



THE FLATS
- COLUMBIA PIKE -

MULTIFAMILY OFFERING
529 UNITS | SILVER SPRING, MD



**CUSHMAN &
WAKEFIELD**



THE FLATS

- COLUMBIA PIKE -



ASSUMABLE FINANCING TERMS

3.06%

INTEREST RATE

2 Years

INTEREST ONLY REMAINING

\$92,000,000

TOTAL PROCEEDS

7 Years

TERM REMAINING



\$1,734

AVG. LEASED RENT



529

RESIDENTIAL UNITS

\$1.69

AVG. LEASED RENT PSF



1986

YEAR BUILT



\$3.1 M CAPITAL INVESTMENTS

LAST 3 YEARS



Silver Spring, MD

11542 FEBRUARY CIR, 20904



Cushman & Wakefield's Mid-Atlantic Multifamily Advisory Group is pleased to present The Flats at Columbia Pike, a value-add asset in Silver Spring, MD outside of Washington, DC.

• ACCRETIVE, ASSUMABLE FINANCING

The assumable Freddie Mac loan encumbering the property provides new investors with a below-market 3.06% interest rate that will not be achievable in the capital markets for the foreseeable future. There are seven years plus of term remaining, and the interest only period extends for another two years into late summer 2025. The debt makes for an approximate loan-to-value that comes in above where new financing sizes in the current market environment. There is also the potential for supplemental financing through Freddie Mac given the more than ample debt service coverage. Along with renovation upside and the well maintained nature of the asset, the assumable financing is a potent driver of returns.

• VALUE-ADD POTENTIAL

The Flats at Columbia Pike should afford new investors the ability to increase rents through an impactful renovation program. Less than 10% of the 529 units have been renovated to-date with the balance remaining in "Classic" condition. The small sampling of renovated units has proven to garner rent premiums of ~\$200 on a monthly basis. Upgraded features such as granite countertops, cabinet replacements, stainless steel appliances, and new flooring are unlocking previously untapped rental upside at the property.

• WELL MAINTAINED ASSET

The Flats at Columbia Pike has been kept in excellent condition with a particular focus on asset maintenance. Current ownership has invested \$3.1 million into the property for capital improvements since their acquisition in the summer of 2020. All windows and sliders have been completely replaced, eliminating potential sources of capital drag for new investors. The standout condition of the asset is unique for a property of its vintage and size and allows for a renewed focus on revenue-driving unit renovations to increase returns.

• SIGNIFICANT MARK-TO-MARKET OPPORTUNITY

The property presents a powerful mark-to-market opportunity given recent trade-out performance and rents at comparable communities in the area. Year-to-date, Flats has achieved 10% trade-outs (7% on renewals; 11% on new leases) while also maintaining a 78% retention rate. The ability to systematically push on rents and burn off loss-to-lease increases upside potential for new investors.

• IMMEDIATE SCALE IN DC METRO

The Flats at Columbia Pike presents investors with a compelling opportunity to acquire a large, efficiently operated asset within the Washington, DC metro area. Workforce housing opportunities are capturing an increased share of multifamily investment dollars, and the magnitude of this offering in one of the most desirable metro areas on the East Coast is unique. The optionality that the property introduces into the marketplace is exceptional in that groups can either gain an initial foothold in the DC area or expand upon an existing portfolio.

• DYNAMIC LOCAL EMPLOYMENT

Residents of The Flats at Columbia Pike benefit from having significant employment within a short driving distance of the asset. The property is located in close proximity to the US Food and Drug Administration, the NASA Goddard Space Flight Center, The National Archives, and the University of Maryland at College Park. Overall, this submarket on the borders of Montgomery County, Prince George's County, and Washington, DC is renowned for its stable federal, university, and medical employment.

• CONVENIENT AND COMMUTABLE LOCATION

The Flats at Columbia Pike is located right alongside Columbia Pike US-29, which leads directly into Northeast DC (an approximate 20-minute drive). Columbia Pike also heads north through Howard County terminating at Interstate 70 within the Baltimore metro area. The property sits minutes from the Capital Beltway providing drivability around Washington, DC. Furthermore, the White Oak Transit Center is within walking distance and is home to one of the coveted Flash Bus Rapid Transit stops around Montgomery County. The Flash service runs along convenient traffic-bypass lanes for working residents to fast track their daily commute.

• DRAW OF THE I-270 LIFE SCIENCES CORRIDOR

The Interstate 270 Life Sciences Corridor in Montgomery County stands out as one of the most critical clusters of biotechnology innovation in the country. Venture Capital funding in the area has increased fourfold since 2018 according to C&W Research, and the area has developed a reputation for a high quality of life, outsized employment and wage growth, and real estate activity in the form of new housing and retail amenities. Residents at The Flats at Columbia Pike can reach the birth of the I-270 Corridor in less than 25 minutes, passing both the National Institutes of Health Clinical Center and the Walter Reed National Military Medical Center along the way.

• EXPANDING WASHINGTON, DC APARTMENT MARKET

The Washington, DC apartment market is one of the strongest in the nation with consistent household creation, renter demand, and employment statistics. The market has been in a pronounced expansion phase with steady sub-5% vacancy and rent growth exceeding its 2.5% long-term average. The Northeast Montgomery County submarket is projected to grow rents at an even higher clip – around 3.3% per annum through 2027. The market also benefits from a variety of renter profiles, where high-paid government employees and workforce residents populate the same submarkets and local neighborhoods.




ACCRETIVE, ASSUMABLE FINANCING




VALUE-ADD POTENTIAL



WELL MAINTAINED ASSET



SIGNIFICANT MARK-TO-MARKET OPPORTUNITY




IMMEDIATE SCALE IN DC METRO



DYNAMIC LOCAL EMPLOYMENT



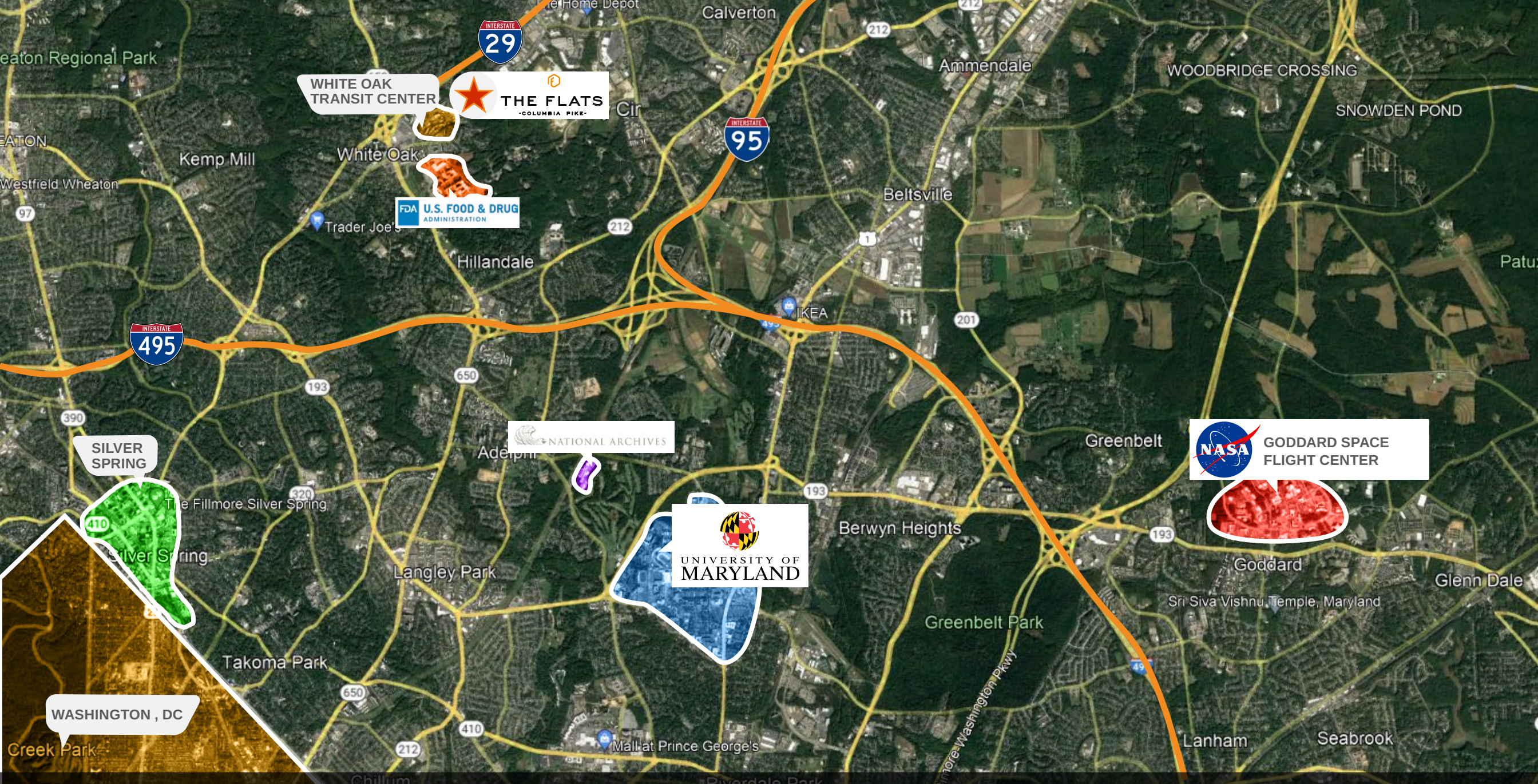
CONVENIENT AND COMMUTABLE LOCATION



DRAW OF THE I-270 LIFE SCIENCES CORRIDOR



EXPANDING WASHINGTON, DC APARTMENT MARKET



SALES

JORGE ROSA
 Executive Managing Director
 +1 703 286 3002
 jorge.rosa@cushwake.com

ANTHONY (TJ) LIBERTO
 Managing Director
 +1 703 286 3007
 anthony.liberto@cushwake.com

BENJAMIN PASQUARELLA
 Financial Analyst
 +1 703 847 2762
 benjamin.pasquarella@cushwake.com

FINANCING

ALEX BASILE
 Executive Director
 +1 202 407 8158
 alex.basile@cushwake.com

JOYCE CONNOLLY
 Financial Analyst
 +1 301 852 8757
 joyce.connolly@cushwake.com