



E ENCLAVE

• SILVER SPRING •



 **TRANSWESTERN**[®]
MID-ATLANTIC MULTIFAMILY GROUP

**1,120 UNIT THREE-BUILDING HIGH-RISE COMMUNITY
LOCATED IN SILVER SPRING, MARYLAND**

THE ENCLAVE IS A 1,120 UNIT THREE-BUILDING HIGH-RISE COMMUNITY WHICH HAS BEEN INSTITUTIONALLY MAINTAINED AND OFFERS A SIGNIFICANT VALUE-ADD OPPORTUNITY. STRATEGICALLY LOCATED AT THE ENTRY TO THE WHITE OAK SCIENCE GATEWAY SECTION OF SILVER SPRING ANCHORED BY THE FDA HEADQUARTERS.

THE ENCLAVE BENEFITS FROM BEING ONE OF THE FIRST RENTAL COMMUNITIES ALONG THE WELL-TRAVELED US ROUTE-29 CORRIDOR AND WITHIN WALKING DISTANCE TO BOTH THE WHITE OAK SHOPPING CENTER AND THE FDA HEADQUARTERS. THE 25+ ACRE SITE SETTING ALLOWS FOR CONVENIENT ACCESS TO US ROUTE-29 (64,730 AADT), MD-650 NEW HAMPSHIRE AVENUE (44,351 AADT), AND IS JUST TWO-MILES NORTH OF THE I-495 CAPITAL BELTWAY. THE LOCATION PROVIDES CONVENIENT ACCESS TO MAJOR EMPLOYERS IN NEARBY DOWNTOWN SILVER SPRING, BETHESDA, THE I-270 TECHNOLOGY CORRIDOR AND THROUGHOUT THE WASHINGTON, DC REGION.

OFFERING SUMMARY

Offering Price:	Unpriced
Terms/Financing:	Loan Assumption or Free & Clear
Offer Due Date:	Tuesday, June 13, 2023

PROPERTY SUMMARY

Address:	11225 Oak Leaf Drive Silver Spring, MD 20901
Website:	www.enclavesilverspringapts.com
Number of Units:	1,119 Apartments + 1 Commercial Space
Year Built:	1965 & 1969
Net Rentable SF:	1,082,850 SF
Average Unit Size:	967 SF
Average In-Place Rent:	\$1,608
Average In-Place Rent PSF:	\$1.66
Occupancy:	96.1% (as of 4/17/2023)



SUMMARY UNIT MIX

UNIT TYPE	# OF UNITS	% OF MIX	SF	ACTUAL RENT	\$/SF
Studio	213	19.0%	463	\$1,199	\$2.59
1BR/1BA	285	25.4%	847	\$1,497	\$1.77
2BR/2BA	392	35.0%	1,133	\$1,706	\$1.51
3BR/2BA	229	20.4%	1,299	\$1,960	\$1.51
TOTAL/AVERAGE	1,119	99.9%	967	\$1,608	\$1.66
COMM A	1	0.1%	990	\$1,712	\$1.73
COMBINTED TOTAL	1,120	100%	967	\$1,609	\$1.66

Rents are actual in-place leased rents as of 4/17/2023

RENOVATION SUMMARY

UNIT TYPE	# OF UNITS	% OF MIX	SF	ACTUAL RENT	\$/SF
Standard	139	12.4%	919	\$1,544	\$1.68
Standard W/D	38	3.4%	1,123	\$1,803	\$1.61
Prior Reno	293	26.2%	709	\$1,391	\$1.96
Prior Reno W/D	641	57.3%	1,087	\$1,709	\$1.57
Current Reno	5	0.4%	747	\$1,440	\$1.93
Current Reno W/D	3	0.3%	1,092	\$2,030	\$1.86
TOTAL/AVERAGE	1,119	100%	967	\$1,608	\$1.66

Rents are actual in-place leased rents as of 4/17/2023



CURRENT RENO



PRIOR RENO



STANDARD

INVESTMENT HIGHLIGHTS

VALUE-ADD OPPORTUNITY: With demonstrated rental premiums being obtained for the higher-level finishes including the addition of washer/dryers and other cosmetic upgrades, the property represents a tremendous investment opportunity. By blending core quality, a prime location, and significant upside potential, new ownership can significantly increase revenue and achieve favorable returns on investment. The 292 units projected to be renovated provides an opportunity to increase revenue over \$1 million over the next several years.

ORGANIC INCOME GROWTH: Ability to continue to grow rents on renewal and turnover. Past 90 days renewals average 3.4% and lease-trade outs average 7.7% following a 2022 year that saw rents grow by approximately 8.0% overall.

WELL-PRESERVED ASSET: Multiple institutional owners have completed over \$90 million of significant capital improvements to these iconic high-rise buildings including amenity enhancements, interior renovations, common area improvements, windows/sliders, balconies, railings, HVAC system replacements, and garage enhancements allowing for new capital to focus on remaining interior renovations.

RESORT-STYLE AMENITIES: With a 10,000 SF clubhouse and leasing center, a large resort-style swimming pool, a 3,000 SF fitness center, an on-site convenience store, and much more, The Enclave provides a superior amenity package not found at competitive communities. Additional opportunities exist to add electric charging stations, enhance package acceptance options, and improve the resident lobby areas.

DISCOUNT TO REPLACEMENT COSTS: Investors have the opportunity to acquire The Enclave at more than a 50% discount to replacement costs for concrete and steel high-rise construction.

FLEXIBLE DEBT OPTIONS: Opportunity for the Property to be delivered free and clear or to assume the existing loan which offers \$172 million principal balance at a 3.69% fixed rate.

\$90 Million

Prior Capital Improvements

7.7%

Average 90-Day Lease-Trade Out

292

Number of Units Projected to be Renovated



LIVING ROOM



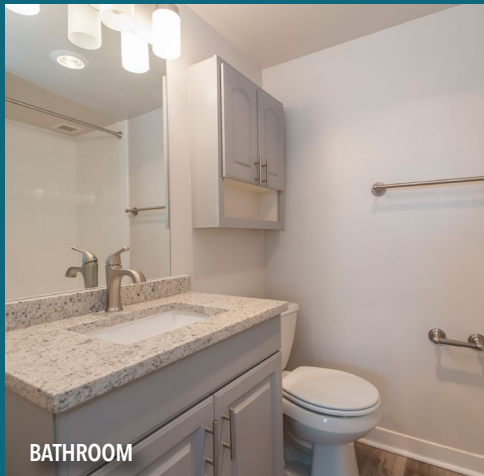
POOL AREA



LEASING OFFICE



LOUNGE AREA



BATHROOM



FITNESS CENTER



PLAYGROUND



PATIO AREA

MARKET HIGHLIGHTS

- DYNAMIC EMPLOYMENT DRIVERS:** Walking distance to FDA headquarters (14,820 employees) and less than 10 minutes to downtown Silver Spring. The location provides convenient connection to Bethesda, the NIH campus (17,535 employees) and the I-270 Technology corridor, the 4th largest life sciences hub in the nation.
- FDA HEADQUARTERS DRIVING AREA GROWTH:** The 130-acre FDA Campus anchors the larger 662-acre White Oak Federal Research Center. Plans are underway to expand employment at FDA to 18,000 workers in the next several years.
- VIVA WHITE OAK:** The surrounding White Oak area is undergoing a major expansion as a life sciences hub thanks to a public-private partnership with Montgomery County and the planned 280-acre Viva White Oak just 3-miles north of Enclave. The 280-acre life and bioscience focused mixed-use community will include 7 million square feet of commercial development and 5,000 residential units at full build-out.
- NEW \$400 MILLION HOSPITAL:** Opened in 2019, Adventist HealthCare White Oak Medical Center is located just 3-miles north and adjacent to the Viva White Oak project. Adventist employs 3,675 people in Montgomery County.
- CONNECTIVITY TO MAJOR DEMAND DRIVERS:** The Enclave benefits from multiple commuting options to major employment and entertainment centers with direct access to US-29 and the I-495 Capital Beltway, and a short drive to MD-200 (Inter County Connector). The Metro and Flash Bus Rapid Transit system provides direct connection to Silver Spring Metro (Red Line) and offers residents seamless access to DC employers and attractions.
- EXCELLENT WALKABILITY:** The Enclave is located across from the White Oak Shopping Center, anchored by Giant Food, Walgreens, and a wide range of shops and restaurants.
- PREMIER MONTGOMERY COUNTY LOCATION AND DEMOGRAPHICS:** Home to more than 1.05 million residents, Montgomery County is the largest county in the State of Maryland and one of the wealthiest and most affluent counties in the nation.

\$117,345

Montgomery County
Median Household Income

Source: U.S. Census Bureau

18

Federal Headquarters in
Montgomery County

300+

Life Science Companies in Montgomery
County

4th

Largest Life Sciences Hub
in the Nation



LOBBY AREA



APARTMENT FUNDAMENTALS

Low vacancy combined with strong historical rent growth has made the Silver Spring submarket in Montgomery County one of the most consistent and strongest performing in the region. Rental demand alongside with employment growth in this submarket will allow the property to continue to garner significant premiums while also benefitting from organic income growth on renewal.

5.5%

Class B High-Rise Rent Growth
in Silver Spring
12 months ending March 2023.

Source: U.S. Census Bureau

\$2,163

Average Class A Rent in
Silver Spring/Wheaton
compared to \$1,596 at The Enclave

Source: Delta Associates

3.9%

Forecasted Rent Growth
for 2023

Source: Axiometrics



NLST

NIH NATIONAL CANCER INSTITUTE





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