COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

121 Dekalb Av.

A project by:
HQ Group

Fort Greene | Brooklyn | NYC

Final Deal Book
Real Estate Development

Prepared by:
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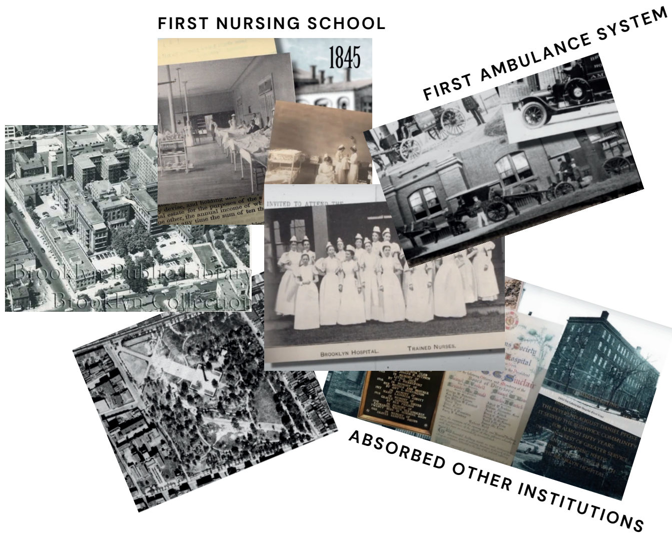
May, 2025

SINCE 1845



HISTORICALLY AT THE FOREFRONT OF:

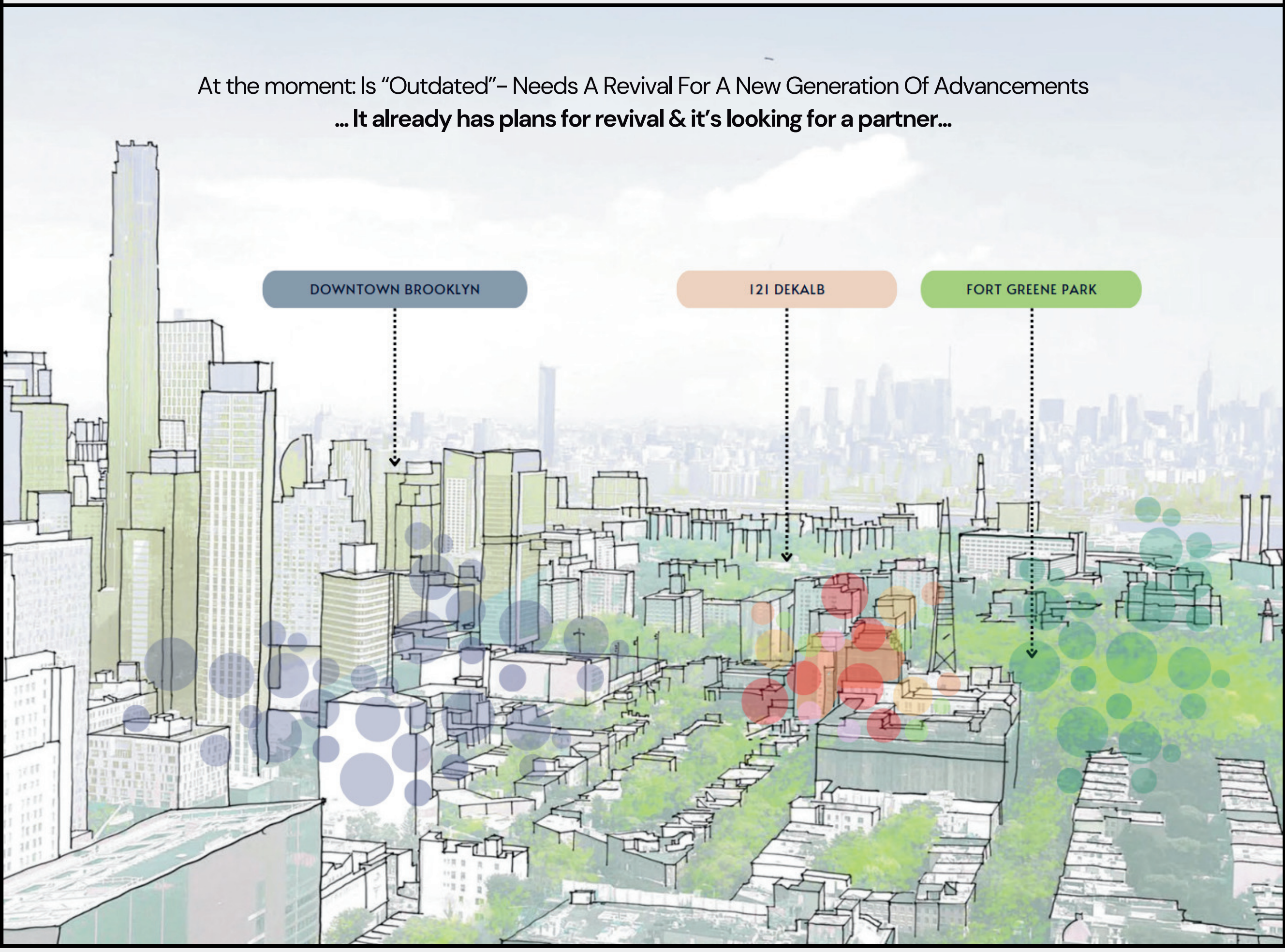
Medical technology

Advancement in education

And, strategically located to serve community

Current condition

- This 4 acre site of The Brooklyn Hospital Center has been serving a single purpose for 180 years
- Historically at the forefront of medical technology and education, today it serves over 1 million residents in this strategic location at the heart of Brooklyn
- In the past few decades, however, the hospital has been struggling with rising costs and outdated facilities
- Its leadership team has plans underway for its mission to re-vitalize and serve the next generation - and it's looking for a partner



Proposed vision

- The Verge aspires to introduce and promote an innovative, healthy, new way of living, working and interacting, based on integrated solutions of green, sustainable, and technologically advanced practices, whilst respecting the heritage of the industrial site and the importance of the hospital use to the local community.
- This multi-dimensional development will significantly contribute to the wider regeneration and revitalization of Downtown Brooklyn & Fort Greene neighborhoods and the surrounding areas.

The Verge Development envisions the urban regeneration of a 247,000 SF. underutilized site into an innovative, State-of-the-Art destination in Brooklyn, consisting of a mixture of healthcare, residential, hospitality, commercial, retail, and recreational uses.

Content

The Essence of “THE VERGE”

Where is this opportunity?

A ~5.6 Acre site situated at the nexus of bustling Downtown Brooklyn and the historic Fort Greene residential neighborhood, The Verge is a new vision for the 180-year-old site of The Brooklyn Hospital Center. This development proposal bridges the needs of a diverse set of stakeholders to create a vibrant mixed-use campus aligning with the Downtown Brooklyn and Fort Greene Eds & Meds Planning Framework.

What are the drivers of the deal?

The proposed development aims to reinvigorate an area at The Verge of.:

- History and Modernity
- Medical research and practice
- Higher education and youth programming
- Long-time residents and newcomers
- People of all socioeconomic levels
- Urban density and public open space

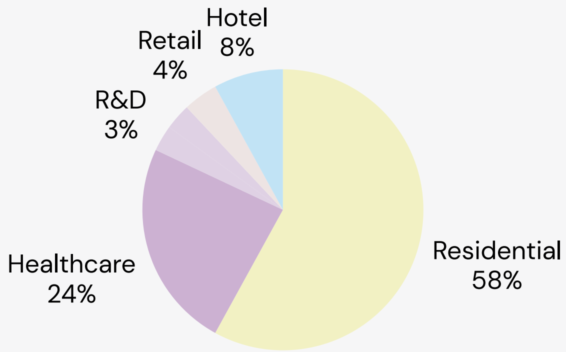
What can the site deliver?

If Rezoned (ULURP process), the site has capacity for:

- 1700+ new housing units,
- 602 New Permanently Affordable housing units for households at an average of 80% AMI
- 300.000 SF Modernized healthcare facility with 464 hospital beds and expanded services
- 40,000 SF dedicated to local small businesses
- 20,000 SF R&D space for use by LIU and TBHC
- Youth education program as a pipeline to the healthcare sector
- 82,000 sf Area of new public open space
- $1,57B - investment into an underutilized site
- ~7,000 Permanent Jobs

1. Executive

Summary



Innovative Living, Community Oriented, Neighborhood Revitalization.

The Verge Development envisions the urban regeneration of a 247,000 sq.ft. underutilized site into an innovative, State-of-the-Art destination consisting of a well-balanced mixture of healthcare, residential, hospitality, commercial, retail, and recreational uses

Development metrics

58% Residential

1,9M SF
Urban Redevep/

58%
Residential

1,717
Housing units

35%
Affordable Housing

15% Community connection uses

170k SF
Hotel

25%
Including Conference center

90k SF
Retail

50%
Small business

50k SF
Community facilities including:

- Recreational center
- Sports facilities
- Education

27% Healthcare uses

330kSF
of New Hospital

120k SF
Medical office

60k SF
Complementary uses for R&D

- TBH - LIU
- Business incubator
- Youth education & technology program

Financial metrics

$1,57B
Total development cost

$625M
Total Equity Investment (GP+LP)

20%
Levered IRR

2+10
Years - Hold period ULURP

2. Vision

Statement

Strategic Repositioning 121 Dekalb:

The Verge is a transformational mixed-use development located at the edge of Downtown Brooklyn, adjacent to Fort Greene Park and Brooklyn Hospital. The project brings together a diverse mix of uses across three city-owned parcels, including affordable and market-rate housing, a medical and life sciences hub, hotel, retail, and community spaces. Its goal is to stitch together different parts of the neighborhood—linking density, green space, and local culture—while delivering long-term value for public and private stakeholders.

The project includes approximately 1700 residential units, of which 35% are affordable, along with new medical office space tied to Brooklyn Hospital, life sciences labs, a hospitality component, and a community-driven retail mix, including a FRESH supermarket focused on Afro-Latin products.
Together, these elements make The Verge a vibrant destination where people can live, work, heal, and connect.

In this refined approach, value creation is tailored to each use / percent development:

- **58% Residential: Housing** is delivered in phases, with a carefully structured mix of affordability to qualify for key incentives (like 485-x and Article XI), while maintaining market-rate revenue potential. The project is also designed to attract long-term renters through thoughtful unit design, building amenities, and its direct access to the park.

- **27% Medical & Life Sciences:** New medical offices and life sciences space are delivered through a partnership with Brooklyn Hospital. We will explore master lease structures or pre-leasing to de-risk this portion and attract mission-aligned capital. This ensures steady, long-term tenancy and anchors the site with a stable user base.

- **15% Retail & Hospitality:** Ground floor uses will activate the site and serve both the local community and hospital visitors. We will curate a tenant mix focused on everyday services, wellness, and culture. The hotel will support the hospital and life sciences community, while also capturing Brooklyn's growing tourism and business travel.

- **Public Realm & Community** Integration: New open spaces, playgrounds, and green corridors will create meaningful public benefits and increase site appeal. This supports long-term value by strengthening community ties and making the development a true destination.

How are we doing it?

The process of working with Brooklyn Hospital is structured around a collaborative, phased strategy that supports both institutional continuity and long-term neighborhood revitalization. First, we will jointly submit a ULURP application to rezone the full site, aligning the hospital's future growth needs with the overall mixed-use vision for The Verge. Once ULURP approval is secured, we will finalize ground lease terms with the hospital, ensuring stable, long-term value for the institution. The first major step on-site will be the construction of a new medical and medical office building on the northwest corner.

Once completed, all hospital functions will be transferred to this new facility, allowing for a phased demolition of the older hospital buildings without disrupting service.

Following this, we will begin development of the community facilities and housing components, delivering them in phases by parcel. This approach allows us to structure the capital stack per phase, making financing more manageable and flexible.

- **PROPERTY ADDRESS:**
  - 121 Dekalb Avenue Lot 4 , 20, 35
- **YEAR BUILT / RENOVATED:**
  - 1845 / 2018
- **BUILDING CLASS:** Hospital / Class A housing
- **Site AREA:**
  - **Lot 4: 172K square feet**
  - **Lot 30 : 44K square feet**
  - **Lot 25: 30K square feet**
-
- **Existing building AREA:**
  - Lot 4: 335K square feet
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  - Lot 25: 379K square feet
- **Total Site AREA:**
  - 247,722 SF
- **CURRENT FAR:**
  - 3.0 As of right
  - 3.9 UAP
- **ZONING:**
  - **R-6**

Following this, we will begin development of the community facilities and housing components, delivering them in phases by parcel. This approach allows us to structure the capital stack per phase, making financing more manageable and flexible.

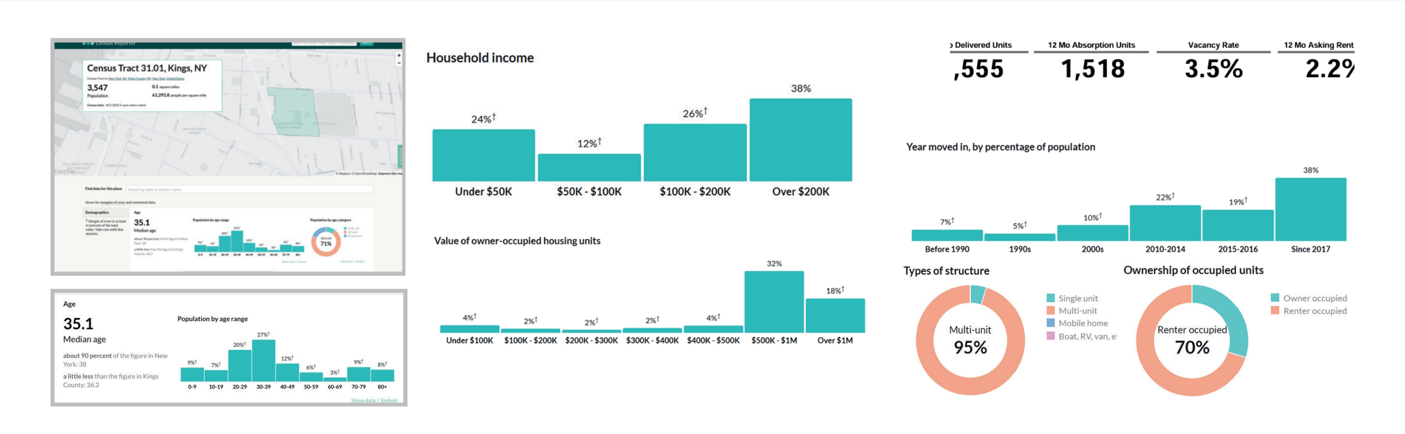
In parallel, we will begin construction on the hotel and retail building fronting Dekalb Avenue to quickly activate the street edge and support early foot traffic. Finally, we will open the project's Eastern frontage to Fort Greene Park, adding green public spaces, play areas, and community programming to invite people into the development and create a seamless connection between the park, the hospital, and the new neighborhood.

All in all and also from a financial standpoint, the project will be delivered in phases, allowing financing to be structured around each use. By breaking up the capital stack—pairing traditional lending with impact-driven and institutional equity—we aim to lower risk, improve deal flexibility, and ensure long-term success. This strategy positions The Verge not just as a real estate project, but as a community-building platform that brings together public benefit and private opportunity.

3. Context

Market Analysis

Key metrics for Tract 31.01 Kings NY | Brooklyn



Market takeaways:

- **Desirable Live/Work/Play Destination:** A surplus of retail, office, and multifamily developments has transformed the submarket into a sought-after location for renters, contributing to significant population growth.
- **Vacancy Rates and Rental Costs:** The vacancy rate stands at 3.5%, higher than the New York metro average of 2.8%, with average rents at $4,690 per month, surpassing the metro average of $3,230.
- **Supply and Demand Dynamics:** Over a recent 12-month period, 1,600 units were delivered, 1,500 units absorbed, and 3,400 units are currently under construction, indicating robust development activity.
- **Increased Investment Volume:** The submarket experienced $772 million in investment over the past year, significantly exceeding the historical average of $293 million, highlighting strong investor interest.
- **Market Resilience and High-Value:** The area reflects broader trends of market resilience, focusing on high-value opportunities and attracting development to meet growing demand.

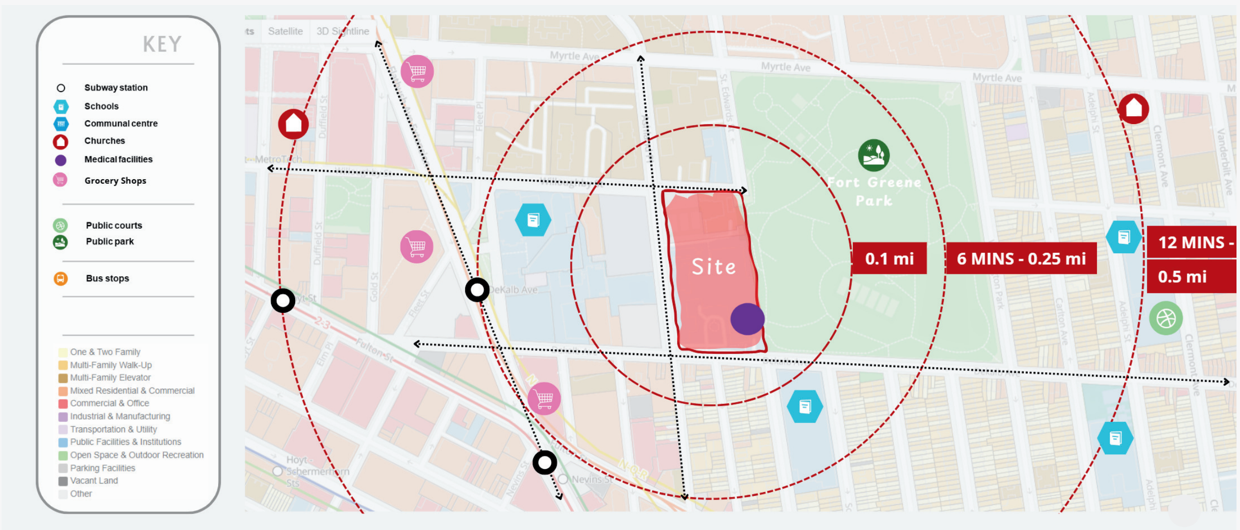
Demographics takeaway

- **High Household Incomes:** A significant portion of households earn over $200,000 annually, surpassing New York City's median household income of approximately $84,000.
- **Elevated Home Values:** 32% of homes are valued above $500,000, with 18% exceeding $1 million, leading to a predominantly renter-occupied market (70% renters vs. 30% owners).
- **Recent Influx of Residents:** 80% of the population has moved to the area since 2010, indicating rapid growth and gentrification.
- **Diverse Community:** Approximately 21% of residents are foreign-born, contributing to the neighborhood's cultural richness.
- **Gender Distribution:** Females make up 54% of the population. **Marital Status:** 39% of residents are married. **Median Age:** 35 years. **Median Household Income:** Approximately $134,000.
- **Asking Rents: Ranged from $3,230 to $4,690. Home Prices: Increased from approximately $660,000 to $1.15 million.**

3. Context

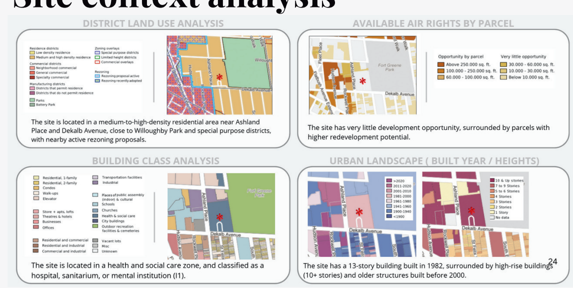
Site Analysis

Land-use and assets



Mobility and circulation

Site context analysis

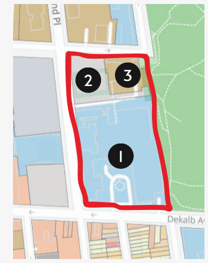


Strategic Repositioning 121 Dekalb:

- Site + LIU are being considered as a cluster on the converging point between the special designation in downtown Brooklyn and the historical designated Fort Green conservation area.
- Only 1500 units have been developed annually from 2010 to 2021. Out of around 18,000 units that have been created only 2000 and 800 are affordable units.

Strategic Repositioning 121 Dekalb:

- Only 12 projects have been mapped with mandatory inclusionary housing across the district
- 464 bed facility Hospital
- Serving 300.000 patients each year with. With 3000 professional medical workers, and 280 students



3. Context

Zoning Analysis

1 lot 4
117 dekalb ave
ZONING DISTRICT: R6

	PLUTO/ZoLa ⓘ	Geometric ⓘ
Lot Area	172,074 sf	184,151 sf
Lot Frontage	351.42 ft	389.86 ft
Lot Depth	454.92 ft	-

STANDARD ZONING

	FAR	Allowed SF	Unused SF
Residential	2.20	378,562	378,562
Res (UAP)	3.90	671,088	-
Community fac.	4.80	825,955	-
Total	4.80	825,955	490,954

HEIGHT FACTOR ZONING
- MAX RESIDENTIAL:
  - 2.43 FAR / 418,140 SF
- OPEN SPACE RATIO: 27.5%

FAR TRANSFERRED (ASSUMPTION):
- 279,549 SF

FAR REMAINING:
- 138,591 SF

2 lot 30
147 ASHLAND PLACE
ZONING DISTRICT: R6

	PLUTO/ZoLa ⓘ	Geometric ⓘ
Lot Area	44,904 sf	41,640 sf
Lot Frontage	245.42 ft	237.07 ft
Lot Depth	362.92 ft	-

STANDARD ZONING

	FAR	Allowed SF	Unused SF
Residential	3.00	134,712	50,362
Res (UAP)	3.90	175,125	90,775
Total	3.00	134,712	50,362
Total (UAP)	3.90	175,125	90,775

HEIGHT FACTOR ZONING
- MAX RESIDENTIAL:
  - 2.43 FAR / 109,117 SF
- OPEN SPACE RATIO: 27.5%

FAR TRANSFERRED (ASSUMPTION):
- N/A SF

FAR REMAINING:
- N/A SF

3 lot 25
240 WILLOUGHBY STREET
ZONING DISTRICT: R6

	PLUTO/ZoLa ⓘ	Geometric ⓘ
Lot Area	30,744 sf	29,161 sf
Lot Frontage	155.68 ft	157.28 ft
Lot Depth	193.36 ft	-

STANDARD ZONING

	FAR	Allowed SF	Unused SF
Residential	2.20	67,636	0
Res (UAP)	3.90	119,901	0
Total	2.20	67,636	0
Total (UAP)	3.90	119,901	0

HEIGHT FACTOR ZONING
- MAX RESIDENTIAL:
  - 2.43 FAR / 74,708 SF
- OPEN SPACE RATIO: 27.5%

ACTUAL BUILT:
- TOTAL: 12.35 FAR / 379,683 SF
- RESIDENTIAL: 11.52 FAR / 364,257 SF

AIR RIGHTS ACQUIRED:
- 279,549 SF

FAR consumed... what is next?

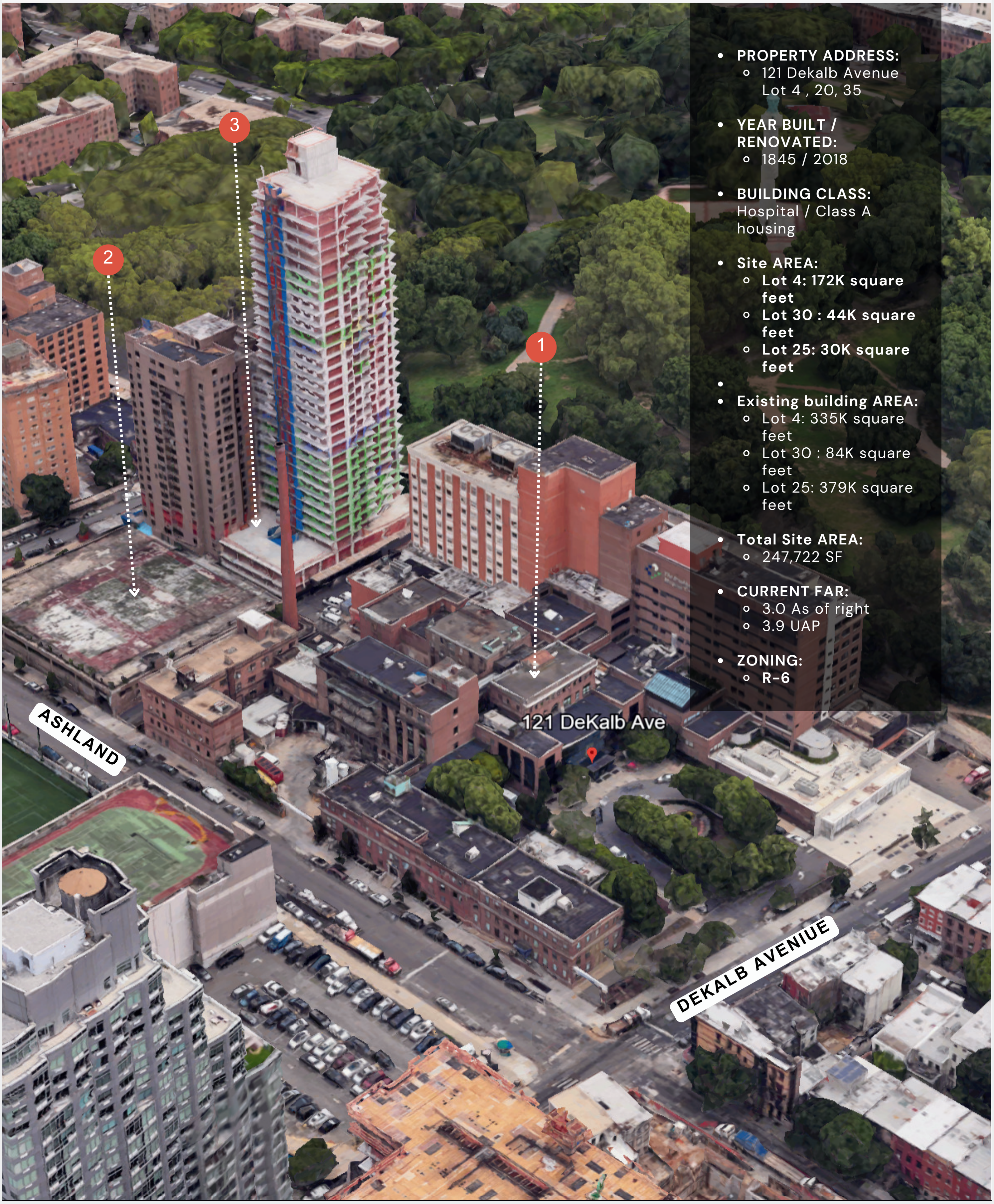
Rezoning is essential to unlock the full potential of this strategically located site, which sits at the crossroads of several distinct urban identities in Brooklyn. The project serves as a natural transition zone between the high-rise density of Downtown Brooklyn and the low-rise, historic character of Fort Greene.

This in-between condition creates an opportunity to stitch together contrasting urban fabrics, both in terms of scale and use, and deliver a more cohesive and connected neighborhood experience. The current zoning does not reflect the site's centrality or its capacity to absorb growth responsibly, especially considering its role in improving the relationship between institutional, residential, and green spaces.

Re-zoning?

The proposed rezoning builds on a strong foundation of recent up-zoning precedents across Brooklyn, many of which allowed up to a 3x increase in density to support affordable housing. Our site, along with the adjacent LIU campus, acts as a larger city-building unit with shared goals of connectivity, permeability, and community benefit.

The plan will create stronger east-west access, linking Fort Greene Park to the downtown core while encouraging pedestrian movement and public engagement. Given its zoning gap—positioned just two blocks from the Downtown Brooklyn Special District—the site is exceptionally well-placed for responsible densification aligned with the city's broader equity and growth goals.



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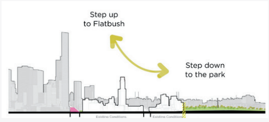
N

3. Context

Re-zoning arguments



Constraints and opportunities

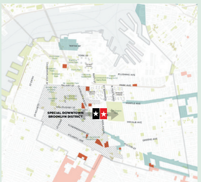
What is the issue?

Location	809 Atl. Avenue	101 Fleet Place	50 Nevins Street	130 Felix Street	80 Flatbush Avenue	142-150 South Portland Avenue	Fort Greene and Clinton Hill
Date	Sep-19	Jun-13	Mar-17	Mar-21	Mar-18	Jan-18	Apr-07
Initial Zoning	C2-4, R7A	R6	C6-1	C6-1, R7	C6-4	R6B	R6
Proposed Zoning	C2-5, R9	C6-4, R10	C6-4, R10	C6-6, R10	C6-9	C2-4, R7D	R5B, R6B, R6A, R7A
Approved	Yes	Yes	Yes	Yes	Yes (Sept. 2018)	Yes (June. 2018)	Yes (July. 2007)

- 70% of development rights have been consumed
- 247k SF residential FAR remaining
- R6 district does not allow for commercial use

What is the target? C2-7 (R9) re-zoning

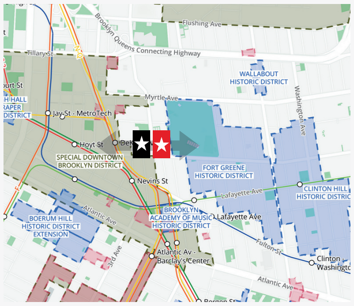
- This site directly adjoins and activates the southwest corner of Fort Greene Park,
- Serving as a transition from the dense urban fabric of Downtown Brooklyn to the more residential character across the park.
- 4x Residential FAR
- Commercial uses to activate the ground-floor
- New housing construction with 35% Affordable
- Mixed use Research and innovation district, drawing visitors with hospitality
- 82k Public open space



Income Restricted MIH:

Only 12 projects are mapped as MIH designated sites, showing the area is underdelivering in this front.

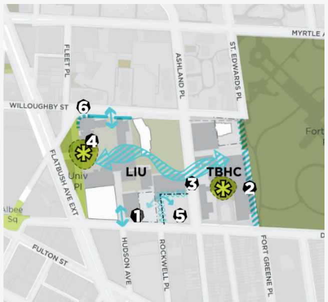
Context opportunities



Strategic Location:
Pivotal role in Brooklyn's diverse urban areas. The site plays a special role on transitioning urban features from adjacent districts (height / density / urban landscape)

Zoning Gap:
Uniquely positioned between two distinct districts: Designated Downtown Brooklyn area and a historic district, separated by just two blocks.

City-scale plans opportunities



East - West connectivity:
Our site + LIU campus work as a "City unit", with specific goals for appropriate development that brings improved permeability + accessibility, connecting to park and surroundings

Up-zoning precedents:
6 precedents have been granted up-zoning in the past 10 years. Majority of them were allowed to increase 3x in order to deliver affordable housing

The current zoning severely limits the site's potential by capping residential FAR and prohibiting commercial uses, despite the site's prime location next to Fort Greene Park and its role as a gateway between Downtown Brooklyn and quieter residential neighborhoods. Rezoning unlocks the site's full potential by allowing more housing, commercial activity, and introducing hospitality uses.

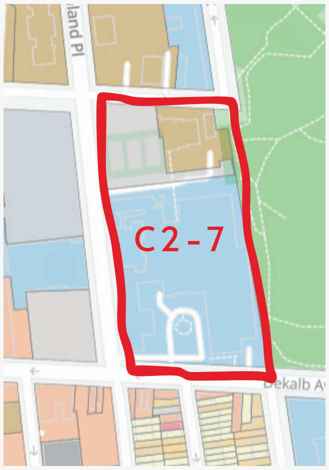
With only 30% of development rights left and 247k SF of residential FAR still available, a rezoning would unlock the ability to fully utilize this underdeveloped parcel. By increasing residential density and allowing commercial uses, we can introduce mixed-income housing with 35% affordable units, while also bringing life to the ground floor through retail and hospitality uses.

3. Zoning

Proposed Re-zoning

Up-scaling 121 DeKalb capacity

What's the issue?



Existing site has moved air rights to concentrate on Lot 25

TOTAL REMAINING RESIDENTIAL SF: 247,708

Whats the Equivalent? C2-7 (R9) re-zoning

Maximum Developable ZFA As-of-Right

Lot Areas		Residential FAR	Residential SF	Residential (UAP) FAR	Residential (UAP) SF	Community Facility FAR	Community Facility SF
Lot 4	172,074	3.0	516,222.00	3.9	671,088.60	4.8	825,955.20
Lot 30	44,904	3.0	134,712.00	3.9	175,125.60	-	-
Lot 25	30,744	3.0	92,232.00	3.9	119,901.60	-	-
Total	247,722		743,166.00		966,115.80		825,955.20
						Total Max ZFA	1,120,982.40

Actual Built ZFA

Lot Areas		Residential Built	Residential Remaining	Residential (UAP) Built	Residential (UAP) Remaining	Community Facility Built	Community Facility Remaining
Lot 4	172,074	0	516,222.00	0	671,088.60	454,319.00	371,636.20
Lot 30	44,904	0	134,712.00	0		-	-
Lot 25	30,744	227625.5	(135,393.48)	103,274.52	16,627.08	-	-
Total	247,722	227,625.48	515,540.52	103,274.52	687,715.68	454,319.00	371,636.20
						Total Built ZFA	785,219.00
						Hospital Area to be Demolished	454,319.00
						Total Remaining ZFA After Demo	790,082.40

Proposed ZFA - Upzoned to C2-7 (R9)

Total Lot Area	247,722.00	FAR	ZFA	Built	Proposed	Total
Residential		7.50	1,857,915	227,625	731,894	959,519
Residential (UAP)		9.00	2,229,498	103,275	394,097	497,371
Community Facility		10	2,477,220		388,186	388,186
Hospital					330,000	
Youth Education					18,186	
Sports Facilities					40,000	
Commercial		2	495,444		383,313	383,313
Medical Office					120,000	
Retail					92,336	
Hotel					170,977	
		Total Allowable ZFA	2,477,220	Total Proposed ZFA		2,228,389

The takeaway:

2.2M SF
Proposed ZFA

1.1M SF
New Residential SF

330k SF
Redeveloped Hospital

380k SF
Commercial Use

58k SF
Community Use

Maximum developable as of right:

- **Desirable Live/Work/Play Destination:** A surplus of retail, office, and multifamily developments has transformed the submarket into a sought-after location for renters, contributing to significant population growth.
- **Vacancy Rates and Rental Costs:** The vacancy rate stands at 3.5%, higher than the New York metro average of 2.8%, with average rents at $4,690 per month, surpassing the metro average of $3,230.
- **Supply and Demand Dynamics:** Over a recent 12-month period, 1,600 units were delivered, 1,500 units absorbed, and 3,400 units are currently under

Demographics takeaway:

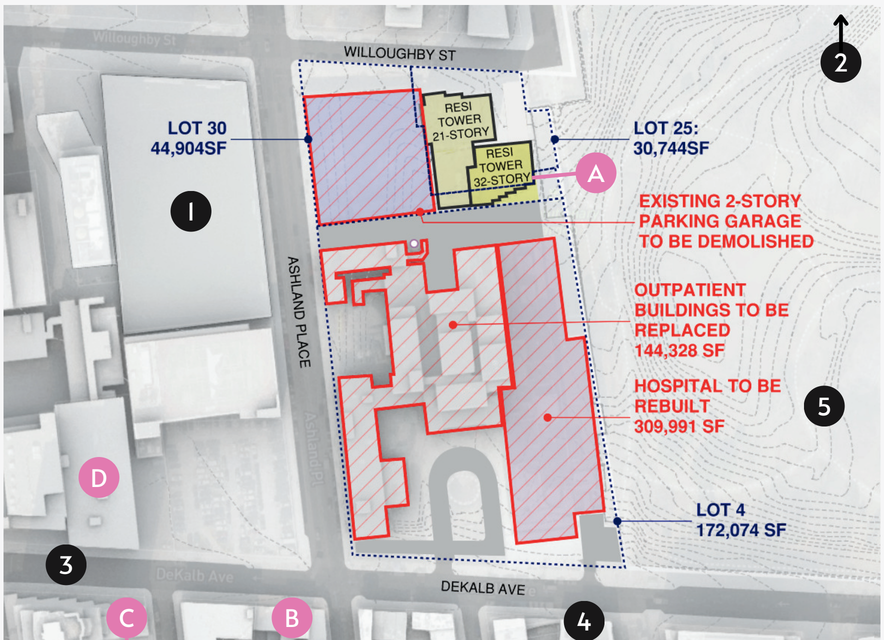
- **High Household Incomes:** A significant portion of households earn over $200,000 annually, surpassing New York City's median household income of approximately $84,000.
- **Elevated Home Values:** 32% of homes are valued above $500,000, with 18% exceeding $1 million, leading to a predominantly renter-occupied market (70% renters vs. 30% owners).
- **Recent Influx of Residents:** 80% of the population has moved to the area since 2010, indicating rapid growth and gentrification.

4. Design

Proposed Re-zoning

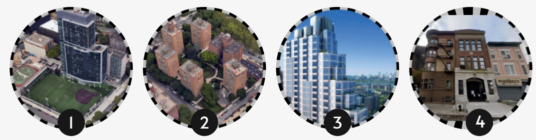
Up-scaling 121 DeKalb capacity

Existing site plan and demo areas

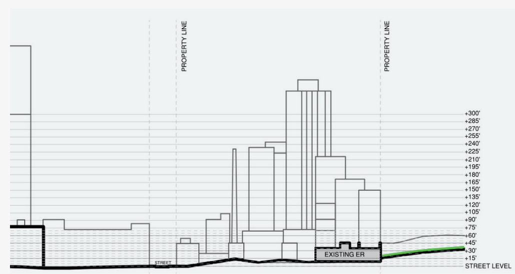


Pipeline projects

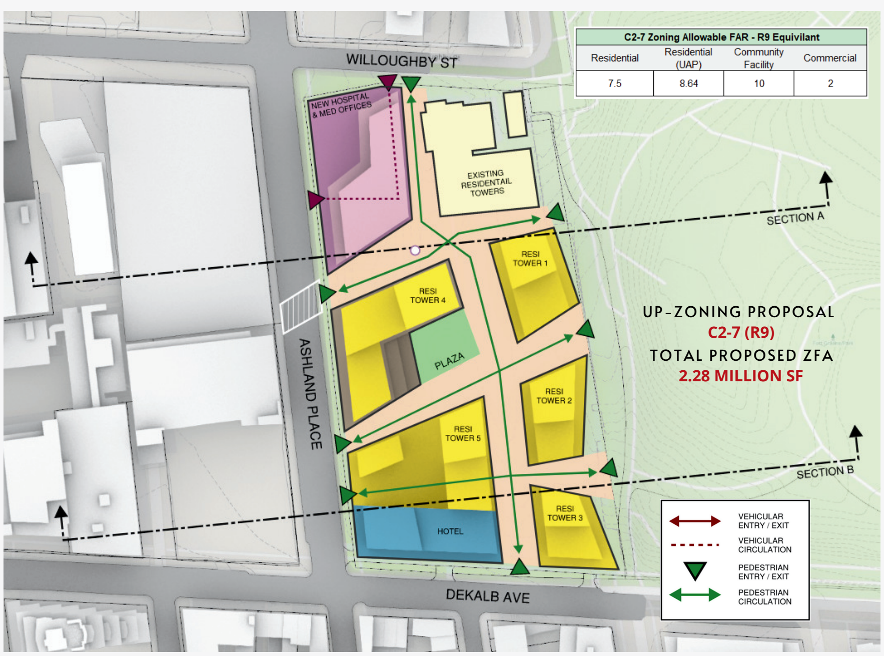
Existing projects



Existing site section

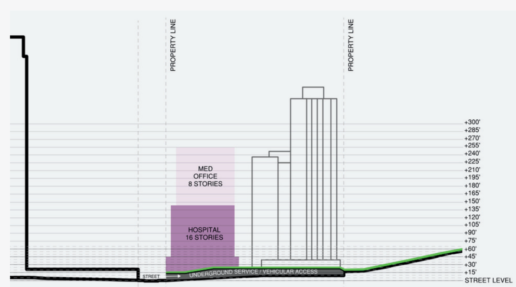


Proposed site plan

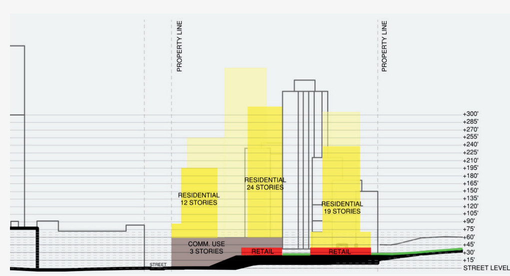


C2-7 Zoning Allowable FAR - R9 Equivilant			
Residential	Residential (UAP)	Community Facility	Commercial
7.5	8.64	10	2

Proposed site section A



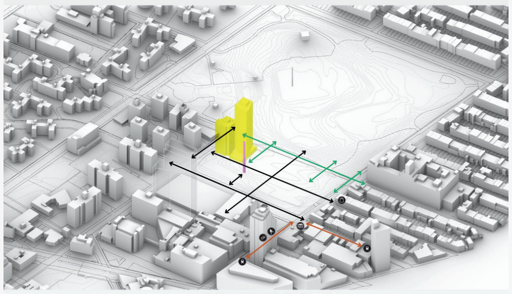
Proposed site section B



4. Zoning
Design decisions

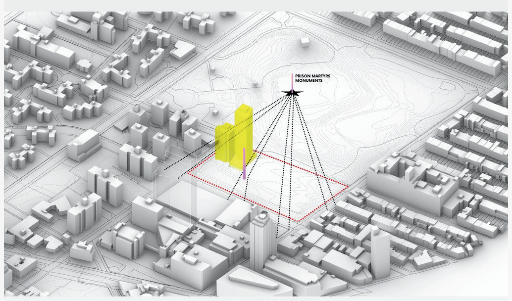
Up-scaling 121 DeKalb capacity

Design guidelines

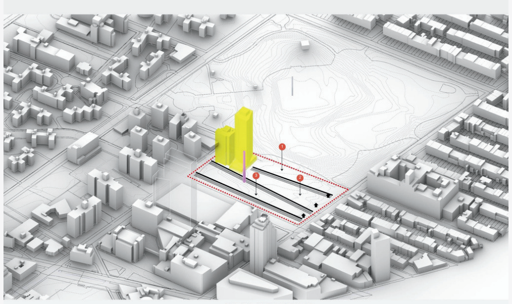


DESIRE LINES & CONTEXT

ACTIVE FRONTAGE AND PARK RELATION

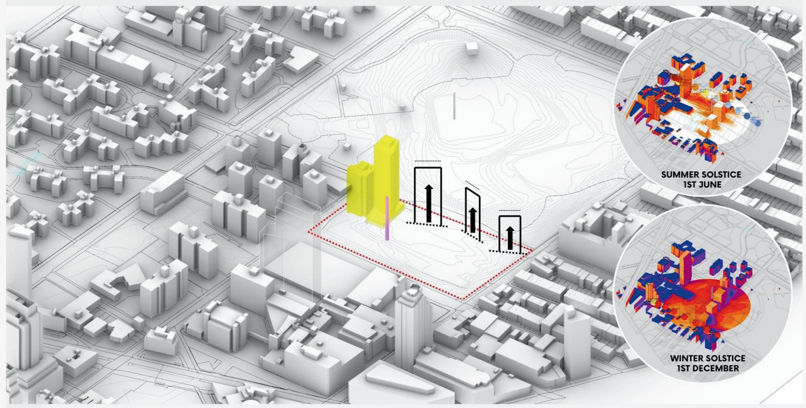


VIEW CORRIDORS

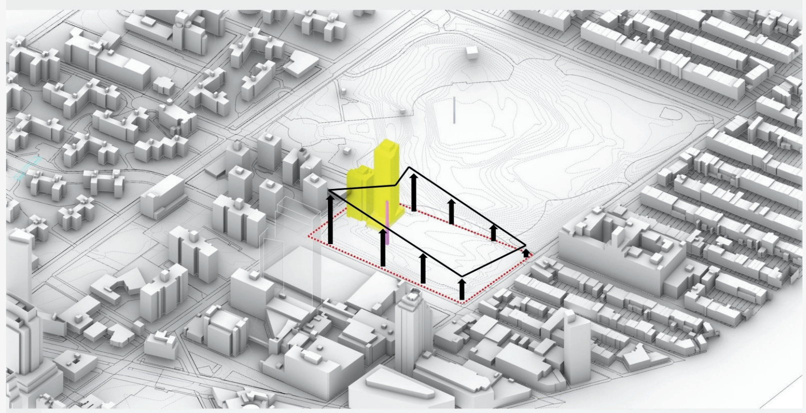


SITE TERRACING

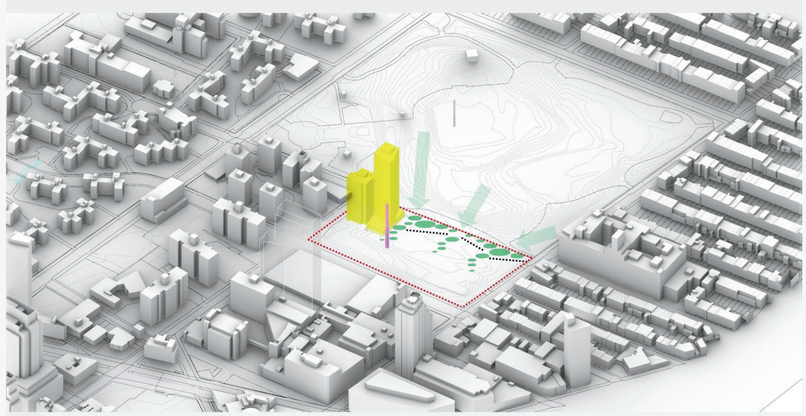
Important decisions



MAX HEIGHT OVER PARK



SITE-WIDE SKY EXPOSURE PLANE



PARK EXTENSION AND INTEGRATION

4. Design

Proposed Master-plan

Massing and Program

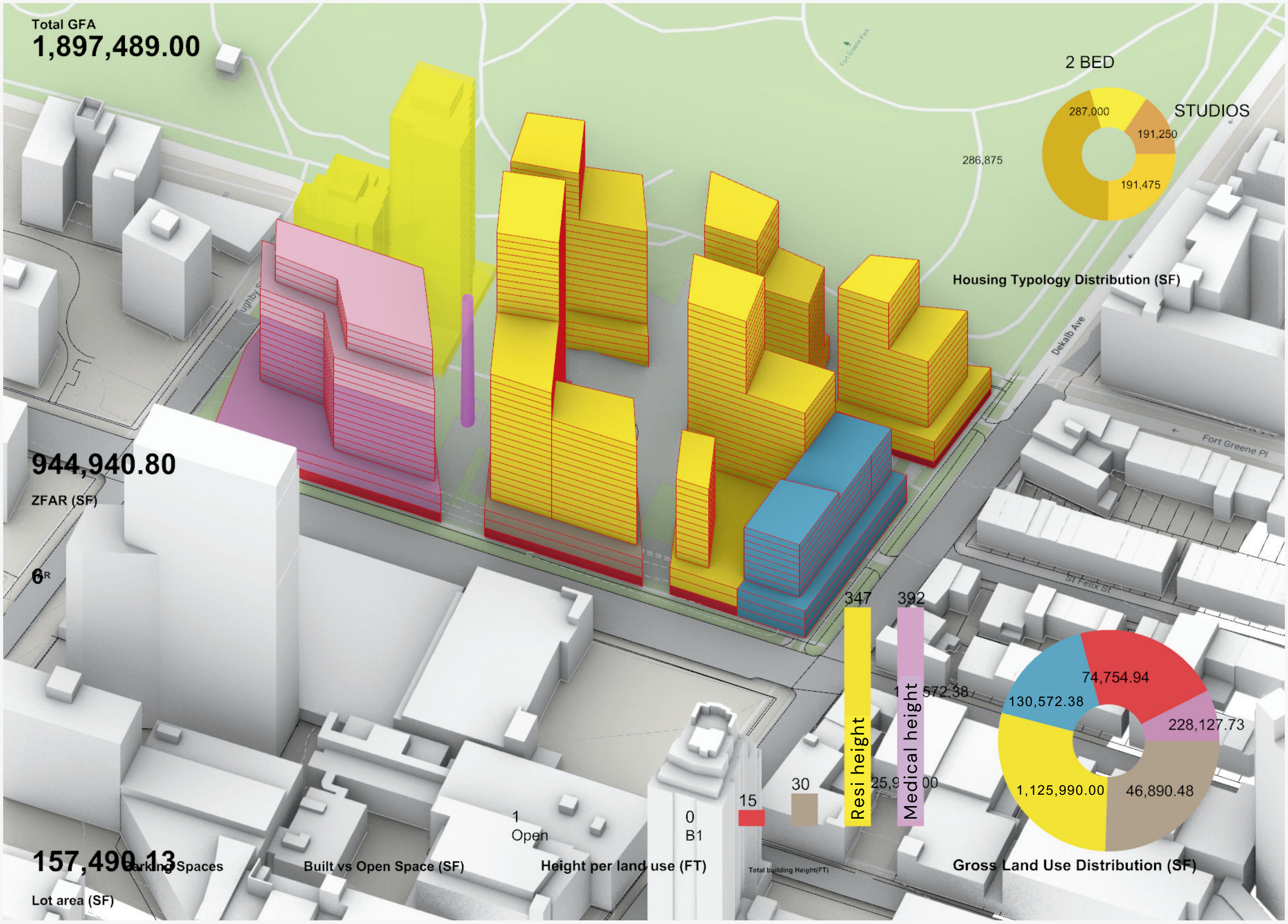
Total proposed development area:

2.22M SF
Up-zoned total proposed redevelopment

Proposed areas by land-use:

RSF by use				Totals
Residential		1,125,990.00	-	1,125,990
Medical office	120,000.00			120,000
Hospital	330,000.00			330,000
Retail	29,000.00	29,093.00	34,243.00	92,336
Community facility		58,186.00		58,186
Hotel			170,977.00	170,977
Total	479,000.00	1,213,269.00	205,220.00	**1,897,489.00**

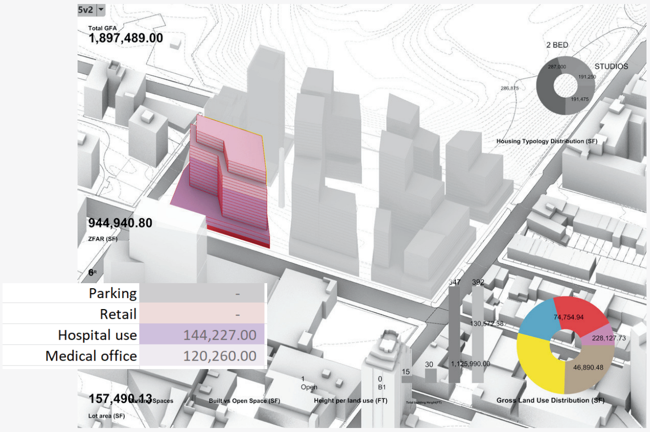
Proposed massing by land-use



4. Design

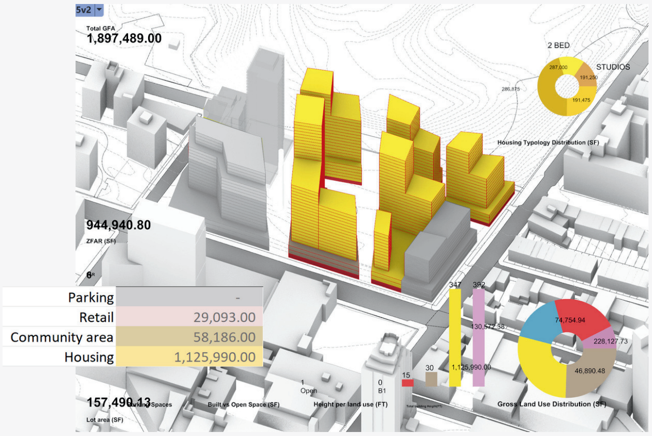
Proposed Master-plan

Specific Massing and Program



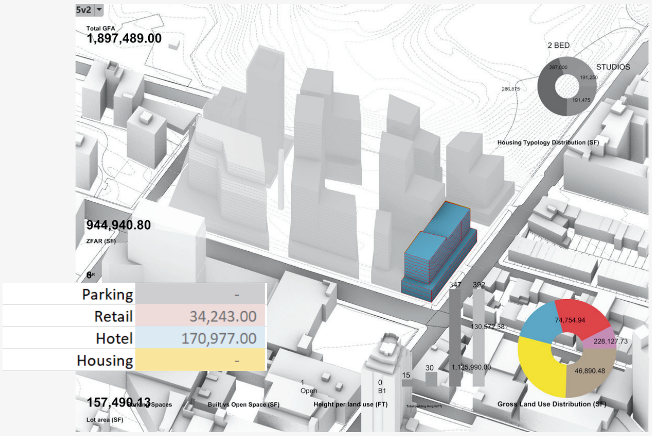
Hospital and medical offices

- At $1,000 psf of Total Development Cost - TDC, (Hard + Soft + developer fee) and $330M total, the hospital is the most expensive use, reflecting its complex design and key role in anchoring the development with essential healthcare services.
- Medical offices cost $487.50 psf of Total Development Cost - TDC (Hard + Soft + developer fee), totaling $58.5M. They offer flexible healthcare space that supports outpatient services and complements the hospital.



Housing + community facilities

- With over $795M in combined cost and $706.25 psf of Total Development Cost - TDC (Hard + Soft + developer fee), housing is the core of the project, delivering both market-rate and affordable units to meet long-term demand.
- At $437.50 psf of Total Development Cost - TDC (Hard + Soft + developer fee),, and $25.5M total, these are the most affordable to build, offering flexible space for local programs and public services.



Hotel + retail

- The hotel costs $812.50 psf of Total Development Cost - TDC (Hard + Soft + developer fee), and totals $139M. It brings high-end design and amenities, boosting the area's appeal to visitors and business users.
- Retail is priced at $487.50 psf of Total Development Cost - TDC (Hard + Soft + developer fee), with a $45M total cost, providing active ground-floor uses that bring life to the street and support the wider program.

4. Design

Proposed Master-plan

Key:

- Medical office entrance
- Hospital entrance entrance
- Hotel entrance
- Residential entrance
- Community facility access
- Retail access

Typical floorplans - Master plan

Ground floor plan

The ground floor combines active uses that invite people in and support community life.

It includes lobbies for residential, hotel, hospital, ER, and medical offices, along with a recreation center and incubators for education and medical startups. Retail lines the site edges—especially along the park—to energize the street.

A network of public spaces and landscaped alleyways weaves through the site, encouraging people to explore and gather.

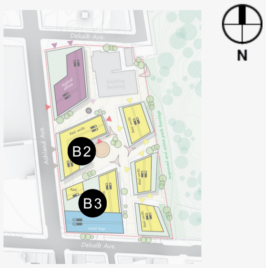
Typical tower - floorplan

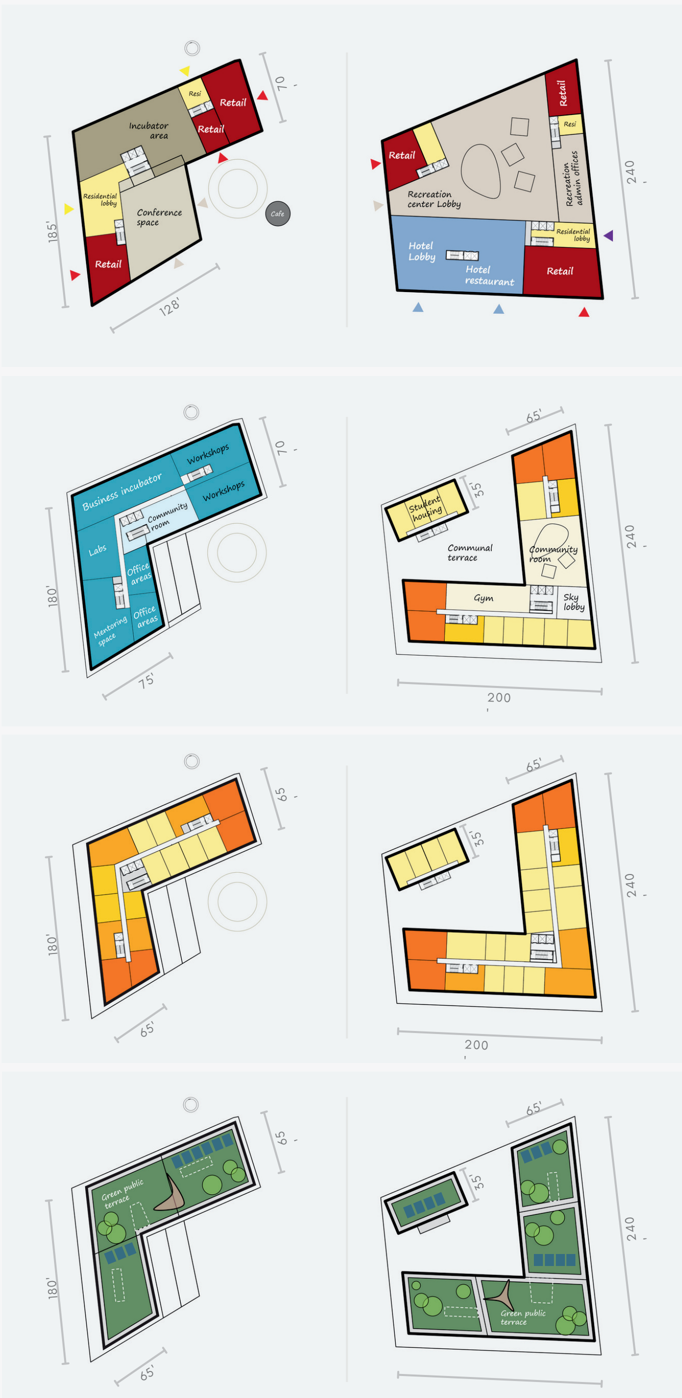
The typical tower floor plans are designed for livability, care, and community.
In the housing towers, floors are organized around shared amenities like large terraces, lounges, play areas, BBQ zones, and rooftop pools, encouraging social life and relaxation.

To the north, the hospital tower features a highly efficient clinical layout, with ICU units and support spaces arranged for smooth patient flow. On the south, the hotel tower follows a bay layout, with rooms lining the perimeter to maximize views and natural light, and service cores placed for privacy and efficiency.

4. Design

Proposed Floor Plans B2-B3





Building 2 Building 3

Ground floor

On the ground floor, B2 hosts an incubator, conference space, retail, and residential lobby—creating a vibrant, public-facing edge. B3 blends hotel and community uses, with a hotel lobby and restaurant, recreation center lobby, admin offices, residential lobbies, and active retail wrapping the base.

Tower base floor

At the tower base, B2 focuses on innovation with workshops, labs, mentoring rooms, and communal space for the incubator. B3 begins the residential program with double-loaded housing units, a shared terrace, communal amenities, a gym, and a sky lobby to anchor the residential experience.

Typical tower floor

In the typical tower floors, B2 maintains 65 ft-wide double-loaded housing with a balanced mix and larger units at corners, efficiently served by three cores. B3 alternates between 65 ft and 35 ft-wide floorplates, combining single and double-loaded layouts, with varied unit types and three cores for optimal access and flexibility.

Rooftop plan

Both rooftops are green, terraced landscapes. They integrate the elevator overruns and mechanicals into amenity decks with shaded BBQ zones, communal seating, and sunbathing terraces—offering spaces for rest, gathering, and urban agriculture.

Building 2 and 3 are designed to serve a diverse community through dynamic, connected floorplans.

all units in $ million except psf

5. Finance
Assumptions

Below is a breakdown of our key assumptions for the proposed development. The assumptions are broken down by asset class and inform the metrics around development, operations and stabilized occupancy.

Assumptions breakdown per land-use:

	Hospital	Medical office	Housing	Affordable Housing	Community facility	Retail	Hotel	Total
Development Phase	Phase 1	Phase 1	Phase 2	Phase 2	Phase 2	Phase 2	Phase 2	
Rentable Square Feet	330,000	102,000	669,964	287,127	52,367	87,719	136,782	1,665,960
Revenue Rates	$60 *(annual NNN)*	$90 *(annual MG)*	$5,218 *(avg per unit)*	$2,508 *(avg per unit)*	$60 *(annual NNN)*	$78 *(annual NNN)*	$275 *(ADR)*	
Stabilized Occupancy	100%	85%	95%	95%	100%	90%	75%	90%
OPEX Ratio	0%	20%	25%	25%	0%	0%	65%	37%
Development Cost (incl. 15% Soft Cost and 10% Developer Fee)	$1,000	$488	$706	$706	$438	$488	$813	$734
Year 1 NOI	$19.8 M	$6.2 M	$49.7 M	$12.9 M	$3.1 M	$6.2 M	$12.0 M	$98.0 M

Assumptions of Total Dev. Cost TDC per land-use:

Use	Total Cost (psf)	Total Dev Cost	Notes
Hospital	$1,000.00	**$330M**	Most expensive per sf; reflects complexity and tech-intensive fit-out.
Hotel	$812.50	**$139M**	Second most expensive; high-quality build and services assumed.
Housing (market + MIH)	$706.25	**~$795M total**	Major cost block (~57% of total dev cost); reflects quality and scale.
Medical office	$487.50	**$58.5M**	Mid-range cost; moderate fit-out complexity.
Retail	$487.50	**$45M**	Same cost psf as medical office; reasonable for shell + MEP systems.
Community facility	$437.50	**$25.5M**	Least expensive per sf; likely due to basic interiors or public-use assumptions.

The total development cost across all uses is approximately $1.39 billion, or $734 psf averaged across all programs. This blended rate aligns with large-scale mixed-use construction in NYC, especially when factoring in healthcare and hotel programs. Cost stacking logic: 15% soft cost and 10% developer fee are market-aligned to comps, and areapplied consistently across use types.

Assumptions of Housign rents by AMI:

Monthly Rent by AMI Level				
	40	80	120	80
Studio	$1,087	$2,174	$3,261	$2,174
1B	$1,087	$2,330	$3,495	$2,330
2B	$1,398	$2,796	$4,194	$2,796
3B	$1,615	$3,230	$4,845	$3,230

- Housing rents are decided based on the Area Median Income tiers and are assigned accordingly per the percentage breakdown of each building in the masterplan.
- Housing is The Verge financial driver, with over $795 million in total cost. This validates the need and focus on up-zoning and maximizing residential yield.
- Hospital and hotel uses are capital-intensive, but their presence can anchor the project, attract tenants, and support broader district branding.
- Retail and community facility uses are less costly and add urban and social value rather than high returns, which helps with public perception and ULURP.

all units in $ million except psf

5. Finance

Area Median Income

Unit Mix & Rent Overview (MIH & MKT)

	Unit type	No.	RSF	Average area	Rent (Monthly)	Rent psf
MIH	Studio	179	67,125	375	2,174	$ 5.80
	1 Bedroom	201	100,500	500	2,330	$ 4.66
	2 Bedroom	149	100,575	675	2,796	$ 4.14
	3 Bedroom	73	67,525	925	3,230	$ 3.49
	Total	**602**	**335,725**	**2475**	**2,508**	**$ 4.52**
MKT	Studio	331	124,293	375	3,495	$ 9.32
	1 Bedroom	373	186,628	500	4,200	$ 8.40
	2 Bedroom	276	186,552	675	6,900	$ 10.22
	3 Bedroom	134	123,894	925	8,850	$ 9.57
	Total	**1115**	**621,367**	**2475**	**5,218**	**$ 9.38**
	Opex Ratio	20%				

MIA Rationale

2025 NYC AMI - ANN. INCOME BY HOUSEHOLD & MO. RENT

Annual Income					
$40,000	$43,480	$49,720			
$50,000			$55,920		
$60,000				$62,120	$67,080
$70,000					
$80,000	$86,960				
$90,000		$99,440			
$100,000					
$110,000			$11,1840		
$120,000				$124,240	
$130,000	$130,440				$134,160
$140,000		$149,160			
$150,000					
$160,000			$167,760		
$170,000					
$180,000				$186,360	
$190,000					
$200,000					$201,240

Average Ann. Income

40% AMI $55,700

80% AMI $111,300

120% AMI $167,000

Proposed Residential Dev. Breakdown

	MIH (Avg 80% AMI)	Market-Rate Housing	Total
Floor Area (%)	394,096 SF (35%)	731,894 SF (65%)	1,125,990 SF (100%)
# of Unit	602	1,115	1,717

Our takeaway:

1.1M SF
New housing SF

602
MIH (35% - Average 80% AMI)

1,717
New housing units

$~55,700
40% AMI - Lower threshold

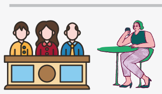
1,115
Market rate housing (65%)

$~167,000
120% AMI - Upper threshold

A Multi-stakeholder value proposition

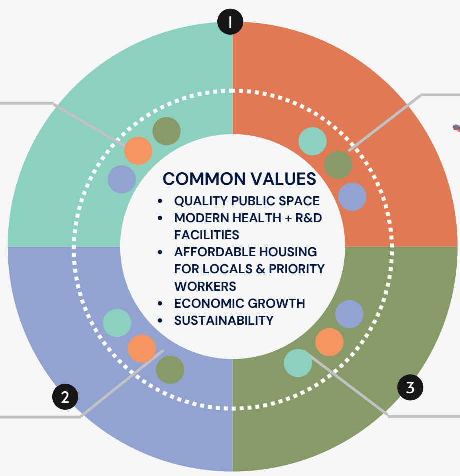
NEW YORK CITY PRIORITIES:

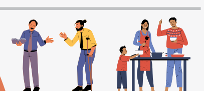
- Inclusive Planning
- Sustainability
- Housing Access
- Economic Opportunity
- Informed Decision-Making



HOSPITAL PRIORITIES:

- Modern Facility
- Quality of care
- Long-term growth & stability
- Sustainability (reduced cost)





COMMUNITY PRIORITIES:

- Affordable Housing
- Jobs - Fair compensation, local workforce
- Quality of Life: safe, healthy accessible, sustainable places to live
- Public Amenity - open space, access to facilities

INVESTORS PRIORITIES:

- Value Creation
- Longterm Stability - Cashflow
- Economic Growth
- Sustainbility (Reduced Opex)

Community Driven   *Multi – Asset*   *Balanced risk distribution*

all units in $ million except psf

5. Finance

Cashflows

Financial performance

Building	A	B	C
Uses	Hospital, Medical Office	Housing, Retail &Community Facility	Hotel & Retail
RSF	459,550	1,037,097	169,312
Stabilized NOI	$30,280,672	$93,050,993	$17,876,553
psf	*$65.89*	*$89.72*	*$105.58*
Stabilized YOC (excl. Land)	6.8%	10.2%	10.0%
Exit Cap Rate	6.5%	5.3%	8.1%
Exit Price	$2,397,810,995		
psf	*$1,439*		
IRR	23%		
MOIC	3.04		

$98.0M
Year 1 NOI

Key metrics

The table on the left summarizes the financial performance of each building, including key investment metrics such as stabilized NOI, exit cap rate, yield on cost, IRR, and MOIC to evaluate the project's return potential.

1.6M SF
Total Rentable Area

37%
OPEX Ratio

90%
Stabilized Occupancy

$734
Dev. Cost PSF

Project total cashflows

Phase 1	Deal Closes	ULURP		Development	Development	Development						Exit	
Phase 2	Deal Closes						Development	Development	Development			Exit	
Year	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Potential Gross Rev	$ -	$173,172,008	$177,561,403	$ 182,067,723	$186,694,178	$ 191,444,074	$ 196,320,804	$ 201,395,722	$ 206,606,593	$211,957,171	$217,451,313	$ 223,092,988	$228,886,276
Occupancy	0%	0%	0%	0%	0%	0%	15%	17%	17%	71%	90%	90%	90%
Operating Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,843,534	$ 6,742,416	$ 6,900,092	$ 45,632,996	$ 61,639,635	$ 63,169,883	$ 64,739,659
Net Operating Income	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,374,134	$ 26,969,664	$ 27,600,370	$104,853,648	$133,917,466	$ 137,513,125	$141,208,218
Total Development Cost	$ -	$ 5,639,482	$ 5,639,482	$ 109,945,500	$165,967,200	$ 113,985,900	$ 270,048,184	$ 407,648,708	$ 279,972,216	$ -	$ -	$ -	$ -
Equity Draw	$ -	$ (5,639,482)	$ (5,639,482)	$ (109,945,500)	$ (44,055,900)	$ -	$ (270,048,184)	$ (108,210,120)	$ -	$ -	$ -	$ -	$ -
Construction Loan													
Loan Draw	$ -	$ -	$ -	$ -	$136,978,989	$ 145,004,032	$ -	$ 336,447,851	$ 356,158,966	$ -	$ -	$ -	$ -
Capitalized Interest	$ -	$ -	$ -	$ -	$ (15,067,689)	$ (31,018,132)	$ -	$ (37,009,264)	$ (76,186,750)	$ -	$ -	$ -	$ -
Loan Paydown	$ -	$ -	$ -	$ -	$ -	$ (281,983,021)	$ -	$ -	$ (692,606,817)	$ -	$ -	$ -	$ -
Refinancing													
Loan Draw	$ -	$ -	$ -	$ -	$ -	$ 288,353,448	$ -	$ -	$ 922,336,060	$ -	$ -	$ -	$ -
Payment	$ -	$ -	$ -	$ -	$ -	$ -	$ (20,745,895)	$ (20,745,895)	$ (20,745,895)	$ (87,104,344)	$ (87,104,344)	$ (87,104,344)	$ -
Loan Paydown	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Payment	$(8,670,000)	$ -	$ -	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ (9,363,669)	$ -
Net Exit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,397,810,995	$ -
Net Cash Flow	**$(8,670,000)**	**$ (5,639,482)**	**$ (5,639,482)**	**$ (119,309,169)**	**$ (41,171,710)**	**$ 25,141,356**	**$ (277,358,414)**	**$ (81,841,625)**	**$ 293,608,638**	**$ 4,406,462**	**$ 33,470,280**	**$ 1,283,293,036**	**$ -**

$8.7 M
IFRSD

$543.5M
Total Equity Draw

$1.2B
Permanent Loan Amount

$2,398M
Exit price

$9.4 M
Annual Lease Payments

$974.5M
Construction Loan Amount

Year 11
Exit Year

6.1%
Caprate

all units in $ million except psf

5. Finance

Returns and distributions

Sources and uses - summary:

Sources		RSF	ZFA
Equity	$619,836,580	$372	$327
Debt	$974,589,838	$585	$514
Total sources	$1,594,426,418	$957	$840

Uses		RSF	ZFA
Deposit + Land Lease	$64,852,013	$39	$34
Acquisition cost	$1,700,000	$1	$1
Development Cost	$1,358,846,673	$816	$716
Interest	$159,281,835	$96	$84
Loan Fees	$9,745,898	$6	$5
Total Uses	$1,594,426,418	$957	$840

$1.6B
Total Sources

$620M
Equity

$974M
Debt

23%
Deal IRR

21%
LP IRR

42%
GP IRR (after fees)

Waterfall distribution:

Year	0	1	2	3	4	5	6	7	8	9	10	11	12
Deal Cash Flow	($8,670,000)	($5,639,482)	($5,639,482)	($119,309,169)	($41,171,710)	$25,141,356	($277,358,414)	($81,841,625)	$293,608,638	$4,406,462	$33,470,280	$1,283,293,036	$ -
IRR	23%												
EM	3.04												
LP Cash Flow	($7,948,917)	($5,081,474)	($5,081,474)	($107,384,192)	($37,060,479)	$22,621,281	($249,628,513)	($73,663,403)	$264,241,834	$3,959,875	$30,117,312	$964,081,486	$0
LP IRR	21%												
LP EM	2.64												
GP Cash Flow	$89,567	($558,008)	($558,008)	($11,924,977)	($4,111,231)	$2,520,076	($27,729,901)	($8,178,223)	$29,366,804	$446,586	$3,352,968	$349,184,188	$0
GP IRR	42%												
GP EM	7.26												

Structure	LP Hurdles	GP	LP	GP Promote	Promote %
Tier I (up to Hurdle I)	8%	**10%**	**90%**	0%	0%
Tier II (from Hurdle I up to Hurdle 2)	12%	**10%**	**72%**	18%	20%
Tier III (Above Hurdle 2)		**10%**	**63%**	27%	30%

The Verge stabilized NOI of $144 million, translating to $86 per square foot, and a sale price of $2.4 billion or $1,439 psf. With CAPEX totaling $1.36 billion ($816 psf) and land acquisition costs at just $87 million ($52 psf), the deal structure allows for high profit margins. The net profit reaches $1.1 billion, or $666 psf, making it a high-yielding development.

The project-level IRR is 23% with a 3.04x equity multiple, reflecting the strength of the underlying financial structure and market positioning.

For the equity investors, the split is also attractive. Limited Partners (LPs) earn a 21% IRR and a 2.64x equity multiple, offering compelling returns. Meanwhile, the General Partner (GP) captures significant upside, with a 42% IRR and a 7.26x multiple, reflecting strong promote structure and alignment of interest.

Returns Summary	
Stabilized NOI	**$144**
psf	$86
Sale price	**$2,398**
psf	$1,439
CAPEX	**$1,359**
psf	$816
Land price (excl. Hospital)	**$87**
psf	$52
Profit	**$1,109**
psf	$666
Project IRR	23%
Project MOIC	3.04
LP IRR	**21%**
LP EM	**2.64**
GP IRR	**42%**
GP EM	**7.26**

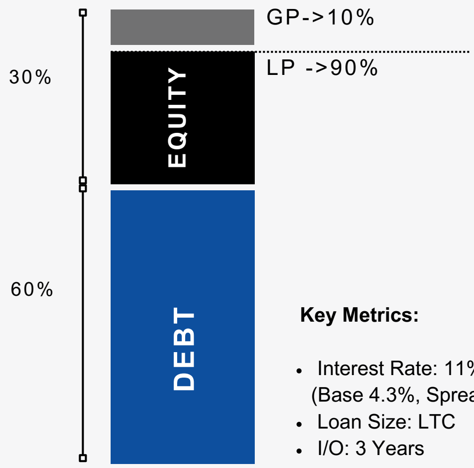
Share Layout	Hurdle	GP	LP	GP Promote	Promote %
1		10.00%	90.00%	0%	0%
2	10%	10.00%	72.00%	18%	20%
3	15%	10.00%	63.00%	27%	30%

all units in $ million except psf

5. Finance

Capital stack & sensitivity

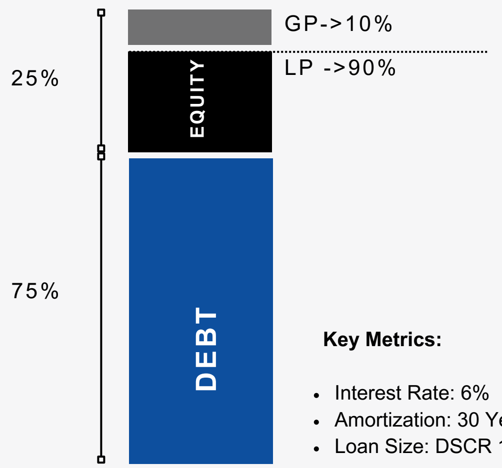
Construction loan



Key Metrics:

- Interest Rate: 11%
  (Base 4.3%, Spread 6.7%)
- Loan Size: LTC
- I/O: 3 Years

Refi Loan (Perm Loan)



Key Metrics:

- Interest Rate: 6%
- Amortization: 30 Years
- Loan Size: DSCR 1.3X

Sensitivity analysis - Lot 3 / Housing specific

Analyis: Levered IRR - 2 bed Rent vs Exit Cap

		2 Bed Rent				
	IRR	$15.00	$25.00	$35.00	$45.00	$55.00
Exit Cap	6.00%	24.892%	24.943%	24.993%	25.043%	25.093%
	6.25%	23.617%	23.666%	23.716%	23.765%	23.815%
	6.50%	22.392%	22.441%	22.490%	22.540%	22.589%
	6.75%	21.216%	21.264%	21.313%	21.362%	21.410%
	7.00%	20.083%	20.131%	20.179%	20.227%	20.275%

22.49 %
Deal Level IRR

6.5%
Exit Cap Rate

Analyis: Levered IRR -Hard Cost vs Acquistion Price

		Hard Cost				
	IRR	$250	$300	$350	$400	$450
Accquisition Price	$4,426,655	24.847%	24.427%	24.014%	23.606%	23.202%
	$4,926,655	24.048%	23.642%	23.239%	22.842%	22.450%
	$5,426,655	23.276%	22.881%	22.490%	22.103%	21.719%
	$5,926,655	22.530%	22.144%	21.762%	21.384%	21.008%
	$6,426,655	21.805%	21.428%	21.053%	20.682%	20.315%

$450 / psf
Hard Cost

$5.43M
Accq. Cost

Analyis: LP IRR -1st Preff vs 1st Promote

		1 st preff				
	IRR	6%	9%	12%	15%	18%
1st promote	14.00%	18.551%	18.744%	18.956%	19.187%	19.439%
	17.00%	18.307%	18.543%	18.802%	19.084%	19.390%
	20.0%	18.061%	18.341%	18.647%	18.980%	19.340%
	23.00%	17.712%	18.138%	18.491%	18.875%	19.291%
	26.00%	17.326%	17.897%	18.335%	18.771%	19.242%

12%/20%
Pref Promote Split

TAKEAWAY

Sensitivity analysis 1

- With Studio rents fluctuating as well as the Possbility of a cap rate slump, the Levered deal level IRR stays fairly the same.

Sensitivity analysis 2

- As shown, one of the biggest risk factors for the project is hard costs, which could cause the IRR to fluctuate by approximately ±2%.

Sensitivity analysis 3

- The Preff 1 is the most important as that dictates how much of the pot is left for distribution.
  - **Important:** due to the 18% second preff, the GP barely touches the promote

6. Deal

Deal steps to achieve ULURP

What are the steps to make this happen?

10% INTEREST FREE / REFUNDABLE DEPOSIT

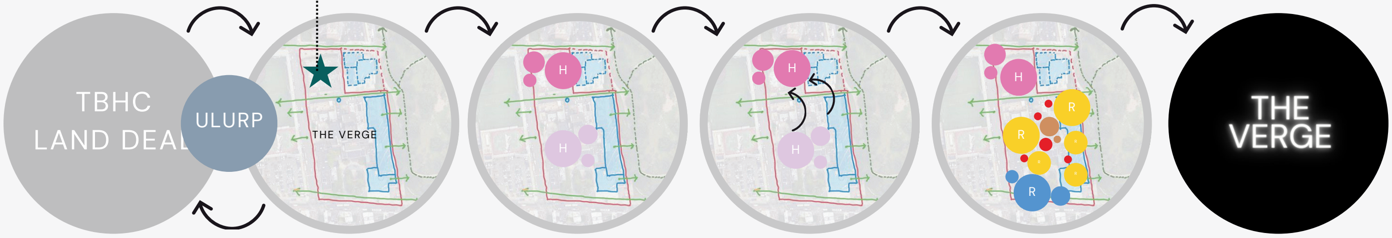
ULURP APPROVAL / GROUND LEASE AGREEMENT

330K + 120 K

BUILDS NEW HOTEL FACILITIES AND MEDICAL OFFICE

DEMOLISH 454,000 SF EXISTING HOSPITAL

BUILD 1.1M HOUSING
BUILD 83.000 RETAIL
BUILD 83.000 COMM FAC.



GROUND LEASE PAYMENTS TO HOSPITAL

MOVE THE HOSPITAL FACILITIES TO NEW BLDG

BUILD HOTEL FACILITIES & OPEN SPACE OF THE MASTERPLAN

MEDICAL FACILITIES + HOTEL DESIGN PRINCIPLES --> COLLABORATION BETWEEN DEVELOPER & FRANCHISOR

THE VERGE

RENTS FROM HOUSING + HOTEL OPERATION + MEDICAL OFFICES + RETAIL TO THE NEW VERGE IN BROOKLYN

1. 2. 3. 4. 5.

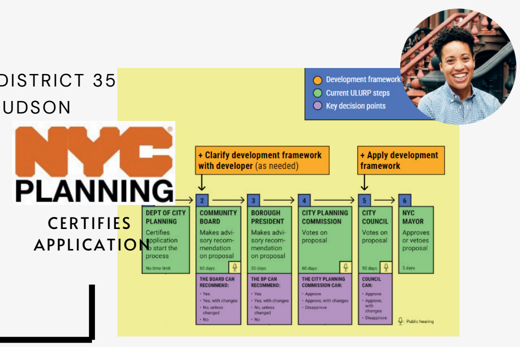
ULURP process

DEPARTMENT OF CITY PLANNING PRE-CERTIFICATION & ENVIRONMENTAL REVIEW

1-3 YEARS

FORMAL INTIATION BY DCP — LAND USE APPLICATION — ENVIRONMENTAL REVIEW

CITY COUNCIL DISTRICT 35
CRYSTAL HUDSON



UNIFORM LAND USE REVIEW PROCEDURE
~7 MONTHS (215 DAYS)

COMMUNITY BOARD REVIEW 60 DAYS — ADVISORY VOTE

BOROUGH PRESIDENT 30 DAYS — ADVISORY VOTE

CITY PLANNING COMMISSION 60 DAYS — VOTE

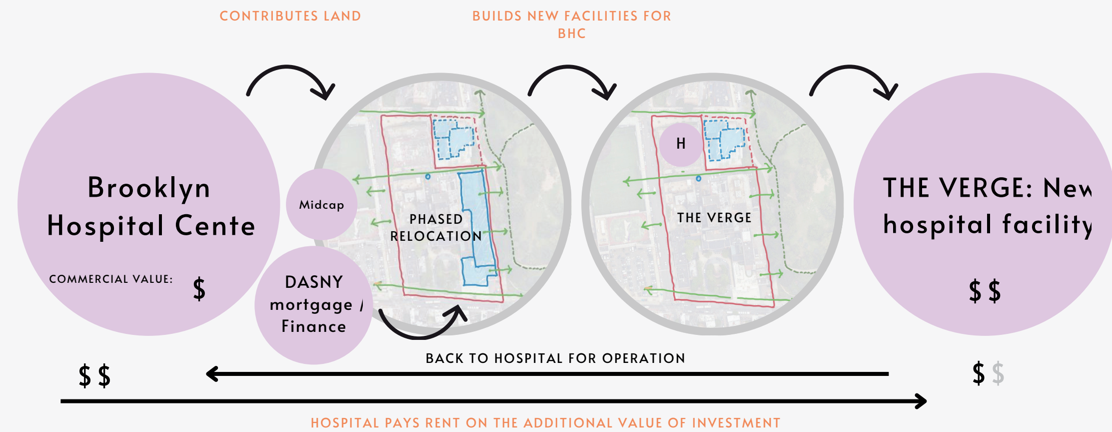
CITY COUNCIL 50 DAYS — VOTE

OFFICE OF THE MAYOR 5 DAYS — APPROVE

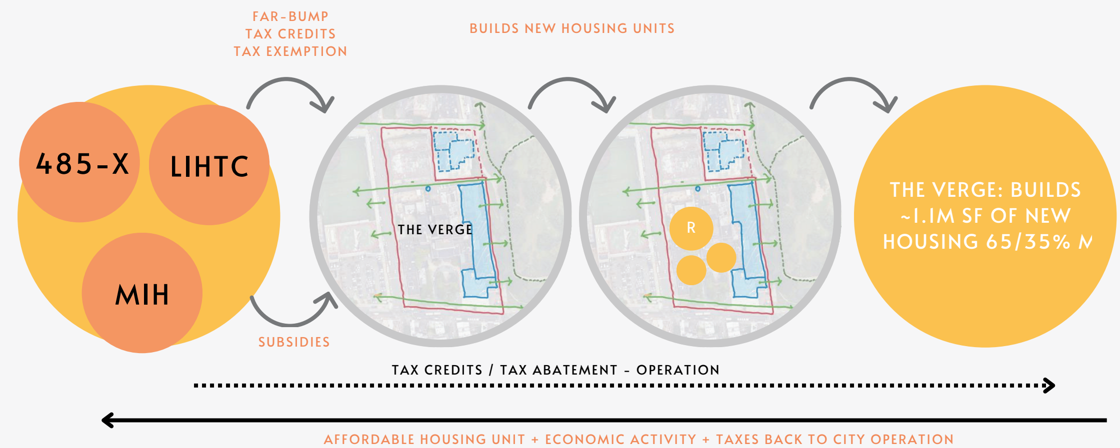
7. Partnership

Strategic alliances

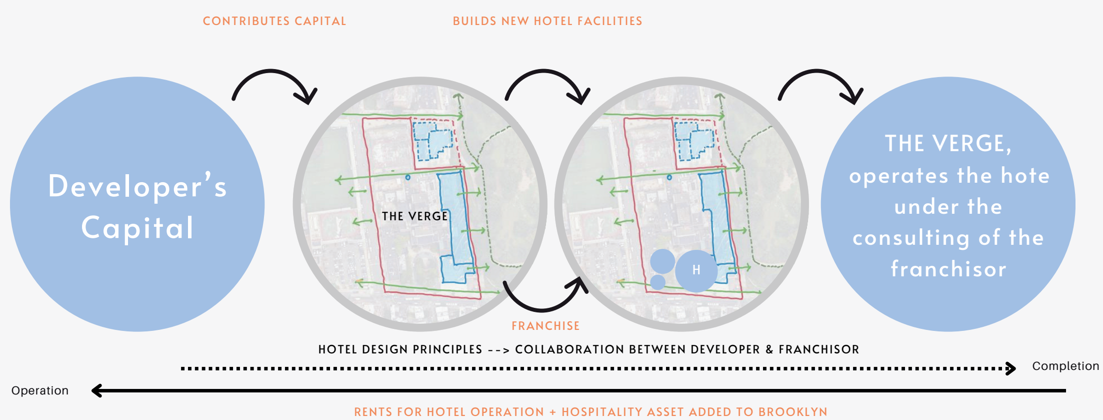
HOSPITAL PARTNERSHIP



POTENTIAL HOUSING INCENTIVES



HOTEL PARTNERSHIP



7. Partnership

Strategic alliances

The hospital partnership

he partnership with Brooklyn Hospital is structured around a land contribution from the hospital in exchange for the development of a new, modern facility within the site. The Verge will finance and construct a state-of-the-art hospital building, enabling Brooklyn Hospital to operate more efficiently while maintaining community presence. Through a phased relocation strategy, medical services remain uninterrupted during construction. Once operational, the hospital pays rent on the added value generated by the new development, establishing a long-term, income-generating asset.

This model creates economic alignment: the hospital gains upgraded infrastructure without fronting capital, while The Verge receives land value and rent-backed returns. The partnership unlocks 1.1 million square feet of new development with a 65/35 market-to-affordable housing split, bringing health services, housing, and commercial vitality into one integrated system. Tax credits and abatements like 485-x and Article XI further enhance feasibility, while DASNY financing and MidCap lending support construction and operations.

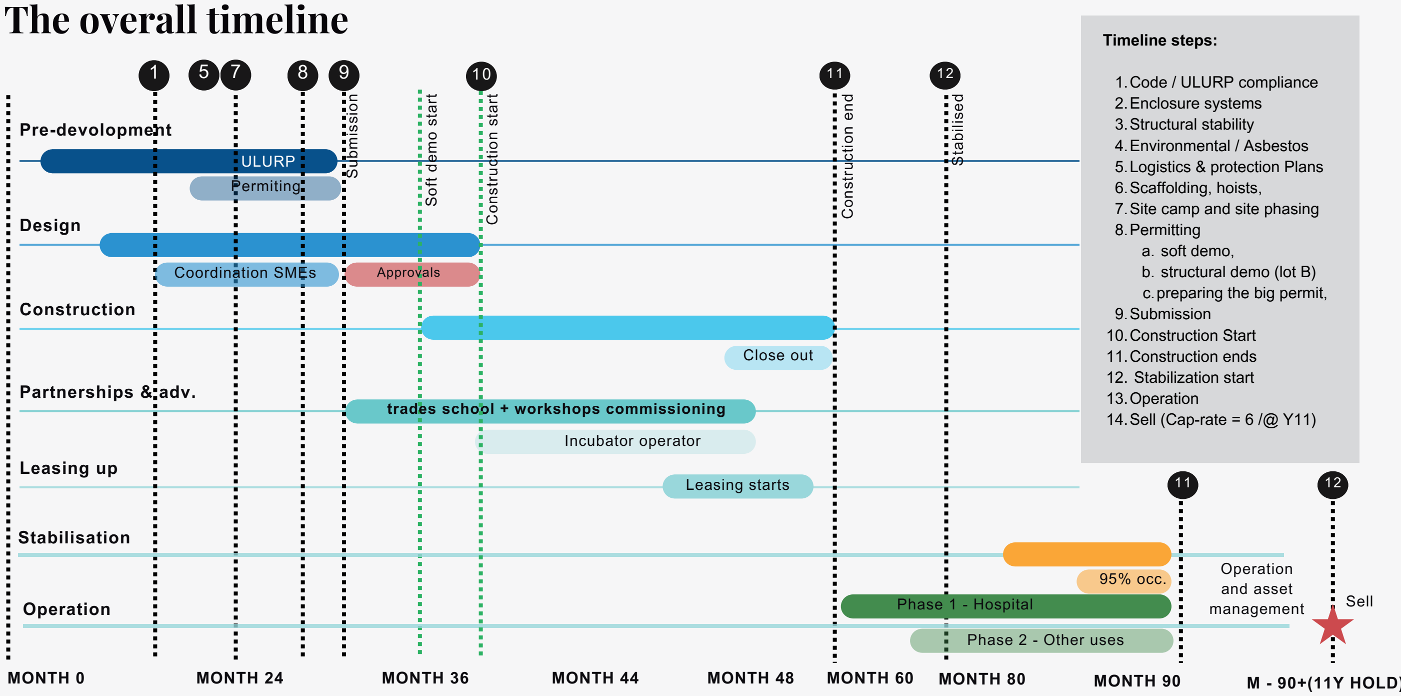
Housing incentives partnership

The Verge uses 485-x and Article XI tax abatements, plus the MIH program, to deliver a 65/35 mix of market and affordable housing. These incentives reduce tax burdens and improve financing through subsidies and LIHTC. Programs like Mix & Match support a diverse income range, promoting equity and inclusion.
This strategy boosts feasibility and returns while anchoring long-term affordability. It lowers risk, attracts public and private support, and ensures the project delivers both financial and community value for Brooklyn.

The hotel partnership

The hotel is developed under a franchise agreement with Accor's Tribe brand, offering affordable luxury and global recognition. The Verge leads development, while Accor provides branding and support, with fees tied to room revenue and marketing.
This model adds stable income, energizes the site, and aligns with The Verge's financial goals. The 20-year agreement ensures consistency, while the brand elevates placemaking and complements the mix of uses across the project.

The overall timeline



COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

121 Dekalb Av.

A project by:
HQ Group

Fort Greene | Brooklyn | NYC

Final Deal Book
Real Estate Development

Prepared by:
Juan Felipe Herrera

January 10, 2025

Thank's For Watching

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