



*1312-1316* **GROVE STREET**

PHILADELPHIA, PENNSYLVANIA

Marcus & Millichap

MACLAREN, TOWNSEND  
AND TALONE GROUP



SECTION 1

# Introduction

INVESTMENT OVERVIEW

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ADDITIONAL PHOTOS

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Marcus & Millichap

### Investment Highlights

1. Attractive Assumable Debt of 4.2% Maturing February 2030
2. 10 Year Tax Abatement – Ends May 2029
3. 5 Unit - 2019 Construction in the Forgotten Bottom Neighborhood of Philadelphia
4. Excellent Unit Mix: All 2- & 3-Bedroom Units
5. High-End Finishes – Stainless Steel Appliances, Granite Counter Tops
6. Spacious Units – Average 1,100+SF
7. Limited Supply/Competition in the Submarket

### The Offering

Marcus & Millichap is pleased to present for sale **1312-1316 Grove Street** - A five-unit new construction apartment building in the Forgotten Bottom neighborhood of Philadelphia. The property was built in 2019, and has Philadelphia's full ten-year tax abatement until May 2029.

The properties consist of two (2) two-bedroom units and three (3) three-bedroom units. Units feature high-end finishes with gourmet kitchens, stainless appliances, and washer/dryers in every unit. As development progresses in Forgotten Bottom, the neighborhood will continue to become even more desirable for residents. With the assumable financing in place, a buyer will be able to take advantage of the below-market interest rate for seven more years. Additionally, this property can also be purchased with the Harmony Street Apartments offering - 19 units just one block away.



ADDITIONAL PHOTOS // 1312-1316 Grove Street

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SECTION 2

# Financial Analysis

FINANCIAL DETAILS

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# FINANCIAL DETAILS // 1312-1316 Grove Street

As of September,2023

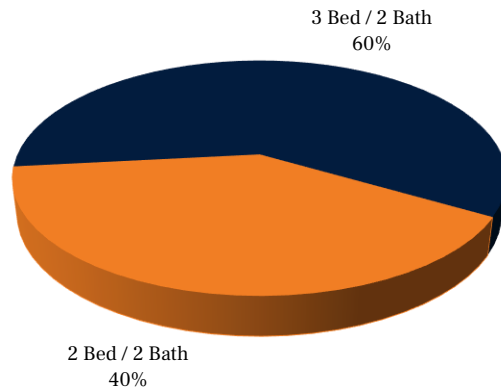
UNIT	UNIT TYPE	Square Feet	SCHEDULED Rent / Month	SCHEDULED Rent / SF/ Month	POTENTIAL Rent / Month	POTENTIAL Rent/ SF/ Month
1	3 Bed / 2 Bath	1,220	\$1,970	\$1.61	\$1,970	\$1.61
2	3 Bed / 2 Bath	1,312	\$1,950	\$1.49	\$1,950	\$1.49
3	3 Bed / 2 Bath	1,600	\$2,055	\$1.28	\$2,055	\$1.28
4	2 Bed / 2 Bath	752	\$1,550	\$2.06	\$1,550	\$2.06
5	2 Bed / 2 Bath	752	\$1,550	\$2.06	\$1,550	\$2.06
<b>Total</b>		<b>5,636</b>	<b>\$9,075</b>	<b>\$1.61</b>	<b>\$9,075</b>	<b>\$1.61</b>



## 1312-1316 Grove Street // FINANCIAL DETAILS

UNIT TYPE	# OF UNITS	AVG SQ FEET	RENTAL RANGE	SCHEDULED			POTENTIAL		
				AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME	AVERAGE RENT	AVERAGE RENT / SF	MONTHLY INCOME
2 Bed / 2 Bath	2	752	\$1,550 - \$1,550	\$1,550	\$2.06	\$3,100	\$1,550	\$2.06	\$3,100
3 Bed / 2 Bath	3	1,377	\$1,950 - \$2,055	\$1,992	\$1.45	\$5,975	\$1,992	\$1.45	\$5,975
TOTALS/WEIGHTED AVERAGES	5	1,127		\$1,815	\$1.61	\$9,075	\$1,815	\$1.61	\$9,075
GROSS ANNUALIZED RENTS				\$108,900			\$108,900		

Unit Distribution



## FINANCIAL DETAILS // 1312-1316 Grove Street

INCOME	Current		Year 1	NOTES	PER UNIT	PER SF
Rental Income						
Gross Potential Rent	108,900		112,167		22,433	19.90
Loss / Gain to Lease	0	0.0%	0		0	0.00
Gross Scheduled Rent	108,900		112,167		22,433	19.90
Physical Vacancy	(5,445)	5.0%	(5,608)	5.0%	(1,122)	(1.00)
<b>TOTAL VACANCY</b>	<b>(\$5,445)</b>	<b>5.0%</b>	<b>(\$5,608)</b>	<b>5.0%</b>	<b>(\$1,122)</b>	<b>(\$1)</b>
Effective Rental Income	103,455		106,559		21,312	18.91
Other Income						
All Other Income	2,050		2,050	[1]	410	0.36
<b>TOTAL OTHER INCOME</b>	<b>\$2,050</b>		<b>\$2,050</b>		<b>\$410</b>	<b>\$0.36</b>
<b>EFFECTIVE GROSS INCOME</b>	<b>\$105,505</b>		<b>\$108,609</b>		<b>\$21,722</b>	<b>\$19.27</b>
<b>EXPENSES</b>	<b>Current</b>		<b>Year 1</b>		<b>PER UNIT</b>	<b>PER SF</b>
Real Estate Taxes	1,219		1,300	[2]	260	0.23
Insurance	3,323		3,323		665	0.59
Utilities - Common Electric	1,202		1,202		240	0.21
Utilities - Water & Sewer	-		-	[3]	0	0.00
Repairs & Maintenance	5,035		5,035		1,007	0.89
Landscaping	474		474		95	0.08
Marketing & Leasing	2,949		2,949	[4]	590	0.52
License & Permits	280		280		56	0.05
Alarm Monitoring/Inspection	480		480		96	0.09
General & Administrative	963		963	[5]	193	0.17
Management Fee	5,275	5.0%	5,430	5.0%	1,086	0.96
<b>TOTAL EXPENSES</b>	<b>\$21,200</b>		<b>\$21,436</b>		<b>\$4,287</b>	<b>\$3.80</b>
EXPENSES AS % OF EGI	20.1%		19.7%			
<b>NET OPERATING INCOME</b>	<b>\$84,305</b>		<b>\$87,172</b>		<b>\$17,434</b>	<b>\$15.47</b>

Notes and assumptions to the above analysis are on the following page.



NOTES TO OPERATING STATEMENT

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- [1] All Other Income shown is from the T-12 through August 2023.
- [2] Property is under a Real Estate Tax Abatement until 2029.
- [3] Water/Sewer is reimbursed by tenants based on occupancy \$35 single Occupancy, \$42 double Occupancy, and \$50 for 2+ Occupants.
- [4] Marketing & Leasing Represents 50% Turnover Rate\* 65% of the Average Rent of \$1,815
- [5] General & Administrative Represents "Computer" & "Accountant" Fees

## FINANCIAL DETAILS // 1312-1316 Grove Street

### SUMMARY

Price	\$1,300,000	
Down Payment	\$240,500	19%
Number of Units	5	
Price Per Unit	\$260,000	
Price Per SqFt	\$230.66	
Rentable SqFt	5,636	
Lot Size	0.00 Acres	
Approx. Year Built	2019	

### RETURNS

	Current	Year 1
CAP Rate	6.48%	6.71%
GRM	11.94	11.59
Cash-on-Cash	9.20%	10.39%
Debt Coverage Ratio	1.36	1.40

### FINANCING

	Assumable
Loan Amount	\$1,069,000
Loan Type	Freddie Mac - Non-Recourse
Interest Rate	4.20%
Amortization	30 Years
Maturity Date	4/1/2030
Estimated Balance - 10/1/2023	\$1,058,487
Monthly Principal & Interest	\$5,227.59

### OPERATING DATA

#### INCOME

		Current		Year 1
Gross Scheduled Rent		\$108,900		\$112,167
Less: Vacancy/Deductions	5.0%	\$5,445	5.0%	\$5,608
Total Effective Rental Income		\$103,455		\$106,559
Other Income		\$2,050		\$2,050
Effective Gross Income		\$105,505		\$108,609
Less: Expenses	20.1%	\$21,200	19.7%	\$21,436
Net Operating Income		\$84,305		\$87,172
Cash Flow		\$84,305		\$87,172
Debt Service		\$62,174		\$62,174
Net Cash Flow After Debt Service	9.20%	\$22,131	10.39%	\$24,999
Principal Reduction		\$18,019		\$18,790
<b>TOTAL RETURN</b>	<b>16.69%</b>	<b>\$40,150</b>	<b>18.21%</b>	<b>\$43,789</b>

#### EXPENSES

	Current	Year 1
Real Estate Taxes	\$1,219	\$1,300
Insurance	\$3,323	\$3,323
Utilities - Common Electric	\$1,202	\$1,202
Utilities - Water & Sewer	-	-
Repairs & Maintenance	\$5,035	\$5,035
Landscaping	\$474	\$474
Marketing & Leasing	\$2,949	\$2,949
License & Permits	\$280	\$280
Alarm Monitoring/Inspection	\$480	\$480
General & Administrative	\$963	\$963
Management Fee	\$5,275	\$5,430
<b>TOTAL EXPENSES</b>	<b>\$21,200</b>	<b>\$21,436</b>
Expenses/Unit	\$4,240	\$4,287
Expenses/SF	\$3.76	\$3.80



SECTION 3

# Rent Comparables

RENT COMPARABLE MAPS

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RENT COMPARABLES

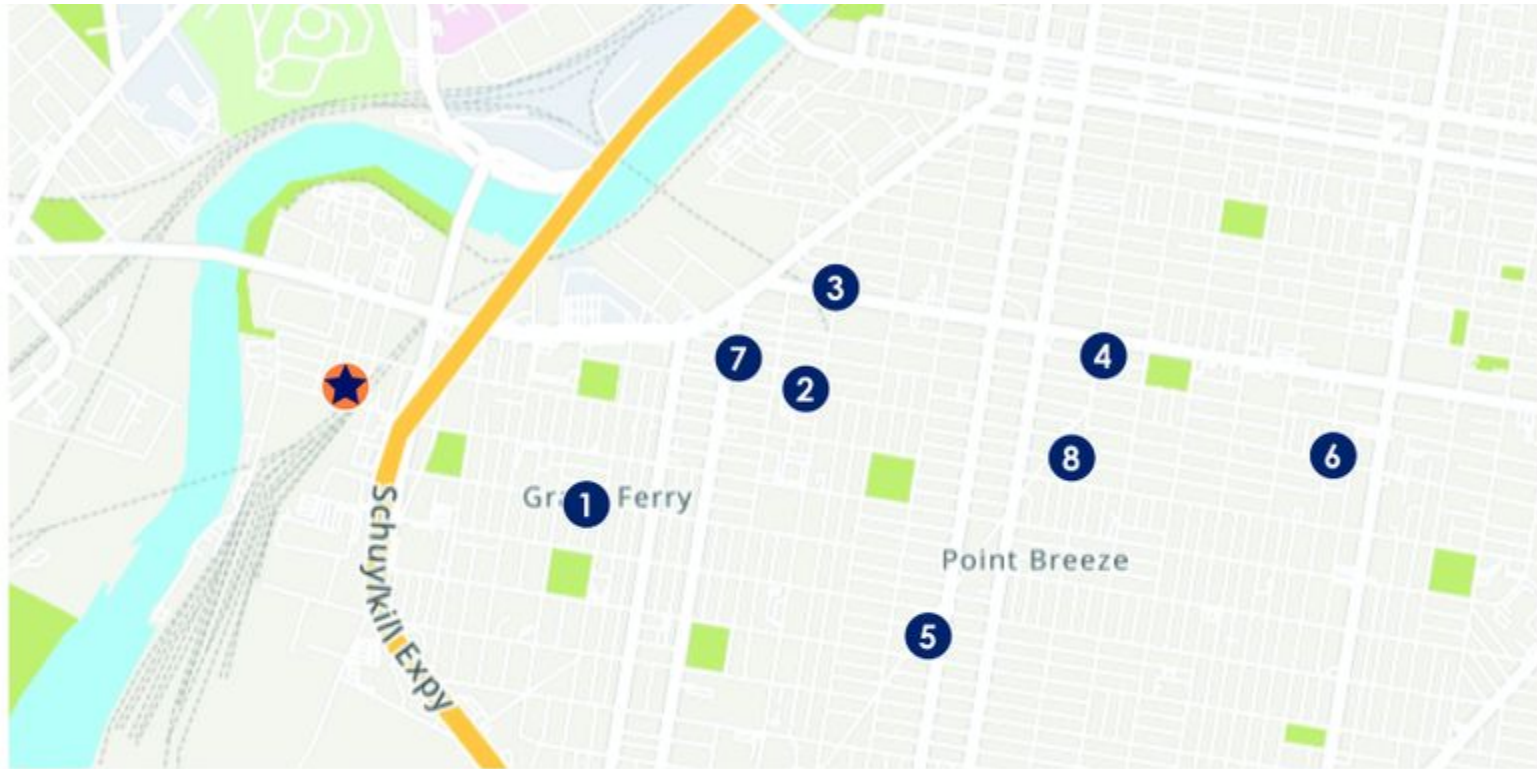
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RENT COMPARABLES

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# RENT COMPARABLE MAPS // 1312-1316 Grove Street



-  SUBJECT PROPERTY: 1328, 1336 & 1342 South Harmony Street
-  Dickinson Lofts
-  Herringbone Lofts
-  Graduate Pointe
-  1121-1123 South 20th Street
-  1625-1627 Point Breeze Avenue
-  1439 Federal Street
-  2646 Manton Street
-  1244 South 20th Street



## 1312-1316 Grove Street // RENT COMPARABLES

### TWO-BEDROOM COMPARABLES

	# OF UNITS	SQUARE FEET	AVERAGE RENT	AVERAGE RENT/SF
1 DICKINSON LOFTS // 2922 Dickinson Street, Philadelphia, PA	3	871	\$2,411	\$2.77
2 HERRINGBONE LOFTS // 2501 Oakford Street, Philadelphia, PA	14	1,034	\$2,503	\$2.42
3 GRADUATE POINTE // 2501 Washington Avenue, Philadelphia, PA	37	935	\$2,200	\$2.35
4 1121-1123 SOUTH 20 <sup>TH</sup> STREET // Philadelphia, PA	4	887	\$1,800	\$2.03
6 1439 FEDERAL STREET // Philadelphia, PA	21	1,000	\$1,751	\$1.75
7 2646 MANTON STREET // Philadelphia, PA	2	843	\$1,838	\$2.18
8 1244 SOUTH 20 <sup>TH</sup> STREET // Philadelphia, PA	1	1,350	\$2,100	\$1.56
<b>TWO-BEDROOM AVERAGES</b>		<b>928</b>	<b>\$2,084</b>	<b>\$2.25</b>

### THREE-BEDROOM COMPARABLES

	# OF UNITS	SQUARE FEET	AVERAGE RENT	AVERAGE RENT/SF
4 1121-1123 SOUTH 20 <sup>TH</sup> STREET // Philadelphia, PA	2	1,774	\$2,500	\$1.41
5 1625-27 POINT BREEZE AVENUE // Philadelphia, PA	1	1,100	\$1,975	\$1.80
7 2646 MANTON STREET // Philadelphia, PA	1	1,401	\$2,470	\$1.76
8 1244 SOUTH 20 <sup>TH</sup> STREET // Philadelphia, PA	1	1,350	\$2,100	\$1.56
<b>THREE-BEDROOM AVERAGES</b>		<b>1,406</b>	<b>\$2,261</b>	<b>\$1.63</b>



## RENT COMPARABLES // 1312-1316 Grove Street

**1 Dickinson Lofts**  
2922 Dickinson St, Philadelphia, PA 19146

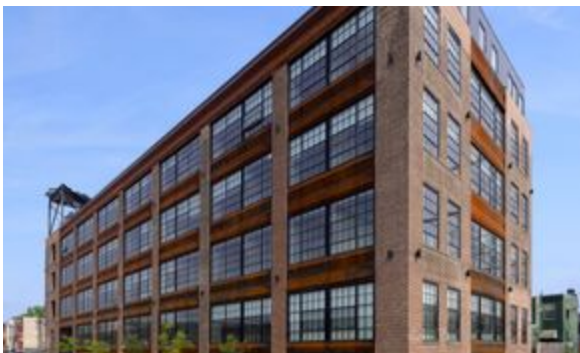
 20 Units |  Year Built 2021



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 2 Bath	3	100	871	\$2,411	\$2.77
TOTAL/AVG	3	100%	871	\$2,411	\$2.77

**2 Herringbone Lofts**  
2501 Oakford St, Philadelphia, PA 19146

 54 Units |  Year Built 2023



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 2 Bath	14	100	1,034	\$2,503	\$2.42
TOTAL/AVG	14	100%	1,034	\$2,503	\$2.42

## 1312-1316 Grove Street // RENT COMPARABLES

**3 Graduate Pointe**  
2501 Washington Ave, Philadelphia, PA 19146

 75 Units |  Year Built 2020



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 2 Bath	37	100	935	\$2,200	\$2.35
TOTAL/AVG	37	100%	935	\$2,200	\$2.35

**4 1121-1123 S 20th St**  
1121 S 20th St, Philadelphia, PA 19146

 6 Units |  Year Built 2023



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 1 Bath	4	66.7	887	\$1,800	\$2.03
3 Bed / 2 Bath	2	33.3	1,774	\$2,500	\$1.41
TOTAL/AVG	6	100%	1,182	\$2,033	\$1.72

## RENT COMPARABLES // 1312-1316 Grove Street

**5** 1625-27 Point Breeze Ave  
1625 Point Breeze Ave, Philadelphia, PA 19145

 5 Units |  Year Built 2018



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
3 Bed / 2 Bath	1	100	1,100	\$1,975	\$1.80
TOTAL/AVG	1	100%	1,100	\$1,975	\$1.80

**6** 1439 Federal St  
1439 Federal St, Philadelphia, PA 19146

 42 Units |  Year Built 2023



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 2 Bath	21	100	1,000	\$1,751	\$1.75
TOTAL/AVG	21	100%	1,000	\$1,751	\$1.75



## 1312-1316 Grove Street // RENT COMPARABLES

**7** 1244 S. 20th Street  
1244 S 20th St, Philadelphia, PA 19146

 3 Units |  Year Built 2023



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
3 Bed / 2 Bath	1	100	1,350	\$2,100	\$1.56
TOTAL/AVG	1	100%	1,350	\$2,100	\$1.56

**8** 2646 Manton Street  
2646 Manton St, Philadelphia, PA 19146

 3 Units |  Year Built 2022



UNIT TYPE	# UNITS	% OF	SIZE SF	RENT	RENT/SF
2 Bed / 1.5 Bath	2	66.7	843	\$1,838	\$2.18
3 Bed / 2 Bath	1	33.3	1,401	\$2,470	\$1.76
TOTAL/AVG	3	100%	1,029	\$2,048	\$1.99

SECTION 4

# Location Overview

LOCATION OVERVIEW

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AERIAL MAP

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### **The Neighborhood**

Forgotten Bottom is an emerging neighborhood that holds a rich history and promising future. The neighborhood has seen a significant amount of new development and increased property values due to its centralized location. In addition, the property is across the street from Pennovation Works, the University of Pennsylvania's 23-acre innovation Campus. This location provides residents with a one-of-a-kind opportunity to contribute to the neighborhood's growth and transformation while being in close proximity to major city attractions.

### **Accessibility & Transit**

While maintaining a quiet ambiance, the neighborhood provides easy access to transportation networks such as the Schuylkill Expressway (Interstate 76) for a commute to University City & Center City. The University of Pennsylvania, Center City, University City, and the Walt Whitman Bridge are all within a 5-10-minute drive. Tenants have easy access to a Fresh Grocer anchored shopping center, and shopping and dining.

### **Universities & Hospitals**

The location is backed by “eds and meds” employers and demand-drivers. The University of Pennsylvania, Drexel University, Lincoln University, and several others are right across the Schuylkill River. Hospitals include Children's Hospital of Philadelphia (CHOP), Hospital of the University of Pennsylvania (HUP), Penn Presbyterian.

### **Employment**

The properties' location enables excellent connectivity to surrounding submarkets and job centers. There are more than 3 million jobs in the surrounding MSA. The area is home to more than a dozen Fortune 500 companies, including AmeriSource Bergen, Comcast, DuPont & Aramark.



# AERIAL MAP // 1312-1316 Grove Street



Map data ©2023 Google Imagery ©2023 , Airbus, CNES / Airbus, Maxar Technologies, U.S. Geological Survey, USDA/FPAC/Geo



SECTION 5

# Philadelphia Market Overview

MARKET OVERVIEW

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### PHILADELPHIA

Philadelphia is known for the Liberty Bell and the home of Independence Hall, where the United States Constitution and Declaration of Independence were adopted. The metropolitan area encompasses 11 counties across Pennsylvania, New Jersey, Delaware and Maryland. The Delaware River bisects the metropolis from northeast to southwest, and it serves as the border between Pennsylvania and New Jersey. The Schuylkill River passes through the heart of Philadelphia, separating West Philadelphia from Center City. The market contains approximately 6.2 million residents. Although the metro has more than 360 municipalities, few have more than 50,000 citizens. Philadelphia is the largest city, with just over 1.6 million residents.

#### METRO HIGHLIGHTS



##### HIGHLY-EDUCATED WORKFORCE

Philadelphia has one of the largest concentrations of institutions of higher learning in the nation, including the University of Pennsylvania, Temple University and Drexel University.



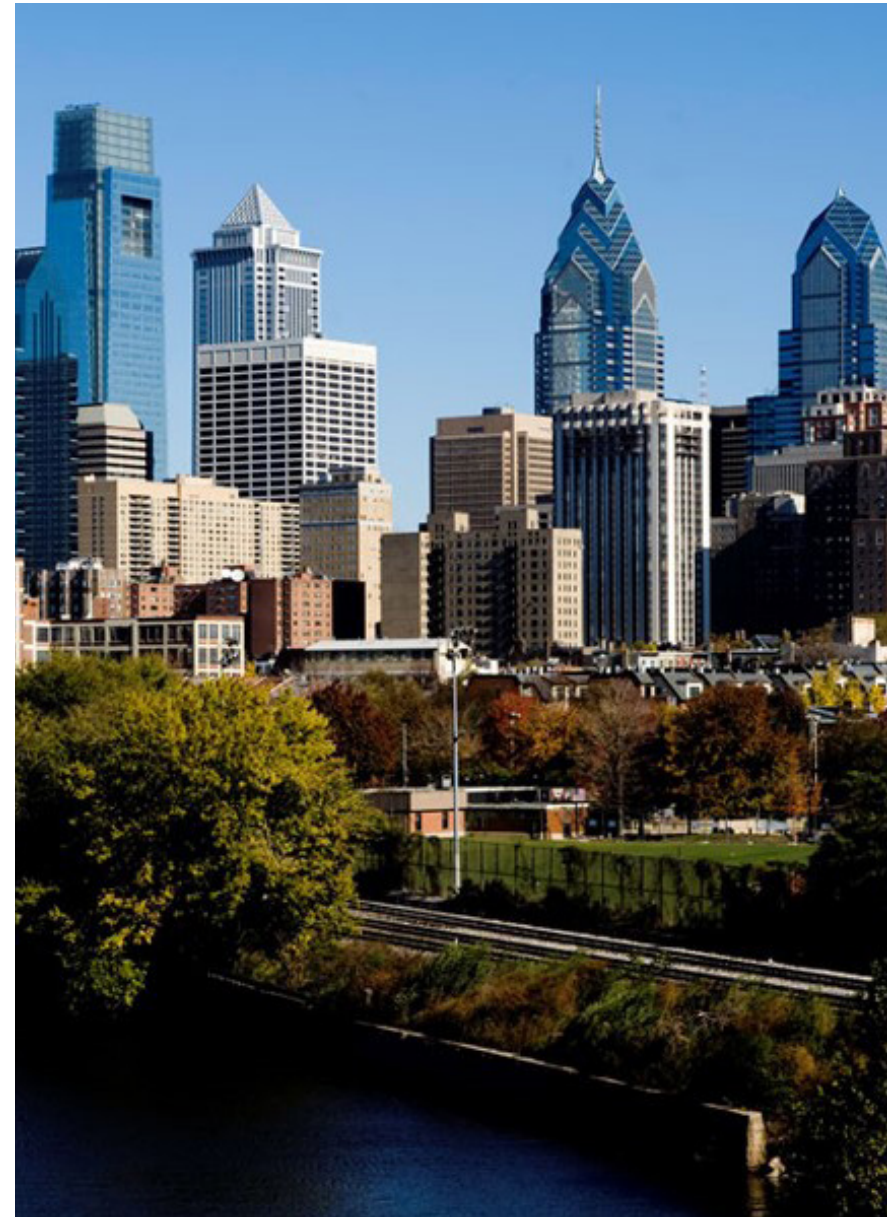
##### EXPANDING HEALTH SCIENCES SECTOR

The metropolitan area is a significant pharmaceutical, medical and biosciences center. Major companies include Merck, GlaxoSmithKline and Johnson & Johnson.



##### TRANSPORTATION NETWORK

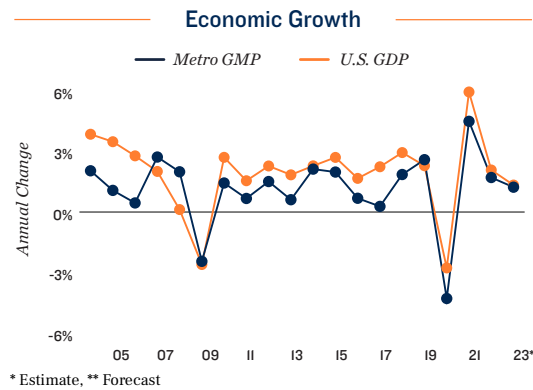
Interstate 95 connects Philadelphia to both New York City and Washington, D.C., and Interstate 76 links the region to Pittsburgh and Cleveland.





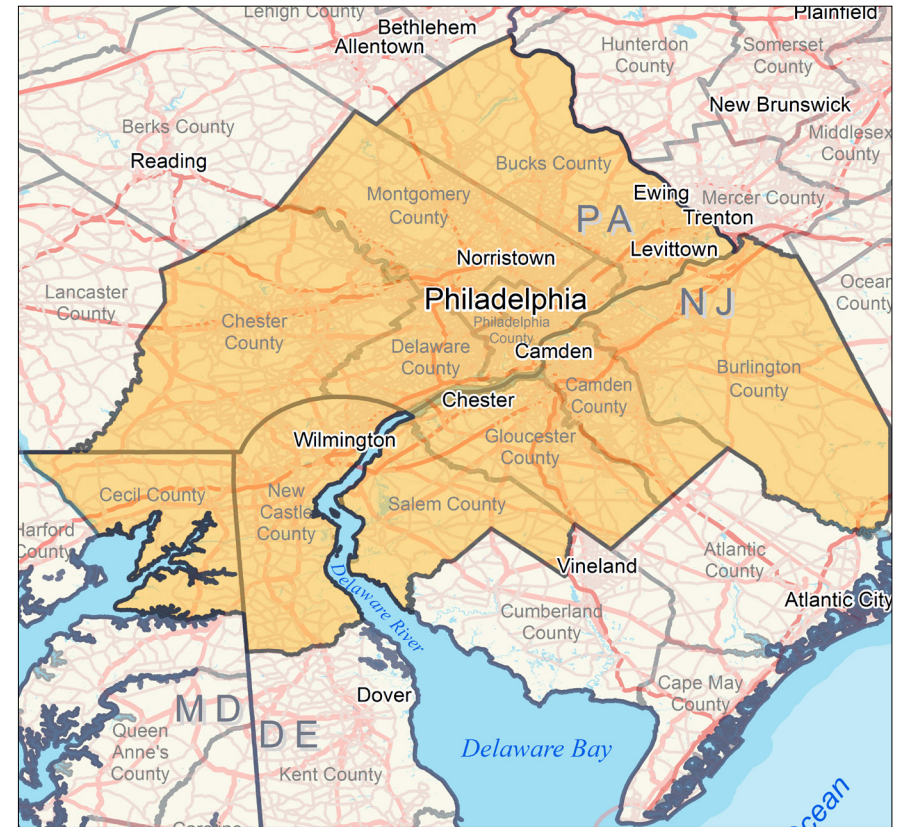
## ECONOMY

- Drivers of the region’s economy include pharmaceuticals, biotechnology, financial services, education, logistics, advanced manufacturing and telecommunications.
- The Philadelphia area is home to numerous Fortune 500 companies that operate across a broad spectrum of industries, including AmerisourceBergen, Comcast, Crown Holdings, Inc., UGI, Toll Brothers and Aramark.
- Philadelphia is headquarters to the Federal Reserve’s Third District, which, along with the U.S. Mint, the Philadelphia Stock Exchange, and companies like Lincoln Financial Group and Vanguard, helps shape a formidable financial sector.

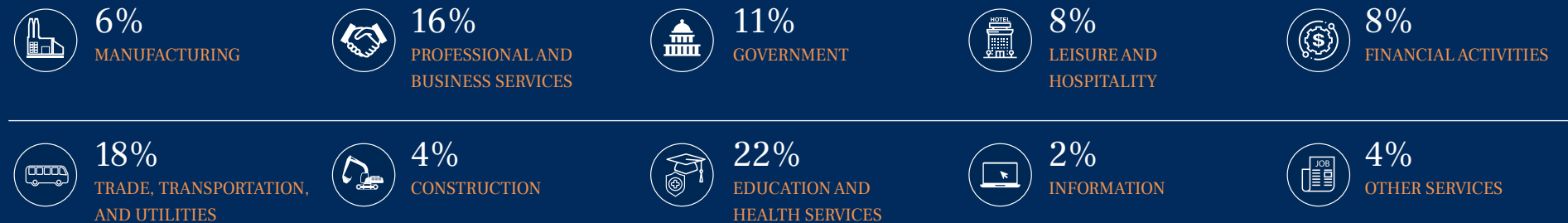


## MAJOR AREA EMPLOYERS

- University of Pennsylvania
- Jefferson Health System
- Merck & Co.
- Drexel University
- Temple University Health System
- Trinity Health Corp.
- Comcast
- Bank of America Corp.
- Children’s Hospital of Philadelphia
- The Vanguard Group, Inc.



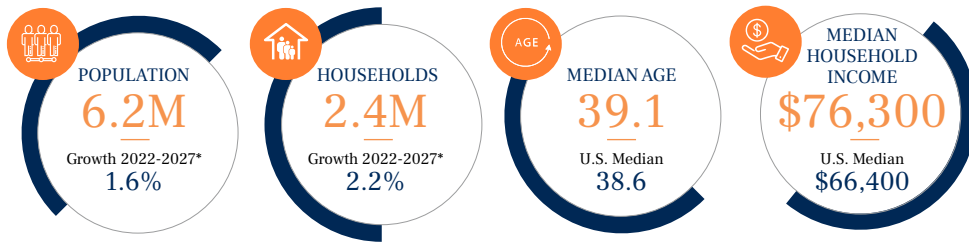
## SHARE OF 2022 TOTAL EMPLOYMENT



# MARKET OVERVIEW // 1312-1316 Grove Street

## DEMOGRAPHICS

- The metro is expected to add roughly 99,000 people over the next five years, which will result in the formation of approximately 52,000 households.
- A median home price below the U.S. level has afforded 67 percent of households the ability to own their homes, compared with 64 percent for the nation.
- Roughly 37 percent of people ages 25 and older hold a bachelor's degree; among those residents, 15 percent have also earned a graduate or professional degree.



### 2020 POPULATION BY AGE



### QUALITY OF LIFE

Philadelphia offers its residents an attractive package of economic, educational, cultural and recreational advantages. Its transformation from a manufacturing-based economy to one more reliant on information will continue to provide greater economic opportunities. In addition, the cost-of-living in Philadelphia is much less than in other major East Coast markets. Philadelphia provides both visitors and locals with a wide array of destinations. Art and science museums are plentiful, and the restaurant and nightclub scene is alive in the Center City area. The metro houses major professional sports teams, including the Eagles, 76ers, Phillies, Flyers and Union, in addition to numerous golf courses, bike paths and water-related activities.

### SPORTS

- Baseball | **MLB** | PHILADELPHIA PHILLIES
- Football | **NFL** | PHILADELPHIA EAGLES
- Basketball | **NBA** | PHILADELPHIA 76ERS
- Hockey | **NHL** | PHILADELPHIA FLYERS
- Soccer | **MLS** | PHILADELPHIA UNION

### EDUCATION

- UNIVERSITY OF PENNSYLVANIA
- DREXEL UNIVERSITY
- TEMPLE UNIVERSITY
- COMMUNITY COLLEGE OF PHILADELPHIA

### ARTS & ENTERTAINMENT

- KIMMEL CENTER FOR THE PERFORMING ARTS
- PHILADELPHIA MUSEUM OF ART
- THE FRANKLIN INSTITUTE
- MORRIS ARBORETUM

\* Forecast

Sources: Marcus & Millichap Research Services; BLS; Bureau of Economic Analysis; Experian; Fortune; Moody's Analytics; U.S. Census Bureau

# exclusively listed

**Marcus & Millichap**

MACLAREN, TOWNSEND  
AND TALONE GROUP

1312 - 1316 GROVE STREET

Philadelphia, PA 19146

5 Units

## MACLAREN • TALONE • TOWNSEND | MULTIFAMILY HOUSING SPECIALISTS

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