

327

N 40TH STREET

Philadelphia, PA 19104

6-Unit Multi Family



CONFIDENTIAL OFFERING MEMORANDUM



327

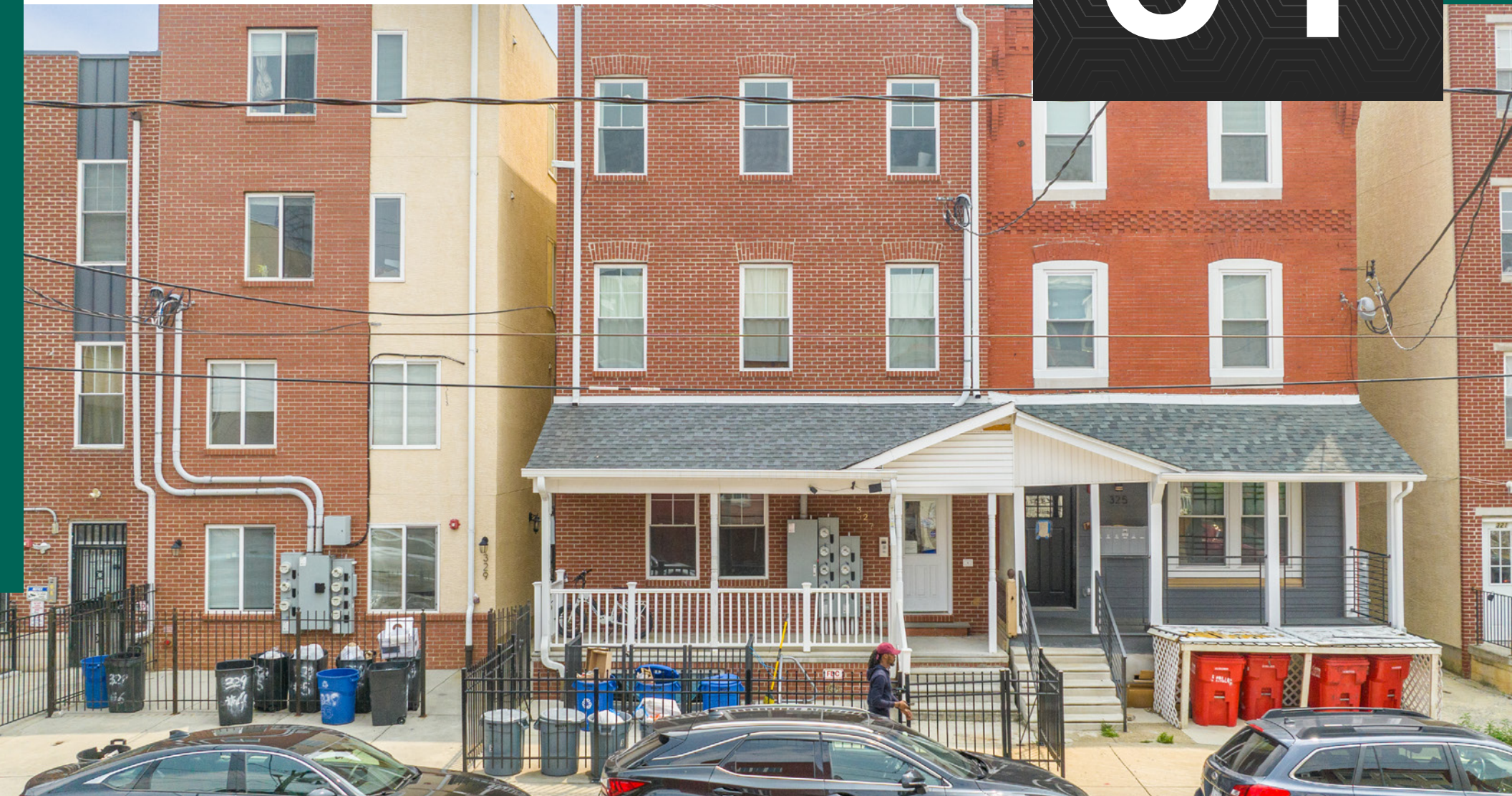
N 40TH STREET

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EXECUTIVE SUMMARY

01



EXECUTIVE SUMMARY

Trophy Commercial Real Estate is pleased to present 327 N 40th Street, a fully stabilized six-unit multifamily property located in the heart of West Powelton Village, adjacent to University City, Philadelphia. Constructed in 2018, the building features large, high-yielding units with premium finishes, private outdoor spaces, and in-unit laundry. The unit mix includes a majority of larger-than-average four-bedroom units, along with two- and three-bedroom units.

Positioned just blocks from UPenn, Drexel University, Penn Presbyterian Medical Center, and the Market-Frankford Line, 327 N 40th offers an investor secure long-term returns in one of the city's strongest rental corridors. The property is currently fully leased and generates \$14,746/month in gross income. Offered at a 7.74% cap rate, the building has over 3 years on the remaining tax abatement and \$238/SF, this is a rare opportunity to acquire a stabilized, income-generating property in a premier university-adjacent submarket.



PROPERTY OVERVIEW

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PROPERTY OVERVIEW

Address	327 N 40th Street, Philadelphia, PA 19104
Neighborhood	West Powelton / University City
Year Built	2018
Property Type	Multifamily
Zoning	RM1
Number of Units	6
Stories	3
Building SF	7,770 SF
Lot Size	0.08 Acres
Price	\$1,850,000
Price per Unit	\$308,333
Price per SF	\$238.09
Cap Rate	7.74%
Tax Abetment	Until end of 2028
In-Place Income	\$14,746/month





327 N 40TH STREET

Philadelphia Museum of Art

Auto Zone

McDonald's

Wendy's

RITE AID

McDonald's

CVS pharmacy

ALDI

GROCERY OUTLET
bargain market

Penn Medicine
Penn Presbyterian Medical Center

Drexel UNIVERSITY

Penn Medicine

William L. Sayre High School

FORMAN
FRESH FISH

ACME

Penn Medicine

Penn
UNIVERSITY OF PENNSYLVANIA

MALCOLM X
MEMORIAL PARK

Comegys Elementary School

Children's Hospital of Philadelphia

COUSIN'S
Supermarket

Shaw Middle School

sjv SAINT JOSEPH'S UNIVERSITY

VA U.S. Department of Veterans Affairs

LOCATION OVERVIEW

03



LOCATION OVERVIEW

West Powelton is a residential neighborhood nestled in University City, home to University of Pennsylvania and the Drexel University. The area benefits from high student demand, major medical anchors, and extensive public transit access.

327 N 40th Street is just a short walk to the Market-Frankford Line and Lancaster Avenue retail. The neighborhood is experiencing strong institutional and private development, reinforcing its long-term rental strength.





FULLY STABILIZED, HIGH-YIELD ASSET

Six fully leased units generating \$14,746/month or \$176,952/year in potential rent.



PREMIUM FINISHES + OUTDOOR AMENITIES

Includes private roof deck, backyard, large living spaces, modern kitchens, and in-unit laundry.



DESIRABLE UNIT MIX

Diverse layouts, including 2BD, 3BD, and 4BD units, tailored to the student and roommate market.



MODERN CONSTRUCTION (2018)

Turnkey asset with updated systems, reducing future CapEx exposure.



PRIME UNIVERSITY CITY LOCATION

Steps from UPenn, Drexel, Penn Medicine, and major SEPTA transit.



STRONG FINANCIALS

Offered at a 7.74% cap rate and \$272/SF with efficient expense structure.



CAPITAL IMPROVEMENT

Brand new TPO roof with a 25-year warranty.

PROPERTY PHOTOS



PROPERTY PHOTOS



PROPERTY PHOTOS





FINANCIAL ANALYSIS

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UNIT MIX & RENT ROLL

Unit Type	Unit Size (SF)	Monthly Rent (\$)	Rent/SF (\$)
4BD / 3.5BA	1,350 SF	\$2,870	\$2.13
4BD / 3BA	1,250 SF	\$2,755	\$2.2
3BD / 2.5BA w/ Backyard	1,200 SF	\$2,371	\$1.98
2BD / 1BA	850 SF	\$1,585	\$1.86
4BD / 3BA w/ Private Roof Deck	1,350 SF	\$2,990	\$2.21
3BD / 2BA	1,200 SF	\$2,175	\$1.81
Total / Avg	7200 SF	\$14746	\$2.05

METRIC	YEAR 1 INCOME
Gross Scheduled Rent	\$176,952
Vacancy (5%)	\$8,848
Other Income	\$3,500
Effective Gross Income	\$171,597

OPERATING STATEMENT

Real Estate Taxes	\$2,358
Insurance	\$5,180
Water/Sewer	\$3,415
Electric	\$500
Trash	\$500
Repairs/Maintenance	\$4,000
Management (5%)	\$8,580
Payroll/Admin	\$2,722
Total Expenses	\$28,498
Net Operating Income	\$143,106
Cap Rate	7.74%

PRICING SUMMARY

Asking Price	\$1,850,000
Units	6
Bedrooms	20
SF	7,770
Price/Unit	\$308,333
Price/Bedroom	\$92,500
Price/SF	\$238.06
Cap Rate (Year 1)	7.74%



OPERATING STATEMENT

INCOME	CURRENT		YEAR 1		PER UNIT	PER SF
Gross Potential Rent	176,952		185,800		30,967	25.81
Loss / Gain to Lease	0	0.0%	0		0	0.00
Gross Scheduled Rent	176,952		185,800		30,967	25.81
Physical Vacancy	(8,848)	5.0%	(9,290)	5.0%	(1,548)	(1.29)
Total Vacancy	(\$8,848)	5.0%	(\$9,290)	5.0%	(\$1,548)	(\$1)
Effective Rental Income	168,104		176,510		29,418	24.52
Other Income						
All Other Income	3,500		3,500		583	0.49
Total Other Income	\$3,500		\$3,500		\$583	\$0.49
Effective Gross Income	\$171,604		\$180,010		\$30,002	\$25.00

EXPENSES	CURRENT		YEAR 1		PER UNIT	PER SF
Real Estate Taxes	2,358		2,358		393	0.33
Insurance	5,180		5,180		863	0.72
Utilities - Electric	500		500		83	0.07
Utilities - Water & Sewer	3,415		3,415		569	0.47
Trash Removal	500		500		83	0.07
Repairs & Maintenance	4,000		4,000		667	0.56
Payroll	2,700		2,700		450	0.38
Alarm Monitoring/Inspection	887		887		148	0.12
General & Administrative	378		378		63	0.05
Management Fee	8,580	5.0%	9,000	5.0%	1,500	1.25
Total Expenses	\$28,498		\$28,918		\$4,820	\$4.02
Expenses as % of EGI	16.6%		16.1%			
Net Operating Income	\$143,106		\$151,091		\$25,182	\$20.98

PRICING DETAILS

SUMMARY				
Price			\$1,850,000	
Down Payment			\$555,000	30%
Number of Units			6	
Price Per Unit			\$308,333	
Price Per SqFt			\$256.94	
Rentable SqFt			7,200	
Lot Size			0.08 Acres	
Approx. Year Built			2018	
RETURNS			CURRENT	YEAR 1
CAP Rate			7.74%	8.17%
GRM			10.45	9.96
Cash-on-Cash			7.16%	8.60%
Debt Coverage Ratio			1.38	1.46
FINANCING				1ST LOAN
Loan Amount				\$1,295,000
Loan Type				New
Interest Rate				7.00%
Amortization				30 Years
Year Due				2030
# OF UNITS	UNIT TYPE	SQFT/UNIT	SCHEDULED RENTS	MARKET RENTS
6	Apartment	1,200	\$2,514	\$2,514

OPERATING DATA

INCOME		CURRENT		YEAR 1
Gross Scheduled Rent		\$176,952		\$185,800
Less: Vacancy/Deductions	5.0%	\$8,848	5.0%	\$9,290
Total Effective Rental Income		\$168,104		\$176,510
Other Income		\$3,500		\$3,500
Effective Gross Income		\$171,604		\$180,010
Less: Expenses	16.6%	\$28,498	16.1%	\$28,918
Net Operating Income		\$143,106		\$151,091
Cash Flow		\$143,106		\$151,091
Debt Service		\$103,388		\$103,388
Net Cash Flow After Debt Service	7.16%	\$39,718	8.60%	\$47,703
Principal Reduction		\$13,155		\$14,106
Total Return	9.53%	\$52,873	11.14%	\$61,809

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