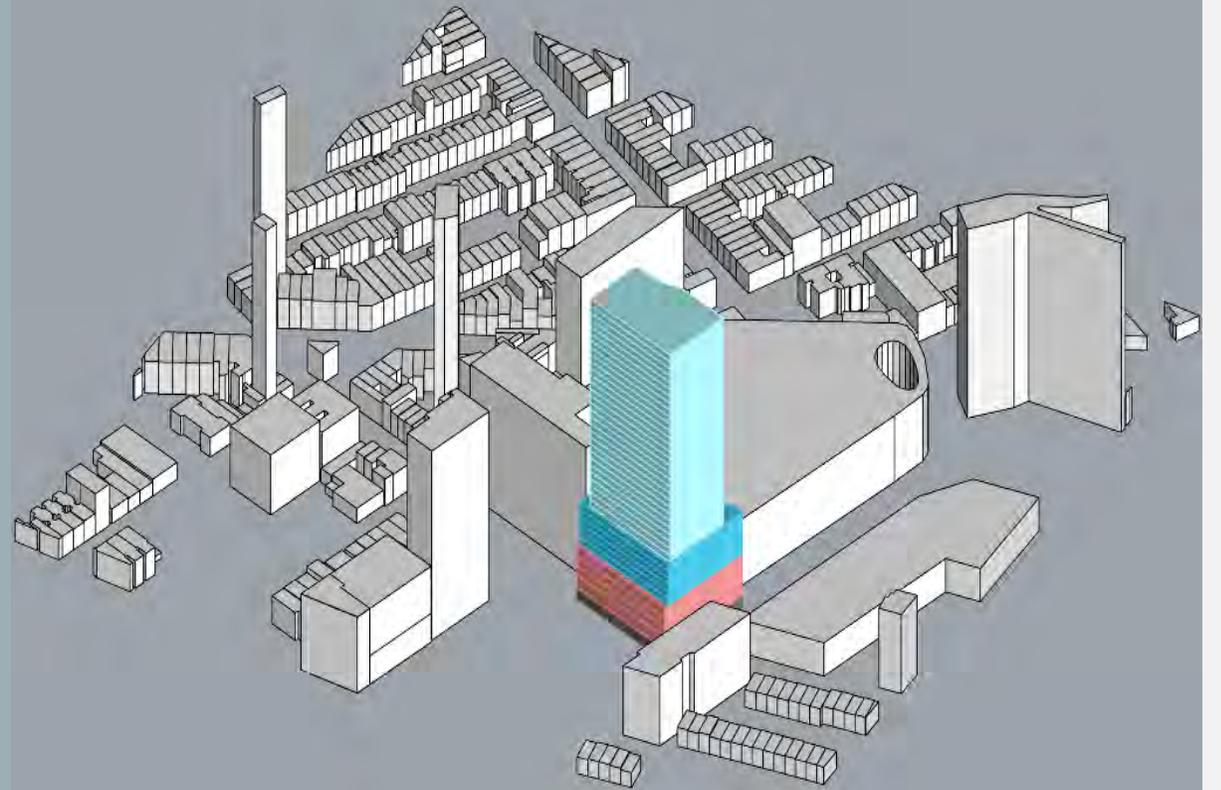
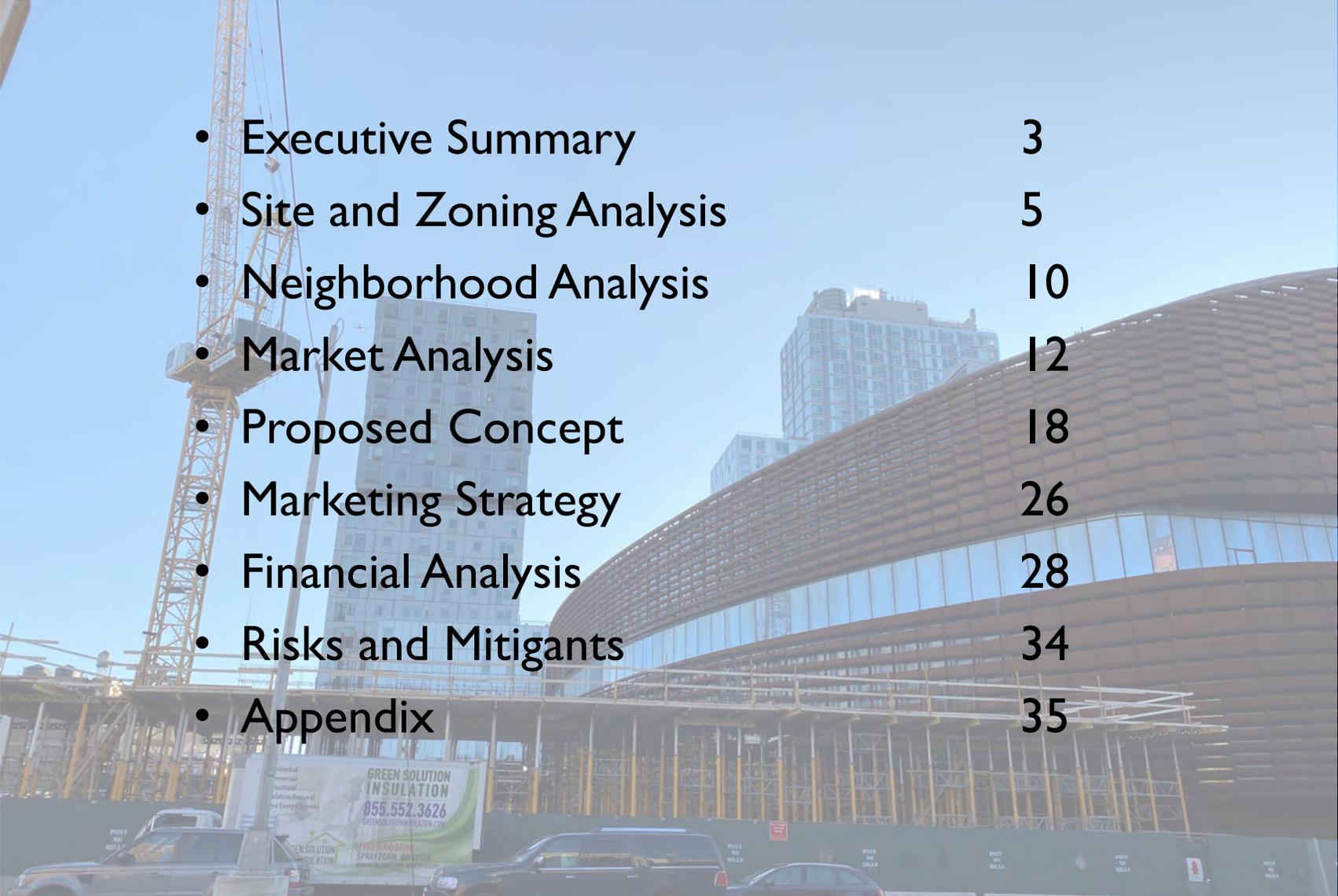


PACIFIC PARK B4  
18 SIXTH AVE, BROOKLYN

Shuo Wang  
Columbia University  
MSRED' 20



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# EXECUTIVE SUMMARY

The Company is seeking an investor for the acquisition and development of a 32,000 square feet site located immediate adjacent to Barclay's Center on Sixth Avenue in Brooklyn. The proposed development project is a mixed used **46 stories luxury residential tower** with **3 floors of retail** component in the Pacific Park neighborhood of Brooklyn.

Along with the rising of Brooklyn office market featured by the Brooklyn Triangle, the local neighborhood has grown into an affluent young community with 70% higher than the city's average income and increasing demand for upscale rental units. The proposed development project will include **840 units** to capture the continued unsatisfied demand of luxury rental apartments.

To further utilized the superior location of the site, the retail component in the project is mainly designed to capture the robust foot traffic generated by the Barclays Center and to accommodate the taste of young and professionals with targeted tenant of boutique stores and trendy online branding pursuing to of offline.

# EXECUTIVE SUMMARY

## Investment Highlights

Unlevered IRR

**9.3%**

Unlevered EM

**1.8x**

Development Yield

**6.8%**

Levered IRR

**14.1%**

Levered EM

**2.6x**

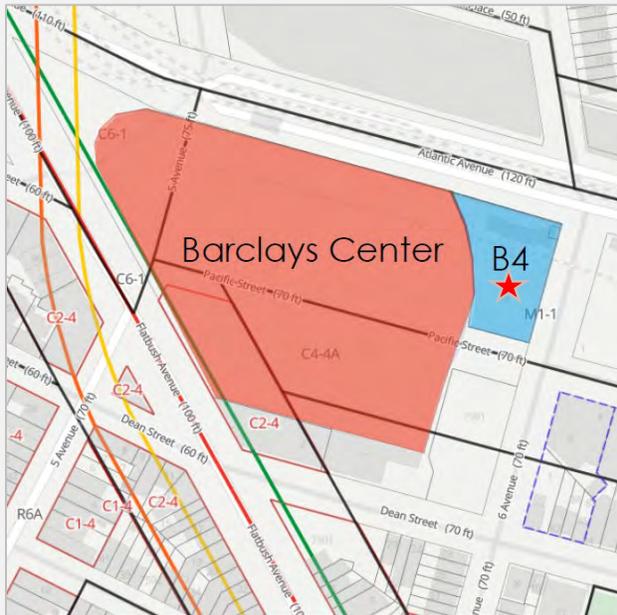
Cash-on-Cash

**9.3%**



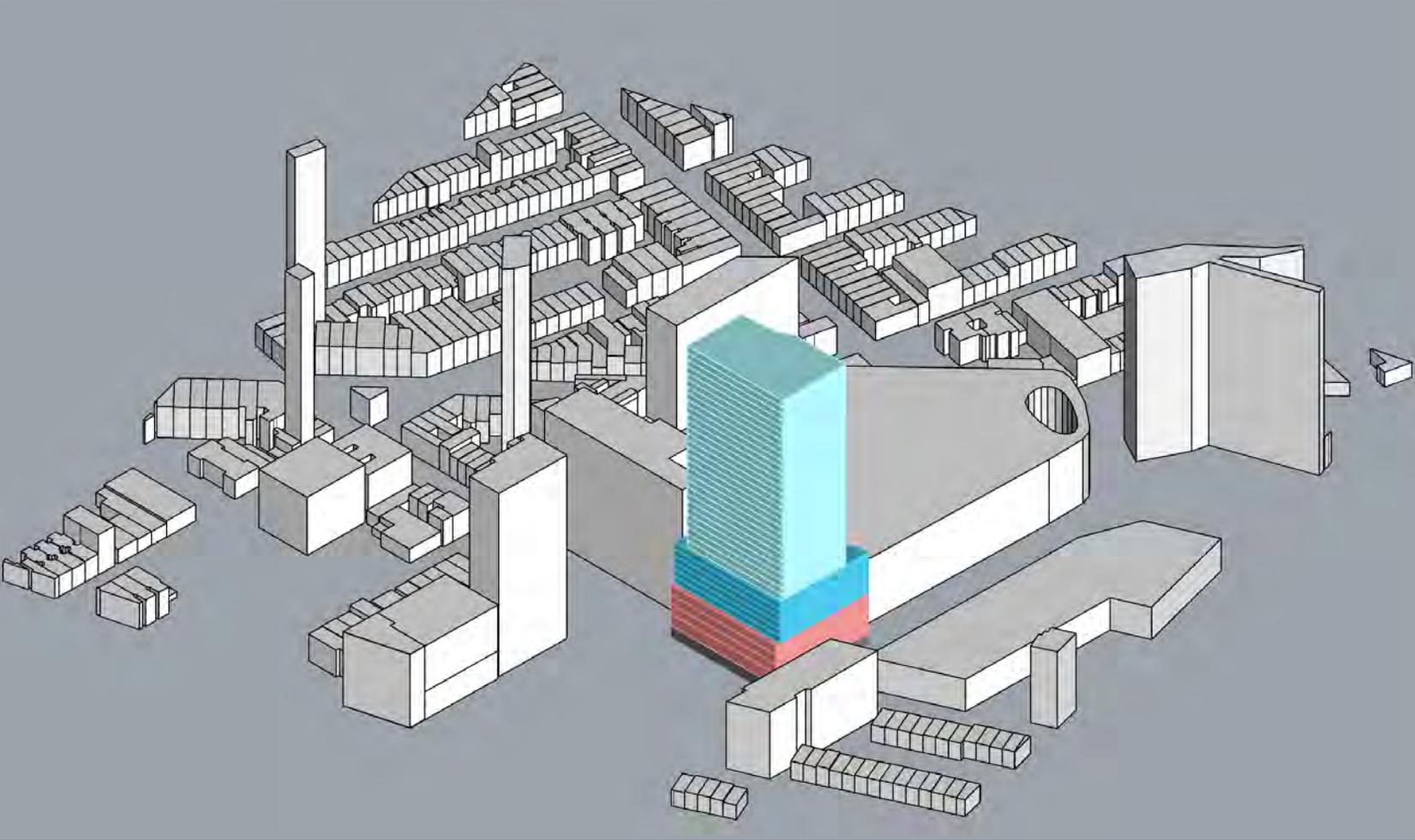
# ZONING ANALYSIS

Located in the junction of Downtown Brooklyn and Prospect Heights submarket of Brooklyn, the Property site consists of a 32,000 sq. ft. land parcel located immediate next to Barclays Center. The Site falls under development lease with Empire State Development and converts into fee simple upon completion. New York State zoning authority overrules and exempts site from New York zoning regulation. Currently, the Site has been approved of residential tower above retail base use. Given current market situation, and that it would take approximately 18 months to go through ULIRP to change current use, maintaining current use would be more economical.



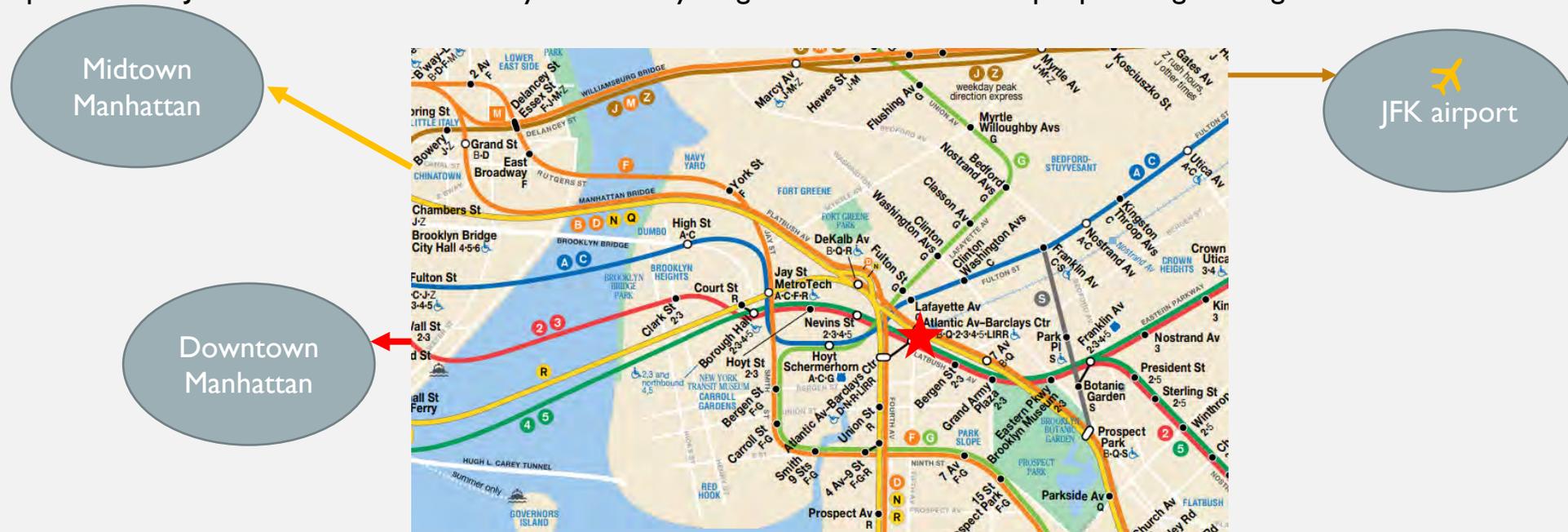
Site Location: B4 Block 1118; Lot 4&7  
Lot Area: 32,000 SF  
Use: Residential tower above retail base  
Retail: 50,000 GSF  
Residential:  
780,000 GSF (24,000 SF below grade)  
585,000 RSF and 18,000 SF of interior amenity space

# MASSING



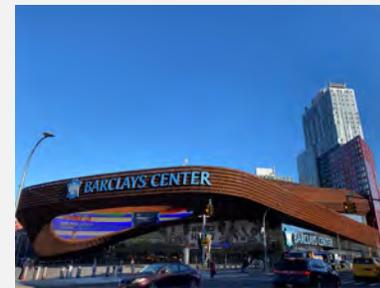
# SITE ANALYSIS

**Transit Accessibility:** The site under consideration have excellent access to a number of transportation options. MTA subway station is just across Barclay Center, providing access to Line 2,3,4,5, B, D, N, Q, R. It would take 10 minutes to Downtown Brooklyn, 15 minutes to Financial District and 30 minutes to Midtown Manhattan, which makes the proposed site perfect location for commuters working in major business centers in Manhattan and Brooklyn to live. Additionally, Atlantic Terminal train station is just across the street and within 5-minutes' walk distance. The train station has access to several LIRR trains, which provides transportation to JFK and makes the site easily accessed by long distance travelers and people living in Long Island.



# SITE ANALYSIS

**Adjacent Built Environment:** The proposed site sits in the center of Pacific Park, which is a new neighborhood to be built on the LIRR railway yard. To the immediate west is the Barclays Center, home to the Brooklyn Nets and the New York Islanders. Serving as the attraction for both local residents and tourists, it offers 17,732 seats for basketball, 15,795 for hockey, and up to 19,000 seats for concerts. To the south of the site locates a 33 stories luxury apartment building, 461 Dean Apartments, built in 2016 with 363 units. To the east of the sites is the rail yard under construction. 3 more residential building above the rail yard, and all will contain affordable units. There is a shopping center located to the north across the street, Atlantic Center. The shopping center is anchored by Burlington Coat Factory and Best Buy, and is roughly 80% occupied.



# SITE ANALYSIS

## Neighborhood offerings:

- Parks: There are two parks within one kilometer's distance, Fort Greene Park and Prospect Park.
- Libraries and Museums and Entertainments: Brooklyn public library, Brooklyn Museum, BRIC and Brooklyn Academy of Music are all within one kilometer's distance.
- Schools: The neighborhood boasts abundant high-quality school resources from elementary schools to high schools such as Park Slope Elementary School and Brooklyn Technical High School.
- Grocery: Whole Foods Market and Stop&Shop in Atlantic Center.



# NEIGHBORHOOD ANALYSIS

**Neighborhood Demographics:** The surrounding area has gone through considerable changes over the last five years and formed a young affluent neighborhood. According to American Community Survey of 2018, population in zip code 11217 area, in which the proposed property falls, has increased by 7.4% to 41,407 people, while the population of NYC remains the same. The immediately surrounding neighborhood with zip code 11283 also shows the same trends. Moreover, only 10.5% of the local residents is 65 years and older whereas that for NYC is 14.1%, showing a relatively young and growing neighborhood with higher demand for housing and consumption. At the same time, median income of households of this area has risen by 26% to \$107,362, which is 77% higher than the MIH of overall NYC. Over 52% of the local zip code makes over \$100,000 per year compared to just 30% of NYC, showing a **higher purchase power** of local residents which could not only support higher rents but also demand for retail.

Population			
	2014	2018	Change
11217	38,567	41,407	7.4%
11215	70,156	70,156	0.0%
11238	51,959	54,540	5.0%
NYC	8,400,000	8,400,000	0.0%

Households by Income				
	11217	11215	11238	NYC
Less than \$50K	27.0%	18.3%	32.3%	43.10%
\$50K - \$99K	20.2%	22.1%	24.8%	25.7%
\$100 - \$199K	28.5%	33.3%	27.6%	21.0%
\$200K or more	24.3%	26.4%	15.4%	10.2%
Median income of households(2018)	\$107,362	\$123,583	\$85,407	\$60,762
MIH (2014)	\$85,199	\$99,040	\$69,491	\$52,737
Change	26.0%	24.8%	22.9%	15.2%

# NEIGHBORHOOD ANALYSIS

**Neighborhood Demographics:** Nearly 80% (same for NYC) people in the area are private wage and salary workers, and 8.8% (NYC 6.5%) are self-employed workers in own not incorporated business. Most of the working force have management, business, sciences, and arts occupations in **TAMI (technology, advertising, media and information), FIRE (finance and insurance, and real estate and rental and leasing) and educational services, and health care and social assistance industries.** The concentration of information, professional, scientific, and management and administrative and waste management services is much higher in the local area than the city as a whole, shown by an incremental percentage of 6% and 10%, respectively. This indicates that the local neighborhood attracts technology and professional services employees who would prefer a modern convenient lifestyle with more advanced amenities.

Employment by Industry	11217	11215	11238	NYC
Agriculture, forestry, fishing and hunting, and mining	0.1%	0.1%	0.2%	0.1%
Construction	2.5%	2.0%	1.3%	5.1%
Manufacturing	2.4%	2.3%	2.4%	3.3%
Wholesale trade	0.9%	1.9%	1.4%	2.1%
Retail trade	7.5%	6.7%	7.5%	9.3%
Transportation and warehousing, and utilities	2.0%	1.3%	3.0%	6.4%
Information	9.6%	9.8%	10.1%	3.8%
Finance and insurance, and real estate and rental and leasing	10.9%	9.4%	6.9%	9.5%
Professional, scientific, and management and administrative and waste management services	24.1%	24.5%	23.5%	13.7%
Educational services, and health care and social assistance	22.6%	23.8%	24.3%	26.7%
Arts, entertainment, and recreation, and accommodation, and food services	9.6%	10.0%	9.6%	10.9%
Other Services, except public administration	3.7%	4.7%	6.1%	5.4%
Public administration	4.0%	3.6%	4.0%	3.8%

Occupations	11217	11215	11238	NYC
Management, business, sciences, and arts occupations	71.2%	74.5%	65.0%	41.3%
Service occupations	10.0%	7.7%	14.0%	22.7%
Sales and office occupations	13.2%	12.7%	15.7%	20.8%
Natural resources, construction, and maintenance occupations	2.2%	1.8%	1.9%	6.1%
Production, transportation, and material moving occupations	3.5%	3.3%	3.4%	9.2%

# MARKET ANALYSIS

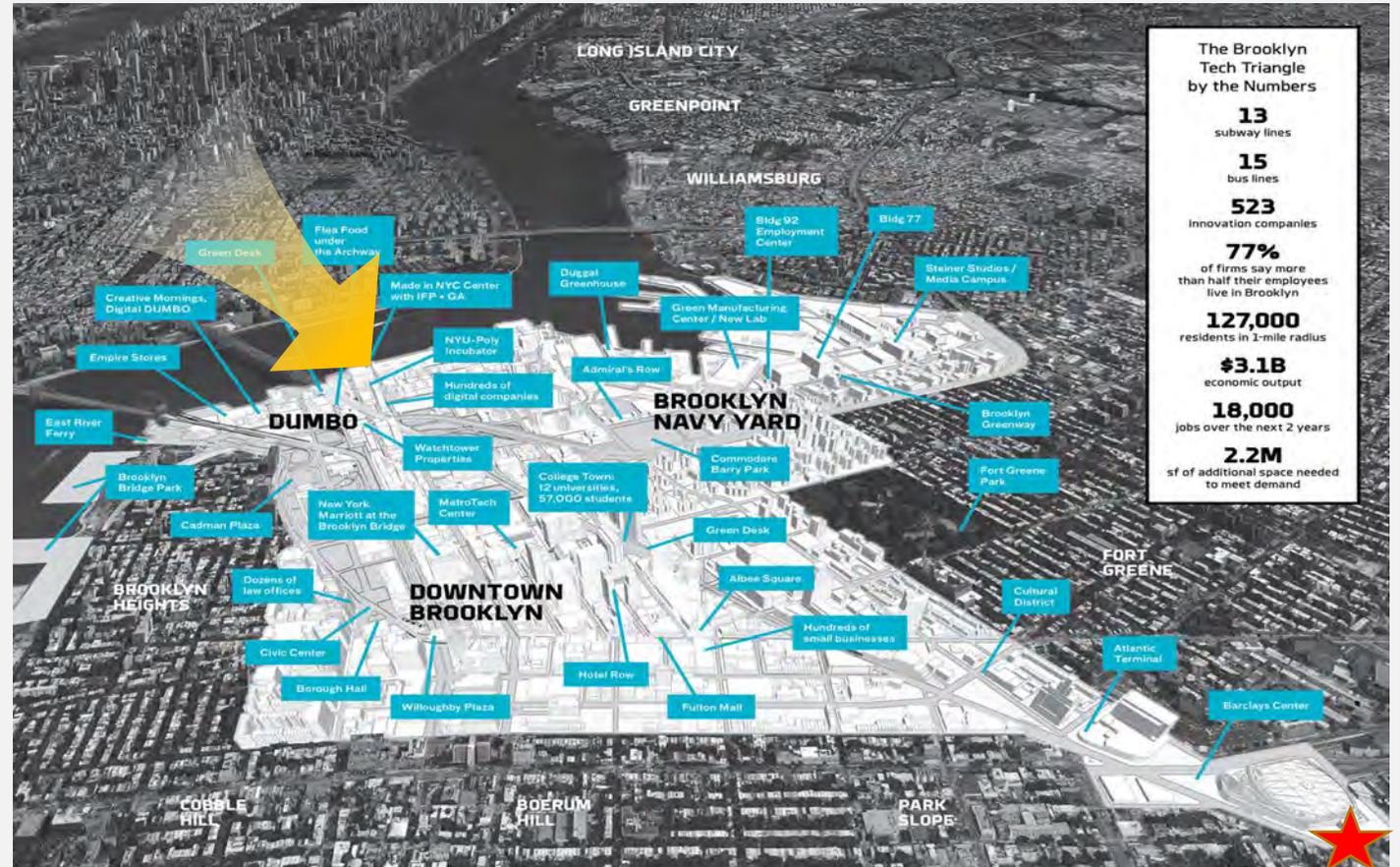
Prospect Heights is notable for its cultural diversity and tree-lined streets. Over the past decade, the neighborhood has undergone rapid demographic changes and the built context has shifted into a mixture of brownstones and newly built luxury condominiums. The Pacific Park project originally initiated by Forest City Ratner included the construction of the Barclays Center as well as several housing and commercial high-rise buildings on the outdated railyard. As of today, the arena has finished and serves as the main foot traffic generator and several residential buildings have also come into market. With downtown Brooklyn and its surrounding area continuing to grow as an office market, more and more working class are moving into the neighborhood to pursue quality lifestyle which is more economical as the rents on Manhattan keeps rising. Benefiting from its richness amenities as discussed above, Prospect Heights is evolving into high-end residential market complimenting the new Brooklyn.

# MARKET ANALYSIS

## Residential:

Over the last cycle, development of new luxury communities focused mainly on the periphery of Manhattan, hence submarkets in Brooklyn have rapidly increased their inventory. Still, new projects have been met with outstanding demands as rent keeps rising and listing inventory has been decreasing.

Demand of rental units in the local markets comes from two aspects. First, the rising rental rate in Manhattan has pushed lots of residents into periphery areas. The other is the emerging office market in Brooklyn brings in large scale of employee who would then live in adjacent neighborhoods. Supply of rental units comes from redevelopment of obsolete house building and a series of rezoning.



# MARKET ANALYSIS

## Residential:

Given the continued development of new rental buildings, the **net effective rent for Brooklyn rose for the fourteenth straight month** YoY to \$2,987. Median rental price for 2-bedroom and 3-bedroom units performs better than other types with YoY growth of 9.0% and 4.7% respectively. This demonstrates that **more and more families are moving in** creating demand for larger units. New lease for Jan. 2020 was 1,060, decreased by 7.8% YoY, indicating that landlords have been more successful at retaining tenants at the time of renewal due to raising rents. However, listing inventory was 1,456, dropped by 22.9%, showing that there is **no pressure from supply** and new projects have been met with outstanding demand. As such, mark to market rental rates may be unfavorable for existing tenants but would still be attractive to potential outside tenants. Strategically offering higher than market amenities and landlord concession would accelerate lease-up period and achieve higher effective rents.

Brooklyn Rental Market	Jan-20	%Δ(MO)	Dec-20	%Δ(YR)	Jan-19
Overall Median Rental Price	\$2,987	-0.1%	\$2,991	5.5%	\$2,832
Number of New Leases	1,060	30.7%	811	-7.8%	1,150
Studio - Median Rental Price	\$2,552	-5.3%	\$2,695	2.1%	\$2,500
Studio - Number of New Leases	159	27.2%	125	14.4%	139
1B - Median Rental Price	\$2,850	1.8%	\$2,800	1.8%	\$2,800
1B - Number of New Leases	416	34.6%	309	-16.0%	495
2B - Median Rental Price	\$3,270	0.6%	\$3,250	9.0%	\$3,000
2B - Number of New Leases	351	36.6%	257	-5.4%	371
3B - Median Rental Price	\$3,875	-3.1%	\$3,997	4.7%	\$3,700
3B - Number of New Leases	134	11.7%	120	-7.6%	145
Luxury (Top 10) - Median Rental Price	\$6,173	<b>2.9%</b>	\$6,000	<b>13.1%</b>	\$5,459
New Development - Median Rental Price	\$3,424	0.4%	\$3,410	5.0%	\$3,260

Source: Elliman.com

If the proposed project could capture 2-3% of new leases, which is roughly 24 units per month, the project will be lease-up within 24 months.

# MARKET ANALYSIS

## Rent Comps:

Upon researching and analyzing existing up-scale rentals around the proposed projects, we found that most come with smaller sized room or built more than ten years ago. As such, providing a larger unit size will make the proposed project more competitive when comes into market, especially for the young generation pursuing quality lifestyle. Modern finishes and lavish amenities would also help to achieve the highest rent on market.

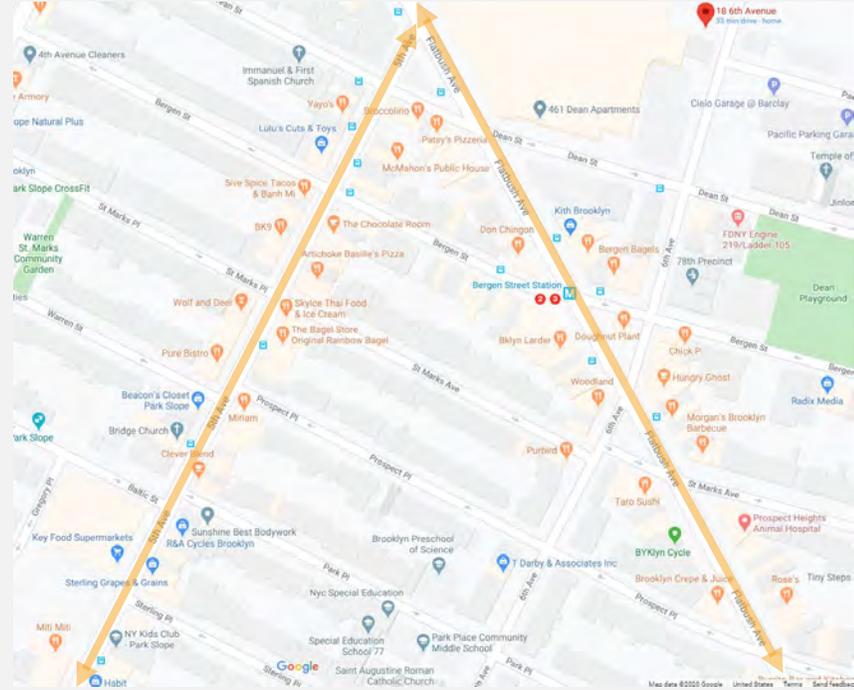
	461 Dean Apartments	550 Vanderbilt	DKLB BKLN	Proposed Project Target
				
<b>Address</b>	461 Dean Street Brooklyn, NY 11217	550 Vanderbilt Avenue, Brooklyn, NY, 11238	80 DeKalb Avenue, Brooklyn, NY, 11201	18 Sixth Avenue, Brooklyn
<b>Year Built</b>	2016	2017	2007	2022
<b># of Units</b>	363	278	369	840
<b># of Affordable Units</b>	182			251
<b># of Floors</b>	33	17	36	45
<b>Developer</b>	Forest City Ratner Companies	Greenland Forest City Ratner Partners	Brookfield	
<b>Architect:</b>	SHoP Architects	COOKFOX	Costas Kondylis & Partners	
<b>Concessions</b>	1/2 Months Free			1Months Free
<b>Market Unit Rates</b>				
Studio	\$3,340	\$2,500	\$2,900	\$4,031
1 BR	\$4,180	\$3,490	\$3,923	\$4,331
2 BR	\$6,384	\$5,300	\$7,205	\$5,291
3 BR				\$6,760
<b>Size of Unit (SF)</b>				
Studio	435	450	459	525
1 BR	707	789	634	700
2 BR	1,086	995	1,402	900
3 BR				1,150
<b>Price/SF/Mo.</b>				
Studio	\$7.68	\$5.56	\$6.32	\$7.68
1 BR	\$5.91	\$4.42	\$6.19	\$6.19
2 BR	\$5.88	\$5.33	\$5.14	\$5.88
<b>Amenities</b>				
Elevator	√	√	√	√
Full-time doorman	√	√	√	√
Pets Allowed	√	√	√	√
Washer/Dryer In-Unit	√		√	√
Bike Room	√	√	√	√
Children's Playroom	√	√	√	√
Concierge	√	√	√	√
Gym	√	√	√	√
Landury in Building	√	√		√
Live-in Super	√		√	√
Storage Available	√	√	√	√
Dishwasher	√			√
Outdoor Space:	Deck, Roof Deck, Terrace	Roof Deck	√	Deck, Roof Bar, Terrace
Parking Available		√	√	

# MARKET ANALYSIS

## Retail:

Brooklyn retail market also showed a sign of softening in asking rents with only 5 of the 17 Brooklyn corridors showing increasing average asking rents. For those shown decrease of rents, most were in areas with low availabilities in prime retail space. Meanwhile, **strong rent growth occurred in up-and-coming areas experiencing increased foot traffic due to new residential and commercial developments.**

The area of proposed site falls into this category. According to REBNY Retail Reports, the average asking rent on Flatbush Avenue, between Fifth Avenue and Grand Army Plaza, rose by 19% YoY to \$141 per square foot. Most retail tenants in this area are food services ranging from restaurants to grab-and-go stores, while the remaining uses are neighborhood service-related such as fitness facilities, nail salons, and dry cleaning. Food and beverage, health and drugs, and grocers are the driving force in local market. Due to its high retail activity throughout 2018, demand for retail space on Flatbush Avenue remains high.



Retail on Fifth Ave and Flatbush Ave

AVERAGE ASKING RENT PSF – GROUND FLOOR RETAIL			
	Summer 18	Winter 19	Summer 19
Prospect Heights			
Flatbush Ave (5th Ave - Grand Army Plaza)	\$118	\$139	\$141
Park Slope			
7th Ave (Union St - 9th St)	\$112	\$117	\$86
5th Ave (Union St - 9th St)	\$95	\$95	\$104

Source: REBNY Retail Reports

# MARKET ANALYSIS

## Retail Rent Comps:

	89 5th Ave, Brooklyn	146 5th Ave	24 4th Ave	Proposed Project Target
Space	1st Floor	1st Floor	Ground	3 Floors
Size	800SF	1,200-1,900 SF	7350SF	45,000
Term	1-10 Years	Negotiable	Negotiable	1-10 Years
Rate (\$/SF/YR)	\$112	\$115	\$120	\$120
Year Built	1930	1920	Oct-20	2022



# PROPOSED CONCEPT

Recharge



Reunite



Rest



Recreation



# PROPOSED CONCEPT

## Site Layout:

Sited at the cross border of Atlantic Ave and Sixth Ave, the site can easily capture the commercial flow and residential flow coming from both side of the streets. Additionally, Flatbush Ave is a vibrant retail corridor that could also generate commercial and pedestrian traffic. As analyzed above, retail performance in the area is promising despite the drop in the rest of the city. Hence the lower 3 floors will serve as retail space to capture the foot traffic and further enhance the dynamic of the neighborhood.



# PROPOSED CONCEPT

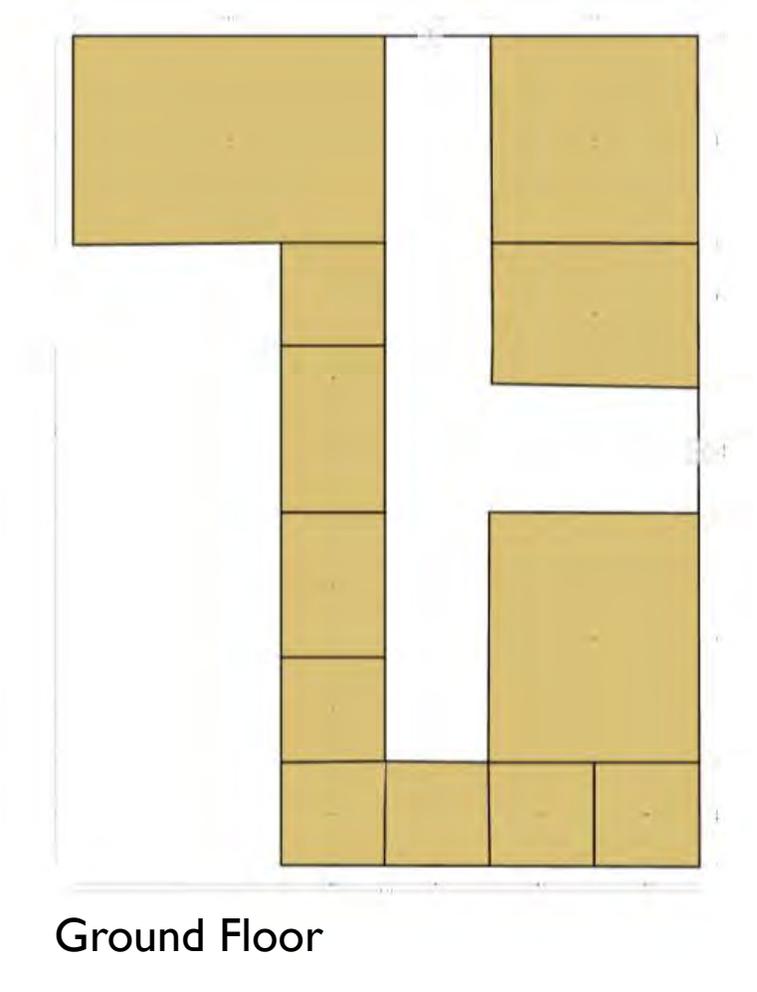
## Stacking Plan:

		Floor	Floor Height (ft.)	Cumul. Height (ft.)	Gross SF	Total GSF
Amenities	Rooftop Bar	46	12	510	3,400	830,000
Residential		45	10	498	18,000	826,600
Residential		44	10	488	18,000	808,600
Residential		43	10	478	18,000	790,600
Residential		42	10	468	18,000	772,600
Residential		41	10	458	18,000	754,600
Residential		40	10	448	18,000	736,600
Residential		39	10	438	18,000	718,600
Residential		38	10	428	18,000	700,600
Residential		37	10	418	18,000	682,600
Residential		36	10	408	18,000	664,600
Residential		35	10	398	18,000	646,600
Residential		34	10	388	18,000	628,600
Residential		33	10	378	18,000	610,600
Residential		32	10	368	18,000	592,600
Residential		31	10	358	18,000	574,600
Residential		30	10	348	18,000	556,600
Residential		29	10	338	18,000	538,600
Residential		28	10	328	18,000	520,600
Residential		27	10	318	18,000	502,600
Residential		26	10	308	18,000	484,600
Residential		25	10	298	18,000	466,600
Residential		24	10	288	18,000	448,600
Residential		23	10	278	18,000	430,600
Residential		22	10	268	18,000	412,600
Residential		21	10	258	18,000	394,600
Residential		20	10	248	18,000	376,600
Residential		19	10	238	18,000	358,600
Residential		18	10	228	18,000	340,600
Residential		17	10	218	18,000	322,600
Residential		16	10	208	18,000	304,600
Residential		15	10	198	18,000	286,600
Residential		14	10	188	18,000	268,600
Residential		13	10	178	18,000	250,600
Residential		12	10	168	18,000	232,600
Residential		11	10	158	18,000	214,600
Residential		10	10	148	19,100	196,600
Residential		9	10	138	19,100	177,500
Residential		8	10	128	19,100	158,400
Residential		7	10	118	19,100	139,300
Residential		6	10	108	19,100	120,200
Residential		5	10	98	19,100	101,100
Lobby/Amenities		4	22	88	20,500	82,000
Retail		3	22	66	20,500	61,500
Retail		2	22	44	20,500	41,000
Retail		Ground	22	22	20,500	20,500
Mechanicals						
Total			510		830,000	

# PROPOSED CONCEPT

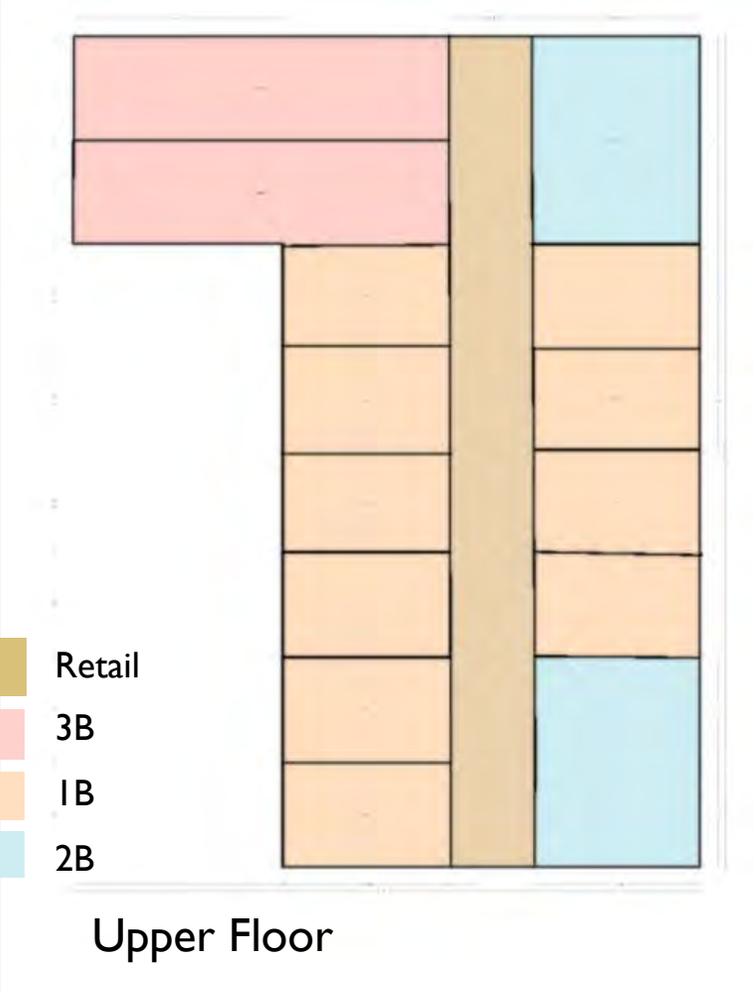
Floor Plan:

Atlantic Ave



Ground Floor

- Retail
- 3B
- 1B
- 2B



Upper Floor

6<sup>th</sup> Ave

# PROPOSED CONCEPT

## Programming - Residential

Residential begins from the 5th floor and amenities will serve at both the 4th floor and roof. To attract the young technology and professional service residents, amenity program will include top-tier fitness center and Children's Playroom and rooftop bar. The landscaped rooftop would provide magnificent views of the Manhattan skyline and the Barclays Center.



# PROPOSED CONCEPT

## Programming – Amenities:

The amenities for the building will be located on 4<sup>th</sup> level and the roof, totaling 18,000 square feet. In order to accommodate the high-end rental market, services and facilities are expected to include:

- Concierge
- Bike Room
- Package Room
- Laundry in Building
- Children's Playroom
- Media Room
- Top Tier Fitness Center
- Swimming Pool
- Live-in Super
- Rooftop Bar



# PROPOSED CONCEPT

## Programming - Residential Unit Mix

The proposed project will deliver 840 units upon completion, and 30% of it will be affordable units with a blended 50% AMI rent rate to meet Option G of 421A.

Target tenants: fresh graduates, professionals, tech workers, young families.

Units Distribution					
Unit Type		#	%	Avg Sq Ft	Total Sq Ft
<i>Market Rate</i>					
Studio	\$4,031	147	25%	525	77,175
1 BR	\$4,331	206	35%	700	144,200
2 BR	\$5,291	177	30%	900	159,300
3 BR	\$6,760	59	10%	1,150	67,850
<b>Total</b>		<b>589</b>	<b>100%</b>		<b>448,525</b>
<i>Check</i>		<i>588</i>	<i>70%</i>		
<i>Affordable</i>					
Studio	\$696	63	25%	350	22,050
1 BR	\$881	62	25%	500	31,000
2 BR	\$1,069	126	50%	650	81,900
<b>Total</b>		<b>251</b>	<b>100%</b>		<b>134,950</b>
<i>Check</i>		<i>252</i>	<i>30%</i>		
<b>Residential Total</b>		<b>840</b>		<b>695</b>	<b>583,475</b>

Size Guideline		
HPD Guideline	Market Rental	Luxury Condo
*25% max	400*-525	625-900
15% min	575-700	800-1100
30% min	900-1050	1400-2200
~30%	1150-1300	1600-3500
	*NYC minimum	
HPD Guideline	Affordable	
25% max	350-400	
~25%	500-550	
50% min	650-725	
	850-950	

# PROPOSED CONCEPT

## Programming – Retail:

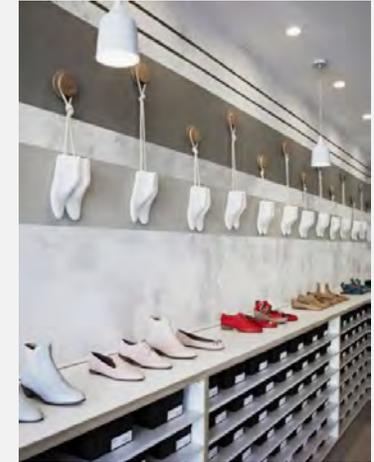
Undoubtedly, E-commerce has reshaped the world of retail by shifting consumption activities to online stores. However, the trendy brands born online are now pursuing offline stores for marketing purpose. The proposed project would serve best to capture such demand for its excellent accessibility and location.

Most fine restaurants in the neighborhood are located on the main retail corridor, such as Fifth Ave. and Flatbush Ave., which may be missed by visitors for the Barclays Center. Therefore, we propose to collaborate with local restaurants to create a food hall that provides featured dishes more than fries and chicken in the stadium.

Retail programming will primarily include boutique stores, online brand retailers and a food hall. Anchor tenant will be located on the Atlantic Ave side to capture more pedestrian attention.

Target customers:

- Tenants
- Local community
- Barclays Center visitors



# MARKETING STRATEGY

## Residential

- Utilize The Brodsky Organization's platform;
- Start marketing activity before construction completion;
- Setup virtual tour online;
- Offer concession for initial lease-up.

## Retail

- Targeting online trendy brands;
- Conduct pedestrian survey before opening;
- Targeting visitors of Barclay's Center to create food and beverage plaza;

**BRODSKY**



# PROJECT DELIVERY SCHEDULE

The construction timeline for the proposed project has been estimated at 3 years. Marketing activity is set to start 3 quarters ahead of completion to secure as much tenancy as possible. Even with that, the lease-up period is conservatively estimated at 24 months.

Two exit plans have been proposed and evaluated for this project. Plan A to exit the investment is to refinance the construction with permanent loan, and then, hold the project for additional 3 years. Plan B is to exit the investment by selling it upon lease-up.

Year	Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				Year 8			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Acquisition and Construction Loan Close	█																															
Land Acquisition	█																															
Predevelopment	█																															
Development	█	█	█	█	█	█	█	█	█	█	█	█																				
Marketing									█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Certificate of Occupancy													█	█																		
Lease-up													█	█	█	█	█	█	█	█												
Stabilization																	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Exit Plan A																															█	
Exit Plan B																																

# FINANCIAL ANALYSIS

The proposed project is projected to deliver a 14.1% leveraged IRR with an equity multiple of 2.6x over 8 years investment horizon.

Limited partner of the project would achieve a leveraged IRR of 12.8% with contribution of \$148 million equity, 95% of total equity investment.

Unlevered IRR	Levered IRR	LP Levered EM
9.3%	14.1%	12.8%
Unlevered EM	Levered EM	LP Levered EM
1.8x	2.6x	2.4x
Development Yield	Cash-on-Cash	Investment Horizon
6.8%	9.3%	8 years

# FINANCIAL ANALYSIS - Acquisition And Development Cost

Total development cost for the proposed project is estimated to be \$486 million, which equates to \$586/GSF .

Purchase of the land would cost \$194 million, which equates to \$235/GSF.

Construction hard costs are approximately \$213/GSF based on RS Means cost estimates for luxury construction in Brooklyn using Union workers. Estimation for soft costs are \$78/GSF. Additional 3% contingency costs are also set aside in both hard costs and soft costs in case of cost overrun.

70% of the development cost will be funded by debt financing, which is roughly \$330 million.

<b>Development Budget</b>				
	<b>% of TDC</b>	<b>\$GSF</b>	<b>\$RSF</b>	<b>\$Amt</b>
<b>Land Acquisition Costs</b>				
Acquisition Price	40%	\$235	\$309	\$194,745,462
<b>Hard Cost</b>				
Substructure	3%	\$20	\$27	\$16,774,300
Shell	8%	\$45	\$60	\$37,516,000
Interiors	9%	\$55	\$72	\$45,243,300
Services	14%	\$85	\$112	\$70,400,600
Equipment & Furnishings	0%	\$2	\$3	\$1,701,500
Contingency	1%	\$6	\$8	\$5,308,321
Contractor Fees	9%	\$51.7	\$68.1	\$42,908,925
<b>Sub total</b>	<b>36%</b>	<b>\$213</b>	<b>\$281</b>	<b>\$176,944,021</b>
<b>Soft Cost</b>				
Architectural Fees	2%	\$12.4	\$16.3	\$10,298,142
Contractor Fees	9%	\$51.7	\$68.1	\$42,908,925
Municipal Fees	0%	\$2.5	\$3.3	\$2,075,000
Property Taxes	0%	\$0.8	\$2.4	\$1,500,000
Marketing	0%	\$1.0	\$3.2	\$2,000,000
Legal	0%	\$2.0	\$2.6	\$1,660,000
Insurance	1%	\$3.0	\$4.0	\$2,490,000
Contingency	0%	\$2.1	\$2.7	\$1,704,445
<b>Sub total</b>	<b>13%</b>	<b>\$78</b>	<b>\$103</b>	<b>\$64,636,512</b>
<b>Total Construction Cost</b>	<b>50%</b>	<b>\$291</b>		<b>\$241,580,533</b>
<b>Financing Costs</b>				
Mortgage Recording Tax	2%			\$9,410,740
Loan Arrangement Fee	0%			\$1,651,007
Loan Origination Fee	1%			\$3,302,014
<b>Sub total</b>	<b>3%</b>			<b>\$14,363,761</b>
<b>Interest Reserve</b>				
Interest accrued				\$44,985,969
Interest payback during lease-up period				(\$20,020,475)
<b>Interest Reserve amount</b>	<b>7%</b>			<b>\$35,390,278</b>
<b>Total Development Cost</b>	<b>100.0%</b>	<b>\$586</b>		<b>\$486,080,033</b>

# FINANCIAL ANALYSIS - Capital Structure

Sources			
	%	Int. Rate	\$Amt
Acquisition & Construction Loan	70%	4.0%	\$330,201,391
Equity			\$155,878,642
Total			486,080,033

Uses			
	%	\$GSF	\$Amt
Acquisition Cost	40%	\$235	\$194,745,462
Hard Cost	36%	\$213	\$176,944,021
Soft Cost	13%	\$78	\$64,636,512
Financing Costs	3%	\$17	\$14,363,761
Interest Reserve	7%	\$43	\$35,390,278
Total			100% \$586 \$486,080,033

## Debt:

Acquisition loan and construction loan is sized using a LTC of 70% at an interest rate of 4%. Base on recently lending market activities, non-bank lenders is backfilling the market and could provide 70% to 75% LTC for multifamily loans. Fixed rates for the loan start at 3%. Lower LTC and higher interest rate is incorporated to be more prudent.

Capital Structure	
Acquisition & Construction Loan	\$330,201,391
LP Equity	\$148,084,710
GP Equity	\$7,793,932

GP/LP Economics	
GP Capital Contribution	5%
LP Capital Contribution	95%
LP Preferred Return Hurdle	8%
GP Promote over Preferred Return	20%
Second Hurdle	12%
GP Promote over Second Hurdle	40%

LP Returns	
IRR (LP)	12.8%
Equity Multiple (LP)	2.4x

## Equity:

Limited partner of the project would contribute **\$148** million, 95% of total equity investment. And after 8 years investment period, expected levered IRR for LP investors would be 12.8% with 2.4x equity multiple.

# FINANCIAL ANALYSIS - Exit Strategy And Return Matrix

## Exit Strategy A – Refinance and hold for 3 more years

Once the project is fully leased up, the project will be refinanced based on a 10 year stabilized cash flow valuation and then held for 3 years. Since we have incorporated decent cost and architectural design budget, marketing would started early in the construction period to insure occupancy and capture the highest rent in market. Therefore, 3 years will allow the project to maximize its value and provide investor a solid 14.1% IRR as well as a 2.6x equity multiple.

Exit cap rate consideration: According to RCA reports, recently comparable apartment buildings in Brooklyn was traded at 4.5%-5% cap rate. Targeting potential institutional buyers, such as Life Insurance companies, Pension Funds and multifamily REITs, 5% reversionary cap rate is used in deciding sale price.

### Refinance Assumptions

Discount Rate	7.0%
Valuation (DCF upon Stabilization)	\$565,457,423
Amortization	30 Years
Interest	4.00%
LTV	65%
Refinance Loan Amount	\$367,547,325
Sale Cost	3.0%
Exit Cap Rate	5.00%
Total Holding Period (Years)	8

### Deal Level Returns - Unlevered

IRR	9.3%
Equity Multiple	1.8x

### Deal Level Returns - Levered

IRR	14.1%
Equity Multiple	2.6x

# FINANCIAL ANALYSIS - Exit Strategy And Return Matrix

## Exit Strategy B – Sale Upon Lease-up

Sale upon lease-up is also evaluated using discounted 10 year stabilized cash flow valuation as sale price. For a project of such scale, early sale would only serve to recover capital since it forgoes additional values generate by annual cash flows.

Under this scenario, investor would only obtain a 7.5% IRR and 1.3x equity multiple. Hence, refinance and hold more years would be a more profitable strategy from return perspective.

### Exit Assumptions

Discount Rate	7.0%
Sale Price (DCF upon Stabilization)	\$565,457,423
Sale Cost	3.0%
Total Holding Period (Years)	5

### Deal Level Returns

IRR	7.5%
Equity Multiple	1.3x

# FINANCIAL ANALYSIS - Sensitivity Analysis

## Levered Project IRR / Levered EM

IRR=14.1% / EM=2.6x		Exit Cap Rate						
		3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%
Rent Growth	0.50%	IRR=18.7% / EM=3.6x	IRR=15.4% / EM=3.0x	IRR=12.5% / EM=2.5x	IRR=9.7% / EM=2.1x	IRR=7.3% / EM=1.7x	IRR=4.9% / EM=1.4x	IRR=2.8% / EM=1.2x
	1.00%	IRR=19.9% / EM=3.9x	IRR=16.9% / EM=3.2x	IRR=13.9% / EM=2.7x	IRR=11.2% / EM=2.3x	IRR=8.7% / EM=1.9x	IRR=6.4% / EM=1.6x	IRR=4.2% / EM=1.3x
	1.50%	IRR=21.1% / EM=4.2x	IRR=18.3% / EM=3.4x	IRR=15.3% / EM=2.9x	IRR=12.6% / EM=2.5x	IRR=10.1% / EM=2.1x	IRR=7.8% / EM=1.8x	IRR=5.7% / EM=1.5x
	2.00%	IRR=22.3% / EM=4.5x	IRR=19.5% / EM=3.7x	IRR=16.8% / EM=3.1x	IRR=14.1% / EM=2.6x	IRR=11.6% / EM=2.3x	IRR=9.3% / EM=2.0x	IRR=7.1% / EM=1.7x
	2.50%	IRR=23.5% / EM=4.7x	IRR=20.7% / EM=3.9x	IRR=18.2% / EM=3.3x	IRR=15.6% / EM=2.8x	IRR=13.1% / EM=2.5x	IRR=10.8% / EM=2.1x	IRR=8.6% / EM=1.9x
	3.00%	IRR=24.6% / EM=5.0x	IRR=21.9% / EM=4.2x	IRR=19.5% / EM=3.6x	IRR=17.1% / EM=3.0x	IRR=14.6% / EM=2.6x	IRR=12.3% / EM=2.3x	IRR=10.1% / EM=2.0x
	3.50%	IRR=25.8% / EM=5.4x	IRR=23.1% / EM=4.5x	IRR=20.7% / EM=3.8x	IRR=18.5% / EM=3.3x	IRR=16.1% / EM=2.8x	IRR=13.8% / EM=2.5x	IRR=11.7% / EM=2.2x

IRR=14.1% / EM=2.6x		Rent Growth						
		0.50%	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%
Vacancy Rate	1.50%	IRR=10.2% / EM=2.2x	IRR=11.7% / EM=2.3x	IRR=13.1% / EM=2.5x	IRR=14.6% / EM=2.7x	IRR=16.0% / EM=2.9x	IRR=17.5% / EM=3.1x	IRR=19.0% / EM=3.3x
	2.00%	IRR=10.1% / EM=2.1x	IRR=11.5% / EM=2.3x	IRR=12.9% / EM=2.5x	IRR=14.4% / EM=2.7x	IRR=15.9% / EM=2.9x	IRR=17.4% / EM=3.1x	IRR=18.8% / EM=3.3x
	2.50%	IRR=9.9% / EM=2.1x	IRR=11.3% / EM=2.3x	IRR=12.8% / EM=2.5x	IRR=14.2% / EM=2.7x	IRR=15.7% / EM=2.9x	IRR=17.2% / EM=3.1x	IRR=18.6% / EM=3.3x
	3.00%	IRR=9.7% / EM=2.1x	IRR=11.2% / EM=2.3x	IRR=12.6% / EM=2.5x	IRR=14.1% / EM=2.6x	IRR=15.5% / EM=2.8x	IRR=17.0% / EM=3.0x	IRR=18.4% / EM=3.3x
	3.50%	IRR=9.6% / EM=2.0x	IRR=11.0% / EM=2.2x	IRR=12.4% / EM=2.4x	IRR=13.9% / EM=2.6x	IRR=15.4% / EM=2.8x	IRR=16.9% / EM=3.0x	IRR=18.3% / EM=3.2x
	4.00%	IRR=9.4% / EM=2.0x	IRR=10.8% / EM=2.2x	IRR=12.3% / EM=2.4x	IRR=13.7% / EM=2.6x	IRR=15.2% / EM=2.8x	IRR=16.7% / EM=3.0x	IRR=18.1% / EM=3.2x
	4.50%	IRR=9.2% / EM=2.0x	IRR=10.6% / EM=2.2x	IRR=12.1% / EM=2.4x	IRR=13.5% / EM=2.6x	IRR=15.0% / EM=2.8x	IRR=16.5% / EM=3.0x	IRR=17.9% / EM=3.2x

IRR=14.1% / EM=2.6x		Exit Cap Rate						
		3.50%	4.00%	4.50%	5.00%	5.50%	6.00%	6.50%
Hold Year Upon Stabilization	1	IRR=26.9% / EM=4.0x	IRR=22.8% / EM=3.3x	IRR=18.8% / EM=2.7x	IRR=15.1% / EM=2.3x	IRR=11.6% / EM=1.9x	IRR=8.2% / EM=1.6x	IRR=4.9% / EM=1.3x
	2	IRR=24.3% / EM=4.2x	IRR=20.9% / EM=3.5x	IRR=17.7% / EM=2.9x	IRR=14.5% / EM=2.4x	IRR=11.6% / EM=2.1x	IRR=8.8% / EM=1.8x	IRR=6.2% / EM=1.5x
	3	IRR=22.3% / EM=4.4x	IRR=19.5% / EM=3.7x	IRR=16.8% / EM=3.1x	IRR=14.1% / EM=2.6x	IRR=11.6% / EM=2.3x	IRR=9.3% / EM=2.0x	IRR=7.1% / EM=1.7x
	5	IRR=19.5% / EM=4.9x	IRR=17.4% / EM=4.1x	IRR=15.4% / EM=3.5x	IRR=13.3% / EM=3.1x	IRR=11.5% / EM=2.7x	IRR=9.8% / EM=2.4x	IRR=8.2% / EM=2.1x
	7	IRR=17.6% / EM=5.4x	IRR=16.0% / EM=4.6x	IRR=14.5% / EM=4.0x	IRR=12.8% / EM=3.5x	IRR=11.3% / EM=3.1x	IRR=10.0% / EM=2.8x	IRR=8.8% / EM=2.5x
	9	IRR=16.2% / EM=6.0x	IRR=15.0% / EM=5.1x	IRR=13.7% / EM=4.4x	IRR=12.3% / EM=4.0x	IRR=11.1% / EM=3.6x	IRR=10.1% / EM=3.2x	IRR=9.1% / EM=3.0x
	10	IRR=15.7% / EM=6.2x	IRR=14.6% / EM=5.4x	IRR=13.4% / EM=4.7x	IRR=12.2% / EM=4.2x	IRR=11.1% / EM=3.8x	IRR=10.1% / EM=3.5x	IRR=9.3% / EM=3.2x

# RISKS AND MITIGANTS

Risks	Mitigants
Cost Overrun	Contingency costs are projected and included in development budget estimation; Projected management consultants will be hired to monitor construction schedule and budget control.
Softening Market	Marketing is set to start early before construction completion to secure as much tenancy as possible; Even the vacancy will be increased to 4.5% and rent grow at 0.50%, the project would still generate decent returns base on sensitivity analysis.
421-A Tax Basis Removal	30% of units are set at a blended 50% AMI rent to be qualified for Option G; Strategically distribute affordable units to ensure quality living and minimize disruption of market rents units to drive market rents as high as possible.
Slower lease velocity	Sufficient capital expenditure reserve and leasing commission have been budgeted in cash flow projection for promotion upon initial lease-up.

# APPENDIX

## Assumptions:

Property Information			Operation Assumption			
Address	18 Sixth Avenue, Brooklyn		Rent Growth			2.00%
Lot SF	32,000		Vacancy			3.00%
Total GSF	830,000		Retail (\$per month)			\$120
Total Rentable SF	630,000		Amenities (per unit per month)			\$250
<hr/>			<hr/>			
Gross Building Area	830,000		Opex			
Residential	50,000			\$/Unit	\$/Unit/Mo.	% EGI
Retail	780,000		Utilities (Water + Gas)			3.50%
<hr/>			Insurance			3.50%
Rentable Building Area	630,000		Prop. Mgmt. Fee			10.00%
Residential	585,000		Real Estate Taxes			0.00%
Retail	90%	45,000	Repairs & Maintenance			2.00%
<hr/>			Cap-Ex Reserve	\$250	\$20.83	
<hr/>			Leasing Commission			6.00%
<hr/>			<hr/>			
<b>Financing Cost</b>						
Mortgage Recording Tax	2.85%	\$9,410,740				
Loan Arrangement Fee	0.50%	\$1,651,007				
Loan Origination Fee	1.00%	\$3,302,014				
<hr/>			<hr/>			
Total	\$14,363,761					

# APPENDIX

## Stabilized Unlevered Annual Cash Flow:

Date Ending	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	
Year #	0	1	2	3	4	5	6	7	8	
Month #	0	12	24	36	48	60	72	84	96	
	<b>Total</b>									
Construction Timeline (Straight-Line)	100%	0.0%	33.3%	33.3%	33.3%	0.0%	0.0%	0.0%	0.0%	
Land Acquisition	194,745,462	194,745,462	-	-	-	-	-	-	-	
Hard Costs	176,944,021	-	58,981,340	58,981,340	58,981,340	-	-	-	-	
Soft Costs	64,636,512	-	21,545,504	21,545,504	21,545,504	-	-	-	-	
<b>Total Development Costs</b>	<b>436,325,995</b>	<b>194,745,462</b>	<b>80,526,844</b>	<b>80,526,844</b>	<b>80,526,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Revenues</b>										
<b>Potential Gross Income</b>										
Residential										
Affordable		-	-	-	850,714	2,434,456	3,149,763	3,213,986	3,278,265	
Market		-	-	-	10,022,959	28,781,988	37,891,344	38,873,158	39,650,621	
<b>Total Residential</b>		-	-	-	<b>10,873,673</b>	<b>31,216,444</b>	<b>41,041,107</b>	<b>42,087,144</b>	<b>42,928,887</b>	
Vacancy	3.00%	-	-	-	(326,210)	(936,493)	(1,231,233)	(1,262,614)	(1,287,867)	
Other Income										
Retail		-	-	-	-	-	-	-	-	
Amenity		-	-	-	-	-	-	-	-	
<b>Effective Gross Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10,547,462</b>	<b>30,279,951</b>	<b>39,809,874</b>	<b>40,824,529</b>	<b>41,641,020</b>	
<b>Operating Expenses</b>										
Utilities (Water + Gas)	3.50%	-	-	-	369,161	1,059,798	1,393,346	1,428,859	1,457,436	
Insurance	3.50%	-	-	-	369,161	1,059,798	1,393,346	1,428,859	1,457,436	
Prop. Mgmt. Fee	10.00%	-	-	-	1,054,746	3,027,995	3,980,987	4,082,453	4,164,102	
Real Estate Taxes	0.00%	-	-	-	-	-	-	-	-	
Repairs & Maintenance	2.00%	-	-	-	210,949	605,599	796,197	816,491	832,820	
<b>Total Operating Expenses</b>	<b>19.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,004,018</b>	<b>5,753,191</b>	<b>7,563,876</b>	<b>7,756,661</b>	<b>7,911,794</b>	
<b>NOI (operation)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>8,543,445</b>	<b>24,526,760</b>	<b>32,245,998</b>	<b>33,067,869</b>	<b>33,729,226</b>	
<b>Capital Expenditure:</b>										
Capex reserve		-	-	-	58,500	164,333	209,333	210,000	210,000	
Broker Commissions		-	-	-	632,848	1,816,797	2,388,592	2,449,472	2,498,461	
<b>NOI (property)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,852,097</b>	<b>22,545,630</b>	<b>29,648,072</b>	<b>30,408,397</b>	<b>31,020,765</b>	
NTM NOI		-	-	8,543,445	24,526,760	32,245,998	33,067,869	33,729,226	34,403,811	
Asset Valuation		-	-	-	-	-	-	-	688,076,213	
Sales Commission		-	-	-	-	-	-	-	(20,642,286)	
Net Sales Proceeds		-	-	-	-	-	-	-	667,433,927	
<b>Projected Unlevered Cash Flow</b>		<b>(194,745,462)</b>	<b>(80,526,844)</b>	<b>(80,526,844)</b>	<b>(80,526,844)</b>	<b>7,852,097</b>	<b>22,545,630</b>	<b>29,648,072</b>	<b>30,408,397</b>	<b>698,454,692</b>
Projected Unlevered IRR	9.3%									
Projected Unlevered Cash Multiple	1.81x									
<b>Profit</b>	<b>352,582,893</b>									
<b>PV</b>	<b>255,936,733</b>									
<b>NPV</b>	<b>61,191,271</b>									
<b>Yield on Cost</b>					<b>1.8%</b>	<b>5.2%</b>	<b>6.8%</b>	<b>7.0%</b>	<b>160.1%</b>	

# APPENDIX

## Stabilized Levered Annual Cash Flow:

Date Ending	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	
Year #	0	1	2	3	4	5	6	7	8	
Month #	0	12	24	36	48	60	72	84	96	
<b>Projected Unlevered Cash Flow</b>	(194,745,462)	(80,526,844)	(80,526,844)	(80,526,844)	7,852,097	22,545,630	29,648,072	30,408,397	698,454,692	
Projected Unlevered IRR	9.3%									
Projected Unlevered Cash Multiple	1.81x									
<b>Profit</b>	352,582,893									
<b>PV</b>	255,936,733									
<b>NPV</b>	61,191,271									
<b>Yield on Cost</b>					1.8%	5.2%	6.8%	7.0%	160.1%	
<b>Levered Cash Flows</b>	<b>Total</b>									
Equity Available	155,878,642	-	-	-	-	-	-	-	-	
Equity Drawn	155,878,642	-	-	-	-	-	-	-	-	
Equity Remaining	-	-	-	-	-	-	-	-	-	
<b>Cumulative Drawn</b>	155,878,642	155,878,642	155,878,642	155,878,642	155,878,642	155,878,642	155,878,642	155,878,642	155,878,642	
<b>Cash Flows After Equity Draws</b>	(38,866,820)	(80,526,844)	(80,526,844)	(80,526,844)	7,852,097	22,545,630	29,648,072	30,408,397	698,454,692	
<b>Acquisition and Construction Loan</b>										
Beginning Balance	0	43,819,841	127,624,825	214,844,155	305,616,934	310,365,867	-	-	-	
Origination Fee	4,953,021	-	-	-	-	-	-	-	-	
Loan Draws	38,866,820	80,526,844	80,526,844	80,526,844	-	-	-	-	-	
Interest	44,985,969	-	3,278,141	6,692,485	10,245,935	12,354,773	12,414,635	(0)	(0)	
Interest Prepayment	20,020,475	-	-	-	-	7,605,841	12,414,635	(0)	(0)	
Principal Prepayment	310,365,867	-	-	-	-	-	310,365,867	-	-	
Ending Balance	43,819,841	127,624,825	214,844,155	305,616,934	310,365,867	-	-	-	-	
<b>Cash Flows after Constructional Loans</b>	0	(0)	(0)	(0)	246,256	(300,234,872)	29,648,072	30,408,397	698,454,692	
<b>Permanent Loan</b>										
Refinance Proceeds	363,871,852	-	-	-	-	363,871,852	-	-	-	
Loan Payment	-	-	-	-	-	-	21,056,726	21,056,726	21,056,726	
Paydown	-	-	-	-	-	-	-	-	347,327,538	
Starting Balance	0	0	0	0	0	0	367,547,325	361,074,683	354,338,335	
Loan Drawn	0	0	0	0	0	367,547,325	0	0	0	
Interest	0	0	0	0	0	0	14,584,083	14,320,378	14,045,929	
Debt Service	0	0	0	0	0	0	21,056,726	21,056,726	21,056,726	
Amortization	0	0	0	0	0	0	6,472,642	6,736,348	7,010,797	
Repayment	0	0	0	0	0	0	0	0	347,327,538	
Ending Balance	0	0	0	0	0	367,547,325	361,074,683	354,338,335	(0)	
<b>Levered Cash Flow</b>	(155,878,642)	(0)	(0)	(0)	246,256	63,636,980	8,591,346	9,351,671	330,070,428	
Projected Levered IRR	14.1%									
Projected Levered Cash Multiple	2.64x									
<b>Cash on Cash</b>							69.0%	9.3%	10.1%	357.8%
<b>Return on Equity</b>							41%	10%	10%	216%
<b>Debt Yield</b>							7%	9%	9%	10%
<b>DSCR</b>							0.00x	1.53x	1.57x	1.60x

# APPENDIX

## After-tax Investment Annual Cash Flow:

Date Ending	AFTER-TAX INVESTMENT ANALYSIS (leveraged)									
	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	
	Year # 0	1	2	3	4	5	6	7	8	
Month #	0	12	24	36	48	60	72	84	96	
NOI (Property)	0	0	0	0	7,852,097	22,545,630	29,648,072	30,408,397	31,020,765	
Less (Debt Service+Int Repay)	0	0	0	0	(7,605,841)	(12,414,635)	(21,056,726)	(21,056,726)	(21,056,726)	
<b>Before-tax Cash Flow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246,256</b>	<b>10,130,995</b>	<b>8,591,346</b>	<b>9,351,671</b>	<b>9,964,039</b>	
NOI (Operating)	0	0	0	0	8,543,445	24,526,760	32,245,998	33,067,869	33,729,226	
Less: Interest	0	0	0	0	(7,605,841)	(12,414,635)	(14,584,083)	(14,320,378)	(14,045,929)	
Depreciation	0	0	0	0	(4,993,473)	(4,993,473)	(4,993,473)	(4,993,473)	(4,993,473)	
Taxable Income	0	0	0	0	(4,055,870)	7,118,652	12,668,441	13,754,017	14,689,824	
Tax at Income Rate of 35%	0	0	0	0	0	(1,071,974)	(4,433,954)	(4,813,906)	(5,141,438)	
After-Tax Cash Flow	0	0	0	0	246,256	9,059,021	4,157,392	4,537,765	4,822,601	
After-Tax Cash on Cash Yield					0.2%	5.8%	2.7%	2.9%	3.1%	
Before-Tax Cash on Cash Yield					0.2%	6.5%	5.5%	6.0%	6.4%	
Equity Investment	(155,878,642)									
Refinance Net Cash Flow	0	0	0	0	0	53,505,985	0	0	0	
Sale Price	0	0	0	0	0	0	0	0	688,076,213	
Sales costs	0	0	0	0	0	0	0	0	(20,642,286)	
Mortgage Balance	0	0	0	0	0	0	0	0	(347,327,538)	
<b>Total Before-tax Cash Flow</b>	<b>(155,878,642)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246,256</b>	<b>63,636,980</b>	<b>8,591,346</b>	<b>9,351,671</b>	<b>330,070,428</b>	
<b>BTIRR on Equity (Leveraged)</b>	<b>14.1%</b>									
<b>Before Tax Multiple</b>	<b>2.64x</b>									
Tax from Sale	0	0	0	0	0	0	0	0	(23,450,230)	
<b>Total After-Tax Cash Flow</b>	<b>(155,878,642)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246,256</b>	<b>9,059,021</b>	<b>4,157,392</b>	<b>4,537,765</b>	<b>301,478,759</b>	
<b>ATIRR on Equity</b>	<b>9.6%</b>									
<b>After Tax Multiple</b>	<b>2.05x</b>									



# APPENDIX

## References:

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