

— EXCLUSIVE LISTING —

River Bay Townhomes

173 Units in Lexington Park, Maryland



BridgeWater Real Estate Brokerage has been selected to exclusively market River Bay Townhomes currently containing 173 rental townhomes. Each townhome unit offers 3 bedrooms, 2 bathrooms and an attached garage, with most end units offering an additional garage or storage space. The property was developed using Low Income Housing Tax Credits (LIHTC) in 2005. In addition to the initial 15 year compliance period, there is an additional 25 years of Extended Use Agreement. 155 of the 173 units are restricted to tenants making 60% of Area Median Income (AMI).



DEBT

River Bay Townhomes was encumbered by a HUD 221(d)(4) loan recorded in 2003 at 5.38% amortized for 31 years until 2044 with an original balance of \$17,660,000. In 2012 it was modified to 2.95% and had a balance of \$13,220,468 as of December 31, 2020. There will be a 1% prepayment penalty if closing is between December 1, 2021 and November 30, 2022.



DEVELOPMENT OPPORTUNITY

Since the property was constructed, the zoning has changed to allow a higher density. Currently, the owner has hired a lawyer and an engineer to determine whether it would be feasible to convert some of the 3-bedroom townhouses into smaller, 1-bedroom, 2-bedroom or studio units.

In order to change the unit make-up, we would need County support to amend the PUD. The County has indicated that an addition of up to 30 units would be considered a minor PUD amendment and therefore relatively easy to achieve.

MANAGEMENT OPPORTUNITY

The property suffers from some of the lowest occupancy and rents in the submarket. At the same time, the property has asking rents of \$1,030 for the LIHTC units which is lower than the 50% AMI maximum rent, and the asking rent for the 18 market rate units is lower than the 60% AMI maximum rent. Furthermore, the submarket trend shows a vacancy of less than 1% for the 3 bedroom units.



ADDRESS

48100 Baywoods Drive Lexington Park, Maryland 20653

NUMBER OF UNITS

173 - All 3 Bedroom/2Bath units averaging 1,351 sf in 25 buildings

SIZE OF LAND

12.79 acres

ZONING

Originally PUD 4.2, upzoned to RM

YEAR BUILD AND END OF INITIAL COMPLIANCE PERIOD

2004, December 31st, 2019

EXTENDED USE AGREEMENT

25 years

**FOR MORE
INFORMATION,
CONTACT:**

Adam Stein, HCCP
Managing Partner
BridgeWater Real Estate Brokerage
(202) 603-5587
astein@bwreb.com