

OFFERING MEMORANDUM  
**AZALEA GARDEN  
APARTMENTS**



Marcus & Millichap

**NORFOLK, VA | 20 UNITS**

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AZALEA GARDEN APARTMENTS | NORFOLK, VA | 20 UNITS

THE OPPORTUNITY

AZALEA GARDEN APARTMENTS  
**Offered Property**

Marcus & Millichap is pleased to present the offering memorandum for Azalea Garden Apartments located at 3475 Azalea Garden Road in Norfolk, VA.

The property consists of twenty units total. There are twenty, one-bedroom and one-bathroom units. Azalea Garden was built in 1973 and situated on +/- 0.54 acres.

Norfolk, VA is in the heart of the Hampton Roads metropolitan area, which is home to over 1.7 million people. It's central location within the region makes it an important economic and cultural hub, attracting a diverse population and providing a stable demand for housing. Norfolk benefits from a robust and diversified economy. It is home to major military installations, including the Naval Station Norfolk, which is the largest naval base in the world. The presence of military personnel and related industries provide a consistent demand for rental properties.

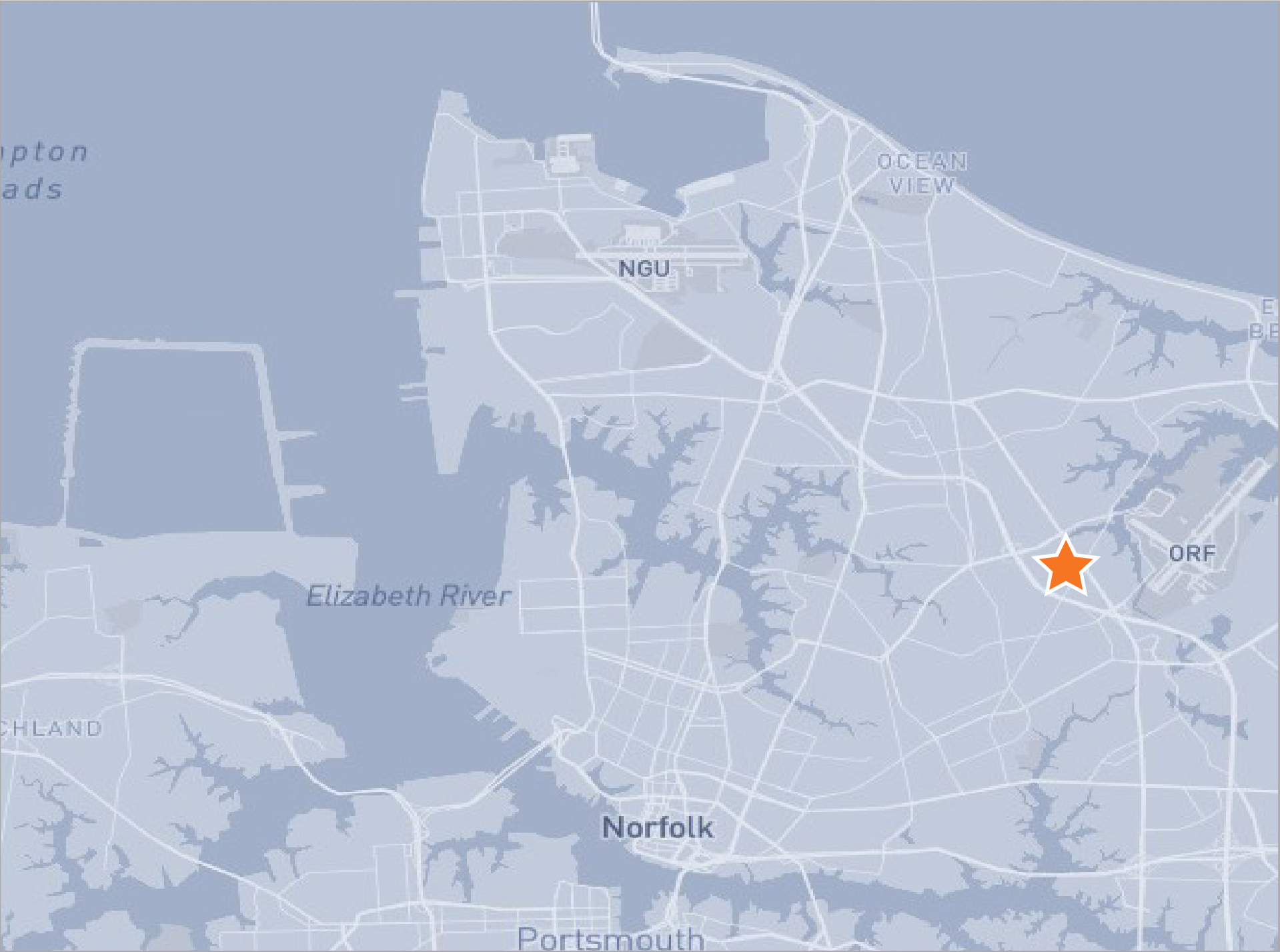


**PROPERTY SUMMARY: AZALEA GARDEN APARTMENTS**

# of Units	20
Year Built	1973
Price	\$1,975,000
Price/Unit	\$98,750
Total Square Feet	15,116 SF
Average Unit Size	600 SF

**INVESTMENT HIGHLIGHTS**

- **TRANSIT ORIENTED** Easy access to I-64, I-264, I-564, and Granby Street
- **EASY ACCESS TO NUMEROUS EMPLOYMENT CENTERS** Within 10 minutes from Norfolk International Airport, IKEA, and Simon Premium Outlet Mall



AZALEA GARDEN APARTMENTS  
**Exterior Photos**



AZALEA GARDEN APARTMENTS  
**Interior Photos**



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AZALEA GARDEN APARTMENTS | NORFOLK, VA | 20 UNITS

LOCATION ANALYSIS

AZALEA GARDEN APARTMENTS

# Norfolk Location Overview



AZALEA GARDEN APARTMENTS

# Norfolk Top Employers



# Hampton Roads Transformation & Growth



## HRBT Expansion

**\$3.9B Project**

The Hampton Roads Bridge-Tunnel (HRBT) expansion project is a major infrastructure initiative aimed at improving transportation and connectivity in the Hampton Roads, particularly between the cities of Norfolk and Hampton. The project is set to be completed Spring 2027.



## Atlantic Park

**\$350M Project**

This project, which has garnered support from the renowned entertainer Pharrell Williams, will showcase a 2.67-acre Wave garden Cove surf park designed to create waves suitable for surfers of varying skill levels. In addition to the surf park, Atlantic Park will feature novel dining establishments, immersive retail experiences, residential and office spaces, as well as cutting-edge indoor and outdoor entertainment facilities.



## Rivers Casino

**\$340M Project**

In January 2023, the grand opening of Rivers Casino in Portsmouth marked a significant turning point for the region. Since its inception, Rivers Casino has become a vibrant hub of tourism, drawing visitors with its exciting gaming options, top-notch entertainment, and exquisite dining experiences. Notably, the casino has made a substantial contribution to the local economy by generating employment opportunities and boosting patronage at nearby hotels, restaurants, and entertainment venues.

# Hampton Roads Naval Shipyard

The Norfolk Naval Shipyard (NNSY) is a major United States Navy shipyard located in Portsmouth, Virginia, adjacent to Norfolk. It is one of the most significant and oldest shipyards in the United States. NNSY is primarily responsible for the maintenance, repair, and overhaul of U.S. Navy ships and submarines. It plays a crucial role in ensuring the operational readiness of the Navy's fleet, including aircraft carriers, submarines, destroyers, and other vessels. The shipyard's skilled workforce and advanced facilities are essential for keeping the Navy's assets in top condition.

NNSY is one of the largest employers in the region, providing jobs to thousands of workers, including civilian and military personnel. This significant employment opportunity contributes to the local economy by generating income and supporting local businesses and services.



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AZALEA GARDEN APARTMENTS | NORFOLK, VA | 20 UNITS

FINANCIAL ANALYSIS

AZALEA GARDEN APARTMENTS  
**Pricing Summary**

<b>PRICE</b>	
Price	\$1,975,000
Down Payment	\$592,500
Number of Units	20
Price Per Unit	\$98,750
Price Per Sqft	\$164.58
Approx. Year Built	1973

<b>RETURNS</b>	<b>CURRENT</b>	<b>YEAR 1</b>
CAP Rate	6.07%	8.94%
GRM	8.03	6.66
Cash-on-Cash	2.55%	12.10%
Debt Coverage Ratio	1.14	1.68

AZALEA GARDEN APARTMENTS  
**Investment Summary**

<b>MARKET LOAN</b>	
Interest Rate	6.50%
Amortization Period	30 Years
Annual Loan Constant	7.58%
Loan Term	7 Years
Loan to Value	70%
Loan Amount	\$1,382,500
Down Payment	\$592,500

<b>FINANCIAL SUMMARY</b>	<b>CURRENT</b>		<b>YEAR 1</b>
Gross Scheduled Rent		\$245,952	\$296,640
Less: Vacancy/Deductions	15.0%	\$36,893	10.0% \$29,664
Total Effective Rental Income		\$209,059	\$266,976
Other Income		\$19,547	\$20,524
Effective Gross Income		\$228,606	\$287,500
Less: Expenses	47.5%	\$108,643	38.6% \$110,966
Net Operating Income		\$119,963	\$176,534
Cash Flow		\$119,963	\$176,534
Debt Service		\$104,860	\$104,860
Net Cash Flow After Debt Service	2.55%	\$15,103	12.10% \$71,674
Principal Reduction		\$15,453	\$16,487
Total Return	5.16%	\$30,555	14.88% \$88,162

AZALEA GARDEN APARTMENTS

# Unit Mix

UNIT TYPE	# OF UNITS	AVG SF	CURRENT			POTENTIAL		
			AVG RENT	AVG RENT/SF	MONTHLY INCOME	AVG RENT	AVG RENT/SF	MONTHLY INCOME
1BD/1BA	20	600	\$1,025	\$1.71	\$20,496	\$1,200	\$2.00	\$24,000
<b>Total/Weighted Averages</b>	<b>20</b>	<b>600</b>	<b>\$1,025</b>	<b>\$1.71</b>	<b>\$20,496</b>	<b>\$1,200</b>	<b>\$2.00</b>	<b>\$24,000</b>
<b>Gross Annualized Rents</b>			<b>\$245,952</b>			<b>\$288,000</b>		

AZALEA GARDEN APARTMENTS

# Operating Statement

INCOME	CURRENT		YEAR 1		PER UNIT
Gross Potential Rent	288,000		296,640		14,832
Loss/Gain to Lease	(42,048)	14.6%	0		0
<b>Gross Current Rent</b>	<b>245,952</b>		<b>296,640</b>		<b>14,832</b>
Physical Vacancy	(14,757)	6.0%	(20,765)	7.0%	(1,038)
Bad Debt	(22,136)	9.0%	(8,899)	3.0%	(445)
Total Vacancy	(\$36,893)	15.0%	(\$29,664)	10.0%	(\$1,483)
Economic Occupancy	85.00%		90.00%		
Effective Rental Income	209,059		266,976		13,349
Utility Bill-Back	17,144		18,001		900
All Other Income	2,403		2,523		126
Total Other Income	\$19,547		\$20,524		\$1,026
Effective Gross Income	\$228,606		\$287,500		\$14,375
EXPENSES	CURRENT		YEAR 1		PER UNIT
Real Estate Taxes	27,000		27,000		1,350
Insurance	12,000		12,000		600
Utilities - Electric	3,676		3,676		184
Utilities - Water & Sewer	14,665		14,665		733
Repairs & Maintenance	15,000		15,000		750
Contract Services	10,800		9,000		450
Marketing & Advertising	1,500		1,500		75
General & Administrative	3,000		3,000		150
Operating Reserves	5,000		5,000		250
Management Fee	16,002	7.0%	20,125	7.0%	1,006
Total Expenses	\$108,643		\$110,966		\$5,548
Expenses as % of EGI	47.5%		38.6%		
Net Operating Income	\$119,963		\$176,534		\$8,827

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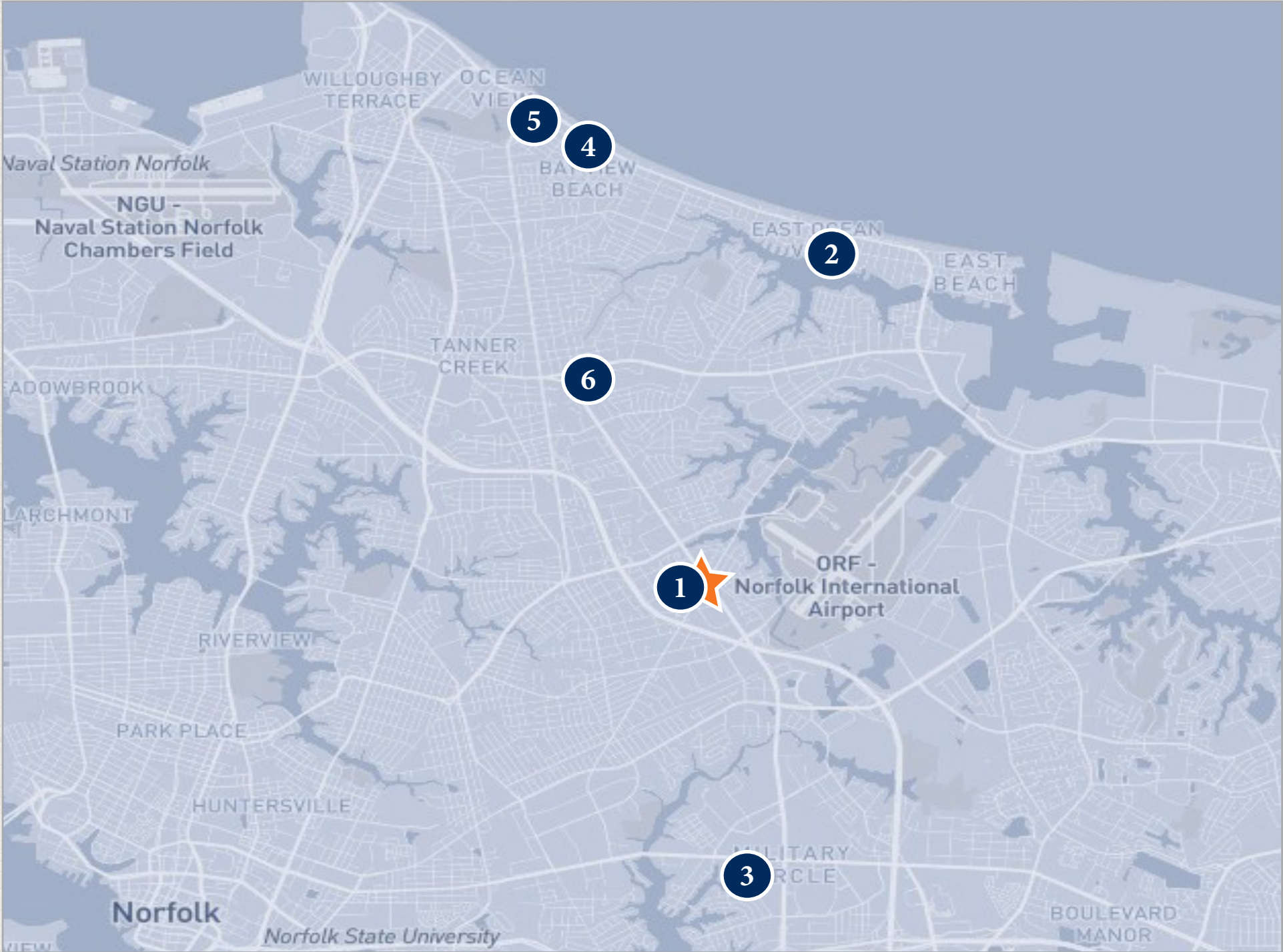
AZALEA GARDEN APARTMENTS | NORFOLK, VA | 20 UNITS

MARKET COMPARABLES

AZALEA GARDEN APARTMENTS

# Sale Comparables

	PROPERTY	UNITS	BLDG SF	YEAR BUILT	SALES PRICE	PRICE/UNIT	PRICE/SF	SALE DATE
★	<b>Azalea Garden Apartments</b> 3475 Azalea Garden Road Norfolk, VA 23513	20	15,116 SF	1973	\$1,975,000	\$98,750	\$164.58	-
1	<b>5537 Iowa Avenue</b> Norfolk, VA 23513	15	8,982 SF	1971	\$1,300,000	\$86,667	\$144.73	September 2025
2	<b>6928 12th Bay Street</b> Norfolk, VA 23518	22	7,670 SF	1972	\$2,787,000	\$126,682	\$363.36	June 2024
3	<b>5667 Brickell Road</b> Norfolk, VA 23502	20	12,000 SF	1969	\$1,650,000	\$82,500	\$137.50	January 2024
4	<b>1361 E Ocean View Avenue</b> Norfolk, VA 23503	12	12,000 SF	1970	\$1,545,000	\$128,750	\$128.75	November 2022
5	<b>1017 Hillside Avenue</b> Norfolk, VA 23503	12	6,240 SF	1971	\$1,115,000	\$92,917	\$178.69	March 2022
6	<b>1360 Hilton Street</b> Norfolk, VA 23518	6	4,000 SF	1969	\$525,000	\$87,500	\$131.25	January 2024
	<b>Averages</b>	15	8,482 SF	-	\$1,486,000	\$100,836	\$180.71	-



# AZALEA GARDEN APARTMENTS

## Rent Comparables

### One-Bedroom

	PROPERTY	UNIT TYPE	UNITS	SF	RENT	RENT/SF
	<b>★ Azalea Garden Apartments - 20 Units</b> 3475 Azalea Garden Road Norfolk, VA 23513	1BD/1BA	20	600 SF	\$1,015	\$1.69
1	<b>2707 Azalea Garden Road - 31 Units</b> Norfolk, VA 23513	1BD/1BA	31	645 SF	\$806	\$1.25
2	<b>5537 Iowa Avenue - 15 Units</b> Norfolk, VA 23513	1BD/1BA	15	600 SF	\$1,200	\$2.00
3	<b>Larkspur Apartments - 28 Units</b> 4907 E Princess Anne Road Norfolk, VA 23502	1BD/1BA	28	600 SF	\$912	\$1.52
4	<b>Tomlin Apartments - 26 Units</b> 4914 E Princess Anne Road Norfolk, VA 23502	1BD/1BA	6	700 SF	\$895	\$1.28
5	<b>Princess Court Apartments - 30 Units</b> 3800 E Princess Anne Road Norfolk, VA 23502	1BD/1BA	22	650 SF	\$899	\$1.38
	<b>Averages</b>	-	<b>20</b>	<b>639 SF</b>	<b>\$942</b>	<b>\$1.49</b>

