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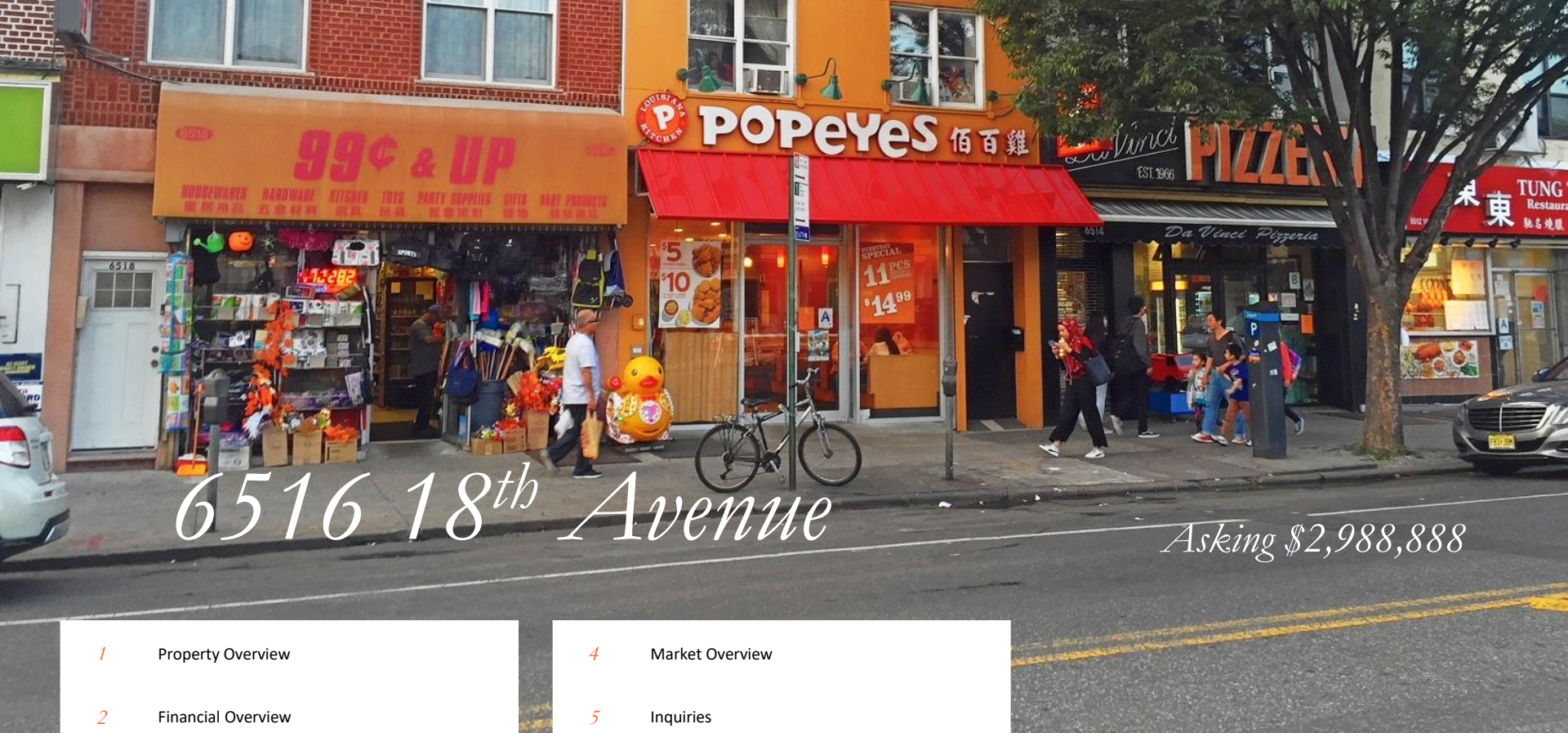
6516 18th Avenue

The Quintessential Borough Park Mixed Use Building

Asking \$2,988,888

THE BOTTOM LINE

Condos have their design, townhouses have their details, but the value of a mixed-use building lies in its income potential



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Property Overview

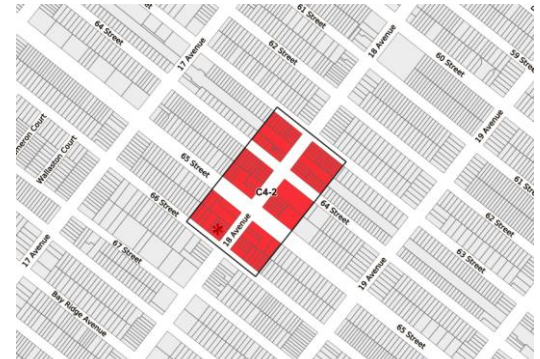
6516 18th Avenue, Brooklyn, NY 11204

6516 18th Avenue

Welcome to 6516 18th Avenue on the border of the neighborhoods of Borough Park, Bensonhurst, and Mapleton. Fed by the populous N train, this retail corridor is among the most prized in Brooklyn. Street traffic is constant, vacancy is very rare, and Target has just opened a new 70,000 sq ft store one block away.

Comfortably wide at 20 feet, the 6516 18th Avenue is built full on the lot of 82 feet. It is blessed by a special C4-2 zoning, allowing for exceptional development. Whereas one block away the lots are R5, C1-2 and permit only 1.25 FAR to be built, 6516 18th Avenue's zoning will allow residential development of 2.43 FAR, commercial development of 3.4 FAR, and community development of 4.8 FAR.

Thus mixed-use development will allow 5,610 square feet to be built at this location, and a community facility use would allow 7,920. One cannot achieve that much build-able square footage for many blocks in either direction in this area of Brooklyn.



6516 18th Avenue

The key to the income of any mixed use building is the commercial space. Restaurants and bars average 25-30% more income than comparably-sized dry-use retail in any well-established neighborhood in Brooklyn. However, restaurants and bars are not without risk. Installing a restaurant is extremely expensive and time consuming, given the necessary equipment, licenses, and permits required. Many fail as often as they succeed, so long-term success is a gamble. Location, foot traffic, changing tastes, and changing customs often determine whether a place makes it or not.

POPEYES established a successful franchise at 6516 18th Avenue in May of 2017 and has 14 years left on its lease with a 5-year option.

Neighborhood excitement about the opening of the franchise can be best expressed by this recent Yelp review:

"Finally!! Thought it would never open. Very clean , very friendly and fast prompt service.

I love popeyes and when i found out they were opening here i was in heaven.

Always great deals and fresh food. Very glad to have this in the neighborhood,

i been here weekly since it opened and sit here as i write this review lol."





Financial Overview

6516 18th Avenue, Brooklyn, NY 11204

6516 18th Avenue

Building Size:	20 ft x 82 ft
Lot:	20 ft x 82 ft
Present Building Square Footage:	2,920
Residential FAR	2.43
Commercial FAR	3.4
Facility FAR	4.8
Maximum Buildable:	5610 square feet mixed use; 7920 with community use
Zoning:	C4-2
Tax class	4
Current tax bill	\$16,360



6516 18th Avenue

Popeyes signed a 15 year lease that allows for a 5 year option. The initial rent was \$6000 per month with variable escalations over the course of the lease. The franchise is also responsible for 100% of any increase in real estate taxes over the baseline year of 2017.

<u>Period Dates</u>	<u>Monthly Rent</u>
Rent Commencement Date to 05-31-18	\$6,000.00
6-1-18 to 05-31-19	\$6,180.00
6-1-19 to 05-31-20	\$6,365.42
6-1-20 to 05-31-21	\$6,556.42
6-1-21 to 05-31-22	\$6,753.08
6-1-22 to 05-31-23	\$7,023.17
6-1-23 to 05-31-24	\$7,304.17
6-1-24 to 05-31-25	\$7,596.33
6-1-25 to 05-31-26	\$7,900.17
6-1-26 to 05-31-27	\$8,216.17
6-1-27 to 05-31-28	\$8,627.00
6-1-28 to 05-31-29	\$9,058.33
6-1-29 to 05-31-30	\$9,511.25
6-1-30 to 05-31-31	\$9,986.83
6-1-31 to 05-31-32	\$10,486.17

Rent Escalation:

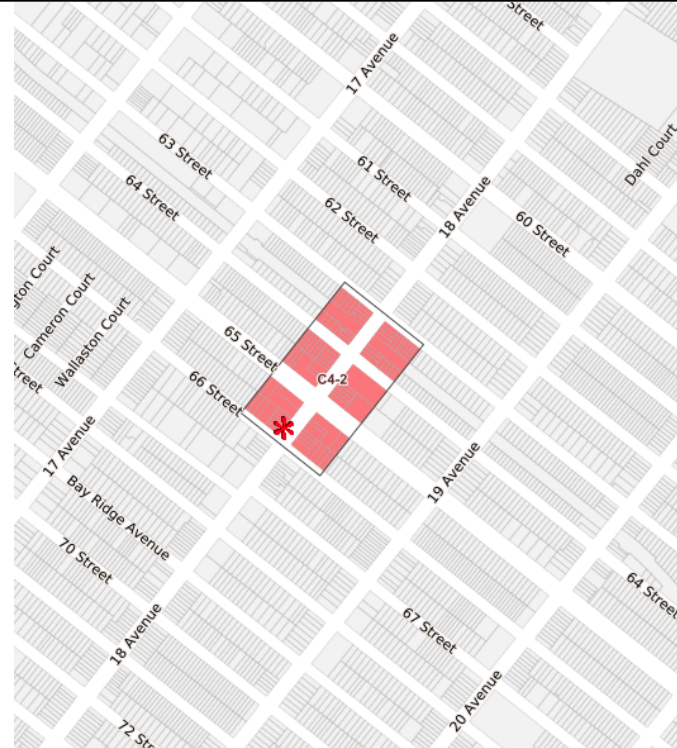
3% annually for first five (5) years
4% annually for second five (5) years
5% annually for third five (5) years
6% annually for option five (5) years

6516 18th Avenue

Presently the building has two apartments on the second floor. However, as discussed, zoning will allow for another 4000 square feet of residential to be built. Rental averages for this area are challenging to discover, as most comparables do not list the square-footage of the apartments. However, there is enough data to suggest that rental apartments in the area average \$30 price per square foot. Thus, the 4000 square feet of residential that can be added to the building would produce an annual income of \$108,000 (subtracting 10% for hallways and stairs from the original amount of build-able).

ADDRESS	RENT	AVAIL	RM	BD	BA	OD	STAT	T	SQFT	FURN	DATE
4800 14th Avenue, 5E	\$2,100 E	05/02/18	4.5	2	2		RNTD	C	900	No	05/02/18
7206 18th Avenue, GRND-FLR	\$3,800 E	10/26/17	3	0	1		RNTD	O	1200	No	02/23/18
2261 63RD Street, 2 A	\$1,750 E	03/11/18	5	2	1		RNTD	C	800	No	04/09/18
1843 67th Street, 2	\$2,150 E	03/02/18	6	3	1		RNTD	C	1000	No	04/16/18
AVERAGE	\$2,450		4.63		(\$530)				975	(\$30)	

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Yearly Expenses:

Electricity	\$600
Insurance	\$3500
RE taxes	\$16,360
Water/sewer	\$1000 - commercial tenant pays anything above
Management	\$3600
Vacancy allowance (3%)	\$3,168
Total Annual Expenses	\$28,228

Information provided by the owner and NYC DOB



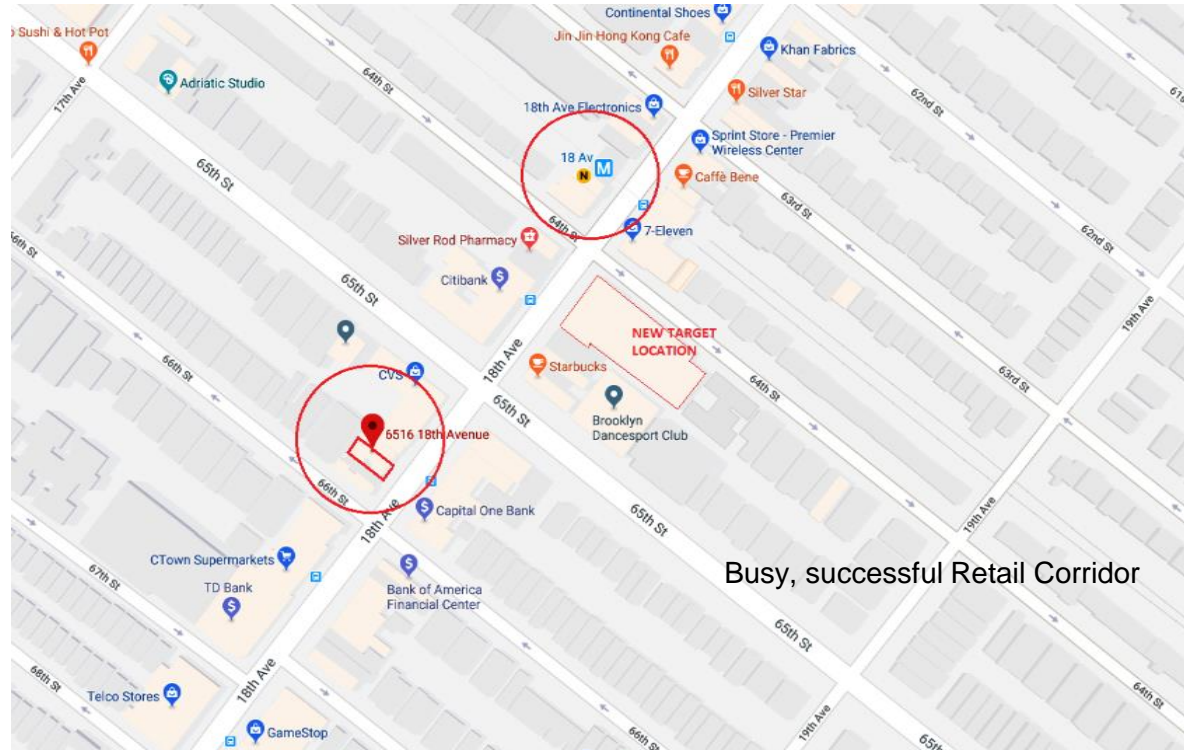
6516 18th Avenue

<i>Projected Development</i>	<i>2019 Annual NOI</i>	<i>2032</i>	<i>2018 Cap Rate</i>	<i>2032</i>
Residential (minus \$28,228 expenses)	\$78,332	\$162,000		
Commercial	\$74,160	\$125,832		
Total	\$156,807	\$287,832	3.6%	6.4%

**Using \$350 ppsf as buildable hard and soft costs for addition of 4000 sq ft of apartment rentals, adding \$1,400,000 to the buyer's investment.*

**At an original purchase price of \$2,988,888, investment would reach \$4,388,888.*

6516 18th Avenue





Neighborhood Overview

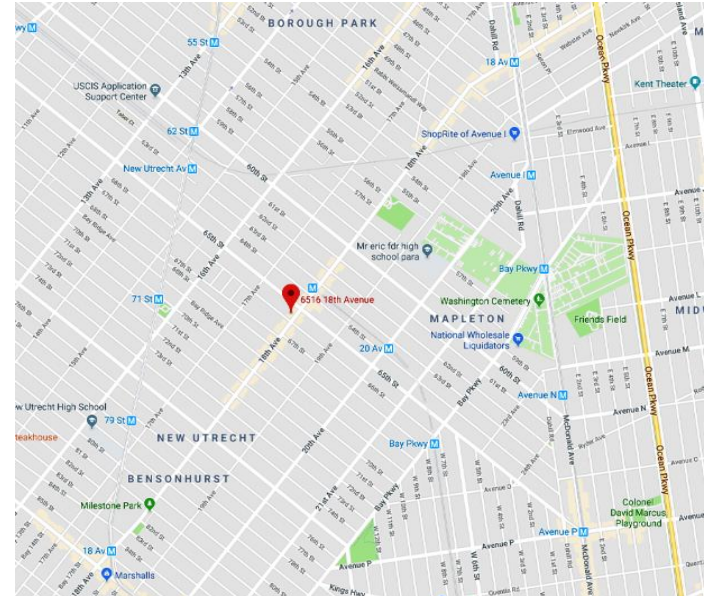
6516 18th Avenue Brooklyn, NY 11204

About Bensonhurst

Runs from Gravesend Bay on the south, Bay Parkway and Avenue P to the east, 65th Street to the north and 14th Avenue to the west.

Bensonhurst is a neighborhood of one- and two-family brick houses and stucco row homes where condos have recently become popular. It's now possible to buy a condo in the area with closets, closets, closets and luxurious baths. Many of Bensonhurst's traditional row houses are prized for their gardens and backyards enclosed by lovingly-crafted wrought-iron fences.

In general Bensonhurst is an area reminiscent of days gone by. Walk beneath the elevated D subway line (made famous in the opening credits of "Welcome Back, Kotter"), and you'll instantly go back in time to the 19th Century, when Benson's farm was parceled out into green 20 x 100 foot lots and sold to homeowners as a peaceful Brooklyn suburb. Bath Beach to the southwest has a lot of streets with "Bay" in their names (e.g. "Bay 50th Street") but no beach. There are small apartment buildings here, and shopping is mom-and-pop. On 86th Street, the dividing line between the Bath Beach and Bensonhurst areas, you can thread your way through outdoor markets filled with tempting fruit and vegetables for sale. Bensonhurst is often referred to as the Little Italy of Brooklyn — the area's annual Santa Rosalia Festival draws residents out of their houses and visitors from afar, rivaling the San Gennaro Festival in Little Italy in Manhattan.



About Borough Park

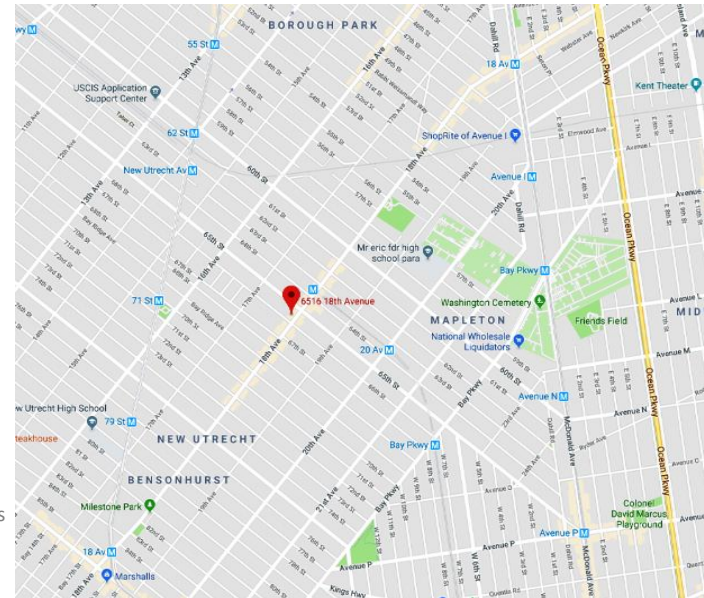
Runs from Fourth Avenue to Prospect Park West, Prospect Avenue to Flatbush Avenue.

This culturally rich enclave was established as one of the original neighborhoods of Brooklyn in the 1880's. Today, visitors can still enjoy remnants of Borough Park's origins – named “Blythebourne” at the time. A plethora of independently-run shops reminiscent of old world mercantilism line the bustling streets of 13th and 16th Avenues. Here you will find hand-made furniture stores, bakeries, schnitzel bars and shoe cobblers. In addition to these local gems are some of the finest discount shopping options in New York. Just 200 square blocks, Borough Park remains one of the more densely populated parts of Brooklyn. Residents, though, boast of the peace and quiet of the neighborhood as well as the strong sense of community, with many service organizations functioning on a volunteer basis.

About Mapleton

Runs from McDonald Ave./Dahill Road to the East, 18th Avenue to the West, and 65th Street to the south.

Located in the southeast corner of the Borough Park area, Mapleton has, in recent years, been reclaiming its own identity as residents celebrate its early twentieth century brick row houses and classic homes with large yards, some of which bloom with the handsome trees that give Mapleton its name. Special features to look for in Mapleton houses are those that tend to appeal to suburban habitués, such as finished basements, large porches, and oversized lots. Rentals here often sport historic detail including parquet floors, panel moldings, and sunny layouts common to early 20th-century buildings. The Mapleton neighborhood includes some recently-constructed condominiums as well, offering large windows, open kitchens, washer-dryers, and often tax abatements, all on quiet blocks. For recreation, take a trip on your bicycle to Maple Lanes, a glow-in-the-dark bowling alley, or to the nearby championship Dyker Beach golf course. Nearby Gravesend Park is the beneficiary of a recent multi-million-dollar renovation, with new garden areas, added playground equipment, reseeded ball fields, and a scattering of café tables and chairs.





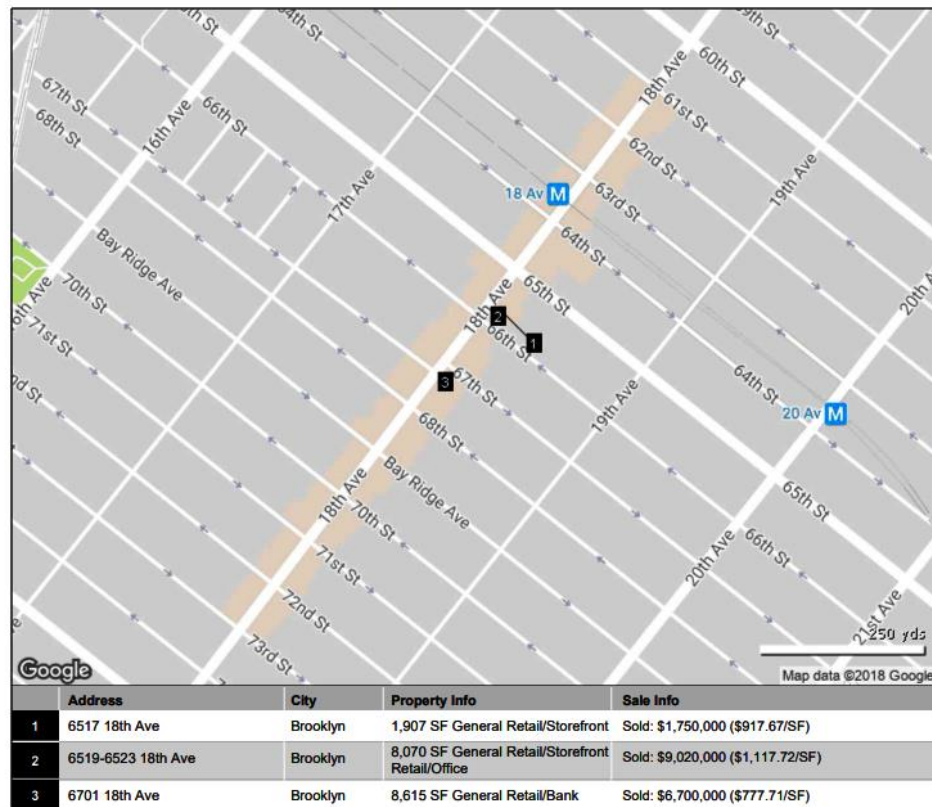
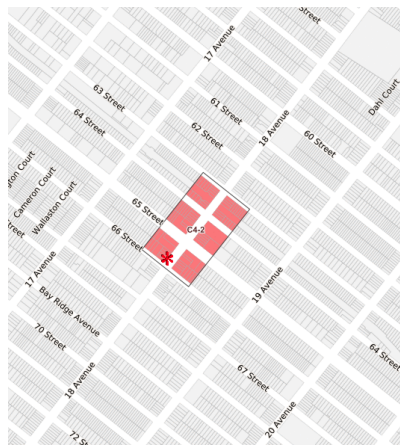
Market Overview

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Comparable Sales Data



Because of the value of the special C4-2 zoning, Sales over the last three years in the pocket surrounding 6516 18th Avenue have been very strong. In 2016, one property sold for over \$900 price per square foot. In 2017, the most recent sale, the price per square foot was over \$1000.

This property is right across the street from 6516 18th Avenue.



Comparable Sales Data

2 6519-6523 18th Ave		SOLD
Brooklyn, NY 11204		Kings County
Recorded Buyer: 651923 18 Ave LLC 87 Bowery New York, NY 10002	Recorded Seller: 6519 18th Avenue LLC 6519 18th Ave Brooklyn, NY 11234	
Recorded Buyer: AE & LY Holdings LLC 136-33 37th Ave Flushing, NY 11354 (718) 321-3262	Recorded Seller: Margo RE Inc 295 W End Ave Brooklyn, NY 11235	
True Buyer: Dr. Alan Yao 13252 41st St Flushing, NY 11355 (718) 321-3262 Alan Yao	True Seller: Alla Levy 295 W End Ave Brooklyn, NY 11235 (718) 934-4269 Alla Levy	
Sale Date: 10/24/2017 (308 days on mkt) Sale Price: \$9,020,000 - Confirmed Price/SF: \$1,117.72	Bldg Type: RetailStorefront Retail/Office Year Built/Age: Built 1931 Age: 86 RBA: 8,070 SF	
PrFma Cap Rate: - Actual Cap Rate: -	Zoning: C4-2 Sale Conditions: Redevelopment Project	
Parcel No: 05554-0001, 05554-0003 Financing: \$6,300,000 from Bank of Hope Comp ID: 4052169 - Research Status: Confirmed		

1 6517 18th Ave		SOLD
Brooklyn, NY 11204		Kings County
Recorded Buyer: Grace Ls Realty Lic 6517 18th Ave Brooklyn, NY 11204	Recorded Seller: Carletta Salvatore J	
Sale Date: 12/07/2016 Sale Price: \$1,750,000 Price/SF: \$917.67	Bldg Type: RetailStorefront Year Built/Age: Built 1931 Age: 85 GLA: 1,907 SF Land Area: 1,742 SF (0.04 AC) Zoning: C4-2	
PrFma Cap Rate: -	Parcel No: 05554-0004 Financing: \$630,000 from Seller Comp ID: 3805164 - Research Status:	
3 6701 18th Ave - Apple Bank		SOLD
Brooklyn, NY 11204		Kings County
Recorded Buyer: Perfect JSK 6701 18 Ave LLC 202 Centre St New York, NY 10013	Recorded Seller: 6701 18th Avenue Associates 137 Covington Cir Staten Island, NY 10312	
Sale Date: 06/08/2017 Sale Price: \$6,700,000 - Confirmed Price/SF: \$777.71	Bldg Type: RetailBank Year Built/Age: Built 1931 Age: 86 GLA: 8,615 SF Land Area: 10,019 SF (0.23 AC) Zoning: R5 Sale Conditions: 1031 Exchange	
PrFma Cap Rate: - Actual Cap Rate: 4.35%	Parcel No: 05569-0006 Financing: Down payment of \$3,725,000 (55.6%); \$2,975,000 from Investors Bank Comp ID: 3940811 - Research Status: Confirmed	

For all inquiries, please contact

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Thank you