# SERHANT.

## COMMERCIAL

# Property Investment Report

### 1058 Hausman Rd, Allentown, PA 18104

**PROPERTY OVERVIEW**

Address: 1058 Hausman Road, Allentown, PA 18104
County: Lehigh
Township: South Whitehall
Property Type: Commercial (Former Motel)
Current Use: Vacant 22-room motel (formerly Allenwood Motel)
Lot Size: 5.5± Acres
Zoning: IC-1 (Industrial Commercial – South Whitehall Township)

**VALUATION & ACQUISITION**

Asking Price: $2,900,000
Estimated ARV (Based on Highest & Best Use): $3,500,000 - $4,000,000+
Total Cash Needed (including closing): $2,960,000 (est.)

**INCOME PROJECTION (ADAPTIVE REUSE OPTION)**

Proposed Use: Flex Commercial / Medical Office / Mixed-Use Development
Estimated Buildout: 35,000 SF
Avg Rent (NNN): $18/SF
Gross Income: $630,000/year
Operating Expenses (35%): $220,500/year
Net Operating Income (NOI): $409,500/year

Cap Rate Based on Asking Price: 14.1%

**INCOME PROJECTION (MOTEL REHAB SCENARIO)**

Room Count: 22
Average Nightly Rate (ADR): $75
Occupancy Rate: 60%
Gross Revenue: $360,000/year
Operating Expenses: $198,000/year (55%)
NOI: $162,000/year
Cap Rate: 5.6%

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**DEAL ANALYSIS & INDUSTRY METRICS**

**Hold & Redevelop Model (10-Year Horizon):**

- Year 1 NOI: $409,500
- Projected NOI Growth (industry average): 2.5%/year

- 10-Year NOI Projection: $523,000
- 10-Year Value @ 7% Market Cap: $7,471,000
- Estimated IRR (unleveraged): ~12%
- Equity Multiple (10-year): 2.5x+

**Comparable Industry Sale Multiples:**

- **Retail/Flex Commercial:** 6.75x – 8.5x NOI (Cap Rate Range: 11% – 13%)

- **Medical Office:** 8x – 10x NOI (Cap Rate Range: 6.5% – 8%)

- **Motel/Extended Stay (stabilized):** 3.5x – 6x EBITDA

Given the redevelopment nature and permitted zoning, a stabilized flex/office asset could trade between **$5.5M – $7.5M**, depending on tenancy and income quality.

**PROPERTY DESCRIPTION**

The Allenwood Motel was built circa 1960 and features a single-story motel structure totaling approximately 8,440 square feet with parking and utility infrastructure in place. The property is flat, lightly wooded in the rear, and highly visible from US Route 22. It offers over 450 feet of frontage on Hausman Road and is minutes from major highways, health systems, and commercial hubs. Zoned IC-1, the parcel supports a wide range of commercial and industrial uses, including mixed-use development.

**ZONING ANALYSIS**

Permitted Uses (by right): - Office (business, medical, professional) - Retail, personal service, and restaurants - Hotel or motel - Light industrial / R&D / Flex space - Mixed-use (commercial with residential above)

Special Exception or Conditional Uses: - Automotive services - Event venues - Nursing homes / rehab centers - Warehousing & distribution

Lot Min: 2.5 Acres
Max Height: 70 Feet

**REDEVELOPMENT ADVANTAGES**

- Existing utilities: Public water & sewer - High traffic count: 80,000+ vehicles/day (Route 22)

- Proximity to Dorney Park, Lehigh Valley Hospital, Cedar Crest College

- Favorable zoning with flexibility and density potential

## COMPARABLE INSIGHT

Recent redevelopment lots with utility access and highway frontage in Lehigh County have sold in the $450,000 to $600,000/acre range. At 5.5 acres, this suggests a value range between $2.5M–$3.3M for commercial redevelopment.

## TENANT DEMAND DRIVERS

- Strong medical and logistics sector demand in Lehigh Valley - Rapid growth in Allentown and surrounding municipalities

- Proximity to interstate corridors and industrial nodes

## FINANCIAL HIGHLIGHTS

**Property Size:** About 5.5 acres

**Asking Price:** $2.9 million

**Expected Annual Profit (if redeveloped):** Around $409,500 per year

**Estimated Return Rate (Cap Rate):** 14.1%

**Cost Per Acre:** About $527,000

**Projected 10-Year Return (IRR):** Approximately 12% annually

**Typical Industry Sale Range (Medical/Flex Use):** Sells for 8 to 10 times the yearly profit

**Expected Property Value in 10 Years:** Around $7.47 million (based on a 7% cap rate)

## BROKER CONTACT

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*Prepared for investor review and CRE platform marketing (CREXI, LoopNet, RealNex).*