

# THE BARCLAY

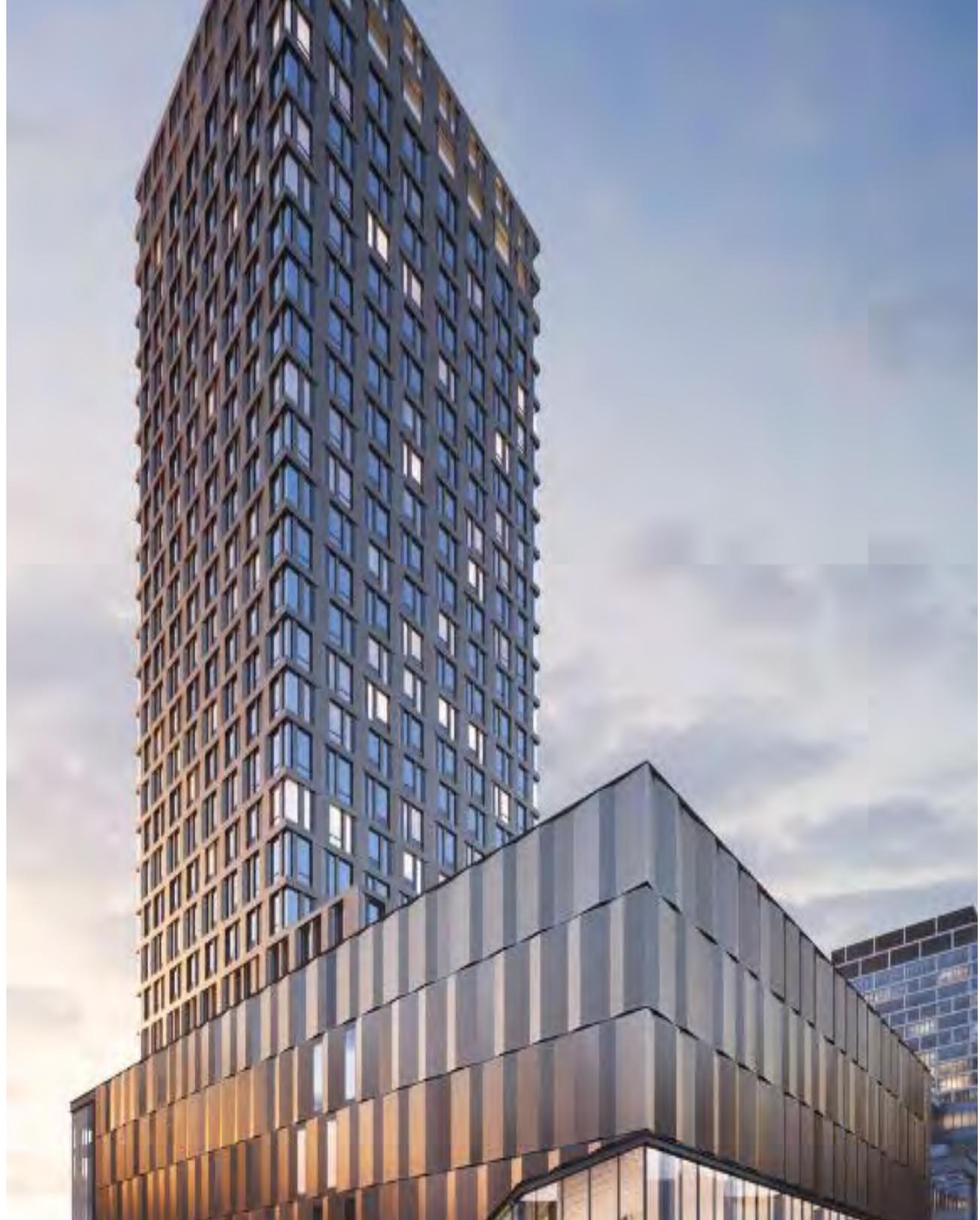
*18 SIXTH AVENUE, BROOKLYN, NY*

## HUNTER INVESTMENTS

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# Executive Summary

Hunter Investments presents the unique opportunity to invest in The Barclay; a 38-story, mixed-use, high-rise tower that is located on the corner of Atlantic Ave and 6th Ave in Prospect Heights, Brooklyn. The as-of-right ground-up project is part of the Pacific Park megadevelopment, which at completion will comprise of 15 mixed-use mid and high-rise buildings excluding the Barclays Center arena.

The Barclay will consist of 950 residential units (75% market & 25% affordable), 40,329 NSF of residential amenity space, 15,123 NSF of ground floor retail, 20,165 NSF of community facilities, and 63 subsurface parking spaces. The programming, amenities, events and design of The Barclay are centered around creating a sense of community for residents. The Barclay hopes to appeal to young urban professionals and families who seek connections and shared experiences in an increasingly isolated urban environment.

Hunter Investments is seeking a 90% contribution from an LP equity investor for a total of \$143,407,670. The Barclay will either be sold at stabilization in year 6 for a project levered return of 18.93% and equity multiple of 2.37x or refinanced at stabilization and sold in year 15 for a project levered return of 13.93% and equity multiple of 4.63x.



Return Metrics for Sale Analysis			
	IRR	Multiple	Profit
<b>Project Level</b>			
Unlevered	9.73%	1.45	\$257,877,442
Levered	18.93%	2.37	\$218,302,326
<b>LP Equity</b>			
Levered	16.96%	2.18	\$169,306,758

Return Metrics for Refi Analysis			
	IRR	Multiple	Profit
<b>Project Level</b>			
Unlevered	8.01%	2.36	\$785,483,038
Levered	13.93%	4.63	\$578,222,061
<b>LP Equity</b>			
Levered	13.29%	4.34	\$451,444,784

## 2. PROJECT OVERVIEW

# Development Concept

## Retail Concept

The residential lobby and retail space will be located on the ground floor and exist as one seamlessly integrated space. The retail will consist of a full-service restaurant and bar, a café, a “bodega” convenience store, and lounge areas. The space will be designed in a way to encourage interactions between residents, guests, and the public. The retail will look to capitalize on the nearby foot traffic of Barclays Center by providing a location to eat, drink and relax before and after events.



## Residential

The residential programming will consist of 950 units, of which, 75% will be market rate and 25% will be affordable. The studio, 1-, 2- and 3-bedroom (market and affordable) units will be evenly split across the residential floors. The target market will focus on young urban professionals and families.



## Amenity Experience

The project will aim to foster a sense of community by drawing inspiration from co-living developments and integrating the dynamic events and amenity programming into a more traditional residential building. The amenity space will total a generous 40,329 NSF and will focus on shared spaces and experiences such as fitness center with yoga studio, lounge, library, communal kitchen, and dining area.





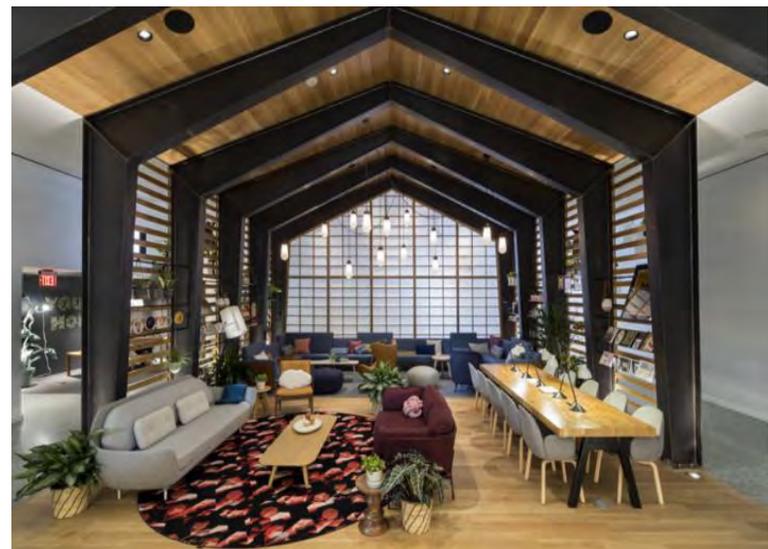
## Lobby & Retail



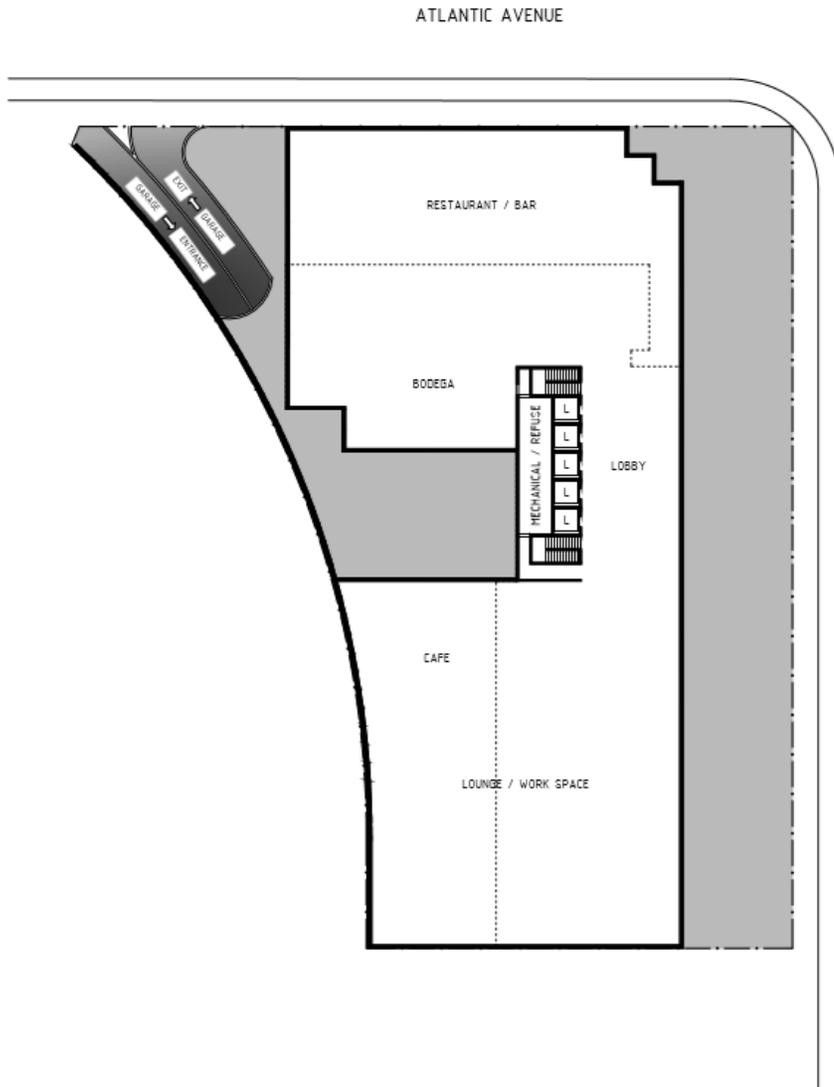
Residents, guests, and the public will enter the Barclay through a more protected entranceway on Sixth Avenue as to avoid the noise and commotion that occurs along Atlantic Avenue. The building sets back by 30 feet from Sixth Avenue and will contain seating arrangements and beautiful landscaping to create a sense of place when entering the lobby and retail space.

The lobby and the restaurant/café/lounge concept will be designed in a way to encourage residents and the public to hangout for as long as they would like. There will be a full-scale restaurant, a bar, a side café, lounge areas, work areas and places for people to unwind and relax at their leisure.

There will also be an in-house “bodega” convenience store, which will provide locally sourced goods and products. The restaurant, cafe and bodega will be by leased and managed by a third-party operator.



# Lobby & Retail: Floorplan



The restaurant and bar area will be located closest to Atlantic Avenue in order to capture the heavy foot traffic of along the avenue and Barclays Center. The building's northeast corner is designed to step back from the street to improve visibility to the retail and allow for more outdoor seating.

The entire floor is meant to feel like one continuous space where customers are encouraged to take food as they like from the restaurant over to the lounge and workspace. However, the lounge and workspace will be quieter and more subdued compared to the restaurant and bar space to the north. The café is well positioned in the southern space of the property as to service those who are trying to work or catch up with friends over a coffee.

The garage entrance will utilize the elbow space of the lot that exists in the northwest corner of the lot between Barclays Center and Atlantic Avenue.

# Residential

## Design

The residential interiors will be smart and sophisticated with a clean modern design. Drawing inspiration from Scandinavian interior design, the interiors will feature light colored wood floorboards and cabinets and marble island tops. The shallower floorplates of the residential floors will allow for more natural light to enter the units.

## Unit Layouts

In order to diversify the product mix, each unit type layout will be divided into A and B modules. Moreover, the styles of these A & B modules will be split into a brighter color palette versus a darker color palette. By creating a range of layouts and style variations, Hunter Investments hopes to capture the tastes of a larger market.

## Pricing

The target rent levels for the units are based on rent comparables and conservative in relation to local demographic income levels. Hunter Investment believes that the units are priced affordably which will increase leasing velocity and reduce vacancies.



## Residential: Unit Mix

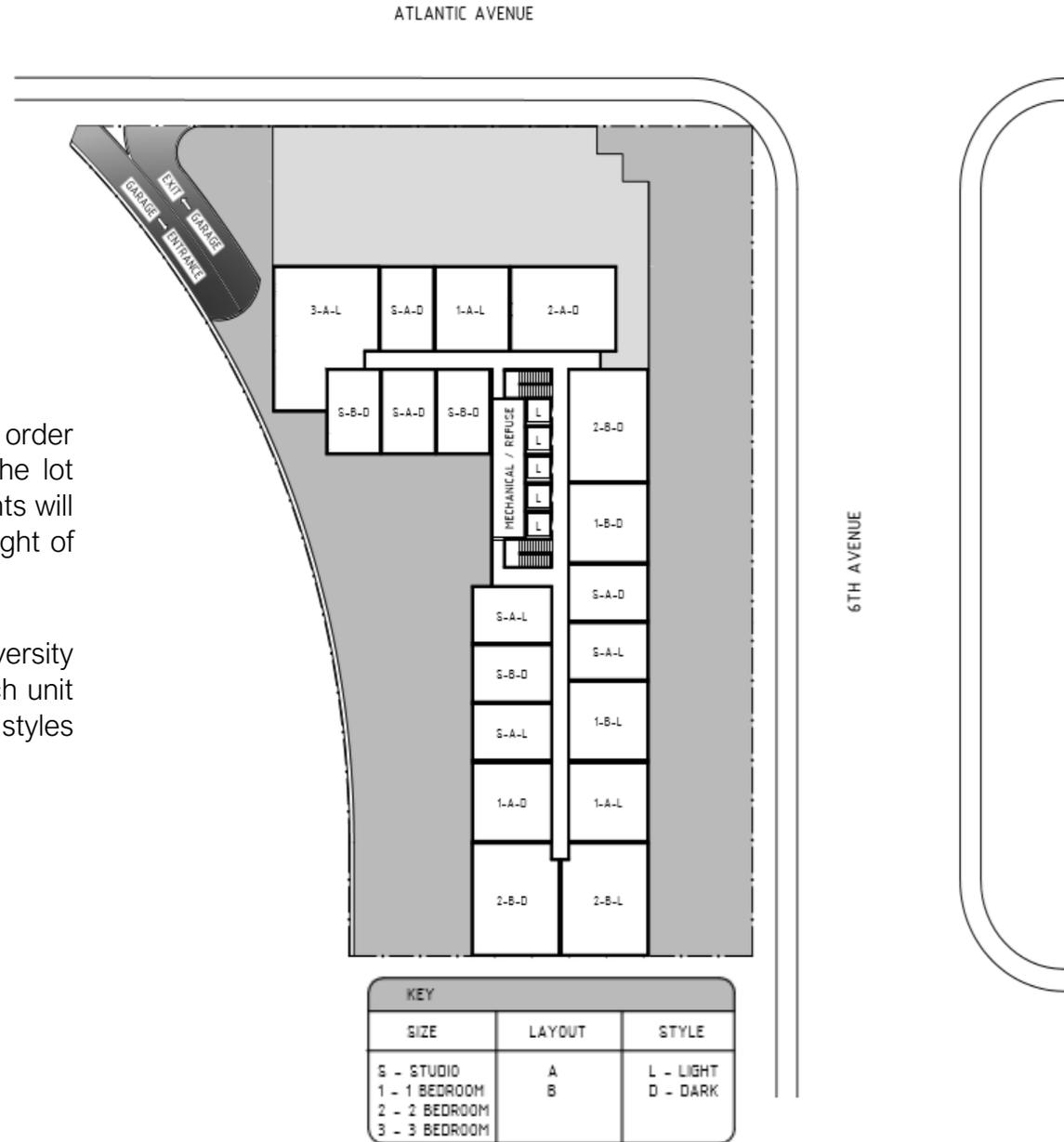
The unit mix is broken down between 75% market rate and 25% affordable rate units in order to meet the guidelines of affordability option E under the Affordable New York Act (New 421-A) program. The unit mix is heavily weighted towards studio and 1-bedroom apartments to meet the larger demographic of singles and couples living in the neighborhood.

Unit Mix Residential				
<b>Market</b>				
Type	SF	Number of Units	% of Total Units	Total SF
Studio	500	270	28%	135,000
1 Bed / 1 Bath	675	270	28%	182,250
2 Bed / 2 Bath	875	140	15%	122,500
3 Bed / 2 Bath	1025	35	4%	35,875
<b>Average / Total</b>	<b>665</b>	<b>715</b>	<b>75%</b>	<b>475,625</b>
<b>Affordable</b>				
Type	SF	Number of Units	% of Total Units	Total SF
Studio	500	80	8%	40,000
1 Bed / 1 Bath	675	80	8%	54,000
2 Bed / 2 Bath	875	60	6%	52,500
3 Bed / 2 Bath	1025	15	2%	15,375
<b>Average / Total</b>	<b>689</b>	<b>235</b>	<b>25%</b>	<b>161,875</b>
<b>Total Unit Mix</b>				
Type	SF	Number of Units	% of Total Units	Total SF
Studio	500	350	37%	175,000
1 Bed / 1 Bath	675	350	37%	236,250
2 Bed / 2 Bath	875	200	21%	175,000
3 Bed / 2 Bath	1025	50	5%	51,250
<b>Average / Total</b>	<b>671</b>	<b>950</b>	<b>100%</b>	<b>637,500</b>

# Residential: Floorplan

The residential floors recess from the base to an L shape in order to improve rentable efficiencies. Moreover, by reducing the lot coverage of the residential programming, Hunter Investments will be able to increase the number of floors and therefore height of the building, which will create better views for the residents.

The L shape of the residential component allows for more diversity when it comes to unit configuration and the views that each unit will receive. By increasing the variety of unit types, layouts, styles and views, The Barclay will appeal to a larger market.



# Programming: Amenities

The Barclay will feature an extensive amenity area on the 3<sup>rd</sup> and 4<sup>th</sup> floors taking inspiration from Soho House and Ralph Lauren to create a clubhouse atmosphere and experience. The space will feel cozy and comfortable at all hours of the day and night. A spiral staircase will allow seamless movement between the two floors.

The amenity package is designed to encourage interactions between residents and their guests. Moreover, a busy and dynamic event calendar will include cooking classes, wine and painting nights, guest speakers, art showings and yoga & fitness classes. Through these events and amenities, The Barclay hopes to create a strong sense of community between residents in the building. As a result, The Barclay will differentiate itself from its competitors and increase retention rates of the existing residents.

The Barclay's extensive amenity package was carefully selected to meet the demands of the target market. The package is in-line with other high end comparables and are needed in order to compete on pricing and drive occupancy.



Fitness center including weight room, cardio room, yoga studio and spa



Lounge, library and workspace



In-house cinema



Communal kitchen and dining area



Games room complete with a wine, cigar and billiard table room



Children's playroom



Pet spa



Bike storage



## Programming: Community Facilities

The community facilities will be located on the 2<sup>nd</sup> floor of The Barclay and will be leased to two tenants of equal size. One of the tenants will be a daycare center and the other a medical center. Both will look to support the residents of the building and the neighborhood at large. The demographics of Prospect Heights show that many households contain children, which a daycare center would look to support. Moreover, The Barclay will bring 950 units online and therefore a medical center to care for these residents is recommended.

Hunter Investments recognizes a lack of medical and daycare centers in the immediate vicinity and thus incorporated these facilities into the programming to increase value. These tenants' services will increase in demand as more residential and office buildings are completed as part of Pacific Park. The inclusion of 20,165 NSF of community facilities and 235 affordable units will create social value for the Prospect Heights neighborhood and are a strong argument for the approval of the project.



# Design: Building

*champagne-colored façade*

*elegant proportions*

*iconic*

*360 views*

*sophistication*



*contemporary luxury*



*anodized aluminum surface*



*responds to surroundings*

*shimmers in sunlight*

*public plaza*

# Design: Details

### Design

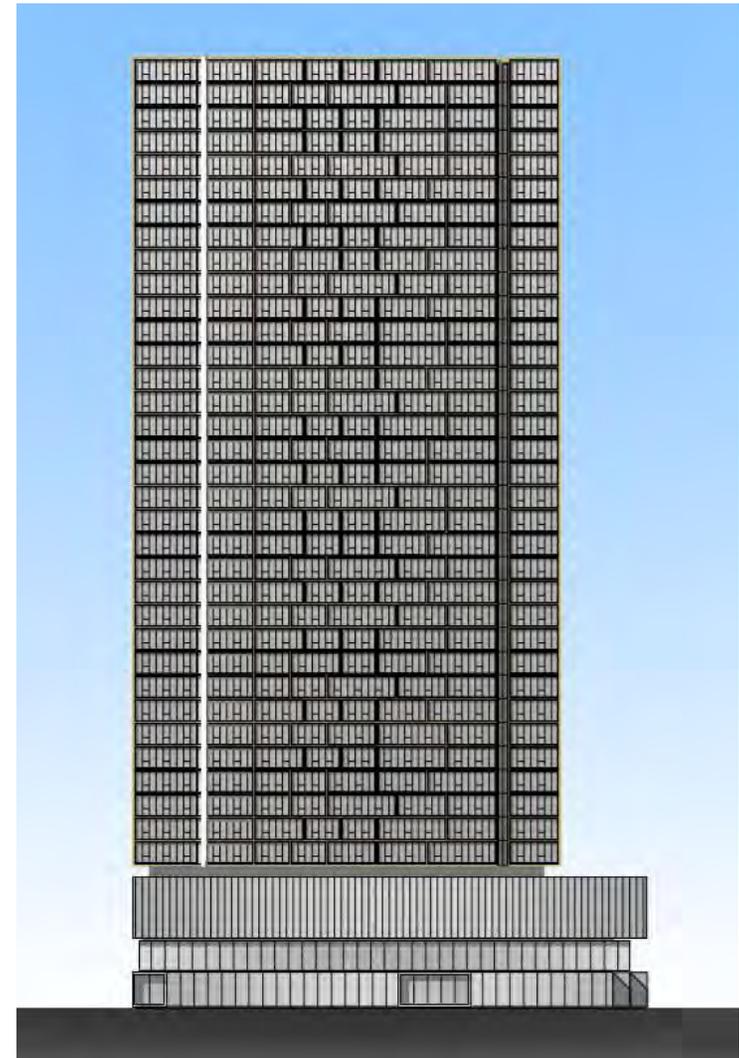
The design of the building will draw inspiration from the contemporary style of existing buildings in Pacific Park. The design team have envisioned the building responding to the Barclays Center it adjoins and therefore selected a similar bronzed color palette for the paneling. The multilayered anodized aluminum paneling will shimmer in reflection of the sun at different times of the day.

### Shape

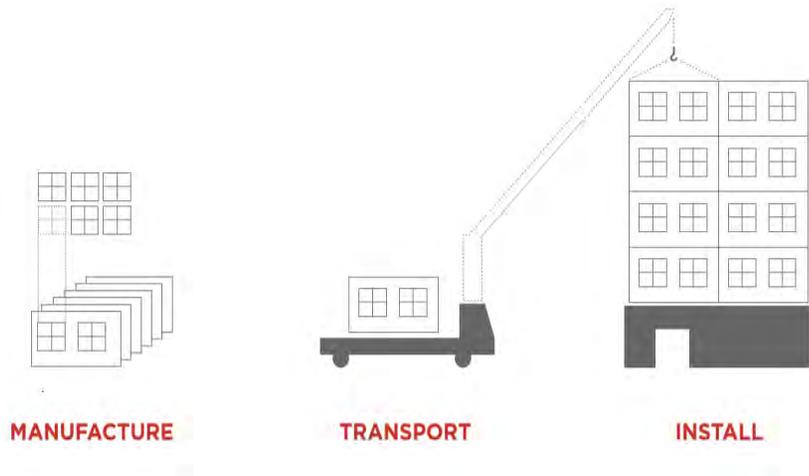
The wider base of the building cascades up the first four floors much like the neighboring 461 Dean Street development. The wider base experiences inefficiencies due to curvature of the parcel, however, it will sit flush against the Barclays Center and compliment it in style and shape. The residential floor plan recesses to an L shape to increase rentable efficiencies.

### Modular

Design constraints exist with modular construction; however, modular construction does not need to equate to poor design. The Barclay hopes to breakdown the paradigm that modular construction is cheap and tacky. High level finishes and detailing of the exterior and interior of the modules will make the residential

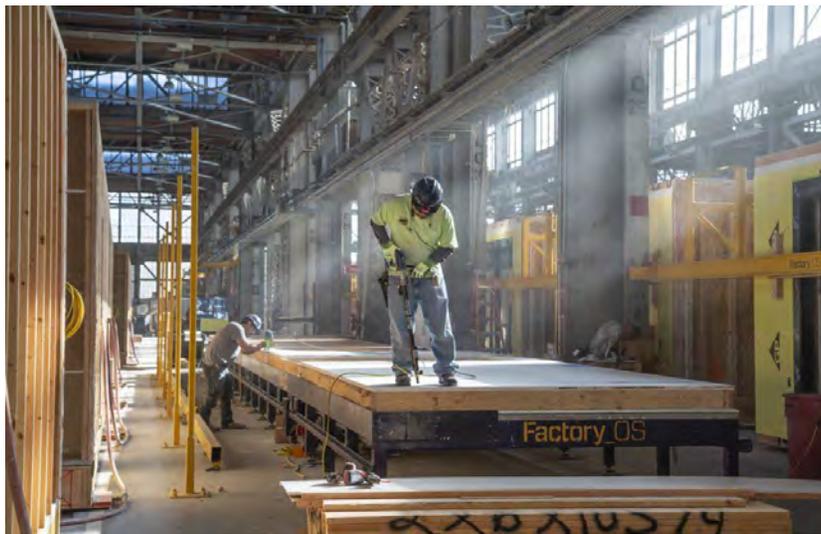


# Modular Housing: What is modular?



Whole building units are prefabricated in an off-site quality-controlled location and then trucked to the subject site for erection. These prefabricated units will then be lifted and installed onto the foundation constructed prior.

The modular units can be designed and altered to offer different unit types and design tastes. The foundation that is installed on site will contain the lobby, retail, community facility and amenities. Each residential module will be manufactured offsite and then transported to the development site.



# Modular Housing: Why modular?

## Reduce construction time

The ability to build the foundation while simultaneously building each module offsite can reduce construction time by approximately 30-50%. Modules can typically be installed at a rate of 6-10 modules per day once transported to the site. The time savings underwritten for the construction period were conservatively set to 10%.

## Reduce construction costs

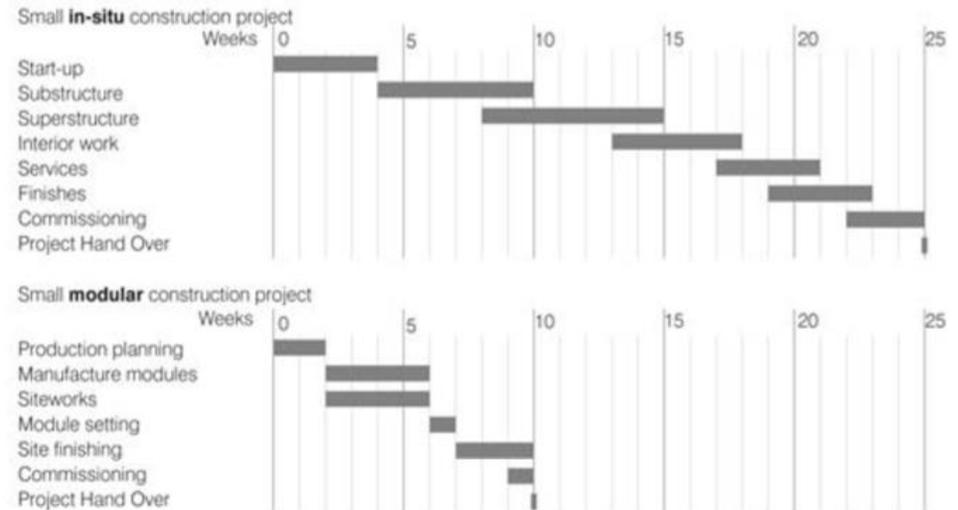
As the project scales up, total construction costs for modular housing decrease. Less labor is needed to construct the module units offsite and union costs can be avoided. In the right environment, costs savings of up to 20% can be realized. The cost savings underwritten for the residential portion of this development have been conservatively discounted by 10%.

## Increased quality

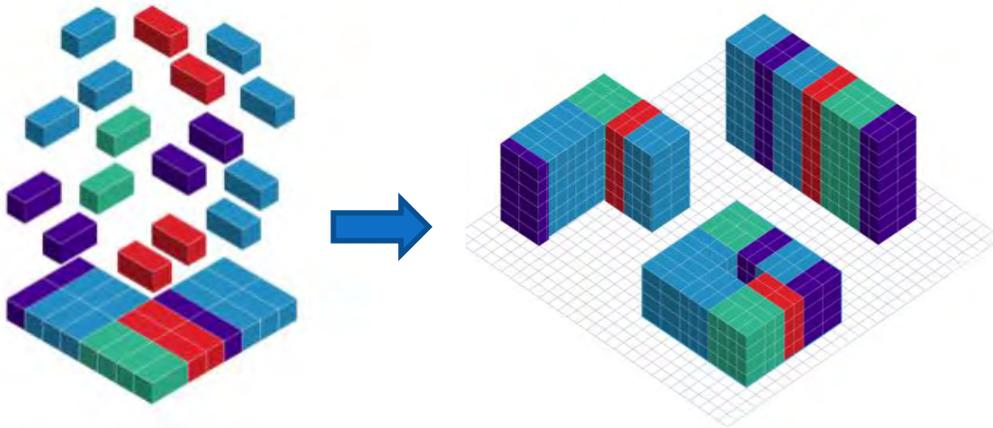
Modular also has the advantage of higher quality housing. Modules created offsite in a controlled environment provide workers better access to the individual components of the unit and less exposure to weather. Worker safety is increased as potential for injuries related to falling decrease when constructing modules on a ground floor warehouse.

## Less environmental disturbances

Constructing in a warehouse offsite results in less mess and noise on the development site. Offsite construction also results in less environmental damage to the projects site.



## Modular Housing: FullStack Modular



FullStack Modular constructed 461 Dean Street which is the tallest modular constructed building in the world. 461 Dean Street is located next to The Barclay site and is 32 stories tall and consists of 930 modules. This project displays the great potential of modular housing and the ability to develop high rise developments with such a construction technique. Hunter Investments & FullStack Modular will look to build on the best practices from 461 Dean Street and create even greater efficiencies through construction.

FullStack Modular is a New York based, modular construction company that will be employed as a consultant to run the modular construction component of the project. FullStack Modular merges modular building with new data driven construction techniques to bring a high level of control, predictability and scalability to a development. FullStack Modular constructs the residential modules offsite in their nearby Brooklyn Navy Yard warehouse location.



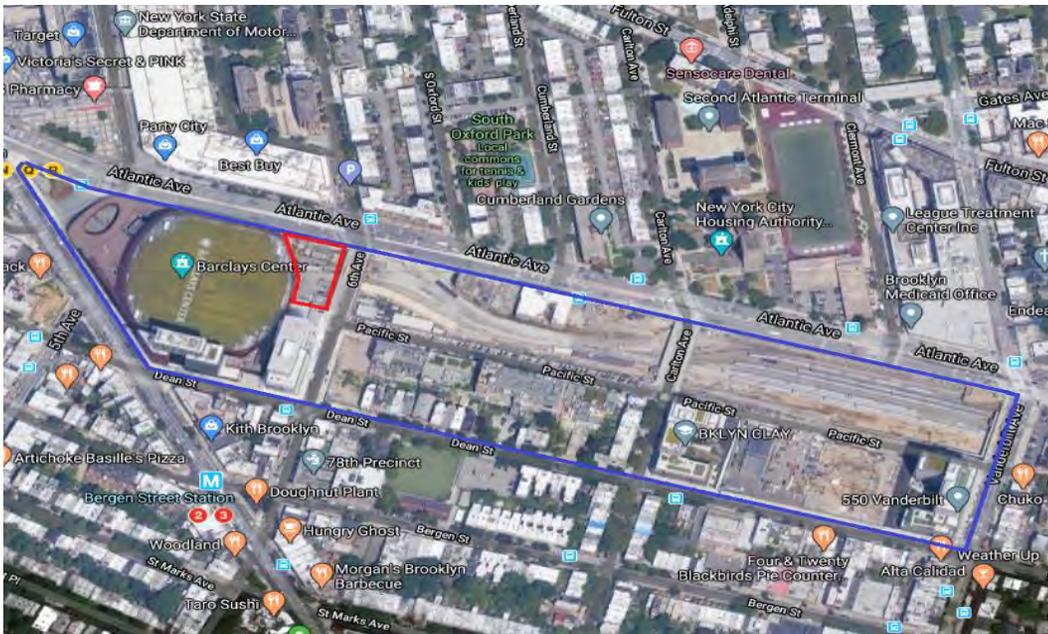
# 3. ZONING ANALYSIS

## Site Overview

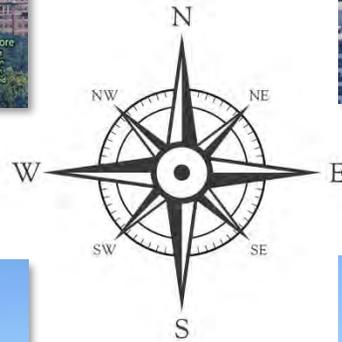
The site is located on the corner of 6<sup>th</sup> Ave and Atlantic Ave in Brooklyn, New York. The parcel is irregularly shaped as it is defined by the curvature of the Barclays Center arena on the west side of the site.

The site is part of a larger master planned development called Pacific Park. Pacific Park is a 22 acre, mixed-use commercial and residential development that will consist of 15 buildings (excluding Barclays Center) at completion. The Pacific Park development is being constructed over the Long Island Railroad train yard at Atlantic Terminal. Empire State Development Corporation announced the megadevelopment in the early 2000's and have subsequently changed the programming and completion date several times since then due to political and economic reasons. The Pacific Park development is outlined in blue and the subject parcel is outlined in red.

At a height of 38 floors, residents of the building will be able to enjoy unobstructed 360-degree views of Manhattan and Brooklyn. Residential units with views to the NW and SW will command the highest rents due to the spectacular views of the Manhattan skyline and downtown Brooklyn.



# Site Views



## Zoning Code

Site B4 at 18 Sixth Avenue has a lot area of 31,906 SF and is designated as an M1-1 zoning district with intersecting layers of transit and environmental zones. The site is however unique in the sense that it does not abide by the conventional NYC zoning code. The NYC state zoning authority has overruled the site and exempted it from NYC zoning code. The site falls under a development lease with Empire State Development Corporation that is converted into a fee simple lease structure upon completion of the development. The ESD and the city reached a Community Benefits Agreement to rehabilitate the Pacific Park area by constructing a mixed-use development over the LIRR train yard whilst providing affordable housing, community facilities and amenities for the neighborhood.

As a result, site B4 has a predetermined dual use density allowance that is described on the right.

Zoning Resolution	
Site	B4
Lot Size	31,907
Use	Residential & Retail
Height Restriction (Ft)	511
Retail Gross SF*	50,000
Residential & Amenity Gross SF**	780,000
Total GSF	830,000

\*Potential to upsize & downsize

\*\*MF Rental with 421A Affordable component – 35 year tax abatement. GSF includes 705,123 GSF of residential, 50,411 GSF of amenities, and 24,000 SF of subsurface parking.

## Entitlement Approvals

The proposed development is as-of-right and thus will not require a zoning variance to construct. The as-of-right nature of the project significantly reduces development and scheduling risk. Permits will be obtained from the DOB and the MTA (due to proximity to train lines) during the predevelopment stages in order to ensure timely construction of the project.

The property will include an affordability component under the Affordable New York Act. As part of the legislation, over 20% of the units in the development need to be held in affordability for 40 years and as a result, the property will become eligible for tax incentives for 35 years. The tax benefit includes 100% tax exemption (above original purchase basis) for up to three years of construction and an additional 25 years after completion. The last 10 years of the tax exemption period will provide an abatement equal to the percentage of affordable units in the project.

# 4. MARKET ANALYSIS

## Prospect Heights Overview

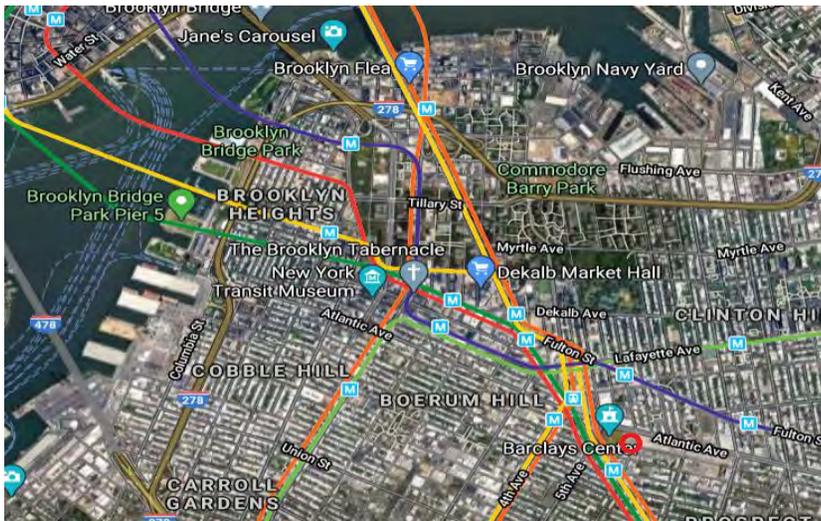


The development site is located in Prospect Heights, adjacent to Fort Greene and Downtown Brooklyn. Prospect Heights offers a vibrant mix of old and new Brooklyn. The area is characterized by casual, locally owned restaurants and bars along with corporate retail along the major avenues. The side streets in Prospect Heights feature charming old brownstones surrounded by quiet greenery.

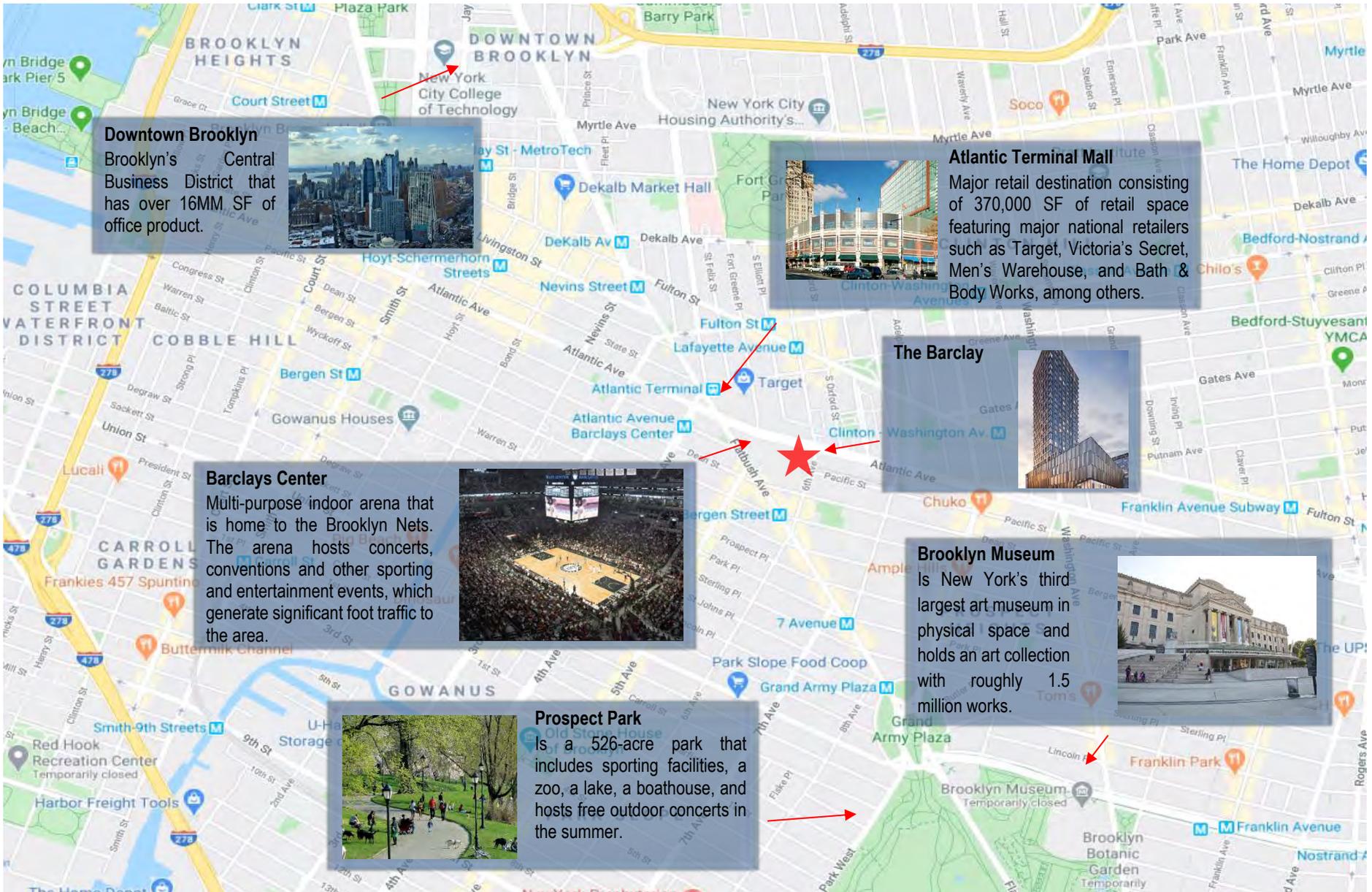
The Prospect Heights neighborhood is gentrifying as investors seek higher yield outside of established Brooklyn neighborhoods such as Williamsburg, Downtown Brooklyn and Brooklyn Heights.

The site benefits from its proximity to several subway lines including the 2, 3, 4, 5, B, D, N, Q, R, C and G lines, which conveniently connects residents to all parts of Brooklyn, Manhattan, Queens and the Bronx. Additionally, the Atlantic Terminal station located two blocks from the site is a LIRR station and provides access for commuters from Long Island to New York City.

High rated schools and quiet neighborhoods appeal to families in Prospect Heights. Additionally, Fort Greene Park and Prospect Park are both within a 15-minute walk of the site and provide a place of recreation and relaxation to residents in the area.



# Demand Drivers



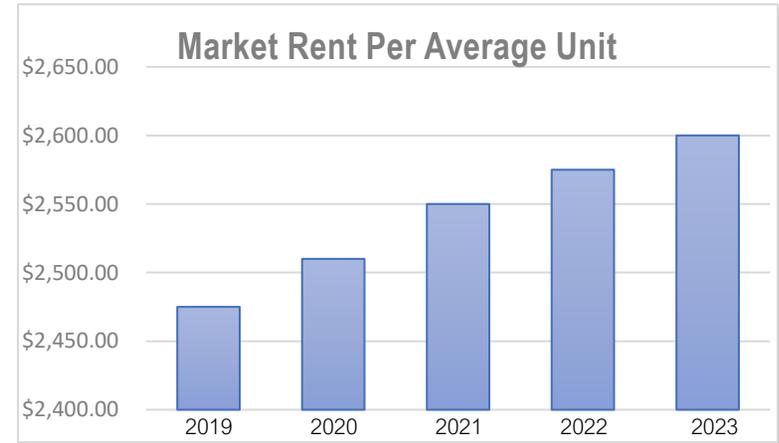
# Residential Market

Given the proximity to major transit hubs, entertainment venues, retail options, and business districts, the site is an attractive location for residents to live. Although the area is gentrifying rapidly, the rents are still at a discount to Manhattan. Key data points in the multifamily rental sector in Prospect Heights include:

- 4 & 5 Star average effective rents and vacancy rates are \$3,275 and 5.1% respectively.
- Projected effective rent growth of 2.8% over the next 12 months.
- Projected positive absorption over next 12 months of 536 units which is significantly stronger than historical average of 282 units.
- 2,205 units are under construction which have been spurred along by recent rezonings.

Moreover, The Frederick, last year’s largest delivery at 193 units, reached stabilization just three months after opening. The 363-unit 461 Dean Street (modular construction) reached full occupancy a little more than a year after opening in January 2017. The multifamily rental market continues to show strong growth trends and therefore the asset class was chosen for use at the site.

The current high-end condominium market in Manhattan and Brooklyn has overheated in the last several years due to upzonings, an oversupply of high-end product, and a decrease in international buyer demand. Over 25% of Manhattan’s newly built condos remain unsold and developers are therefore being forced to drop prices to meet demand. In addition, Streeteasy’s 2019 annual report found that luxury inventory increased 12.2% despite lackluster demand. As a result, Hunter Investments has not selected condos for development at the site.



# Rent Comparable Analysis

Amenities	Rent Comparable Amenity Analysis				
	Subject Property	461 Dean Street	300 Ashland	Hoyt & Horn	Hub
					
Lounge	x	x	x	x	x
Games Room	x	x		x	x
Movie Room	x				x
Children's Playroom	x	x		x	x
Kitchen & Dining Area	x	x			x
Conference Center					x
Golf Simulator				x	
Bicycle Storage	x		x	x	x
Dog Spa	x				x
Parking	x		x	x	
Pool					x
Fitness Center	x	x	x	x	x
Yoga Studio	x	x			x

Hunter Investments recognizes that The Barclay is a premier residential asset and has therefore carefully curated its amenity package to compete with its direct competitors. The amenities are centered around shared experiences to develop relationships between residents and their guests. Amenities were selected based on The Barclay's target demographic including young urban professionals and families. The Barclay has a stronger amenity package than all its direct competitors apart from the Hub which is a higher quality asset.

## Retail Market

New single-use retail construction in the area is limited due to land constraints, high land prices, high construction costs and a softening development market. However, retail is experiencing steady growth from mixed use developments in the area. The key “general” retail market data points in Prospect Heights are described as follows:

- Market rents and vacancy rate of \$46.43/SF and 3.8% respectively.
- 173,198 SF of general retail is in the construction pipeline.
- Positive net absorption projections of 69,900 SF over the next 12 months.
- Rent growth of -2.4% over the next 12 months.

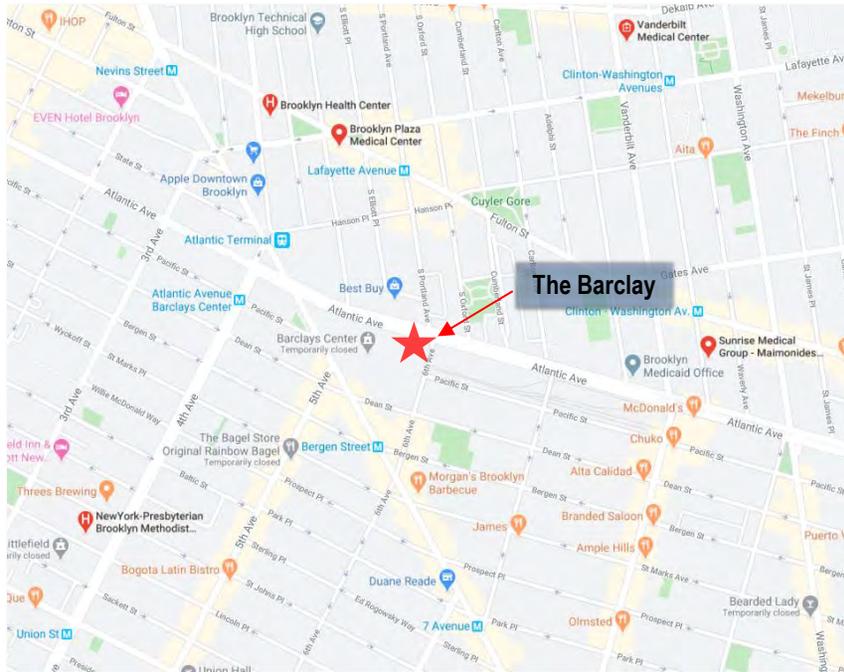
Nearby demand drivers including Barclays Center, Atlantic Terminal Mall and Atlantic Terminal Station generate high foot traffic counts for the site. Despite lackluster rent growth projections, the property is well positioned for a ground floor retail development.



# Community Facilities

## Medical Centers

The Barclay intends to lease 10,082 SF on the 2<sup>nd</sup> floor to a medical center which will support the 950 units in the building and the neighborhood at large. Market research indicates a lack of medical centers in the immediate vicinity of the property as indicated by the red icons on the map below. The medical center will be well positioned to capitalize on the increasing population density as more buildings come online as part of the Pacific Park megadevelopment.



## Daycare Centers

The Barclay also looks to lease 10,082 Sf on the 2<sup>nd</sup> floor to a daycare facility. The Prospect Heights demographics reveal that in 2018, 26.7% of households had children under 18 years old. Moreover, a 616-seat, 69,858 SF public school is being built as part of the 664 Pacific Street residential development across the street from the property. The daycare facility will support younger siblings of children attending the new public school, young families living in the surrounding neighborhood, and those residing in The Barclay.



## Target Demographic Segments

Prospect Heights attracts both families and young professionals due to the quiet neighborhood feel, proximity to Downtown Brooklyn and Manhattan office hubs, and the strong schooling system.

The median age of the neighborhood is 35.6. Moreover, 94.8% of the employed population are white collar workers and 80.8% are college educated. The development concept of The Barclay therefore looks to capture the young professional demographic through the heavily weighted studio and 1-bedroom unit mix, and an amenity package that includes collaborative workspaces and lounge areas that are designed in a sophisticated style.

There is a total of 24,510 households in Prospect Heights, of which, 20% contain children. Based on the submarket demographics, The Barclay includes a number of 2- and 3-bedroom unit types to cater for families. Moreover, amenities at the property include a children's playroom, games room, and dog spa to attract young families to the property.

The average household income in Prospect Heights of \$123,949 is significantly above the \$100,214 average of New York City. The average expenditure on housing across NYC is 39% of annual income, which based on Prospect Heights average household income equates to an average monthly expenditure on rent of \$4,028. Hunter Investments has conservatively targeted average market rent levels at \$3,403/month based on rent comparables.

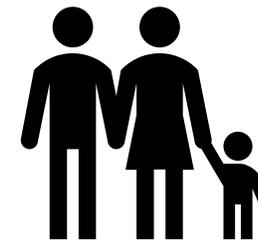
The population in the neighborhood is generally affluent, however, there is an older generation segment that are significantly below the average income and need affordable housing options. Therefore, The Barclay affordable rental units will provide housing for the demographic of low-income renters.

### Percentage of College Educated



80.8%

### Percentage of Households Containing Children



20%

### Average Household Income



\$123,949

# 5. FINANCIAL ANALYSIS

# Key Assumptions

- Purchase Price:** The land acquisition cost is \$198,640,371 and is based on a pre-negotiated contract with Empire State Development.
- Development Costs:** Total development costs of \$609,920,979 (\$735/SF). Modular construction can result in cost savings of up to 20% in some markets. However, given the complexity of NYC construction and the relatively new construction technique, Hunter Investments has underwritten a conservative 10% discount to construction costs on the residential portion of the project.
- Development Schedule:**
- Predevelopment for 6 months.
  - Design & Construction period for 24 months (reduced construction time of 10% due to modular construction).
  - Preleasing during construction for 6 months.
  - Leasing to stabilization post construction for 24 months.
- Debt Financing:**
- Acquisition & Construction Loan:
- Loan amount of \$457,440,735 representing 75% LTC and 61% stabilized LTV.
  - Term is 48 months, 6.00% coupon rate, interest only, 1% origination fee, and 0.50% closing costs.
- Permanent Refinance Loan:
- Loan amount of \$477,371,169 representing 64% stabilized LTV.
  - Term is 10 years, 30-year AM, 4.25% coupon rate, 1% origination fee, and 0.50% closing costs.
  - Minimum debt yield requirement of 7.00%, minimum DSCR requirement of 1.20x, and maximum LTV requirement of 65%.
- Equity Capitalization:** Total Equity Capitalization of \$159,341,856
- Hunter Investments to contribute \$15,934,186 (10% of total equity)
  - Limited Partners to contribute \$143,407,670 (90% of total equity)
- Distribution Waterfall:** All partners to receive distributions parri-passu up to a preferred return hurdle of 10%.
- Tier 1: Hunter Investments to receive a 20% promote up to a 15% return hurdle.
  - Tier 2: Hunter Investments to receive a 30% promote up to a 20% return hurdle.
  - Tier 3: Hunter Investments to receive a 40% promote over the Tier 2 hurdle.
- Residential Pricing:**
- Market rate units are priced competitively in line with the market comparables.
  - Affordable rate units under Option E are prescribed as follows: 10% of total units at 40% of AMI, 10% of total units at 60% of AMI and 5% of total units at 120% of AMI.
- Retail Pricing:**
- Retail rents were underwritten to \$60/SF which is below the \$63/SF average of the rent comparables. A downward adjustment was made due to the larger size of the tenant space.
  - Community facility rents were underwritten to \$45/SF which is below the \$63/SF average of the rent comparables. A downward adjustment was made due to the larger size of the tenant spaces and location on the 2<sup>nd</sup> floor of the building.

# Development Budget

Development Costs					
			Cost PSF	Total	% of TDC
<b>Land Costs</b>					
	Land Purchase Price		\$234.65	\$194,745,462	31.9%
	Closing Costs	2%	\$4.69	\$3,894,909	0.6%
<b>Total Land Costs</b>			<b>\$239.34</b>	<b>\$198,640,371</b>	<b>32.6%</b>
<b>Hard Costs</b>					
		<i>% of Hard Costs</i>			
	Residential Modular (10% Discount)		\$315.00	\$222,113,619	36.4%
	Retail		\$250.00	\$25,205,740	4.1%
	Parking		\$100.00	\$2,400,000	0.4%
	Residential & Amenity Interiors		\$50.00	\$33,891,459	5.6%
	Retail Tenant Improvements		\$50.00	\$1,764,402	0.3%
	Hard Cost Contingency	5.00%	\$17.19	\$14,268,761	2.3%
<b>Total Hard Costs</b>			<b>\$361.04</b>	<b>\$299,643,981</b>	<b>49.1%</b>
<b>Soft Costs</b>					
		<i>% of Hard Costs</i>			
	Development Fee	4.00%	\$14.44	\$11,985,759	2.0%
	Project Management	2.00%	\$7.22	\$5,992,880	1.0%
	General Contractor Fee	1.50%	\$5.16	\$4,280,628	0.7%
	G&A Overhead (Inc. Marketing)	4.00%	\$14.44	\$11,985,759	2.0%
	Permits, Bonds & Fees	3.00%	\$10.83	\$8,989,319	1.5%
	Property Taxes (Exempted over base due to 421A)	0.50%	\$1.81	\$1,498,220	0.2%
	Legal	3.00%	\$10.83	\$8,989,319	1.5%
	Finance Costs	1.53%	\$5.51	\$4,574,407	0.8%
	Architecture and Engineering Fees	3.00%	\$10.83	\$8,989,319	1.5%
	Retail Leasing Commissions	0.28%	\$1.02	\$847,491	0.1%
	Residential Broker Fee	1.50%	\$5.42	\$4,494,660	0.7%
	Soft Costs Contingency	4.00%	\$3.50	\$2,905,110	0.5%
<b>Total Soft Costs</b>		<b>25.21%</b>	<b>\$91.01</b>	<b>\$75,532,873</b>	<b>12.4%</b>
<b>Total Construction Costs</b>			<b>\$452.05</b>	<b>\$375,176,854</b>	<b>61.5%</b>
<b>Reserve Costs</b>					
	Construction Interest Reserve		\$38.11	\$31,626,006	5.2%
	Operating Reserve in Leaseup		\$5.40	\$4,477,749	0.7%
<b>Total Reserve Costs</b>			<b>\$43.50</b>	<b>\$36,103,754</b>	<b>5.9%</b>
<b>Total Development Costs</b>			<b>\$734.89</b>	<b>\$609,920,979</b>	<b>100.0%</b>

## Capitalization & Returns for Sale at Stabilization

In the sale at stabilization analysis, the property is sold once the residential and retail components are fully leased. The investment period is 6 years in total.

Construction Loan Sources & Uses		
<u>Uses</u>	<u>Amount</u>	<u>%</u>
Total Land Purchase Costs	\$198,640,371	33%
Total Construction Costs	\$375,176,854	62%
Reserve Costs	\$36,103,754	6%
Financing Costs	\$4,574,407	1%
Closing Costs	\$2,287,204	0%
<b>Total</b>	<b>\$609,920,979</b>	<b>100%</b>
<u>Sources</u>	<u>Amount</u>	<u>%</u>
Debt	\$457,440,735	75%
Equity	\$152,480,245	25%
<b>Total</b>	<b>\$609,920,979</b>	<b>100%</b>

Return Metrics for Sale Analysis			
	<u>IRR</u>	<u>Multiple</u>	<u>Profit</u>
<b>Project Level</b>			
Unlevered	9.73%	1.45	\$257,877,442
Levered	18.93%	2.37	\$218,302,326
<b>LP Equity</b>			
Levered	16.96%	2.18	\$169,306,758

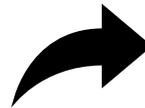
# Proforma for Sale at Stabilization

	Pre-Development	Construction		Lease-up		Stabilization
Year Month	1 6/30/2020	2 1/31/2021	3 1/31/2022	4 1/31/2023	5 1/31/2024	6 1/31/2025
<i>Residential Occupancy</i>				37%	83%	100%
<i>Retail Occupancy</i>				76%	100%	100%
<b>NOI</b>				\$16,759,018	\$29,888,615	\$33,816,661
Capex				(\$225,000)	(\$225,000)	(\$225,000)
Tenant Improvements				(\$211,728)	(\$211,728)	(\$211,728)
Leasing Commissions				(\$211,728)	(\$211,728)	(\$211,728)
<b>NCF</b>				\$16,110,562	\$29,240,159	\$33,168,204
Acquisition Costs	(\$198,640,371)					
Development Costs	(\$14,937,076)	(\$164,008,527)	(\$199,664,388)			
Net Sale Proceeds						\$756,608,879
<b>Unlevered NCF</b>	<b>(\$213,577,448)</b>	<b>(\$164,008,527)</b>	<b>(\$199,664,388)</b>	<b>\$16,110,562</b>	<b>\$29,240,159</b>	<b>\$789,777,084</b>
Profit	\$257,877,442					
PV	\$685,289,444					
NPV	\$108,039,081					
Unlevered IRR	9.73%					
Unlevered EM	1.45X					
<b>Construction Loan</b>						
Loan Proceeds	\$61,097,203	\$164,008,527	\$199,664,388	\$0	\$0	\$0
Interest Payment	(\$1,832,916)	(\$9,153,879)	(\$20,639,211)	(\$20,536,698)	(\$21,803,356)	(\$23,148,139)
Balloon Payment	\$0	\$0	\$0	\$0	\$0	(\$396,473,178)
Loan Origination Fee & Closing Costs	(\$6,861,611)					
<b>Levered NCF</b>	<b>(\$161,174,772)</b>	<b>(\$9,153,879)</b>	<b>(\$20,639,211)</b>	<b>(\$4,426,136)</b>	<b>\$7,436,803</b>	<b>\$370,155,766</b>
Interest Reserve	\$1,832,916	\$9,153,879	\$20,639,211	\$4,477,749	\$0	\$0
<b>Levered NCF After Int. Reserve</b>	<b>(\$159,341,856)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$51,613</b>	<b>\$7,436,803</b>	<b>\$370,155,766</b>
Profit	\$218,302,326					
Levered IRR	18.93%					
Levered EM	2.37X					

# Capitalization & Returns for Refinance

In the refinance analysis, the property is refinanced with a permanent loan in year 6 and is held for 10 more years till sale. The investment period is 15 years in total.

Construction Loan Sources & Uses		
Uses	Amount	%
Total Land Purchase Costs	\$198,640,371	33%
Total Construction Costs	\$375,176,854	62%
Reserve Costs	\$36,103,754	6%
Financing Costs	\$4,574,407	1%
Closing Costs	\$2,287,204	0%
<b>Total</b>	<b>\$609,920,979</b>	<b>100%</b>
Sources	Amount	%
Debt	\$457,440,735	75%
Equity	\$152,480,245	25%
<b>Total</b>	<b>\$609,920,979</b>	<b>100%</b>



Permanent Loan Sources & Uses		
Uses	Amount	%
Payoff Construction Loan	\$457,440,735	96%
Financing Costs	\$4,773,712	1%
Closing Costs	\$2,386,856	1%
Return of Equity	\$12,769,867	3%
<b>Total</b>	<b>\$477,371,169</b>	<b>100%</b>
Sources	Amount	%
Debt	\$477,371,169	100%
Equity	\$0	0%
<b>Total</b>	<b>\$477,371,169</b>	<b>100%</b>

Return Metrics for Refi Analysis			
	IRR	Multiple	Profit
<b>Project Level</b>			
Unlevered	8.01%	2.36	\$785,483,038
Levered	13.93%	4.63	\$578,222,061
<b>LP Equity</b>			
Levered	13.29%	4.34	\$451,444,784

# Proforma for Refinance

Year Month	Pre-Development	Construction			Lease-up		Stabilization	
	1 6/30/2020	2 1/31/2021	3 1/31/2022	4 1/31/2023	5 1/31/2024	6 1/31/2025	15 1/31/2034	
Residential Occupancy				37%	83%	100%	100%	
Retail Occupancy				76%	100%	100%	100%	
<b>NOI</b>				\$16,759,018	\$29,888,615	\$33,816,661	\$43,114,797	
Capex				(\$225,000)	(\$225,000)	(\$225,000)	(\$225,000)	
Tenant Improvements				(\$211,728)	(\$211,728)	(\$211,728)	(\$211,728)	
Leasing Commissions				(\$211,728)	(\$211,728)	(\$211,728)	(\$211,728)	
<b>NCF</b>				\$16,110,562	\$29,240,159	\$33,168,204	\$42,466,340	
Acquisition Costs	(\$198,640,371)							
Development Costs	(\$14,937,076)	(\$164,008,527)	(\$199,664,388)					
Net Sale Proceeds							\$940,874,265	
<b>Unlevered NCF</b>	<b>(\$213,577,448)</b>	<b>(\$164,008,527)</b>	<b>(\$199,664,388)</b>	<b>\$16,110,562</b>	<b>\$29,240,159</b>	<b>\$33,168,204</b>	<b>\$983,340,606</b>	
Profit	\$785,483,038							
PV	\$685,832,703							
NPV	\$108,582,340							
Unlevered IRR	8.01%							
Unlevered EM	2.36X							
<b>Construction Loan</b>								
Loan Proceeds	\$61,097,203	\$164,008,527	\$199,664,388	\$0	\$0	\$0	\$0	
Interest Payment	(\$1,832,916)	(\$9,153,879)	(\$20,639,211)	(\$20,536,698)	(\$21,803,356)	\$0	\$0	
Baloon Payment	\$0	\$0	\$0	\$0	\$0	(\$396,473,178)	\$0	
<b>Permanent Loan</b>								
Loan Proceeds	\$0	\$0	\$0	\$0	\$0	\$477,371,169	\$0	
Interest Payment	\$0	\$0	\$0	\$0	\$0	(\$16,954,452)	(\$11,734,826)	
Principal Payment	\$0	\$0	\$0	\$0	\$0	(\$11,226,098)	(\$16,445,725)	
Baloon Payment	\$0	\$0	\$0	\$0	\$0	\$0	(\$379,239,097)	
Loan Origination Fee & Closing Costs	(\$6,861,611)	\$0	\$0	\$0	\$0	(\$7,160,568)	\$0	
<b>Levered NCF</b>	<b>(\$161,174,772)</b>	<b>(\$9,153,879)</b>	<b>(\$20,639,211)</b>	<b>(\$4,426,136)</b>	<b>\$7,436,803</b>	<b>\$78,725,078</b>	<b>\$575,920,958</b>	
Interest Reserve	\$1,832,916	\$9,153,879	\$20,639,211	\$4,477,749	\$0	\$0	\$0	
<b>Levered NCF After Int. Reserve</b>	<b>(\$159,341,856)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$51,613</b>	<b>\$7,436,803</b>	<b>\$78,725,078</b>	<b>\$575,920,958</b>	
Profit	\$578,222,061							
Levered IRR	13.93%							
Levered EM	4.63X							

# Sensitivity Analysis

Sensitivity Table 1 (Levered IRR & EM for Sale Analysis)						
		Residential Rent Growth				
		0.50%	1.50%	2.50%	3.50%	4.50%
Vacancy Factor	3.00%	10.38% / 1.64x	15.33% / 2.04x	19.92% / 2.47x	24.27% / 2.95x	28.44% / 3.47x
	4.00%	9.81% / 1.59x	14.81% / 1.99x	19.43% / 2.42x	23.80% / 2.89x	27.99% / 3.41x
	5.00%	9.23% / 1.55x	14.27% / 1.94x	18.93% / 2.37x	23.32% / 2.84x	27.53% / 3.34x
	6.00%	8.64% / 1.51x	13.73% / 1.90x	18.42% / 2.32x	22.84% / 2.78x	27.06% / 3.28x
	7.00%	8.03% / 1.47x	13.17% / 1.85x	17.89% / 2.27x	22.34% / 2.73x	26.59% / 3.22x

Sensitivity Table 1 (Levered IRR & EM for Refinance Analysis)						
		Residential Rent Growth				
		0.50%	1.50%	2.50%	3.50%	4.50%
Vacancy Factor	3.00%	7.93% / 2.65x	11.22% / 3.62x	14.42% / 4.77x	17.55% / 6.13x	20.64% / 7.73x
	4.00%	7.70% / 2.60x	10.99% / 3.56x	14.18% / 4.70x	17.30% / 6.04x	20.39% / 7.62x
	5.00%	7.47% / 2.55x	10.75% / 3.50x	13.93% / 4.63x	17.05% / 5.96x	20.13% / 7.52x
	6.00%	7.24% / 2.50x	10.51% / 3.44x	13.69% / 4.56x	16.80% / 5.87x	19.87% / 7.42x
	7.00%	7.01% / 2.45x	10.27% / 3.38x	13.44% / 4.49x	16.55% / 5.79x	19.61% / 7.32x

Sensitivity Table 2 (Levered IRR & EM for Sale Analysis)						
		Residential Units Lease Per Period				
		24	28	32	36	40
		18.51% / 2.33x	18.75% / 2.36x	18.94% / 2.37x	19.09% / 2.38x	19.22% / 2.39x

Sensitivity Table 2 (Levered IRR & EM for Refinance Analysis)						
		Exit Year				
		9	10	11	12	15
Residential Units Leased Per Period	24	17.33% / 3.26x	16.38% / 3.46x	15.61% / 3.66x	14.99% / 3.88x	13.67% / 4.60x
	28	17.56% / 3.29x	16.60% / 3.48x	15.82% / 3.68x	15.19% / 3.89x	13.85% / 4.61x
	32	17.69% / 3.30x	16.72% / 3.50x	15.94% / 3.70x	15.30% / 3.91x	13.94% / 4.63x
	36	17.80% / 3.32x	16.82% / 3.51x	16.03% / 3.71x	15.39% / 3.93x	14.02% / 4.65x
	40	17.89% / 3.33x	16.90% / 3.52x	16.11% / 3.72x	15.46% / 3.94x	14.08% / 4.66x

Sensitivity Table 3 (Levered IRR & EM for Sale Analysis)						
		Residential Construction Hard Costs				
		\$300	\$325	\$350	\$375	\$400
General Contractor Fee	0.50%	22.95% / 2.79x	21.15% / 2.60x	19.39% / 2.42x	17.65% / 2.25x	15.94% / 2.09x
	1.00%	22.74% / 2.77x	20.93% / 2.57x	19.16% / 2.39x	17.41% / 2.22x	15.68% / 2.07x
	1.50%	22.54% / 2.75x	20.71% / 2.55x	18.93% / 2.37x	17.17% / 2.20x	15.43% / 2.04x
	2.00%	22.33% / 2.73x	20.50% / 2.53x	18.70% / 2.35x	16.92% / 2.18x	15.17% / 2.02x
	2.50%	22.12% / 2.70x	20.28% / 2.51x	18.46% / 2.32x	16.68% / 2.16x	14.91% / 2.00x

Sensitivity Table 3 (Levered IRR & EM for Refinance Analysis)						
		Residential Construction Hard Costs				
		\$300	\$325	\$350	\$375	\$400
General Contractor Fee	0.50%	15.98% / 5.23x	15.04% / 4.95x	14.16% / 4.69x	13.34% / 4.44x	12.56% / 4.22x
	1.00%	15.87% / 5.20x	14.93% / 4.92x	14.05% / 4.66x	13.22% / 4.41x	12.44% / 4.19x
	1.50%	15.75% / 5.17x	14.81% / 4.89x	13.93% / 4.63x	13.11% / 4.39x	12.33% / 4.16x
	2.00%	15.64% / 5.14x	14.70% / 4.86x	13.82% / 4.60x	12.99% / 4.36x	12.21% / 4.13x
	2.50%	15.52% / 5.11x	14.59% / 4.83x	13.71% / 4.57x	12.88% / 4.33x	12.10% / 4.10x

# 6. DELIVERY & EXECUTION

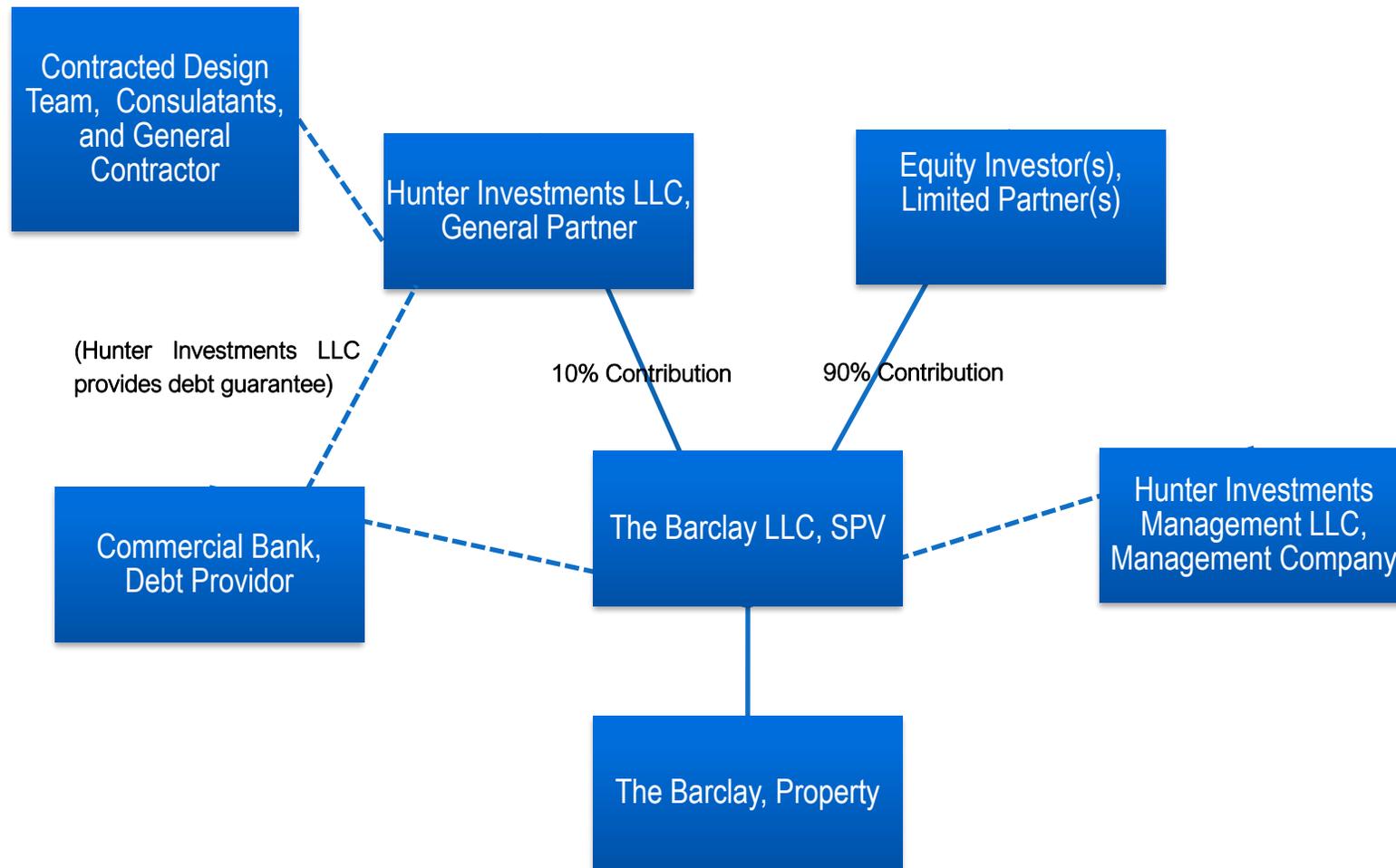
# Project Schedule

Year			2020		2021				2022				2023				2024			
Quarter			3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Item	Phase	Months																		
1	Negotiate & Sign PSA	1	■																	
2	Predevelopment	6	■	■																
3	Land Acquisition	1/1/2021			■															
4	Design & Construction	24			■	■	■	■	■	■	■									
5	Substantial Completion	12/31/2022										■								
6	TCOs Obtained	12/31/2022										■								
7	Preleasing / Lease Up to Stab.	30										■	■	■	■	■	■	■	■	■
8	C of O Obtained	1/1/2023											■							
12	Stabilization	12/31/2024																		■
<b>Total</b>		54																		
<b>Years</b>		4.5																		

Hunter Investments preliminary development schedule projects a 54-month schedule (4.5 years) from signing the PSA through to stabilization of the asset. Construction efficiencies to be realized in the construction phase due to offsite modular construction.

## Organizational Chart

Hunter Investments proposes the following deal structure for the acquisition and development of The Barclay. Please note that Hunter Investments will provide the completion guarantee for the acquisition and construction loan.



# Marketing Strategy

## Marketing Focus

The marketing strategy will look to focus on elements of The Barclay that make it unique. The group-based amenities and events structured around human connection and experiences will be the focal point of the branding. The idea that a resident finds a home but also a community within the building is something that will make The Barclay truly special.

Moreover, the marketing will center around efforts to entice the target demographic. An emphasis on the larger 2-, 3- bedroom, pet-friendly units will attract families to the property. On the other hand, the ground floor retail concept along with the amenity floors packed with lounge, workspaces, and a fitness center will appeal to young urban professionals.



## Marketing Company

Hunter Investments will employ *Douglas Elliman* to head marketing and leasing efforts for The Barclay. Douglas Elliman has a proven track record of successfully curating branding for new residential developments in unique and creative ways, which is essential for a product differentiator such as The Barclay. Douglas Elliman will leverage over 100 years of brokerage experience to effectively lease the property to stabilization.

# 7. RISKS & MITIGANTS

## Risks & Mitigants

**Risk 1: Modular construction is a relatively new construction technique that has unproven results.**

*Mitigant 1:* FullStack Modular has experience in New York modular residential high-rise construction. 461 Dean Street is the tallest modularly constructed residential building in the world and proves FullStack's ability to build on this scale. Hunter Investments & FullStack Modular will look to build on the best practices from 461 Dean Street and create even greater efficiencies through construction at The Barclay.

*Mitigant 2:* Hunter Investments has underwritten conservative assumptions when it comes to cost and time savings associated with modular construction. Market research indicates that modular construction can save up to 20% on hard costs and reduce construction scheduling by 30-50% in some markets. Hunter Investments has underwritten a 10% discount on the residential hard costs and reduced construction scheduling by just 10%.

*Mitigant 3:* Hunter investments will employ a third-party modular construction consultant from Elements Europe to oversee the modular component of the development project. Elements Europe is a premier UK based modular construction company with a track record for successfully constructing high-rise residential towers. Hunter Investments hopes to combine the knowledge of an industry veteran with an innovative New York based modular construction company to yield the best results for the project.

**Risk 2: Inability to lease larger retail and community facility spaces.**

*Mitigant 1:* The Prospect Heights retail market is tight with a 3.8% market vacancy and positive net absorption projections of 69,900 SF over the next 12 months. Additionally, Hunter Investments has underwritten conservative rental amounts of \$60/SF for ground floor retail and \$45/SF for 2<sup>nd</sup> floor retail in comparison to the average of \$63/SF for the direct comparables.

*Mitigant 2:* Nearby demand drivers including Barclays Center, Atlantic Terminal Mall and Atlantic Terminal Station generate heavy foot traffic counts for the site. The property also benefits from its visibility along Atlantic Avenue which experiences extremely high daily foot and car traffic counts. The Barclay was designed to invite the public in through a setback of 30 feet from Sixth Avenue complete with outdoor seating arrangements and beautiful landscaping.

*Mitigant 3:* The Barclay is bringing 950 units online which will provide a stable customer base for the retail tenants in the building. Moreover, additional high-rise residential and office towers are being constructed as part of Pacific Park which will also increase demand for the retail spaces.

**Risk 3: Leasing velocity of 32 residential units per month may be aggressive.**

*Mitigant 1:* The Prospect Heights multifamily market is incredibly strong. The 4- & 5-Star multifamily vacancy rate is 5.1% in Propsect Heights and the projected positive absorption over next 12 months is 536 units which is significantly stronger than historical average of 282 units. Moreover, The Frederick, last year's largest delivery at 193 units, reached stabilization just three months after opening. The 363-unit 461 Dean Street development reached full occupancy a little more than a year after opening in January 2017.

*Mitigant 2:* The average household income in Prospect Heights of \$123,949 is significantly above the \$100,214 average of New York City. The average expenditure on housing across NYC is 39% of annual income, which based on Prospect Heights average household income equates to an average monthly expenditure on rent of \$4,028. The target average rent levels of The Barclay are \$3,403/month. Hunter Investment believes that the units are priced affordably which will increase leasing velocity and reduce vacancies.

*Mitigant 3:* The sensitivity tables confirm that decreased leasing velocity only marginally impacts returns for the project. In the for-sale scenario, a decreased leasing velocity of 24 units per month reduces IRR from 19.26% to 18.83%.

*Mitigant 4:* Douglas Elliman has over 100 years of commercial brokerage experience in New York City with vast experience leasing rental residential towers such as The Barclay.

## 8. SPONSOR BIO

# Sponsor Bio

## Hunter Investments

Headquartered in New York, NY, Hunter Investments is a privately held, development firm founded in 2020 with a focus on the acquisition and development of ground up mixed-use projects. Hunter Investments has many years of local development experience and in conjunction with institutional investment partners, is well capitalized to develop opportunistically in New York City. Hunter Investments seeks to differentiate itself from the competition and create a brand that is revered for its community driven programming. Through economies of scale in its development portfolio, Hunter Investments will look to leverage its operations through its subsidiary, Hunter Investment Management, to assist in managing and creating operating efficiencies for their properties.

## Hunter Pie – Founder and Managing Principal

Hunter is responsible for strategic planning, investment decisions and overseeing all aspects of Hunter Investments operations, financing activities and investor relations. Hunter has over 4 years of commercial real estate capital market experience. Hunter returned school to pursue a Master's Degree in Real Estate Development at Columbia University with a focus on residential development, investment and financing.



# 9. APPENDIX

# Programming & Building Specs

Property Programming Specs		
Lot Size (SF)	31,906	
Subsurface Parking Garage Gross SF	24,000	2.9%
Residential Lobby & Retail Gross SF	25,206	3.0%
Community Facility Gross SF	25,206	3.0%
Amenities Gross SF	50,411	6.1%
Residential Gross SF	705,123	85.0%
<b>Total Gross SF</b>	<b>829,946</b>	<b>100.0%</b>
Subsurface Parking Garage Net SF (85% efficiency)	20,400	2.8%
Residential Lobby & Retail Net SF (60% efficiency)	15,123	2.1%
Community Facility Net SF (80% efficiency)	20,165	2.7%
Amenities Net SF (80% efficiency)	40,329	5.5%
Residential Net SF (90% efficiency)	637,500	86.9%
<b>Total Net SF (88% efficiency):</b>	<b>733,517</b>	<b>100.0%</b>

Building Specs	
Lot Coverage	79%
Building Footprint	25,206
Floor Plate Size (Basement through Floor 4) (79% Lot Coverage)	25,206
Floor Plate Size (Floor 4 through 31) (65% Lot Coverage)	20,739
Number of Parking Spaces	63
Number of Retail Tenants	1
Number of Community Facility Tenants	2
Number of Residential Units	950
Cumulative Height of the Building (Ft)	432
Subsurface Parking Garage Floors	1
Retail and Residential Lobby Floors	1
Community Facility Floors	1
Amenities Floor	2
Residential Floors	34
<b>Total Floors (Above Ground)</b>	<b>38</b>

# Detailed Assumptions

Operation Assumptions	
Revenue	
Residential Rent Growth	2.50%
Retail Rent Growth	Per Lease
Residential Market Vacancy Rate	5.00%
Residential Affordable Vacancy Rate	5.00%
Residential Blended Vacancy Rate	5.00%
Retail Vacancy Rate	5.00%
Other Income	5.00%
Expenses	
Mgmt Fees	4%
Residential Capex / Unit	\$250
Retail Capex / SF	\$0.15
Tenant Improvements	\$0.50
Leasing Commissions	\$0.50

Tenant Assumptions	
Tenant Improvements (New)	\$50.00
Tenant Improvements (Renew)	\$25.00
Leasing Commissions (New)	6%
Leasing Commissions (Renew)	3%

Valuation	
Value at Stabilization in Year 6	\$751,481,347
Exit Year in Sale at Stabilization Analysis	6
Exit Year in Refinance Analysis	15
Exit Cap Rate	4.50%
Sales Cost	2%
Discount Rate	7%
Method	FTM

Lease Up Assumptions (Months)	
Total Leasing Period	30
Res. Units Leased Per Period	32
Ground Floor Retail Occupancy in Month	1
Community Facility Occupancy in Month	6

Period Analysis	
Predevelopment Period (Months)	6
Construction Period (Months)	24
Preleasing Period (Months)	6
Leasup Period (Months)	24
<b>Total</b>	<b>54</b>

Waterfall Inputs				
	Hurdle	GP	LP	GP Promote %
Tier I (up to Hurdle I)	10.0%	10.0%	90.0%	0.0%
Tier II (from Hurdle I up to Hurdle II)	15.0%	8.0%	72.0%	20.0%
Tier III (from Hurdle II up to Hurdle III)	20.0%	7.0%	63.0%	30.0%
Thereafter (Above Hurdle III)		6.0%	54.0%	40.0%

# Residential Rent Roll & Affordability

Unit Mix Residential							
Market							
Type	SF	Number of Units	% of Total Units	Total SF	Rent / Month	Rent/Mth/SF	Total Rent
Studio	500	270	28%	135,000	\$3,146	\$6.29	\$10,191,525
1 Bed / 1 Bath	675	270	28%	182,250	\$3,986	\$5.91	\$12,915,329
2 Bed / 2 Bath	875	140	15%	122,500	\$5,585	\$6.38	\$9,383,627
3 Bed / 2 Bath	1025	35	4%	35,875	\$7,080	\$6.91	\$2,973,740
<b>Average / Total</b>	<b>665</b>	<b>715</b>	<b>75%</b>	<b>475,625</b>	<b>\$4,133</b>	<b>\$6.21</b>	<b>\$35,464,221</b>
Affordable							
Type	SF	Number of Units	% of Total Units	Total SF	Rent / Month	Rent/Mth/SF	Total Rent
Studio	500	80	8%	40,000	\$930	\$1.86	\$892,416
1 Bed / 1 Bath	675	80	8%	54,000	\$1,173	\$1.74	\$1,126,272
2 Bed / 2 Bath	875	60	6%	52,500	\$1,419	\$1.62	\$1,021,968
3 Bed / 2 Bath	1025	15	2%	15,375	\$1,632	\$1.59	\$293,724
<b>Average / Total</b>	<b>689</b>	<b>235</b>	<b>25%</b>	<b>161,875</b>	<b>\$1,182</b>	<b>\$1.72</b>	<b>\$3,334,380</b>
Total Unit Mix							
Type	SF	Number of Units	% of Total Units	Total SF	Avg. Rent / Month	Avg. Rent/Mth/SF	Total Rent
Studio	500	350	37%	175,000	\$2,639	\$5.28	\$11,083,941
1 Bed / 1 Bath	675	350	37%	236,250	\$3,343	\$4.95	\$14,041,601
2 Bed / 2 Bath	875	200	21%	175,000	\$4,336	\$4.96	\$10,405,595
3 Bed / 2 Bath	1025	50	5%	51,250	\$5,446	\$5.31	\$3,267,464
<b>Average / Total</b>	<b>671</b>	<b>950</b>	<b>100%</b>	<b>637,500</b>	<b>\$3,403</b>	<b>\$5.07</b>	<b>\$38,798,601</b>

Affordable Unit Breakdown										
Unit Type	Tier: 40%		Tier: 60%		Tier: 120%		Tier: Affordable Total		Tier: Market Total	
	# of Units	Monthly Rent	# of Units	Monthly Rent	# of Units	Monthly Rent	# of Units	Monthly Rent	# of Units	Monthly Rent
Studio	32	\$535	32	\$856	16	\$1,866	80	\$930	270	\$3,146
One Bedroom	32	\$681	32	\$1,081	16	\$2,342	80	\$1,173	270	\$3,986
Two Bedroom	24	\$828	24	\$1,309	12	\$2,823	60	\$1,419	140	\$5,585
Three Bedroom	6	\$949	6	\$1,504	3	\$3,253	15	\$1,632	35	\$7,080
<b>Total</b>	<b>94</b>		<b>94</b>		<b>47</b>		<b>235</b>		<b>715</b>	
<b>Percent of Total</b>	<b>10%</b>		<b>10%</b>		<b>5%</b>		<b>25%</b>		<b>75%</b>	

# Residential Rent Comparable Analysis

Rent Comparable Adjustment Analysis						
	Distance from Subject	Location	Year Built	Quality	Unit Balconies	Size
Subject Property	0	Strong	2022	High	No	950 Units
<i>Adjustment:</i>						
461 Dean Street	0.1 miles	Equal	2016	Inferior	No	363 Units
<i>Adjustment:</i>		-	5%	5%	-	-5%
300 Ashland	0.5 miles	Equal	2017	Equal	Yes	379 Units
<i>Adjustment:</i>		-	5%	-	-3%	-5%
Hoyt & Horn (45 Hoyt Street)	0.9 miles	Superior	2018	Inferior	Yes	398 Units
<i>Adjustment:</i>		-3%	5%	5%	-3%	-5%
Hub (333 Schermerhorn Street)	0.6 miles	Equal	2019	Superior	No	750 Units
<i>Adjustment:</i>		-	-	-5%	-	-

Rent Comparable Adjustment Analysis (CONTINUED)															
	Amenities														
	Lounge	Games Room	Movie Room	Children's Playroom	Kitchen & Dining Area	Conference Center	Golf Simulator	Bicycle Storage	Dog Spa	Parking	Pool	Fitness Center	Yoga Studio	Outdoor Area	Total Adjustment
Subject Property	x	x	x	x	x			x	x	x	x	x	x		
<i>Adjustment:</i>															
461 Dean Street	x	x		x	x							x	x	x	
<i>Adjustment:</i>			1%					1%	1%	1%				-1%	3%
300 Ashland	x							x		x	x			x	
<i>Adjustment:</i>		1%	1%	1%	1%				1%				1%	-1%	5%
Hoyt & Horn (45 Hoyt Street)	x	x		x			x	x		x		x		x	
<i>Adjustment:</i>			1%		1%		-1%		1%				1%	-1%	2%
Hub (333 Schermerhorn Street)	x	x	x	x	x	x		x	x		x	x	x	x	
<i>Adjustment:</i>						-1%				1%	-1%			-1%	-2%

# Residential Concluded Market Rent and Retail Rent Roll

Residential Rent Comps							
Unit Type	Property	Unit	Unit Specs	Size (SF)	Monthly Rent	Adjustments	Concluded Market Rent
Studio	461 Dean St	#4E	studio/1 bath	435	\$2,799	8%	\$3,023
	300 Ashland Place	#17J	studio/1 bath		\$2,971	2%	\$3,030
	Hoyt & Horn (45 Hoyt Street)	#10H	studio/1 bath	494	\$3,362	1%	\$3,396
	Hub (333 Schermerhorn Street)	#29N	studio/1 bath		\$3,369	-7%	\$3,133
			<b>Average</b>	<b>465</b>	<b>\$3,044</b>		<b>\$3,146</b>
1 Bedroom	461 Dean St	#33D	1 bed/1 bath	696	\$3,950	8%	\$4,266
	300 Ashland Place	#15B	1 bed/1 bath		\$3,988	2%	\$4,068
	Hoyt & Horn (45 Hoyt Street)	#6P	1 bed/1 bath	628	\$3,615	1%	\$3,651
	Hub (333 Schermerhorn Street)	#34F	1 bed/1 bath		\$4,258	-7%	\$3,960
			<b>Average</b>	<b>662</b>	<b>\$3,953</b>		<b>\$3,986</b>
2 Bedroom	461 Dean St	#25C	2 bed/2 bath	1086	\$5,344	8%	\$5,772
	300 Ashland Place	#10A	2 bed/2 bath		\$5,515	2%	\$5,625
	Hoyt & Horn (45 Hoyt Street)	#3H	2 bed/2 bath	1200	\$5,510	1%	\$5,565
	Hub (333 Schermerhorn Street)	#48E	2 bed/2 bath		\$5,785	-7%	\$5,380
			<b>Average</b>	<b>1143</b>	<b>\$5,539</b>		<b>\$5,585</b>
3 Bedroom	353 Prospect Place	#1R	3 bed/2 bath		\$6,965		\$6,965
	180 Montague St	#33B	3 bed/2 bath	1207	\$6,846		\$6,846
	99 Rockwell Place	#48	3 bed/2 bath		\$7,430		\$7,430
			<b>Average</b>	<b>1207</b>	<b>\$7,080</b>		<b>\$7,080</b>

Retail Rent Roll											
Tenant Name	SF	% of Total SF	Base Rent / SF	Current Base Rent	Rental Increase	Lease Type	Lease Start	Lease Expiration	Lease Term (Years)	Options	Comments
Restaurant / Bar / Café / Bodega	15,123	43%	\$60.00	\$907,407	3% Annually	Modified Gross	1/1/2023	1/31/2030	7	2, 5-year	3 months of Concessions
Day Care Facility	10,082	29%	\$45.00	\$453,703	3% Annually	Modified Gross	1/1/2023	1/31/2030	7	2, 5-year	3 months of Concessions
Medical Center	10,082	29%	\$45.00	\$453,703	3% Annually	Modified Gross	1/1/2023	1/31/2030	7	2, 5-year	3 months of Concessions
<b>Total/Average</b>	<b>35,288</b>	<b>100%</b>	<b>\$51.43</b>	<b>\$1,814,813</b>							