



Apollo Renaissance

Multifamily Development in Central Harlem

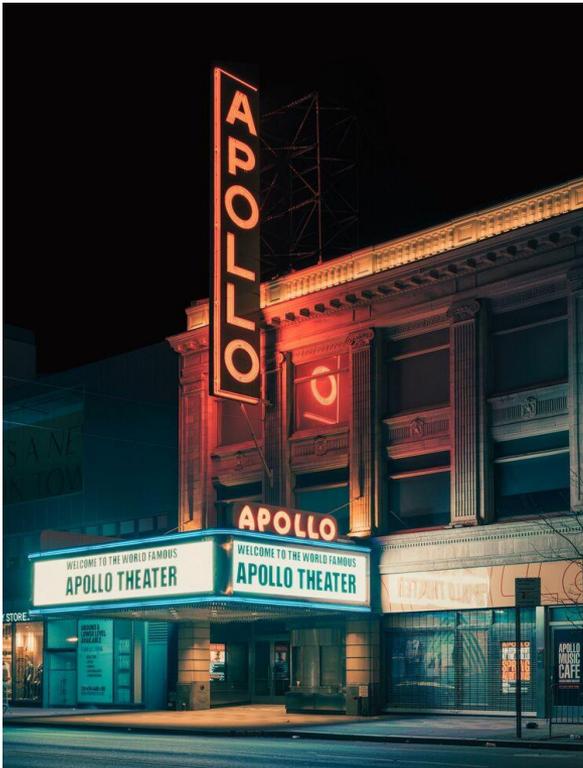
PLANA 6368 Pre-Development Analysis

Neighborhood and Market: Block 2030, Lot 38

Location: Central Harlem District, New York

Qi Shan

UNI: qs2140



The Apollo Theater Harlem

❖ **Historical and Culture Influence**

Famous theater Apollo is nearby the site, singers and dancers started their careers in this theater. Around this area there are activities such as street basketball and scrawl by street artists represent the culture of the district. This area was considered one of the most prosperous areas in the Hamlet district, cultural factors continue to influence the development of this district.

❖ **Vitality and Attractiveness**

The neighborhood is full of vitality, attractiveness, and historical sediment. Primarily residents of this area are African-American and Hispanic, this district was considered one of the dangerous areas in New York City. However, after I visit the site, I have realized this district has archive transformation after the previous reform of the urban planning strategy.

The rezoning strategy of Amanda Burden has largely increased the density of blocks, more developers began built new apartments, and mid-class African-Americans moved to this area because the price of the apartment is much cheaper compared to Manhattan.

❖ **The Trend of Gentrification**

The trend of gentrification from this district has made it much safer, there is much mid-levels multifamily housing in this district. Although the price of those housing has raised, however, it is still considered relatively cheap compare to the price PSF in most areas in Manhattan. More new retail properties have been built, such as Italian restaurants, grocery stores, and bars.

As part of the rezoning and gentrification process, this multifamily project will focuses on opportunities for this site is the revitalization of the neighborhood.

**source: www.yellowkornor.com*

Location

Harlem District, New York



Rationale of Development

Demands, Target Market and Financial Goals



What Demands will be Meet?

- Further development of Central Harlem will attractive more population in this area. The apartment will meet the demands in residential sub-market;
- Since this area lack of grocery stores, the first floor retail space will meet the demand in retail sub-market.



Target Market

- The target costumers will be residents who are looking for new apartment, Because of the trend of gentrification from this district has made it much safer, there is much more mid-levels householders in this district.
- Small business owners will be the target tenant for the retail spaces on the first floor of project.



Financial Goals

- The financial goal for this project will be to lease up all available space, and sell the property in the year 10 in order to also gain property appreciation. The goal is to stabilized occupancy rate in next 3-5 years.
- Leverage 65% Loan-to-value mortgage in order to achieve higher Internal Rate of Return.

Project Proposal

Site Plan

- The proposal for this site will be a mix-use project includes multifamily and retail spaces.
- Total gross floor area 50,460 s.f. of ground floor. 12,920 s.f. underground floor;
- Lot Coverage Ratio: 65%; FAR:4.0;
- 20% affordable housing;
- Apartment floor area 44,478 s.f., Retail floor area 3,659 s.f., and Office & Lobby area 2,323 s.f.;
- Retail spaces in the level 1, and residential spaces located in level 2-8;
- In order to maximize the profitability of this project, the top floor (level 8) will be penthouses.

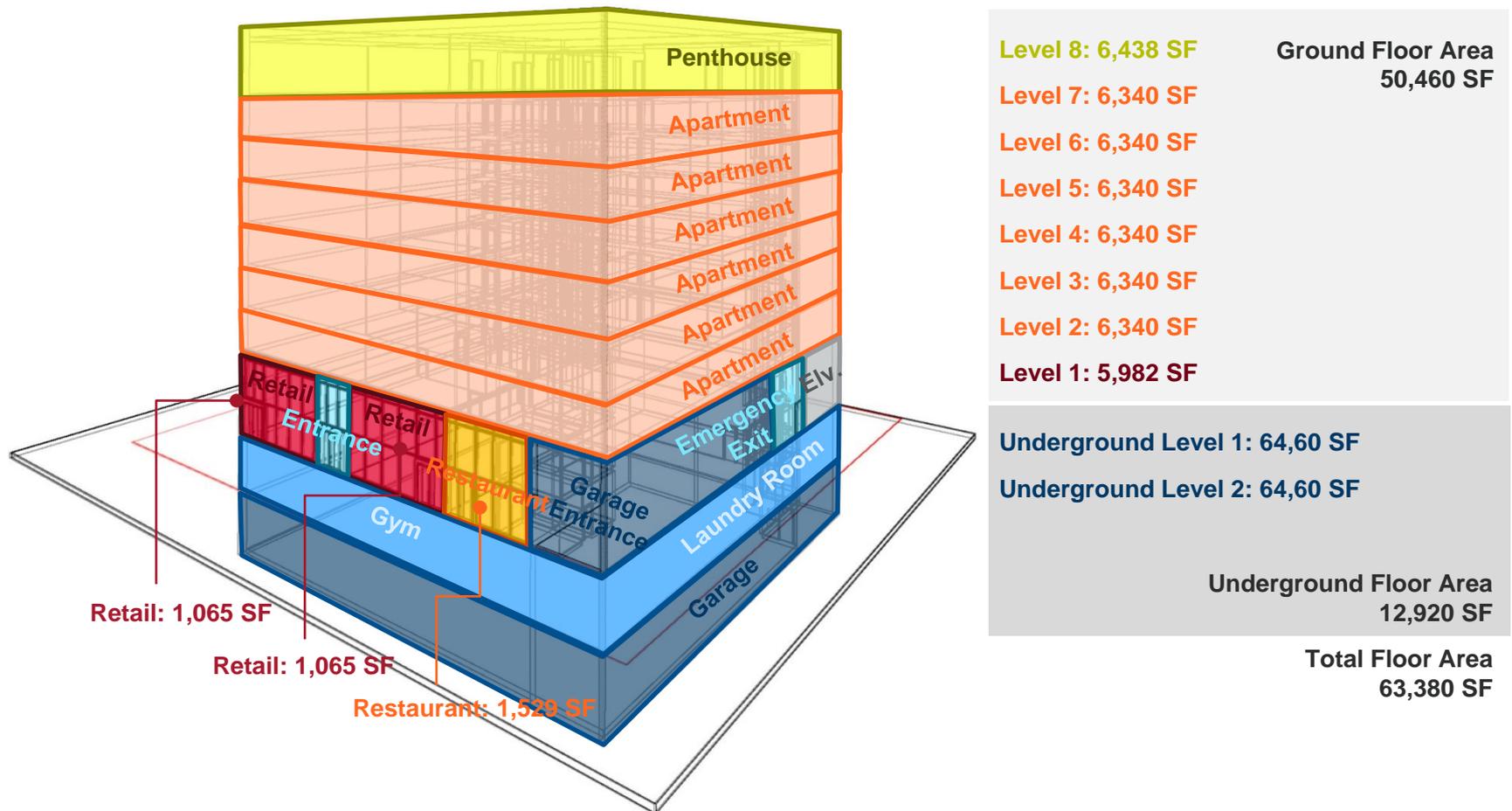


- Pedestrian
- — — — — Vehicle
- — — — — Setback

Project Proposal

Level 1 includes Retail and Restaurant, Level 2-7 Apartment, Level 8 Penthouse

Total Floor Area 58,650 s.f., includes Ground Floor Area 45,730 s.f., and Underground Floor Area 12,920 s.f.

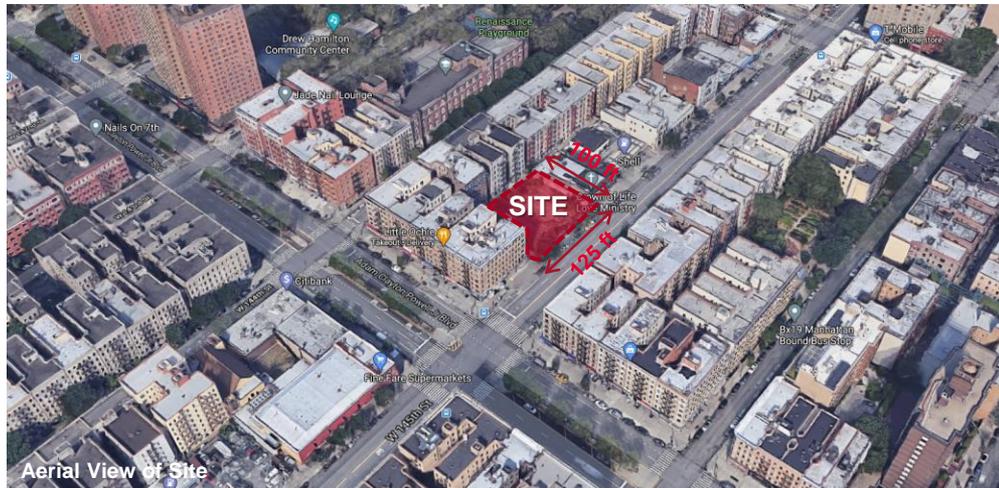


Site Information

Location of Block 2030, Lot 38

Location, Block and Lot

- The site is located in West 145th Street, between Frederick Douglass Blvd and Adam Clayton Powell Jr Blvd, Harlem District, New York.
- **Block: 2030, Lot: 38.**
- The site is currently a vacant land, the zoning district is R7-2 and C2-4 for this site;
- The Lot Type is Interior Block, and Street Type is Wide Street;
- **Total area for this lot is 12,490 sq.ft.**



Zoning Information

Zoning Information and Bulk Restriction

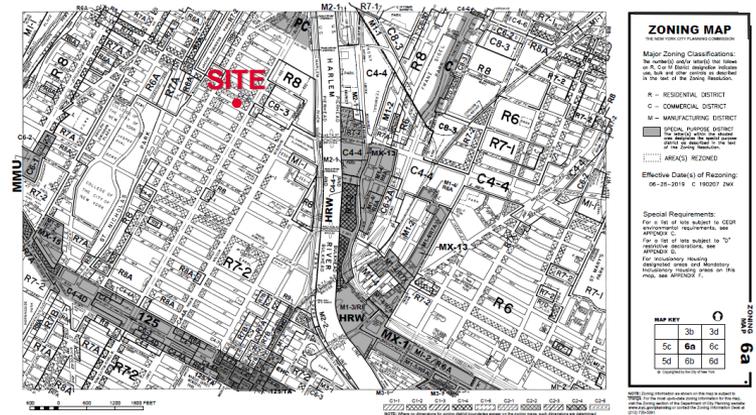
210 WEST 145 STREET, 10039			
Block	2030	Lot	38
Rear Yard (min.)	30 ft	Street Type	Wide Street
Zoning Districts	R7-2, C2-4	Lot Coverage	65%
Lot Type (corner, interior, through)	Interior Block	Yards: type and min depth (feet)	Rear Yard: 30 ft
Size of Zoning Lot (sq.ft)	12,490	Base Height (min/max feet)	40 75
Permitted Uses	Vacant Land	Building Height (max feet)	85
Building Class	Vacant Land - Zoned Commercial or Manhattan Residential (V1)	Required Parking, Min. for Group Parking Facilities	50%
Max FAR for each Permitted use	R7-2: 4.0, C2-4: 2.0	IRHU	15% of IRHU
Initial Setback Distance (ft)	15	Sky Exposure Plane Vertical to Horizontal	Wide Street Sky Exposure Plane= 5.6 to 1

Zoning Information and Bulk Restriction

- Lot Coverage ratio is 65%, and Minimal Rear Yard 30 ft;
- Required parking is 50% for group parking facilities;
- Total are for this lot is 12,490 sq.ft.
- Sky Exposure: Wide street sky exposure plane, 5.6 to 1.

Zoning Map

*Source: Department of City Planning City of New York



Ownership and Property History

Ownership and Certificate of Occupancy

Ownership: This site is currently owned by Gospel Spreading Church (Gospel Spreading Association), effective as of December 15, 1961;

Previous Use: Church, Stores, Funeral Parlor, Heating Plant, Dining Room and Kitchen, Storage, Offices, Library, Multi Purpose Hall, Sunday School.

*Source: NYC Department of Buildings

EXHIBIT "III"

ZONING LOT DESCRIPTION AND OWNERSHIP STATEMENT BY BUILDING DEPARTMENT PERMIT APPLICANT AND TO BE RECORDED IN THE COUNTY CLERK'S OR REGISTER'S OFFICE

GOSPEL SPREADING ASSOCIATION, having its principal office at an address at 216 West 145th Street, New York, NY 10039, as applicant for present or future permits pursuant to the Zoning Resolution of the City of New York, effective as of December 15, 1961, and as subsequently amended states that the zoning lot to which the aforementioned permit or permits pertain is shown on the Tax Map of the City of New York, County of the Bronx, as Tax Lot 15 in Block 3014, and is more particularly described as set forth in Schedule A annexed hereto and made a part hereof.

That said premises are known as and by the street address listed below and, as shown on the attached diagram annexed hereto as Schedule B:

Block	Tax Lot Number(s)	ADDRESS
2030	38	210/220 West 145 th Street New York, NY

The above described zoning lot is presently owned by: **GOSPEL SPREADING ASSOCIATION**

IN WITNESS WHEREOF the applicant for permit has executed this instrument this 7th day of February, 2018.

GOSPEL SPREADING ASSOCIATION

Anthony S. Chलिए

By: Name: Anthony S. Chलिए
Title: General Counsel

THE CITY OF NEW YORK
DEPARTMENT OF BUILDINGS ALT# 128/76
CERTIFICATE OF OCCUPANCY AMENDED
DATE: JUL 17 1991

BOROUGH MANHATTAN DATE: JUL 17 1991 NO. 128/76
This certificate amends C.O. NO. 43904 ZONING DISTRICT C 2-4 in R-7
THIS CERTIFIES that the ~~newly altered~~ ~~existing~~ building—premises located at
220 West 145th Street SS 100' W/O Adam Clayton Powell Block 2030 Lot 38
CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS,
RULES AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN.
Powell Jr. Blvd.
PERMISSIBLE USE AND OCCUPANCY

FLOOR	AREA (SQ. FT.)	PERMISSIBLE USE AND OCCUPANCY	PERMITS REQUIRED	REMARKS
Cellar	O.G. 4 4 O.G. 34 22	B-2 D-2 E	4 4	Storage mechanical two locker rooms meeting room
1st Floor	100 40-G. 50 60 10	F-1b F G	4 4 4	Church & platform w/o scenery offices library multi purpose hall
	O.G. 110 181 100 200 40-G. 50	F-4 C C F-1b	6 4 6 7	a. Dining school b. Sunday stores (3) Funeral parlor

PUBLIC AND COMMERCIAL
NEW CODE

NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS
A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED
THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND
SPECIFICATIONS NOTED ON THE REVERSE SIDE

By: *Anthony S. Chलिए*
Name: Anthony S. Chलिए
Title: General Counsel

By: *[Signature]*
Name: *[Name]*
Title: *[Title]*

ORIGINAL OFFICE COPY - DEPARTMENT OF BUILDINGS COPY

CERTIFICATE OF OCCUPANCY

(Standard form adopted by the Board of Standards and Appeals and issued pursuant to Section 646 of the New York Charter, and Sections C-25-181.0 to C-25-187.0 inclusive Administrative Code 213.1, to 213.7, Building Code.)

This certificate supersedes C. O. No. 12671

To the owner or owners of the building or premises:
THIS CERTIFIES that the ~~newly altered~~ ~~existing~~ building—premises located at
220 West 145th Street Block 2030 Lot 38
conforms substantially to the approved plans and specifications, and to the requirements of the building code and all other laws and ordinances, and of the rules and regulations of the Board of Standards and Appeals, applicable to a building of its class and kind at the time the permit was issued; and CERTIFIES FURTHER that, any provisions of Section 646P of the New York Charter have been complied with as certified by a report of the Fire Commissioner to the Borough Superintendent. **Class 3 nonfireproof**

Permit No. 1135-1943 Public & Commercial Construction classification—
Occupancy classification— **Bldg.** Height 1 stories, 14 feet
Date of completion— March 18, 1955 Located in Business Use District.
B Area 14 Height Zone at time of issuance of permit 1390-1944

This certificate is issued subject to the limitations hereinafter specified and to the following resolutions of the Board of Standards and Appeals: (Calendar numbers to be inserted here)

STORY	LIVE LOADS (lbs. per Sq. Ft.)	PERSONS ACCOMMODATED		USE
		MALE	FEMALE	
Cellar	on ground			25 Heating plant, dining room and kitchen.
1st story	175			672 Church,
	120			50 Stores,
	120			200 Funeral parlor.

PERMISSIBLE USE AND OCCUPANCY

Fuel Oil installation approved by Fire Department May 3, 1952.
Sprinkler system approved by Fire Department July 24, 1950.

By: *[Signature]*
Borough Superintendent

(Fig. 1)

Land Use Analysis

Land Use and Community Facilities

- **Land Use:**

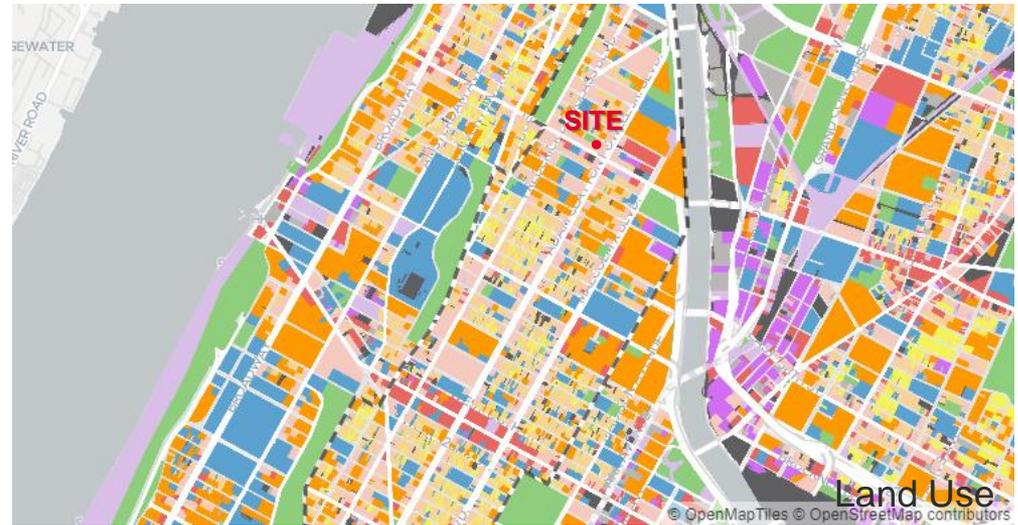
Primarily residential use, this area includes Residence 86.46%, Manufacturing 0.71%, Commercial 9.27%, Park 3.56%;

- **Community:**

This area includes 22 public schools, 5 public libraries, 39 hospitals and clinics, and 7 parks;

- **Facilities:**

Most of the facilities that the community contains is Education, Child Welfare, and Youth, Health and Human Services, Parks, Gardens, and Historical Sites.



Demographics

Population and Area Density of Neighborhood

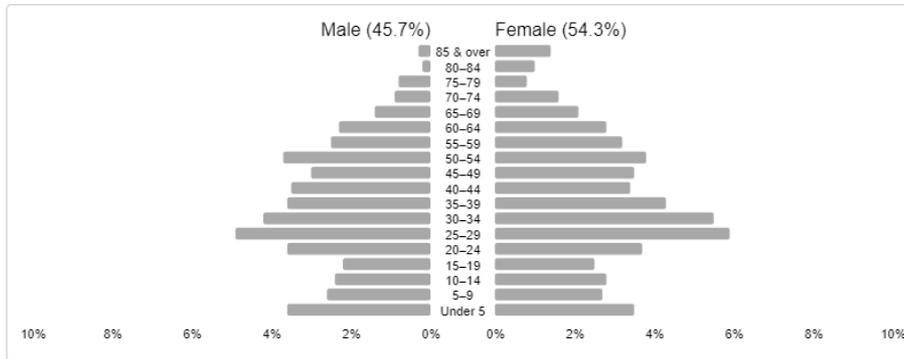
Population

107.1k
2000 Census

115.7k
2010 Census (+8%)

137.2k
2014-2018 Estimate [Ⓞ]

Population by Age [Ⓞ]



- This Site is currently belongs to Manhattan Community District 10, the population of this community is approximately 1372,000 includes 45.7% male and 54.3% female;
- Area density is 82,659 persons per sq mile, and 23.4% residents are foreign-born, main race is Black (55.3%) and Hispanic (23.8%);
- 20.4% of the population is under age 18, and 10.4% of the population is at age 65 and above in this area.

Area & Density [Ⓞ]

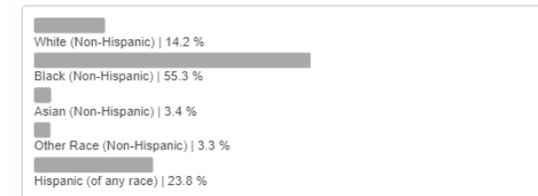
1.4
square miles

82,659
persons per sq mi

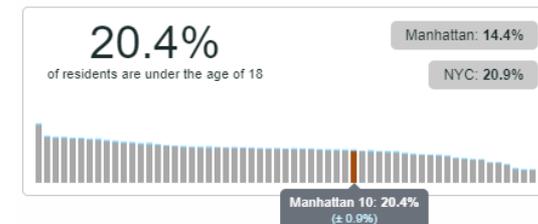
Foreign-Born Population [Ⓞ]

23.4%
of residents are foreign-born

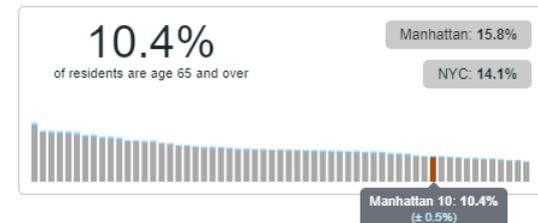
Race & Hispanic Origin [Ⓞ]



Age Under 18 [Ⓞ]



Age 65 & Over [Ⓞ]



Community Facility

Manhattan Community District 10

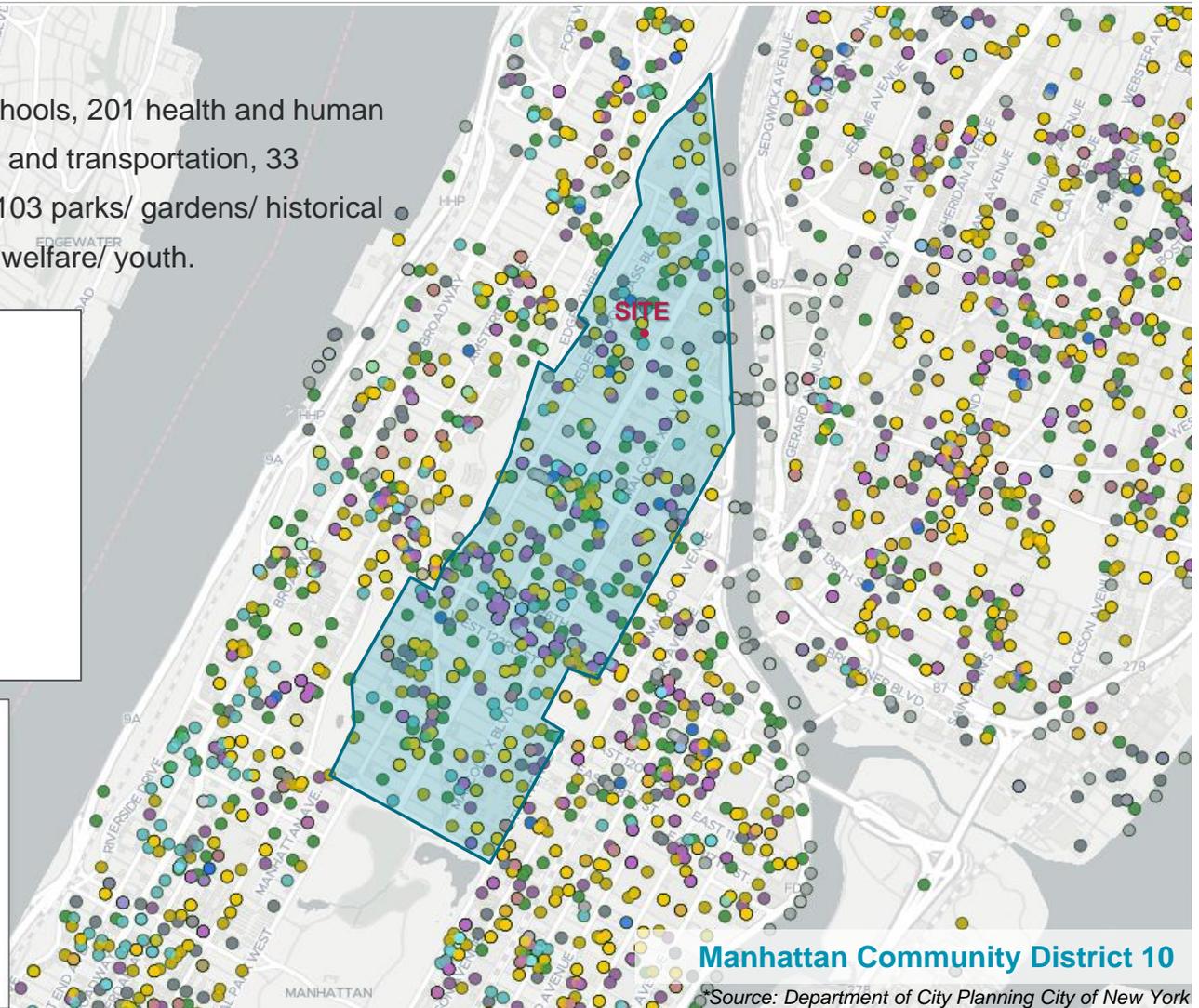
• Community Facilities:

This area includes 46 public schools, 201 health and human services, 57 core infrastructure and transportation, 33 administration of government, 103 parks/ gardens/ historical sites, and 308 education/ child welfare/ youth.

● 8	Public Safety, Emergency Services, and Administration of Justice
● 46	Libraries and Cultural Programs
● 201	Health and Human Services
● 57	Core Infrastructure and Transportation
● 33	Administration of Government
● 103	Parks, Gardens, and Historical Sites
● 308	Education, Child Welfare, and Youth

Facilities and Program Sites

●	Education, Child Welfare, and Youth
●	Parks, Gardens, and Historical Sites
●	Libraries and Cultural Programs
●	Public Safety, Emergency Services, and Administrative Justice
●	Health and Human Services
●	Core Infrastructure and Transportation
●	Administration of Government



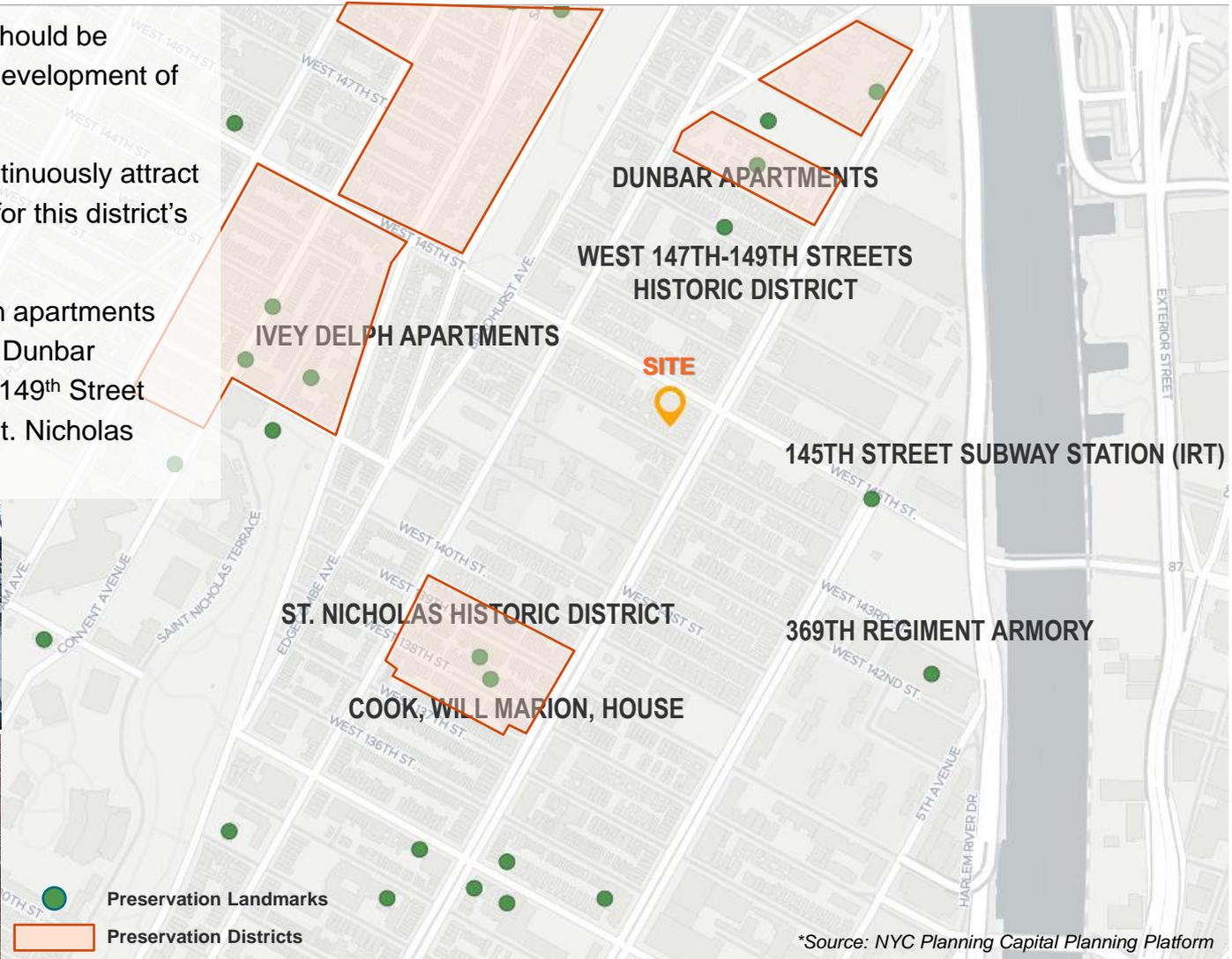
Manhattan Community District 10

*Source: Department of City Planning City of New York

Historic Properties and Districts

Historic Properties and Districts

- Historical influences should be considered for further development of this site.
- This influence will continuously attract residents and workers for this district's prosperity.
- Historical preservation apartments include Ivey Delph and Dunbar Apartments; West 147-149th Street Historical District and St. Nicholas Historical District.



Transportation Analysis

Subway and Main Streets

• Subways Lines

Several subway lines have crossed this area, lines A, B, C, D on the west side of the site, and lines 1, 2, 3 on the east side the subway is about 20 mins to Chinatown.

• Main Streets

Such as W 145th Street, Frederick Douglass Blvd, and Adam Clayton Powell Jr Blvd also improved transportation convenience for this area.



To site from	Distance	Duration	Via
JFK	20 miles	30 mins	I-678 N
Newark Liberty International Airport	25 miles	40 mins	I-95 N
Financial District	12 miles	20 mins	FDR Dr
Times Square, Manhattan	8 miles	15 mins	FDR Dr

Nearby Facilities Analysis

Community Center, Schools, Hospital, Church and Gas Stations

The adjacent facilities include several community centers, schools, churches, gas stations, and one hospital.

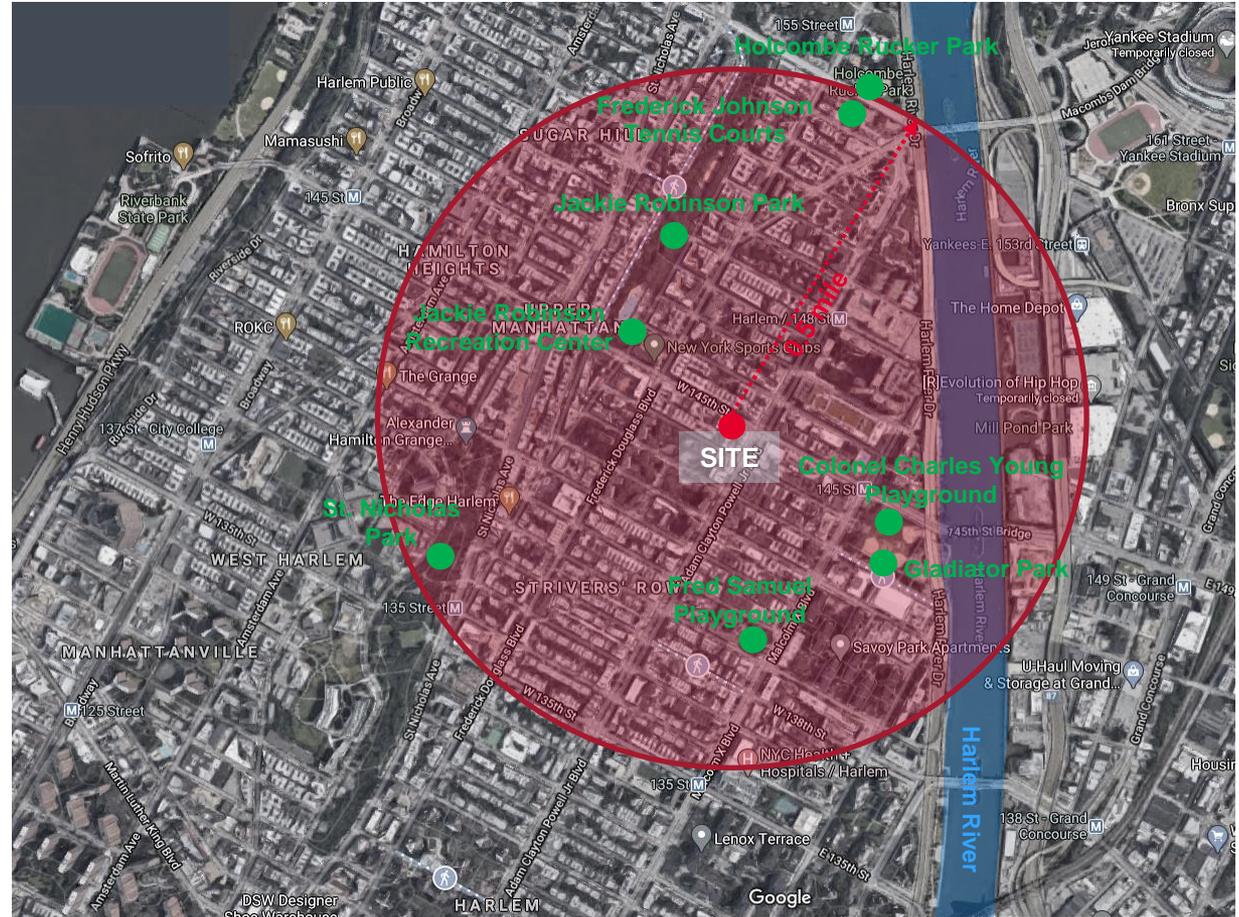


- Gas Station
- Church
- River
- Hospital
- Schools
- Community Center

Green Spaces

Community Center, Schools, Hospital, Parks, Church and Gas Stations

There are several parks around the site within 0.5 mile include large green space St. Nicholas Park and Jackie Robinson Park; smaller size green space Holcombe Rucker Park and playgrounds.



● Park

— River

Recent Development

Recent Development in Manhattan Community District 10

Recently developments includes 52 affordable dwelling units, Lenox Terrace (five mixed-use buildings) and La Hermosa mixed-use building

- It will facilitate the construction of two residential developments containing an approximate total of **52 affordable dwelling units**, Borough of Manhattan, Community District 10.
- The designation of property located at 207-209 West 140th Street (Block 2026, Lots 24 and 25) and 304-308 West 150th Street (Block 2045, Lot 98) as an Urban Development Action Area;

- Its would facilitate the development of **five mixed-use buildings containing residential, commercial, and community facility** uses located within an existing development known as Lenox Terrace.
- The Development Site is Block 1730, Lots 1, 7, 9, 25, 33, 36, 40, 45, 50, 52, 64, 68, 75) is bounded by Lenox Avenue (also known as Malcolm X. Boulevard).

- This application for a special permit was filed by La Hermosa Christian Church ("La Hermosa") on May 2, 2019. The requested special permit, along with its related actions, would facilitate the development of a **mixed-use building** at the northeast corner of Central Park, containing residential and community facility uses. The development site, 5 West 110th Street (Block 1594, Lots 30 and 41), is bounded by West 110th Street (also known as Central Park North) to the South.

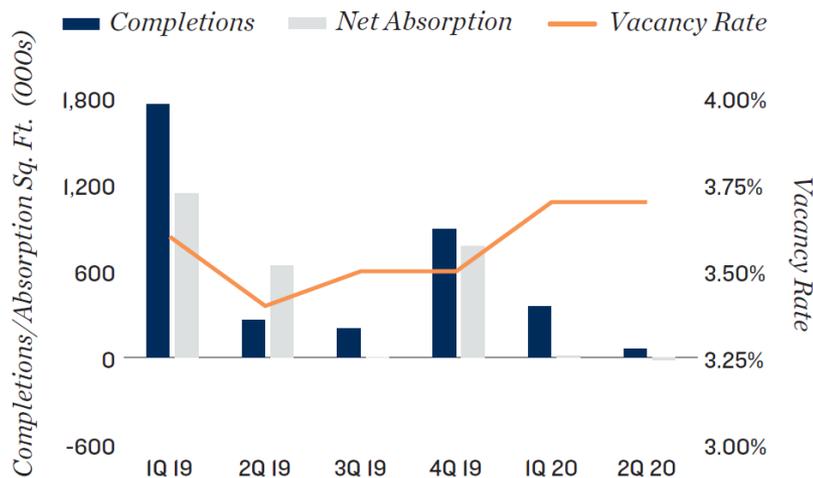
N 210019 HIM	Alexander Hamilton House Amended Site	MN 09 MN 10	09/02/2020
C 200054 ZSM	Lenox Terrace	MN 10	02/03/2020
C 200052 ZMM	Lenox Terrace	MN 10	02/03/2020
N 200051 ZRM	Lenox Terrace	MN 10	02/03/2020
C 200050 ZSM	Lenox Terrace*	MN 10	02/03/2020
C 190436 ZSM	La Hermosa	MN 10	10/15/2019
C 190434 ZMM	La Hermosa	MN 10	10/15/2019
N 190433 ZRM	La Hermosa	MN 10	10/15/2019
C 190435 ZSM	La Hermosa*	MN 10	10/15/2019
C 190428 PQM	NME III West 140th & West 150th	MN 10	09/25/2019
C 190427 HAM	NME III West 140th & West 150th*	MN 10	09/25/2019
C 190094 PCM	Joseph Daniel Wilson Memorial Garden	MN 10	02/13/2019

Retail Market Overview

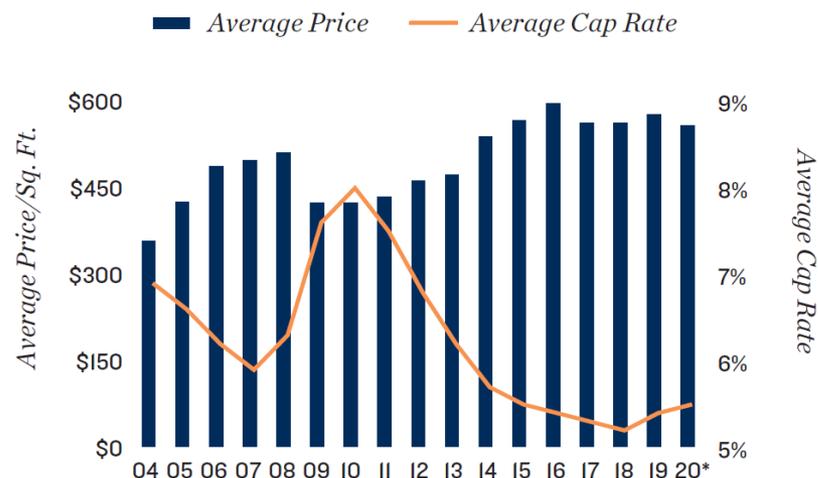
Vacancy Rate, Absorption, and Rental in NYC Metro Area

Modest Supply Additions Help Stabilize Vacancy; Upward Pricing Momentum Continues for Single-Tenant Assets

Retail Completions and Absorption



Retail Price and Cap Rate Trends



- The lack of notable new supply pressure helped keep **vacancy flat at 3.7 percent** from March to June despite the massive disruption to normal operations. Availability remained tight, under 3 percent, in the high-profile Midtown submarket.
- The health crisis added substantial downward pressure to asking rates in the most costly retail rental market in the country. The average rent **dropped 5.3 percent quarter over quarter to \$59.95 per square foot**.

*Source: Marcus & Millichap, Research and Advisory Services

Retail of Northern Manhattan Submarket

Central Harlem District: Retail

Central Harlem Retail

- 2020 commercial property value average \$552 /SF;
- 25% weighted in Northern Manhattan sub market, total 97.7 million dollars.

	PROPERTY TYPE	1H 2020	% CHANGE 1H '20 - 2H '19	2H 2019	% CHANGE 1H '20 - 1H '19	1H 2019
DOLLAR VOLUME	Multifamily	\$155,538,729	-89%	\$1,453,101,385	-40%	\$258,675,000
	MF-MU 10+ resi units	\$138,397,110	-90%	\$1,425,155,000	-41%	\$233,020,000
	MF-MU 6-9 resi units	\$9,858,382	-44%	\$17,694,973	-48%	\$18,955,000
	MF-MU Small	\$7,283,237	-29%	\$10,251,412	9%	\$6,700,000
	Commercial	\$28,560,694	214%	\$9,100,000	1%	\$28,291,000
	Ind / WH / Sto*	\$0	N/A	\$0	N/A	\$0
	Development	\$140,227,004	-12%	\$159,225,000	14%	\$122,576,000
	Office	\$61,384,465	667%	\$8,000,000	N/A	\$0
	Special Purpose	\$0	N/A	\$31,756,929	N/A	\$259,707,500
	GRAND TOTAL	\$385,710,892	-77%	\$1,661,183,314	-42%	\$669,249,500

PROPERTY VALUE METRIC COMPARISON (2013 - 2020)

INDICATOR	2013	2014	2015	2016	2017	2018	2019	2020
\$/SF - Multifamily**	\$219	\$271	\$337	\$361	\$382	\$376	\$353	\$339
\$/Unit - Multifamily**	\$178,971	\$236,520	\$273,232	\$315,261	\$320,729	\$314,012	\$307,738	\$247,001
Cap Rate - Multifamily**	4.92%	4.56%	4.28%	3.95%	4.08%	4.06%	4.73%	4.80%
GRM - Multifamily**	11.21	12.82	14.66	15.87	15.24	15.36	13.72	9.67
\$/BSF - Development*	\$119	\$135	\$199	\$228	\$209	\$218	\$216	\$180
\$/SF - Commercial	\$589	\$496	\$635	\$838	\$1,240	\$759	\$725	\$552

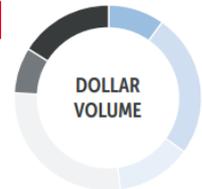
*Source: Ariel Property Advisors, Investment Sales Capital Services Investment Research

PRE-DEVELOPMENT ANALYSIS

Apollo Renaissance | Multifamily Development in Central Harlem

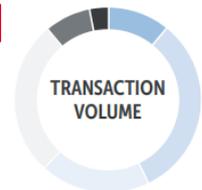
DOLLAR VOLUME COMPARISON BY SUB-MARKET

10%	Washington Heights	\$36,884,393
25%	Central Harlem	\$97,712,210
13%	Hamilton Heights	\$51,143,931
28%	East Harlem	\$107,250,867
0%	West Harlem	\$0
8%	Inwood	\$29,535,068
16%	Morningside Heights	\$63,184,422
	GRAND TOTAL	\$385,710,892



TRANSACTION VOLUME COMPARISON BY SUB-MARKET

11%	Washington Heights	4
32%	Central Harlem	12
19%	Hamilton Heights	7
27%	East Harlem	10
0%	West Harlem	0
8%	Inwood	3
3%	Morningside Heights	1
	GRAND TOTAL	37

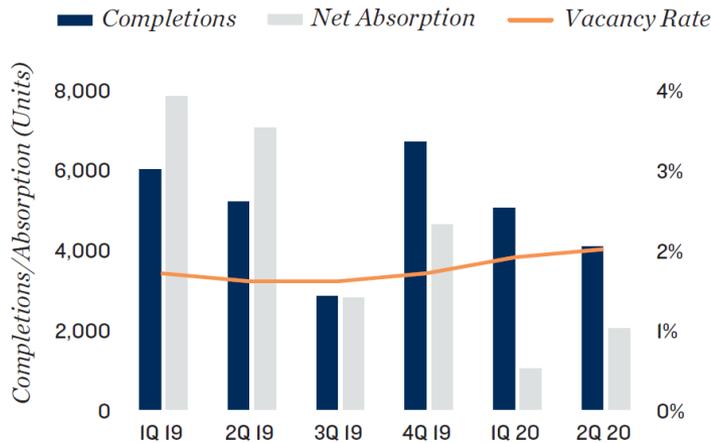


Apartment Market Overview

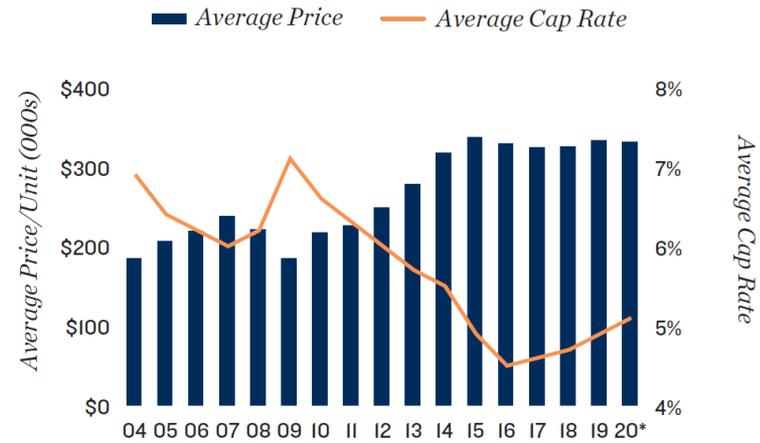
Vacancy Rate, Absorption, and Rental in NYC Metro Area

Minimal Housing Availability Supports Both Renter and Investor Demand Through Midyear

Apartment Completions and Absorption



Apartment Price and Cap Rate Trends



- Vacancy **increased 10 basis points between March and June to 2.0 percent**, the lowest rate of any major U.S. metro. The Class A rate contracted 10 basis points to 4.4 percent over that span but may rise in the future if more people decide to relocate.
- While vacancy did not drastically shift in the second quarter, a slowdown in leasing velocity weighed on rents. The average **effective rate fell 0.8 percent quarter over quarter to \$2,763 per month**, about on par with the second quarter of 2019.

*Source: Marcus & Millichap, Research and Advisory Services

Apartment of Northern Manhattan Submarket

Central Harlem District: Apartment

Central Harlem Apartment Highlighted Transactions

- Central Harlem top neighborhoods by total transactions volume: **243.9 million value traded,**
- **4 major transactions, 42 buildings** were traded, 762 units were traded
- **Average SF \$329, average price per unis was \$ 310,152.**

Morningside Heights
92-100 CLAREMONT AVENUE



Property Type: **Development**
Sale Amount: **\$60,727,250**
\$/BSF: **\$174**
Sale Date: **6/22/2020**

Central Harlem
117 WEST 124TH STREET



Property Type: **Office Condo**
Sale Amount: **\$45,252,000**
\$/SF: **\$675**
Sale Date: **3/4/2020**

Hamilton Heights
620 WEST 153RD STREET



Property Type: **Development**
Sale Amount: **\$28,750,000**
\$/BSF: **\$191**
Sale Date: **5/15/2020**

Central Harlem
CENTRAL HARLEM LIHTC PORTFOLIO



Property Type: **Multifamily**
Sale Amount: **\$13,750,000**
\$/SF: **\$133**
Sale Date: **4/14/2020**

Washington Heights
1314 RIVERSIDE DRIVE



Property Type: **Multifamily**
Sale Amount: **\$10,150,000**
\$/SF: **\$246**
Sale Date: **3/11/2020**

Breakdown by Property Type

Property Type	\$ Value Traded	Transactions	Bldgs. Traded	Units Traded	Average \$/SF	Average \$/Unit
Elevator Building	\$145,850,000	4	6	393	\$525	\$479,410
Mixed-Use Building	\$1,365,245,000	9	49	3,383	\$333	\$311,022
Walk-Up Building	\$84,505,000	11	20	403	\$301	\$231,917

Top Neighborhoods by Total Transactions Volume

Location	\$ Value Traded	Transactions	Bldgs. Traded	Units Traded	Average \$/SF	Average \$/Unit
Washington Heights	\$121,125,000	8	10	437	\$326	\$317,067
East Harlem	\$1,178,725,000	5	10	2,763	\$421	\$317,920
Hamilton Heights	\$77,000,000	5	14	235	\$406	\$345,357
Central Harlem	\$243,900,000	4	42	762	\$329	\$310,152
Marble Hill	\$6,100,000	2	2	31	\$251	\$202,741
Inwood	\$8,750,000	1	1	45	\$251	\$194,444

*Source: Ariel Property Advisors, Investment Sales Capital Services Investment Research

Summary of Market Analysis

Sales Price, Rent, and Cap Rate for Apartment and Retail

Apartment- Sales Price

Property Type	\$ Value Traded	Transactions	Bldgs. Traded	Units Traded	Average \$/SF	Average \$/Unit
Elevator Building	\$145,850,000	4	6	393	\$525	\$479,410
Mixed-Use Building	\$1,365,245,000	9	49	3,383	\$333	\$311,022
Walk-Up Building	\$84,505,000	11	20	403	\$301	\$231,917
Avg.					\$386	\$340,783

Top Neighborhoods by Total Transactions Volume

Location	\$ Value Traded	Transactions	Bldgs. Traded	Units Traded	Average \$/SF	Average \$/Unit
Washington Heights	\$121,125,000	8	10	437	\$326	\$317,067
East Harlem	\$1,178,725,000	5	10	2,763	\$421	\$317,920
Hamilton Heights	\$77,000,000	5	14	235	\$406	\$345,357
Central Harlem	\$243,900,000	4	42	762	\$329	\$310,152
Marble Hill	\$6,100,000	2	2	31	\$251	\$202,741
Inwood	\$8,750,000	1	1	45	\$251	\$194,444
Avg.					\$331	\$281,280

Apartment- Rental Price

Location	Price	Beds	Baths	ft ²	Rental / ft ² / Month	Rental / ft ² / Year
45 West 132nd Street #7J	\$1,662	Stuido	1 bath	461	\$3.6	\$43.3
630 Lenox Avenue #K6	\$1,670	Stuido	1 bath	400	\$4.2	\$50.1
2186 5th Avenue #7N	\$2,299	1 bed	1 bath	767	\$3.0	\$36.0
620 Lenox Avenue #C10	\$2,075	1 bed	1 bath	700	\$3.0	\$35.6
220 West 148th Street #3B	\$2,200	1 bed	1 bath	792	\$2.8	\$33.3
2200 Madison Avenue #6C	\$2,400	2 beds	1 bath	755	\$3.2	\$38.1
263 West 139th Street #G	\$3,000	2 beds	1.5 baths	1,300	\$2.3	\$27.7
2186 5th Avenue #2E	\$3,199	2 beds	1.5 baths	1,028	\$3.1	\$37.3
255 W 121st Street #GARDEN	\$3,500	3 beds	1.5 baths	2,000	\$1.8	\$21.0
2611 Frederic Douglas Boulevard #3C	\$3,200	3 beds	1.5 baths	1,400	\$2.3	\$27.4
2322 Adam Clayton Powell Jr Boulevard	\$2,500	3 beds	2 baths	1,100	\$2.3	\$27.3
Avg.	\$2,519			973	\$2.9	\$34

*source: <https://streeteasy.com/for-rent/central-harlem>

Apartment & Retail- Cap Rate, Sales Price

PROPERTY VALUE METRIC COMPARISON (2013 - 2020)

INDICATOR	2013	2014	2015	2016	2017	2018	2019	2020
\$/SF - Multifamily**	\$219	\$271	\$337	\$361	\$382	\$376	\$353	\$339
\$/Unit - Multifamily**	\$178,971	\$236,520	\$273,232	\$315,261	\$320,729	\$314,012	\$307,738	\$247,001
Cap Rate - Multifamily**	4.92%	4.56%	4.28%	3.95%	4.08%	4.06%	4.73%	4.80%
GRM - Multifamily**	11.21	12.82	14.66	15.87	15.24	15.36	13.72	9.67
\$/BSF - Development*	\$119	\$135	\$199	\$228	\$209	\$218	\$216	\$180
\$/SF - Commercial	\$589	\$496	\$635	\$838	\$1,240	\$759	\$725	\$552

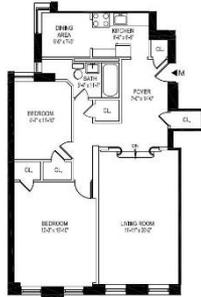
*Source: Ariel Property Advisors, Investment Sales Capital Services Investment Research

PRE-DEVELOPMENT ANALYSIS

Apollo Renaissance | Multifamily Development in Central Harlem

Comparables

725 West 184th Street, 3621- 3629 Broadway



Typical Plan of 2BR



Interior of Apartment

725 West 184th Street & 110 Bennett Avenue

Sale Date: 4/3/2019

Sale Price: \$41,725,000

Building SF: 121,260

Date	Unit	Rent	Beds	Baths	ft ²
11/28/2020	<u>#2D</u>	\$1,800	studio	1 bath	350 ft ²
11/20/2020	<u>#5N</u>	\$2,000	1 bed	1 bath	850 ft ²
07/20/2020	<u>#2E</u>	\$1,750	studio	1 bath	350 ft ²
04/29/2020	<u>#5E</u>	\$1,750	studio	1 bath	350 ft ²
03/16/2020	<u>#5H</u>	\$1,800	studio	1 bath	350 ft ²
02/12/2020	<u>#3N</u>	\$2,050	1 bed	1 bath	850 ft ²
05/18/2018	<u>#3M</u>	\$2,750	2 beds	1 bath	945 ft ²
01/31/2018	<u>#7M</u>	\$2,895	2 beds	1 bath	945 ft ²
09/19/2017	<u>#5K</u>	\$3,395	3 beds	2 baths	1,223 ft ²

3621- 3629 Broadway

6-story elevator building located on the northwest corner of 149th Street and Broadway. The building contains 46 residential units 8 commercial units and 1 storage unit with a combined 100' of frontage.

Date	Unit	Rent	Beds	Baths	ft ²
11/10/2020	<u>#277</u>	\$3,540	3 beds	1 bath	-
11/09/2020	<u>#64</u>	\$4,350	4 beds	2 baths	-
10/28/2020	<u>#28B</u>	\$3,295	3 beds	2 baths	-
10/21/2020	<u>#27A</u>	\$3,295	3 beds	1 bath	-
10/13/2020	<u>#48</u>	\$3,850	4 beds	2 baths	-
09/19/2020	<u>#28A</u>	\$3,295	3 beds	2 baths	-
09/14/2020	<u>#27</u>	\$3,952	3 beds	1 bath	-
09/01/2020	<u>#28</u>	\$3,495	3 beds	2 baths	-
08/21/2020	<u>#31</u>	\$3,395	3 beds	2 baths	-

SWOT Analysis

SWOT Analysis and Risks Associated with the Project



S

Strengths

Transportation: *Transportation for this site is convenient.* Several subway lines have crossed this area, and there's bus terminal around this area.

Population and Area Density:

Population advantage promotes regional development. 82,659 persons per sq mile, 20.4% of the population is under age 18.

Nearby Green Spaces:

Many churches and green spaces in this area.



W

Weaknesses

Land Use:

Lack of commercial land use in this area. Primarily residential use, this area includes Residence 86.46%, Manufacturing 0.71%, Commercial 9.27%, Park 3.56%;

Unemployment in this Area:

Base on the per capita income and house hold income, *the unemployment rate is higher* compare to the central area of Manhattan.



O

Opportunities

Historical influences:

This influence will continuously attract residents and workers for this district's prosperity. Historical influences should be considered for further development of this site.

Apartment Market:

Rent: *A slowdown in leasing* velocity weighed on rents. The average *effective rate fell 0.8 percent quarter over quarter to \$2,763 per month.* The apartment market will potentially grow after the pandemic.



T

Threats

Recent Development:

More mixed-use real estate projects under development. Recently developments include 52 affordable dwelling units, Lenox Terrance (five mixed-use buildings) and La Hermosa mixed-use building; other new projects will be the competitor.

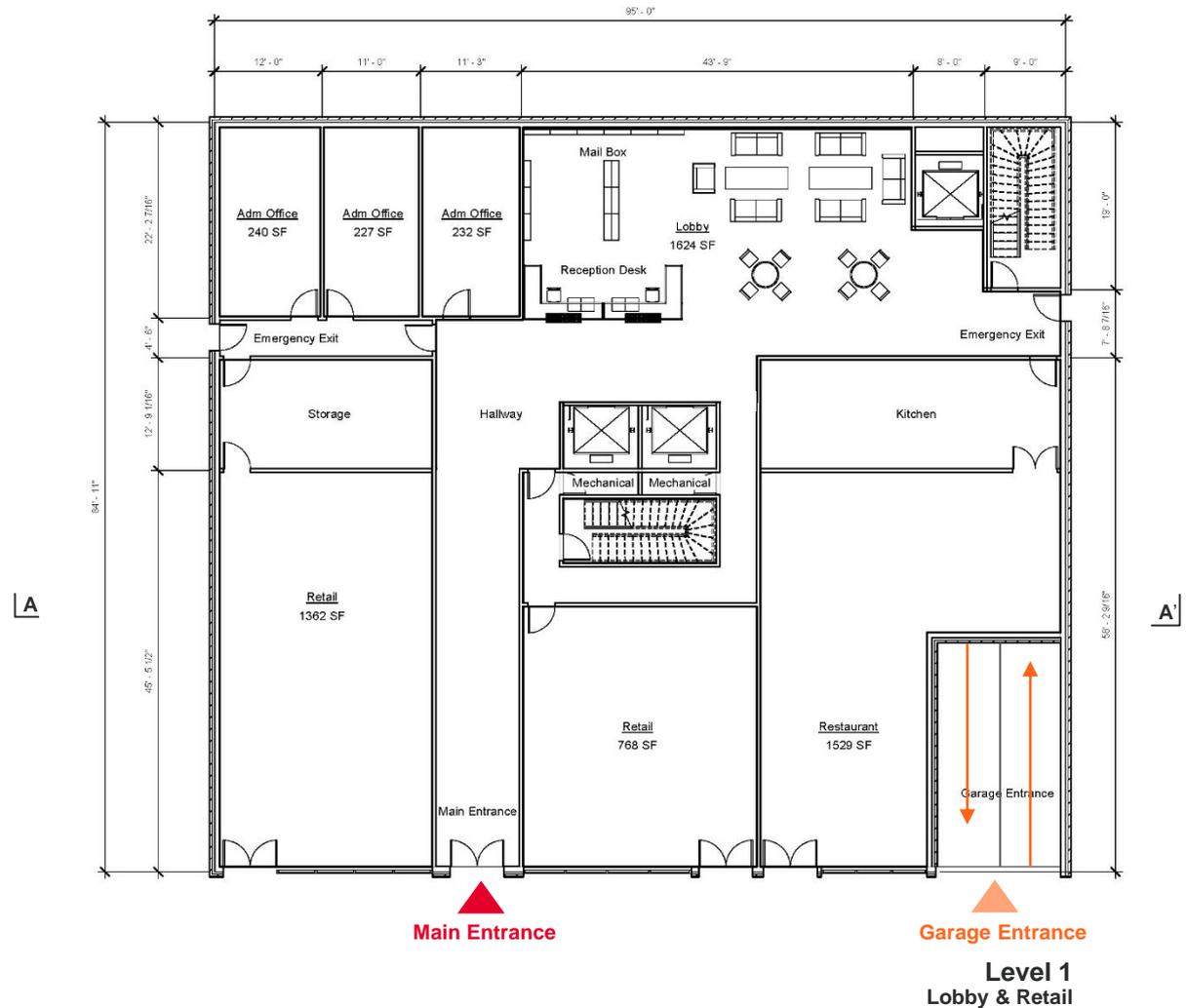
Nearby Facilities:

There are several green space and community center, however, *the nearby facilities still need to be developed.*

Project Proposal

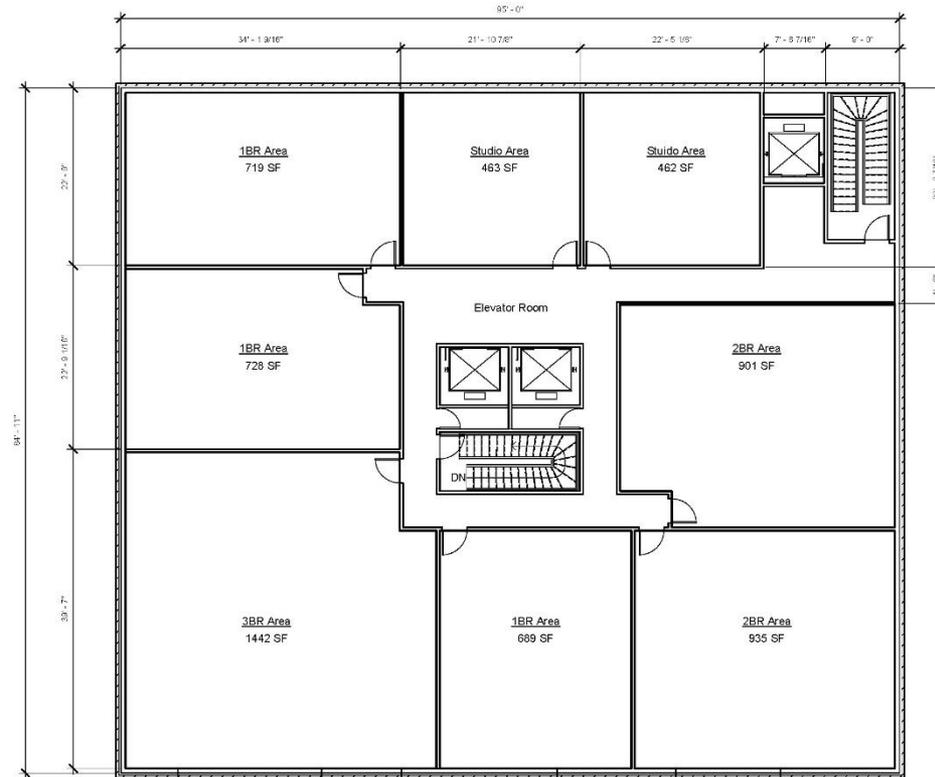
Level 1: Lobby & Retail

- There are two retail stores and one restaurant located in the first floor;
- Retail: 1,362 and 768 s.f.;
- Restaurants: 1,529 s.f.;
- There are also three administrative offices: average area approximately 235 s.f.;
- Lobby, hallway, and public space total 1,624 s.f.;
- Elevators and Staircases: three elevators and two staircases located in the central of the floor plan and the northeast of the floor plan, respectively.

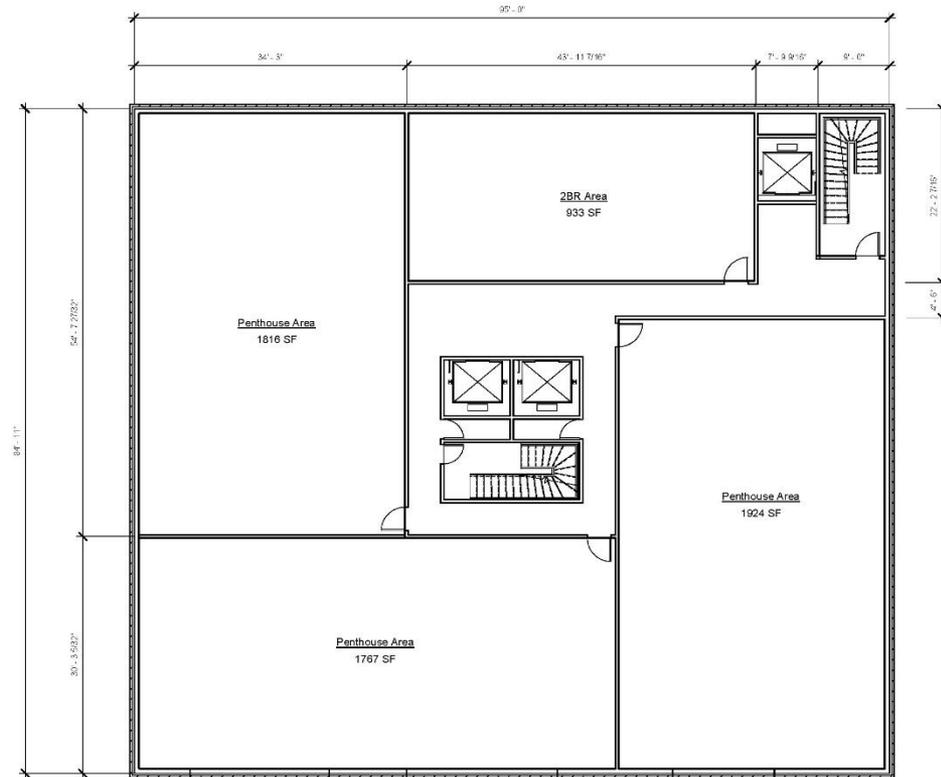


Project Proposal

Level 2- 8: Typical Floor Plan



Level 2-7
Typical Floor Plan

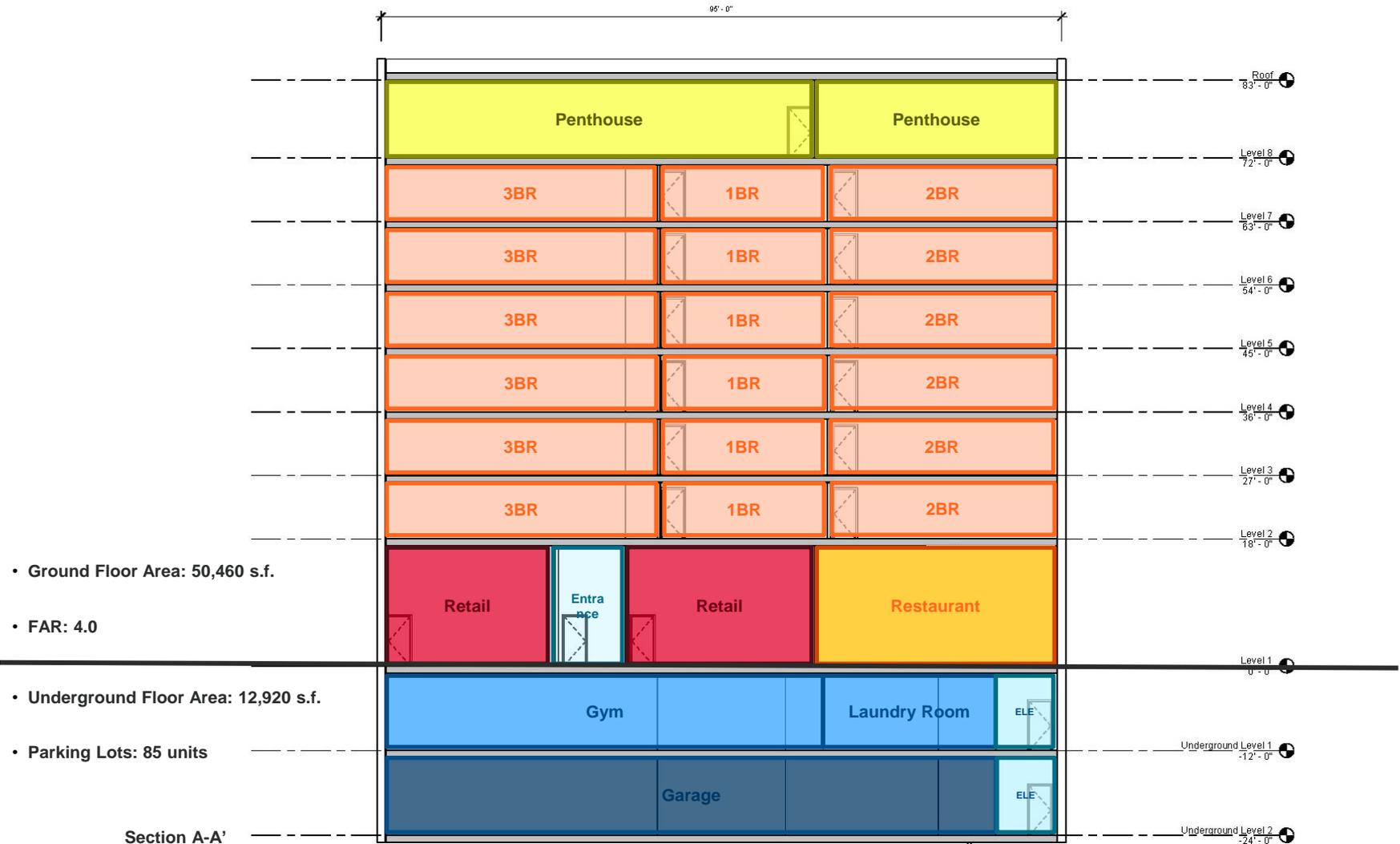


Level 8
Penthouses

- Typical Floor Plan (Level 2-7): includes two studios, three 1 bedrooms, two 2 bedrooms, and one 3 bedroom;
- Level 8: there are three penthouses on the level 8, also includes one 2 bedroom.

Project Proposal

Section A-A': Gym and Laundry Room, and Garage Located in the Underground Levels



Financial Feasibility

Assumptions: total 56 units includes 52 residential units and 3 retail units

Development Costs			
Land Cost			\$-
Ground Levels			
Multifamily			
Hard Cost	\$250.00	SF	(\$11,119,500)
Soft Cost	\$75.00	30% of HC	(\$3,335,850)
Retail			
Hard Cost	\$300.00	SF	(\$1,794,600)
Soft Cost	\$112.50	30% of HC	(\$672,975)
Underground Level			
Hard Cost	\$100.00	SF	(\$1,292,000)
Soft Cost	\$30.00	30% of HC	(\$387,600)
Total Development Costs			(\$18,602,525)

Gross Floor Area

Floors 1						
	Units	Unit PSF	Total SF	Rent PSF	Monthly Rent	Total
Lobby & Adm Offices	1	2,128	2,323	\$0.00	\$0	\$0
Resturant	1	1,529	1,529	\$60.00	7,645	\$91,740
Retail	2	1,065	2,130	\$60.00	5,325	\$127,800
Floor Total	4		5,982		\$12,970	\$219,540
x Floors	1		1			1
Total Including Floors	4		5,982			\$219,540

Floors 2-7						
	Units	Total SF	Total SF	Rent PSF	Monthly Rent	Total
Studio	2	463	926	\$34.00	1,312	\$31,484
1 BR	3	712	2,136	\$34.00	2,017	72,624
2 BR	2	918	1,836	\$34.00	2,601	62424
3 BR	1	1,442	1,442	\$34.00	4,086	49028
Floor Total	8		6,340		\$10,016	\$215,560
x Floors	6		6			6
Total Including Floors	48		38,040			\$1,293,360

Floors 8						
	Units	Total SF	Total SF	Rent PSF	Monthly Rent	Total
Studio	0	0	0	\$34.00	\$0	\$0
1 BR	0	0	0	\$34.00	\$0	\$0
2 BR	1	933	933	\$34.00	2,644	\$31,722
3 BR	0	0	0	\$34.00	\$0	\$0
Penthouses	3	1,835	5,505	\$45.00	6,881	247,725
Floor Total	4		6,438		\$12,695	\$279,447
x Floors	1		1			1
Total Including Floors	4		6,438			\$279,447
Grand Total	56		50,460			\$1,792,347

Rentable Floor Area

Rentable SF						
	Units	Total SF	Total SF	Rent PSF	Monthly Rent	Total
Rentable SF		95.0% of GSF				
Retail	4		3,476	\$60.00		\$208,563
Apartment						
Studio/ 1 BR/ 2BR/ 3BR			37,024	\$34.00		\$1,258,828
Penthouses			5,230	\$45.00		\$235,339
Total	52		42,254	\$40.45		\$1,709,003
Grand Total	56		45,730			\$1,917,566

Assumptions:

• Hard Cost

Multifamily: \$250~ \$400 PSF

Retail: \$300~ \$450 PSF

• Soft Cost

30% of Hard Cost

Land Cost: \$0

Demolition Costs: \$0

Land Remediation Costs: \$0

• Net Operating Income

Operating Expenses: 40% of Operating Revenues

Rentable SF: 95% of GSF

Vacancy Rate: 25% in the Beginning Year, 5% in Year 1-2, 2% in Stabilized Years

Growth Rate: 5%

Concessions: 5% of PGI Year 1-2, 0% for Stabilized Years

Discount Rate: 10%

Cap Rate: 4.8%

Financial Feasibility

Pro Forma: Operating Income of Apartment and Retail

Year		0	1	2	3	4	5	6	7	8	9	10	11
Residential Income													
Rent PSF													
Studio/ 1 BR/ 2BR/ 3BR		\$-	\$34.00	\$35.70	\$37.49	\$39.36	\$41.33	\$43.39	\$45.56	\$47.84	\$50.23	\$52.75	\$55.38
Penthouses		\$-	\$45.00	\$47.25	\$49.61	\$52.09	\$54.70	\$57.43	\$60.30	\$63.32	\$66.49	\$69.81	\$73.30
Growth			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Square Footage													
Studio/ 1 BR/ 2BR/ 3BR		\$-	37,024	37,024	37,024	37,024	37,024	37,024	37,024	37,024	37,024	37,024	37,024
Penthouses		\$-	5,230	5,230	5,230	5,230	5,230	5,230	5,230	5,230	5,230	5,230	5,230
Gross Rental Income		\$-	\$1,494,167	\$1,568,875	\$1,647,319	\$1,729,685	\$1,816,169	\$1,906,977	\$2,002,326	\$2,102,443	\$2,207,565	\$2,317,943	\$2,433,840
Less: Concessions		\$-	(\$74,708)	(\$78,444)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
% of Gross Rental Income			5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Less: Vacancy & Collection Loss		\$-	(\$373,542)	(\$78,444)	(\$82,366)	(\$34,594)	(\$36,323)	(\$38,140)	(\$40,047)	(\$42,049)	(\$44,151)	(\$46,359)	(\$48,677)
% of Gross Rental Income			25.0%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Effective Gross Residential Income		\$-	1,045,917	1,411,987	1,564,953	1,695,091	1,779,846	1,868,838	1,962,280	2,060,394	2,163,413	2,271,584	2,385,163
Total Other Income (Parking, Retail, etc)	3%		\$239,940	\$261,351	\$276,889	\$292,290	\$306,905	\$322,250	\$338,363	\$355,281	\$373,045	\$391,697	\$411,282
Restaurant													
Retail			\$208,563	\$218,991	\$229,941	\$241,438	\$253,510	\$266,185	\$279,494	\$293,469	\$308,143	\$323,550	\$339,727
PSF			\$60.00	\$63.00	\$66.15	\$69.46	\$72.93	\$76.58	\$80.41	\$84.43	\$88.65	\$93.08	\$97.73
Parking			\$31,377	\$42,360	\$46,949	\$50,853	\$53,395	\$56,065	\$58,868	\$61,812	\$64,902	\$68,148	\$71,555
Effective Gross Income		\$-	1,285,857	1,673,338	1,841,842	1,987,381	2,086,751	2,191,088	2,300,642	2,415,675	2,536,458	2,663,281	2,796,445
Growth				30.1%	10.1%	7.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Total Expenses	40%		(\$514,343)	(\$669,335)	(\$736,737)	(\$794,953)	(\$834,700)	(\$876,435)	(\$920,257)	(\$966,270)	(\$1,014,583)	(\$1,065,312)	(\$1,118,578)
of Operating Revenues			-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%	-40%
Net Operating Income		\$-	771,514	1,004,003	1,105,105	1,192,429	1,252,050	1,314,653	1,380,385	1,449,405	1,521,875	1,597,969	1,677,867
Growth				30.1%	10.1%	7.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cap Rate													4.8%
Terminal Value													34,955,566
Unleveraged Free Cash Flow		\$-	771,514	1,004,003	1,105,105	1,192,429	1,252,050	1,314,653	1,380,385	1,449,405	1,521,875	1,597,969	1,677,867
Unlevered Total Cash Flow		(\$18,602,525)	\$771,514	\$1,004,003	\$1,105,105	\$1,192,429	\$1,252,050	\$1,314,653	\$1,380,385	\$1,449,405	\$1,521,875	\$1,597,969	\$1,677,867

Discount Rate	10.0%
Present Value of Cash Flow	\$20,818,278
NPV	\$2,215,753
IRR	11.5%

Financial Feasibility

Investment Sources & Levered Cash Flow

Financing	
Mortgage in Total	12,091,641
LTV	65.0%
Payment	Monthly
Amortization Years	30
Interest Rate	3.0%
Exit Year	10

Year	0	1	2	3	4	5	6	7	8	9	10
Mortgage											
Laon Proceeds	\$12,091,641	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Loan Payments	\$-	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)	(\$611,746)
Loan Payback	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	(\$9,192,043)
Total	\$12,091,641	(\$611,746)	(\$9,803,789)								
Levered Total Cash Flow	(\$6,510,884)	\$159,768	\$392,257	\$493,359	\$580,683	\$640,304	\$702,907	\$768,639	\$837,659	\$910,129	\$26,749,746

Discount Rate	10.0%
Present Value of Cash Flow	\$13,515,432
NPV	\$7,004,548
IRR	19.7%

Levered

Discount Rate	10.0%
Present Value of Cash Flow	\$20,818,278
NPV	\$2,215,753
IRR	11.5%

Unlevered

- **The Unlevered NPV is 2.21 million**, Present value of Cash Flow 20.8 million, and **IRR 11.5%**;
- **Levered NPV 7 million**, Present Value of Cash Flow 13.5 million, and **IRR 19.7%**;
- **Both the unlevered and levered IRR would be greater than the discount rate**;
- Based on the market research, the cap rate will be 4.8% with 10 years holding period, sales price for the project will be 34.9 million;
- **Total Costs 18.6 million** includes 14.2 hard costs and 4.39 soft costs;
- The suggestion use **65% LTV with 12.09 million mortgage** because of the **low interest rate** this year, **holding period** for this project would be **10 years**.



Thank you!

Qi Shan

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PRE-DEVELOPMENT ANALYSIS

Apollo Renaissance | Multifamily Development in Central Harlem