

Development Summary

Location
Seat Pleasant, Maryland

Lot Size
150,544 SF (3.38 acres)

Zoning
M-U-1 (Mixed Use Infill)

Program
Mixed-Use Multifamily with Retail

Dwelling Units
130

Underground Parking
157 spaces

Ground floor Retail
25,000 SF



UNIT MIX

Unit Type	# of Units	Rent/SF	Monthly Rent
Studio	25	\$2.08	\$1,250
1-Bedroom	41	\$1.81	\$1,450
2-Bedroom	37	\$1.50	\$1,800
3-Bedroom	27	\$1.36	\$2,175

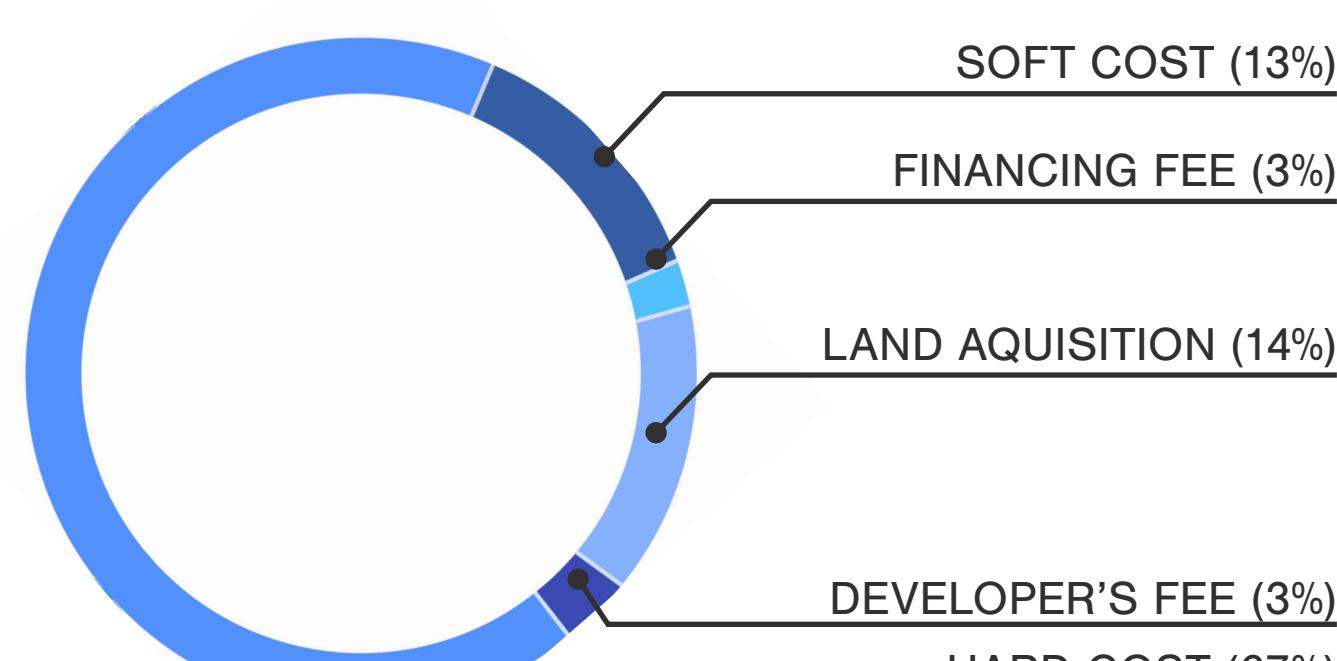
RETAIL MIX

Unit Type	Unit Size	Rent/SF	Yearly Rent
Tenant 1	9000 SF	\$25.00	\$225,000
Tenant 2	9000 SF	\$24.50	\$220,500
Tenant 3	2500 SF	\$23.00	\$57,500
Tenant 4	2500 SF	\$21.50	\$53,750
Tenant 5	2000 SF	\$22.50	\$45,000

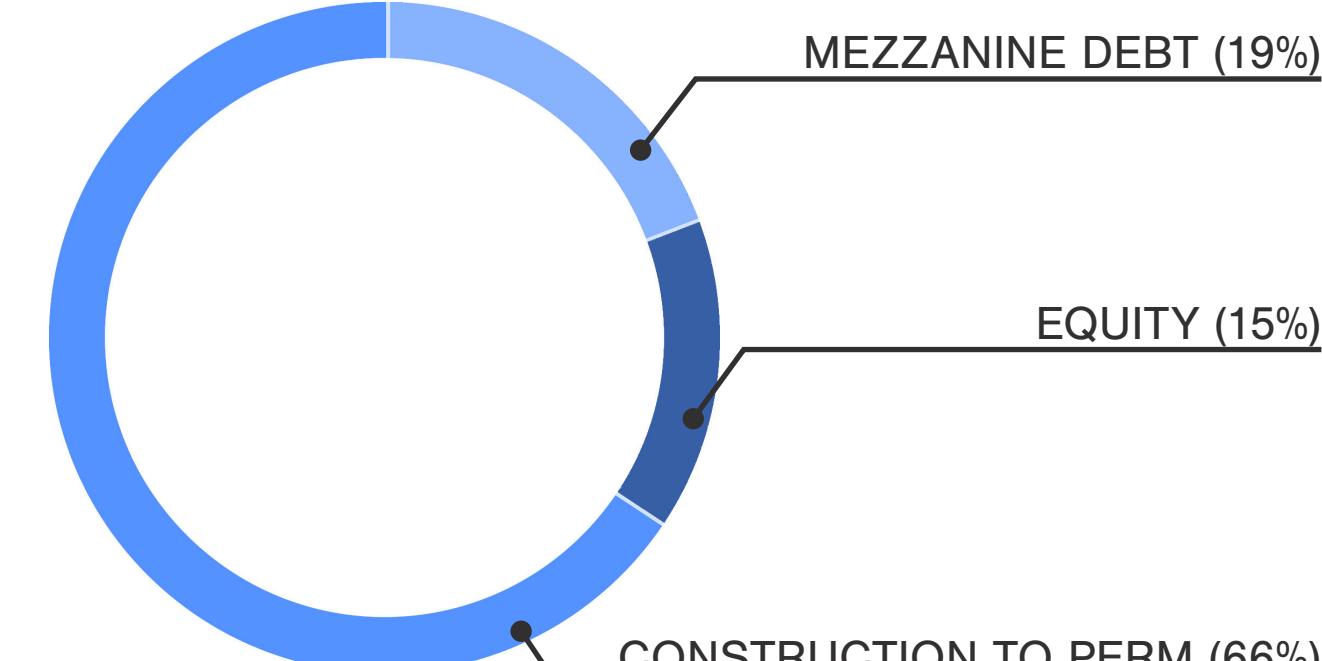
CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5
EGI	\$4,129,707	\$4,299,707	\$4,379,979	\$4,462,081	\$4,546,055
Operating Expenses	\$892,496	\$911,326	\$930,577	\$950,260	\$970,385
Net Operating Income	\$3,237,211	\$3,388,381	\$3,449,401	\$3,511,820	\$3,575,671
Debt Service	(\$1,556,028)	(\$2,054,588)	(\$2,054,588)	(\$2,054,588)	(\$2,054,588)
Debt Service Ratio	1.08	1.65	1.68	1.71	1.74

USES



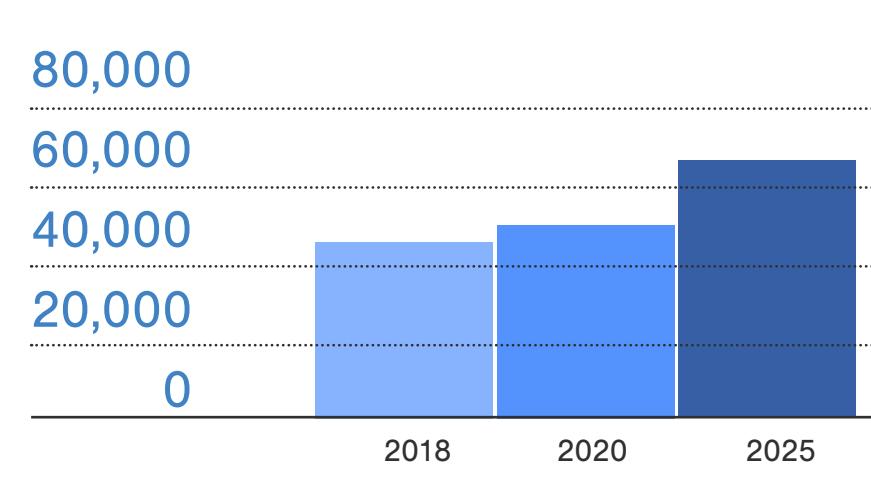
SOURCES



RETURN

Equity Multiple	3.39
IRR	53%
Return on Investment	15%
Cash on Cash	47%
Yield	6%

MEDIAN INCOME



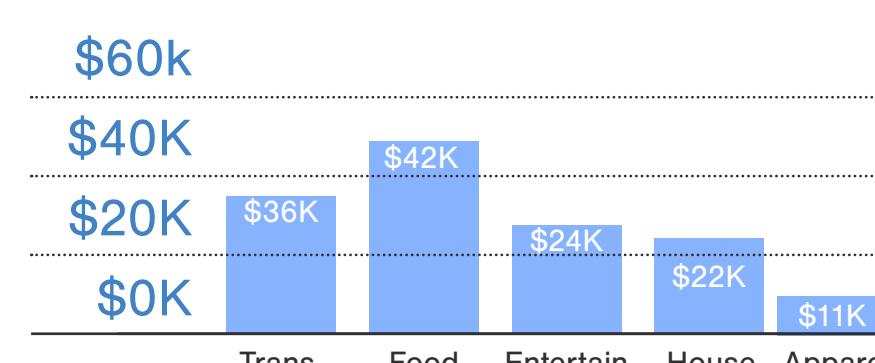
VALUATION

Year 6 NOI	\$3,640,986
Exit Cap Rate	6.50%
Value of Property	\$52,014,089
4% Selling Cost	\$2,080,564
Sale Proceeds	\$49,933,526
Outstanding Mortgage	\$25,365,602
Pre-Tax Profit on Sales	\$24,567,924

DISTRIBUTION

Sponsor 1 90%	\$22,111,132
Sponsor 2 10%	\$2,456,792

CONSUMER SPENDING



WIRED
SPRING 2021

THE RAILS

Crossing Over Into A New Destination

Kia Smith

The Rails is a mixed-use development located in the midpoint of Seat Pleasant. This development will consist of 130 market rate units in 3, 4-story buildings. The ground floor will be home to 4 retail tenants, with a pharmacy as lead anchor tenant. There will also be a public

space, available for local residents to rent and part of the revenue generated will go towards a scholarship for community service. The Rails will attract workers from D.C., who chose not to pay the high rents, but still want to live in a high-end complex and the next generation of 18 & over

kids looking to establish themselves in society. This development will enhance the current retail and multifamily market which is currently undersupplied in Seat Pleasant. The Rails will complement the existing Master Plan for Seat Pleasant and bring a new, refreshing look to Seat Pleasant.



Credits

Instructor: Tanya Bansal
Mentor: Jerry Dawson & Timur Ryspekov
Program Director: Maria Day-Marshall
Architect: Michael Fischer