



NORTHEAST
PRIVATE CLIENT GROUP®

Chestnut Street Townhomes

36-Unit Townhome (144-Bed) Student Housing Property

62 Chestnut Street, Danbury CT 06810

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THE
OFFERING

PROPERTY OVERVIEW

Northeast Private Client Group is pleased to exclusively present “The Chestnut Street Townhomes”, a 144-bed student housing opportunity serving Western Connecticut State University in Danbury, CT. The property consists of thirty-six townhome units. (32) 2-bedroom townhomes with double garages and four (4) 3-bedroom townhomes without garages.. Each unit has occupancy for four (4) beds. The units come furnished with a living room set, twin bed frames, dressers, etc.

The property was built in 2010. There is an on-site leasing/management office. All units have individual electric heat and hot water. Each unit has a double garage with an additional space outside the garage. There is also a newly built overflow parking lot at the rear of the property. All units have an in-unit washer/dryer.

The property is currently operated as student housing for Western Connecticut State University. The property is located 0.4 miles from the main campus. The property has very few true competitors, as it is one of the only off-campus student housing complexes in Danbury that specifically provides housing for Western Connecticut State students.

Current rents are \$774/bed, while the highest achieved rent is \$850/bedroom. Overall, there is a clear path to raising gross income by over \$300,000 annually.

While it currently operates as student housing, this property is also a great “market-rate” conversion opportunity. Danbury is home to a number of large employers, including Danbury Hospital, Praxair, Ethan Allen and Cartus. The city is located at the intersection of I-84 and Route 7 and is 15 minutes to I-684., allowing easy commuter access to New York City, Fairfield County, Hartford and Upstate New York. The property is 0.9 Miles to the Danbury Metro North Railroad Station.



PROPERTY SUMMARY

OVERVIEW

Property Name	Chestnut Street Townhomes
Address	62 Chestnut Street
Number of Units	Thirty-Six (36)
Number of Buildings	Six (6)
Year Built	2010
Number of Beds	144
Number of Stories	Three (3)
Gross Building Area	43,120
Net Residential Area	43,120
Lot Size	3.31 Acres
Parking	Garages
Overflow Parking	Yes

TAXES

Jurisdiction	Danbury
Tax ID	J123289
Real Estate Taxes	\$142,352.44

UTILITIES

Electricity	Tenant Paid
Heat	Tenant Paid- Electric
Water	Landlord Paid
Sewer	Landlord Paid

Price

\$10,750,000

Cap Rate

6.42%

Year 1

Cap Rate

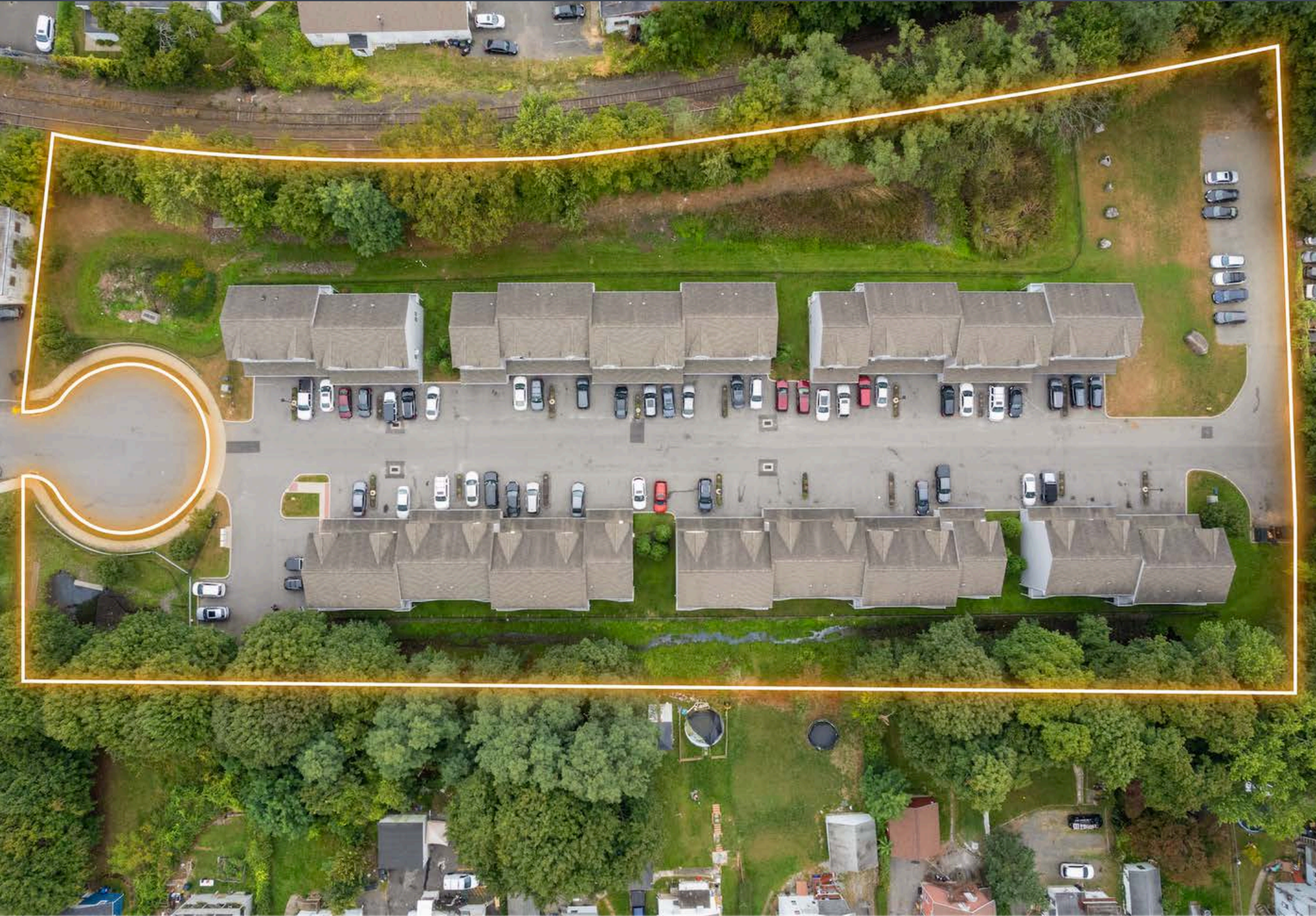
9.04%

Pro Forma

APARTMENT & COMMUNITY FEATURES

- 36-Units or 144 Beds
- Value-Add Opportunity
- Student Housing - Western Connecticut State University
- Potential "Market Rate" Multifamily Conversion
- 2 and 3 Bedroom Townhomes with Garages
- .04 Miles to Western Connecticut State University
- In-Unit Washer/Dryers
- On-Site Leasing/Management Office
- 1 Mile to Danbury Hospital
- 0.9 Miles to Danbury Metro North Railroad Station

SITE PLAN





Investment Highlights

Student Housing

- The property is currently operating as a student housing opportunity for Western Connecticut State University
- 0.4 Miles to Campus
- 144 Beds
- Fully furnished units
- Few competitors of scale for Western Connecticut students living off campus

Newer Construction

- 2010 Construction
- Minimal cap ex needed
- Large two and three bedroom townhomes
- New overflow parking lot
- Units feature in-unit laundry, two-car garages, additional off street parking

Value-Add Opportunity

- Current average rent is \$770/bed, while the highest achieved rent is \$850/bed.
- At a stabilized vacancy of 10% and pro forma rents of \$900/bed, a new owner can increase the gross rent by over \$300,000
- Units currently feature original (2010) finishes. Opportunity to renovate and increase market rents

Potential “Market-Rate” Conversion

- Significant rent growth tailwinds
- High demand unit mix - two and three bedroom townhomes
- 1,150 to 1,600 SF units
- Limited supply of mid-sized apartment buildings in Danbury
- Opportunity to own a townhome community in Fairfield County below replacement cost
- A market rate conversion would significantly lower operating expenses

Growing & Exciting Submarket

- Danbury is located in Northern Fairfield County, 60 miles from New York City
- Danbury is the major employment center of Northern Fairfield County
- Surrounded by wealthy towns such as Bethel, Brookfield, Brewster, New Fairfield, New Milford
- 40% of the Danbury population are renters
- The city's diverse economy, driven by industries such as healthcare, education, and retail, attracts a steady influx of tenants
- Offers tenants a more affordable option to Lower Fairfield County

Excellent Location

- Walking distance to Western Connecticut State University campus
- Ideal for both students and market rate renters
- .09 Miles to Danbury Metro North Railroad Station,
- 1 Mile to Danbury Hospital

Western Connecticut State University

Campus

- Located in Danbury, Connecticut
- 398 Acre Campus
- 5 Minute Drive to the Beach
- 75 Minute Ride to NYC
- 12 Academic Facilities
- 6 Residential Halls
- 6 Athletic Facilities
- 80+ Clubs & Student Organizations

Academics

- 90 Undergraduate Majors & Minors
- 37 Interdisciplinary Minors
- 28 Accelerated Bachelor's/Master's Degree Programs
- 62 Graduate Programs
- 41 Online Graduate Programs
- 3 Schools
- 80 Study Abroad Programs
- 300 Research Projects Conducted Annually

Rankings

- Ranked in the Regional Universities North category.
- #18 for Best College Locations in America.
- #78 for Best Colleges for Performing Arts in America.
- High rankings for specific programs such as Nursing, Health Professions, and Business.

Athletics

- NCAA Division III
- WCSU teams have won numerous conference championships in various sports within the Little East Conference
- Several WCSU teams have earned berths to compete in NCAA Division III tournaments, showcasing their success at the national level.
- Multiple National Rankings



4,172
Total Student
Population



85%
Undergraduate
Students



15%
Graduate
Students



745
Faculty/Staff





LOCATION
OVERVIEW

 **Metro-North Railroad**



 **Danbury Hospital**
Western Connecticut Health Network

Subject Property





Candlewood Lake



Subject Property



Area Map

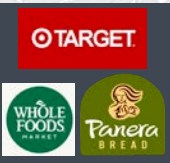
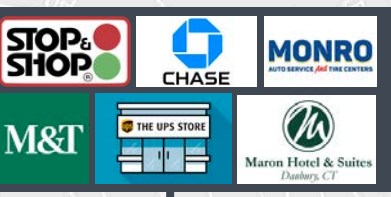


Subject Property



Danbury

Rogers Park



Danbury Fair Mall

Danbury Municipal Airport



DANBURY AREA AMENITIES



WESTERN CONNECTICUT
STATE UNIVERSITY



DANBURY HOSPITAL



DANBURY FAIR MALL



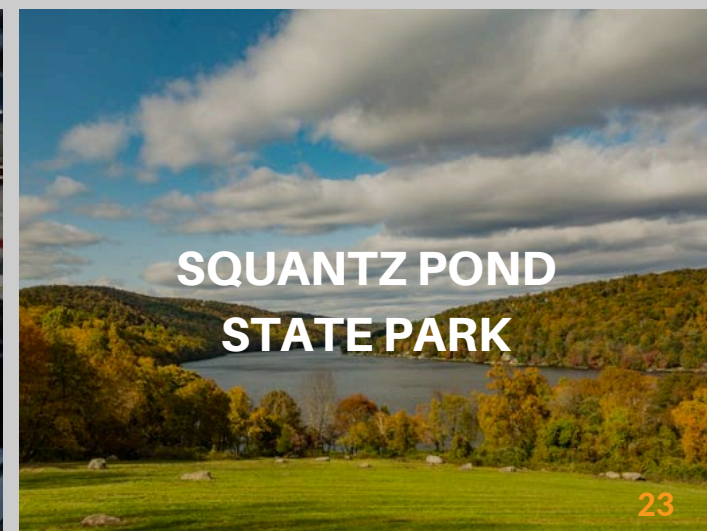
CANDLEWOOD LAKE



IVES CONCERT PARK



DANBURY ICE ARENA



SQUANTZ POND
STATE PARK



PROPERTY
PHOTOS



Exterior



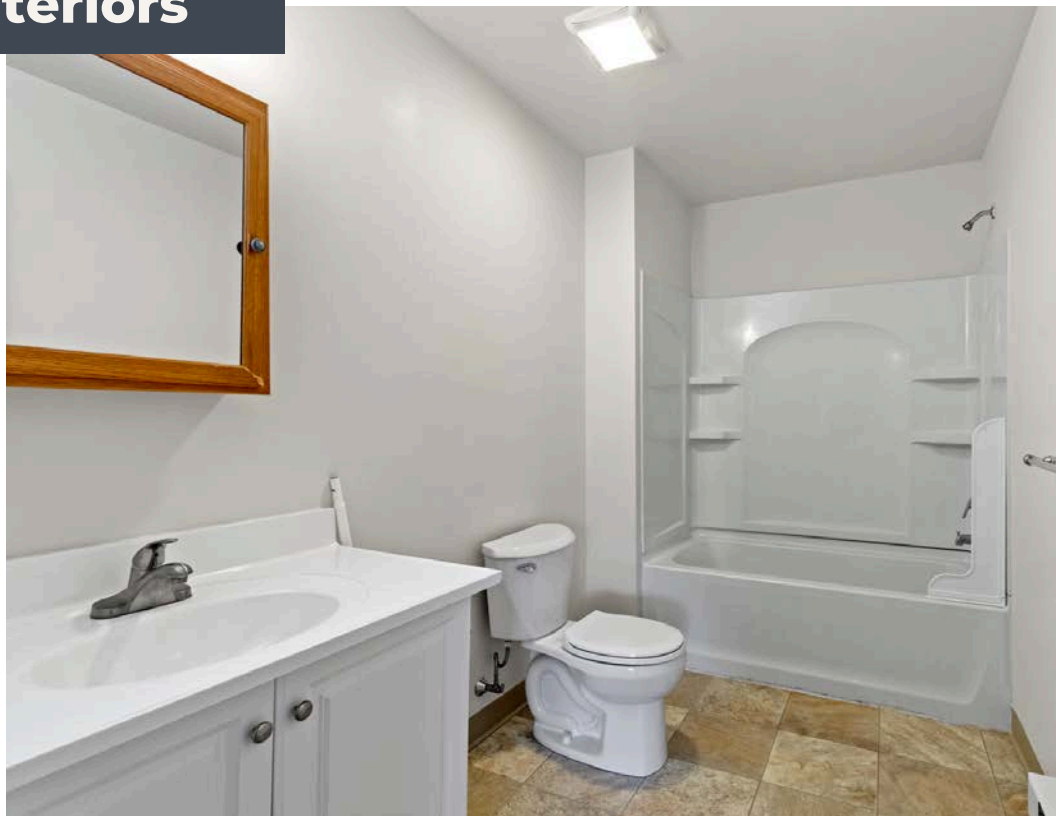
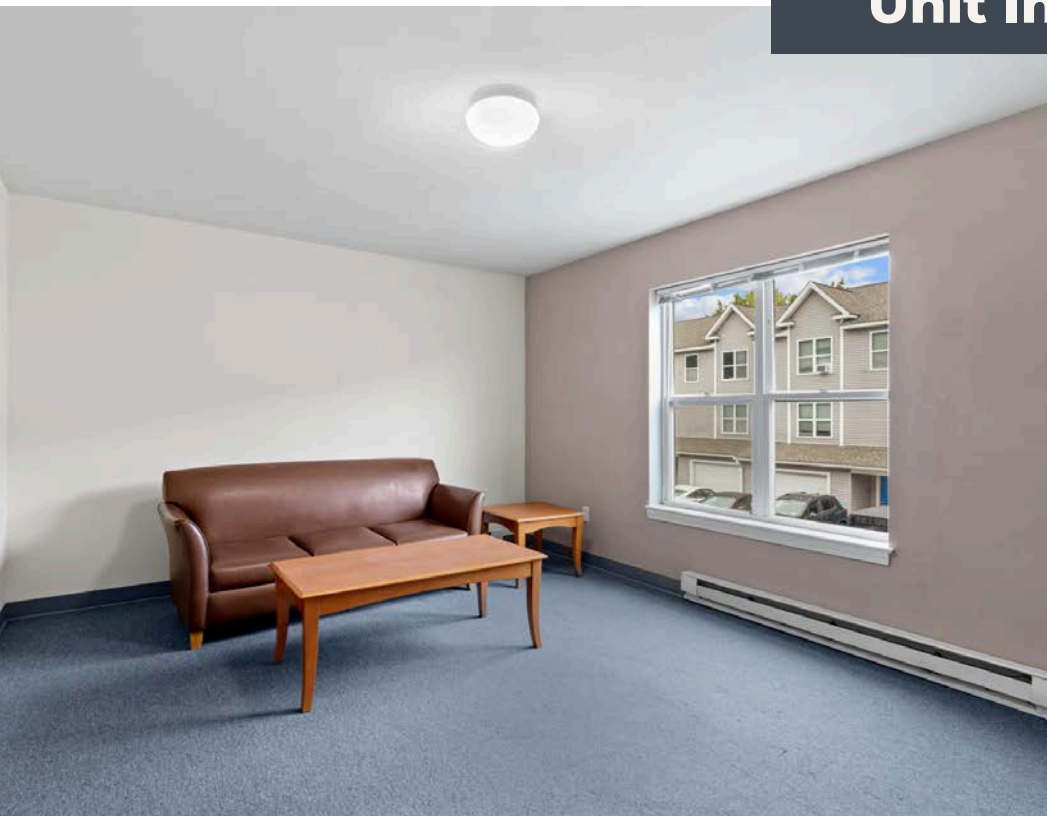


Leasing Office



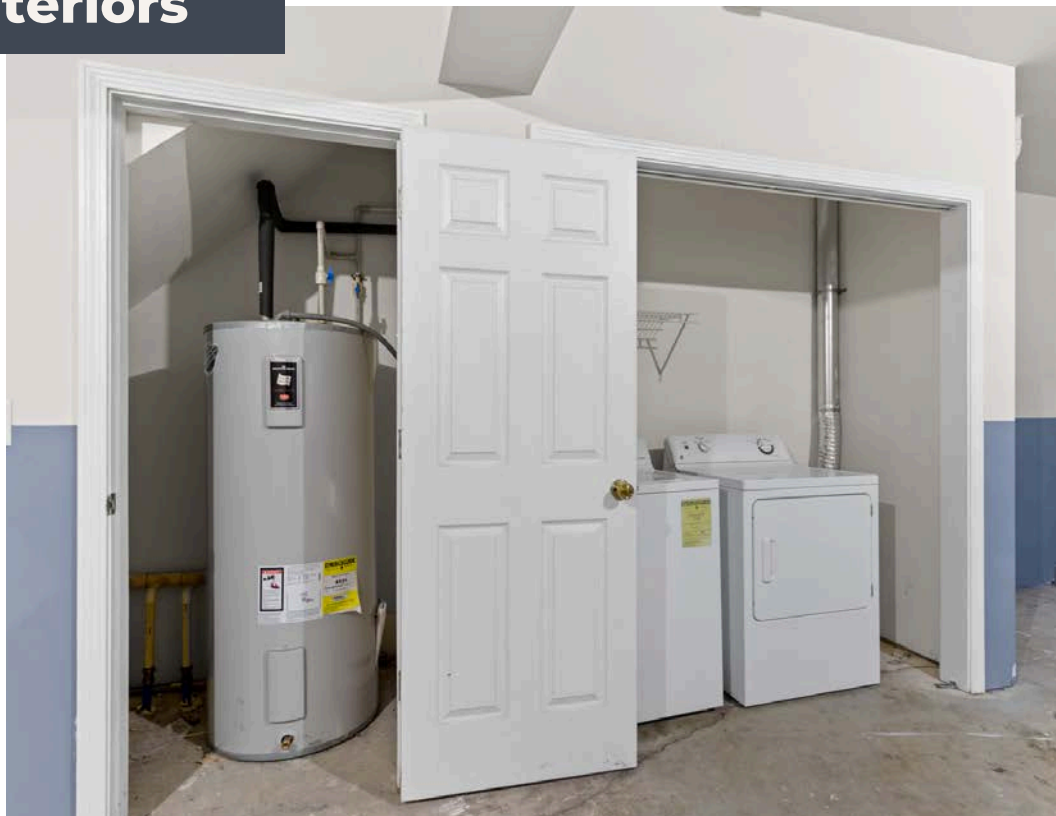
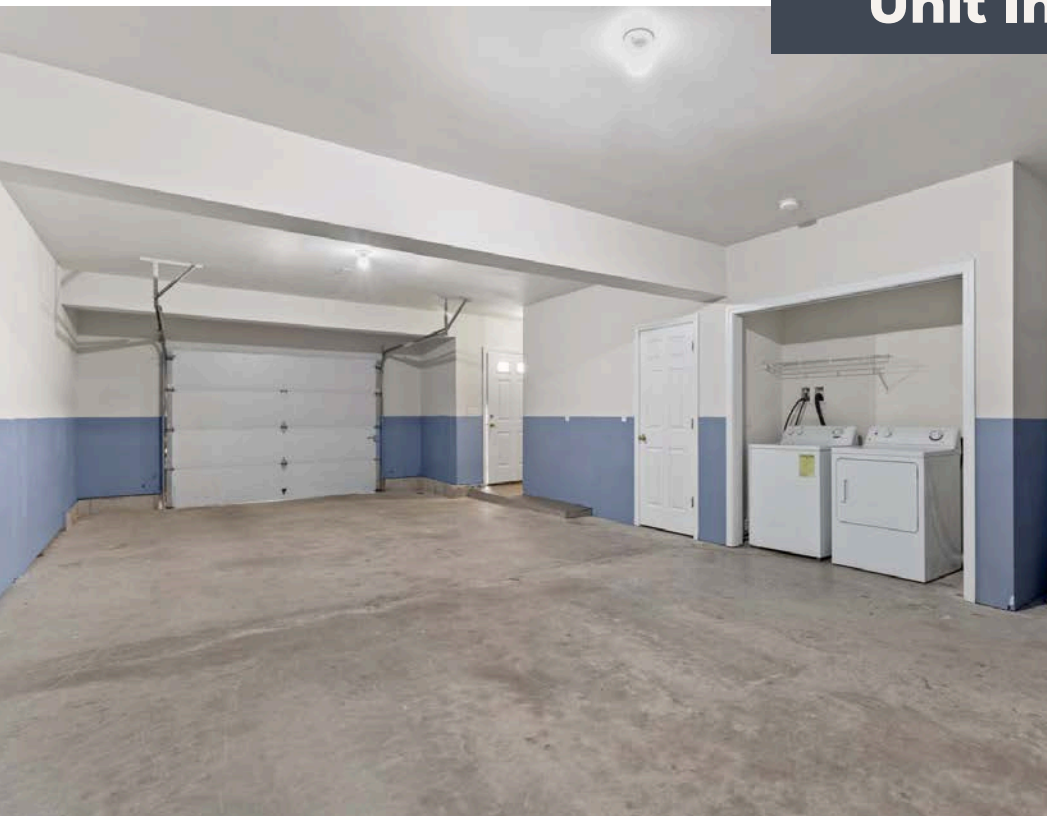


Unit Interiors



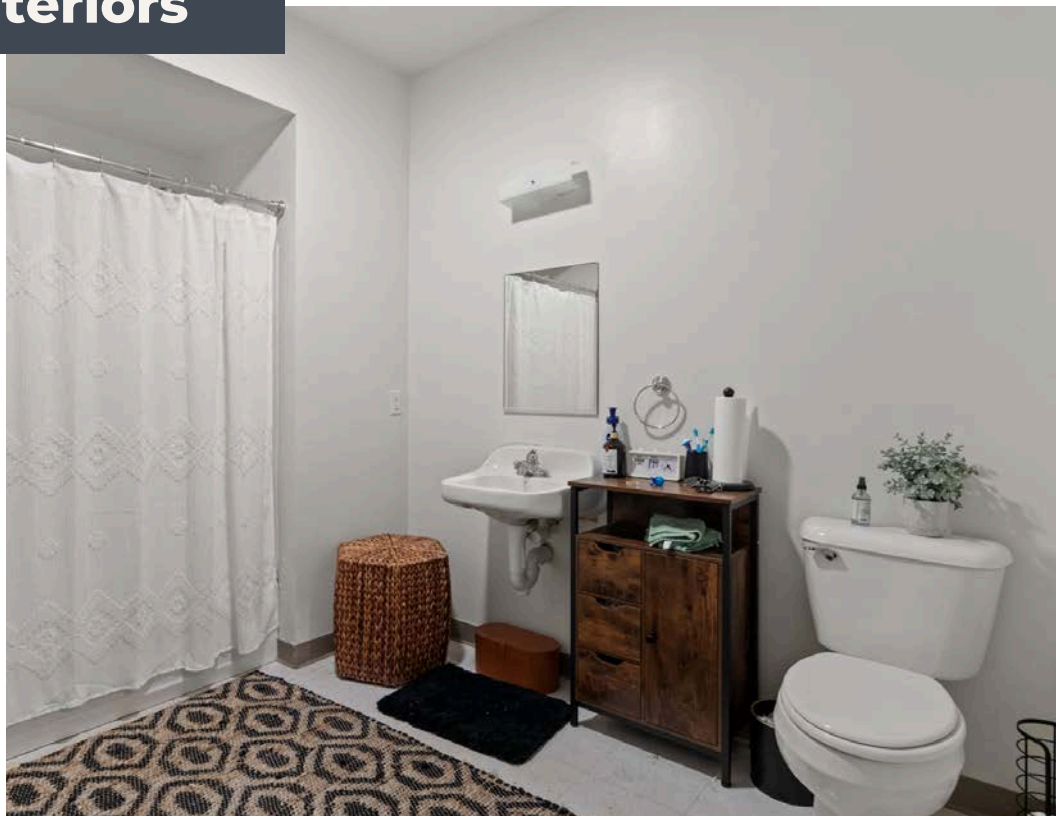
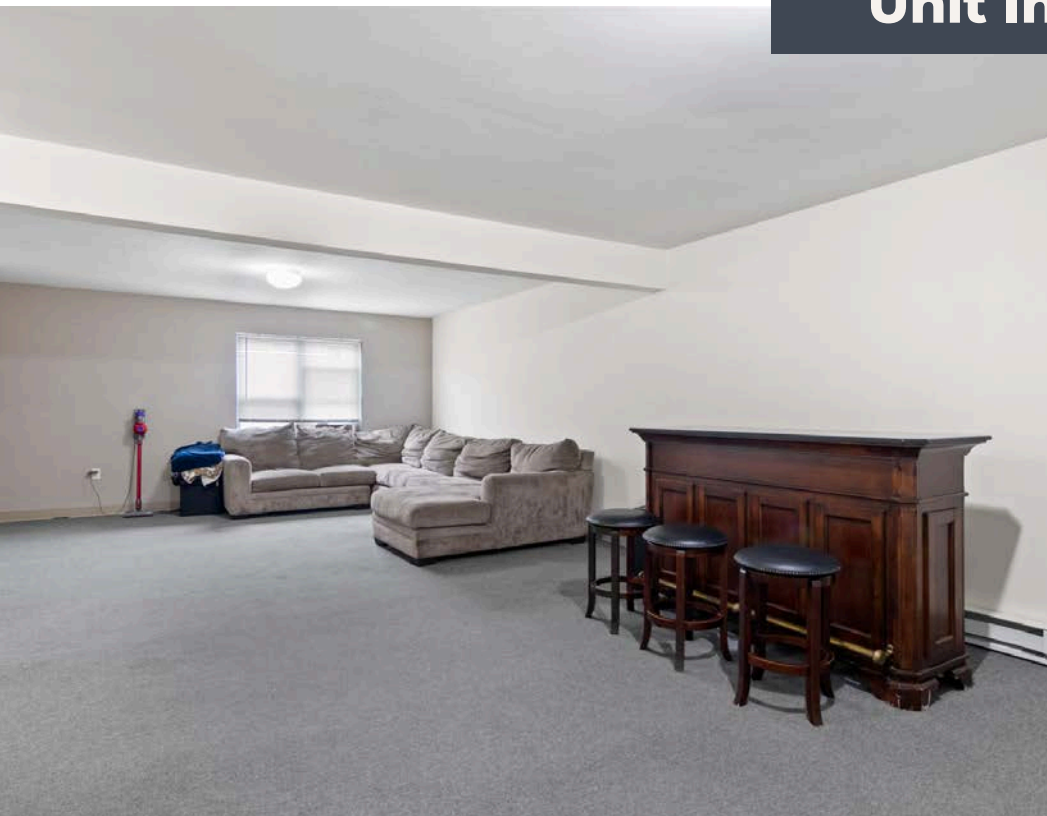


Unit Interiors



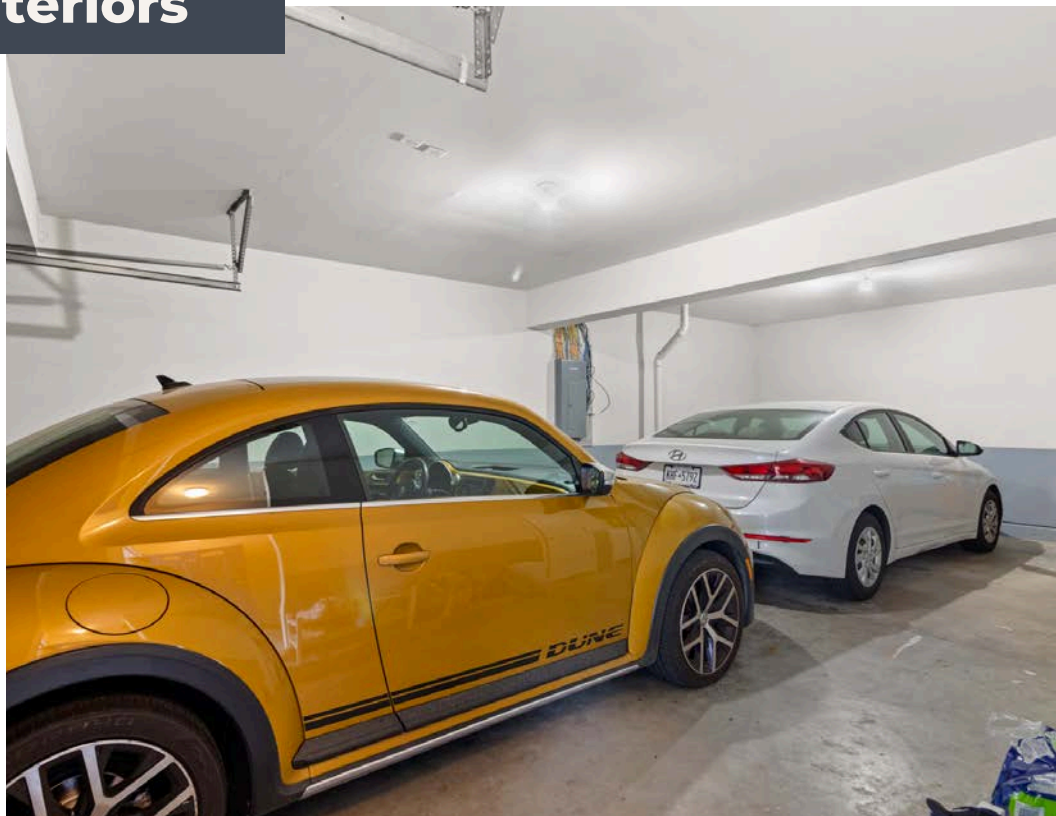
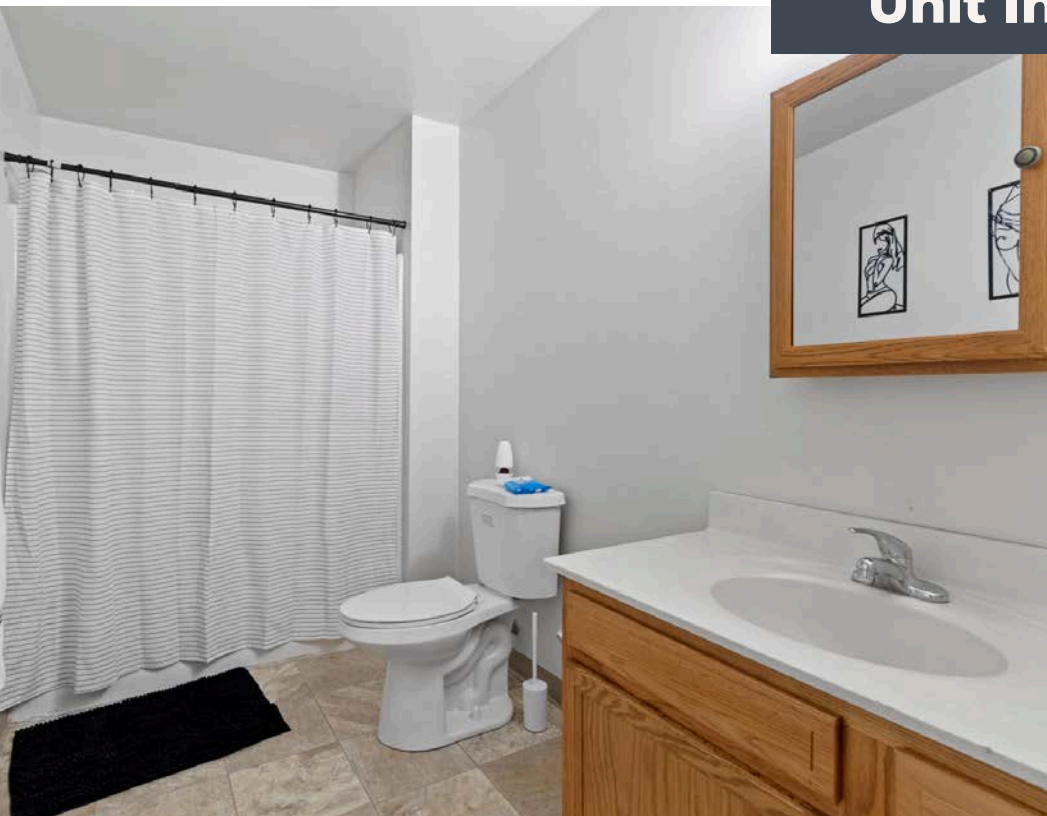


Unit Interiors

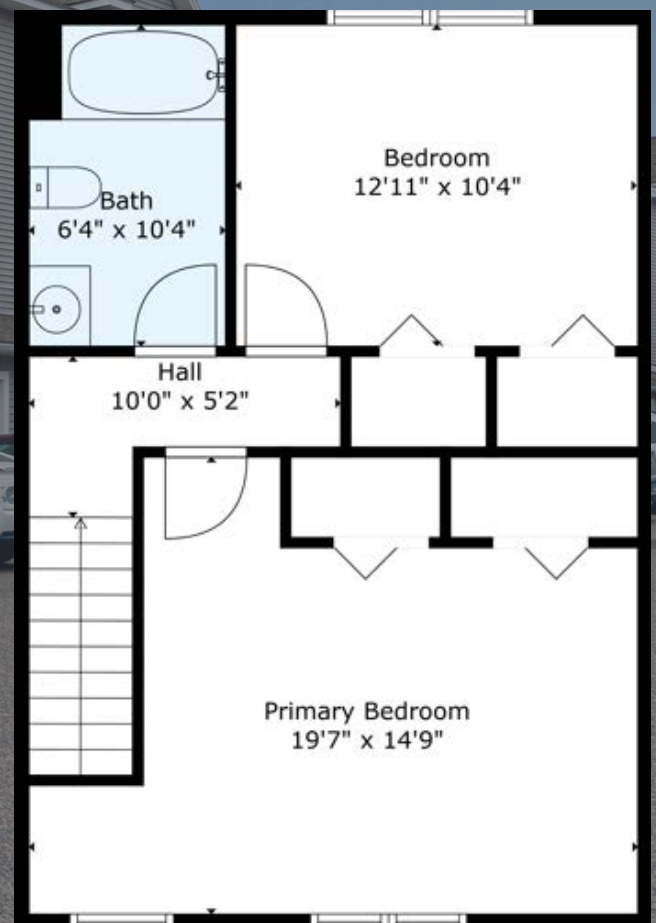
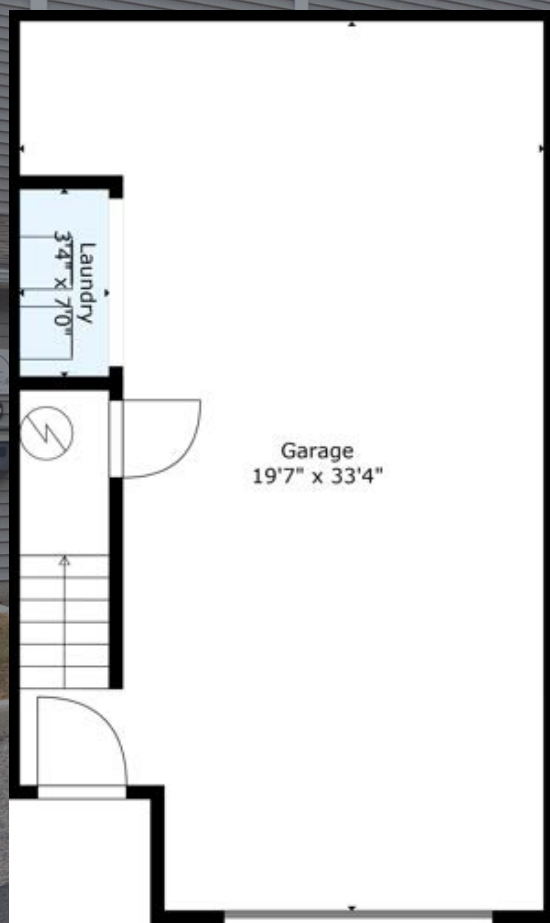




Unit Interiors



Floor Plans





INVESTMENT OVERVIEW

UNIT MIX - STUDENT HOUSING (BY BED)

	Year 1 (Current)	Pro Forma
Number of Beds	144	144
Average Rent	\$770	\$900
GRP (Monthly)	\$110,850	\$129,600
Vacancy	16.20%	10.00%
Effective Rental Income (Monthly)	\$92,200	\$116,640
Effective Rental Income (Annual)	\$1,114,800	\$1,399,680

INCOME AND EXPENSE

Income	NPCG Year 1	P/U	%	Pro Forma	P/U	%
Gross Potential Rent	\$1,555,200			\$1,555,200		
<i>Below Market Rent</i>	<i>(225,000)</i>		<i>-14.5%</i>	<i>-</i>		<i>0.0%</i>
Gross Scheduled Rent	\$1,330,200			\$1,555,200		
<i>Total Vacancy & Collections</i>	<i>(223,800)</i>		<i>-16.8%</i>	<i>(155,520)</i>		<i>-10.0%</i>
Gross Rental Income	\$1,106,400			\$1,399,680		

Additional Income

Cleaning and Maintenance Income	26,102	725		26,102	725	
Late Fees	4,495	125		4,495	125	
Convenience Fee	4,349	121		4,349	121	
Utility Income	1,360	38		1,360	38	
Other Income	530	15		530	15	
Total Additional Income	\$36,837	1,023		36,837	1,023	

Effective Gross Income	\$1,143,237			\$1,436,517		
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Expense	NPCG Year 1	P/U	%	Pro Forma	P/U	%
Property Management	45,729	1,270	4.0%	57,461	1,596	4.0%
Real Estate Tax	142,352	3,954		142,352	3,954	
Property Insurance	50,400	1,400		50,400	1,400	
Cable and Internet	1,234	34		1,234	34	
Electric	6,000	167		6,000	167	
Water	27,885	775		27,885	775	
Trash Removal	9,303	258		9,303	258	
Repairs and Maintenance	44,102	1,225		44,102	1,225	
Landscaping/Snow Removal	21,927	609		21,927	609	
Payroll	36,000	1,000		36,000	1,000	
Security	52,000	1,444		52,000	1,444	
Professional and Legal	4,147	15		4,147	115	
Leasing and Advertising	9,215	256		9,215	256	
Exterminator	2,696	75		2,696	75	
Total Expenses	\$452,992	\$12,583	40%	\$464,723	\$12,909	34%

Net Operating Income	\$690,245			\$971,794		
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MARKET OVERVIEW



A Gem in Northern Fairfield County

DANBURY MARKET SUMMARY

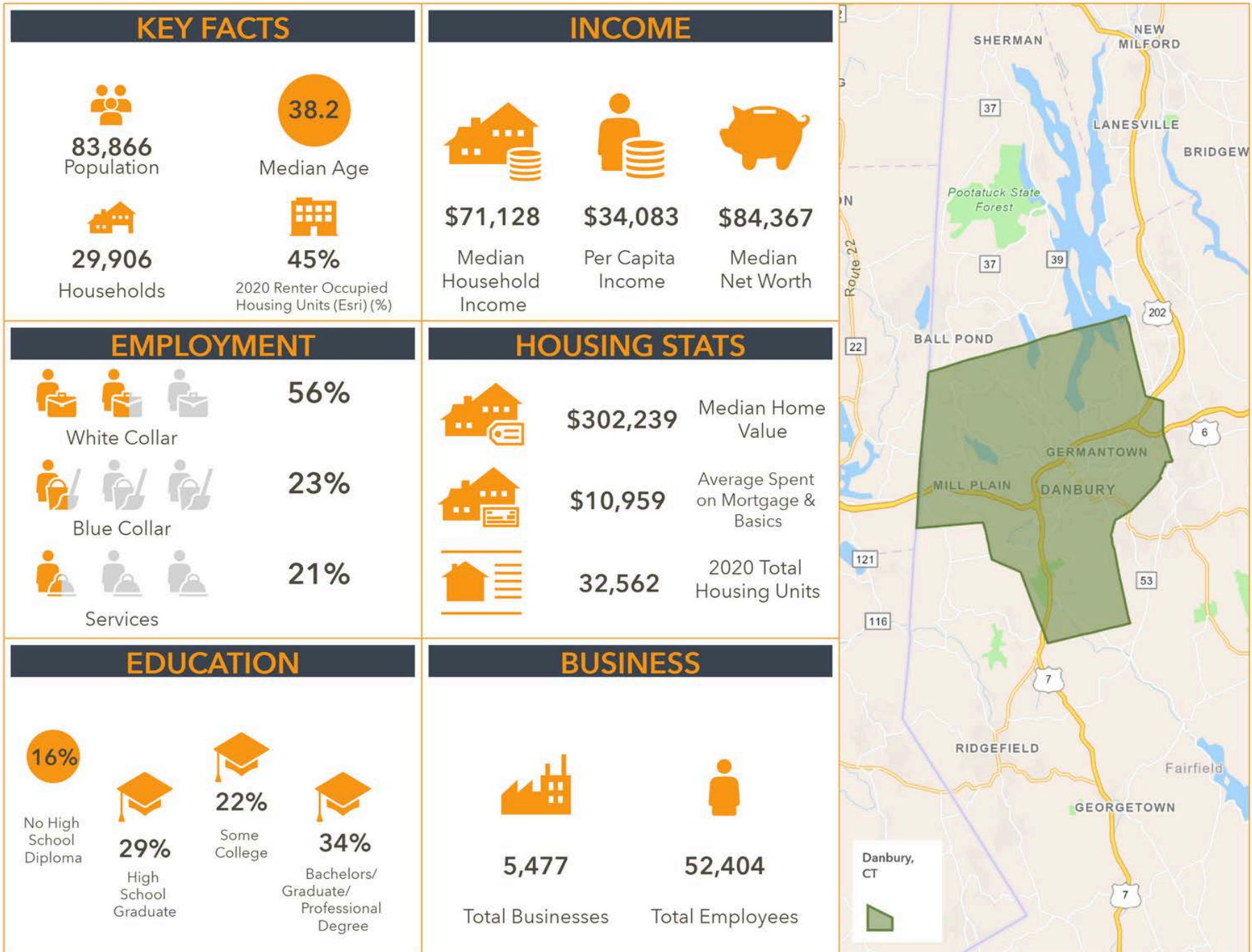
Perched on Connecticut's western border, Danbury enjoys two geographical assets: size and location. The city has an area of 44 square miles, more than twice the size of Hartford, New Haven or Bridgeport. In addition to size, its proximity to New York is a strategic asset. Danbury is in northern Fairfield County, accessible to the Gold Coast - southern Fairfield County - and New York's Westchester and Putnam counties. With comparatively affordable housing, Danbury draws residents from these pricey regions.

Size and location came together in the 1970s when major New York corporations were moving to suburban locations. The completion of I-684 put the city an hour away from Manhattan. Five major companies moved to large swaths of land in the western part of Danbury near the New York line, the largest of which was Union Carbide, which built the largest freestanding building in the state. In the early 1980s, Danbury traded its historic fairgrounds for one of the Northeast's largest shopping malls, the Danbury Fair Mall (the city's largest taxpayer and a major employment center).

Unlike much of the state, Danbury is growing, adding more than 10,000 residents since 2000, to reach an estimated population of 84,992. (Danbury is the state's seventh largest municipality).

The presence of COVID -19 has accelerated an already existing trend of movement from larger cities into Connecticut suburbs.

DEMOGRAPHICS SUMMARY



DANBURY MAJOR EMPLOYERS



PRAXAIR INC (LINDE AMERICAS)

Industrial Gases / Pharmaceuticals
US Corporate Headquarters
2,200+/- Local Employees



COLLINS AEROSPACE

Search Detection Navigation Guidance
Aeronautical & Nautical Devices
600+/- Local Employees



SCHAEFFLER AEROSPACE USA CORP

Ball & Roller Bearing Mfg
414+/- Local Employees



ETHAN ALLEN INTERIORS INC

Furniture Stores
Corporate Headquarters
300+/- Local Employees



LEONARDO DRS POWER & CONTROL TECHNOLOGIES

Industrial Machinery & Equipment
327+/- Local Employees

OUR LOCATIONS



Hartford/Springfield

360 Bloomfield Avenue, Suite 301
Windsor, CT 06095
(860) 414-3750

CT/Metro North

2 Trap Falls Road, Suite 312
Shelton, CT 06484
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