

# Offering Memorandum



## Valore at Southern Park

A 104-Unit Multifamily Investment Opportunity

Marcus & Millichap



VALORE AT  
SOUTHERN PARK  
Norfolk, VA 23518

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Brian Hosey  
Marcus & Millichap  
Real Estate Investment Services of  
North Carolina, Inc.  
7200 Wisconsin Ave, Suite 1101  
Bethesda MD 20814  
VA License: 0225247494  
Activity ID: ZAD0600001



# Valore at Southern Park

## Norfolk, VA

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#### TRANSIT ORIENTED

- Easy Access to I-64, I-564, I-264 and Hampton Roads Bridge Tunnel



#### VALUE-ADD OPPORTUNITY

- Immediate Organic Rent Growth Opportunity
- Prime Candidate for Interior Upgrade Initiative



#### OLD DOMINION UNIVERSITY

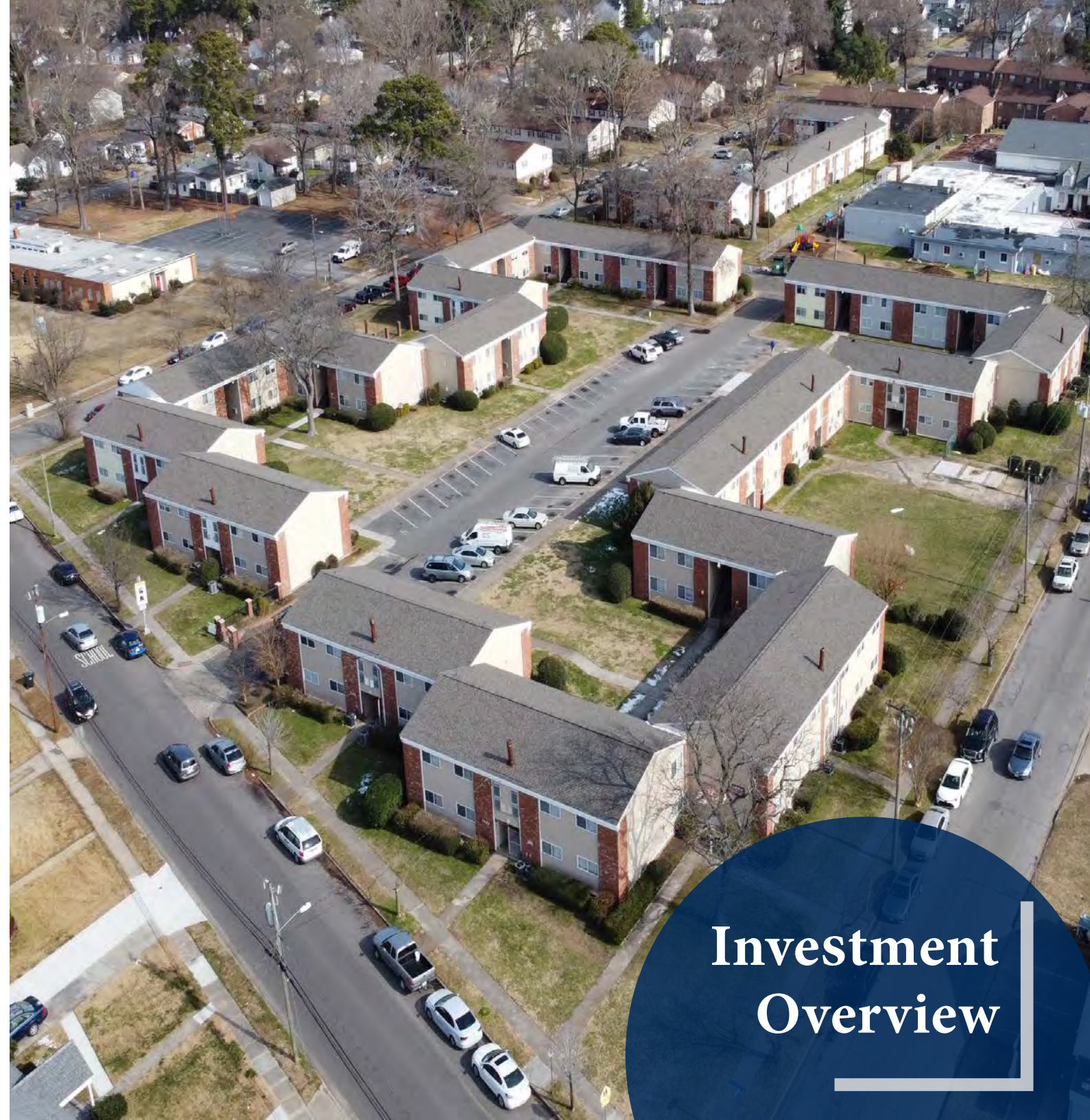
- 24,932 Students, 3,000+ Employees; 5th Largest University in VA



#### IDEAL DEMOGRAPHIC FOR MULTIFAMILY DEMAND

- High Affordability Gap Increased the Rent-by-Necessity Demographic Combined with a Strong 20-34 Age Renter Cohort from the Abundant Military Presence and Numerous Higher Educational Institutions

## Offering Highlights



## Investment Overview

# The Offering

## Valore at Southern Park

104-Unit Multifamily Property Located near the Chesapeake Bay

Valore at Southern Park offers one-hundred and four (104) spacious one-bedroom, two-bedroom and three-bedroom units. The property was constructed in 1964 and renovated in 1999.

Valore at Southern Park is centrally located in submarkets. Downtown Norfolk is within 8 miles to the south and Town Center Virginia Beach is within 11 miles to the East. The close proximity to the water is unbeatable providing residents ample maritime activities and breathtaking views.



Address: 7922 Old Ocean View Road

Pin: 1540015241

Legal Description: Lots 1, 2 & 3

Zoning: MF-NS

Neighborhood: 170390

Lot Size: 5.04 Acres

Planning District Name: PD 15 - NORTH CHESAPEAKE BLVD.

Flood Zone: No

Opportunity Zone: No

BUILDING DESCRIPTION

Type: 2 Star Low-Rise Apartments

# of Buildings: 3 Buildings

# of Stories: 2 Stories

Year Built: 1964

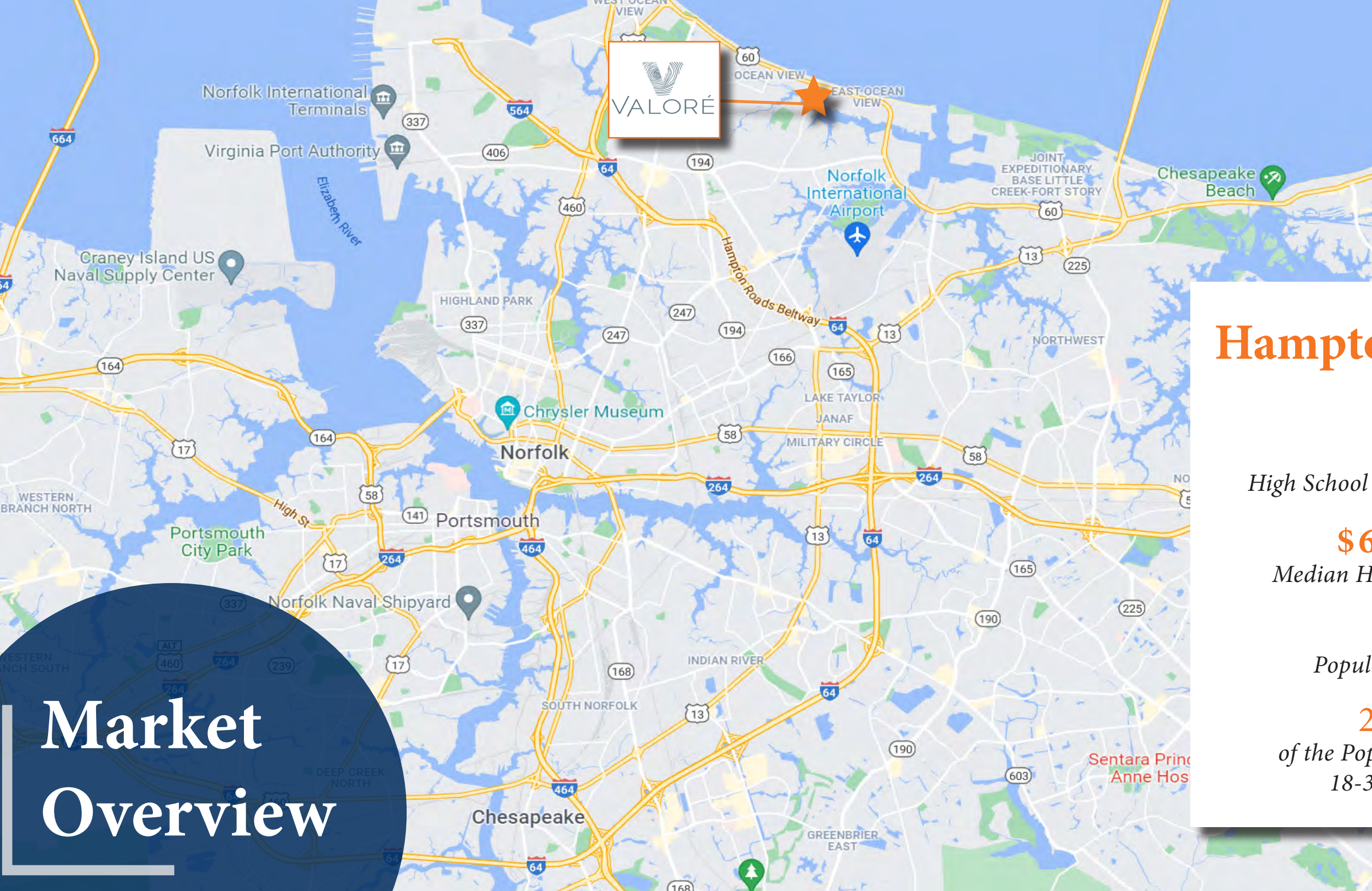
SCHOOL ZONING

Elementary School: Crossroads Elementary School

Middle School: Norview Middle School

High School: Norview High School





# Market Overview

## Market Leading Demographics

The market's proximity to major employment centers, high end retail, historic neighborhood charm, close proximity to the water, and central location make it a desirable place of residence for tenants of all ages.

### Hampton Roads

at a glance

**90%**  
*High School Graduate or Higher*

**\$67,583**  
*Median Household Income*

**4%**  
*Population Growth*

**25.9%**  
*of the Population Between 18-34 Years Old*

Hampton Roads	
Total Households:	701,456
Average Household Size:	2.53
Median Household Income:	\$67,583
Median Age:	35.4
Vacancy (Q4):	5.41%
Median Home Price (Q4):	\$247,500
Monthly Mortgage Payment:	\$1,490
Average Asking Rent (Q4):	\$1,087
Affordability Gap:	26.9%

# City of Norfolk

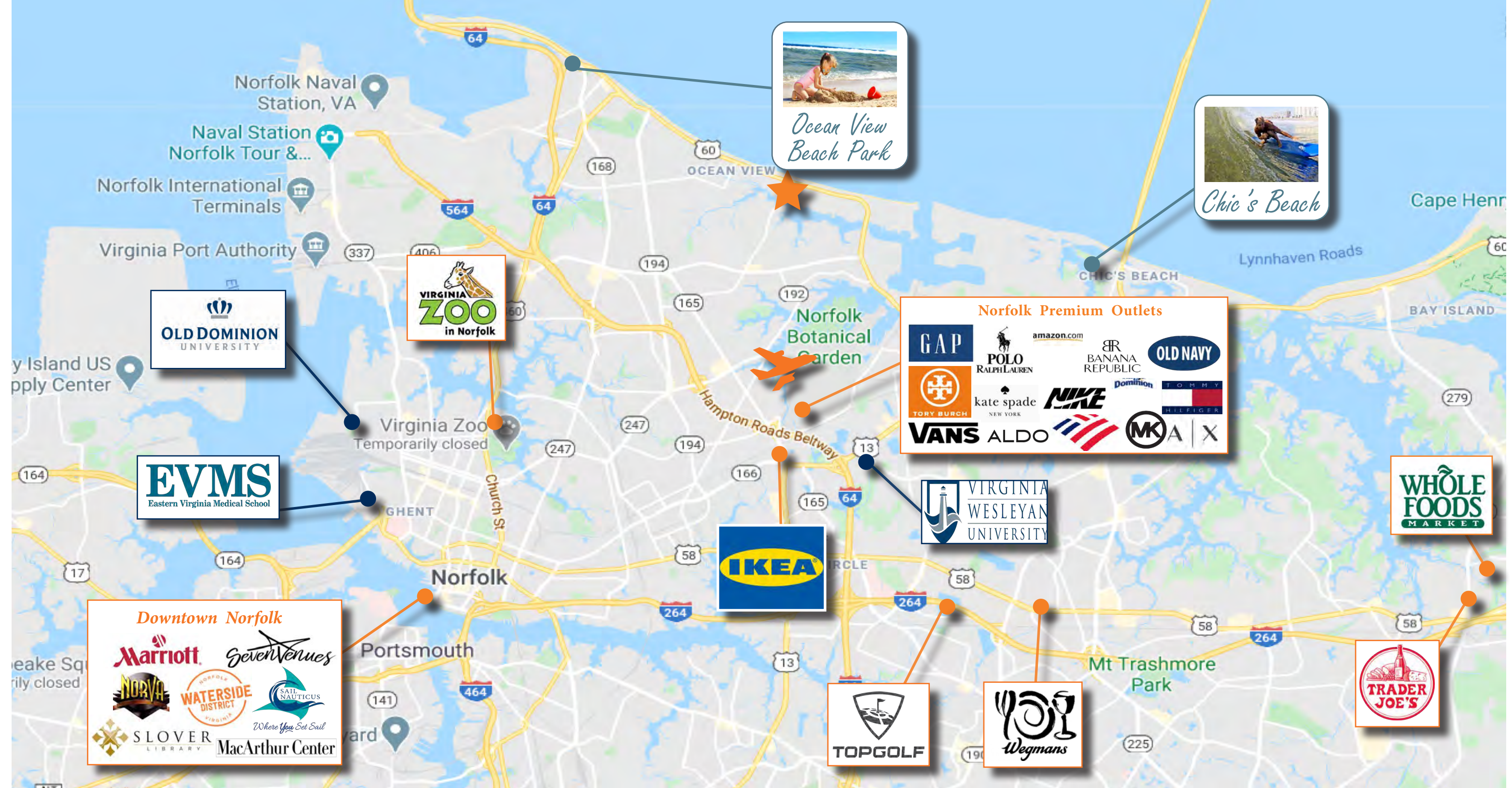
“Norfolk is a fun, vibrant entertainment and culture, delicious cuisine and **144 miles of shoreline** waiting to be explored!

With the Chesapeake Bay, Atlantic ocean and countless rivers in our backyard, you are never far from the water; you can experience intense watersports, leisurely sails, or simply enjoy the view”

- VisitNorfolk.com

## Strategic Location

3.6 Miles from  
**Norfolk International Airport**  
serving coastal VA and  
northeast NC !



# Rent Comparables



Valore at Southern Park  
Norfolk, VA 23518

## Subject Property

Total Units: 104 Units  
Year Built: 1964  
Lot Size: +/- 5.04 Acres  
SF: 104,944 SF

Type	Rent
1 Bed 1 Bath	\$841
2 Bed 1 Bath	\$940
3 Bed 1.5 Bath	\$1,092



1 Fenner Gardens Apartments  
7433 Fenner Street, Norfolk, VA 23505

Total Units: 86 Units  
Year Built: 1975

Mix	SF	Rent
1 Bed 1 Bath	650	\$900
2 Bed 1 Bath	950	\$975

**Unit Amenities:** Air Conditioning, Security System, Hardwood Floors, Vinyl Flooring & Walk-In Closets.

**Community Amenities:** Laundry Facilities, Maintenance on Site & Property Manager on Site.



2 Bondale Apartments  
7603 Bondale Avenue Norfolk, VA 23505

Total Units: 200 Units  
Year Built: 1943

Mix	SF	Rent
Studio	414	-
1 Bed 1 Bath	624	\$945
2 Bed 1 Bath	820	\$1,076

**\*Water, Sewer & Trash Removal Included\***

**Unit Amenities:** High Speed Internet Access, Security System, Hardwood Floor & Porch/Yard/Lawn.

**Community Amenities:** Laundry Facilities.



3 Riverpoint  
6415 Newport Ave Norfolk, VA 23509

Total Units: 220 Units  
Year Built: 1947

Mix	SF	Rent
1 Bed 1 Bath	700	\$915
2 Bed 1 Bath	775	\$1,124

**\*Trash Removal Included in Rent\***

**Unit Amenities:** Air Conditioning & Hardwood Floors.

**Community Amenities:** Laundry Facilities, Playground, Property Manager on Site, Maintenance on Site & Courtyard.



4 Park Crescent  
6450 Crescent Way Norfolk, VA 23513

Total Units: 400 Units  
Year Built: 1991

Mix	SF	Rent
1 Bed 1 Bath	566	\$1,315
2 Bed 1 Bath	1,285	\$1,465
3 Bed 2 Bath	1,560	\$2,016

**Unit Amenities:** Washer & Dryer In-Unit, Air Conditioning, Dishwasher & Walk-In Closet.

**Community Amenities:** Pool, Fitness Center, Clubhouse, Car Charging Station & Business Center.



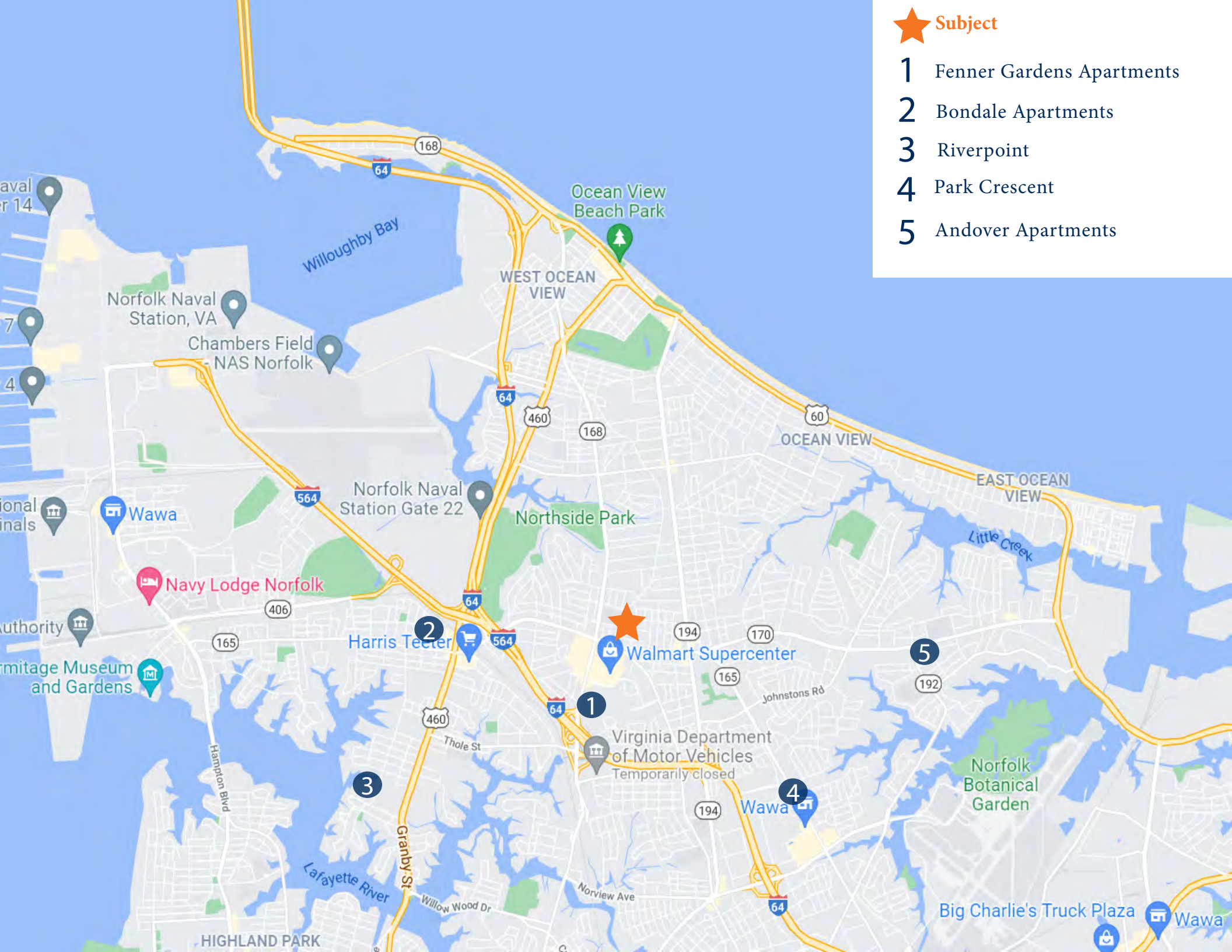
5 Andover Apartments  
2501 E Little Creek Rd Norfolk, VA 23518

Total Units: 104 Units  
Year Built: 1963

Mix	SF	Rent
1 Bed 1 Bath	610	\$950
2 Bed 1 Bath	775	\$1,150
3 Bed 2 Bath	1,040	\$1,325

**Unit Amenities:** Washer & Dryer In-Unit, Air Conditioning, Ceiling Fans, Dishwasher & Walk-In Closet.

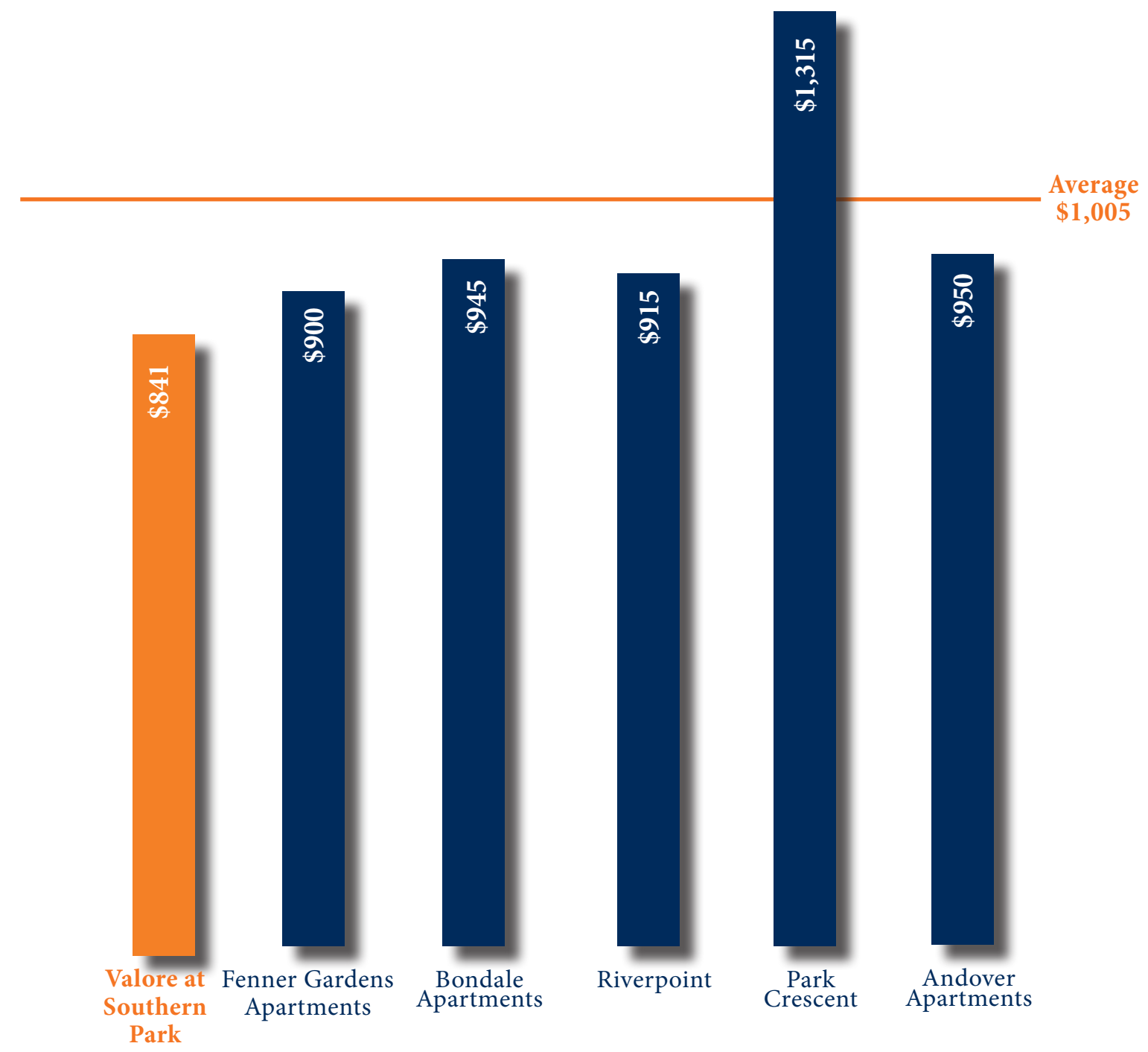
**Community Amenities:** Pool, Laundry Facilities, Playground & Courtyard.



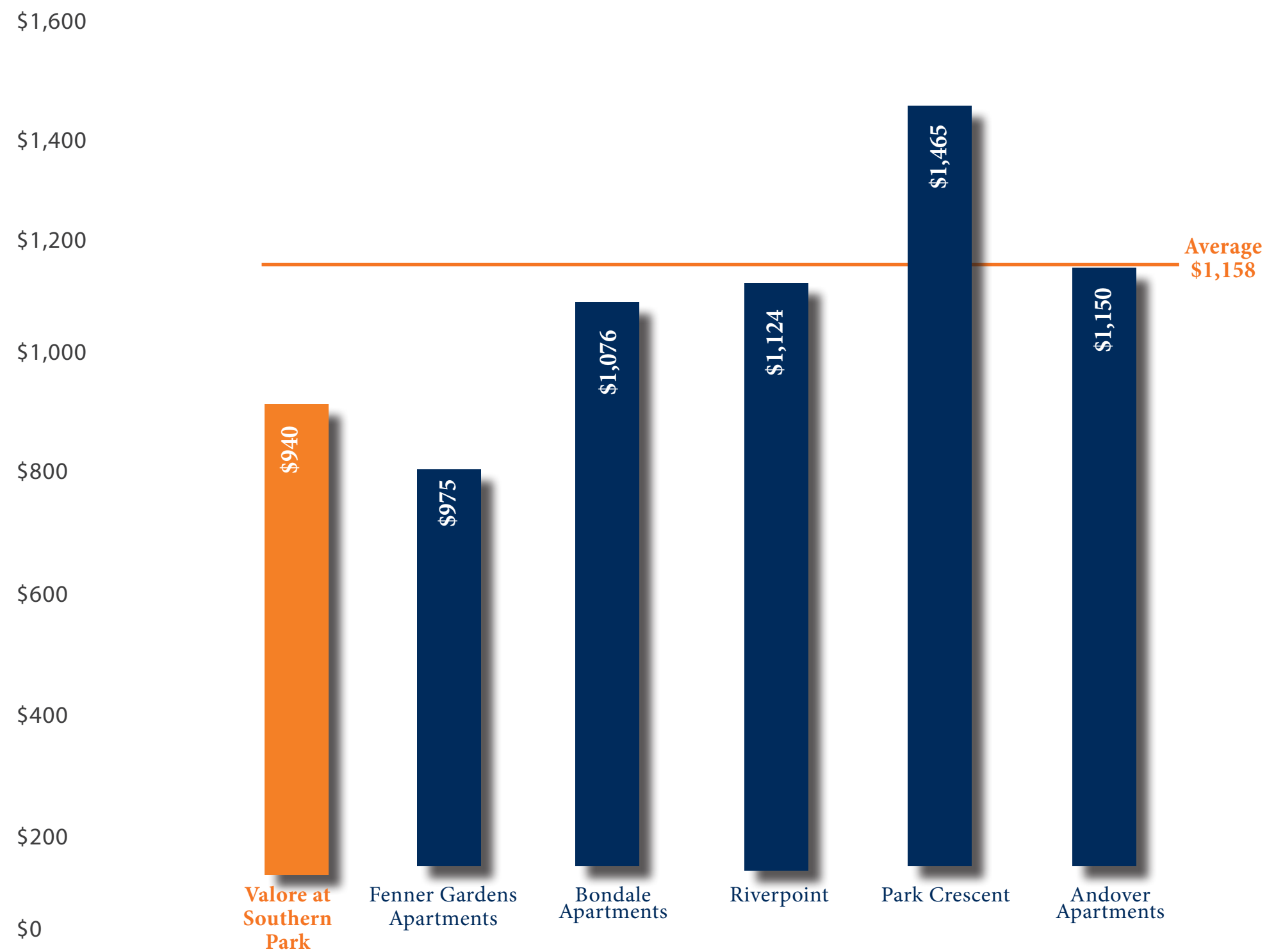
★ Subject	
1	Fenner Gardens Apartments
2	Bondale Apartments
3	Riverpoint
4	Park Crescent
5	Andover Apartments



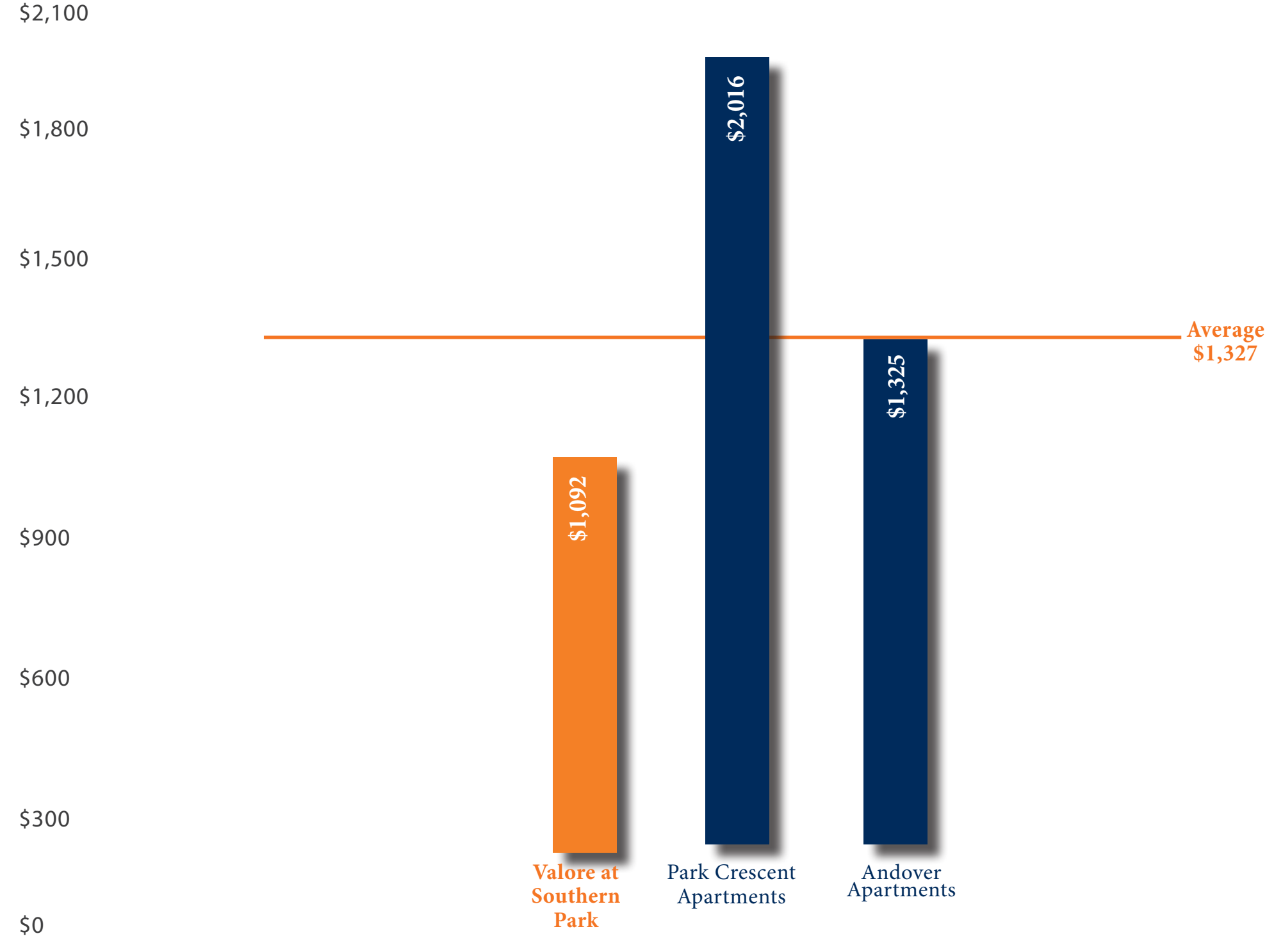
Average One-Bed Rent:



Average Two-Bed Rent:



Average Three-Bed Rent:



# Sale Comparables



Valore at Southern Park  
Norfolk, VA 23518

*Subject Property*

Units: 104 Units  
Built: 1964  
**Price/Unit** *Unpriced*  
Unit Mix: 17 - 1 Bed 1 Bath  
76 - 2 Bed 1 Bath  
11 - 3 Bed 1.5 Bath



1 6143 Edward Street  
Norfolk, VA 23513

<b>\$17M</b>	<b>June 2020</b>
Sale Price	Close of Escrow
Units:	148 Units
Built:	1985
<b>Price/Unit</b>	<b>\$114,865</b>
Unit Mix:	148 -2 Bed 2 Bath



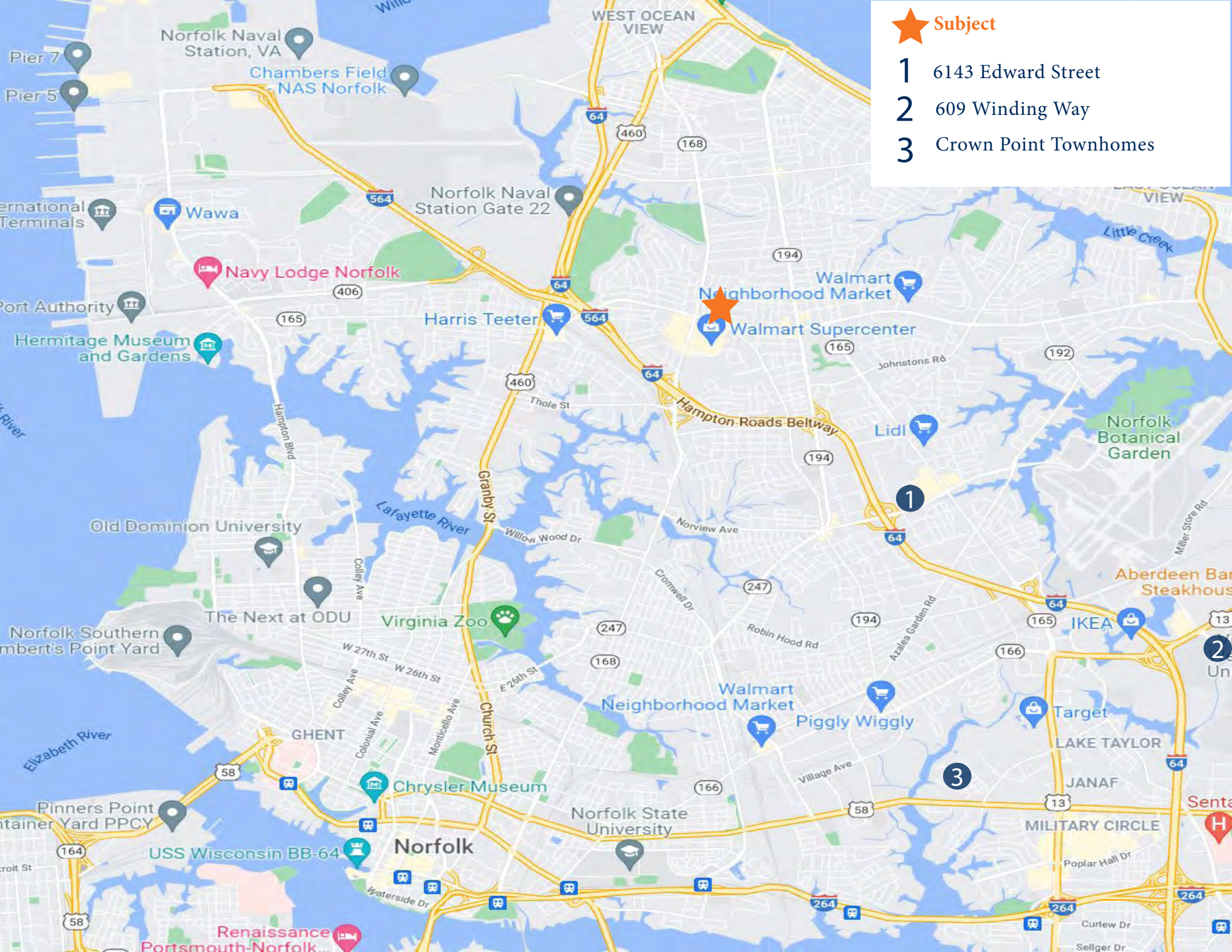
2 609 Winding Way  
Virginia Beach, VA 23462

<b>\$12.25M</b>	<b>March 2020</b>
Sale Price	Close of Escrow
Units:	113 Units
Built:	1974
<b>Price/Unit:</b>	<b>\$108,407</b>
Unit Mix:	1 - Studio 28 - 1 Bed 1 Bath 56 - 2 Bed 2 Bath 28 - 3 Bed 2 Bath



3 Crown Point Townhomes  
5371 Wyngate Drive Norfolk, VA 23503

<b>\$77M</b>	<b>October 2021</b>
Sale Price	Close of Escrow
Units:	480 Units
Built:	1968
<b>Price/Unit:</b>	<b>\$160,417</b>
Unit Mix:	138 - 2 Bed 1 Bath 300 - 3 Bed 1.5 Bath 42 - 4 Bed 2 Bath



Average Price/Unit:

\$250,000

\$200,000

\$150,000

\$100,000

\$50,000

\$0



6143 Edward Street



609 Winding Way



Crown Point Townhomes

Average  
\$137,896



# Financial Analysis

## Rent Roll Summary

Rent Roll Summary						
Unit Type	Units	SF	Current		Potential	
			Average Rent	Monthly Income	Average Rent	Monthly Income
1 Bed 1 Bath	17	630	\$841	\$14,299	\$938	\$15,949
2 Bed 1 Bath	76	950	\$940	\$71,448	\$1,050	\$79,800
3 Bed 1.5 Bath	11	1,150	\$1,092	\$12,010	\$1,200	\$13,200
Total / Averages	104	919	\$940	\$97,757	\$1,048	\$108,949
Gross Annualized			\$1,173,084		\$1,307,388	

## Operating Statement

Income	Current		Year 1		Notes	Per Unit
Gross Potential Rent	1,307,388		1,320,462		[1]	12,697
Loss / Gain to Lease	(134,304)	10.3%	0			0
<i>Gross Current Rent</i>	<i>1,173,084</i>		<i>1,320,462</i>			<i>12,697</i>
Physical Vacancy	(46,923)	4.0%	(52,818)	4.0%	[2]	(508)
Bad Debt	(23,000)	2.0%	(26,409)	2.0%	[3]	(254)
<i>Total Vacancy</i>	<i>(\$69,923)</i>	<i>6.0%</i>	<i>(\$79,228)</i>	<i>6.0%</i>		<i>(\$762)</i>
Economic Occupancy	94.04%		94.00%			
Effective Rental Income	1,103,161		1,241,234			11,935
Utility Bill-Back	1,134		50,000			481
All Other Income	55,160		55,160			530
<i>Total Other Income</i>	<i>\$56,294</i>		<i>\$105,160</i>			<i>\$1,011</i>
<i>Effective Gross Income</i>	<i>\$1,159,455</i>		<i>\$1,346,394</i>			<i>\$12,946</i>
Expenses	Current		Year 1		Notes	Per Unit
Real Estate Taxes	81,260		89,386		[4]	859
Insurance	36,961		36,961		[5]	355
Utilities - Electric	6,600		6,600			63
Utilities - Water & Sewer	122,850		122,850			1,181
Utilities - Gas	35,311		35,311			340
Repairs & Maintenance	57,200		57,200		[6]	550
Contract Services	36,400		36,400		[7]	350
Marketing & Advertising	5,200		5,200		[8]	50
General & Administrative	15,600		15,600		[9]	150
Payroll	109,000		109,000			1,048
Operating Reserves	15,600		15,600		[10]	150
Management Fee	46,378	4.0%	53,856	4.0%		518
<i>Total Expenses</i>	<i>\$568,360</i>		<i>\$583,964</i>			<i>\$5,615</i>
<i>Expenses as % of EGI</i>	<i>49.0%</i>		<i>43.4%</i>			
<i>Net Operating Income</i>	<i>\$591,094</i>		<i>\$762,430</i>			<i>\$7,331</i>

## Operating Statement Notes

- [1] Current Gross Potential Rent (GPR) is based on actual rents per the current rent roll, this accounts for all 104 units.
- [2] Current Vacancy reflects actuals. Pro Forma Vacancy reflect an aggressive assumption based on average sub-market loss.
- [3] Pro Forma Bad Debt reflect an aggressive assumption based on average sub-market delinquency.
- [4] Current Real Estate Taxes reflect actuals. Pro Forma Real Estate taxes are increased by 10%.
- [5] Current and Pro Forma Insurance expenses have been estimated at \$355/unit per year.
- [6] Current and Pro Forma Repairs & Maintenance expenses have been estimated at \$63/unit per year.
- [7] Current Contract Services expenses reflect actuals. Pro Forma Contract Services expenses are estimated at \$350/unit per year.
- [8] Current Marketing and Advertising expenses reflect actuals. Pro Forma Marketing and Advertising expenses have been estimated at \$50/unit per year, which is consistent with similar properties of this size.
- [9] Current General & Administrative expenses reflect actuals. Pro Forma General & Administrative expenses have been estimated at \$150/unit per year, which is consistent with similar properties of this size.
- [10] Current and Pro Forma Operating Reserves have been estimated at \$150/unit per year, which is consistent with similar properties of this size.



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