

OFFERING MEMORANDUM

**1010 E LEICESTER AVENUE &
9108 CHESAPEAKE BOULEVARD**

Marcus & Millichap

NORFOLK, VA | 10 UNITS

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1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD | NORFOLK, VA | 8 UNITS

THE OPPORTUNITY

1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Offered Property

Marcus & Millichap is pleased to present the offering memorandum for 1010 E Leicester Avenue & 9108 Chesapeake Boulevard in Norfolk, VA.

The property consists of ten units total. There are ten, two-bedroom one-bathroom units across two, two story buildings built in 1964 and situated on 0.36 acres.

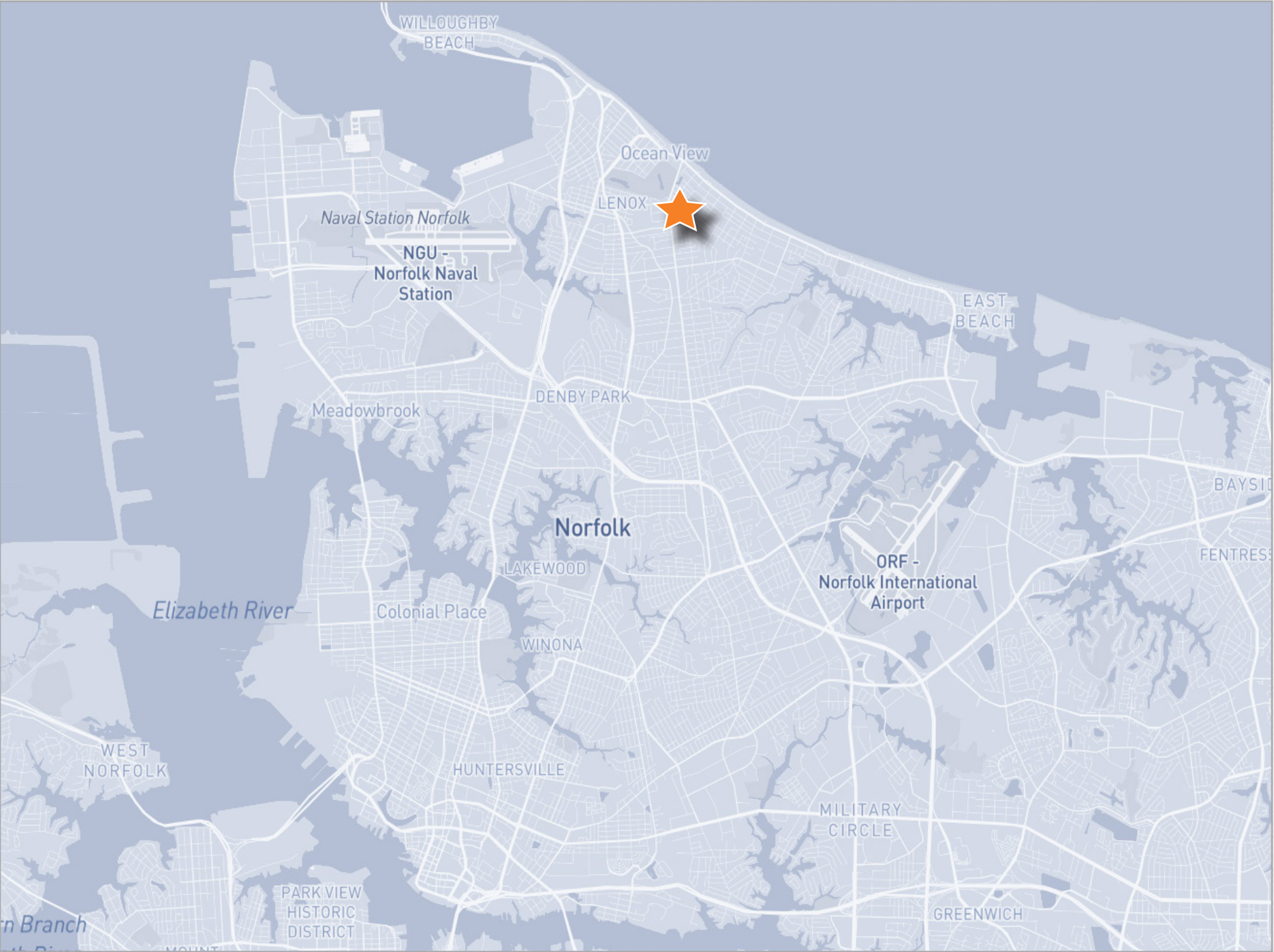
Norfolk, VA is in the heart of the Hampton Roads metropolitan area, which is home to over 1.7 million people. It's central location within the region makes it an important economic and cultural hub, attracting a diverse population and providing a stable demand for housing. Norfolk benefits from a robust and diversified economy. It is home to major military installations, including the Naval Station Norfolk, which is the largest naval base in the world. The presence of military personnel and related industries provide a consistent demand for rental properties.

PROPERTY SUMMARY: 1010 E LEICESTER & 9108 CHESAPEAKE	
# of Units	10
Year Built	1964
Price	\$800,000
Price/Unit	\$80,000
Total Square Feet	6,500 SF
Average Unit Size	650 SF



INVESTMENT HIGHLIGHTS

- **TRANSIT ORIENTED** Easy access to I-64, I-264, I-564, and Granby Street
- **EASY ACCESS TO NUMEROUS EMPLOYMENT CENTERS** Within 10 minutes from Norfolk International Airport, IKEA, and Simon Premium Outlet Mall
- **VALUE ADD OPPORTUNITY** Immediate organic rent growth opportunity, Prime candidate for interior upgrade initiative



1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Exterior Photos



1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Interior Photos



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LOCATION ANALYSIS

1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Norfolk Location Overview



1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Norfolk Top Employers



1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Hampton Roads *Transformation & Growth*



HRBT Expansion

\$3.9B Project

The Hampton Roads Bridge-Tunnel (HRBT) expansion project is a major infrastructure initiative aimed at improving transportation and connectivity in the Hampton Roads, particularly between the cities of Norfolk and Hampton. The project is set to be completed Spring 2027.



Atlantic Park

\$350M Project

This project, which has garnered support from the renowned entertainer Pharrell Williams, will showcase a 2.67-acre Wave garden Cove surf park designed to create waves suitable for surfers of varying skill levels. In addition to the surf park, Atlantic Park will feature novel dining establishments, immersive retail experiences, residential and office spaces, as well as cutting-edge indoor and outdoor entertainment facilities.



Rivers Casino

\$340M Project

In January 2023, the grand opening of Rivers Casino in Portsmouth marked a significant turning point for the region. Since its inception, Rivers Casino has become a vibrant hub of tourism, drawing visitors with its exciting gaming options, top-notch entertainment, and exquisite dining experiences. Notably, the casino has made a substantial contribution to the local economy by generating employment opportunities and boosting patronage at nearby hotels, restaurants, and entertainment venues.

1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Hampton Roads *Naval Shipyard*

The Norfolk Naval Shipyard (NNSY) is a major United States Navy shipyard located in Portsmouth, Virginia, adjacent to Norfolk. It is one of the most significant and oldest shipyards in the United States. NNSY is primarily responsible for the maintenance, repair, and overhaul of U.S. Navy ships and submarines. It plays a crucial role in ensuring the operational readiness of the Navy's fleet, including aircraft carriers, submarines, destroyers, and other vessels. The shipyard's skilled workforce and advanced facilities are essential for keeping the Navy's assets in top condition.

NNSY is one of the largest employers in the region, providing jobs to thousands of workers, including civilian and military personnel. This significant employment opportunity contributes to the local economy by generating income and supporting local businesses and services.



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FINANCIAL ANALYSIS

Executive Pricing Summary

PRICE	
Price	\$800,000
Down Payment	\$240,000
Number of Units	10
Price Per Unit	\$80,000
Price Per Sqft	\$123.08
Approx. Year Built	1964

RETURNS	CURRENT	YEAR 1
CAP Rate	2.44%	11.74%
GRM	11.07	5.28
Cash-on-Cash	-9.10%	21.88%
Debt Coverage Ratio	0.47	2.27

Investment Summary

MARKET LOAN	
Interest Rate	6.25%
Amortization Period	30 Years
Months of Interest Only	0 Months
Annual Loan Constant	7.39%
Loan Term	10 Years
Loan to Value	70%
Loan Amount	\$560,000
Down Payment	\$240,000

INCOME	CURRENT		YEAR 1
Gross Scheduled Rent	\$72,240		\$151,500
Less: Vacancy/Deductions	17.6%	\$12,735	6.0% \$9,090
Total Effective Rental Income		\$59,505	\$142,410
Other Income		\$0	\$0
Effective Gross Income		\$59,505	\$142,410
Less: Expenses	67.2%	\$39,960	34.1% \$48,513
Net Operating Income		\$19,545	\$93,897
Cash Flow		\$19,545	\$93,897
Debt Service		\$41,376	\$41,376
Net Cash Flow After Debt Service	-9.10%	-\$21,831	21.88% \$52,521
Principal Reduction		\$6,562	\$6,984
Total Return	-6.36%	-\$15,269	24.79% \$59,505

FINANCING	1ST LOAN
Loan Amount	\$560,000
Loan Type	New
Interest Rate	6.25%
Amortization	30 Years
Year Due	2035

EXPENSES	CURRENT	YEAR 1
Real Estate Taxes	\$7,680	\$9,600
Insurance	\$3,431	\$3,431
Utilities - Electric	\$500	\$500
Utilities - Water & Sewer	\$8,089	\$8,089
Repairs & Maintenance	\$6,500	\$6,500
Contract Services	\$4,500	\$4,500
Marketing & Advertising	\$500	\$500
General & Administrative	\$1,500	\$1,500
Operating Reserves	\$2,500	\$2,500
Management Fee	\$4,760	\$11,393
Total Expenses	\$39,960	\$48,513
Expenses/Unit	\$3,996	\$4,851
Expenses/SF	\$6.15	\$7.46

Unit Mix

UNIT TYPE	# OF UNITS	AVG SF	CURRENT			POTENTIAL		
			AVG RENT	AVG RENT/SF	MONTHLY INCOME	AVG RENT	AVG RENT/SF	MONTHLY INCOME
Leicester: 2BD/1BA	6	650	\$572	\$0.88	\$3,430	\$1,250	\$1.92	\$7,500
Chesapeake 2BD/1BA	4	650	\$648	\$1.00	\$2,590	\$1,250	\$1.92	\$5,000
Total/Weighted Averages	10	650	\$602	\$0.93	\$6,020	\$1,250	\$1.92	\$12,500
Gross Annualized Rents			\$72,240			\$150,000		

Operating Statement

INCOME	CURRENT		YEAR 1		PER UNIT
Gross Potential Rent	150,000		151,500		15,150
Loss/Gain to Lease	(77,760)	51.8%	0		0
Gross Current Rent	72,240		151,500		15,150
Physical Vacancy	(2,890)	4.0%	(6,060)	4.0%	(606)
Non-Revenue Units	(8,400)	11.6%	0		0
Bad Debt	(1,445)	2.0%	(3,030)	2.0%	(303)
Total Vacancy	(\$12,735)	17.6%	(\$9,090)	6.0%	(\$909)
Economic Occupancy	82.37%		94.00%		
Effective Gross Income	\$59,505		\$142,410		\$14,241
EXPENSES	CURRENT		YEAR 1		PER UNIT
Real Estate Taxes	7,680		9,600		960
Insurance	3,431		3,431		343
Utilities - Electric	500		500		50
Utilities - Water & Sewer	8,089		8,089		809
Repairs & Maintenance	6,500		6,500		650
Contract Services	4,500		4,500		450
Marketing & Advertising	500		500		50
General & Administrative	1,500		1,500		150
Operating Reserves	2,500		2,500		250
Management Fee	4,760	8.0%	11,393	8.0%	1,139
Total Expenses	\$39,960		\$48,513		\$4,851
Expenses as % of EGI	67.2%		34.1%		
Net Operating Income	\$19,545		\$93,897		\$9,390

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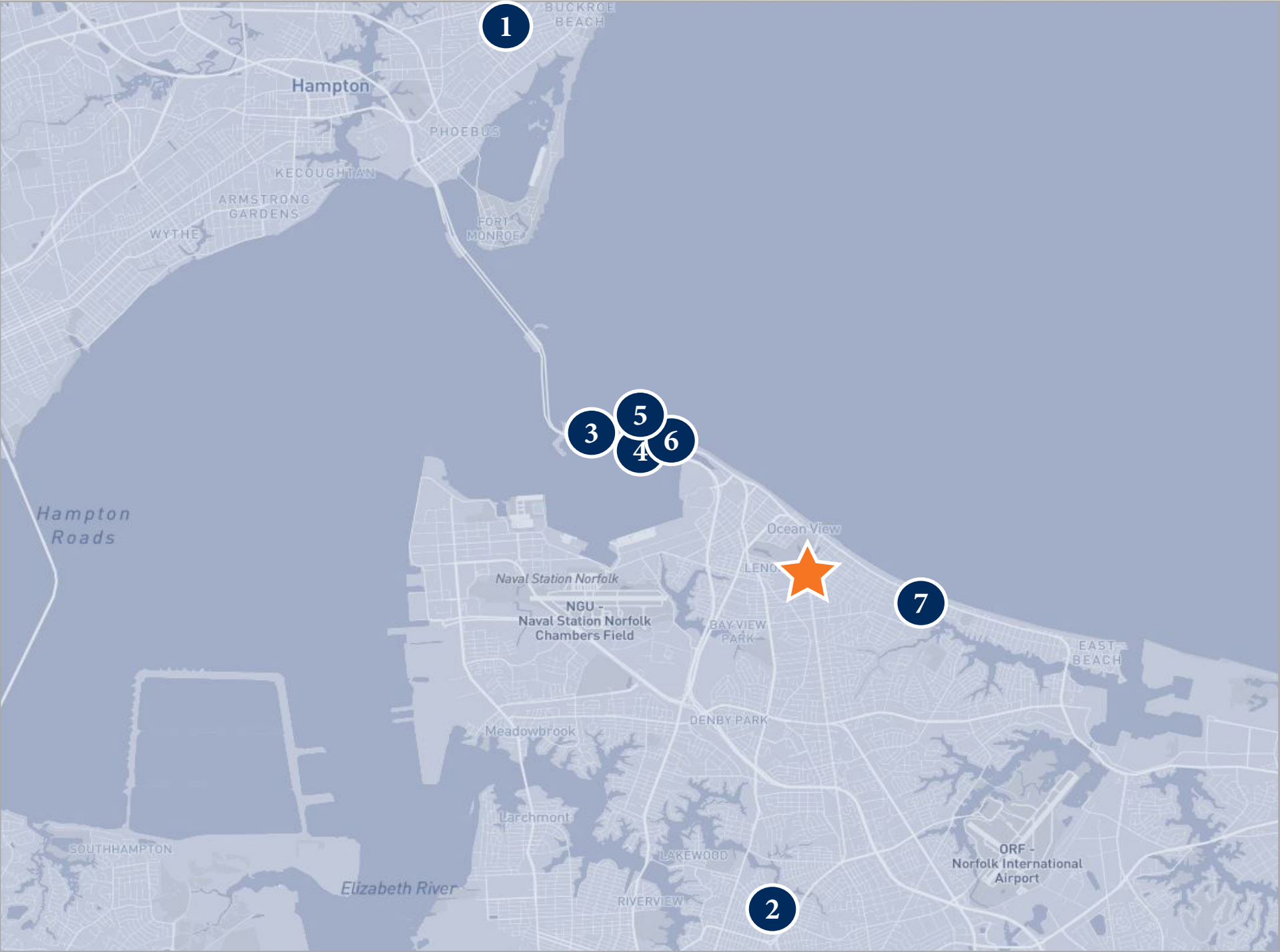
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MARKET COMPARABLES

1010 E LEICESTER AVENUE & 9108 CHESAPEAKE BOULEVARD

Sale Comparables

	PROPERTY	UNITS	BLDG SF	YEAR BUILT	SALES PRICE	PRICE/UNIT	PRICE/SF	SALE DATE
★	1010 E Leicester Avenue & 9108 Chesapeake Boulevard Norfolk, VA 23518	10	6,500 SF	1964	\$800,000	\$80,000	\$123.08	TBD
1	Avalon Townhomes 2109 Newton Road Hampton, VA 23663	182	301,090 SF	1965 2017	\$26,500,000	\$145,604	\$88.00	April 2025
2	Sherwood Forest Apartments 2803 Early Street Norfolk, VA 23513	172	205,068 SF	1965	\$18,165,000	\$105,000	\$89.00	March 2025
3	1250 Little Bay Avenue Norfolk, VA 23503	6	3,780 SF	1970	\$800,000	\$133,333	\$211.64	June 2025
4	905-911 Little Bay Avenue Norfolk, VA 23503	12	12,315 SF	1959	\$1,960,000	\$163,333	\$159.16	September 2024
5	925 Little Bay Avenue Norfolk, VA 23503	8	3,800 SF	1949	\$872,500	\$109,063	\$229.61	February 2024
6	1219 E Ocean View Avenue Norfolk, VA 23403	26	17,400 SF	1984	\$3,250,000	\$125,000	\$186.78	January 2025
7	1976 E Ocean View Avenue Norfolk, VA 23503	8	8,108 SF	1982	\$1,600,000	\$200,000	\$197.33	December 2024
	Averages	59	78,794 SF	-	\$7,592,500	\$140,190	\$166.65	-



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Rent Comparables

Two-Bedroom

	PROPERTY	UNIT TYPE	UNITS	SF	RENT	RENT/SF
	★ 1010 E Leicester Avenue & 9108 Chesapeake Boulevard Norfolk, VA 23503	2BD/1BA & 2BD/2BA	10	650 SF	\$602	\$0.93
1	OV Harbor - 6 Units 2007 E Ocean View Avenue Norfolk, VA 2305	1BD/1BA	6	600 SF	\$1,230	\$2.05
2	OV Palm - 12 Units 1721 E Ocean View Avenue Norfolk, VA 23503	1BD/1BA	12	900 SF	\$1,224	\$1.36
3	1851 E Ocean View Avenue - 6 Units Norfolk, VA 23503	1BD/1BA	1	700 SF	\$891	\$1.27
	Averages	-	6	733 SF	\$1,115	\$1.56

