

EXCLUSIVE OFFERING FROM CPG REALTY

Hagerstown Gateway

Hagerstown, Maryland
31.11 Acres of Land Zoned for Multifamily
Development

SITE

PROPERTY ADDRESS:

706 Beaver Creek Road, Hagerstown, Maryland 21742

TRAFFIC COUNTS:

Dual Highway (MD 40): 36,625 Vehicles Per Day

Dwight D. Eisenhower Hwy (I-70): 53,875 Vehicles Per Day

RARE HIGH DENSITY ZONED LAND:

31.11 Acres of land ideally suited for a garden style apartment community

CONVENIENT LOCATION:

Property is located in the northwest quadrant of the intersection of Dual Highway (MD Route 40) and I-70 providing quick access to major transportation arteries.



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BUSINESS TERMS

SALES PRICE	\$3,500,000
OFFERS DUE DATE:	TBD
STUDY PERIOD	90 DAYS
SETTLEMENT	NEGOTIABLE
SELLING ENTITY	LYLES PROPERTIES, LLC
COMMISSION	TO BE PAID BY SELLER

All information is from sources deemed to be reliable, but not guaranteed by CPG Realty or its agents. Offering Memorandum is subject to price changes, omissions, corrections, prior sales, or withdrawal.

Executive Summary

CPG Realty, LLC ("CPG"), as exclusive representative, is pleased to offer for sale the 100% fee simple interest in Hagerstown Gateway (the "Property"), 31.11 acres of land zoned R-3 in Hagerstown, Maryland.

Hagerstown Gateway presents an opportunity to develop a surface parked garden style apartment community in a historically strong multifamily market that has only seen 1 new market rate apartment community in the past 3 years. Access to the property will be from Dual Highway (MD-40) via a private road through Hamilton Plaza (new project that is currently being developed). It is anticipated that approvals for the property will take 12 months. The Seller will entertain offers under the following Settlement conditions:

- As—Is
- Fully Approved
- Rough Graded Pad with Utilities Stubbed to Property

Hagerstown, Maryland is the County Seat of Washington County and has a major transit and commerce driven economy. Hagerstown uniquely enjoys the intersection of Interstate 81, Interstate 70, CSX, Norfolk Southern and the Winchester and Western Railroads.

Hagerstown, Maryland has experienced positive growth over the years through new development and the revitalization of downtown historic Hagerstown. The five largest employers of Washington County, all located in Hagerstown are:

- Meritus Medical Center – 2,740 employees
- Citi – 2,300 employees
- First Data—2,183 employees
- Volvo Group Trucks—1,550 employees
- FedEx Ground—900 employees



Demographics Overview

2017 Population

3-Mile Radius

32,372

5-Mile Radius

81,416

Average Household Income

\$68,787

\$67,000

Hagerstown Multifamily Overview

Statistic

Vacancy Rate

5.7%

Average Asking Rent Per Unit

\$884

Units Under Construction

94

Property Overview

PROPERTY ADDRESS:

706 Beaver Creek Road, Hagerstown, Maryland 21740

TAX MAP:

Washington County Tax Map 318, Parcel 825

PROPERTY SIZE:

31.11 acres

ZONING:

R-3, 12 Dwelling Units per Acre

UTILITIES:

Property is Served by Public Sewer and Water. Gas is in close proximity

VISIBILITY & ACCESS:

The Property has four potential points of access via Beaver Creek Road, Emmert Road, a possible new connection through the Hamilton Plaza Property directly to Maryland 40 and through a future connection to Hebb Road.

EXISTING CONDITIONS:

Property is unimproved land has been farmed for over 50 years. There are gentle rolling hills with some small rock outcroppings. Some older farm buildings will be demolished by the current owner.

TERMS:

The seller is a local developer and homebuilder. With a 30+ year rich history of developing property in Hagerstown, the Seller is willing to deliver the site mass graded with utilities run to the site. All of which is negotiable.

SCHOOLS:

Eastern Elementary School
E Russell Hicks Middle School
South Hagerstown High School

FEES & TAXES:

- City of Hagerstown Tax Rate: \$0.823 per \$100 of Assessed Value
- Washington County Tax Rate: \$0.823 per \$100 of Assessed Value
- Total Property Rate: \$1.646 per \$100 of Assessed Value
- Washington County Excise Tax: \$1.00 per Square Foot of Habitable Space
- Additional Permitting Fees: Additional Fees can be found on the [Permitting and Inspections Homepage](#) of the City of Hagerstown website.
- All fees and taxes are subject to change and should be independently verified.



Conceptual Plan



R-12 MULTIFAMILY CONCEPTUAL PLAN:

336 Multi-Family Units—3 Story Walk-Up
 14 Basement Units—3/4 Split
 350 Total Units
 Community Center, Park & Pool Shown

CONCEPTUAL PLAN INFORMATION:

Conceptual Plans were created by Dewberry and are subject to change.
 For questions contact:
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Market Overview & Rental Comps

MARKET OVERVIEW:

Hagerstown is a historically stable multifamily rental market that has not had an influx of new projects delivered, and is viewed as a value rental opportunity compared to the nearby Frederick market.

- The greater Hagerstown market consists of approximately 11,912 units with a 10 year historic vacancy rate of 5.7%.
- Renters make up 30% of the population in Hagerstown
- Inventory only expanded by 6% between 2010 – 2017
- The area has grown by almost 40,000 people since 2000—growth fueled by location and cost of living
- According to AHS, 17,000 residents commute to work in the DC suburbs
- Approximately 15 apartment projects consisting of 2,050 units have built in Hagerstown since the year 2000
- The majority of the existing apartment stock is aged and without amenities—pool, clubhouse, etc.

RENTAL COMPS:

There are very few apartment communities within Hagerstown that we view as true rental comps for the Beaver Creek Road Land. As such, we view the future apartment community at Beaver Creek Road Land will be viewed as a value alternative to apartment communities in the greater Frederick area.

- There have only been 2 apartment communities (with over 100 units) consisting of 270 units delivered in Hagerstown since 2010.
- There have been 9 apartment communities (with over 100 units) consisting of 2,056 units delivered in Frederick since 2010.
- Recently delivered apartment communities in Frederick have average asking rents ranging from \$1.40 psf to \$1.66 psf.
- Average asking rents for comparable apartment communities in Hagerstown range from \$0.86 psf to \$1.00 psf.

BEST COMPS:

1. The Reserve at Collegiate Acres: 272 units (156 built)
Year Built: 2015+
Average Unit Size: 1,122 sf
Average Rent PSF: \$0.97
Amenities: Clubhouse, Pool
18303 Buckeye Circle, Hagerstown
2. Parkview Place Apartments: 194 Units
Year Built 2003
Average Unit Size: 1,006 sf
Average Rent PSF: \$0.92
Amenities: Playground
507 Lynnehaven Drive, Hagerstown

SUMMARY:

There are very few comparable apartment communities due to the lack of recently built supply in Hagerstown. We believe that Hagerstown Gateway will be successful under the following assumptions:

- Predominant mix of 1 bedroom apartments
- Average unit size less than 1,000 sf
- Community to have pool and clubhouse amenities

Source: CoStar Multifamily Data

Comparable Sales

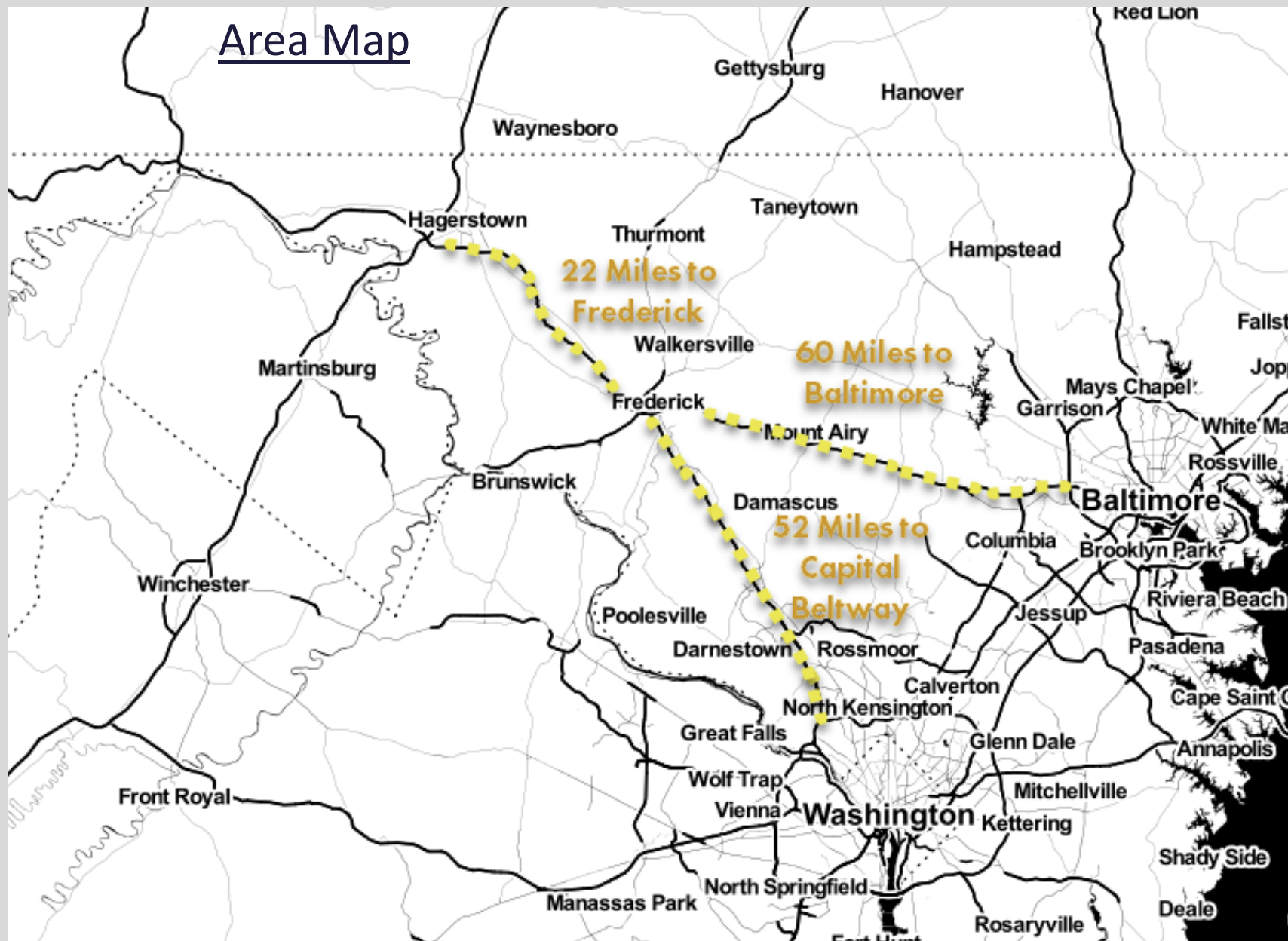
Multifamily Sales Comps from 1/1/2015—Present (Minimum 100 Units)

#	Community Name	Address	City	Land (AC)	Units	Year Blt	Sale Price	Price/Unit	Cap Rate	Sale Date
1	Prospect Hall Apartments	909 Mansion Dr	Frederick	30.51	376	2014	\$72,200,000	\$192,021	Unknown	9/13/2017
2	Century Clearbrook	6450 Mercantile Dr E	Frederick	15.54	297	2006	\$61,000,000	\$205,387	5.80%	7/11/2016
3	Elmwood Terrace	1420 Key Pky (Part of Portfolio)	Frederick	8.78	504	1972	\$59,930,218	\$118,909	Unknown	10/7/2015
4	Retreat at Market Square	300 Cormorant Pl	Frederick	4.53	206	2014	\$45,750,000	\$222,087	5.90%	9/30/2015
5	Willowdale Crossing	150-A Willowdale Dr	Frederick	21.36	432	1984	\$45,200,000	\$104,630	5.98%	9/14/2016
6	Apartments at Welling-ton Trace	4901 Meridian Way (Part of Portfolio)	Frederick	15.68	240	2002	\$28,538,199	\$118,909	Unknown	10/7/2015
7	Grove at Alban Apartments	91 Hill St	Frederick	16.73	290	1980	\$27,500,000	\$94,828	5.60%	4/3/2017
8	Bradford Apartments	55 Manor Dr	Hagerstown	20.36	418	1966	\$26,250,000	\$62,799	7.50%	1/29/2015
9	Hunter's Glen	1421 Key Pky (Part of Portfolio)	Frederick	5.14	108	1984	\$12,842,189	\$118,909	Unknown	10/7/2015
10	Valley Meadow Town-homes	11201 Scarlet Oak Dr (Part of Portfolio)	Hagerstown	11.8	100	1989	\$7,850,000	\$78,500	Unknown	12/21/2016
11	Stone Ridge	1400 Haven Rd	Hagerstown	7.74	104	1964	\$4,200,000	\$40,385	Unknown	8/15/2016
					3,075		\$391,260,606			

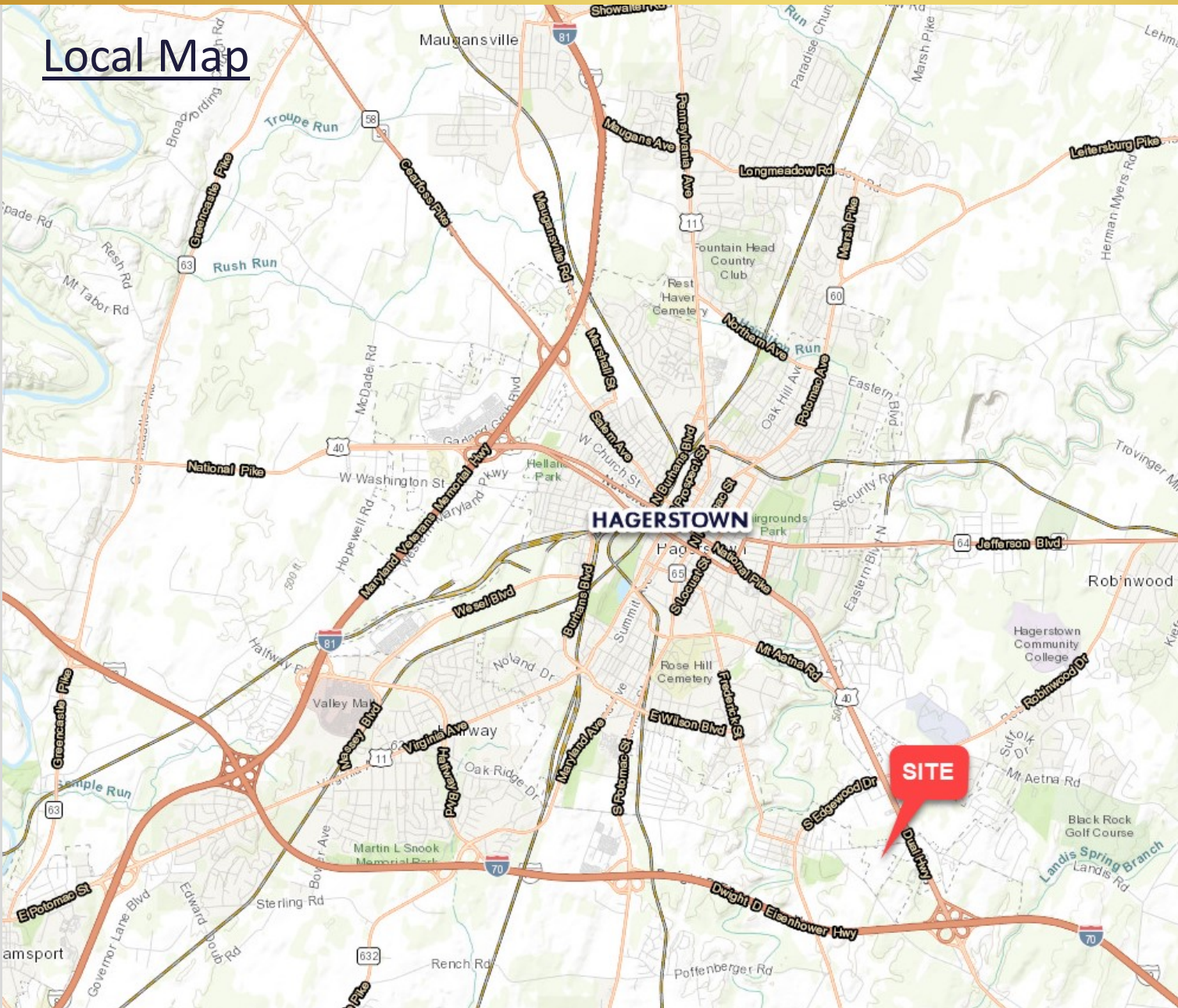
As shown in the table above there has not been a lot of sales activity in the past few years in Hagerstown. We believe that based on the combined multifamily sales comps from Hagerstown and Frederick, that the cap rate would be approximately 6.50% for a new garden style apartment at the Beaver Creek Road Land.

Source: CoStar Multifamily Data

Area Map



Local Map



Additional Information

Contact CPG Realty for additional information about Hagerstown Gateway or to schedule a tour of the property.