)

Water & Sewer: (Paid By: Landlord)

UNIT FEATURES

Hardwood Flooring, Renovated Kitchens, Separate Heating And Cooling, Washer/ Dryer In-Unit

COMMUNITY AMENITIES

Community Backyard. Deck, Grills, Bike Racks

RENT COMPARABLES

Spring Valley Apartments is located in the Spring Valley neighborhood of DC, which boasts a highly educated workforce, low unemployment, and a very high median household income.

SPRING VALLEY APARTMENTS

4000-4013 47th Street NW, Washington, DC 20016



UNIT TYPE	UNITS	SIZE (SF)	CURRENT RENT/UNIT
Two Bedroom	22	670	\$3,241
Three Bedroom	6	870	\$4,210
Total / Average	28	713	\$3,471

AMENITIES & FEATURES

BUILDING CLASS

B

YEAR BUILT/RENOVATED

1936/2013

NEIGHBORHOOD

Spring Valley

UNIT FEATURES

Hardwood Flooring, Renovated Kitchens, Separate Heating And Cooling, Washer/Dryer In-Unit

COMMUNITY AMENITIES

Community Backyard, Deck, Grills, Bike Racks

UTILITIES

Heating: Gas (Paid By: Tenant)

Cooking: Gas (Paid By: Tenant)

Cooling: Electric (Paid By: Tenant)

Hot Water: Gas (Paid By: Tenant)

Water & Sewer: (Paid By: Landlord)

AVALON AT FOXHALL

4100 Massachusetts Avenue NW, Washington, DC



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT
Two Bedroom (Furnished)	46	1,130-1,280	\$4,769-\$5,229
Three Bedroom (Furnished)	8	1,340	\$5,326
Total / Average	54	1,225	\$5,047

AMENITIES & FEATURES

BUILDING CLASS

B

YEAR BUILT

1982

NEIGHBORHOOD

Cathedral Heights

UNIT FEATURES

Vinyl Plank Flooring & Carpet throughout, Balcony, Washer/Dryer in Unit

COMMUNITY AMENITIES

Pool, Fitness Center, Package Concierge, Spa, Covered Parking 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)

33TOTAL

Units in the Spring Valley submarket

0TOTAL

Units under construction

0%TOTAL

Units in development relative to the existing number of units

THE BERKSHIRE

4201 Massachusetts Avenue NW, Washington, DC 20016



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT
Two Bedroom	88	1,000-1,200	\$3,509- \$4,240
Three Bedroom	8	1,600	\$4,860
Total / Average	96	1,142	\$3,957

AMENITIES & FEATURES

BUILDING CLASS

B

YEAR BUILT

1950

NEIGHBORHOOD

Cathedral Heights

UNIT FEATURES

High Ceilings, Hardwood Floors, Granite Countertops, Updated Appliances

COMMUNITY AMENITIES

Game Room, Concierge Service, Bike Storage, Resident Courtyard, Free Outdoor Parking, Controlled Access, Fitness Center

UTILITIES

Heating: Gas (Paid By: Landlord)

Cooking: Gas (Paid By: Landlord)

Cooling: Electric (Paid by Landlord)

Hot Water: Gas (Paid By: Landlord)

Water & Sewer (Paid By: Landlord)

THE ELAINE

3210 Wisconsin Avenue NW, Washington, DC 20016



UNIT TYPE	UNITS	SIZE (SF)	RENT/UNIT
Two Bedroom	40	1,081-1,192	\$3,548
Total / Average	40	1,137	\$3,548

AMENITIES & FEATURES

BUILDING CLASS

C+

YEAR BUILT

1954

NEIGHBORHOOD

Cathedral Heights

UNIT FEATURES

Hardwood Floors, Granite Countertops, Stainless Steel Appliances, Upgraded Cabinets, Oversized Windows, Washer/Dryer in Select Units

COMMUNITY AMENITIES

Package Room, Laundry Facilities, Valet Dry Cleaning Service, Controlled Access

UTILITIES

Heating: Gas (Paid By: Landlord)

Cooking: Gas (Paid By: Landlord)

Cooling: Electric (Paid by Landlord)

Hot Water: Gas (Paid By: Landlord)

Water & Sewer (Paid By: Landlord)

RENT COMPARABLES

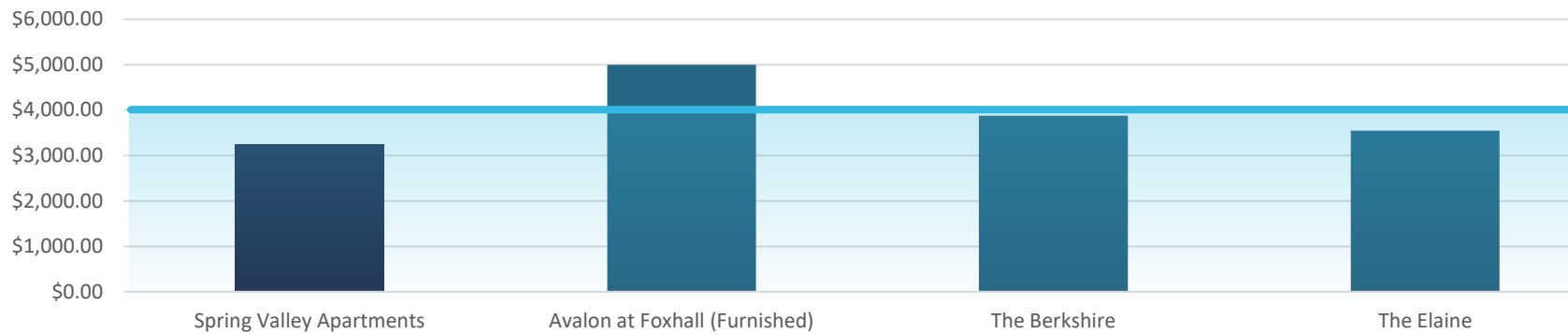
\$4,001

Average Two-Bedroom
Rent/Unit

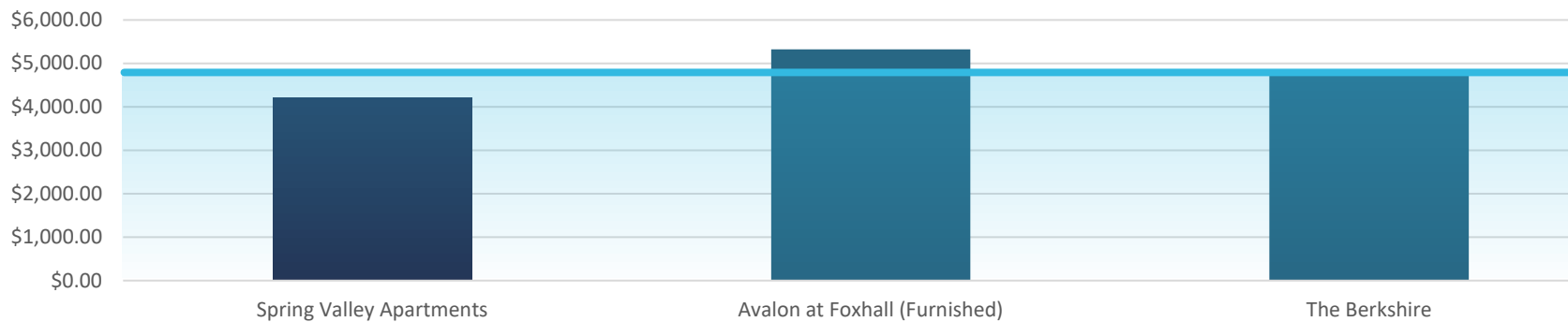
\$4,799

Average Three-Bedroom
Rent/Unit

AVERAGE TWO-BEDROOM RENT/UNIT



AVERAGE THREE-BEDROOM RENT/UNIT



FINANCIAL ANALYSIS



Section 04

Marcus & Millichap
THE ZUPANCIC GROUP



RENT ROLL

BUILDING ADDRESS	UNIT NUMBER	NUMBER OF BEDROOMS	NUMBER OF BATHROOMS	OCCUPANCY STATUS	UNIT TYPE	FURNISHED	UNIT SF ¹	CURRENT RENT	CURRENT RENT/SF	PRO FORMA RENT ²	PRO FORMA RENT/SF	MOVE-IN	LEASE EXPIRATION
4000	1	3 Bed	1 Bath	Occupied	Flat	Furnished	870	\$4,400	\$5.06	\$4,400	\$5.06	12/15/2023	12/15/2024
4000	3	3 Bed	1 Bath	Occupied	Flat	Furnished	870	\$4,350	\$5.00	\$4,400	\$5.06	8/26/2023	8/25/2024
4000	4	2 Bed	1 Bath	Vacant	Flat	-	670	-	\$0.00	\$3,600	\$5.37	-	-
4001	1	2 Bed	1 Bath	Vacant	Flat	-	670	-	\$0.00	\$3,600	\$5.37	-	-
4001	2	3 Bed	1 Bath	Occupied	Flat	-	870	\$4,000	\$4.60	\$4,400	\$5.06	8/1/2023	7/31/2024
4001	3	2 Bed	1 Bath	Vacant	Flat	-	670	-	\$0.00	\$3,600	\$5.37	-	-
4001	4	3 Bed	1 Bath	Occupied	Flat	Furnished	870	\$4,400	\$5.06	\$4,400	\$5.06	8/1/2023	7/31/2024
4004	1	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,200	\$4.78	\$3,600	\$5.37	8/1/2023	7/31/2024
4004	2	2 Bed	1 Bath	Vacant	Flat	-	670	-	\$0.00	\$3,600	\$5.37	-	-
4004	3	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,450	\$5.15	\$3,600	\$5.37	8/15/2023	6/14/2024
4005	1	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	8/15/2023	8/14/2024
4005	2	2 Bed	1 Bath	Vacant	Flat	-	670	-	\$0.00	\$3,600	\$5.37	-	-
4005	3	2 Bed	1 Bath	Occupied	Flat	Furnished	670	\$3,400	\$5.07	\$3,600	\$5.37	8/15/2023	5/14/2024
4005	4	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,300	\$4.93	\$3,600	\$5.37	8/15/2023	8/14/2024
4008	1	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	8/1/2023	7/31/2024
4008	2	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	8/1/2023	7/31/2024
4008	3	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	6/1/2023	5/31/2024
4008	4	2 Bed	1 Bath	Occupied	Flat	Furnished	670	\$3,400	\$5.07	\$3,600	\$5.37	8/1/2023	7/31/2024
4009	1	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	9/1/2023	8/31/2024
4009	2	2 Bed	1 Bath	Occupied	Flat	Furnished	670	\$3,400	\$5.07	\$3,600	\$5.37	8/1/2023	7/31/2024
4009	3	2 Bed	1 Bath	Occupied	Flat	Furnished	670	\$3,300	\$4.93	\$3,600	\$5.37	8/1/2023	5/31/2024
4012	1	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,200	\$4.78	\$3,600	\$5.37	8/1/2023	7/31/2024
4012	2	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,000	\$4.48	\$3,600	\$5.37	MTM	MTM
4012	3	2 Bed	1 Bath	Occupied	Flat	Furnished	670	\$3,800	\$5.67	\$3,600	\$5.37	8/15/2023	5/14/2024
4012	4	2 Bed	1 Bath	Occupied	Flat	-	670	\$3,400	\$5.07	\$3,600	\$5.37	9/1/2023	8/31/2024
4013	1	3 Bed	1 Bath	Occupied	Flat	-	870	\$4,000	\$4.60	\$4,400	\$5.06	8/1/2023	7/31/2024
4013	3	3 Bed	1 Bath	Occupied	Flat	Furnished	870	\$4,300	\$4.94	\$4,400	\$5.06	9/1/2023	8/31/2024
4013	4	2 Bed	1 Bath	Vacant	Flat	Furnished	670	-	\$0.00	\$3,600	\$5.37	-	-
Total/ Average	28					10	19,960	\$77,300	\$4.85	\$105,600	\$5.31		

¹ Unit Square Footage taken from American University Student Housing listing

² Pro Forma Rents assume new ownership will spend on average \$7,500 per unit to furnish the remaining unfurnished units (an additional ~\$150K cost post-closing).

INCOME STATEMENT

INCOME		CURRENT	PER UNIT	PRO FORMA	PER UNIT
Gross Potential Rent (1)		\$1,158,000	\$41,357	\$1,267,200	\$45,257
Gross Potential Income		\$1,158,000	\$41,357	\$1,267,200	\$45,257
Vacancy (2), (3)		\$230,400	\$10,114	\$50,688	\$1,810
Effective Gross Income (EGI)		\$927,600	\$31,243	\$1,216,512	\$43,447
EXPENSES		CURRENT	PER UNIT	PRO FORMA	PER UNIT
Real Estate Taxes		\$65,100	\$2,325	\$65,100	\$2,325
Insurance (4)		\$12,000	\$429	\$14,000	\$500
Utilities Total		\$30,240	\$1,080	\$31,147	\$1,112
Utilities - Water & Sewer		\$30,240	\$1,080	\$31,147	\$1,112
Contract Services Total		\$22,168	\$792	\$24,873	\$888
Contract Services - Trash (5)		\$12,000	\$429	\$8,400	\$300
Contract Services - Landscape/Snow		\$7,200	\$257	\$7,416	\$265
Contract Services - Pest Control		\$1,768	\$63	\$1,821	\$65
Contract Services - Cleaning (6)		\$0	\$0	\$6,000	\$214
Contract Services - Security / Internet		\$1,200	\$43	\$1,236	\$44
Payroll / Leasing (7)		\$0	\$0	\$39,000	\$1,393
Repairs & Maintenance & Turnover (8)		\$24,400	\$871	\$25,000	\$893
Management Fee (9)		\$46,380	\$1,562	\$48,660	\$1,738
Administrative, Legal, Supplies (10)		\$0	\$0	\$7,000	\$250
Marketing & Advertising (11)		\$13,200	\$471	\$14,000	\$500
Total Expenses		\$213,488	\$7,530	\$268,781	\$9,599
Expenses Per SF		\$9.18		\$11.56	
% of EGI		23.02%		22.09%	
Net Operating Income (NOI)		\$714,112	\$23,713	\$947,731	\$33,848
Reserves		\$0	\$0	\$7,000	\$250

NOTES AND ASSUMPTIONS

1. Current Gross Potential Rent reflects how the property could operate at full occupancy based on current rents
2. Current Vacancy is the difference between the Gross Potential Rent at full occupancy and the annualized collections from the September Rent Roll
3. Pro Forma Vacancy assumes submarket average of 4%
4. Pro Forma Insurance assumes market average of \$500/Unit
5. Pro Forma Trash assumes a market average of \$300/Unit based on comparable properties
6. Pro Forma Cleaning assumes monthly service at \$500/Visit for common areas and exterior (all buildings)
7. Pro Forma Payroll and Leasing assumes that one leasing manager is hired at \$25/hour with an average of 30 hours per week
8. Pro Forma Repairs and Maintenance assumes \$400 per turnover for furnished units and \$600 per turnover for unfurnished units consistent with historical operations
9. Pro Forma Management Fee set to 4% of EGI based on comparable properties
10. Pro Forma Administrative, Legal, & Supplies set to market average of \$250 per unit based on comparable properties
11. Pro Forma Marketing & Advertising assumes an increased advertising budget of \$500/Unit to attract student housing tenants
12. All other expenses increased 3% on Pro Forma



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