RARE KATAMA MIXED-USE INVESTMENT OPPORTUNITY

148 KATAMA ROAD

Edgartown, Massachusetts

2 Apartments · Commercial Office/Warehouse · Extensive On-Site Parking

$4,100,000

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INVESTMENT OFFERING MEMORANDUM

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AT A GLANCE

Property & financial snapshot

CAPITAL INVESTED SINCE 2017	BUILDING TAXES (12-MO)	COMMERCIAL UTILITIES (12-MO)	BUILDING INSURANCE
$284,255	$7,430	$6,059	$17,361
documented	FY26 actual	lease-verified	whole bldg / yr

LIVING AREA	LOT	RESIDENTIAL	TOTAL BLDG
3,654	0.44	2	5,053
sq ft	acres	apartments	sq ft

PROPERTY SNAPSHOT

ADDRESS	148 Katama Road, Edgartown, MA 02539
USE / ZONING	Mixed-Use — commercial + two residential apartments · R20
RESIDENTIAL	Two apartments (2BR/1BA + 3BR/1BA) · ~2,401 sq ft · private entrances · decks · in-unit laundry
COMMERCIAL	Office ~1,253 sq ft + garage/storage ~1,148 sq ft + loading dock
PARKING	Dedicated residential parking plus extensive front, side and rear parking for commercial vehicles, trailers and equipment — spaces for 25 vehicles, with room to fit more
YEAR BUILT / STYLE	1976 · Conventional · gambrel roof · wood shingle
HEAT & A/C	Oil-fired hot water heat serves warehouse/storage and both apartments · Commercial office equipped with heat-pump & A/C
CURRENT OCCUPANCY	Commercial: Vacant · Residential: Leased through 8/30/26, then month-to-month
SOLAR	Owned outright · Installed 2018 · Conveys with property

INCOME SNAPSHOT

INCOME SOURCE	HISTORICAL (REPORTED)	POTENTIAL (MARKET)
Commercial	$162,000/yr initial base rent	Market rate — set by future lease terms*
Apartments	$58,800/yr ($4,900/mo combined)	$96,000–$126,000/yr ($8,000–$10,500/mo combined)

**Actual final-year commercial rent may have been modestly higher than the initial $162,000 base rent due to the lease's CPI-U escalator (see Commercial Lease page).*

Baseline scheduled income using the initial commercial base rent plus current apartment rents totaled approximately **$220,800/year**. Re-leasing the commercial suite and moving both apartments to market rents offers meaningful upside beyond that figure.

This summary is intended to give prospective buyers a clear, organized view of the property's financial history and physical improvements. Figures are reported by ownership from accounting and tax records; supporting documentation — the executed lease, tax bills, insurance declarations, and QuickBooks accounting records — is available for review during due diligence.

PROPERTY HISTORY

The owner's story

In 2017, the current owners acquired 148 Katama Road, off-market, as both a long-term investment and the home base for their growing HVAC company. At the time of purchase, 148 Katama Road had an established history of both commercial and residential use, working with the Town, the owners successfully obtained approval to continue commercial operations at 148 Katama Road.

In 2023, the owners sold their operating HVAC business while retaining ownership of the real estate as a long-term investment. They leased the commercial space back to the new business owners under a three-year net lease. After the lease term ended, the owners chose to sell the property rather than continue leasing it. The commercial suite has been vacant since July 10, 2026, creating an opportunity for the next owner to lease, occupy, or reposition the property, subject to Town approvals.

Throughout the owners' tenure, the two residential apartments have been leased to employees and/or co-workers of ownership at below-market rents.

148 KATAMA ROAD — OFFERED AT $4.1M

Neighboring 150 Katama Road (a residential property) was purchased in 2017 together with 148 Katama Rd property and is being retained by current ownership.

WHY THIS PROPERTY IS DIFFERENT

Value components

148 Katama Road combines commercial utility, residential income and significant on-site infrastructure in a location where this type of mixed-use property is difficult to replicate.

✓	**Commercial office / warehouse / loading dock**	Established commercial configuration with office, warehouse/storage and loading access.
✓	**Two income-producing apartments**	A 2BR and 3BR currently rented below market, offering meaningful future rental upside.
✓	**Exceptional parking & equipment capacity**	Extensive on-site space for vehicles, trailers, equipment and fleet storage — spaces for 25 vehicles, with room to fit more.
✓	**$284K+ in documented capital investment**	Major electrical, roof, solar, HVAC, alarm, building and residential improvements completed since 2017.
✓	**Owned solar**	2018 solar installation conveys with the property and can help offset operating costs.
✓	**Rare Katama mixed-use setting**	Commercial and residential components together in a sought-after Edgartown location along the downtown-to-South Beach corridor.

THE TAKEAWAY

Income. Utility. Location. Flexibility.

148 Katama Road brings together multiple independently valuable components in one property — a combination that is increasingly difficult to find on Martha's Vineyard.

COMMERCIAL LEASE

Net lease operating summary

The commercial suite was leased to **CM-Brennan, LLC** (doing business as Brennan & Co., a licensed HVAC contractor) under a **net lease** (per Section 3.4 of the lease) dated June 20, 2023, at an initial Base Rent of **$162,000/year** ($13,500/month), confirmed against the fully executed lease agreement. The lease's three-year term ended June 30, 2026. The figures below reflect the final 12 months of that tenancy and are provided as a benchmark for underwriting a future lease.

Note: Base Rent increases annually by the change in CPI-U (capped at 5%/year); the final year's actual rent may have been modestly higher than the $162,000 initial figure — worth confirming against rent receipts if precision is needed.

TAXES & UTILITIES PREVIOUSLY PAID BY THE COMMERCIAL TENANT · JUNE 2025 – JUNE 2026

EXPENSE	PERIOD	AMOUNT
Real Estate Taxes (whole building — single tax bill)	7/1/2025 – 6/30/2026	$7,430.33
Utilities (Electric — separately metered)	6/1/2025 – 6/1/2026	$6,059.00

Per the Town of Edgartown's FY2026 actual real estate tax bill (verified against the town's assessor's field card): base real estate tax of $7,430.33, plus a Community Preservation Act surcharge of $215.47 and a one-time special assessment of $250.00, for a total tax bill of $7,895.80. Total FY2026 assessed value: $2,996,100.

KEY COMPONENTS OF A NET LEASE AGREEMENT

— 148 Katama Road is taxed as a single parcel.

— Utilities: Separately metered electric (tenant paid); heat and hot water are not separately metered (landlord paid).

— The property's 2018 solar installation could offset most of the commercial suite's electric costs. Solar production and billing records can be made available upon buyer request.

COMMERCIAL USE BACKGROUND

Ownership has operated a commercial HVAC business from the property under a Town special permit from 2016 through 2023. Before 2016, the prior owner also held a special permit to operate a commercial distribution company at the property. When the HVAC business was sold in 2023, CM-Brennan, LLC continued operating a commercial HVAC contracting business from the property.

CURRENT PERMIT STATUS

Ownership currently holds a special permit for commercial use; however, the permit is non-transferable. New owners can apply for their own special permit for continued commercial use, just as the current owners did, and should verify their intended use with the Town as part of due diligence.

RESIDENTIAL LEASES

Apartment income

APARTMENTS — CURRENT RENTS

Both apartments are currently leased below market. Each apartment is under a signed lease running 8/1/2025 – 8/30/2026; as leases transition to month-to-month per the lease terms, a future owner has the opportunity to adjust rents over time to market levels.

Both apartments have private exterior entrances, with private decks, in-unit laundry and 2 dedicated parking spaces. One unit also benefits from a covered exterior storage area.

UNIT	CURRENT RENT	MARKET RANGE
2BR / 1BA · In-unit washer/dryer · Private walk-up deck · 2 parking spots	$2,300 / mo	$3,500 – $4,500 / mo
3BR / 1BA · In-unit washer/dryer · Private walk-up deck · Covered exterior storage · 2 parking spots	$2,600 / mo	$4,500 – $6,000 / mo

Rents confirmed against the signed residential leases. Under each lease, the landlord provides oil, heat, and hot water; each tenant pays electricity, trash removal, and cable. No security deposit is held on either unit.

CAPITAL IMPROVEMENTS

What's already been invested

Since acquiring 148 Katama Road in 2017, ownership has invested more than **$284,000** in documented capital improvements and upgrades — verified through contractor invoices and accounting records. For a buyer, this represents a significant amount of major mechanical, electrical, safety, and structural work that has already been completed.

The capital dollars do not represent full market value for improvement cost, as the ownership completed many upgrades via trade partnerships, in-house labor and/or business funded.

COMMERCIAL SUITE / WAREHOUSE – OFFICE

IMPROVEMENT	YEAR	COST
Electrical upgrade (whse & offices)	2017 – 2018	$29,306.09
Solar installation	2018	$33,800.00
Roof replacement	2018	$24,000.00
Fire & burglary alarm system (ESS)	2018	$21,241.17
Heat pumps – heat & A/C (Daikin, ceiling cassettes)	2017	$25,000.00
Windows & doors (Pella)	2017	$8,101.66
Window installation, insulation & sheetrock	2017	$8,220.00
New flooring (office area)	2017	$9,800.00
Insulation / spray foam	2018	$6,180.00
Driveway expansion – landscape/excavation	2017	$14,788.40
Fencing & privacy plantings (per Zoning Board)	2018	$10,256.21
Commercial loading dock door	2017	$4,016.25
New office bathroom & Plumbing upgrades	2017	$6,910.00
Parking-lot upgrades and landscaping	2017	$4,231.25
Security system rework & cameras	2024	$4,368.13
Carbon monoxide detectors replaced	2024	$1,706.88
Commercial subtotal		**$211,926.04**

RESIDENTIAL APARTMENTS – UNITS A & B

IMPROVEMENT	YEAR	COST
Kitchen cabinets, both apartments	2017	$21,010.42
Bathroom upgrades; vanities, flooring & trim installation	2017	$18,174.00
New flooring	2017	$7,300.00
Insulation, both apartments	2018	$1,246.39
Deck & stairs – rebuild, Units A & B	2020	$11,604.30
Repairs & painting – garage bays, front door, deck stain/oil	2024	$6,608.00
New washer – Unit A	2022	$2,144.13
New dryer – Unit A	2025	$848.67
New flooring – Unit B	2025	$3,098.96
New microwave – Unit A	2019	$294.52
Apartments subtotal		**$72,329.39**

TOTAL VERIFIED CAPITAL INVESTED SINCE 2017

$211,926.04 commercial suite + $72,329.39 residential apartments = $284,255.43 total

Note: *The solar array is owned outright by ownership — not leased and not under a power purchase agreement — and conveys with the property.*

FUTURE OPPORTUNITIES

Potential ownership strategies

148 Katama Road can be approached several ways — the right strategy depends on the buyer.

INVESTOR

- Re-lease the vacant commercial space to a new tenant — as a single tenancy or subdivided for multiple tenants
- Two residential units above offer strong market-rate rental income potential
- Retain as a long-term investment asset

OWNER-USER

- Occupy the available commercial space for your business — vacant now, with no existing tenant to work around
- Use the apartments for rental income or employee housing
- Build equity while operating a business
- Potential tax advantages

POTENTIAL COMMERCIAL USES · SUBJECT TO TOWN APPROVAL

- Headquarters
- Corporate sub-location / Distribution Hub
- Contractor
- Landscaping
- Trades
- Creative studio
- Office / Showroom

HOW TO THINK ABOUT THIS PROPERTY

This property is difficult to value using traditional residential or commercial comparables alone. Its value lies in the combination of income, flexibility, location, and an established history of mixed-use operation in one of Martha's Vineyard's most desirable markets.