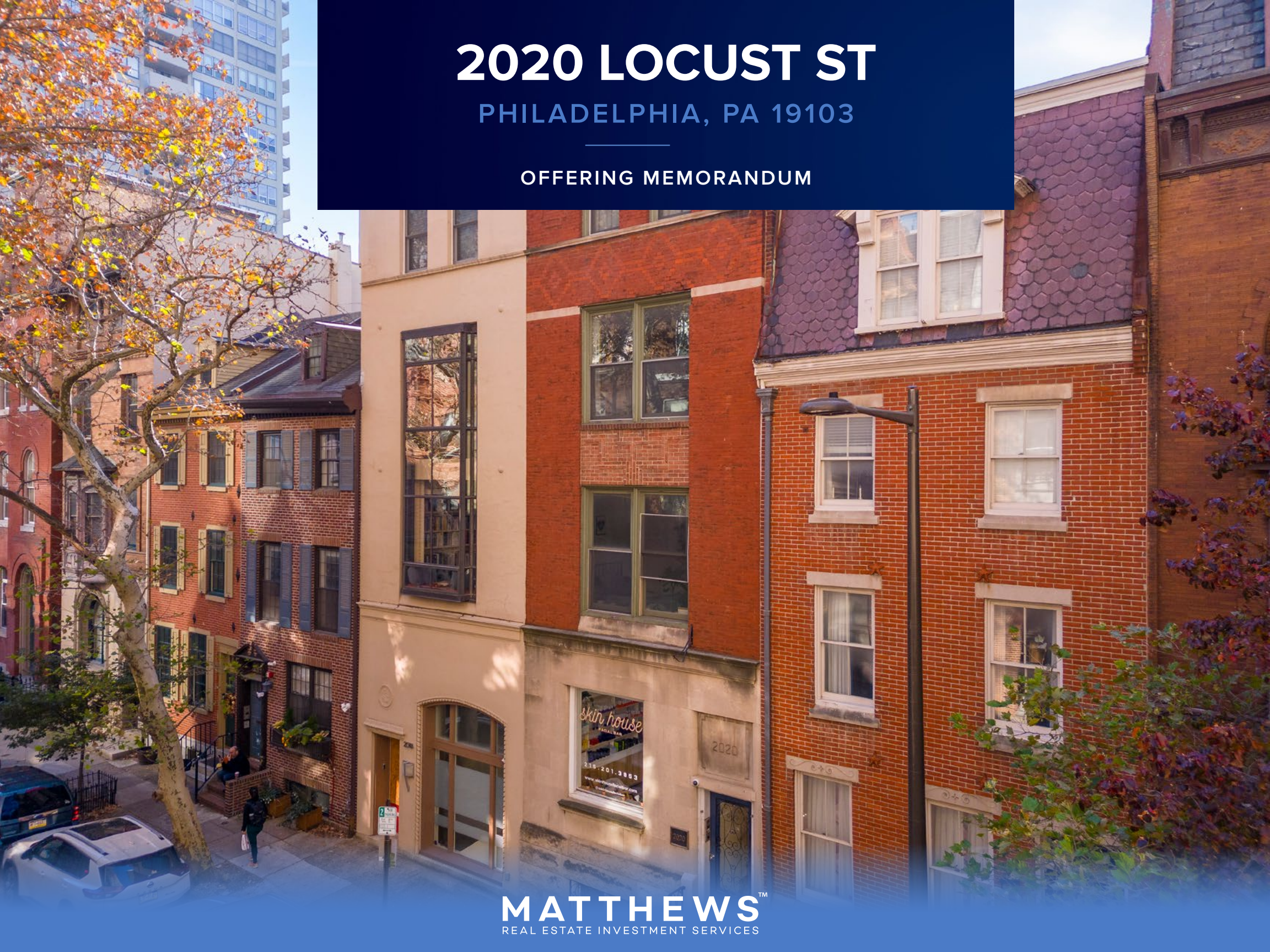


2020 LOCUST ST

PHILADELPHIA, PA 19103

OFFERING MEMORANDUM



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TABLE OF CONTENTS

03 PROPERTY OVERVIEW

09 FINANCIAL OVERVIEW

12 FLOOR PLANS

15 AREA OVERVIEW



PROPERTY OVERVIEW



INVESTMENT OVERVIEW

2020 Locust Street in Rittenhouse Square represents a generational real estate acquisition opportunity to purchase a blue-chip multifamily building in an irreplaceable location — 1.5 blocks to Rittenhouse Square Park— the most esteemed neighborhood in Philadelphia, Pennsylvania. This seven (7) unit apartment building is a turnkey investment. The Property consists of 4,000 SF with 1 commercial space, 3 studios, 2 1bds, + 1 2bd with a private rooftop terrace overlooking Rittenhouse Square and Center City. Renovated in 2017 with hardwood floors, contemporary kitchens and baths, laundry, upgraded HVAC + more.



PROPERTY OVERVIEW



SUBJECT PROPERTY



LIST PRICE
\$2,425,000



PRICE PER UNIT
\$346,429



PRICE PER FOOT
\$606.25



TOTAL GLA
±4,000 SF

UNIT MIX

COMMERCIAL	1
AIRBNB STUDIO	1
STUDIO	2
1+1	2
2+2	1
TOTAL	7

PRICING

STUDIO	\$1,225 - \$1,400
1 BED/1 BATH	\$1,650-\$1,950
2 BED/1 BATH	\$2,850



Pizzata carina TRATTORIA PIZZERIA

Rittenhouse HARDWARE



CURTIS INSTITUTE OF MUSIC PARC barclay prime

WARWICK RITTENHOUSE SQUARE PHILADELPHIA

ROUGE

ST. PATRICK ROMAN CATHOLIC CHURCH

FRI SAT SUN



THE RIVERLOFT APARTMENT HOMES



ROSY'S TACO BAR

THE RITTENHOUSE LACROIX

ALBERT M. GREENFIELD SCHOOL

THE LAUREL COLOMBE COFFEE ROASTERS SHAKE SHACK

1845 WALNUT ST

10 RITTENHOUSE SQUARE

The Love. Her Place Supper Club

CHESTNUT ST ± 14,000 VPD

WALNUT ST ± 20,000 VPD

CENTER CITY DISTRICT

TRADER JOE'S

Independence

CITY HALL

COMMERCE SQUARE

TRADER JOE'S

WILLIAM H. GRAY III 30TH STREET STATION

Sean-Georges PHILADELPHIA vernick fish

N BROAD ST ± 30,000 VPD

± 149,000 VPD

S BROAD ST ± 23,000 VPD

FINANCIAL OVERVIEW



2020



2020



ANNUAL OPERATING SUMMARY

		T-6	PER UNIT	PROFORMA	PER UNIT	YEAR 2 STABILIZED	PER UNIT
Gross Potential Rent	<u>Proforma Estimates</u>	\$148,020		\$134,400	<i>Market Rent</i>	\$138,432	-13%
Less Vacancy	-3.0%	-\$1,350	-0.91%	-\$4,032	-3.0%	-\$4,153	
Loss/Gain to Lease	-3.0%	-\$15,415	-10.41%	-\$4,032	-3.0%	-\$1,384	
Less Concessions	0.00%	\$0	0.00%	\$0	0.0%	\$0	
Less Change in Delinquency	0.00%	\$4,400	2.97%	\$0	0.0%	\$0	
Retail Income	\$33,600 Total	\$0	\$0	\$33,600	\$4,800	\$0	\$0
Other Income	\$50 Per Unit	\$0	\$0	\$350	\$50	\$34,629	\$4,947
Utility Reimbursement(Water/Trash/Other)	2% % Over Actual	\$875	\$125	\$893	\$128	\$910	\$130
Gross Operating Income		\$136,530		\$161,179		\$168,434	
Expenses		\$39,867	28.9%	\$39,876	24.14%	\$41,001	23.76%
Net Operating Income		\$96,663	\$13,809	\$121,303	\$17,329	\$127,433	\$18,205
Loan Payments		\$96,052		\$96,052		\$96,052	
Pre-Tax Cash Flow		\$611	0.1%	\$25,251	2.10%	\$31,381	2.62%
Plus Principal Reduction		\$15,233		\$15,233		\$15,233	
Total Return Before Taxes		\$15,845	1.32%	\$40,484	3.37%	\$46,614	3.88%

PRO FORMA ANNUAL OPERATING EXPENSES

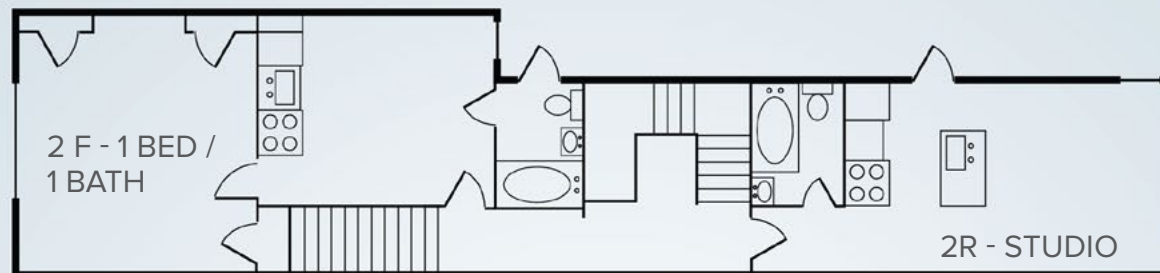
	PRO FORMA ESTIMATES	% OF SGI	PRO FORMA	PER UNIT	MARKET	PER UNIT	MARKET	PER UNIT	% OF SGI
Real Estate Taxes	15.00% Over Actual	3.02%	\$4,464	\$638	\$5,133	\$733	\$5,262	\$752	3.8%
Property Management Fee	4.0% x GOI	4.40%	\$6,518	\$931	\$6,447	\$921	\$6,737	\$962	4.9%
Insurance	\$1,000.00 Per Unit	5.10%	\$7,550	\$1,079	\$7,000	\$1,000	\$7,175	\$1,025	5.2%
Payroll	\$1,000.00	5.11%	\$7,568	\$1,081	\$7,000	\$1,000	\$7,175	\$1,025	5.2%
General and Administrative	\$350.00 Per Unit	2.53%	\$3,749	\$536	\$2,450	\$350	\$2,511	\$359	1.8%
Contract Services	\$100.00 Per Unit	0.51%	\$759	\$108	\$700	\$100	\$0	\$0	0.0%
Landscaping/Grounds	-	0.00%	\$0	\$0	\$0	\$0	\$718	\$103	0.5%
Turnover	\$150.00 Per Unit	0.00%	\$0	\$0	\$1,050	\$150	\$1,076	\$154	0.8%
Repairs & Maintenance	\$350.00 Per Unit	2.21%	\$3,274	\$468	\$2,450	\$350	\$2,511	\$359	1.8%
Electrical	2% % Over Actual	1.71%	\$2,526	\$361	\$2,577	\$368	\$2,641	\$377	1.9%
Water/Sewer	2% % Over Actual	2.00%	\$2,965	\$424	\$3,024	\$432	\$3,100	\$443	2.2%
Trash Removal	2% % Over Actual	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Other Utilities/Fuel/Gas	2% % Over Actual	0.31%	\$460	\$66	\$469	\$67	\$481	\$69	0.3%
Marketing/Advertising	\$25.00 Per Unit	0.02%	\$34	\$5	\$175	\$25	\$179	\$26	0.1%
Reserves	\$200.00 Per Unit	0.00%	\$0	\$0	\$1,400	\$200	\$1,435	\$205	1.0%
Total Expenses		29.20%	\$39,867	\$5,695	\$39,876	\$5,697	\$41,001	\$5,857	29.6%
		<u>CURRENT</u>	<u>PER UNIT</u>	<u>% OF SGI</u>					
Non-controllable expenses: Taxes, Ins., Reserves:		\$12,014	\$1,716	8.9%					
Total Expense without Taxes & Reserves		\$35,403	\$5,058	26.34%					

RENT ROLL

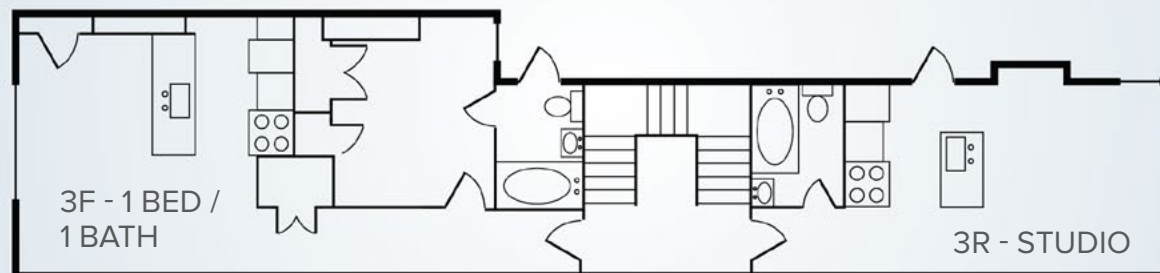
UNIT	TYPE	S.F	RENT	PRO FORMA	LEASE FROM	LEASE TO
Retail	Commercial	1,150	\$2,200	\$2,800	03/01/2023	02/29/2024
1R	Studio - Airbnb	345	\$1,400	\$1,450	03/01/2023	02/29/2024
2F	1 Bed / 1 Bath	451	\$1,650	\$1,950	02/06/2023	01/31/2024
2R	Studio	262	\$1,410	\$1,450	08/01/2022	07/31/2024
3F	1 Bed / 1 Bath	564	\$1,920	\$1,950	07/08/2022	06/30/2024
3R	Studio	262	\$1,225	\$1,450	06/16/2023	05/31/2024
4	2 Bed / 2 Bath	962	\$2,850	\$2,950	07/01/2021	06/30/2024
Totals		3,996	\$12,655	\$14,000		



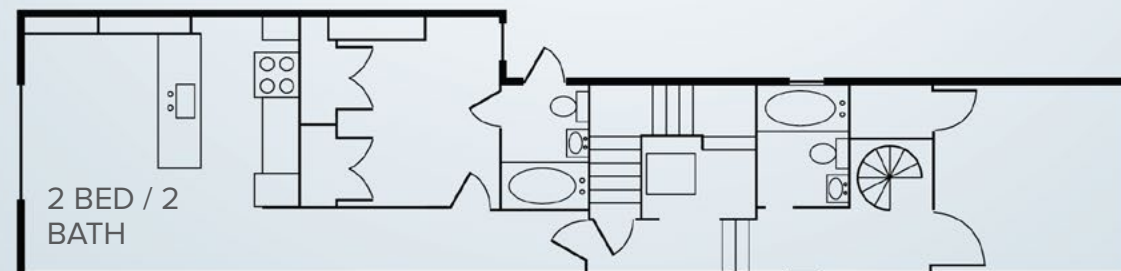
FLOOR 2

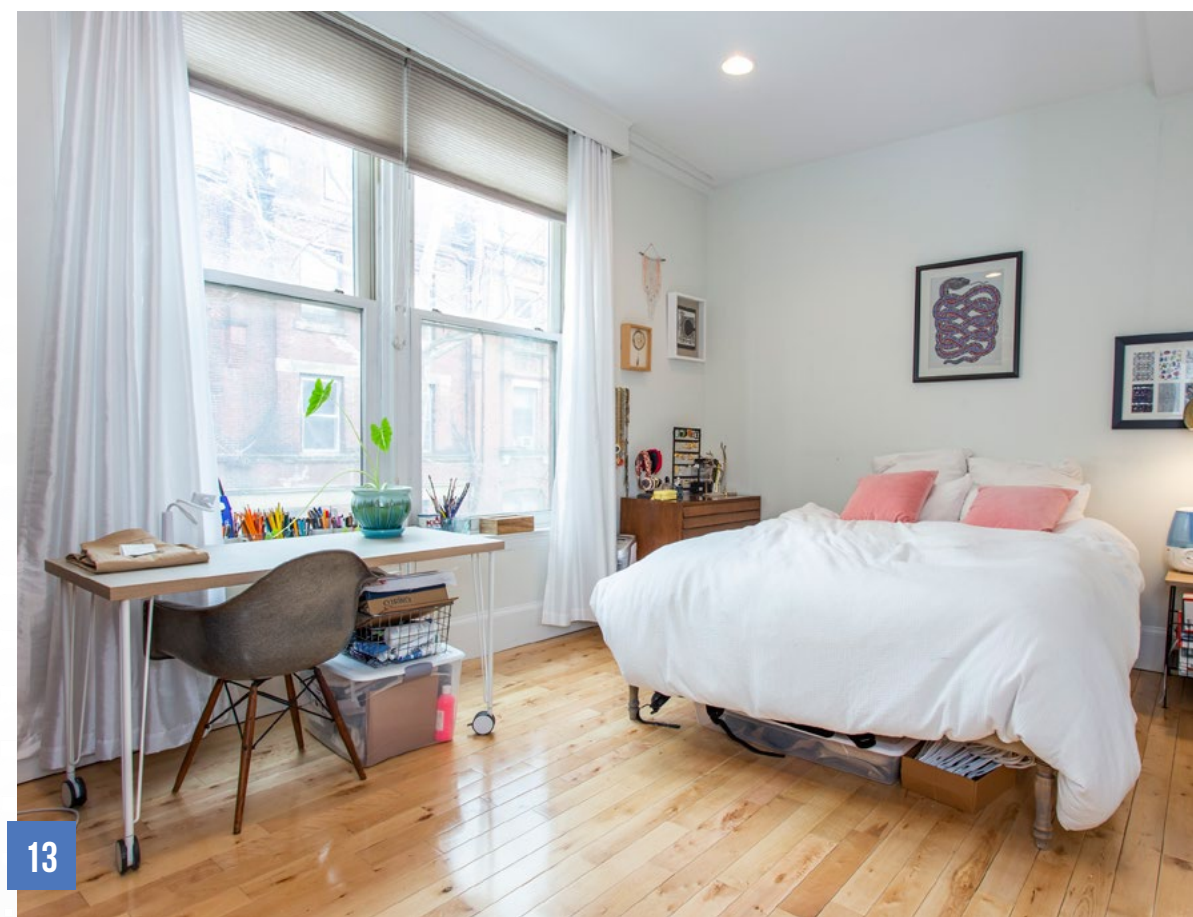


FLOOR 3



FLOOR 4







AREA OVERVIEW



RITTENHOUSE SQUARE

PHILADELPHIA, PA

One of five original squares planned by city founder William Penn in the late 17th century, Rittenhouse Square is the heart of Center City's most expensive and exclusive neighborhood.

With a bevy of high-rise residences filled with top-end luxury apartments and some of the best fine dining experiences in the city, residents can marvel at their options, while also enjoying the luxury retail shopping in the area, all of which surround the handsome tree-filled park.

HIGHLIGHTS

- *A sophisticated and stylish cross-section of fashion, art, and business.*
- *Endless options to explore for shopping, dining and entertainment.*
 - *Quaint cafes and restaurants*

FAVORITE SPOTS AROUND TOWN

BEST CAFE

- La Colombe
- Bluestone Lane Rittenhouse Cafe

BEST BAR / RESTAURANTS

- Parc
- Barclay Prime
- The Love

BEST ATTRACTIONS

- Rittenhouse Square Park
- Walnut Street Retail (High Street)



SALES COMPARABLES

ADDRESS	BED / BATH	SF	BED / BATH	SF	SF
Subject: 2020 Locust St	7	4,008	\$2,500,000	\$624	\$357,143
2112 Walnut St	1	13,754	\$3,750,000	\$273	-
2101-3 Spruce St	10	12,160	\$4,975,000	\$409	\$497,500
1919 Walnut St	1	7,000	\$2,450,000	\$350	-
2134 Spruce St	9	5,712	\$2,050,000	\$359	\$227,778
919-921 Lombard St	6	6,600	\$1,960,000	\$297	\$326,667
2109 Spruce St	6	4,553	\$1,900,000	\$417	\$316,667
2318 Spruce St	5	4,080	\$1,900,000	\$466	\$380,000
Average	5	7,694	\$2,712,143	\$367	\$349,722

STUDIO RENT COMPARABLES

ADDRESS	BED	BATH	SQ FT	PRICE	PRICE/SQFT
1806-18 Rittenhouse Sq #503	STUDIO	1	415	\$2,000	\$4.82
1810 Rittenhouse Sq #1003	STUDIO	1	450	\$1,970	\$4.38
1810 Rittenhouse Sq #313	STUDIO	1	450	\$1,800	\$4.00
1616 Walnut St #0B1BA	STUDIO	1	477	\$1,753	\$3.68
219-29 S 18th St #422	STUDIO	1	497	\$1,725	\$3.47
219-29 S 18th St #513	STUDIO	1	475	\$1,725	\$3.63
1806-18 Rittenhouse Sq #1905	STUDIO	1	461	\$1,700	\$3.69
135 S 19th St #1413	STUDIO	1	396	\$1,690	\$4.27
2100-2 Walnut St #7F	STUDIO	1	250	\$1,665	\$6.66
135 S 19th St #1405	STUDIO	1	418	\$1,650	\$3.95
Average			429	\$1,768	\$4.12

1 BED RENT COMPARABLES

ADDRESS	BED	BATH	SQ FT	PRICE	PRICE/SQFT
1806-18 Rittenhouse Sq #1006	1	1	515	\$2,200	\$4.27
1616 Walnut St #1B-0911	1	1	580	\$2,137	\$3.68
2010 Walnut St #402	1	1	535	\$2,095	\$3.92
1616 Walnut St #1B-2209	1	1	534	\$2,066	\$3.87
1616 Walnut St #1B-2306	1	1	551	\$2,057	\$3.73
1616 Walnut St #1B-2209	1	1	534	\$2,056	\$3.85
222 W Rittenhouse Sq #1205	1	1	600	\$2,025	\$3.38
1616 Walnut St #1B-2009	1	1	579	\$1,980	\$3.42
219-29 S 18th St #1404	1	1	499	\$1,950	\$3.91
219-29 S 18th St #1614	1	1	536	\$1,950	\$3.64
Average			546	\$2,052	\$3.77

2 BED RENT COMPARABLES

ADDRESS	BED	BATH	SQ FT	PRICE	PRICE/SQFT
1917 Spruce St #A	2	1.5	1047	\$3,450	\$3.30
135 S 19th St #507-08	2	2	987	\$3,450	\$3.50
2004 Addison St	2	2	950	\$3,400	\$3.58
2026 Market St #615	2	2	834	\$3,315	\$3.97
1616 Walnut St #2B2BA	2	2	936	\$3,254	\$3.48
2026 Market St #211	2	2	834	\$2,975	\$3.57
1924-26 Spruce St #4F	2	1	912	\$2,875	\$3.15
2031 Locust St #1603	2	2	1022	\$2,850	\$2.79
2026 Market St #213	2	2	834	\$2,845	\$3.41
1949 Locust St #4	2	1	900	\$2,795	\$3.11
Average			926	\$3,121	\$3.37

MSA OVERVIEW

PHILADELPHIA, PA

Philadelphia often referred to as the "City of Brotherly Love," holds a rich historical significance as one of the oldest cities in the United States. Established by William Penn in 1682, Philadelphia played a pivotal role in the American Revolution, serving as the meeting place for the Founding Fathers and hosting the signing of the Declaration of Independence in 1776. The city's Independence Hall and Liberty Bell stand as enduring symbols of America's quest for freedom and democracy. Beyond its historical legacy, Philadelphia boasts a vibrant cultural scene, with world-class museums such as the Philadelphia Museum of Art and the Franklin Institute. Its diverse neighborhoods offer a blend of architectural marvels, from the colonial-era buildings of Society Hill to the vibrant murals adorning the streets of West Philadelphia. Philadelphia is also renowned for its culinary delights, including the iconic Philly cheesesteak and a thriving food scene that celebrates the city's multicultural heritage. With its unique blend of history, culture, and culinary delights, Philadelphia continues to captivate visitors from around the globe.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2028 Population Projection	60,225	413,682	1,029,055
2023 Population	60,260	410,371	1,016,666
2020 Population	56,875	376,177	915,255

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2028 Population Projection	23,768	168,655	424,921
2023 Population	23,849	167,339	419,733
2020 Population	22,726	152,242	374,500

INCOME	1-MILE	3-MILE	5-MILE
Average Household Income	\$41,715	\$71,074	\$82,898



ECONOMY

The Philadelphia area's many universities and colleges make it a top study destination, as the city has evolved into an educational and economic hub. According to Fortune, the Philadelphia area had a cumulative revenue of \$418.2 billion in 2019. Philadelphia is the center of economic activity in Pennsylvania and is home to five Fortune 1000 companies: Comcast NBC Universal, Aramark, FMC, Urban Outfitters, and Carpenter Technology. Philadelphia has also emerged as an information technology and biotechnology hub. The biggest tech companies in the city include Comcast, Day & Zimmerman, Clarivate, Spectra, and many more. The Philadelphia skyline is expanding, with a market of almost 81,900 commercial properties, including several nationally prominent skyscrapers.

TOURISM

Tourism and hospitality are one of the largest industries in the region and important to the vitality of Greater Philadelphia. The growth of the industry depends on all types of visitors — leisure, business, and convention — traveling to Philadelphia. Philadelphia has more outdoor sculptures and murals than any other American city. Fairmount Park, when combined with the adjacent Wissahickon Valley Park in the same watershed, is one of the largest contiguous urban park areas in the United States. The city is known for its arts, culture, and colonial history which attracted 46 million tourists in 2019 who spent \$7.64 billion. The money visitors spend supports local businesses, creates jobs, and generates taxes, helping to build quality of life in Philadelphia.



PHILADELPHIA SPORTS



Philadelphia is home to 6 professional sports teams. The Philadelphia Phillies of the MLB play at the Citizens Bank Park and have won 2 World Series championships. The Philadelphia Eagles of the NFL play at the Lincoln Financial Field and have won 4 Super Bowl championships. The Philadelphia 76ers of the NBA play at the Wells Fargo Center and have won 2 NBA championships. The Philadelphia Flyers of the NHL play at the Wells Fargo Center and have won 2 championships. The Philadelphia Union of the MLS play at the Subaru Park and won the team's first championship in 2020. Founded in 1987, the Philadelphia Wings of the NLL play at the Wells Fargo Center.



PHILADELPHIA PHILLIES
(Major League Baseball)



PHILADELPHIA 76ERS
(National Basketball Association)



PHILADELPHIA EAGLES
(National Football League)



PHILADELPHIA FLYERS
(National Hockey League)

CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property located at **2020 Locust St, Philadelphia, PA 19103** (“Property”). (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.

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