



CONFIDENTIAL OFFERING MEMORANDUM

228 E Washington Street

Hagerstown, Maryland 21740

Mixed Use Value Add Investment Opportunity

OFFERING PRICE	CURRENT RENT	PRO FORMA INCOME	PROJECTED CAP RATE
\$275,000	\$1,475/mo	\$32K to \$40K+	8.2% to 10.4%

Prepared by Roberto Gonzalez, Broker and Investor, RG Realty Inc., 12907 Oak Hill Ave, Hagerstown, MD 21742,
roberto@rgrealtyinc.com

Financial assumptions are based on owner provided information and projected rent scenarios at the stated offering price.



Executive Summary

RG Realty is pleased to present 228 E Washington Street, Hagerstown, Maryland, a mixed use value add opportunity offered at \$275,000. The asset includes a residential upper unit that is currently rented at \$1,475 per month on a month to month basis, plus a vacant lower unit that is commercially zoned and positioned for lease up, business use, or future repositioning.

The property has received extensive improvements from 2021 through 2024, including electrical upgrades, separate panels, lead compliance for the upper unit, bathroom and kitchen improvements, refinished hardwood floors, exterior brick repainting, privacy fencing, updated lighting, separate electric water heaters, and a new 2 ton heat pump for the upper unit.

The investment story is straightforward: immediate income from the upstairs unit, a vacant lower unit that drives the upside, recent capital improvements already completed, and flexible mixed use potential in the Hagerstown market.

Investment Highlights

- Mixed use property with commercial lower unit and residential upper unit.
- Upper unit currently rented at \$1,475 per month on a month to month basis.
- Lower unit currently vacant, creating clear lease up and income upside.
- Offering price of \$275,000 creates an accessible entry point for investors or owner users.
- Extensive renovations and capital improvements completed from 2021 through 2024.
- Major electrical upgrades including service relocation and new panels for both units.
- Separate electric hot water heaters for each unit.
- New 2 ton heat pump installed in the upper unit.
- Lead safe upper unit with MDE compliance.
- Flexible use profile with potential residential, commercial, or hybrid occupancy strategy.
- Rear greenspace available for occupant use.



Financial Snapshot

Metric	Amount or Detail
Offering Price	\$275,000
Upper Unit Rent	\$1,475 per month
Upper Unit Lease Status	Month to month
Lower Unit Status	Vacant, commercially zoned
Current Gross Annual Income	\$17,700
Current Estimated NOI, 30% Expense Load	\$12,390
Current Cap Rate, Estimated	4.5%
Pro Forma Gross Annual Income	\$32,100 to \$40,800
Pro Forma Estimated NOI, 30% Expense Load	\$22,470 to \$28,500
Pro Forma Cap Rate, Estimated	8.2% to 10.4%

The current income reflects the occupied upper residential unit only. The lower unit is vacant and represents the main value add opportunity.

Pro Forma Rent Scenarios

Scenario	Upper Unit	Lower Unit	Monthly Income	Annual Income	Estimated NOI	Cap Rate
Current Income	\$1,475	\$0	\$1,475	\$17,700	\$12,390	4.5%
Conservative Stabilized	\$1,475	\$1,200	\$2,675	\$32,100	\$22,470	8.2%
Market Rent Adjustment	\$1,600	\$1,350	\$2,950	\$35,400	\$24,780	9.0%
Optimized Mixed Use	\$1,600	\$1,500 to \$1,800	\$3,100 to \$3,400	\$37,200 to \$40,800	\$26,000 to \$28,500	9.5% to 10.4%

NOI and cap rate estimates use a 30% operating expense assumption and are intended to illustrate income potential at the \$275,000 offering price.



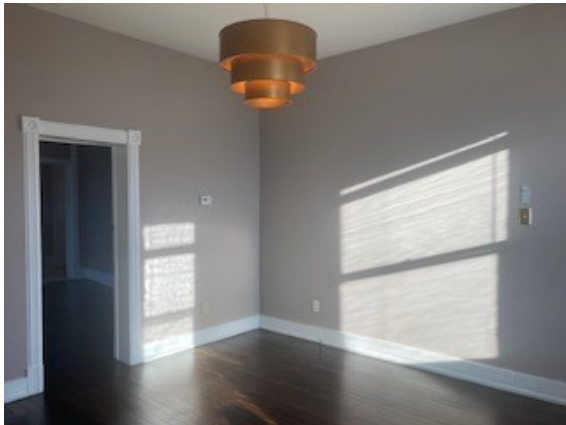
Property Overview

Item	Detail
Property	228 E Washington Street, Hagerstown, MD 21740
Asset Type	Mixed use investment opportunity
Unit Configuration	Upper residential unit plus lower commercial unit
Upper Unit	Occupied at \$1,475 per month
Lower Unit	Vacant and commercially zoned
Occupancy	Partial occupancy with immediate upside through lower unit lease up
Lead Compliance	MDE lead certificate for upper unit, currently compliant per owner provided notes
Utilities and Systems	Separate electric hot water heaters and updated electrical panels for both units
Exterior Feature	Rear greenspace available for occupant use

Recent Improvements

- Electrical service relocated to meet code requirements.
- New electrical panel installed for both units.
- City inspections completed with repairs for upper unit occupancy permit.
- MDE lead paint certificate obtained and updated for the upper unit.
- New fence installed along east side with front gate.
- Lower unit kitchen and bathroom flooring updated.
- Lower unit repainted with trim fully repainted and hardwood floors refinished.
- Updated light fixtures and new lighting throughout lower unit.
- Full bathroom renovation in lower unit, excluding tub.
- Updated bathroom in upper unit with new toilet and vanity.
- Kitchen updates in lower unit including reclaimed wood shelving and new vent hood.
- New 2 ton heat pump installed in upper unit.
- Separate electric hot water heaters installed for both units.
- Washer, dryer, dishwasher, microwave, and garbage disposal added to lower unit.
- Exterior brick fully repainted with rear brick, stairway, and balcony improvements.
- Motion activated exterior lighting installed.

Property Photos



Lower unit interior



Living area



Living area detail



Kitchen



Kitchen view



Bathroom vanity

Property Photos



Bathroom shower



Rear exterior and yard



Rear yard



Exterior approach

Property Photos



Yard and rear access



Exterior front



Investment Positioning

228 E Washington Street gives an investor or owner user a clear entry point into a mixed use Hagerstown asset with immediate income and a practical path to stronger returns. The upper unit is already producing income, while the lower unit creates the central value add play.

At the offering price of \$275,000, the property has the ability to move from modest in place income to an attractive stabilized yield once the lower unit is leased and the income stream is optimized. The commercial zoning of the lower unit gives ownership flexibility that a standard two unit residential asset does not provide.

Value Add Strategy

- Lease the vacant lower unit for residential, commercial, or hybrid use, subject to applicable use and occupancy requirements.
- Stabilize the asset with two income streams instead of one.
- Maintain current upstairs income while repositioning the lower unit.
- Use the recent capital improvements to support stronger rent and reduced near term renovation needs.
- Preserve future flexibility for investor hold, owner user occupancy, or resale after stabilization.

Broker Take

This is the type of smaller mixed use property that investors understand quickly. The deal has an affordable price point, in place income, visible upside, and a vacant lower unit that gives the next owner options. The recent work already completed helps the buyer focus on income creation rather than starting from scratch.



Contact

Roberto Gonzalez

Broker and Investor, RG Realty Inc.

12907 Oak Hill Ave, Hagerstown, MD 21742

roberto@rgrealtyinc.com

All information is deemed reliable but not guaranteed. Financial projections are estimates based on owner provided information and stated assumptions. Offering is subject to change without notice.