

# Wellesley Terrace, Richmond, VA

Please visit: [www.WellesleyTerraceSale.com](http://www.WellesleyTerraceSale.com) for more information



## Property Specifications

Conveniently located within Short Pump, the most desirable mixed-use development in Richmond, Wellesley Terrace is a 340-unit apartment community built in 1989. The Property is situated on ±24.7 acres and features one, two and three bedroom floor plans. Wellesley Terrace offers a resort-style swimming pool and state-of-the-art fitness center, complete with volleyball and tennis courts. The property was developed within the Wellesley Planned Urban Development. HOA fees are allocated towards maintaining common areas, and maintenance of the lake, and perimeter landscaping.

### COMMUNITY AMENITIES

- › Attractive Clubhouse
- › Modern Fitness Center
- › Business Center with Printer, Copier, Fax, and Scanner
- › Resort-Style Swimming Pool
- › Volleyball Court
- › Two (2) Lighted Tennis Courts
- › Playground
- › Picnic Area with Grills
- › Private Lake
- › Walking Trails
- › Car Wash Area
- › Free Wi-Fi in Clubhouse and Pool Areas

### UNIT AMENITIES

- › Renovated Units
  - Kitchens with cherry wood cabinets, formica or granite-style countertops, stainless steel appliances, microwaves, and new fixtures
  - Faux wood vinyl plank flooring or vinyl tile in entryways, kitchens and bath
  - Carpet flooring throughout living area and bedrooms
  - Wood-paneled doors
- › Standard Units
  - Kitchens with light oak cabinets, laminate countertops, and white appliances
  - Vinyl tile flooring in entryways, kitchen, and bath
  - Carpet flooring throughout living area and bedrooms
- › Full-size Washer and Dryer Included
- › Wood-Burning Fireplaces\*
- › Walk-in Closets
- › Ceiling Fans
- › Vaulted Ceilings\*
- › Patio or Balcony with Storage\*
- › Lake Views\*

*\*in select units*

*\*All communication, inquiries and requests should be addressed to the Colliers International team, as representatives of the Seller. The property should not be contacted directly.*

# Wellesley Terrace, Richmond, VA

Please visit: [www.WellesleyTerraceSale.com](http://www.WellesleyTerraceSale.com) for more information



## Investment Highlights

### 1 Proven Post-Renovation Rent Ascension

Since 2008, current ownership recognized the opportunity to bridge the rent gap between the newest deliveries in the submarket and Wellesley Terrace. These units were able to achieve rental premiums of \$107 per unit on average. A new investor has the opportunity to renovate the remaining 157 units and realize an increase in revenue.

In the table below, the annual return as well as the return on investment is shown for the completion of the remaining 157 units. For an estimated cost of \$5,500/unit or \$863,500 in total, a new investor could achieve a **ROI of 23.4% annually on the additional investment.**

Wellesley Terrace Value-Add Potential						
Unit Type	Units to be Renovated	Renovation Cost/Unit	Total Cost	Rental Premium	Annual Return	Return on Investment
1 BR	66	\$5,500	\$363,000	\$90	\$71,280	19.6%
2 BR	71	\$5,500	\$390,500	\$120	\$102,240	26.2%
3 BR	20	\$5,500	\$110,000	\$120	\$28,800	26.2%
<b>Totals / Averages</b>	<b>157</b>	<b>\$5,500</b>	<b>\$863,500</b>	<b>\$107</b>	<b>\$202,320</b>	<b>23.4%</b>

### 2 Significant Upside Potential Through Value-Add

There is a significant delta between Wellesley Terrace and other apartments within the immediate vicinity. One example, The Madison, is directly adjacent, built in 2001 with market rents of \$1,392 per month average. A new construction comparable – Avia Luxury Apartments, currently in lease-up with market rents of \$1,476 per month average. With Wellesley Terrace's market rents at \$1,084 per month average, this represents a clear opportunity for investors to close the gap through a comprehensive modernization program.

### 3 Historical Momentum Offers Stage for Growth

Wellesley Terrace experienced unprecedented income growth over the past 12 months. **Total income increased from a monthly sum of \$339,503 in January of 2016 to \$379,264 by December 2016, an 11.7% increase. Also during 2016, the property experienced 5.6% top line organic rent growth.** The presence of diverse employment drivers in healthcare, government, finance and academia are all positively impacting the growth trend. This entrenched employment base translates to an average household income of \$120,774 in the 5 mile radius of the asset. The robust demographics and employment opportunities present in Western Henrico County will continue to be the underlying fundamental drivers for organic rent growth expansion for many years to come.

### 4 Flurry of Activity Surrounding Short Pump

- > A total of about 206 acres, 3 new developments, just west of Short Pump and just east of the Goochland County line will soon boast more than 790,000 SF of commercial space.
- > Moments from 5,539,450 SF of Retail
- > Short Pump, home of the only Apple Store in Central Virginia, also contains one of the only two Whole Foods and Trader Joe's.
- > In the center of it all with an average commute of 16 minutes.

*\*All communication, inquiries and requests should be addressed to the Colliers International team, as representatives of the Seller. The property should not be contacted directly.*

# Wellesley Terrace, Richmond, VA

Please visit: [www.WellesleyTerraceSale.com](http://www.WellesleyTerraceSale.com) for more information



## Investment Highlights

**5** Innsbrook Office Submarket: 8 million SF of Office Space within 8 minutes

- > 850-acre mixed-use community
- > Total sf office in the Innsbrook Office Submarket: 8,318,037
- > Total sf office in Innsbrook "proper" : 5 million+
- > Over 400 companies
- > Over 20,000 employees
- > Over 100 events each year held in Innsbrook

**6** Insulated from New Development

There is only one new property in the pipeline in the Far West End submarket. Avia Luxury Apartments, located 2 miles from Wellesley Terrace at 12400 W Broad Street is a 320 unit garden style property that is currently undergoing lease up while wrapping up the final construction phase. According to Axiometrics, the Far West End submarket is absorbing 16 units per month which is above the market average of 11 units. Furthermore, the submarket is experiencing an occupancy rate of 95.9% compared to the market average of 94.9%. This metric is forecasted to stay flat at 95.8% through 2018. Based of these underlying fundamentals we believe Wellesley Terrace is ideally positioned.

**7** \$149+mm Being Invested in Henrico County

**8** Superior Demographics

Located in Western Henrico County, Wellesley Terrace is located in one of the more affluent areas of Richmond. The average household income in the 5 mi. radius surrounding the property is \$120,274 and the median home value is \$239,800. The median age is 37 years old with projected population growth of 8.21 % between 2016 and 2021.

**9** Richmond Dominating the News

CoStar Group, the leading provider of commercial real estate information, analytics and online marketplaces, will invest \$8.17 million in a new research and software development center in Richmond, which will create 732 new jobs and have a total economic impact of \$250 million via direct local salaries, lease on the property, and capital improvements at the facility, among other factors.

*\*All communication, inquiries and requests should be addressed to the Colliers International team, as representatives of the Seller. The property should not be contacted directly.*