



DEVELOPMENT SUMMARY

GENERAL

Location	5922 Martin Luther King Jr. HWY, Seat Pleasant, MD
Lot Size	3.39 acres
Zoning	M-U-I Zone
Program	Mixed-Use Multi-Family with Commercial Office and Retail
Total Dwelling Units	159 Units
Total Parking Space	277 Spaces
Commercial Retails	41,000 SF

UNIT MIX

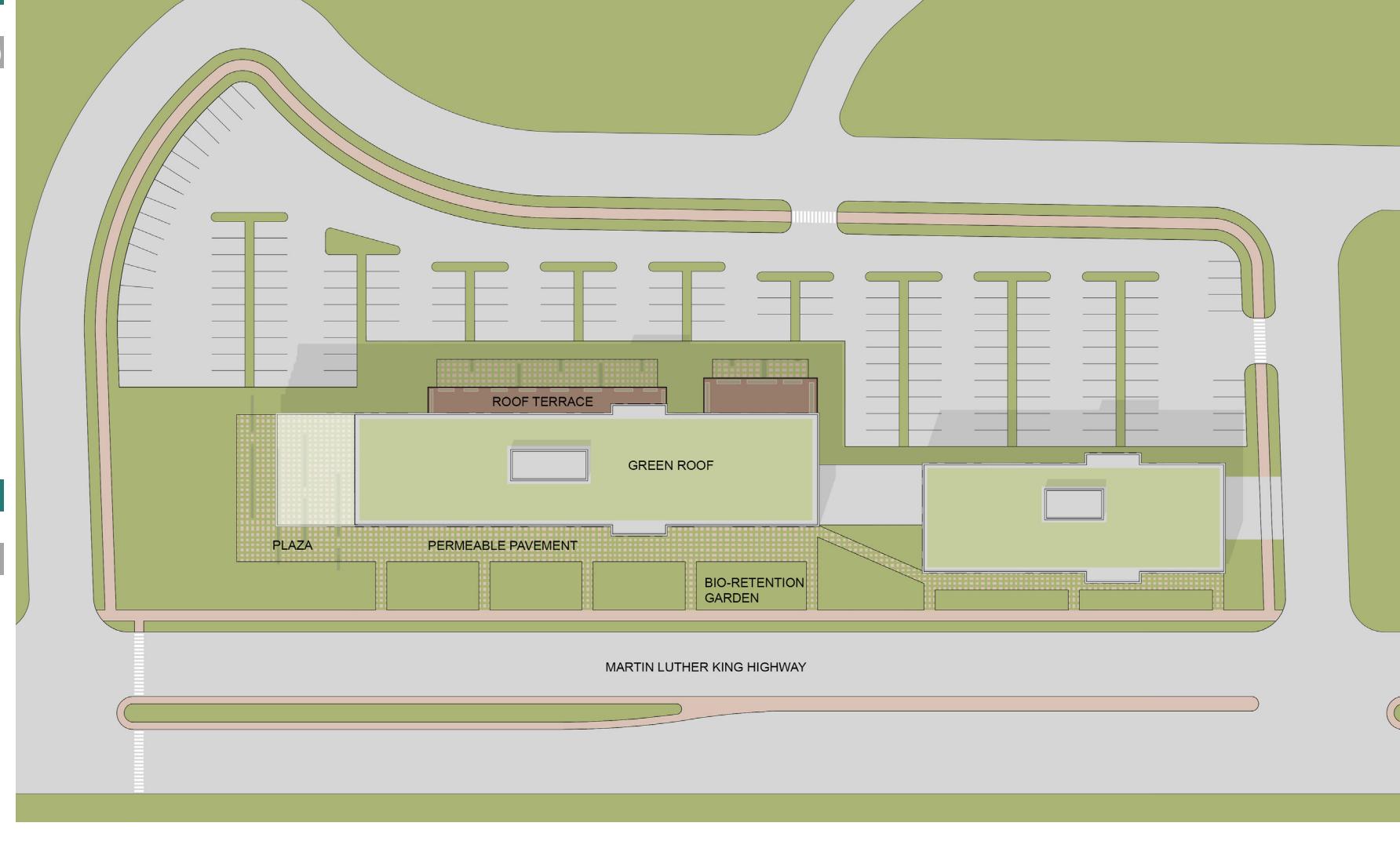
UNIT TYPE	QTY	SF	RENT/SF	RENT (Monthly)
Studio (Long-term)	12	552	2.20 \$	1,214
One Bedroom (Long-term)	36	720	2.08 \$	1,498
Two Bedroom (Long-term)	54	960	2.20 \$	2,112
Three Bedroom (Long-term)	12	1,200	2.10 \$	2,520
Studio (Flexible)	15	552	2.42 \$	1,336
One Bedroom (Flexible)	20	720	2.29 \$	1,647
Two Bedroom (Flexible)	10	960	2.42 \$	2,323
<i>Subtotal / Avg.</i>	<i>159</i>	<i>824.3</i>	<i>2.20 \$</i>	<i>1,818</i>

USES OF FUNDS

FINANCIAL SUMMARY	COST
Acquisition Cost	\$ 8,016,126
Hard Costs	\$ 24,607,816
Architect / Engineer Fees	\$ 1,922,486
Soft Costs	\$ 8,934,981
Developer Fee	\$ 1,153,491
Contingency	\$ 1,830,939
Financing Cost	\$ 1,691,356
Total	\$ 48,157,194

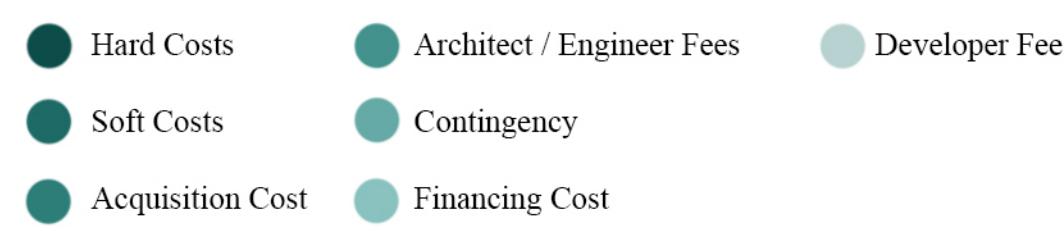
SOURCES OF FUNDS

FINANCIAL SUMMARY	COST
Developer Equity	\$ 2,196,905
Investor Equity	\$ 8,787,619
Bank Permanent Loan	\$ 37,172,670
Total	\$ 48,157,194



\$48M

\$48M



RETAIL PARAMETERS

LEASE PARAMETERS	SF	RENT/SF	RENT (Annual)
Grocery Store	20,000	15.00 \$	300,000
Fitness Center with Swimming Pool	8,000	18.00 \$	144,000
Recreation Space	1,000	22.00 \$	22,000
Recreation Space	1,000	22.00 \$	22,000
Recreation Space	1,000	20.00 \$	20,000
Recreation Space	1,000	20.00 \$	20,000
Sports Bar	2,500	20.00 \$	50,000
Casual Restaurant	2,500	20.00 \$	50,000
Casual Restaurant	2,000	21.00 \$	42,000
Café	2,000	21.00 \$	42,000
Subtotal	41,000	\$	712,000

SUMMARY CASH FLOW

	YEAR 1	YEAR 5 (Stab.)	YEAR 6	YEAR 7	YEAR 8	YEAR 9
Gross Rent Potential	4,179,894	4,740,012	4,873,844	5,007,255	5,142,311	5,279,035
EGI	3,912,584	5,702,400	5,873,791	6,018,676	6,178,585	6,327,540
OPEX	1,997,690	1,973,183	1,991,994	2,010,955	2,030,178	2,049,456
NOI	1,914,895	3,729,217	3,881,797	4,007,720	4,148,407	4,278,084
Debt Service	2,260,182	2,260,182	2,260,182	2,260,182	2,260,182	2,260,182
DSCR	0.85	1.65	1.72	1.77	1.84	1.89
Cash Flow After DS	(428,087)	1,267,786	1,420,365	1,546,289	1,647,225	1,776,902
Cash on Cash	-3.90%	11.54%	12.93%	14.08%	15.00%	16.18%
OPEX Ratio	51.06%	34.60%	33.91%	33.41%	32.86%	32.39%

EXIT STRATEGY

INVESTMENT RESULT	
Sale Year	6.0%
Exit Cap Rate	
Year 8 NOI	\$ 4,148,407
Sale Price	\$ 69,140,117
Net Proceeds (Less Loan Balance & Sales Costs)	\$ 27,934,255
Investor Equity	\$ 10,984,524
Total Return on Investment	\$ 16,949,731
Average Annual Proceeds	\$ 2,421,390
Annual Rate of Return	22.04%
IRR (with 10% Discount Rate)	22.07%
NPV (with 10% Discount Rate)	\$ 11,238,117

The Plaza at 5922

A Mixed Use Property on Martin Luther King Jr. HWY, Seat Pleasant



Siyue Huang

The Plaza at 5922 is a grocery anchored mixed-use development which includes 159 residential units and 41,000 square feet of commercial and retail adjacent to the east corner of Washington, DC. The project will provide both traditional long-term leasing

and flexible short-term leasing options to accommodate the flexible working and living style with top class living conditions in the region. The development will bring the high-quality living and accessible grocer to an undersupplied suburban market.

Overlooking the Plaza at 5922, this development will be the pioneer to redevelop the City of Seat Pleasant, a diamond in the rough.



Spring 2021

