OFFERING MEMORANDUM

# 10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

Marcus & Millichap

NEWPORT NEWS, VA | 17 UNITS

## NON-ENDORSEMENT AND DISCLAIMER NOTICE



**Exclusively Listed By:**

Brian Hosey
Marcus & Millichap
Real Estate Investment Services of North Carolina, Inc.
7200 Wisconsin Ave, Suite 1101
Bethesda, MD 20814
VA License: 0225247494
Activity ID: ZAH0600012

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE | NEWPORT NEWS, VA | 17 UNITS

# THE OPPORTUNITY

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Offered Property

Marcus & Millichap is pleased to present the offering memorandum for 10710 & 10714 Jefferson Avenue and 500 Powellville Lane Newport News, VA 23061.

The portfolio consists of seventeen units total. There are two, studio units, thirteen, one-bedroom and one-bathroom units and two, two-bedroom and one-bathroom units. 10710 Jefferson Avenue was built in 1960 and situated on 0.32 ac.

Newport News, VA offers a resilient and diverse economic base anchored by Newport News Shipbuilding, Joint Base Langley-Eustis, and major healthcare providers—driving steady renter demand. With limited new supply, strong occupancy, and below-replacement rental rates, investors benefit from durable cash flow and long-term appreciation potential. Proximity to the Port of Virginia and expanding logistics infrastructure strengthens employment growth. For multifamily investors seeking stability with upside in a proven coastal market, Newport News stands out.

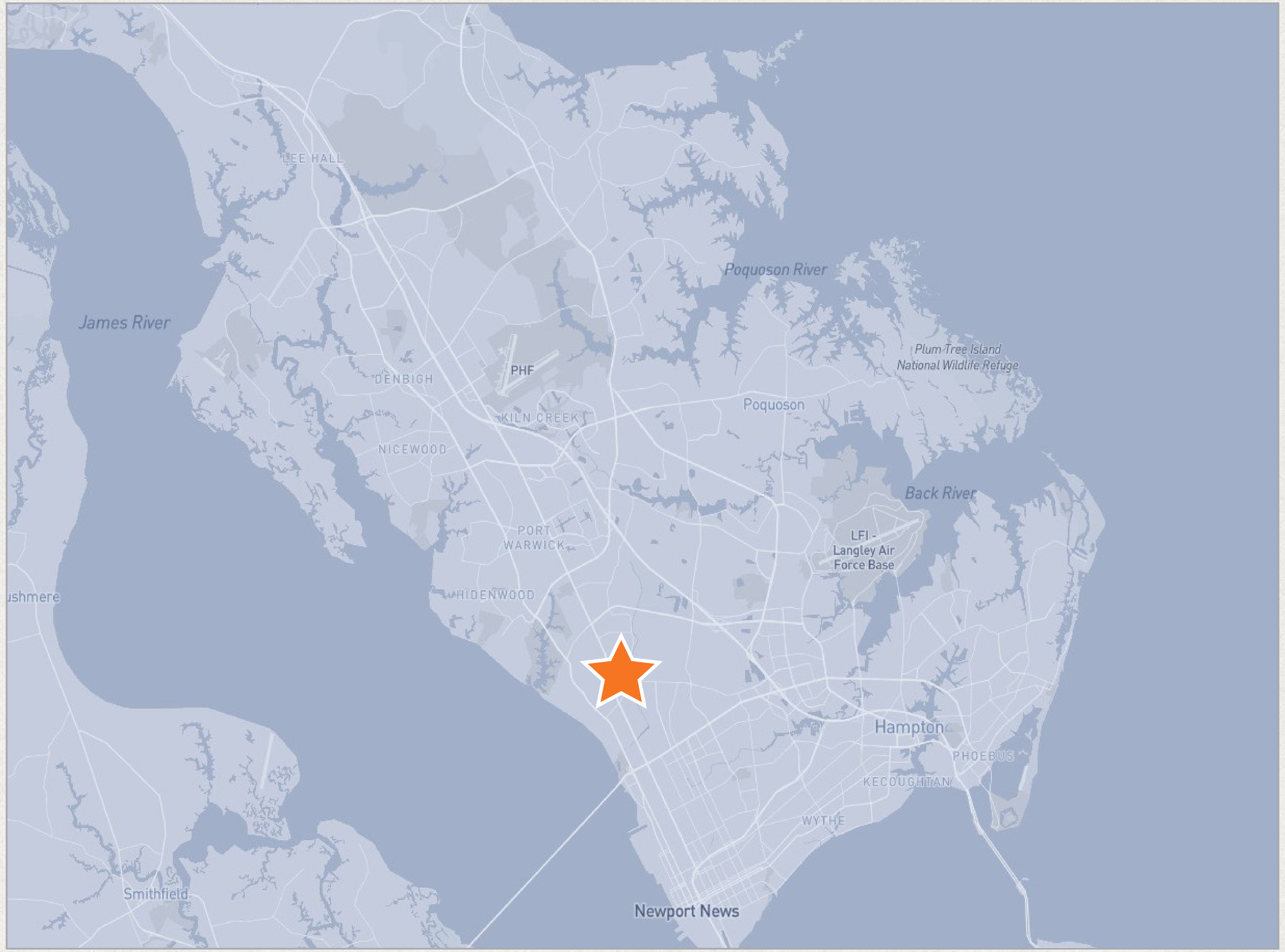
## PROPERTY SUMMARY: JEFFERSON AVENUE & POWELLVILLE LANE

| | |
|---|---|
| # of Units | 17 |
| Year Built | 1960 |
| Price | $1,500,000 |
| Price/Unit | $91,176 |
| Total Square Feet | 11,050 SF |
| Average Unit Size | 724 SF |

## INVESTMENT HIGHLIGHTS

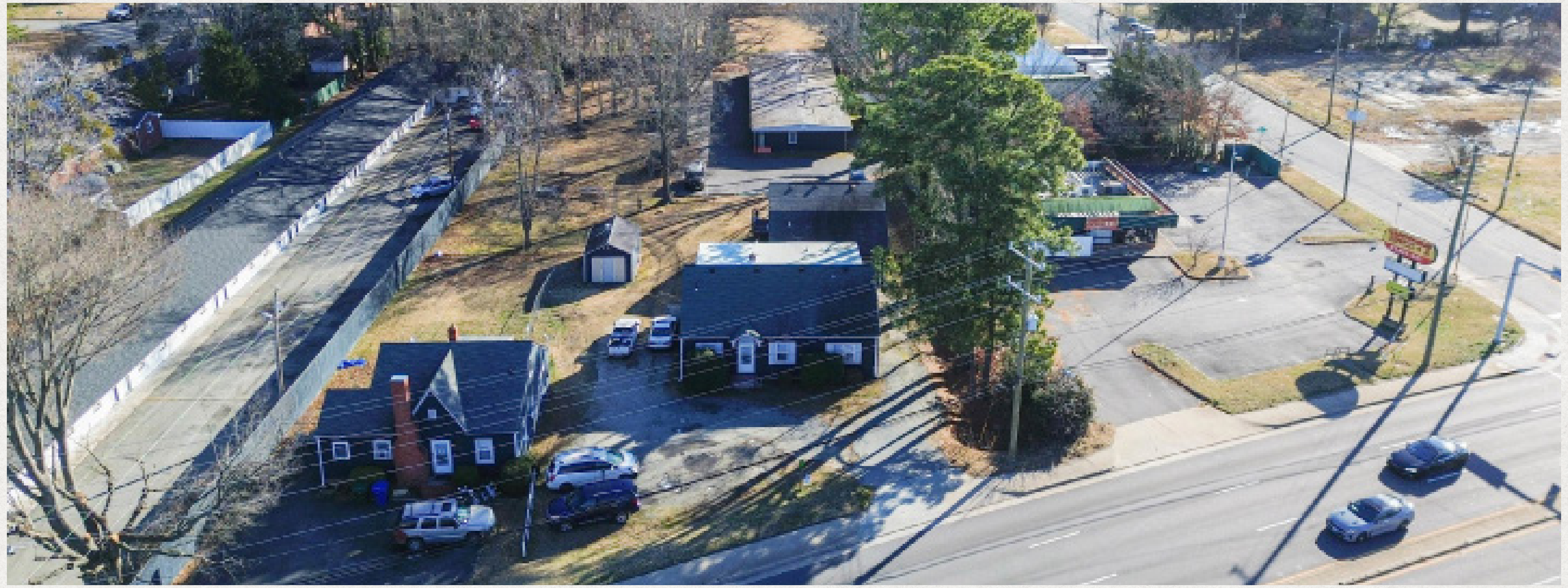
- **TURNKEY PROPERTY** Fully Renovated Units
- **TRANSIT ORIENTED** Easy access to Hampton Roads Bridge Tunnel, I-64, I-664 & James River Bridge
- **EASY ACCESS TO NUMEROUS EMPLOYMENT CENTERS** Within 10 minutes from Newport News/Williamsburg International Airport, Hampton University, and Newport News Shipbuilding






Marcus & Millichap

# Exterior Photos





10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Exterior Photos

# Interior Photos



10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

Interior Photos

Marcus & Millichap

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE | NEWPORT NEWS, VA | 17 UNITS

# LOCATION ANALYSIS

# **Newport News** *A Strategic, High-Momentum Market for CRE*

Newport News, Virginia is one of the most strategically positioned commercial real estate markets on the East Coast, driven by a unique combination of location, industrial strength, and future-focused development. Located along the James River and the Chesapeake Bay with direct access to the Port of Virginia, the city serves as a key distribution and maritime hub. Major highways, rail lines, and international shipping lanes converge here, making Newport News a prime location for industrial, logistics, and maritime-support operations.

The economic foundation is exceptionally stable thanks to long-term federal defense spending and specialized industries. Huntington Ingalls Industries — the largest military shipbuilder in the United States and the exclusive producer of Navy aircraft carriers — anchors the city's workforce and industrial demand. Surrounding this core is a network of aerospace, technology, research, and healthcare employers that diversify the market and support consistent commercial space absorption.

Newport News is deeply integrated into the broader Hampton Roads region, home to one of the nation's highest concentrations of military personnel and defense contractors. This fuels demand for office space, contractor facilities, retail services, and lifestyle-supporting commercial amenities. With a strong tenant base and skilled labor market, the city offers durable occupancy and steady rent growth across CRE asset types.

Affordability creates compelling upside for investors seeking both yield and long-term appreciation. Real estate pricing remains more approachable than major coastal markets, while lower operating costs and business-friendly tax structures help improve performance margins. Investors can acquire quality assets at favorable entry points, especially in transitioning commercial districts poised for reinvestment.

That transformation is exemplified by newer mixed-use nodes such as City Center at Oyster Point — a modern blend of Class A office towers, retail storefronts, dining, and public spaces designed to attract employers seeking an amenity-rich environment. Additional redevelopment is expanding along waterfront areas and transportation corridors, enhancing the city's overall live-work-play appeal.

Newport News combines historic industrial assets with new commercial momentum, making it uniquely positioned for sustained growth. With its deep-water port infrastructure, resilient employer base, competitive cost profile, and active economic development initiatives, the city offers a balanced opportunity for commercial real estate investors targeting long-term stability and strong fundamentals.

In short: Newport News is not just a solid market today — it's a market actively shaping its future, offering investors a strategic coastal location and the kind of economic durability that continues to outperform through market cycles.



# **Newport News** *A Multifamily Market of Growth & Stability*

**A DEEPLY ANCHORED MARITIME & NAVAL MANUFACTURING ECONOMY** Home to Newport News Shipbuilding: 23,000+ high-wage jobs and multi-decade Navy/DoD funding pipelines supporting a stable renter base.

**CONSTRAINED SUPPLY ON THE PENINSULA** Minimal new construction in Newport News vs. heavy pipelines in competing Sunbelt markets; limited future deliveries protect occupancy and rent growth.

**ATTRACTIVE BASIS & YIELD** Lower $/unit and higher going-in cap rates than Richmond, Raleigh, and DC; ability to buy below replacement cost with clear value-add runway.

**DURABLE WORKFORCE RENTER POOL** Strong mix of defense, manufacturing, healthcare, and logistics employment --> steady W-2 demand, low volatility, and reliable collections.

**MARKET INFLECTION POINT** 2024–2025 supply bulge is behind us; absorption now outpacing new deliveries, vacancies tightening, and rents resuming steady growth.

**PORTFOLIO DIVERSIFICATION & UPSIDE** Middle-market liquidity with institutional scalability; operational uplift and roll-up potential in an under-institutionalized region.

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE | NEWPORT NEWS, VA | 17 UNITS

# MARKET COMPARABLES

# Rent Comparables

## Studio

| | PROPERTY | YEAR BUILT | UNIT TYPE | UNITS | SF | RENT | RENT/SF |
|---|---|---|---|---|---|---|---|
| ★ | **10710 & 10714 Jeffrson Avenue & 500 Powellville Lane - 17 Units** Newport News, VA 23601 | 1960 | Studio | 2 | 650 SF | $900 | $1.50 |
| 1 | **Collin South Apartments - 32 Units** 10780 Jefferson Avenue Newport News, VA 23605 | - | - | - | - | - | - |
| 2 | **Woodview Townhomes - 25 Units** 6010 Jefferson Avenue Newport News, VA 23605 | - | - | - | - | - | - |
| 3 | **Gatewood Apartments - 10 Units** 1252 Gatewood Road Newport News, 23601 | - | - | - | - | - | - |
| 4 | **Executive Suites - 32 Units** 2901-2907 W Mercury Boulevard Hampton, VA 23666 | 1963 | Studio | 4 | 400 SF | $868 | $2.17 |
| 5 | **River Akers - 20 Units** 7301 River Road Newport News, VA 23607 | 1978 | Studio | 20 | 600 SF | $534 | $0.89 |



## One-Bedroom

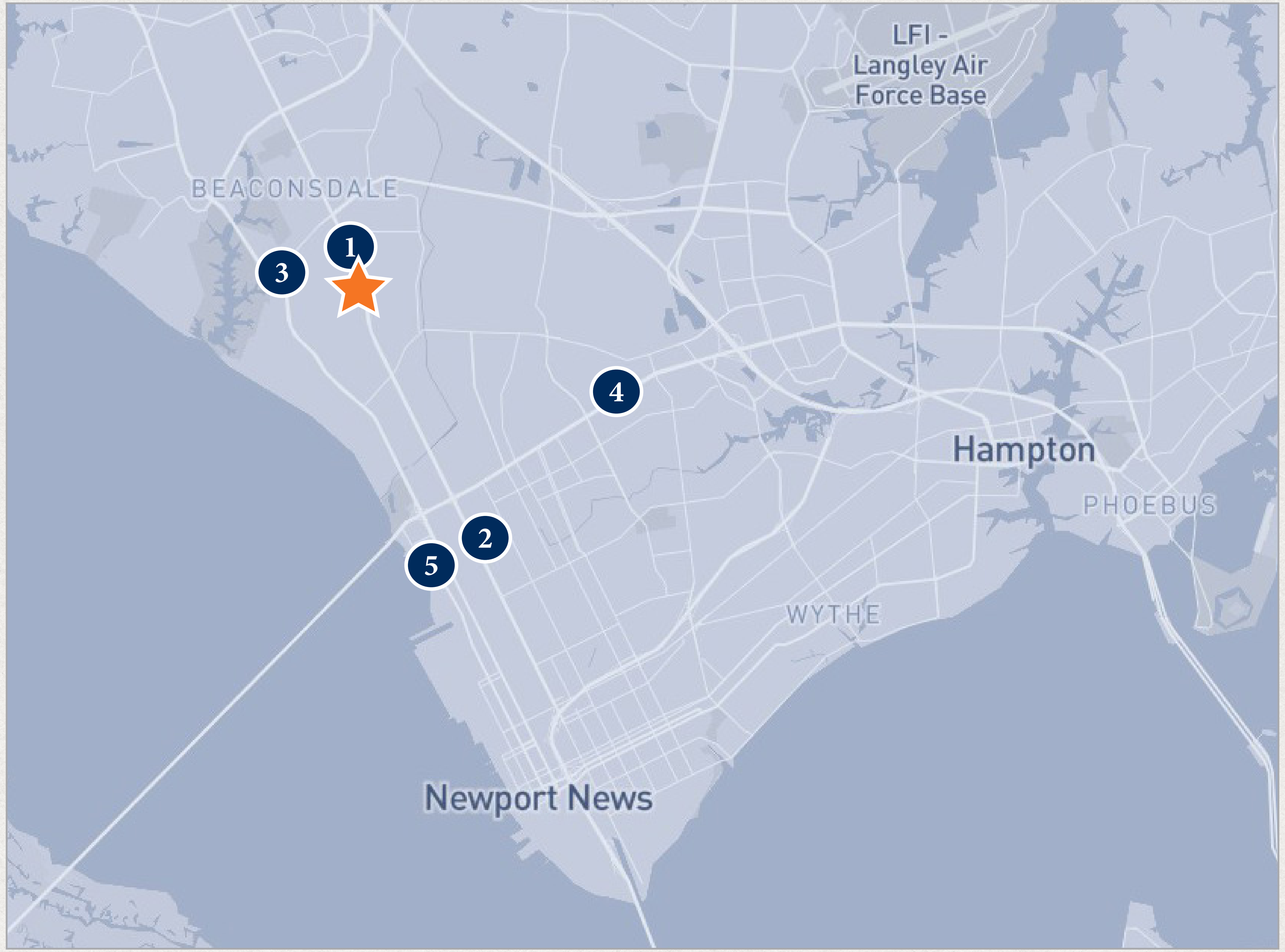
| | PROPERTY | YEAR BUILT | UNIT TYPE | UNITS | SF | RENT | RENT/SF |
|---|---|---|---|---|---|---|---|
| ★ | **10710 & 10714 Jeffrson Avenue & 500 Powellville Lane - 17 Units** Newport News, VA 23601 | 1960 | 1BD/1BA | 13 | 650 SF | $932 | $1.33 |
| 1 | **Collin South Apartments - 32 Units** 10780 Jefferson Avenue Newport News, VA 23605 | - | - | - | - | - | - |
| 2 | **Woodview Townhomes - 25 Units** 6010 Jefferson Avenue Newport News, VA 23605 | - | - | - | - | - | - |
| 3 | **Gatewood Apartments - 10 Units** 1252 Gatewood Road Newport News, 23601 | 1980 | 1BD/1BA | 8 | 500 SF | $1,019 | $2.04 |
| 4 | **Executive Suites - 32 Units** 2901-2907 W Mercury Boulevard Hampton, VA 23666 | 1963 | 1BD/1BA | 16 | 565 SF | $955 | $1.69 |
| 5 | **River Akers - 20 Units** 7301 River Road Newport News, VA 23607 | - | - | - | - | - | - |

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Rent Comparables

### Two-Bedroom

| | PROPERTY | YEAR BUILT | UNIT TYPE | UNITS | SF | RENT | RENT/SF |
|---|---|---|---|---|---|---|---|
| ★ | **10710 & 10714 Jeffrson Avenue & 500 Powellville Lane - 17 Units**<br>Newport News, VA 23601 | 1960 | 2BD/1BA | 2 | 650 SF | $1,250 | $1.25 |
| 1 | **Collin South Apartments - 32 Units**<br>10780 Jefferson Avenue Newport News, VA 23605 | 1974 | 2BD/1BA | 32 | 900 SF | $1,155 | $1.28 |
| 2 | **Woodview Townhomes - 25 Units**<br>6010 Jefferson Avenue Newport News, VA 23605 | 1965 | 2BD/1BA | 25 | 900 SF | $1,196 | $1.33 |
| 3 | **Gatewood Apartments - 10 Units**<br>1252 Gatewood Road Newport News, 23601 | 1980 | 2BD/1BA | 2 | 800 SF | $1,223 | $1.53 |
| 4 | **Executive Suites - 32 Units**<br>2901-2907 W Mercury Boulevard Hampton, VA 23666 | 1963 | 2BD/1BA | 8 | 800 SF | $1,107 | $1.38 |
| 5 | **River Akers - 20 Units**<br>7301 River Road Newport News, VA 23607 | - | - | - | - | - | - |



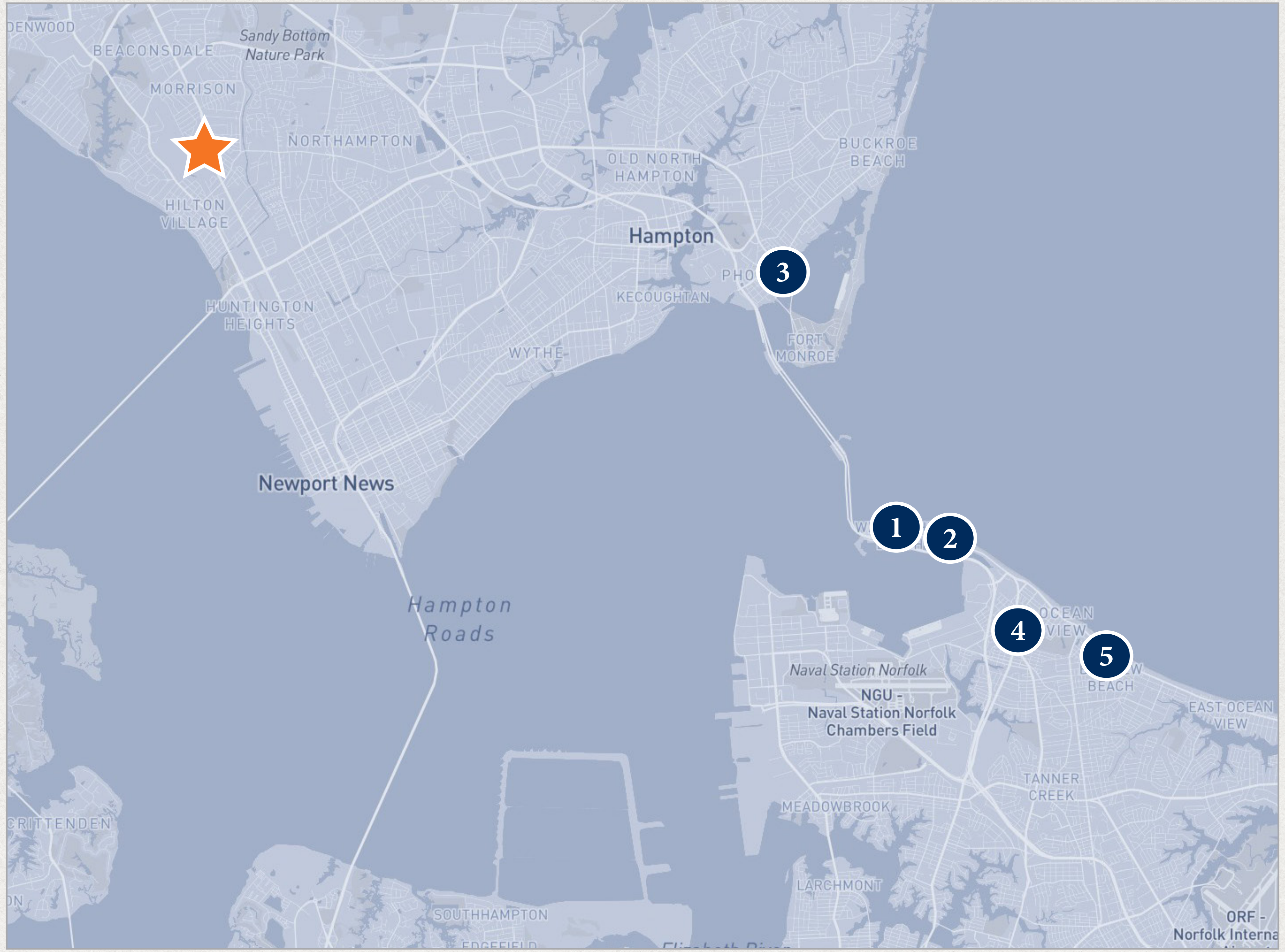


Marcus & Millichap

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Sale Comparables

| | PROPERTY | UNITS | BLDG SF | YEAR BUILT | SOLD PRICE | PRICE/UNIT | PRICE/SF | SALE DATE |
|---|---|---|---|---|---|---|---|---|
| ★ | **10710 & 10714 Jefferson Avenue & 500 Powellville Lane**<br>Newport News, VA 23601 | **17** | **11,050 SF** | **1960** | **$1,550,000** | **$91,176** | **$126.02** | - |
| 1 | **1314-1318 Little Bay**<br>Norfolk, VA 23503 | 20 | 13,806 SF | 1970 \| 1984 | $3,100,000 | $155,000 | $224.55 | March 2024 |
| 2 | **925 Little Bay Avenue**<br>Norfolk, VA 23503 | 8 | 3,800 SF | 1949 | $872,500 | $109,063 | $229.61 | February 2024 |
| 3 | **The Kelly Avenue Flats**<br>111 E Kelly Avenue Hampton, VA 23663 | 10 | 6,555 SF | 1952 | - | $100,000 | - | June 2024 |
| 4 | **9324 1st View Street**<br>Norfolk, VA 23503 | 18 | 9,896 SF | 1969 | $1,400,000 | $77,778 | $141.47 | May 2024 |
| 5 | **827 E Ocean View Avenue**<br>Norfolk, VA 23053 | 16 | 8,568 SF | 1962 | $1,234,921 | $77,183 | $144.13 | May 2025 |
| | **Averages** | **14** | **8,525 SF** | - | **$1,651,855** | **$103,805** | **$184.94** | - |





Marcus & Millichap

Marcus & Millichap

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE | NEWPORT NEWS, VA | 17 UNITS

# FINANCIAL ANALYSIS

# Executive Pricing Summary

| PRICE | |
|---|---|
| Price | $1,550,000 |
| Down Payment | $387,500 |
| Number of Units | 17 |
| Price Per Unit | $91,176 |
| Price Per Sqft | $126.02 |
| Approx. Year Built | 1960 |

| RETURNS | CURRENT | YEAR 1 |
|---|---|---|
| Cap Rate | 8.29% | 9.00% |
| GRM | 7.87 | 6.93 |
| Cash-on-Cash | 8.85% | 11.67% |
| Debt Coverage Ratio | 1.36 | 1.48 |





# Investment Summary

| MARKET LOAN | |
|---|---|
| Interest Rate | 6.50% |
| Amortization Period | 25 Years |
| Annual Loan Constant | 8.10% |
| Loan Term | 7 Years |
| Loan to Value | 75% |
| Loan Amount | $1,162,500 |
| Down Payment | $387,500 |

| FINANCIAL SUMMARY | | CURRENT | | YEAR 1 |
|---|---|---|---|---|
| Gross Scheduled Rent | | $196,920 | | $223,716 |
| Less:Vacancy/Deductions | 6.0% | $11,815 | 5.0% | $11,186 |
| Total Effective Rental Income | | $185,105 | | $212,530 |
| Other Income | | $22,556 | | $23,233 |
| Effective Gross Income | | $207,661 | | $235,763 |
| Less: Expenses | 38.1% | $79,180 | 40.9% | $96,337 |
| Net Operating Income | | $128,481 | | $139,426 |
| Cash Flow | | $128,481 | | $139,426 |
| Debt Service | | $94,191 | | $94,191 |
| Net Cash Flow After Debt Service | 8.85% | $34,289 | 11.67% | $45,235 |
| Principal Reduction | | $19,194 | | $20,479 |
| Total Return | 13.80% | $53,483 | 16.96% | $65,714 |

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Unit Mix

| UNIT TYPE | # OF UNITS | AVG SF | RENTAL RANGE | CURRENT AVG RENT | CURRENT AVG RENT/SF | CURRENT MONTHLY INCOME | POTENTIAL AVG RENT | POTENTIAL AVG RENT/SF | POTENTIAL MONTHLY INCOME |
|---|---|---|---|---|---|---|---|---|---|
| Studio | 2 | 600 | $900 - $900 | $900 | $1.50 | $1,800 | $900 | $1.50 | $1,800 |
| 1 Bed 1 Bath | 13 | 700 | $800 - $1,050 | $932 | $1.33 | $12,110 | $1,038 | $1.48 | $13,500 |
| 2 Bed 1 Bath | 2 | 1,000 | $1,100 - $1,400 | $1,250 | $1.25 | $2,500 | $1,400 | $1.40 | $2,800 |
| **Total/Weighted Averages** | **17** | **724** | | **$965** | **$1.33** | **$16,410** | **$1,065** | **$1.47** | **$18,100** |
| **Gross Annualized Rents** | | | | **$196,920** | | | **$217,200** | | |

10710 & 10714 JEFFERSON AVENUE & 500 POWELLVILLE LANE

# Operating Statement

| INCOME | CURRENT | | YEAR 1 | | PER UNIT |
|---|---|---|---|---|---|
| Gross Potential Rent | 217,200 | | 223,716 | | 13,160 |
| Loss/Gain to Lease | (20,280) | 9.3% | 0 | | 0 |
| Gross Current Rent | 196,920 | | 223,716 | | 13,160 |
| Physical Vacancy | (9,846) | 5.0% | (8,949) | 4.0% | (526) |
| Bad Debt | (1,969) | 1.0% | (2,237) | 1.0% | (132) |
| Total Vacancy | ($11,815) | 6.0% | ($11,186) | 5.0% | ($658) |
| Economic Occupancy | 94.00% | | 95.00% | | |
| Effective Rental Income | 185,105 | | 212,530 | | 12,502 |
| Other Income | 11,118 | | 11,452 | | |
| Utility Bill-Back | 11,438 | | 11,438 | | 673 |
| All Other Income | 11,118 | | 11,795 | | 694 |
| Total Other Income | $22,556 | | $23,233 | | $1,367 |
| Effective Gross Income | $207,661 | | $235,763 | | $13,868 |
| **EXPENSES** | **CURRENT** | | **YEAR 1** | | **PER UNIT** |
| Real Estate Taxes | 13,327 | | 20,060 | | 1,180 |
| Insurance | 9,948 | | 10,200 | | 600 |
| Utilities - Electric | 2,062 | | 2,160 | | 127 |
| Utilities - Water & Sewer | 16,581 | | 16,581 | | 975 |
| Repairs & Maintenance | 4,187 | | 12,750 | | 750 |
| Contract Services | 12,750 | | 7,650 | | 450 |
| Marketing & Advertising | 2,756 | | 1,275 | | 75 |
| General & Administrative | 5,250 | | 2,550 | | 150 |
| Operating Reserves | 4,250 | | 4,250 | | 250 |
| Management Fee | 8,069 | 8.0% | 18,861 | 8.0% | 1,109 |
| Total Expenses | $79,180 | | $96,337 | | $5,667 |
| Expenses as % of EGI | 38.1% | | 40.9% | | |
| Net Operating Income | $128,481 | | $139,426 | | $8,202 |