



## PROPERTY REPORT. #12

BLACKSTONE PROPERTIES,SOLUTIONS

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Dear; JNJ REALTY LLC.

Introducing

WOO WORK WORCESTER, 316 MAIN, MA

1891 BOUTIQUE HOTEL, 316 MAIN STREET WORCESTER MA.



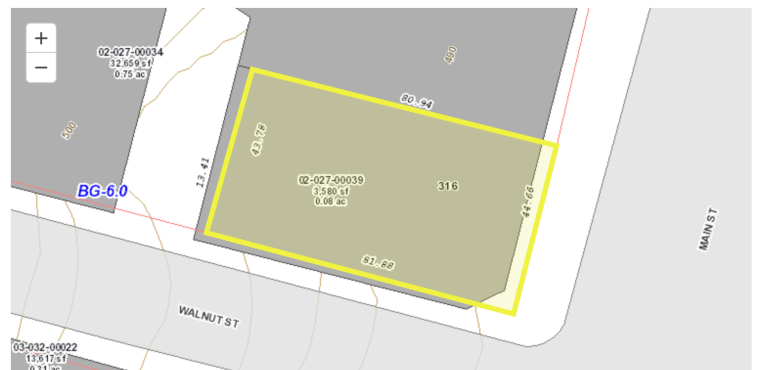
The property is historical building and registered on the historical ledger and does qualifies for historical tax credit in terms of change of use and new development that correlate with city of Worcester new vision plans.

The building was build as in 1891 as worcester five savings bank . The building contains several large functional vaults on every floor.

The building has a unique build out of brick and stone with a an elaborate architectural

design make the building cost of today standards to be over \$10,000.000.00.

Property Map & Information



As per city records the building is assessed at \$1,136.00 and its replacement value is around \$2,989.00. the building is solid and in good standing . The building cash flow in accordance of its income and its has up side Of 40% increase of income.

316 MAIN ST

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Location

316 MAIN ST

Mblu

02/ 027/ 00039/ /

Acct#

02-027-00039

Owner

JNJ REALTY LLC

Assessment

\$1,136,200

PID

51367

Building Count

1

Current Value

| Assessment     |              |           |             |  |
|----------------|--------------|-----------|-------------|--|
| Valuation Year | Improvements | Land      | Total       |  |
| 2022           | \$959,900    | \$176,300 | \$1,136,200 |  |

Owner of Record

|          |                     |             |             |
|----------|---------------------|-------------|-------------|
| Owner    | JNJ REALTY LLC      | Sale Price  | \$1,400,000 |
| Co-Owner |                     | Certificate |             |
| Address  | 316 MAIN ST         | Book & Page | 59040/0302  |
|          | WORCESTER, MA 01605 | Sale Date   | 06/29/2018  |
|          |                     | Instrument  | 1B          |

Ownership History

| Ownership History              |             |             |             |            |            |
|--------------------------------|-------------|-------------|-------------|------------|------------|
| Owner                          | Sale Price  | Certificate | Book & Page | Instrument | Sale Date  |
| JNJ REALTY LLC                 | \$1,400,000 |             | 59040/0302  | 1B         | 06/29/2018 |
| WHITING BUILDING LLC           | \$800,000   |             | 51153/0086  | 00         | 07/02/2013 |
| 316 MAIN ST REALTY LTD PARTNER | \$0         |             | 08539/0309  |            | 01/01/1988 |



### Tenants and occupancy

Like Most properties in the surrounding area our building runs a %30-40 vacancy rate. The average price sqft rented in the building is around \$28 which around the market rate.

The tenants in the building all good stable tenants that pay they rent on time. with a \$20,000 cosmetic investment , creative marketing and firm management the building has the potential to be fully occupied within a year.(

### Income and value.

The property generate around \$18000 a month which makes it break even according to industry standard. With that income the building is valued a \$1.800,000 giving that the building does not need any major work.

|    |                                     |                   |             |                     |                |  |  |
|----|-------------------------------------|-------------------|-------------|---------------------|----------------|--|--|
| 3  |                                     |                   |             |                     |                |  |  |
| 4  | <b>316 main street worcester ma</b> | Monthly Expenses. | Actual Rent | Potential more rent | fully occupied |  |  |
| 5  | <b>Income</b>                       |                   | \$18,000.00 | \$6,840.00          | \$24,840.00    |  |  |
| 6  | <b>Occupancy %72</b>                |                   |             |                     |                |  |  |
| 19 | <b>Profit before mortgage</b>       |                   | \$10,050.00 |                     | \$16,890.00    |  |  |
| 20 |                                     |                   |             |                     |                |  |  |
| 21 | <b>Mortgage payment for \$1.8 M</b> | \$8,200.00        |             |                     |                |  |  |
| 22 |                                     |                   |             |                     |                |  |  |
| 23 | <b>Total expenses</b>               | \$16,150.00       |             |                     |                |  |  |
| 24 | <b>Net income</b>                   |                   | \$1,850.00  |                     | \$8,690.00     |  |  |

The building has potential to increase its revenue by %40 within a year to \$25,000 which make the property worth around \$2.200,000. to \$2.300,00 without any major expenses.

To increase the value of property

A new concept will be introduced to increase the future value of the building thus increasing its present value we should be able to get above \$2.700,000 million. Validating the possibilities of the new concept s will definitely give us a better value.

### Zoning and use

The building is zoned commercial but every other use is allowed giving what it's happening in the area. via variance or special permit the use of the building could be changed Easley. The city is very flexible in granting any changing of use that make economical sense to the area. The area is being renewed and upcoming the building does have a good future Its just need some TLC and a feasible concept to add to its future value.

### Building/ Permitting

Similar building in the area with less qualification have been granting all type of different building permits to build residential mix use commercial and or entertainment venues. The building department in the city of Worcester and utility services are happy to assist in anything that has to do with the downtown area especially where the location of the building.

### Concept and Best of use.

The building could be kept as is as a commercial office building some money could be spent on every floor and the common areas remodel some offices do more marketing and the building good to sustain itself and make a profit at a \$2 million acquisition price.





**WOO WORK WORCESTER.**  
 One of the proposed new Ideas is the shared office WOO WORK Worcester its within the existing commercial use and we could implemented with a small investment of \$100,000 where we can increase the income \$50,000 with with almost double the expenses. The idea is a very common idea in other cities and it's gaining success in a lot of people using it the concept is about sharing office space and you'll be paid upon

the time you spend there it's almost like an hourly rental I have proposed a low income spreadsheet but the idea good in reality be more successful than what I anticipated in the spreadsheet. ( Please see sheet 3).



| Woo work worcester           |                   |               |               |             |  |  |  |
|------------------------------|-------------------|---------------|---------------|-------------|--|--|--|
| 316 main street worcester ma | Monthly Expenses. | Sqfoot rented | \$ per sqfoot | Actual Rent |  |  |  |
| Occupancy 100%               |                   |               |               |             |  |  |  |
| 5 floors with 1400sqf floor  |                   | 9,000         | \$67.00       | \$50250.00  |  |  |  |
| Profit before mortgage       |                   |               | \$29,550.00   |             |  |  |  |
| Mortgage payment for 1.9     | \$9,200.00        |               |               |             |  |  |  |
| Total expenses               | \$29,900.00       |               |               |             |  |  |  |
| Net income                   |                   |               | \$20,350.00   |             |  |  |  |
| Whisky rent                  |                   |               | \$4,000.00    |             |  |  |  |
| net property income          |                   |               | \$24,350.00   |             |  |  |  |



## 1891 BOUTIQUE HOTEL

With That being said the best use of the building is to be converted into soho style BOUTIQUE HOTEL. Giving the exquisite historical elements and its location in the midst of downtown across the street from the Magnificent Mechanics Hall makes and short walking distance from DCU center make it ideal for that use. The building was build as a bank that has many volts and a few of its floors and all these features are being buried into the building without any recognizable value which could be exposed and refurbished and showcased as features. Also giving the lack of office activities due to the vacancies in the area. We find out the best of use of that building in terms of value and in terms of investment is to be turned into a boutique hotel concept. And to build the concept around historical elements of the building like exposing it all the way to the cement and brick and building a brand new unit with glass and hardwood floor all around it with a view of downtown.

### Competition, Compatible use

There is more than a handful of major hotel outlet around the area does make the demographic ideal for this concept and giving that our concept would be unique for its style and it's natural structural loock where everything in the building like the VAULTS Brick, Cements and Steal element will be exposed to demonstrate solidarity, its historical age and uniqueness all units will be built like a New York style industrial SoHo units.



|                                |              |            |                      |  |  |  |
|--------------------------------|--------------|------------|----------------------|--|--|--|
|                                |              |            |                      |  |  |  |
| 1891 boutique hotel            |              |            |                      |  |  |  |
| 326 main street worcester ma   |              |            |                      |  |  |  |
| Income                         | Rooms        | Expenses   | Monthly gross income |  |  |  |
| Monthly income minus vacancies | 40           |            | \$112500.00          |  |  |  |
| Total overheads                |              | \$40150.00 |                      |  |  |  |
| Mortgage payment for 5M.       |              | \$22200.00 |                      |  |  |  |
| Taxes insurance                |              | \$4800.00  |                      |  |  |  |
| Total expenses                 |              | \$67150.00 |                      |  |  |  |
| Net income                     | \$ 45,350.00 |            |                      |  |  |  |
|                                |              |            |                      |  |  |  |

### Cost visa vi value

The boutique hotel concept have been proven to be successful and other developed cities and we find it to have the highest return on investment in comparison to the existing use or even a residential use. With an investment less of \$5 million will be creating a \$12 million value whit a gross revenue of \$1,500,000 dollars a year.

### Completion Timeframe.

giving the economical size of the building and the building sits on its own property the design and the construction of the boutique hotel or any other concept is very easy to manage and keep on budget. Giving that all floors are duplicate and only eight units in every floor the buildout becomes duplicated and redounding allowing faster and accurate finish. So from the start to finish we estimate that the project could be billed within a year giving a 3 month delay only.

### Conclusion.

The building as is today is worth \$1.8M to \$2.0M. Introducing new concept we should add \$700K to \$1M to its price tag. Tthe building is in good standing and ready to be solid.

he building has a lot of potential and a lot of tax benefits if a new the concept and new USE was proposed. We welcome only serious solid cash offers with the least amount of contingencies

Sincerely yours

Selim Lahoud

