

Project Innovo

Portfolio Restructuring / Repositioning Opportunity

Deal Book

April 2022

Table of Contents

Section 1.	Investment Thesis	Page	2
Section 2.	Portfolio Overview	Page	4
Section 3.	Business Plan	Page	9
Section 4.	Market Assessment & Analysis	Page	13
Section 5.	Financial Analysis	Page	21
Appendix.		Page	28

Section 1. Investment Thesis

Transaction Overview & Investment Thesis

Project Innovo

- Opportunity to participate in the acquisition and repositioning of a portfolio of 11 multifamily properties located in the Upper East and Upper West Side in New York, NY (the “Portfolio” or “Properties”). The Properties are old, class B, walk-up residential buildings with the potential to grow income through targeted value-add improvements (“Project Innovo”).
- The Portfolio consists of 8 buildings (199 units) in the Upper East Side and 3 buildings (162 units) in the Upper West Side, a total of 361 units spanning 174,118 SF. Additionally, 5 Properties include retail on the ground floor.
- Built between 1880 and 1930, only 40%, on average, of the units in each building has already been renovated by previous ownership.
- A total of 290 units are deregulated (market rent), while the remaining 71 units are rent stabilized/controlled.
- The proposed investment represents an attractive value-add opportunity. Based on a business plan for interior upgrades of the market rate units and more efficient management, it is estimated that a \$827 rent premium, on average, can be achieved.
- Out of the 290 market rate units, 157 units have not been renovated. Out of the 157 non-renovated market units, 153 trade at a significant discount to comparable renovated units. Once the Portfolio has been acquired, the envisaged strategy is to reposition the 153 units in groups (floor by floor for each Property) upon vacancy and lease them up. The rent stabilized units will remain in their existing condition.
- Given that not all of the units are in the same condition, a soft renovation (light upgrade) will be conducted on some units and a hard renovation on the ones that are more deteriorated. A total capital expenditure of \$9.4 million (\$20.2K / unit for light upgrades and \$69.3K / unit for heavy renovation) has been budgeted. The Properties will be sold after a 4-year holding period, which provides sufficient time for the execution of the business plan and stabilization of all repositioned units.
- The proposed purchase price is \$170.0 million (\$470.9K / unit). The project’s total capitalization amounts to \$183.0 million (\$507.0K / unit), which includes the purchase price, capital improvements, closing / legal fees, acquisition fee, financing costs, and a reserve account.
- The Portfolio will be acquired utilizing fixed-rate financing with proceeds of \$119.0 million (65.0% of total capitalization) and equity of \$64.0 million (35.0% of total capitalization). Estimated closing is December 2021. The investment is projected to generate a 20.6% levered IRR and 2.1x multiple.
- Led by Nikolas Papageorgiou, Omega Capital (“Omega” or the “GP”) is a private real estate investment and development company based in New York.

Section 2. Portfolio Overview

Properties Overview UES

Upper East Side



Property	1582 First Ave	306 East 89th St	311-313 East 73rd St	322 East 61st St
Units	17	20	34	40
Year Built	1900	1930	1904	1900
FM	15	16	26	36
RS	2	4	8	4
RC	0	0	0	0
% Renovated	18%	50%	12%	28%
Residential SF	5,605	7,670	11,040	15,945
Retail SF	905	-	-	-
Total SF	6,510	7,670	11,040	15,945



Property	452 East 78th St	510 East 88th St	514 East 88th St	518 East 88th St
Units	12	20	36	20
Year Built	1900	1900	1900	1900
FM	10	20	34	19
RS	2	0	2	1
RC	0	0	0	0
% Renovated	33%	25%	31%	90%
Residential SF	4,200	9,110	17,440	6,910
Retail SF	1,927	-	-	-
Total SF	6,127	9,110	17,440	6,910

Properties Overview UWS

Upper West Side

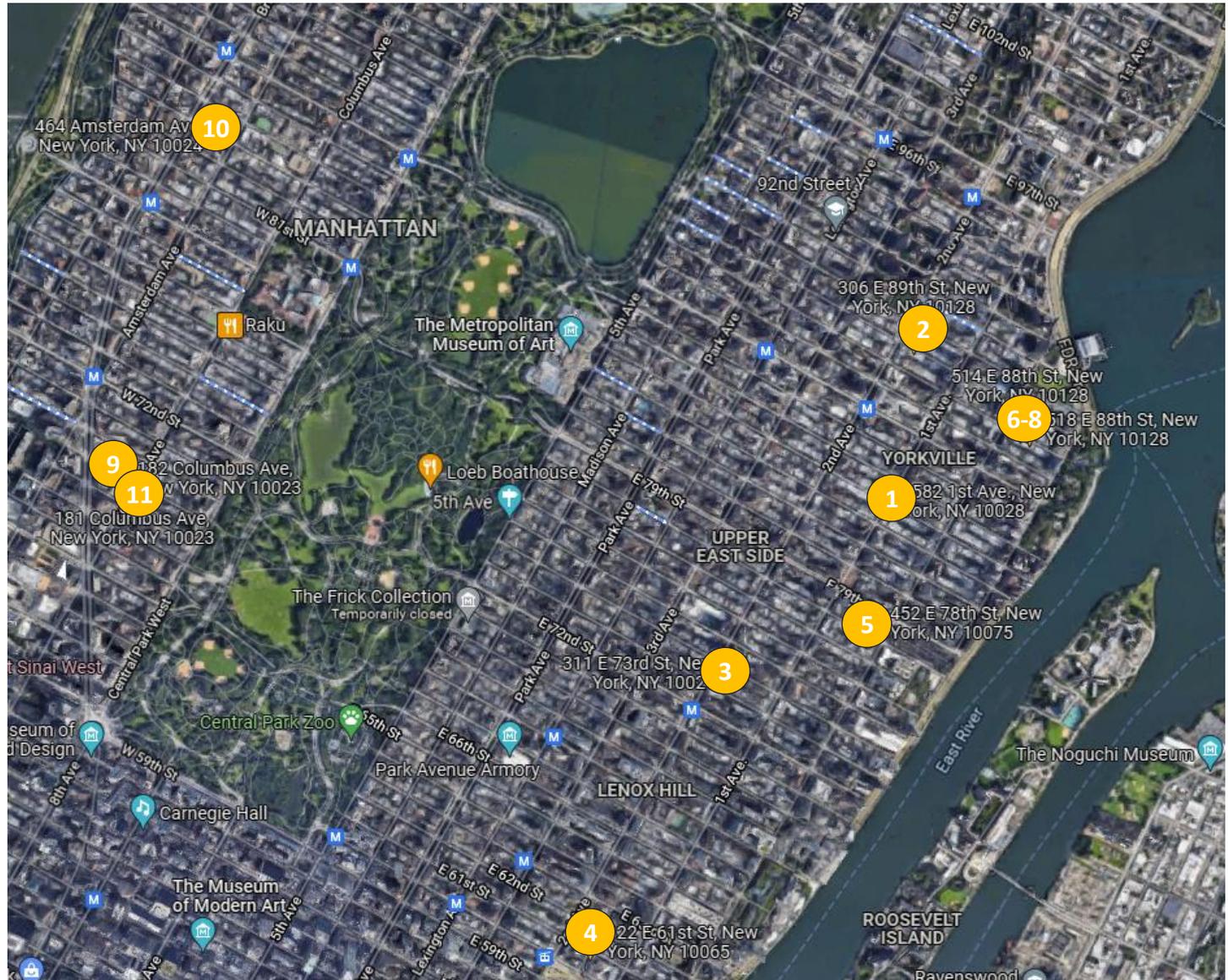


Property	182-188 Columbus Avenue	464-466 Amsterdam	181-199 Columbus Avenue
Units	32	71	59
Year Built	1910	1910	1880
FM	20	49	45
RS	12	19	12
RC	0	3	2
% Renovated	53%	44%	42%
Residential SF	15,816	38,692	41,690
Retail SF	5,807	9,208	17,132
Total SF	21,623	47,900	58,822

Properties Location Overview

Project Innovo

1. 1582 First Ave
2. 306 East 89th St
3. 311 & 313 East 73rd St
4. 322 East 61st St
5. 452 East 78th St
6. 510 East 88th St
7. 514 East 88th St
8. 518 East 88th St
9. 182-188 Columbus Ave
10. 464-466 Amsterdam
11. 181-199 Columbus Ave



Rent Regulated Apartments

Regulatory Framework

- **Rent control** applies to apartments built prior to 1947 where the tenant has been living continuously since July 1, 1971. The program is being phased out as tenants pass away or move out of these units. Rent controlled tenants can pass their apartment to a family member when they die if the family member had been living in the apartment for at least two years.
- **Rent stabilization** is a much more widespread program and applies to buildings built prior to 1974 that have more than six units. Newer buildings can voluntarily participate in rent stabilization in exchange for tax exemptions. The maximum rent increase per year for one- and two-year leases is set by the Rent Guidelines Board. Over the last ten years, these increases have been between 0% and 4.5% per year.
- With passage of the Housing Stability and Tenant Protection Act of 2019 (“HSTPA”), effective June 14, 2019, the method by which rents change in rent controlled and stabilized apartments was significantly changed:
 - A rent controlled apartment becomes fully deregulated upon vacancy if it is in a building with less than six units. However, the apartment becomes rent stabilized upon vacancy if it is in a building built before January 1, 1974, containing six or more units. The landlord may charge the first stabilized tenant a rent negotiated between them, subject to the tenant’s right to file a Fair Market Rent Appeal (“FMRA”).
 - When a rent stabilized building is converted to a co-op or condo, renters in place at the time of the conversion have the right to remain. They also have the right to renew their leases. However, once the rent stabilized tenant vacates, the apartment can either be sold or rented without regulation.

Portfolio Composition

UPPER EAST SIDE:

- Rent Stabilized: 23 units (12% of the units in UES)
- Rent Controlled: 0 units
- 2021 Lease expiration: 8 units
- 2022 Lease expiration: 13 units
- 2023 Lease expiration: 2 units

UPPER WEST SIDE:

- Rent Stabilized: 43 units (27% of the units in UWS)
- Rent Controlled: 5 units (3% of the units in UWS)
- 1 rent stabilized unit held down since Nov-20
- 2 units had lease expiration in 2020 (currently MTM)
- 2021 Lease expiration: 20 units
- 2022 Lease expiration: 19 units
- 2023 Lease expiration: 5 units
- 2027 Lease expiration: 3 units



- 71 units are currently regulated (66 rent stabilized and 5 rent controlled).
 - 1 rent stabilized unit has been held down since November 2020 for potential renovations
 - Lease expiration in 2021: 28 units
 - Lease expiration in 2022: 32 units
 - Lease expiration in 2023: 7 units
 - Lease expiration in 2027: 3 units⁽¹⁾
- The portfolio includes 5 rent controlled units. Given the current regulation, all 5 units will become rent stabilized upon vacancy. The lease on 2 of these units expires in 2021 and on the remaining 3 units in 2027.
- Therefore, by the end of 2021, the Portfolio will consist of 68 rent stabilized units and 3 rent controlled units (which will become rent stabilized in 2027).

Sources: NYC Rent Guidelines Board, New York City Rent Stabilization Code

(1) All in the same building (464-466 Amsterdam Avenue)

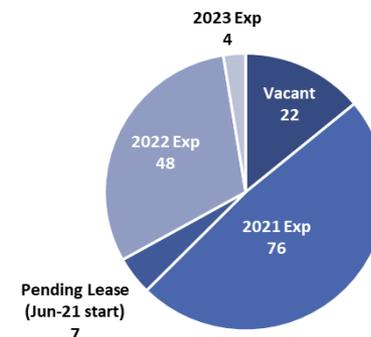
Section 3. Business Plan

Envisaged Strategy

Business Plan

- Omega Capital (“Omega” or the “GP”) will selectively target the non-renovated market rate units to undergo significant modernization that will lead to rent appreciation. The Portfolio consists of 290 market rate units. Out of those, 157 units have not been renovated.
- The in-place rents of those 157 units were compared to market rents of comparable renovated units. Out of the 157 units, 4 achieve similar in-place rents (either trade at a premium or up to a 2% discount) to comparable renovated apartments, so it is assumed that no upgrades are required to these units.
- The remaining 153 units with in-place rent at a discount of over 2% to comparable renovated units will be upgraded. Out of the 153 units, 24 need a soft renovation, while the remaining require a hard renovation as they are more deteriorated. The units that are more deteriorated were identified by comparing in-place rents to market rents. It is assumed that units with in-place rent at a discount of over 15% to market require a heavy renovation.
- Omega plans to renovate the units in groups (floor by floor) upon vacancy. Specifically:
 - 55 units will have been renovated by June 2022
 - 147 units will have been renovated by December 2022
 - 153 units will have been renovated by September 2023
- The rent stabilized units will remain in their existing condition as it is not possible to harvest any rent increase from improvements in these units.
- Omega aims to opportunistically sell all the Properties together after successful business plan execution and stabilization of all repositioned units. Exit is projected after 4 years in December 2025.
- In total, \$9.4 million (\$20.2K / unit for light upgrades and \$69.3K / unit for heavy renovation) has been budgeted.

Non-Renovated Units Current Status



Capital Structure

- The transaction will be financed using a combination of fixed rate financing and equity. Specifically, the envisaged capital structure will comprise of:
 - \$119.0 million senior loan (65.0% of total cap)
 - \$64.0 million equity (35.0% of total cap)
- Underwriting assumes that 10% of the required equity will be contributed by the GP and the remaining 90% by the LP (the GP and LP together hereafter referred to as the “JV”). The cash flow distribution will be as follows:
 - First, 100% to the JV until the JV has received a return of total capital contributions
 - Second, 100% to the JV until the JV has received a cumulative 8% preferred return
 - Promote: 20% Promote to the GP up to a 13% IRR, 30% thereafter (no catch-up)

Value-Add Capital Budget

- The units that have not been significantly deteriorated will undergo a soft renovation, while a hard renovation is required for the ones that are more deteriorated. Below are the details for each type of renovation and the assumptions used.
- Omega will leverage its in-house development team and existing relationships with contractors to minimize the time that each unit will be off-market. Specifically, the schematic design, design development, and construction documents will start getting prepared at transaction closing. The average duration for the renovation of each unit is estimated at 8 weeks.

Soft Renovation

- Refinishing existing wood floors (sand and poly finish): \$2.0 PSF
- Paint: \$4.0 PSF (assuming that an average 400 SF unit has approximately 1,280 SF of wall and ceiling area)
- Kitchen counters & backsplash – absolute black granite: \$2.0K per slab (assuming 1 typical slab of 110x70 required per kitchen) + fabrication / install cost of \$1.0K per slab = \$3.0K per unit
- New kitchen appliances: \$3.0K per unit
- Lighting fixtures: Supply @ \$50 per fixture + install @ \$100 per sconce = \$150 per ceiling fixture (assuming 4, 6, 8, and 10 fixtures for studio, 1 bed, 2 bed, and 3 bed units respectively)
- Washer / Dryer: \$2.0K per unit
- New cabinet fronts / hardware: \$1.5K per unit

Hard Renovation

- Supply and install new 2 1/4 red oak flooring: \$5.0 PSF + \$2.0 PSF for finishing = Total \$7.0 PSF
- Paint: \$4.0 PSF
- Kitchen counters & backsplash – absolute black granite: \$2.0K per slab + fabrication / install cost of \$1.0K per slab = \$3.0K per unit
- New kitchen appliances: \$6.0K per unit
- Bathroom Resurface / Upgrade: Assuming 200 SF of tile for the floor and bathtub walls - supply and install @ \$20 PSF = \$4.0K + \$1.0K for tub resurfacing = \$5.0K per unit
- Lighting fixtures: Supply @ \$50 per fixture + install @ \$100 per sconce = \$150 per ceiling fixture
- Plumbing: Supply bathroom vanity \$800, faucet \$400, shower/tub fittings \$800, and toilet \$300 + kitchen sink \$500 and faucet \$400 = Supply c. \$3.0K + Install c. \$5.0K = \$8.0K per unit
- Washer / Dryer: \$2.0K per unit
- New cabinet fronts/hardware: \$1.5K
- New Window Frames: New aluminum double hung windows - supply and install c. \$5K per window (assuming 3, 5, 7, and 9 windows for studio, 1 bed, 2 bed, and 3 bed units respectively)

Value-Add Capital Budget, cont'd

- The tables below present the proposed renovations and estimated costs. As mentioned previously, 24 units will undergo a soft renovation, while 129 units require a hard renovation.
- \$9.4 million (\$20.2K / unit for light upgrades and \$69.3K / unit for hard renovation) in total has been budgeted for the interior upgrades of the 153 non-renovated market rate units that will be repositioned.

Soft Renovation		
<u>Unit Type</u>	<u>Size (SF)</u>	<u>Units</u>
Studio	334	7
1 bed	451	14
2 bed	450	2
3 bed	1,100	1
Total	10,658	24

	<u>Cost</u>	<u>\$ Total</u>
Flooring	2 psf	21,316
Paint	4 psf	122,880
Kitchen Counters & Backsplash	3,000 / unit	72,000
Kitchen Appliances	3,000	72,000
Bathroom Resurface/Upgrade	-	-
Lighting Fixtures	150	20,700
Plumbing	-	-
Washer/Dryer	2,000	48,000
Cabinet Fronts/Hardware	1,500	36,000
Windows	-	-
Make Ready	500	12,000
Subtotal		404,896
Contingency	5%	20,245
Construction Management Fee	15%	60,734
Total Cost		485,875
<i>per Unit</i>		<i>20,245</i>

Hard Renovation		
<u>Unit Type</u>	<u>Size (SF)</u>	<u>Units</u>
Studio	339	66
1 bed	487	37
2 bed	594	18
3 bed	1,100	8
Total	59,912	129

	<u>Cost</u>	<u>\$ Total</u>
Flooring	7 psf	419,384
Paint	4 psf	660,480
Kitchen Counters & Backsplash	3,000 / unit	387,000
Kitchen Appliances	6,000	774,000
Bathroom Resurface/Upgrade	5,000	645,000
Lighting Fixtures	150	106,500
Plumbing	8,000	1,032,000
Washer/Dryer	2,000	258,000
Cabinet Fronts/Hardware	1,500	193,500
Windows	5,000	2,905,000
Make Ready	500	64,500
Subtotal		7,445,364
Contingency	5%	372,268
Construction Management Fee	15%	1,116,805
Total		8,934,437
<i>per Unit</i>		<i>69,259</i>

Section 4. Market Assessment & Analysis

Upper East Side Multifamily Submarket Overview

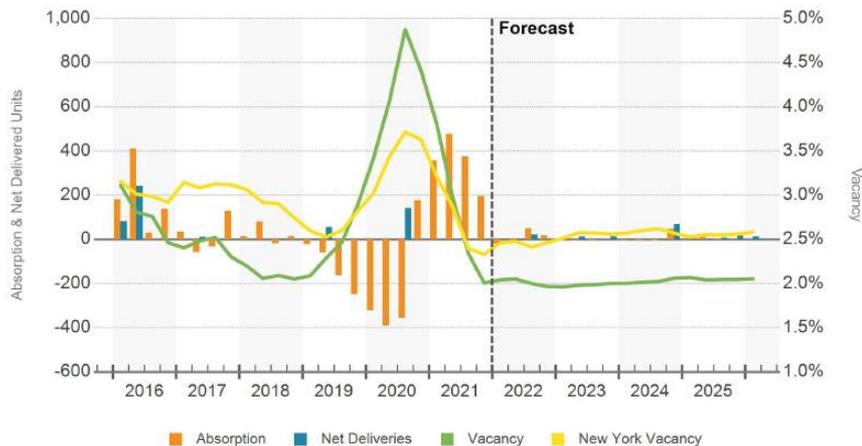
Key Indicators

The area demographics in the Upper East Side include median household income of \$117.7K per year and median home value of \$1.0M. The housing units as of 2021 consisted of 76% renter occupied households. The Upper East Side multi-family submarket consists of 58,579 units and has 114 units under construction. The market vacancy as of February 2022 is 2.0% and rent has grown at 3.1% YOY. Net absorption was 1,259 units over the past 12 months.

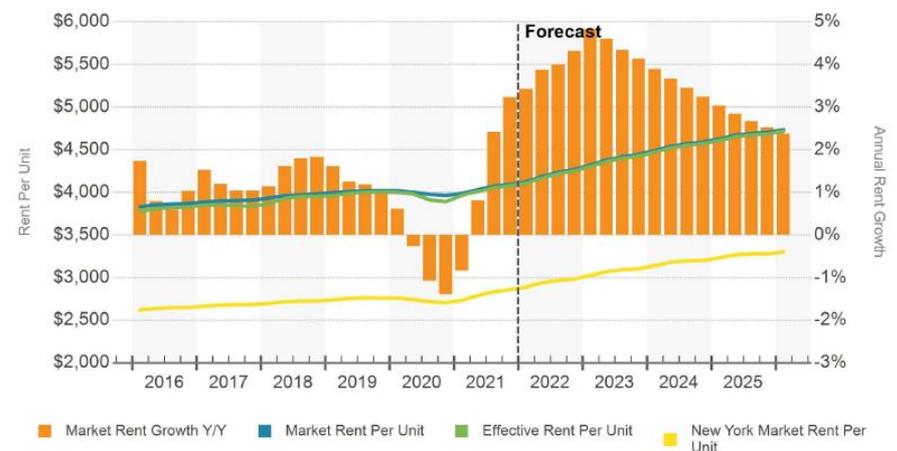
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	7,693	1.7%	\$5,966	\$5,948	5	0	114
3 Star	29,070	1.9%	\$3,984	\$3,968	8	0	0
1 & 2 Star	21,816	2.1%	\$2,929	\$2,917	5	0	0
Submarket	58,579	2.0%	\$4,097	\$4,081	18	0	114

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-2.2%	3.2%	2.0%	4.9%	2020 Q3	2.0%	2022 Q1
Absorption Units	1,259	36	106	1,403	2021 Q4	(1,314)	2020 Q3
Delivered Units	0	77	34	352	2001 Q3	0	2021 Q4
Demolished Units	9	36	10	140	2020 Q4	0	2011 Q1
Asking Rent Growth (YOY)	3.1%	1.9%	3.4%	11.5%	2007 Q2	-10.1%	2009 Q3
Effective Rent Growth (YOY)	4.0%	1.9%	3.4%	11.6%	2007 Q2	-10.1%	2009 Q3
Sales Volume	\$815M	\$484M	N/A	\$1.5B	2014 Q4	\$57.9M	2010 Q1

Absorption, Net Deliveries & Vacancy



Market Rent per Unit & Rent Growth



Upper West Side Multifamily Submarket Overview

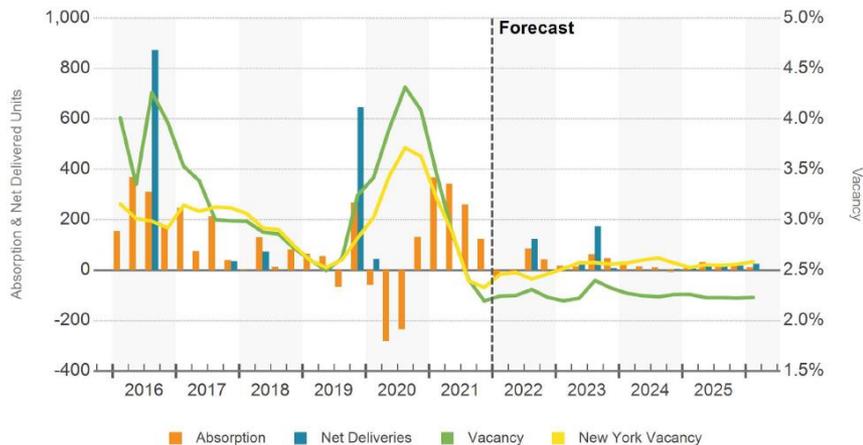
Key Indicators

The area demographics in the Upper West Side include median household income of \$111.3K per year and median home value of \$1.0M. The housing units as of 2021 consisted of 76% renter occupied households. The Upper West Side multi-family submarket consists of 57,626 units and has 366 units under construction. The market vacancy as of February 2022 is 2.2% and rent has grown at 6.1% YOY. Net absorption was 931 units over the past 12 months.

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	11,873	1.6%	\$6,141	\$6,119	2	0	173
3 Star	24,818	2.1%	\$4,349	\$4,331	4	0	163
1 & 2 Star	20,935	2.6%	\$3,105	\$3,092	4	0	0
Submarket	57,626	2.2%	\$4,773	\$4,755	10	0	336

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.6%	3.5%	2.3%	4.5%	2015 Q3	2.2%	2022 Q1
Absorption Units	931	280	135	1,233	2010 Q2	(442)	2020 Q4
Delivered Units	0	299	93	1,324	2010 Q2	0	2021 Q4
Demolished Units	0	17	11	117	2015 Q4	0	2021 Q4
Asking Rent Growth (YOY)	6.1%	1.9%	3.7%	11.4%	2007 Q2	-9.7%	2009 Q3
Effective Rent Growth (YOY)	7.4%	1.9%	3.8%	11.5%	2007 Q2	-9.7%	2009 Q3
Sales Volume	\$525M	\$486M	N/A	\$1.7B	2013 Q2	\$73.3M	2002 Q1

Absorption, Net Deliveries & Vacancy



Market Rent per Unit & Rent Growth



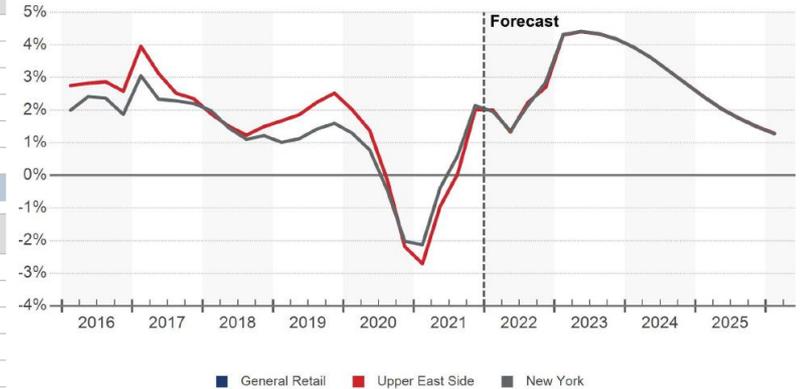
Retail Submarket Overview

Upper East Side

Retail rents in the Upper East Side saw a sharp decline in 2020 due to the pandemic, but appear to have stabilized in 2021. Average asking rents amount to \$148 PSF. Market vacancy stands at 6.5% and net absorption was 50.8K SF over the past 12 months.

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	0	-	-	-	0	0	0
Strip Center	0	-	-	-	0	0	0
General Retail	4,066,898	3.7%	\$147.63	6.5%	(15,500)	0	0
Other	0	-	-	-	0	0	0
Submarket	4,066,898	3.7%	\$147.63	6.5%	(15,500)	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-1.1%	2.6%	3.1%	4.7%	2008 Q2	1.3%	2012 Q4
Net Absorption SF	50.8K	(314)	15,923	167,873	2007 Q4	(93,355)	2008 Q2
Deliveries SF	7K	14,045	11,833	155,000	2007 Q4	0	2020 Q4
Rent Growth	1.7%	2.3%	2.5%	7.1%	2014 Q2	-5.5%	2009 Q4
Sales Volume	\$141M	\$114.7M	N/A	\$252.4M	2012 Q4	\$16.2M	2011 Q3

Market Rent Growth (YoY)

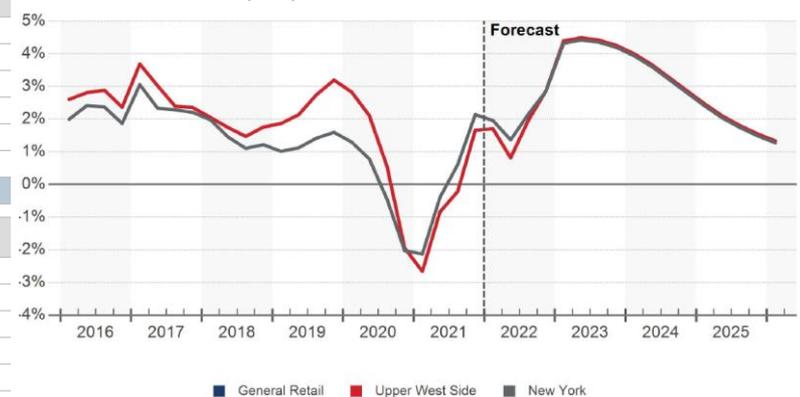


Upper West Side

Similar to the Upper East Side, retail rents in the Upper West Side also declined significantly in 2020. Average asking rents appear to have stabilized at almost \$170 PSF. Market vacancy stands at 2.5% and net absorption was 18.0K SF over the past 12 months.

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	0	-	-	-	0	0	0
Strip Center	0	-	-	-	0	0	0
General Retail	4,303,537	2.5%	\$169.51	2.8%	3,259	0	0
Other	0	-	-	-	0	0	0
Submarket	4,303,537	2.5%	\$169.51	2.8%	3,259	0	0
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	1.9%	3.0%	5.1%	2007 Q4	0.1%	2006 Q1
Net Absorption SF	18K	5,229	(781)	321,922	2010 Q3	(125,301)	2007 Q4
Deliveries SF	0	23,563	12,579	264,427	2011 Q2	0	2021 Q4
Rent Growth	1.4%	2.3%	2.5%	6.9%	2014 Q2	-5.0%	2009 Q4
Sales Volume	\$7.2M	\$25.5M	N/A	\$164M	2019 Q1	\$0	2020 Q3

Market Rent Growth (YoY)



Recent Sale Comps UES

Upper East Side

Property Address	Buyer	Sale Date	Sale Price (\$M)	Units	Price per Unit	SF	Price Per SF	Occupancy	Cap Rate	Year Built
128 E 86th St	Klosed Properties	5/28/2021	8.0	12	\$666,667	11,925	670.86	98.2%	-	1915
151 E 90th St	Anthony Ventura	5/14/2021	15.0	43	\$348,837	38,500	389.61	98.2%	-	1930
1307 - 1309 3rd Ave	EJS Real Estate	3/4/2021	13.6	20	\$679,350	12,600	1,078.33	98.2%	-	1900
202 E 75th St	EJS Real Estate	3/4/2021	5.8	9	\$647,000	6,950	837.84	98.2%	-	1910
1670 Third Ave	ML Delta	1/13/2021	6.7	17	\$391,176	8,216	809.40	98.2%	-	1905
304 E 86th St	220 East 86th Street LP	12/21/2020	3.5	7	\$500,000	9,155	382.30	98.2%	-	1925
349-361 E 86th St	220 East 86th Street LP	12/21/2020	14.5	34	\$426,471	36,237	400.14	0.0%	-	1910
218-220 E 86th St	220 East 86th Street LP	12/21/2020	14.0	42	\$333,333	38,590	362.79	99.1%	-	1925
300 E 86th St	220 East 86th Street LP	12/21/2020	3.5	12	\$291,667	7,000	500.00	98.2%	-	1920
135 E 63rd St	Jeffrey & Missony Cheng	12/1/2020	5.8	8	\$718,750	7,637	752.91	98.2%	-	1910
312 E 83rd St	Creas, Inc.	11/30/2020	10.2	11	\$925,750	8,395	1,213.01	98.2%	5.00	1910
322 E 90th St	JAM Real Estate Partners LLC	8/11/2020	4.5	16	\$282,813	9,005	502.50	98.5%	-	1915
1388 2nd Ave	Copperwood Real Estate	2/26/2020	6.0	11	\$543,182	6,000	995.83	83.6%	3.00	1915
1368 York Ave	Vincent Ventura	1/31/2020	7.8	19	\$410,526	11,191	696.99	98.2%	3.65	1910
1364 York Ave	Vincent Ventura	1/31/2020	6.1	18	\$336,111	9,180	659.04	98.6%	3.65	1920
Total / Average			125	279	\$500,109		\$683	90.8%		

Recent Sale Comps UWS

Upper West Side

Property Address	Buyer	Sale Date	Sale Price (\$M)	Units	Price per Unit	SF	Price Per SF	Occupancy	Cap Rate	Year Built
33 W 82nd St	Brusco Realty	3/15/2021	3.1	10	\$309,524	6,385	484.77	98.0%	-	1900
28 W 85th St	Brusco Realty	3/15/2021	3.4	11	\$309,524	5,770	590.08	98.0%	-	1900
57 W 86th St	David Herzog	11/5/2020	11.4	12	\$950,000	13,290	857.79	98.1%	-	1930
955 Amsterdam Ave	Black Spruce Management	10/16/2020	4.6	14	\$325,823	11,110	410.58	100.0%	6.00	1925
425 Amsterdam Ave	Rudd Realty Management Corp.	10/14/2020	6.4	9	\$705,556	8,250	769.70	99.0%	-	1910
268 W 73rd St	Urban Standard Development	9/29/2020	3.4	10	\$340,000	6,640	512.05	98.0%	-	1920
203 W 80th St	Alchemy Ventures	9/11/2020	5.4	10	\$540,000	7,200	750.00	98.0%	-	1900
27 W 69th St	Orbis Properties	8/24/2020	6.1	7	\$865,714	7,692	787.83	98.0%	-	1910
124 W 78th St	Calano & Calano Realty Corp	8/7/2020	4.5	10	\$450,000	5,630	799.29	98.0%	4.30	1910
309 W 99th St	Lightstone Group	5/19/2020	18.5	46	\$402,174	48,099	384.62	100.0%	-	1920
317-319 W 99th St	Lightstone Group	5/19/2020	18.5	34	\$544,118	47,851	386.62	98.3%	-	1920
120 W 74th St	Wm. Blanchard Co.	5/13/2020	7.1	10	\$705,000	8,750	805.71	98.0%	-	1886
133 W 80th St	Tauber Properties	3/10/2020	4.5	10	\$450,000	4,468	1,007.16	98.0%	-	1900
33 W 89th St	Chris Canty	3/3/2020	5.2	9	\$580,593	6,577	794.49	100.0%	3.60	1930
Total / Average			102	202	\$534,145		\$667	98.5%		

Upper East Side Rent Comparables

- The units located in the Upper East Side are grouped into 3 smaller submarkets: South Lenox, Central Upper East Side, and Yorkville. For each sub-market, comparable units that have been recently renovated were identified.
- The tables below present the weighted average rents of the comparable units in each submarket. In addition, the average rents of the market rate units (non-renovated and already renovated) in the Portfolio are presented in the beginning of each table for reference.
- The weighted average rents of the comparable renovated units are used in the underwriting of the proposed transaction for the repositioning of the non-renovated market rate units.

Rent Comparables - South Lenox					
		<u>Portfolio</u>			
	Non-Renovated Units	Renovated Units	Wtd. Average	432 E 66th Street	1065 3rd Ave
Year Built			1920	1910	1930
Studio	\$2,050 / \$74.56	-- / --	\$2,252 / \$72.71	\$2,300 / \$78.86	\$2,200 / \$66.0
1 Bed	\$2,334 / \$67.12	\$2,618 / \$77.97	\$2,750 / \$70.0	\$2,750 / \$82.50	\$2,750 / \$60.0
2 Bed	\$2,944 / \$78.51	\$3,162 / \$84.33	\$3,695 / \$61.58	-- / --	\$3,695 / \$61.58

Rent Comparables - Central UES						
		<u>Portfolio</u>				
	Non-Renovated Units	Renovated Units	Wtd. Average	342 East 76th Street	426 E 73rd St	150 E 72nd St
Year Built			1911	1910	1910	1914
Studio	\$2,027 / \$72.85	\$2,141 / \$76.79	\$2,600 / \$83.20	\$2,600 / \$83.20	\$ / --	\$ / --
1 Bed	\$2,999 / \$89.97	-- / --	\$3,520 / \$74.52	\$3,000 / \$51.43	\$2,400 / \$76.60	\$4,800 / \$82.29
2 Bed	-- / --	-- / --	-- / --	-- / --	-- / --	-- / --

Rent Comparables - Yorkville						
		<u>Portfolio</u>				
	Non-Renovated Units	Renovated Units	Wtd. Average	1567 Second Avenue	54 East 83rd Street	244 East 86th Street
Year Built			1923	1925	1923	1920
Studio	\$2,043 / \$69.11	\$2,262 / \$77.61	\$2,829 / \$70.72	\$2,450 / \$61.25	\$3,350 / \$83.75	\$ / --
1 Bed	\$2,424 / \$56.47	\$2,588 / \$69.91	\$3,645 / \$66.25	\$3,400 / \$68.0	\$ / --	\$3,800 / \$65.14
2 Bed	\$2,764 / \$61.83	\$3,164 / \$72.71	\$4,740 / \$47.40	\$ / --	\$ / --	\$4,740 / \$47.40

Upper West Side Rent Comparables

- The units located in the Upper West Side are grouped into 2 smaller submarkets: Lincoln Square and Upper West. For each sub-market, comparable units that have been recently renovated were identified.
- The tables below present the weighted average rents of the comparable units in each submarket. In addition, the average rents of the market rate units (non-renovated and already renovated) in the Portfolio are presented in the beginning of each table for reference.
- The weighted average rents of the comparable renovated units are used in the underwriting of the proposed transaction for the repositioning of the non-renovated market rate units.

Rent Comparables - Lincoln Square								
<u>Portfolio</u>		Wtd. Average	25 W 68th Street	154 W 70th Street	244 W 72nd St	228 W 71st St	210 W 70th St	
Non-Renovated Units	Renovated Units							
Year Built		1919	1925	1900	1928	1910	1924	
1 Bed	\$3,022 / \$72.37	\$3,375 / \$82.13	\$3,713 / \$69.84	\$4,150 / \$83.0	\$3,818 / \$76.36	\$3,150 / \$47.25	\$3,735 / \$78.49	\$3,737 / \$65.18
2 Bed	\$3,544 / \$67.72	\$3,927 / \$76.01	\$4,887 / \$66.20	\$5,800 / \$77.33	\$6,247 / \$81.48	\$4,248 / \$53.66	\$4,484 / \$79.13	\$5,950 / \$80.22
3 Bed	\$5,533 / \$60.36	\$6,017 / \$65.63	\$7,164 / \$66.99	\$8,000 / \$87.27	\$7,388 / \$68.20	-- / --	-- / --	\$8,020 / \$72.42

Rent Comparables - Lincoln Square (cont'd)								
<u>Portfolio</u>		Wtd. Average	9 W 70th Street	133 W 71st St	10 W 65th St	240 W 73rd St	14 W 69th St	
Non-Renovated Units	Renovated Units							
Year Built		1919	1900	1928	1939	1928	1910	
1 Bed	\$3,022 / \$72.37	\$3,375 / \$82.13	\$3,713 / \$69.84	-- / --	-- / --	\$4,068 / \$56.63	\$3,048 / \$79.17	\$3,995 / \$72.64
2 Bed	\$3,544 / \$67.72	\$3,927 / \$76.01	\$4,887 / \$66.20	\$4,995 / \$66.23	\$4,295 / \$51.54	\$4,755 / \$59.75	\$3,800 / \$61.13	\$4,295 / \$51.54
3 Bed	\$5,533 / \$60.36	\$6,017 / \$65.63	\$7,164 / \$66.99	\$6,995 / \$59.96	\$5,795 / \$57.95	\$6,785 / \$56.15	-- / --	-- / --

Rent Comparables - Upper West								
<u>Portfolio</u>		Wtd. Average	120 W 86th St	850 Amsterdam	930 Columbus Ave	201 W 81st St	131 W 85th St	
Non-Renovated Units	Renovated Units							
Year Built		1923	1912	1931	1930	1920	1900	
Studio	\$2,265 / \$84.41	-- / --	\$2,723 / \$77.11	\$3,500 / \$105.0	\$2,375 / \$71.25	\$2,295 / \$55.08	-- / --	-- / --
1 Bed	\$2,893 / \$68.41	\$3,235 / \$69.07	\$3,567 / \$76.28	\$4,200 / \$100.80	\$3,300 / \$58.24	-- / --	-- / --	\$3,200 / \$69.82
2 Bed	\$4,232 / \$84.65	\$3,573 / \$69.56	\$4,900 / \$62.88	\$5,500 / \$74.16	-- / --	-- / --	\$4,300 / \$51.60	-- / --

Section 5. Financial Analysis

Capital Structure and Sources & Uses

Capital Structure

- The estimated purchase price amounts to \$170.0 million (\$470.9K / unit). The \$ price / unit is in-line with recent multifamily sale comps in both the Upper East Side and Upper West Side submarkets.
- The Project's total capitalization amounts to \$183.0 million (\$507.0K / unit), which includes the purchase price, capital improvements, closing / legal fees, acquisition fee, financing costs, and a reserve account. A reserve account of \$206.0K will be funded from the equity to cover part of the debt interest for the first two months of the Project given that many units are going to be held down for renovation during that period.
- The Portfolio will be acquired utilizing fixed-rate financing with proceeds totaling \$119.0 million (65.0% of total capitalization) and equity of \$64.0 million (35.0% of total capitalization).
- A senior loan totaling \$119.0 million (70% of purchase price) with a fixed interest rate based on L + 300 bps, and a 20-year amortization with 1 year I/O period will be secured from a commercial bank.
- It is assumed that 10% of the total equity requirement will be contributed by the GP and the remaining 90% by the LP.

Sources & Uses

<u>Sources</u>	<u>\$ Amt</u>	<u>\$ / Unit</u>	<u>\$ / SF</u>	<u>% Total</u>
Senior Loan	119,000,000	329,640	569	65.0%
Equity	64,018,767	177,337	306	35.0%
Total Sources	183,018,767	506,977	875	100.0%

<u>Uses</u>		<u>\$ Amt</u>	<u>\$ / Unit</u>	<u>\$ / SF</u>	<u>% Total</u>
Gross Purchase Price		170,000,000	470,914	813	92.9%
Capital Improvements		9,420,312	26,095	45	5.1%
Closing / Legal Fees		300,000	831	1	0.2%
Acquisition Fee	1.00%	1,700,000	4,709	8	0.9%
Financing Costs	0.75%	892,500	2,472	4	0.5%
LIBOR Cap	0.42%	500,000	1,385	2	0.3%
Reserve Account		205,955	571	1	0.1%
Total Uses		183,018,767	506,977	875	100.0%

Pro-Forma Key Assumptions

Main Assumptions

- The table below shows the in-place and pro-forma (post-renovation) monthly rents for market rate units in each submarket. A weighted average monthly premium of \$827 per unit across all units is expected to be achieved post-renovations. For the market rate units that had been renovated in the past and for the rent regulated units, the in-place rent is used in the underwriting. Market rate rent is assumed to grow 3.0% annually. For rent regulated units, rent is assumed to grow at a maximum of 1.5% annually according to the latest regulation.
- Average vacancy rate is assumed to be 5.0% of gross potential rent, based on a historical review of the Properties' performance and the current market conditions. Concessions are assumed to be 3.0% of gross potential rent, which is typical for the specific submarkets.
- Other income is calculated using the latest T-3 figure for each Property (grown at 2% per year) and assuming a 10% discount to be conservative. Operating expenses are calculated using the latest T-12 figure and assumed to grow at 3% per year.
- For the retail spaces, the in-place rent for the existing leases is used in the underwriting. For any leases that have expired or will expire during the holding period, it is assumed that they are renewed/re-leased at current market rates for each submarket. A \$20.0 PSF TI budget and 3 month lease downtime (with 3 months free rent) is assumed, which is typical in the specific submarkets. Retail rent is assumed to grow 2.0% annually.
- Retail vacancy in the submarkets is currently at 2.5%-3.7%. Given the historical performance of the Properties and the uncertainty due to the pandemic, vacancy is assumed to be slightly higher at 5% on average.

In-Place & Pro-Forma (Post-Reno) Rents⁽¹⁾

	South Lenox Submarket				Central UES Submarket				Yorkville Submarket			
Unit Type	Units	In-Place	Post-Reno	Premium	Units	In-Place	Post-Reno	Premium	Units	In-Place	Post-Reno	Premium
Studio	5	\$2,050	\$2,252	\$202	28	\$2,027	\$2,600	\$573	35	\$2,043	\$2,829	\$786
1 bed	15	\$2,334	\$2,750	\$416	1	\$2,999	\$3,520	\$521	21	\$2,424	\$3,645	\$1,221
2 bed	4	\$2,944	\$3,695	\$751	-	--	--	--	2	\$2,764	\$4,740	\$1,976
3 bed	-	--	--	--	-	--	--	--	-	--	--	--
Total	24	\$1,738	\$2,138	\$427	29	\$720	\$845	\$571	58	\$1,687	\$2,771	\$1,256

	Lincoln Square Submarket				Upper West Submarket				Total Portfolio	
Unit Type	Units	In-Place	Post-Reno	Premium	Units	In-Place	Post-Reno	Premium	Total Units	Premium ⁽²⁾
Studio	-	--	--	--	5	\$2,265	\$2,723	\$458	73	\$642
1 bed	6	\$3,022	\$3,713	\$691	8	\$2,893	\$3,567	\$674	51	\$822
2 bed	10	\$3,544	\$4,887	\$1,343	4	\$4,232	\$4,900	\$668	20	\$1,153
3 bed	9	\$5,533	\$7,164	\$1,630	-	--	--	--	9	\$1,630
Total	25	\$4,135	\$5,425	\$1,290	17	\$2,387	\$2,816	\$609	153	\$827

(1) For market rate units. The in-place rents are the current rents for the non-renovated market rate units. The post-renovation (pro-forma) rents are determined by the rental comps analysis. All figures are un-trended.

(2) Weighted average.

Exit Assumptions & Deal Returns

Exit Strategy

- Omega will opportunistically sell the Portfolio after successful business plan execution and stabilization of all repositioned units. It is estimated that two years are required to renovate all 153 units based on a detailed renovation schedule (please refer to the financial model for the detailed monthly schedule). The Properties will be sold all together as a portfolio at the end of 2025 once they have reached stabilization.
- The pool of potential buyers includes core investors, such as core and core-plus investment funds, family offices, and others with a long-term investment horizon. This deal will attract a buyer looking for newly renovated multifamily assets with a strong and stable cash flow profile.
- Exit is projected after four years at a 4.0% yield which translates to \$237.3 million (\$657.4K/unit, \$1,135 PSF) in proceeds. The investment is projected to generate a 20.6% levered IRR and 2.1x multiple.
- Underwriting assumes that 10% of the required equity will be contributed by the GP and the remaining 90% by the LP. The cash flow distribution includes an 8% preferred return, 20% Promote to the GP up to a 13% IRR, and 30% to the GP thereafter.
- Based on the proposed waterfall distribution, the LP is expected to earn a 17.7% IRR and \$50.5 million in profit, representing a 1.9x multiple. The GP is expected to earn a 39.9% IRR and \$17.3 million in profit, representing a 3.7x multiple.

Exit Assumptions

Hold Period	4 Years
Exit Date	12/31/2025
Sales Cost	1.00%
Forward NOI	9,492,577
Exit Cap Rate	4.00%
Gross Sale Proceeds	237,314,419
\$ Per Unit	657,381
\$ PSF	1,135
Growth CAGR (Acq + Capex)	7.2%

Return Summary

	<u>Deal</u>	<u>LP</u>	<u>GP</u>
Unlevered IRR	10.6%	-	-
Levered IRR	20.6%	17.7%	39.9%
Peak Equity	64,018,767	57,616,890	6,401,877
Profit	67,822,173	50,480,259	17,341,914
MOC	2.1x	1.9x	3.7x
Y1 Net CF	5,407,882		
Y1 Debt Service	(3,722,915)		
Initial Cash-on-Cash (excl. value-add capex)	2.6%		

Consolidated Annual Pro-Forma

Period ending:	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28
Year:	0	1	2	3	4	5	6	7
INCOME								
Gross Potential Rental Revenue	\$ -	\$ 10,209,215	\$ 12,906,673	\$ 13,372,473	\$ 13,753,837	\$ 14,146,345	\$ 14,550,327	\$ 14,966,122
Gross Potential Retail Revenue	\$ -	\$ 4,140,124	\$ 4,599,057	\$ 4,805,298	\$ 5,001,208	\$ 5,394,567	\$ 5,349,352	\$ 5,590,935
Other Income	\$ -	\$ 628,464	\$ 641,033	\$ 653,854	\$ 666,931	\$ 680,269	\$ 693,875	\$ 707,752
Gross Potential Revenue		\$ 14,977,803	\$ 18,146,763	\$ 18,831,624	\$ 19,421,976	\$ 20,221,181	\$ 20,593,554	\$ 21,264,810
Residential Vacancy	\$ -	\$ (510,461)	\$ (645,334)	\$ (668,624)	\$ (687,692)	\$ (707,317)	\$ (727,516)	\$ (748,306)
<i>Residential Vacancy (%)</i>		<i>-5.00%</i>						
Concessions	\$ -	\$ (306,276)	\$ (387,200)	\$ (401,174)	\$ (412,615)	\$ (424,390)	\$ (436,510)	\$ (448,984)
<i>Concessions (%)</i>		<i>-3.00%</i>						
Retail Vacancy & Credit Loss	\$ -	\$ (207,006)	\$ (229,953)	\$ (240,265)	\$ (250,060)	\$ (269,728)	\$ (267,468)	\$ (279,547)
<i>Retail Vacancy (%)</i>		<i>-5.00%</i>						
Expense Reimbursement Revenue	\$ -	\$ 127,974	\$ 105,865	\$ 96,645	\$ 131,566	\$ 158,270	\$ 166,541	\$ 181,429
Effective Gross Revenue		\$ 14,082,033	\$ 16,990,142	\$ 17,618,207	\$ 18,203,174	\$ 18,978,015	\$ 19,328,602	\$ 19,969,402
OPERATING EXPENSES								
Operating Expenses - MF	\$ -	\$ (2,477,949)	\$ (2,552,287)	\$ (2,628,856)	\$ (2,707,722)	\$ (2,788,953)	\$ (2,872,622)	\$ (2,958,801)
Operating Expenses - Retail	\$ -	\$ (279,832)	\$ (288,227)	\$ (296,874)	\$ (305,780)	\$ (314,953)	\$ (324,402)	\$ (334,134)
Real Estate Taxes	\$ -	\$ (5,124,959)	\$ (5,227,458)	\$ (5,332,007)	\$ (5,438,647)	\$ (5,547,420)	\$ (5,658,369)	\$ (5,771,536)
Management Fee (% of EGI)	\$ -	\$ (421,323)	\$ (508,543)	\$ (527,362)	\$ (544,887)	\$ (568,108)	\$ (578,601)	\$ (597,800)
Total Expenses		\$ (8,304,062)	\$ (8,576,515)	\$ (8,785,099)	\$ (8,997,036)	\$ (9,219,435)	\$ (9,433,994)	\$ (9,662,271)
Net Operating Income		\$ 5,777,971	\$ 8,413,626	\$ 8,833,108	\$ 9,206,138	\$ 9,758,580	\$ 9,894,608	\$ 10,307,132
LEASING & CAPITAL COSTS								
Total Tenant Improvement	\$ -	\$ (49,073)	\$ (68,267)	\$ (85,487)	\$ (78,393)	\$ -	\$ (64,040)	\$ -
Total Leasing Commission	\$ -	\$ (247,372)	\$ (399,360)	\$ (415,550)	\$ (331,861)	\$ -	\$ (374,634)	\$ -
Capital Reserve	\$ -	\$ (73,644)	\$ (75,853)	\$ (78,129)	\$ (80,473)	\$ (82,887)	\$ (85,374)	\$ (87,935)
Total Leasing & Capital Costs		\$ (370,089)	\$ (543,480)	\$ (579,165)	\$ (490,727)	\$ (82,887)	\$ (524,048)	\$ (87,935)
Net Cashflow		\$ 5,407,882	\$ 7,870,146	\$ 8,253,943	\$ 8,715,411	\$ 9,675,693	\$ 9,370,560	\$ 10,219,197

Consolidated Cash Flows (4-Year Holding Period)

Period ending:	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Year:	0	1	2	3	4

Cash Flow Analysis

Net Cashflow	\$ -	\$ 5,407,882	\$ 7,870,146	\$ 8,253,943	\$ 8,715,411
Purchase Price	\$ (170,000,000)	\$ -	\$ -	\$ -	\$ -
Capital Improvements	\$ (9,420,312)	\$ -	\$ -	\$ -	\$ -
Closing Costs	\$ (300,000)	\$ -	\$ -	\$ -	\$ -
Acquisition Fee	\$ (1,700,000)	\$ -	\$ -	\$ -	\$ -
Sale Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 237,314,419
Selling Cost	\$ -	\$ -	\$ -	\$ -	\$ (2,373,144)
Unlevered CF	\$ (181,420,312)	\$ 5,407,882	\$ 7,870,146	\$ 8,253,943	\$ 243,656,686
<i>Cumulative</i>	<i>\$ (181,420,312)</i>	<i>\$ (176,012,430)</i>	<i>\$ (168,142,284)</i>	<i>\$ (159,888,341)</i>	<i>\$ 83,768,344</i>

Unlevered IRR	10.6%
Peak Equity	\$ 181,420,312
Profit	\$ 83,768,344
Equity Multiple	1.5x

Unlevered Cash Flow	\$ (181,420,312)	\$ 5,407,882	\$ 7,870,146	\$ 8,253,943	\$ 243,656,686
Debt Proceeds	\$ 119,000,000	\$ -	\$ -	\$ -	\$ -
Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ (111,470,993)
Debt Amortization	\$ -	\$ -	\$ (2,431,677)	\$ (2,508,853)	\$ (2,588,477)
Debt Interest	\$ -	\$ (3,722,915)	\$ (3,688,244)	\$ (3,611,069)	\$ (3,531,444)
Financing Costs	\$ (892,500)	\$ -	\$ -	\$ -	\$ -
LIBOR Cap	\$ (500,000)	\$ -	\$ -	\$ -	\$ -
Levered Cash Flow (before Reserve)	\$ (63,812,812)	\$ 1,684,967	\$ 1,750,225	\$ 2,134,021	\$ 126,065,772
Reserve Account	\$ (205,955)	\$ 205,955	\$ -	\$ -	\$ -
Levered Cash Flow	\$ (64,018,767)	\$ 1,890,921	\$ 1,750,225	\$ 2,134,021	\$ 126,065,772
<i>Cumulative</i>	<i>\$ (64,018,767)</i>	<i>\$ (62,127,845)</i>	<i>\$ (60,377,620)</i>	<i>\$ (58,243,599)</i>	<i>\$ 67,822,173</i>

Levered IRR	20.6%
Peak Equity	\$ 64,018,767
Profit	\$ 67,822,173
Equity Multiple	2.1x

Sensitivity Analysis

DEAL LEVERED IRR / MOC / EXIT PER UNIT

		Stabilized Rent Growth						
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
Exit Cap	4.75%	7.3% / 1.3x / \$525.8k	8.5% / 1.4x / \$534.9k	9.6% / 1.4x / \$544.2k	10.8% / 1.5x / \$553.6k	11.9% / 1.5x / \$563.0k	13.0% / 1.6x / \$572.6k	14.1% / 1.7x / \$582.2k
	4.50%	10.6% / 1.5x / \$555.0k	11.7% / 1.5x / \$564.7k	12.9% / 1.6x / \$574.5k	14.0% / 1.7x / \$584.3k	15.0% / 1.7x / \$594.3k	16.1% / 1.8x / \$604.4k	17.1% / 1.8x / \$614.6k
	4.25%	14.0% / 1.7x / \$587.6k	15.1% / 1.7x / \$597.9k	16.1% / 1.8x / \$608.2k	17.2% / 1.8x / \$618.7k	18.2% / 1.9x / \$629.3k	19.3% / 2.0x / \$639.9k	20.3% / 2.0x / \$650.7k
	4.00%	17.4% / 1.9x / \$624.3k	18.5% / 1.9x / \$635.3k	19.5% / 2.0x / \$646.3k	20.6% / 2.1x / \$657.4k	21.6% / 2.1x / \$668.6k	22.6% / 2.2x / \$679.9k	23.6% / 2.3x / \$691.4k
	3.75%	21.0% / 2.1x / \$666.0k	22.0% / 2.2x / \$677.6k	23.0% / 2.2x / \$689.3k	24.0% / 2.3x / \$701.2k	25.0% / 2.4x / \$713.2k	26.0% / 2.4x / \$725.3k	27.0% / 2.5x / \$737.5k
	3.50%	24.7% / 2.4x / \$713.5k	25.7% / 2.4x / \$726.0k	26.7% / 2.5x / \$738.6k	27.7% / 2.6x / \$751.3k	28.7% / 2.7x / \$764.1k	29.6% / 2.7x / \$777.1k	30.6% / 2.8x / \$790.2k
	3.25%	28.6% / 2.7x / \$768.4k	29.6% / 2.7x / \$781.8k	30.6% / 2.8x / \$795.4k	31.5% / 2.9x / \$809.1k	32.5% / 3.0x / \$822.9k	33.4% / 3.1x / \$836.9k	34.4% / 3.2x / \$850.9k

		Hold Period					
		2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
Exit Cap	4.75%	2.7% / 1.1x / \$504.8k	3.5% / 1.1x / \$500.9k	10.8% / 1.5x / \$553.6k	11.4% / 1.7x / \$569.1k	11.5% / 1.8x / \$584.7k	11.7% / 2.0x / \$601.1k
	4.50%	10.2% / 1.2x / \$532.8k	8.3% / 1.3x / \$528.7k	14.0% / 1.7x / \$584.3k	13.7% / 1.8x / \$600.7k	13.3% / 2.0x / \$617.1k	13.1% / 2.2x / \$634.5k
	4.25%	18.1% / 1.4x / \$564.2k	13.2% / 1.4x / \$559.8k	17.2% / 1.8x / \$618.7k	16.1% / 2.0x / \$636.0k	15.2% / 2.2x / \$653.4k	14.6% / 2.4x / \$671.8k
	4.00%	26.3% / 1.6x / \$599.4k	18.2% / 1.6x / \$594.8k	20.6% / 2.1x / \$657.4k	18.6% / 2.3x / \$675.8k	17.1% / 2.5x / \$694.3k	16.2% / 2.7x / \$713.8k
	3.75%	35.0% / 1.8x / \$639.4k	23.4% / 1.9x / \$634.4k	24.0% / 2.3x / \$701.2k	21.2% / 2.5x / \$720.9k	19.1% / 2.7x / \$740.6k	17.8% / 2.9x / \$761.4k
	3.50%	44.3% / 2.1x / \$685.0k	28.9% / 2.1x / \$679.7k	27.7% / 2.6x / \$751.3k	23.8% / 2.8x / \$772.3k	21.2% / 3.0x / \$793.5k	19.5% / 3.2x / \$815.8k
	3.25%	54.3% / 2.4x / \$737.7k	34.6% / 2.4x / \$732.0k	31.5% / 2.9x / \$809.1k	26.7% / 3.1x / \$831.8k	23.5% / 3.4x / \$854.5k	21.2% / 3.6x / \$878.5k

GP LEVERED IRR / MOC / EXIT PER UNIT

		Stabilized Rent Growth						
		1.5%	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%
Exit Cap	4.75%	7.3% / 1.3x	9.4% / 1.4x	12.4% / 1.6x	15.3% / 1.7x	18.0% / 1.9x	20.5% / 2.1x	23.0% / 2.2x
	4.50%	14.9% / 1.7x	17.7% / 1.9x	20.3% / 2.0x	22.7% / 2.2x	25.7% / 2.4x	28.6% / 2.7x	31.4% / 2.9x
	4.25%	22.8% / 2.2x	25.8% / 2.4x	28.8% / 2.7x	31.6% / 2.9x	34.2% / 3.1x	36.8% / 3.4x	39.2% / 3.6x
	4.00%	32.2% / 3.0x	34.9% / 3.2x	37.4% / 3.5x	39.9% / 3.7x	42.2% / 4.0x	44.5% / 4.2x	46.6% / 4.5x
	3.75%	40.9% / 3.8x	43.3% / 4.1x	45.5% / 4.3x	47.7% / 4.6x	49.8% / 4.9x	51.9% / 5.2x	53.9% / 5.4x
	3.50%	49.2% / 4.8x	51.3% / 5.1x	53.4% / 5.4x	55.4% / 5.6x	57.3% / 5.9x	59.2% / 6.2x	61.1% / 6.5x
	3.25%	57.3% / 5.9x	59.2% / 6.2x	61.1% / 6.5x	63.0% / 6.8x	64.8% / 7.1x	66.6% / 7.5x	68.3% / 7.8x

		Hold Period					
		2 Years	3 Years	4 Years	5 Years	6 Years	7 Years
Exit Cap	4.75%	2.7% / 1.1x	3.5% / 1.1x	15.3% / 1.7x	16.5% / 2.1x	16.7% / 2.4x	16.8% / 2.8x
	4.50%	14.2% / 1.3x	8.8% / 1.3x	22.7% / 2.2x	21.7% / 2.6x	20.6% / 2.9x	19.8% / 3.3x
	4.25%	37.3% / 1.9x	21.4% / 1.8x	31.6% / 2.9x	27.8% / 3.3x	24.9% / 3.6x	22.9% / 4.0x
	4.00%	62.0% / 2.6x	35.7% / 2.5x	39.9% / 3.7x	33.7% / 4.1x	29.4% / 4.4x	26.5% / 4.8x
	3.75%	86.1% / 3.4x	49.5% / 3.3x	47.7% / 4.6x	39.3% / 5.0x	33.6% / 5.4x	29.8% / 5.8x
	3.50%	110.2% / 4.4x	62.6% / 4.2x	55.4% / 5.6x	44.7% / 6.1x	37.8% / 6.5x	33.1% / 6.9x
	3.25%	135.0% / 5.5x	75.4% / 5.3x	63.0% / 6.8x	50.1% / 7.3x	41.9% / 7.7x	36.4% / 8.2x

Appendix

Unrenovated Units Current Condition (Indicative Photos)



Indicative Precedents – Post Renovation



Zoning Analysis

Although Project Innovo does not include any new development or construction, the following table presents the zoning districts that each Property falls under. Some key information on each zoning district is also included for context.

Zoning District	Properties	Zoning Details
C1-9	1582 First Avenue	Commercial district Commercial FAR: 2 Residential equivalent: R10
R8B	306 East 89th Street 311 & 313 East 73rd Street 510 East 88th Street 514 East 88th Street 518 East 88th Street	Contextual residence district Max FAR: 4
C8-4	322 East 61st Street	Commercial district Commercial FAR: 5 Residential Equivalent: None
R10 & C1-5	452 East 78th Street	High Density Non contextual residence district Residential FAR: 10 (12 w/ inclusionary housing) Commercial FAR: 2
C1-8A	182-188 Columbus Avenue 181-199 Columbus Avenue	Commercial FAR: 2 Residential district equivalent: R9
C2-7A	464-466 Amsterdam	Contextual commercial zoning district Commercial FAR: 2 Residential equivalent: R9A