



**175 WYCKOFF AVENUE**  
**BROOKLYN, NY 11237**

# COMPANY TEAM



Laven Soto



Maria Alvarado



Angela Jeshili (C)



Ismael Almanzar (C)



Alvaro Bermejo (C)



JingJing Xu (C)



Uzoamaka Meremetoh



Jing Piao (PM)



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# EXECUTIVE SUMMARY

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- **\$792,000 Acquisition**
- **\$237,000 in Total Equity**
- **13.03% Projected IRR**
- **Opportunity Zone**

# PROPERTY OVERVIEW



**175 WYCKOFF AVENUE, BROOKLYN NY**

- **Six-Family Building**
- **Composed of 4,275 sf**
- **1 Vacant Unit**
- **Renovation Value-Add**



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# MARKET ANALYSIS

Coney Island



PARK SLOPE



PIERS

Brooklyn™



BROOKLYN

Williamsburg



Prospect Park  
NYC

BUSHWICK



DUMBO  
BROOKLYN



**Roberto's**  
WOOD FIRED PIZZA



**Neighborhoods**



# Why?



*Lot 45*



Walking through Wyckoff Ave in  
Bushwick, Brooklyn, NYC



**NOWADAYS**

**"The SAMPLER"  
\*BUSHWICK\***

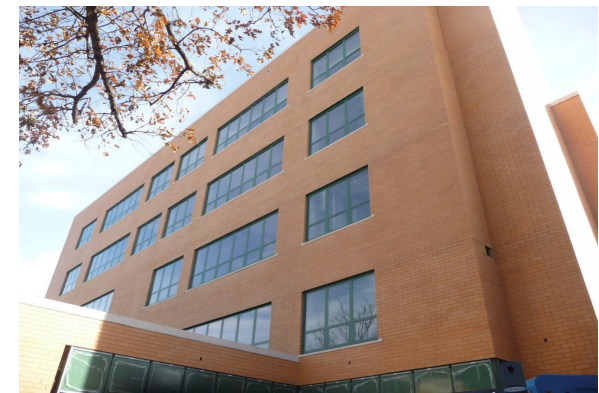
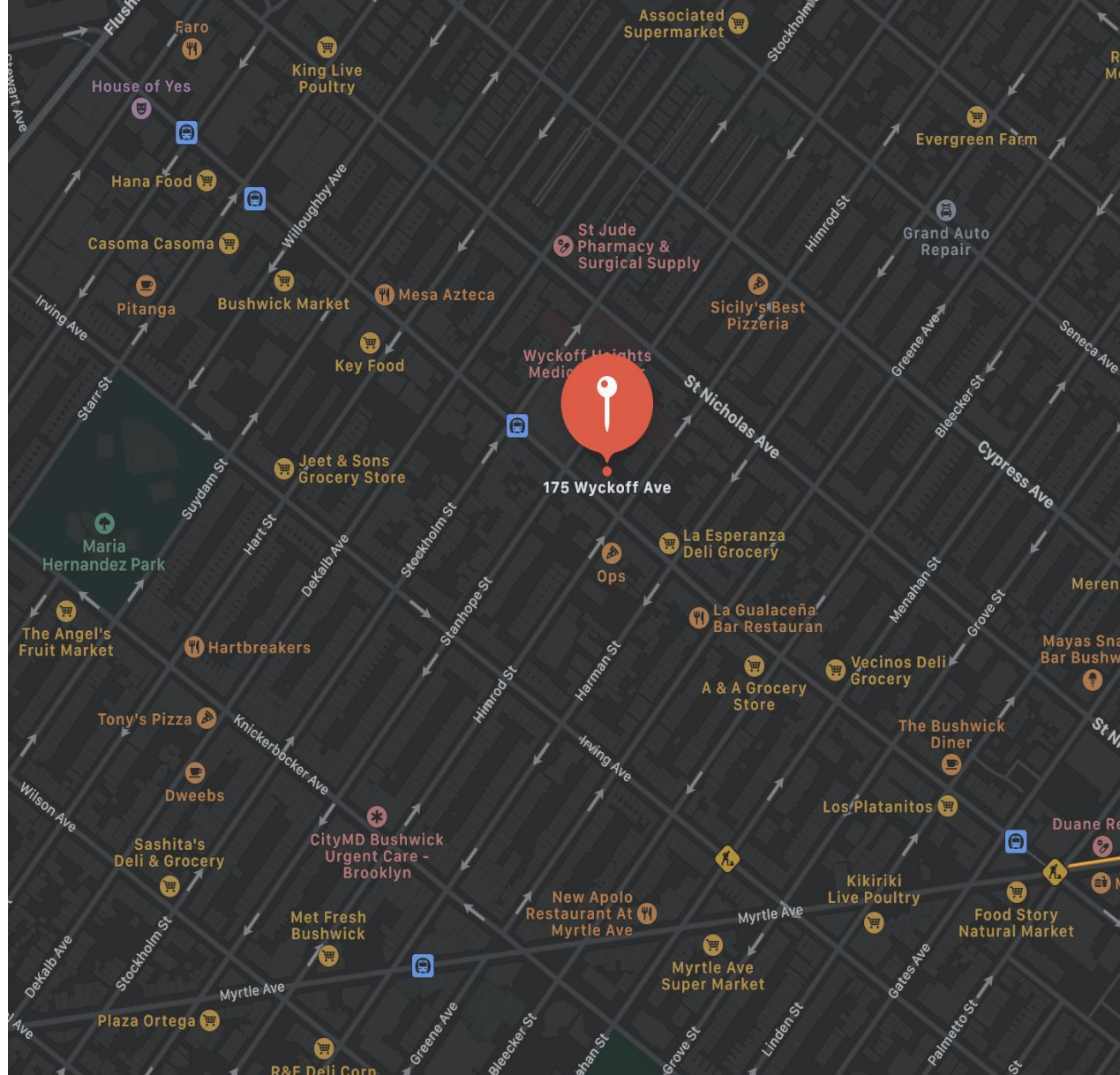


*The Same Travel*

# BUSHWICK



# BUSHWICK NEIGHBORHOOD



# MARKET ANALYSIS

- **Annual Population Growth: 3.5%**
- **Total Population: 113,000**
- **Median Age: 31**
- **Median Household Income: \$54,240**
- **Rentership Rate: 86.5%**





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# VALUE ADD PLAN

# DUPLEX PLAN



- Budget: \$40,000
- Unit 1R
- Increased Revenue
- Modern & Sustainable

# RENOVATION PLAN



## HARD COSTS:

- FLOORING
- APPLIANCES
- DEMOLITION
- BACKSPLASH
- ELECTRICAL INSTALLATION
- Labor cost

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**\$35,000**

## SOFT COSTS:

- ENGINEER
- ARCHITECT

## CONTINGENCY:

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**TOTAL COSTS :**    **\$ 40,000.00**

\*Labor costs included

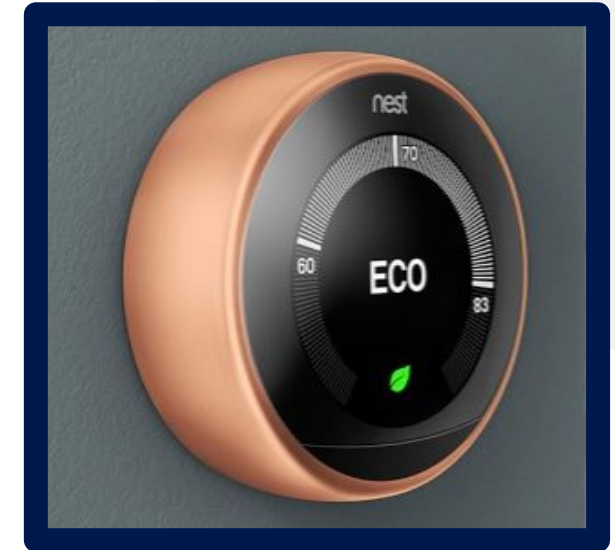
# VALUE-ADD PLAN - TECH APPLICATIONS



**LED Light Bulbs**



**Water-sensed Toilets**



**Nest Thermostats**

<b>Electric reduction</b>	<b>80%-85%</b>	<b>Water efficiency</b>	<b>60%</b>	<b>Heating saving</b>	<b>12%-13%</b>
<b>Bill Saving</b>	<b>\$128</b>	<b>Bill Saving</b>	<b>\$269</b>	<b>Bill Saving</b>	<b>\$600</b>
<b>Bill Saving Total</b>	<b>\$997/yr</b>				

### Pro - Forma Year 1

	Before Renovations	After Renovations
<b>Revenue</b>		
Gross Potential Rent	\$ 48,600	\$ 73,800
Vacancy Loss	\$ (8,400)	\$ -
<b>Effective Gross Revenue</b>	<b>\$ 40,200</b>	<b>\$ 73,800</b>
<b>Expenses</b>		
Property Taxes	\$ 11,492	\$ 11,492
Insurance	\$ 4,700	\$ 4,700
Electric	\$ 800	\$ 600
Water/Sewer	\$ 2,243	\$ 2,046
Repair & Maintenance	\$ 2,000	\$ 2,000
Management Fee	\$ 6,624	\$ 6,624
Heating	\$ 5,000	\$ 4,400
<b>Total Expenses</b>	<b>\$ 32,859</b>	<b>\$ 31,862</b>
<b>Net Operating Income</b>	<b>\$ 7,341</b>	<b>\$ 41,938</b>

# RENOVATION EFFECTS





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# VALUATION

# SALES COMPARABLES



**SALE PRICE**

**\$1,550,000**

**UNITS**

**3**

**264 Wyckoff AVE**



**RENTABLE SF: 4,500  
PRICE / SF: \$344  
SALE DATE : 3/01/2019**



**SALE PRICE**

**\$1,200,000**

**UNITS**

**6**

**40 Starr ST**



**RENTABLE SF: 4,125  
PRICE/ SF: \$290  
SALE DATE: 9/15/2016**



**SALE PRICE**

**\$800,000**

**UNITS**

**4**

**228 Wilson AVE**



**RENTABLE SF: 4,200  
PRICE/ SF: \$190  
SALE DATE: 3/01/2019**

# SALES COMPARABLES



**SALE PRICE**

**\$1,600,000**

**UNITS**

**6**

**336 Bleecker ST**



**RENTABLE SF: 4,875  
PRICE / SF: \$329  
SALE DATE : 7/06/2020**



**SALE PRICE**

**\$995,000**

**UNITS**

**6**

**1725 Menahan ST**



**RENTABLE SF: 4,875  
PRICE/ SF: \$204  
SALE DATE: 9/02/2020**



**SALE PRICE**

**\$985,000**

**UNITS**

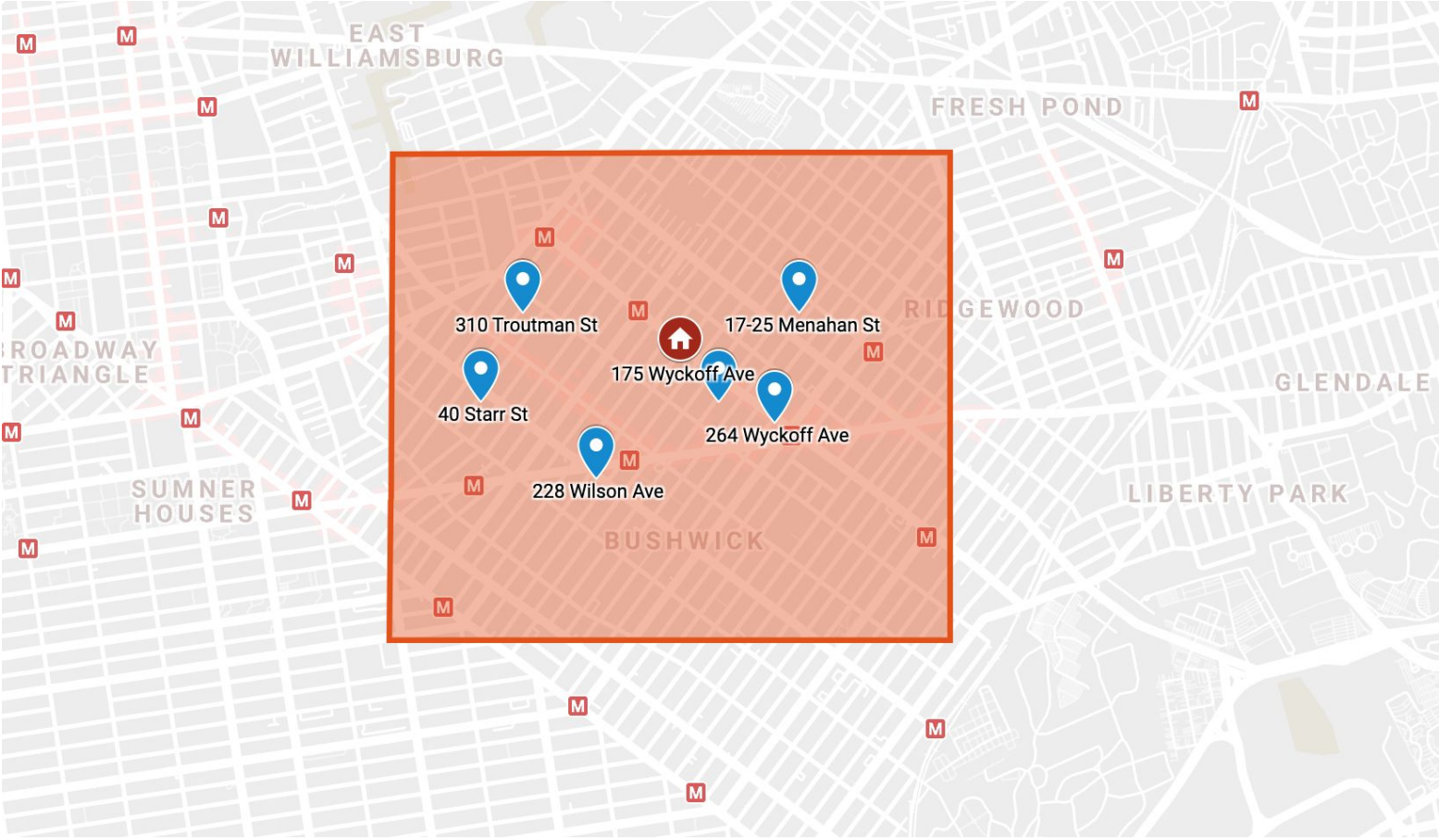
**6**

**310 Troutman ST**



**RENTABLE SF: 4,200  
PRICE/ SF: \$190  
SALE DATE: 6/29/2020**

# SALES COMPARABLES LOCATIONS



## Distance from Comps to Subject Property

40 Starr ST	0.766 mi
310 Troutman ST	0.556 mi
1725 Menahan ST	0.447 mi
228 Wilson AVE	0.402 mi
264 Wyckoff AVE	0.318 mi
336 Bleecker ST	0.221 mi

# VALUATION SUMMARY

Income Approach Value

\$791,283.02

Market Cap Rate = 5.3%

Sales Comps Approach  
Value

\$1,061,625

Price/SF = \$248/SF

Our Offering Price

\$792,000





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# FINANCIAL ASSUMPTIONS

# Financing Assumptions

<b>LTV</b>	70%
<b>Mortgage Term</b>	10 Years
<b>Amortization</b>	30 Years
<b>Mortgage Interest</b>	3.50%

<b>SOURCES</b>		
Equity	\$237,600	
Debt	\$554,400 + \$40,000	LTV 70% + Renovation
<b><u>Total Sources</u></b>	<b><u>\$832,000</u></b>	
<b>USES</b>		
Purchasing Price	\$792,000	
Renovation Fee	\$40,000	
Closing Cost	(\$15,840)	2% of purchasing price Paid by seller
Origination Cost	(\$1,584)	.25% of purchasing price Paid by seller
<b><u>Total Uses</u></b>	<b><u>\$832,000</u></b>	

Location	Type of Lease	RSF	Floor	Lease Term	Options	Free Rent monthly	Tenant Improvement Allowance
<u>WeWork</u>	Flex	57,150	2-6	1 Year	<u>Renewal Option After 1 year</u>	2	\$42.00
<u>Hudson Yards</u>	Direct	45,720	5	15 Years	Option to Terminate Lease After 10 Yrs	12	\$110.00
<u>Chelsea</u>	Direct	68,580	3-5	15 Years	Option to Terminate Lease After 10 Yrs	13	\$118.00

Name	Industry	Occupied
Grove Atlantic, Inc.	Information	10,057 SF
Chase	Banking	4,000 SF
New York Allergy	Health Care	2,000 SF
Dental Arts	Health Care	1,800 SF
Russell Cellular	Information	1,000 SF

# Operating Assumptions

<b>Income Assumptions</b>	<b>Before renovation</b>	<b>After renovation</b>
Rental Income	\$40,200	\$73,800
Rental Growth	1.00%	1.00%
Vacancy	16.67%	0.00%
Collection Loss	0.00%	0.00%

<b>Expense Assumptions</b>	<b>Escalations</b>	<b>Total Expenses</b>
Real Estate Taxes	1%	\$11,492
Property Insurance	1%	\$4,700
Energy Consumption	(\$997)	\$8,043
Repairs & Maintenance	1%	\$2,000
Management Fee	-	\$6,624

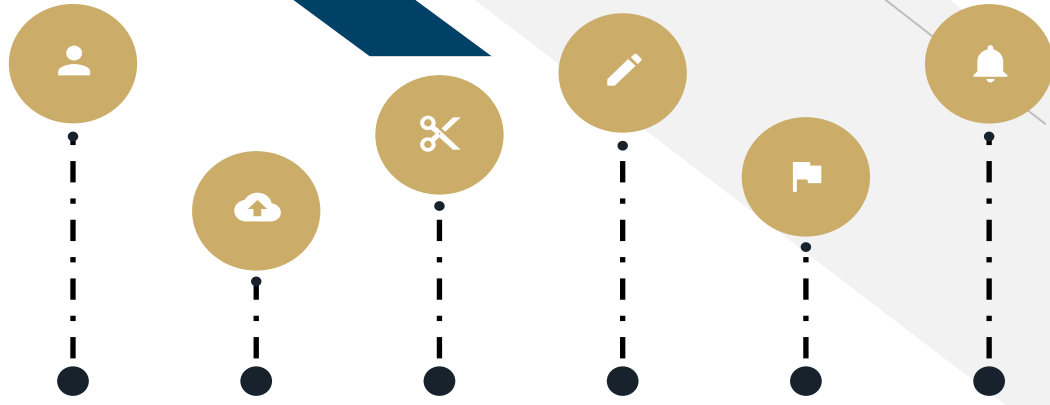
# Exit Assumptions

## Resale Assumptions

Going in Cap Rate	5.30%
Terminal Cap Rate	5.30%
Discount Rate	9.00%

## Resale Assumptions

Holding period	10 years
Cost of Sale	4.00%



Rent Income | Interest Rate | Expenses | Renovation | Vacancy | Refinancing

# Sensitivity Analysis

	Downside Case	Base Case	Best Case
Value Add Plan	✗	✓	✓
Refinancing Plan	✗	✗	✓
NOI @ Year 1	\$6,939	\$40,941	\$40,941
NOI @ Year 10	\$8,828	\$47,756	\$47,756
Cash on Cash Return	-10.68%	3.63%	4.50%
IRR	-	9.50%	11.06%
Equity Multiple	0.32x	1.60x	1.60x

# RISK MITIGATION



## RISKS

- Rent stabilization
- High renovation cost

## MITIGANTS

- Attractive below market rent
- Popular area
- Due diligence
- Capital Investment

# SUMMARY



- **Prime Location**
- **Duplex Conversion**
- **Leveraging Technology**
- **1.60x Equity Multiple**
- **11.01% IRR**

**THANK YOU!**

