

5-7 WASHINGTON STREET, MORRISTOWN

MIXED USE | OWNER USER OR VALUE ADD OPPORTUNITY

OFFERING MEMORANDUM

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5-7 WASHINGTON

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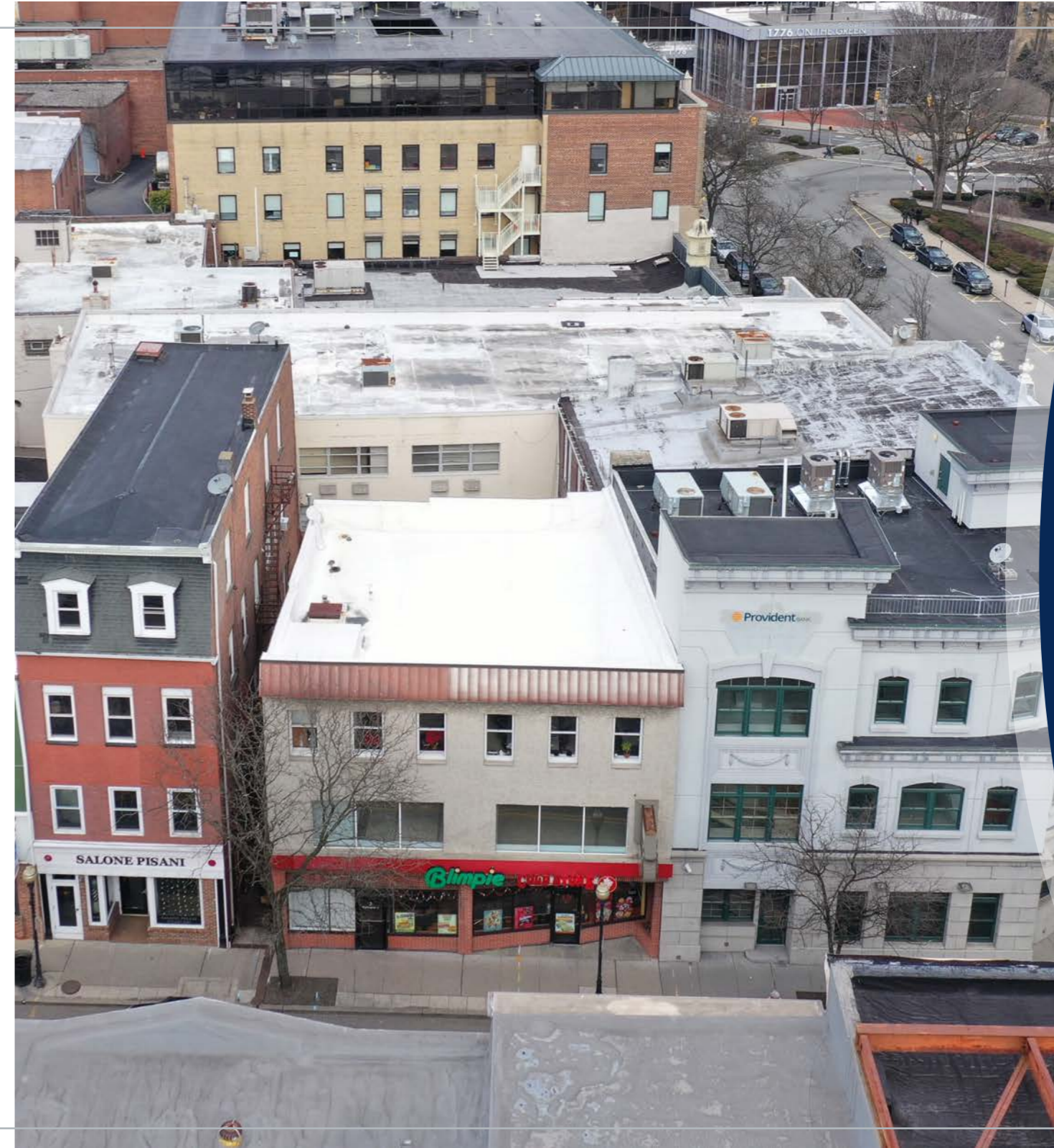
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EXECUTIVE SUMMARY

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NUMBER OF SPACES

5,126

GROSS SQUARE FEET

67%

OCCUPANCY


OFFERING SUMMARY

Marcus & Millichap, as the exclusive advisor, is pleased to present the opportunity to acquire 5-7 Washington Street in Morristown, NJ.

5-7 Washington Street is a three-story, mixed use building in Morristown's Downtown. The buildings first floor retail tenants include Blimpie's and Cold Stone Creamery. The second floor is currently vacant (approx. 1,500 square feet) which provides an owner user or value add opportunity. The property has one elevator and each floor has their own HVAC unit.

The property is located approximately 100 feet from the Green, a historical park in Morristown's Downtown area, that attracts residents and people who work in the area. The Green is a large attraction for the town, where a festival takes place in September and the Christmas Festival, among other activities, including political rallies. Washington street has a daily traffic count of over 15,000 cars, making it an ideal location for retail tenants.

Morristown is ideally located near Interstate 287, and offering access to Interstates 80 and 78. Route 202. Additionally, Morristown is located 30 miles from New York City with a direct train to Manhattan from Morristown's Train Station.

 **Asking Price**
\$1,850,000

PROPERTY DESCRIPTION

Property Address	5-7 Washington Street, Morristown, NJ
Property Type	Mixed Use: Retail / Office
Block & Lot	5901 / 6
Property Taxes	\$16,442
Year Renovated	2011
Lot Size	1,742 Sq. Ft.
New Zoning	TC-MG: Town Center - Morristown Green
Previous Zoning	CBD: Central Business District
Stories	3
Approx. Gross Building Size	5,126 Sq. Ft.
Number of Spaces	3
Occupancy	67%
Current Net Operating Income	\$71,617

The area surrounding the Green has recently been rezoned, which allows for both commercial and residential uses and provides a value-add opportunity for investors. The new zoning permits the potential of converting the office space to apartments and/or potentially adding 2 floors of residential above the existing structure.



INVESTMENT HIGHLIGHTS // 5-7 Washington Street

CENTRAL LOCATION

- Located approximately 100 feet from The Green
- Heavy foot traffic area of Morristown's Downtown
- Traffic count of 15,503 cars daily
- 0.5 miles to direct train to Manhattan

OWNER USER OPPORTUNITY

- The property's second floor is currently vacant which allows for an owner user to occupy
- The second floor is 1,500 rentable square feet and is turn key ready.

BUILDING INFORMATION

- The property was renovated in 2011 and has been immaculately kept since then.
- Each floor has their own HVAC unit
- One elevator

NEW ZONING SURROUNDING THE GREEN

- The new zoning permits the potential of converting the office space to apartments and/or potentially adding 2 floors of residential above the existing structure.

THE GREEN & M STATION PROJECT

- The the Green, a large attraction for the town, where a festival takes place in September and the Christmas Festival, among other activities, including political rallies.
- M Station is the office, retail and promenade project that will be built to replace the Midtown Shopping Center strip mall on Morris Street.

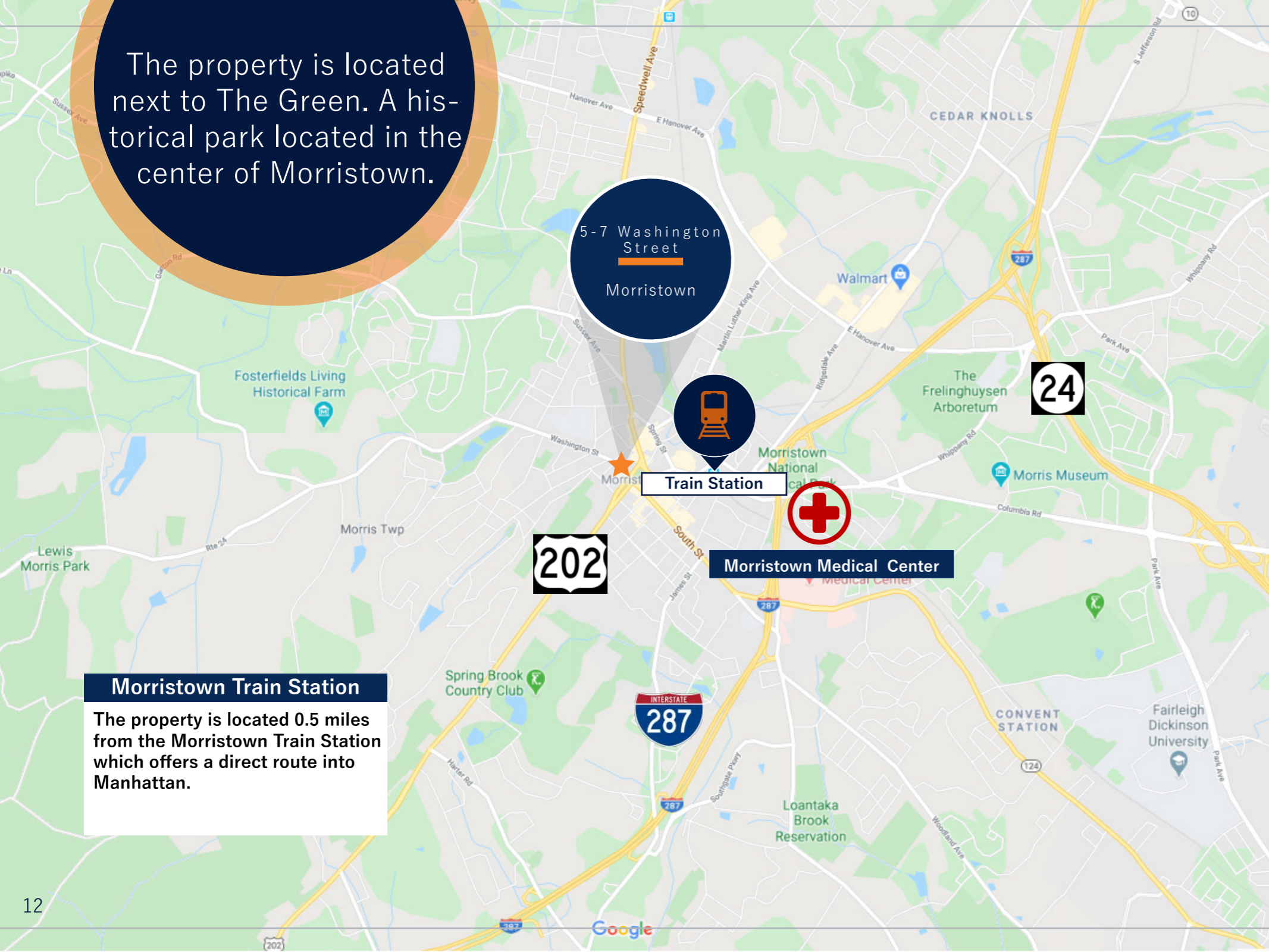
Section 2

PROPERTY DESCRIPTION

LOCATION MAP

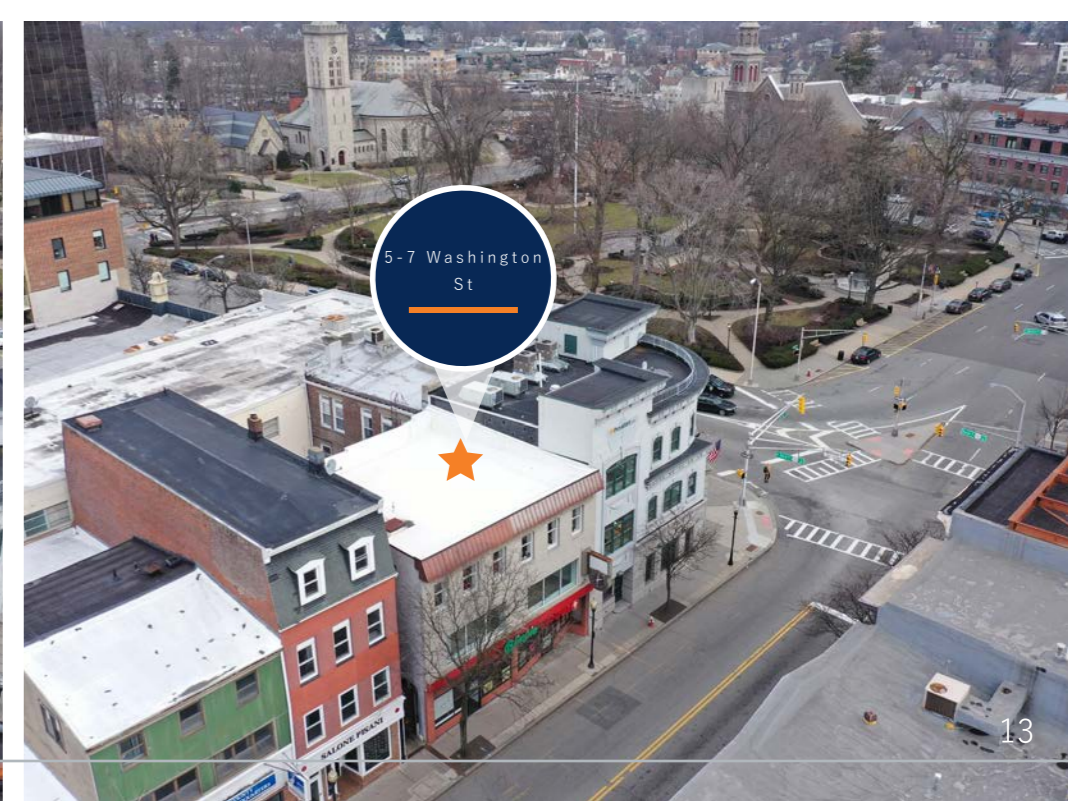
PROPERTY PHOTOS

The property is located next to The Green. A historical park located in the center of Morristown.

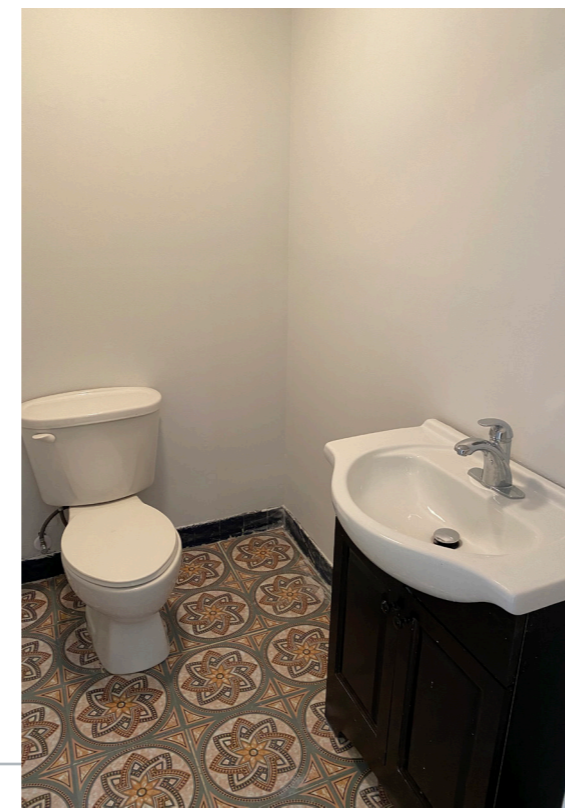
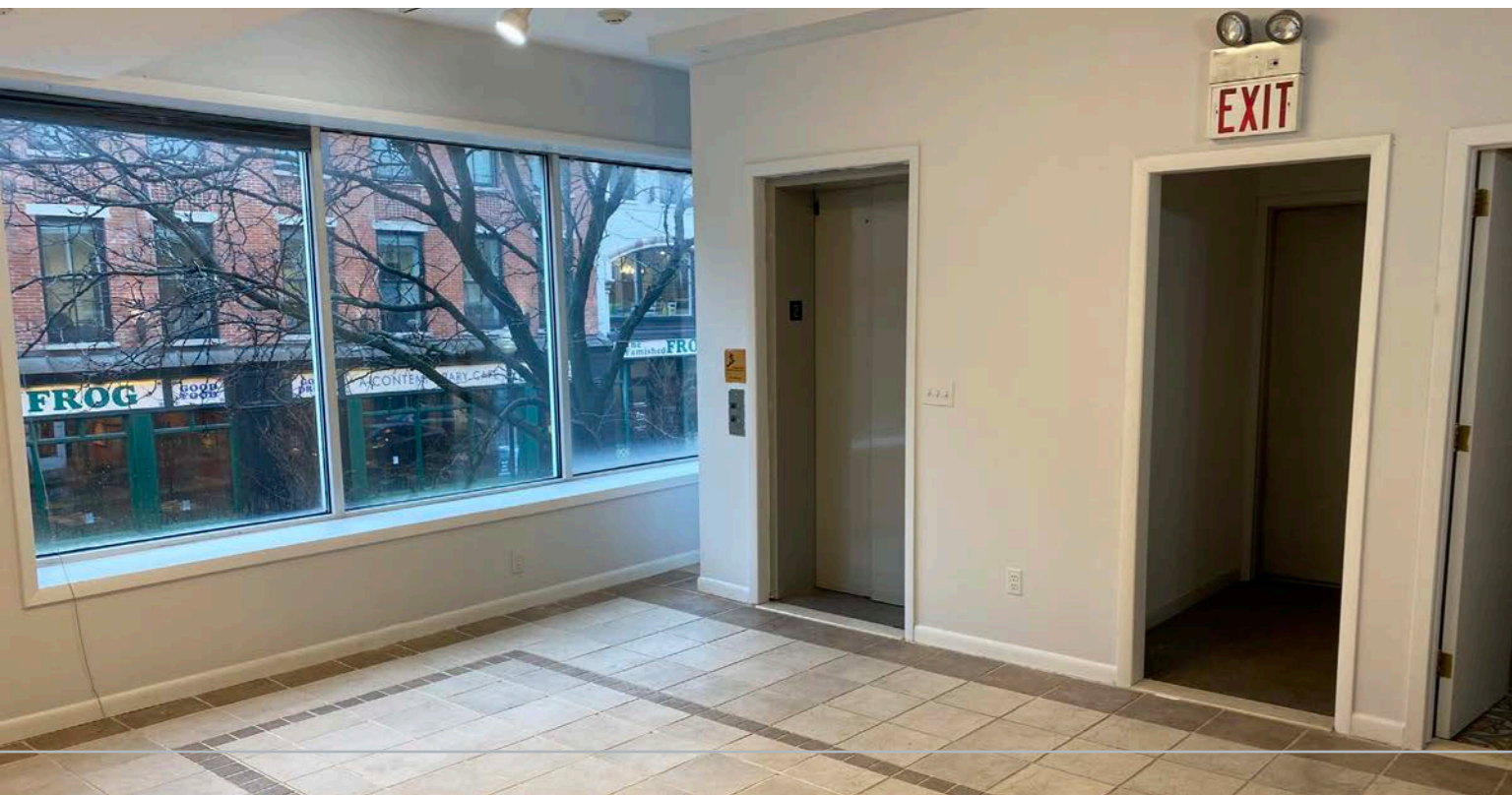


Morristown Train Station

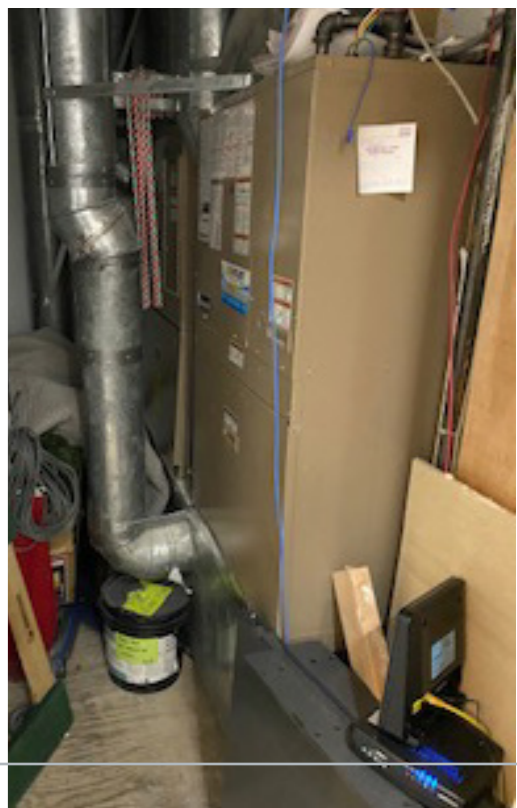
The property is located 0.5 miles from the Morristown Train Station which offers a direct route into Manhattan.



Second Floor - Vacant Office



Basement Space



Section 3

FINANCIAL ANALYSIS

RENT ROLL

INCOME STATEMENT

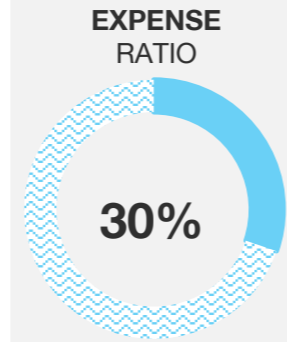
RENT ROLL ANALYSIS

OFFERING SUMMARY

RENT ROLL // 5-7 Washington Street

Unit #	Tenant Name	Start Date	SF (approx)	Actual	\$/PSF	Pro Forma	\$/PSF	Rent Increases	Options
1st Floor	Blimpie & Cold Stone	5/1/2006	1,500	\$5,500	\$44	\$5,500	\$44	12/1/20 = \$5,600	(2) Three-Year Periods 12/1/21-11/30/22 = \$5,750 12/1/22-11/30/23 = \$5,900 12/1/23-11/30/24 = \$6,150
2nd Floor	Vacant	-	1,500	\$0	\$0	\$3,000	\$24	N/A	N/A
3rd Floor	Amplifyy	11/1/2019	1,500	\$3,000	\$24	\$3,000	\$24	N/A	(2) One-Year Periods 11/1/20-10/31/21 = \$3,150 11/1/21-10/31/22 = \$3,300
Total			4,500	\$8,500	\$23	\$11,500	\$31		
Annual Gross Potential Income					\$102,000		\$138,000		

	ACTUAL			POTENTIAL		
Income		%EGI			%EGI	
Annual Gross Potential Income	\$102,000			\$138,000		
Less Vacancy & Credit Loss	\$0	0%		-\$6,900	5%	
Utilities, CAM & Tax Contributions	\$1,537			\$1,537		
Effective Gross Income	\$103,537			\$132,637		
Expenses		%EGI	Per SF		%EGI	Per Unit
Property Taxes	\$16,442	16%	\$3.65	\$16,771	13%	\$3.73
Insurance	\$2,500	2%	\$0.56	\$2,550	2%	\$0.57
Water & Sewer	\$2,295	2%	\$0.51	\$2,341	2%	\$0.52
Repairs & Maintenance	\$1,500	1%	\$0.33	\$1,530	1%	\$0.34
SID	\$600	1%	\$0.13	\$612	0%	\$0.14
Telephone/Cable	\$600	1%	\$0.13	\$612	0%	\$0.14
Alarm System	\$1,448	1%	\$0.32	\$1,477	1%	\$0.33
Management Fee	\$3,106	3%	\$0.69	\$3,979	3%	\$0.88
Legal & Accounting	\$800	0%	\$0.18	\$816	1%	\$0.18
Reserves	\$2,000	0%	\$0.44	\$2,040	2%	\$0.45
Total Expenses	\$31,291	30%		\$32,728	25%	
Net Operating Income	\$72,246			\$99,909		



TAXES PER FOOT
\$3.65

Section 4

ZONING & DEMOGRAPHICS

CITY OF MORRISTOWN

DEMOGRAPHICS

TC-MG: Town Center - Morristown Green




TC-MG: Town Center - Morristown Green

Zone Legend

- R Single Family Detached
- MF-1 Single Fam & Semi-Attached
- MF-2 Multi-Family, Low Intensity
- MF-3 Multi-Family, Moderate Intensity
- MX-1 Mixed Use, Low Intensity
- MX-2 Mixed Use, High Intensity
- TC Town Center
- H/H-1 Hospital Development
- PP/PPU Public Purpose/Public Purpose Undevelopable

-  RDV Redevelopment Plan Area
-  Water Bodies

Overlay Zones

-  Estate Building Type Overlay (R Zone)
-  Retail Overlay (MX-1 Zone)
-  Planned Walkable Neighborhood Overlay (MF-2)
-  Critical Infrastructure Overlay (MF-2)
-  Neighborhood Overlay (MF-3)
-  Large Lot Overlay (MX-2)
-  Morristown Green Overlay (TC)
-  Transit Overlay District (TC)
-  Headquarters Plaza Overlay (TC)



Town Core High Intensity (TC-3)

This community form area is the most intense mixed use area within the Downtown and is centered on the Town Green. TC-3 represents the heart of Morristown and the center of activity. Mixed-use and Commercial building types dominate this area. Buildings are built close to sidewalks, which are typically wider than in other districts and have a more urban streetscape treatment. Retail and similar interactive uses are encouraged at street level in this area to promote an active pedestrian realm.

Other uses, including residential, are encouraged on upper levels. While building heights vary, the TC-3 area contains the tallest buildings within the Downtown. Parking is concentrated behind buildings within parking lots or parking structures, with additional public parking located on-street between the sidewalk and travel lanes (per the corresponding designations in the Streets supports the TC-3 area. This area includes portions of the main Corridors (see below) leading into the core of the community.

The character of this area reflects its transitional location as one moves from the core of the community to the Corridors and Neighborhoods beyond. TC-2 contains a mixture of building types; however, the Mixed-Use and Commercial building types should dominate. Buildings are generally built to the sidewalk with a streetscape similar to the TC-3 area. The scale of buildings is decidedly less than the TC-3, with primarily low-rise buildings. Parking is located behind buildings. Cross-access between individual parking lots is encouraged to minimize curb cuts and promote connectivity and shared parking arrangements.



MORRIS COUNTY NEW JERSEY

261,532

TOTAL NUMBER OF PEOPLE EMPLOYED IN
MORRIS COUNTY IN 2018

City Of Morristown

Morristown is a vibrant suburb brimming with historic character. Morristown is, perhaps, best known for being the home of Morristown National Historical Park – the site where General George Washington and troops of the Continental Army spent the coldest winter on record during the Revolutionary War. With over 22,600 jobs, Morristown is an economic engine. Historically, the town has always served as a major shopping and business hub due to its central location and accessibility to markets east and west via freight and passenger rail. But in the 1960s, the construction of I-287 sharply increased the value of land for office and non-retail uses.

The Morristown Medical Center and its supporting office uses along Madison Avenue are testaments to this. In 2010, healthcare and social assistance alone accounted for over 37%, or 8,453, of Morristown’s job base, and approximately 73% of all local employees are considered “office workers.” The vast majority of this workforce (about 95%) commutes to Morristown from the region.

In addition to its competitive location, Morristown offers a highly walkable and culturally rich downtown core that is a major attractor for the modern workforce and, thus, businesses.

DEMOGRAPHICS // MORRISTOWN, NJ



19,208

Total Population in Morristown, NJ



\$92,296

Median Household Income



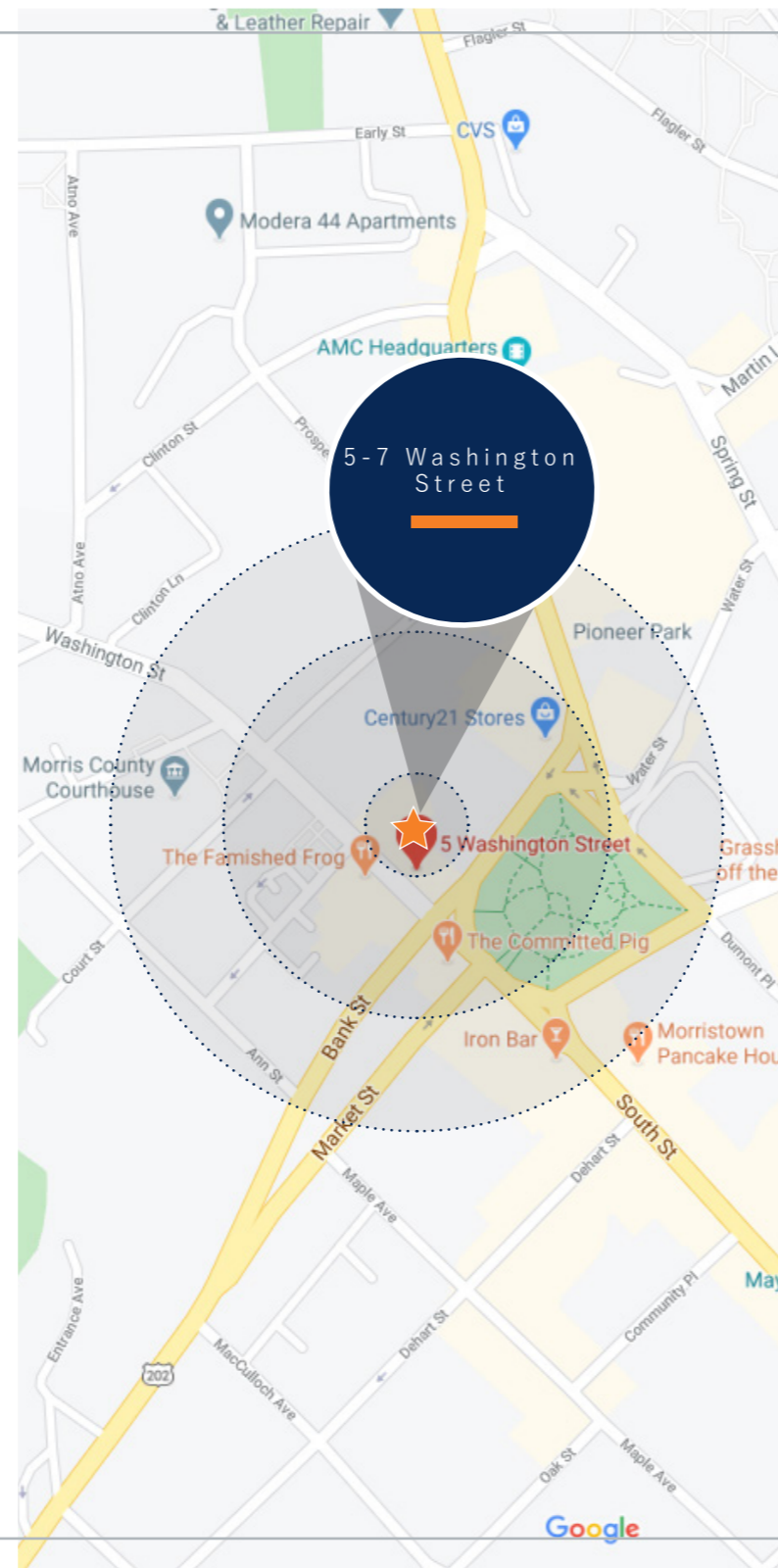
\$439,600

Median Property Value



3.41%

From 2018



5-7 WASHINGTON

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