$275,000

OFFERING PRICE

CONFIDENTIAL OFFERING MEMORANDUM

228 E Washington Street

Hagerstown, Maryland 21740

UP/DOWN DUPLEX • COMMERCIAL-ZONED LOWER LEVEL

Second-floor residence rented at $1,475/month • Renovated lower-level commercial space vacant and **also available for lease** — buy the building, lease the storefront, or occupy it yourself.

2 UNITS	$1,475/MO	$275,000	8.2%–10.4%
UP/DOWN DUPLEX	IN-PLACE RENT	OFFERING PRICE	PRO FORMA CAP

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roberto@rgrealtyinc.com | 301-991-0207 — Financial assumptions are based on owner-provided information and projected rent scenarios at the stated offering price.

01

Executive Summary

RG Realty is pleased to present 228 E Washington Street, Hagerstown, Maryland — a true **up/down duplex** offered at $275,000. The building pairs a spacious **second-floor residence**, currently rented at $1,475 per month on a month-to-month basis, with a fully renovated **commercially zoned lower level** that is vacant today and **also available for lease**. The next owner can underwrite the deal two ways: as a stabilized two-income mixed-use asset, or as an owner-user play with the upstairs tenant offsetting the mortgage.

The property has received extensive capital improvements from 2021 through 2024, including relocated electrical service with new panels for both units, MDE lead compliance for the upper unit, renovated bathrooms and kitchens, refinished hardwood floors, repainted exterior brick, privacy fencing, updated lighting, separate electric water heaters, and a new 2-ton heat pump serving the upper unit.

The investment story is straightforward: immediate income from the second-floor apartment, a turnkey commercial lower level that drives the upside, heavy lifting already completed, and flexible residential, commercial, or hybrid positioning in a downtown Hagerstown market that continues to strengthen.

$275,000	2 Units	$1,475/mo	For Lease
OFFERING PRICE	UP/DOWN DUPLEX	CURRENT RENT — 2ND FL	COMMERCIAL LOWER LVL

Investment Highlights

- **Up/down duplex**: commercial lower level plus second-floor residential unit.
- Second floor rented at **$1,475/month**, month to month.
- Lower level vacant, commercially zoned, and **available for lease** — clear lease-up upside.
- $275,000 entry point works for investors and owner-users alike.
- Extensive renovations completed 2021–2024.
- Rear greenspace and fenced side yard for occupant use.
- Major electrical upgrades: service relocation and new panels for both units.
- Separate electric hot water heaters for each unit.
- New 2-ton heat pump in the upper unit.
- Lead-safe upper unit with MDE compliance.
- Flexible residential, commercial, or hybrid occupancy strategy.
- Downtown location minutes from the A&E District and Meritus Park.

The Headline: One Building, Two Income Streams, Three Exit Paths

As an **up/down duplex** with a commercially zoned ground floor, 228 E Washington can be held as a stabilized two-tenant asset, occupied by an owner-user with the upstairs rent offsetting debt service, or repositioned and resold once the lower level is leased. The commercial space is being marketed **for lease concurrently with the sale**, so a buyer may inherit a signed tenant — or the tenant themselves may be the buyer.

02

Property Overview

Item	Detail
Property	228 E Washington Street, Hagerstown, MD 21740
Asset Type	Up/down duplex — mixed-use investment opportunity
Unit Configuration	Second-floor residential unit over a commercially zoned lower level
Second Floor (Residential)	Occupied at $1,475 per month, month-to-month; private entrance, in-unit laundry, finished attic bonus room
Lower Level (Commercial)	Vacant, commercially zoned, fully renovated — **available for lease** or owner occupancy
Occupancy	Partial occupancy with immediate upside through lower-level lease-up
Lead Compliance	MDE lead certificate for upper unit, currently compliant per owner-provided notes
Utilities & Systems	Separate electric hot water heaters and updated electrical panels for both units; 2-ton heat pump serving upper unit
Exterior	Repainted brick, new privacy fence with front gate, rear greenspace, motion-activated lighting

Recent Improvements (2021–2024)

- Electrical service relocated to meet code requirements.
- New electrical panels 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-level kitchen and bathroom flooring updated.
- Lower level repainted, trim fully repainted, hardwood floors refinished.
- Updated fixtures and new lighting throughout the lower level.
- Full bathroom renovation in lower level, excluding tub.
- Updated bathroom in upper unit with new toilet and vanity.
- Lower-level kitchen updates 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 level.
- Exterior brick fully repainted; rear brick, stairway, and balcony improvements.
- Motion-activated exterior lighting installed.

03

Financial Snapshot

Metric	Amount or Detail
Offering Price	$275,000
Second-Floor Residential Rent	$1,475 per month, month to month
Lower-Level Status	Vacant, commercially zoned — **available for lease**
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%

Current income reflects the occupied second-floor residence only. The lower level is vacant and represents the primary value-add opportunity through commercial or residential lease-up.

Pro Forma Rent Scenarios

Scenario	Upper Unit	Lower Unit	Monthly Income	Annual Income	Est. 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–$1,800	$3,100–$3,400	$37,200–$40,800	$26,000–$28,500	9.5%–10.4%

How to Read the Upside

Every scenario above the current line is driven by one lever: putting the commercially zoned lower level to work. At even the conservative $1,200/month lease-up, the asset moves from a 4.5% to an 8.2% cap at the offering price — before touching the upstairs rent. NOI and cap rate estimates use a 30% operating expense assumption and are intended to illustrate income potential at the $275,000 offering price.

04

Income & Upside Analysis

Unit Occupancy Today

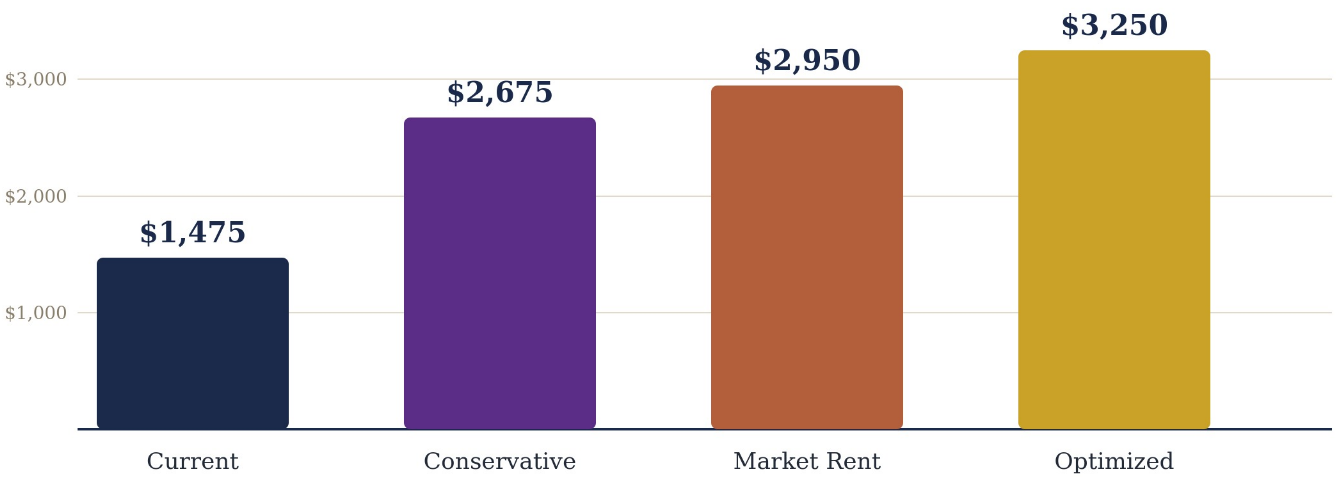
- 2nd-Floor Residence —
- Commercial Lower Lev
  vacant, AVAILABLE I

1 of 2 units producing incor
the entire upside sits in one

$1,475
INCOME TODAY /MO

+$1,200–$1,800
LOWER-LEVEL LEASE /MO

Monthly Income by Scenario



The bar progression tells the whole story: the jump from $1,475 to $2,675 per month is a single lease on space that is renovated and ready today. Scenarios beyond that reflect a modest upstairs adjustment toward the Hagerstown market average and stronger commercial positioning of the lower level.

Lease-Up Math	Today	Day One of Lower-Level Lease	Change
Gross Monthly Income	$1,475	$2,675–$3,275	+81% to +122%
Estimated Annual NOI	$12,390	$22,470–$28,500	+$10,080 to +$16,110
Cap Rate at $275,000	4.5%	8.2%–10.4%	+370 to +590 bps

05

Commercial Lower Level — Available for Lease

Two Ways to Win

The commercially zoned lower level is offered **for lease at $1,200–$1,800 per month** alongside the sale of the building. An investor buys with a lease-up path already marketed; an owner-user buys, occupies the storefront, and lets the $1,475/month upstairs tenant carry a major share of the debt service. Prospective tenants and buyers can be worked in parallel.

Space Profile

Feature	Detail
Zoning	Commercially zoned lower level; residential, commercial, or hybrid use subject to applicable use and occupancy requirements
Condition	Fully renovated: repainted, refinished hardwood floors, new lighting, renovated bathroom
Kitchen / Break Area	Updated kitchenette with reclaimed wood shelving, vent hood, dishwasher, microwave, garbage disposal
Laundry	Washer and dryer in place
Utilities	Separate electric panel and separate electric hot water heater — clean tenant billing
Access & Exterior	Street-front access on E Washington Street, fenced side yard, rear greenspace, motion-activated lighting
Asking Lease Rate	**$1,200–$1,800/month** depending on use, term, and fit-out

Ideal Users

- Professional office: insurance, tax, title, legal, real estate.
- Studio uses: salon suite, wellness, photography, tattoo.
- Service businesses seeking a downtown address at Main Street pricing.
- Owner-user buyer occupying the storefront with tenant income upstairs.
- Live/work operator, subject to use and occupancy approval.
- Residential lease-up as a fallback path, given the finished kitchen and bath.

$1,200–$1,800
ASKING LEASE /MO

Turnkey
RENOVATED & READY

Separate
PANEL & WATER HEATER

06

Market Overview — Hagerstown, MD

Hagerstown is the county seat and economic hub of Washington County, anchoring a metro area of roughly 294,000 residents at the crossroads of I-81 and I-70. The city has posted steady rent growth as new employers, downtown investment, and spillover demand from the Baltimore–Washington corridor tighten the rental market. 228 E Washington Street sits blocks from the downtown Arts & Entertainment District, Meritus Park, and the University System of Maryland at Hagerstown campus.

$1,537
AVG APT RENT (2026)

+3.3%
RENT GROWTH YOY

57%
RENTER-OCCUPIED

~294K
METRO POPULATION

Rent Trends & Demand

Average apartment rent in Hagerstown reached approximately $1,537 in 2026, up about 3.3% year over year, with two-bedroom units averaging roughly $1,250–$1,500 depending on source and vintage. Renters occupy about 57% of city households, and quality units in walkable downtown locations continue to lease quickly. The subject's in-place $1,475 second-floor rent sits at or below prevailing market for a unit of its size, supporting the modest upside assumed in the pro forma.

Economic Drivers

Driver	Detail
Meritus Health	Region's largest employer with 2,700+ employees; opened the Meritus School of Osteopathic Medicine, adding students, faculty, and staff housing demand
Hitachi Rail	$350 million railcar manufacturing plant opened in 2025, bringing hundreds of new manufacturing jobs to Hagerstown
Logistics & Distribution	Amazon, FedEx Ground, and Volvo Group operations leverage the I-81/I-70 interchange, a major mid-Atlantic freight corridor
Public Sector & Education	Washington County Public Schools, county and state government, Hagerstown Community College
Downtown Investment	Meritus Park stadium (Flying Boxcars, opened 2024), Arts & Entertainment District, and ongoing downtown revitalization steps from the subject

Location & Access

The property fronts E Washington Street in downtown Hagerstown with immediate access to the US-40 corridor, roughly 5 minutes to I-81 and I-70, about 71 miles to Baltimore, and within commuting range of Frederick and the northern D.C. suburbs — a position that supports both the residential tenancy upstairs and street-level commercial visibility below.

07

Financing Illustration

The illustration below models a conventional investor loan at the $275,000 offering price. Figures are for discussion purposes only; actual terms depend on lender, borrower profile, and property underwriting.

Assumed Loan Terms

Assumption	Value
Down Payment	25% ($68,750)
Loan-to-Value	75%
Interest Rate	7.25% (illustrative)
Amortization	25 years
Term	Conventional commercial / investor financing

1.26x
DSCR CONSERVATIVE

1.39x
DSCR MARKET RENT

1.52x
DSCR OPTIMIZED

$17,889
ANNUAL DEBT SERVICE

Debt Service & Cash Flow

Line Item	Conservative Stabilized	Market Rent Adj.	Optimized Mixed Use
Purchase Price	$275,000	$275,000	$275,000
Loan Amount (75% LTV)	$206,250	$206,250	$206,250
Monthly Payment (P&I)	$1,491	$1,491	$1,491
Annual Debt Service	$17,889	$17,889	$17,889
Estimated NOI	$22,470	$24,780	~$27,250
Cash Flow After Debt	$4,581	$6,891	~$9,361
DSCR	1.26x	1.39x	1.52x

Owner-User Angle

An owner-user occupying the commercial lower level would apply the $17,700 of in-place upstairs rent against $17,889 of illustrated annual debt service — the residential tenant effectively covers the note while the business occupies its storefront nearly rent-free relative to leasing comparable space downtown.

08

Property Photos — Second-Floor Residence

The occupied second-floor apartment offers a full kitchen with in-unit laundry, a renovated tiled bathroom, original woodwork, and a large finished attic bonus room. Photos shown as currently tenant-occupied.

Finished attic bonus room with vaulted ceilings and hardwood flooring

Eat-in kitchen with granite-look counters, dishwasher, and glass-front cabinetry

Kitchen with in-unit stacked washer/dryer and full appliance package

Renovated bathroom with custom tiled tub/shower and coffered ceiling

Upstairs hallway with original woodwork and refinished floors

Private interior staircase to the dedicated second-floor entrance

09

Property Photos — Commercial Lower Level

The vacant, commercially zoned lower level is fully renovated and move-in ready for an office, studio, or service tenant — **available for lease at $1,200–$1,800/month** or for owner occupancy at closing.

Front room with refinished hardwood floors and updated lighting

Open work area with large windows and pendant fixtures

Kitchenette with island, open shelving, and new vent hood

Kitchenette detail with full appliance package

Renovated bathroom with new vanity and lighting

Bathroom with subway-tiled tub/shower surround

10

Property Photos — Additional Views

Lower-level flex room with dual windows

Lower-level rear room with hallway access

Kitchenette looking toward the front rooms

Fenced side yard with front gate and stepping-stone path

Second-floor rear entry with access to the rear deck

Second-floor landing at the private stair

11

Contact & Offering Process

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Sale & Lease Inquiries

The building is offered for sale at **$275,000**.

The commercial lower level is simultaneously **available for lease at $1,200–$1,800/month**. Tenant and buyer inquiries are both welcome and can be coordinated through RG Realty.

Offering Process

- Contact RG Realty to request additional due-diligence materials, including improvement records and lead compliance documentation.
- Property tours of the vacant lower level are available on short notice; second-floor showings are scheduled with tenant notice.
- Offers should be submitted in writing with proof of funds or lender pre-qualification.
- Commercial lease proposals for the lower level may be submitted independently of, or alongside, purchase offers.

Offering at a Glance

Item	Detail
Address	228 E Washington Street, Hagerstown, MD 21740
Configuration	Up/down duplex — 2nd-floor residence over commercially zoned lower level
Sale Price	$275,000
Commercial Lease	Lower level available at $1,200–$1,800/month
In-Place Income	$1,475/month (second floor, month to month)
Pro Forma Cap Rate	8.2% to 10.4% at stabilization

Confidentiality & Disclaimer

This Offering Memorandum is confidential and intended solely for the use of qualified prospective purchasers and tenants. All information is deemed reliable but not guaranteed. Financial projections are estimates based on owner-provided information and stated assumptions, including a 30% operating expense load and illustrative financing terms. Prospective purchasers and tenants should conduct their own independent investigation, including verification of zoning, permitted uses, and occupancy requirements with the City of Hagerstown. Offering is subject to change or withdrawal without notice.