



OFFERING MEMORANDUM
THE FLATS AT GUM DRIVE

Marcus & Millichap

PORTSMOUTH, VA | 16 UNITS

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THE FLATS AT GUM DRIVE | PORTSMOUTH, VA | 16 UNITS

THE OPPORTUNITY

THE FLATS AT GUM DRIVE Offered Property

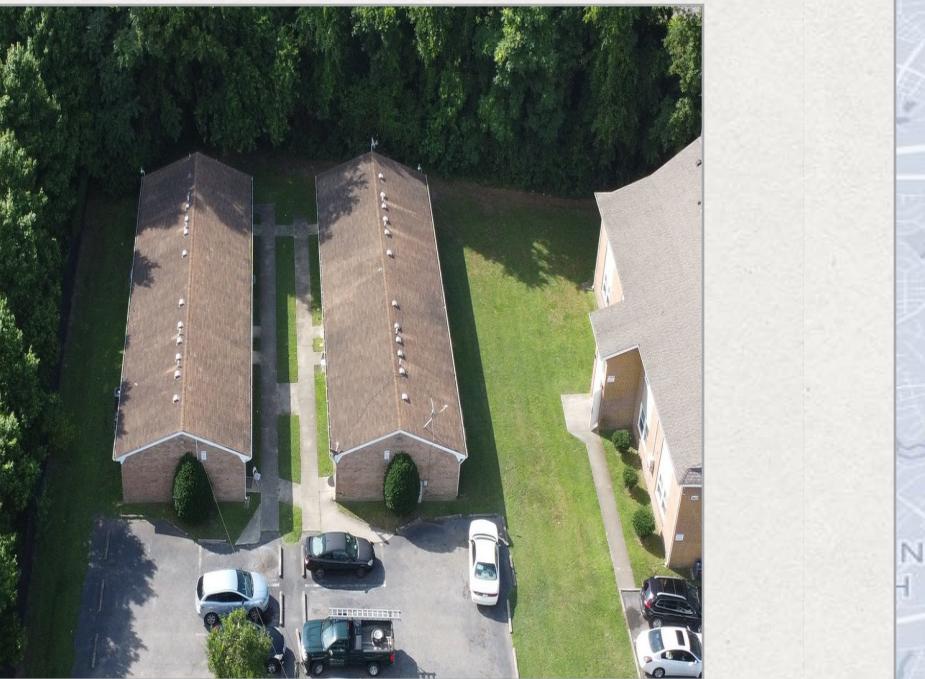
Marcus & Millichap is pleased to present the offering memorandum for The Flats at Gum Drive located at 3593-3607 Gum Drive in Portsmouth, Virginia.

The property consists of sixteen units total. There are eight, one-bedroom and one-bathroom units and eight, two-bedroom two-bathroom units across three, two story building built in 1972, renovated in 1982 and situated on 0.75 acres.

Portsmouth's location along the Elizabeth River offers picturesque waterfront views and recreational opportunities, making it an attractive place to live for residents seeking a high quality of life. The city's historic districts, such as Olde Towne, attract residents and visitors alike, contributing to the desirability of multifamily properties in these areas. Portsmouth benefits from a diverse economy, with industries such as shipbuilding, healthcare, education, and tourism contributing to its economic stability.

PROPERTY SUMMARY: THE FLATS AT GUM DRIVE

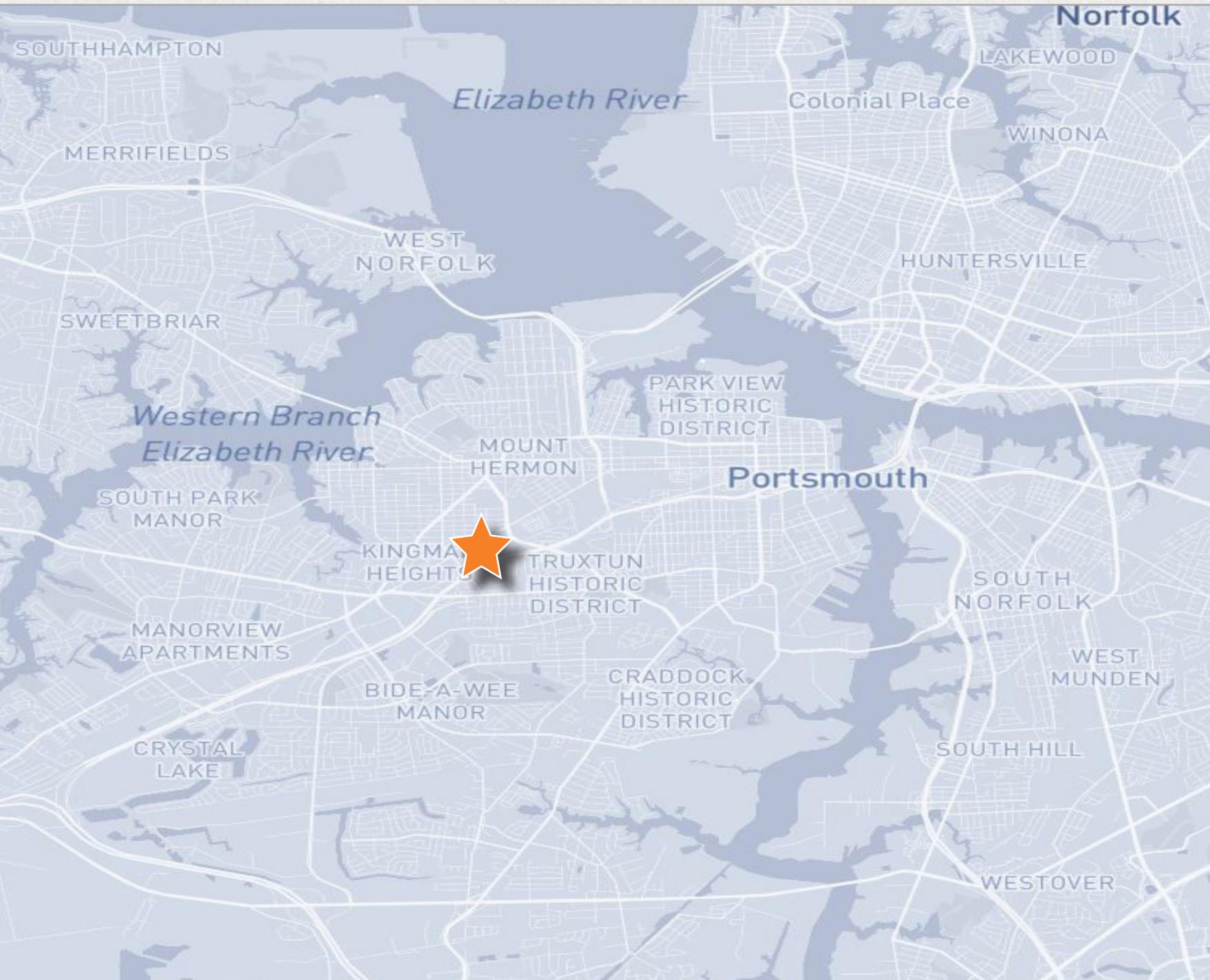
# of Units	16
Year Built	1972 1982
Price	\$1,845,500
Price/Unit	\$115,344
Total Square Feet	9,600 SF
Average Unit Size	600 SF



INVESTMENT HIGHLIGHTS

- TRANSIT ORIENTED** Easy access to I-264 and I-464
- EASY ACCESS TO NUMEROUS EMPLOYMENT CENTERS**

Within 10 minutes Maryview Bon Secours Hospital, Portsmouth City Public Schools and many others.



THE FLATS AT GUM DRIVE
Exterior Photos



THE FLATS AT GUM DRIVE
Interior Photos



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THE FLATS AT GUM DRIVE | PORTSMOUTH, VA | 16 UNITS

LOCATION ANALYSIS

THE FLATS AT GUM DRIVE

Portsmouth Location Overview



THE FLATS AT GUM DRIVE

Portsmouth Top Employers



THE FLATS AT GUM DRIVE

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.



Norfolk International Airport

\$1.0B Expansion

Norfolk International Airport is undergoing a comprehensive expansion to accommodate rising demand and modernize its facilities. This includes a new U.S. Customs Inspection Facility and a three-gate expansion of Concourse A, estimated completion in 2026. Moving walkways on the bridge are expected by summer 2025, while an on-site hotel will be completed between 2026 and 2027. Additional upgrades, including a consolidated rental car center, will continue through 2027.

THE FLATS AT GUM DRIVE

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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THE FLATS AT GUM DRIVE | PORTSMOUTH, VA | 16 UNITS

FINANCIAL ANALYSIS

THE FLATS AT GUM DRIVE

Executive Pricing Summary

PRICE		
Price		\$1,845,500
Down Payment		\$553,650
Number of Units		16
Price Per Unit		\$115,344
Price Per Sqft		\$192.24
Approx. Year Built		1972
RETURNS		
CURRENT		
CAP Rate	7.00%	8.69%
GRM	9.26	7.77
Cash-on-Cash	6.09%	11.71%
Debt Coverage Ratio	1.35	1.68

THE FLATS AT GUM DRIVE

Investment Summary

MARKET LOAN			FINANCING			1ST LOAN		
Interest Rate		6.25%	Loan Amount		\$1,291,850	Loan Type		New
Amortization Period		30 Years	Interest Rate		6.5%	Amortization		30 Years
Months of Interest Only		0 Months	Year Due		2032			
Annual Loan Constant		7.39%						
Loan Term		10 Years						
Loan to Value		70%						
Loan Amount		\$1,291,850						
Down Payment		\$553,650						
INCOME			CURRENT			YEAR 1		
Gross Scheduled Rent			\$199,368		\$237,552	Real Estate Taxes		\$12,500
Less: Vacancy/Deductions	6.4%		\$12,775	6.0%	\$14,253	Insurance		\$10,500
Total Effective Rental Income			\$186,593		\$223,299	Utilities - Electric		\$461
Other Income			\$17,462		\$22,681	Utilities - Water & Sewer		\$9,500
Effective Gross Income			\$204,055		\$245,980	Repairs & Maintenance		\$9,600
Less: Expenses	36.7%		\$74,867	34.8%	\$85,694	Contract Services		\$8,241
Net Operating Income			\$129,188		\$160,286	Marketing & Advertising		\$800
Cash Flow			\$129,188		\$160,286	General & Administrative		\$2,940
Debt Service			\$95,450		\$95,450	Operating Reserves		\$4,000
Net Cash Flow After Debt Service	6.09%		\$33,738	11.71%	\$64,836	Management Fee		\$16,324
Principal Reduction			\$15,138		\$16,112	Total Expenses		\$74,867
Total Expenses	8.83%		\$48,876	14.62%	\$80,947	Expenses/Unit		\$4,679
						Expenses/SF		\$7.80
								\$8.93

THE FLATS AT GUM DRIVE
Unit Mix

UNIT TYPE	# OF UNITS	AVG SF	CURRENT			POTENTIAL		
			AVG RENT	AVG RENT/SF	MONTHLY INCOME	AVG RENT	AVG RENT/SF	MONTHLY INCOME
1BD/1BA	8	500	\$978	\$1.96	\$7,825	\$1,200	\$2.40	\$9,600
2BD/2BA	8	700	\$1,099	\$1.57	\$8,789	\$1,250	\$1.79	\$10,000
Total/Weighted Averages	16	600	\$1,038	\$1.73	\$16,614	\$1,225	\$2.04	\$19,600
Gross Annualized Rents			\$199,368			\$235,200		

THE FLATS AT GUM DRIVE
Operating Statement

INCOME	CURRENT	YEAR 1	PER UNIT
Gross Potential Rent	235,200	237,552	\$14,847
Loss/Gain to Lease	(35,832)	15.2%	0
Gross Current Rent	199,368	237,552	\$14,847
Physical Vacancy	(7,975)	4.0%	(9,502) 4.0%
Bad Debt	(4,800)	2.4%	(4,751) 2.0%
Total Vacancy	(\$12,775)	6.4%	(\$14,253) 6.0%
Economic Occupancy	93.59%	94.00%	
Economic Rental Income	186,593	223,299	\$13,956
Utility Bill-Back	13,435	13,838	\$865
All Other Income	4,027	8,843	\$53
Total Other Income	\$17,462	\$22,681	\$1,418
Effective Gross Income	\$204,055	\$245,980	\$15,374
EXPENSES	CURRENT	YEAR 1	PER UNIT
Real Estate Taxes	12,500	23,580	\$1,474
Insurance	10,500	10,500	\$656
Utilities - Electric	461	1,536	\$96
Utilities - Water & Sewer/Waste	9,500	7,200	\$450
Repairs & Maintenance	9,600	9,600	\$600
Contract Services	8,241	6,400	\$400
Marketing & Advertising	800	800	\$50
General & Administrative	2,940	2,400	\$150
Operating Reserves	4,000	4,000	\$250
Management Fee	16,324	8.0%	1,230
Total Expenses	\$74,867	\$85,694	\$5,356
Expenses as % of EGI	36.7%	34.8%	
Net Operating Income	\$129,188	\$160,286	\$10,018

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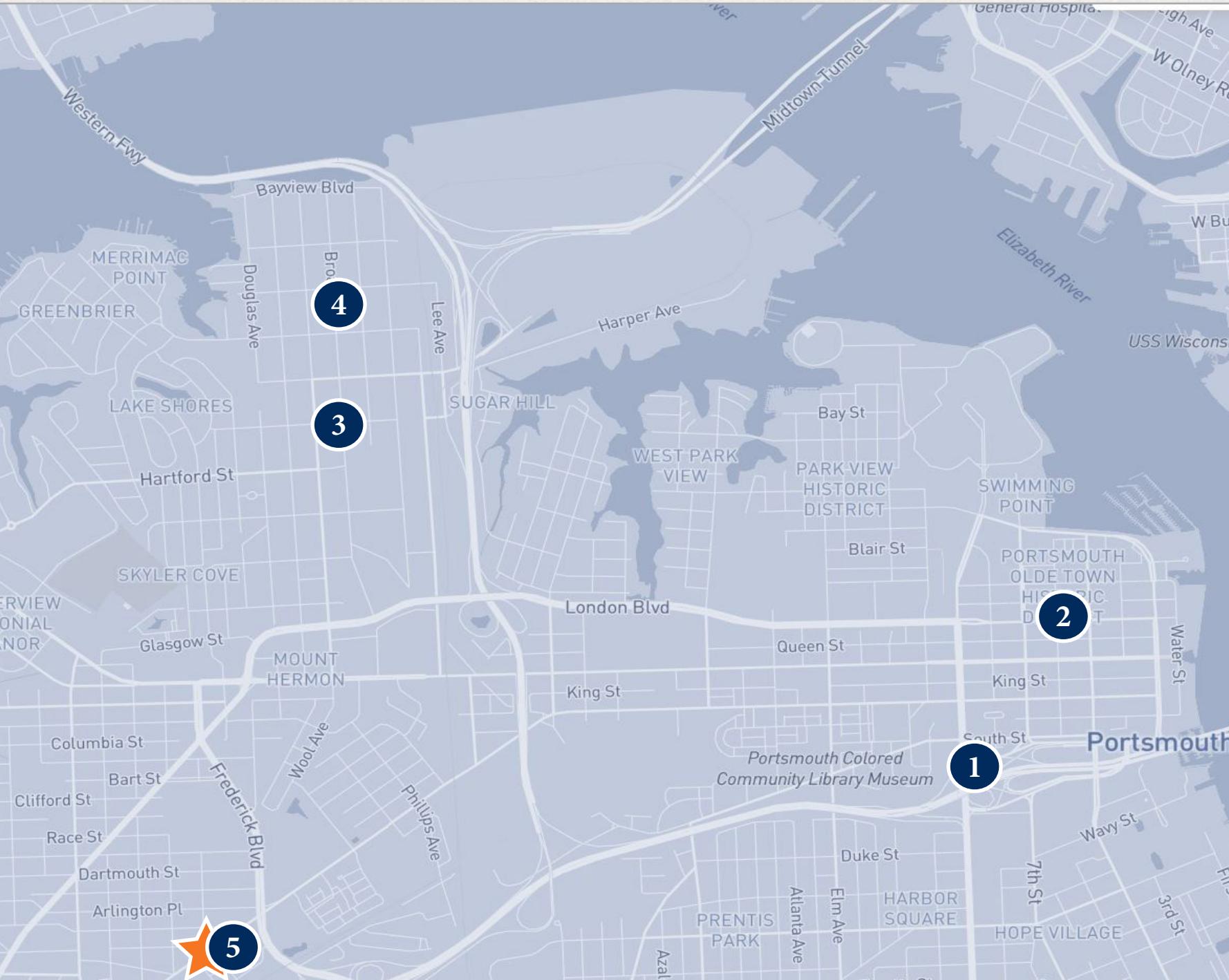
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MARKET COMPARABLES

THE FLATS AT GUM DRIVE

Sale Comparables

PROPERTY	UNITS	AVG SIZE	YEAR BUILT	SALES PRICE	PRICE/UNIT	PRICE/SF	SALE DATE
The Flats at Gum Drive 3593-3607 Gum Drive Portsmouth, VA 23707	16	600 SF	1972 1982	\$1,845,500	\$115,344	\$192.24	TBD
1 1007 Green Street Portsmouth, VA 23704	12	786 SF	1987 2017	\$1,466,414	\$122,201	\$151.80	March 2024
2 424 London Street Portsmouth, VA 23704	4	700 SF	-	\$390,000	\$97,500	\$158.28	April 2024
3 554-556 Broad Street Portsmouth, VA 23707	8	800 SF	1973	\$800,000	\$100,000	\$118.06	October 2024
4 259 Broad Street Portsmouth, VA 23707	6	1,200 SF	1920	\$775,000	\$129,167	\$94.98	January 2025
5 201 Dixie Avenue Portsmouth, VA 23707	8	750 SF	1964	\$935,000	\$116,875	\$194.79	Pending October 2025
Averages	8	847 SF	-	\$873,283	\$113,549	\$143.18	-



THE FLATS AT GUM DRIVE

Rent Comparables

One-Bedroom

PROPERTY	UNIT TYPE	UNITS	SF	RENT	RENT/SF
★ The Flats at Gum Drive - 16 Units 3593-3607 Gum Drive Portsmouth, VA 23707	1BD/1BA	8	500 SF	\$978	\$1.96
1 337 Mt Vernon Avenue - 6 Units Portsmouth, VA 23707					
2 49 Shelby Street - 3 Units Portsmouth, VA 23701					
4 310 Navajo Trail - 120 Units Portsmouth, VA 23701	1BD/1BA	30	940 SF	\$995	\$1.06
5 201 Dixie Avenue - 8 Units Portsmouth, VA 23707					
6 201 Pullman Avenue - 8 Units Portsmouth, VA 23707					
Averages		30	940 SF	\$995	\$1.06

Two-Bedroom

PROPERTY	UNIT TYPE	UNITS	SF	RENT	RENT/SF
★ The Flats at Gum Drive - 16 Units 3593-3607 Gum Drive Portsmouth, VA 23707	2BD/2BA	8	700 SF	\$1,099	\$1.57
1 337 Mt Vernon Avenue - 6 Units Portsmouth, VA 23707	2BD/1.5BA	6	963 SF	\$1,307	\$1.36
2 49 Shelby Street - 3 Units Portsmouth, VA 23701	2BD/1BA	3	700 SF	\$1,100	\$1.57
4 310 Navajo Trail - 120 Units Portsmouth, VA 23701	2BD/1BA	90	1,012 SF	\$1,154	\$1.14
5 201 Dixie Avenue - 8 Units Portsmouth, VA 23707	2BD/1BA	8	750 SF	\$1,075	\$1.43
6 201 Pullman Avenue - 8 Units Portsmouth, VA 23707	2BD/1BA	8	750 SF	\$1,150	\$1.53
Averages		23	835 SF	\$1,157	\$1.41

