

OFFERING MEMORANDUM



THE ORCHARD

31 UNIT
ELEVATOR BUILDING

LOWER EAST SIDE
PRIME LOCATION

421A
NEW CONSTRUCTION

107' OF FRONTEAGE
ON DELANCEY & ORCHARD

This is a confidential document intended solely for your limited use and benefit in determining whether you desire to express any interest in the proposed sale of the real property (the Property) disclosed herein. This document contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that a prospective purchaser, investor, mortgagee, lender or lessee may desire. Neither Owner, Cushman & Wakefield Realty of Manhattan, LLC nor any of their respective partners, officers, directors, agents, brokers or employees have made any representation or warranty, expressed or implied, as to the accuracy or completeness of this document or any of its contents, and no legal commitments or obligations shall arise by reason of this document or any of its contents.

THE ORCHARD

86 DELANCEY STREET NEW YORK, NY



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Cushman & Wakefield (“C&W”) has been retained on an exclusive basis to arrange the sale of the luxury apartment building at 86 Delancey Street (aka 118 Orchard Street), New York, NY 10002. Also named The Orchard, this 31 unit, 12-story building is located on the most sought-after street corner in the ever-expanding and exciting Lower East Side of Manhattan. Each of the 29 residential units has an amazing private balcony and a view of Manhattan’s beloved skyline, as well as access to a trendy rooftop terrace. 86 Delancey also includes 2 retail stores and billboard signage revenue. Construction was completed in April 2020.

The building was built under 421A Tax Abatement program and enjoys a 35 year tax abatement. As a result, 9 units are under Rent Stabilization, and 20 units are Free Market.

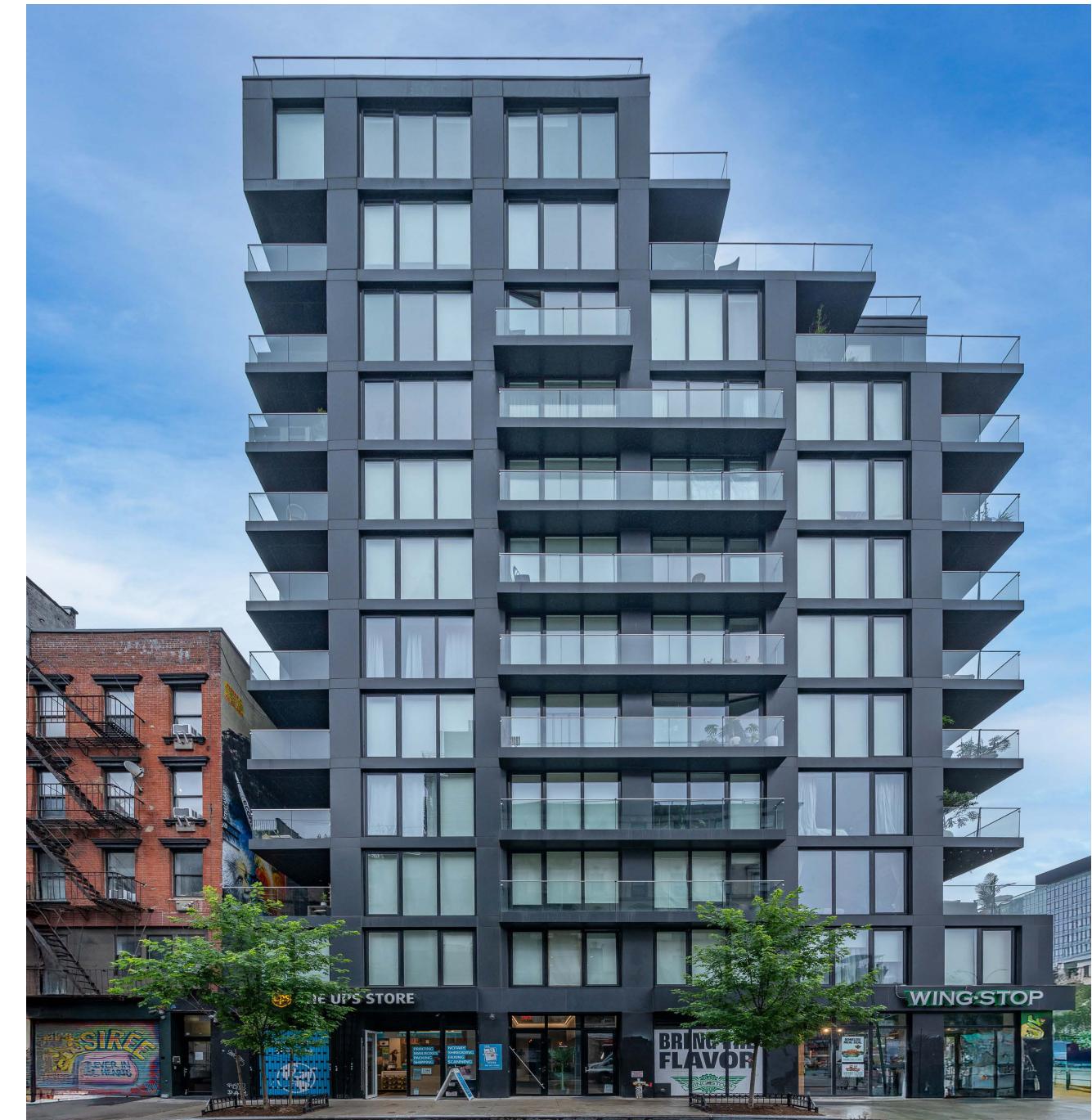
The apartment layouts include 3 three-bedroom units (including 2 Penthouse units), 24 oversized one-bedroom units, and 2 large studio units. The apartments enjoy high end finishes, generous layouts, panoramic windows, and more.

The property presents a unique opportunity for a buyer to purchase a newer construction elevator building in a best-in-class location, at the epicenter of retail and tourism, in the Lower East Side of Manhattan.

TAX MAP



The Orchard | 86 Delancey Street, New York, NY



ELEVATOR BUILDING
29 APARTMENTS & 2 STORES



FIRST TIME ON THE MARKET



107' WRAPAROUND FRONTAGE
DELANCEY & ORCHARD STREET



100% OCCUPIED
LUXURY APARTMENTS



421A
TAX ABATEMENT



NEW CONSTRUCTION
BUILT IN 2018



REDUCED ASKING PRICE:
\$34,500,000

FINANCIAL SUMMARY

Proforma Gross Annual Revenue	\$2,315,295	Price Per Square Foot:	\$1,257
Total Expenses & Vacancy Loss	\$469,195	Pro Forma Capitalization Rate:	5.36%
Proforma Net Operating Income	\$1,846,100	In Place Cap Rate	5.11%

Property Information

Address:	118 Orchard Street aka 86 Delancey Street
Location:	New York, NY 10002
Block & Lot:	410 - 34
Lot Dimensions:	32.5' x 75' (approx.)
Lot SF:	2,437 SF (approx.)

Building Information

Property Type:	Mixed-Use Elevator	
Building Dimensions:	32.5' x 75'	(approx.)
Stories:	12	
Year Built / Last Altered:	2018	

Above Grade Gross SF:	29,437 SF (approx.)	
Below Gross SF:	2,437 SF (approx.)	
Total Gross SF:	31,874 SF (approx.)	
Residential Units:	29	
Commercial Units:	2	
Total Units:	31	
Above Grade Commercial SF:	1,778	SF (approx.)
Below Grade Commercial SF:	738	SF (approx.)
Total Commercial SF:	2,516	SF (approx.)

Zoning Information

Zoning:	C6-2A / R8A*
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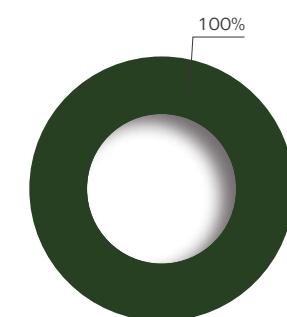
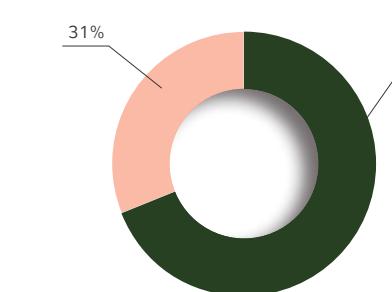
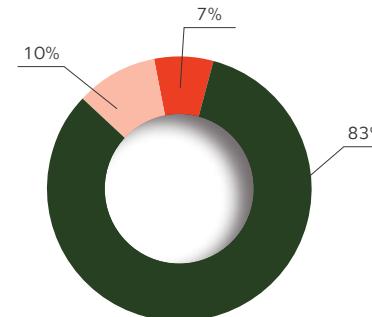
NYC Financial Information (25/26)

Total Assessment:	\$4,526,100
421a Abatement:	\$3,401,100

Residential Revenue		SF	\$ / Unit	\$ / SF	Annual Income	Proforma
Gross Annual Income	27,659	\$62.13	\$59,255	\$1,718,390	\$1,769,942	
Less General Vacancy / Credit Loss (2.0%)		\$1.24	\$1,185	\$34,368	\$35,399	
Effective Gross Annual Income		\$60.89	\$58,070	\$1,684,023	\$1,734,543	
Commercial Revenue		Annual Income		Proforma		
Gross Annual Income		\$512,675		\$549,306		
Less General Vacancy / Credit Loss (5.0%)		\$25,634		\$27,465		
Effective Gross Annual Income		\$487,041		\$521,840		
Total Revenue		Annual Income		Proforma		
Total Gross Annual Income		\$2,231,065		\$2,319,248		
Less Total General Vacancy / Credit Loss		\$60,002		\$62,864		
Effective Gross Annual Income		\$2,171,064		\$2,256,384		
Projected Operating Expenses		% of EGI	\$ / Unit	\$ / SF	Actual	Actual
Property Taxes	Actual	6.5%	\$4.78	\$4,536	\$140,625	\$140,625
Cleaning	T12	0.9%	\$0.64	\$608	\$18,856	\$18,856
Security	T12	0.8%	\$0.61	\$583	\$18,074	\$18,074
Elevator	T12	0.3%	\$0.19	\$180	\$5,595	\$5,595
R&M	T12	2.1%	\$1.58	\$1,503	\$46,588	\$46,588
Electricity	T12	2.6%	\$1.94	\$1,842	\$57,106	\$57,106
Water & Sewer	T12	0.8%	\$0.58	\$550	\$17,047	\$17,047
Insurance	T12	1.6%	\$1.19	\$1,128	\$34,970	\$34,970
Professional Fees	T12	0.2%	\$0.13	\$124	\$3,841	\$3,841
Management Fee	T12	2.9%	\$2.17	\$2,057	\$63,780	\$63,780
Total Expenses		18.7%	\$13.81	\$13,112	\$406,483	\$406,483
Net Operating Income		\$1,764,581		\$1,849,901		



Unit	Tenant	NSF	LXP	Base Rent	Monthly Tax Reimbursements	Monthly Rent	Proforma
Corner Retail	Wing Stop	1,868	Dec-31	\$22,500	\$55	\$22,555	\$25,367
Inline Retail	UPS	648	Aug-31	\$8,003	\$39	\$8,042	\$8,282
Signage	Lamar Co		Jun-30	\$12,126		\$12,126	\$12,126
Monthly Total				\$42,629	\$94	\$42,723	\$45,775
Annual Total				\$511,548	\$1,127	\$512,675	\$549,306



UNIT MIX

Beds	#	%	Total Revenue	\$ / Unit
Studio	2	5%	\$84,539	\$3,523
1	24	76%	\$1,297,692	\$4,506
3	3	20%	\$336,160	\$9,338
Total	29	100%	\$1,716,904	\$4,938

UNIT MIX

Status	#	%	Total Revenue	\$ / Unit
FM	20	87%	\$1,487,520	\$6,198
RS	9	13%	\$230,870	\$2,138
Total	29	100%	\$1,718,390	\$4,938

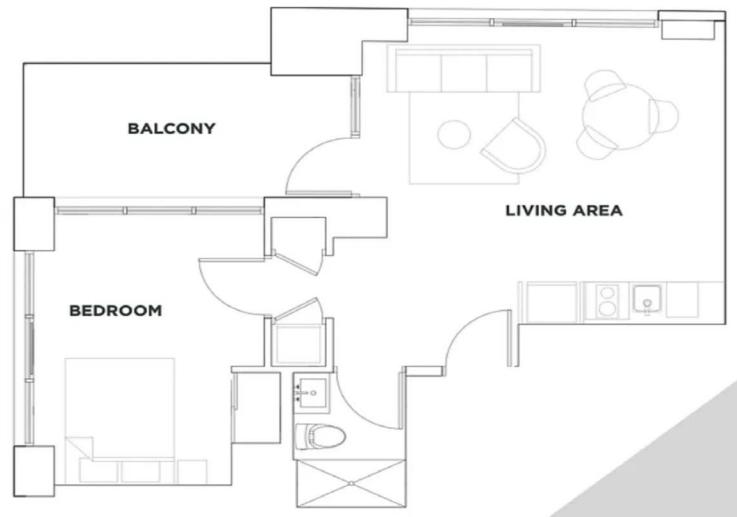
UNIT MIX

Status		#	%	Total Revenue	\$ / Unit
Occupied		29	100%	\$1,718,390	\$4,938
Vacant		0	0%	\$-	\$-
Total		29	100%	\$1,718,390	\$4,938

A LINE (3RD - 9TH FLOOR)

1 BEDROOM | 1 BATHROOM

- Spacious open layout
- Floor to ceiling sound-insulated glass
- High-end chef's kitchen with top-of-the-line appliances
- Custom high-gloss white lacquered cabinetry
- Marble bathroom
- In-unit Bosch washer and dryer
- Private outdoor terrace



B LINE (3RD-9TH FLOOR)

1 BEDROOM | 1 BATHROOM

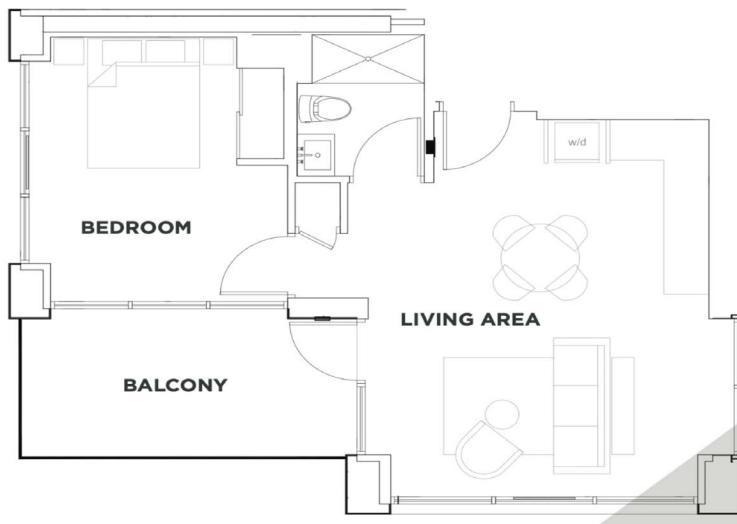
- Spacious open layout
- Floor-to-ceiling sound-insulated glass
- High-end chef's kitchen with top-of-the-line appliances
- Custom high-gloss white lacquered cabinetry
- Marble bathroom
- In-unit Bosch washer and dryer



C LINE (3RD-9TH FLOOR)

1 BEDROOM | 1 BATHROOM

- Spacious open layout
- Floor-to-ceiling sound-insulated glass
- High-end chef's kitchen with top-of-the-line appliances
- Custom high-gloss white lacquered cabinetry
- Marble bathroom
- In-unit Bosch washer and dryer
- Private outdoor terrace

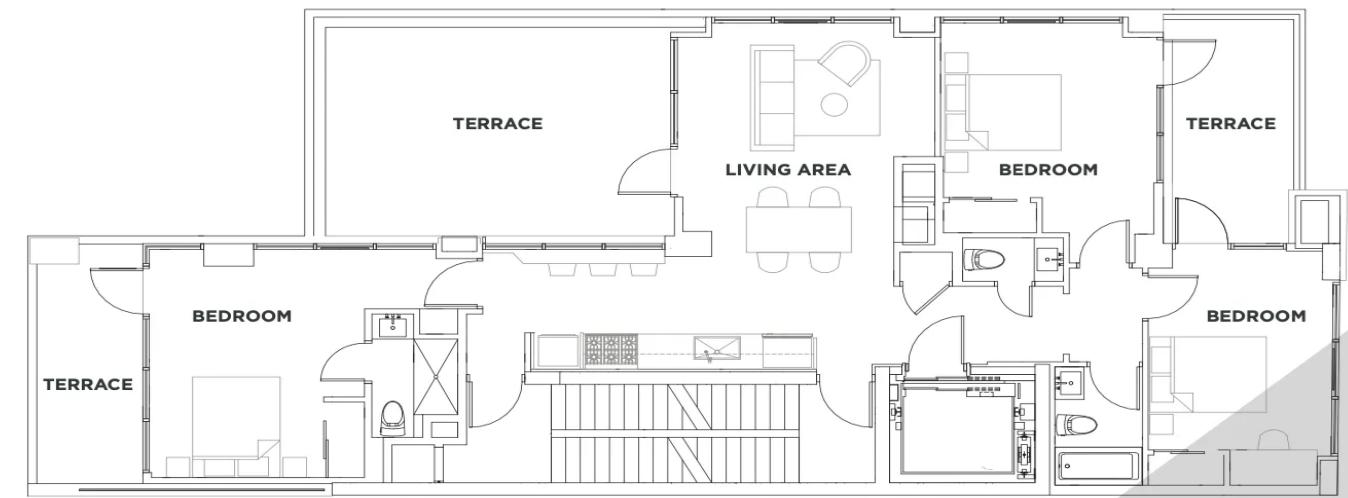


Note: Second and tenth floor layouts are different.

PENTHOUSE 1 (11TH FLOOR)

3 BEDROOM | 2.5 BATHROOM

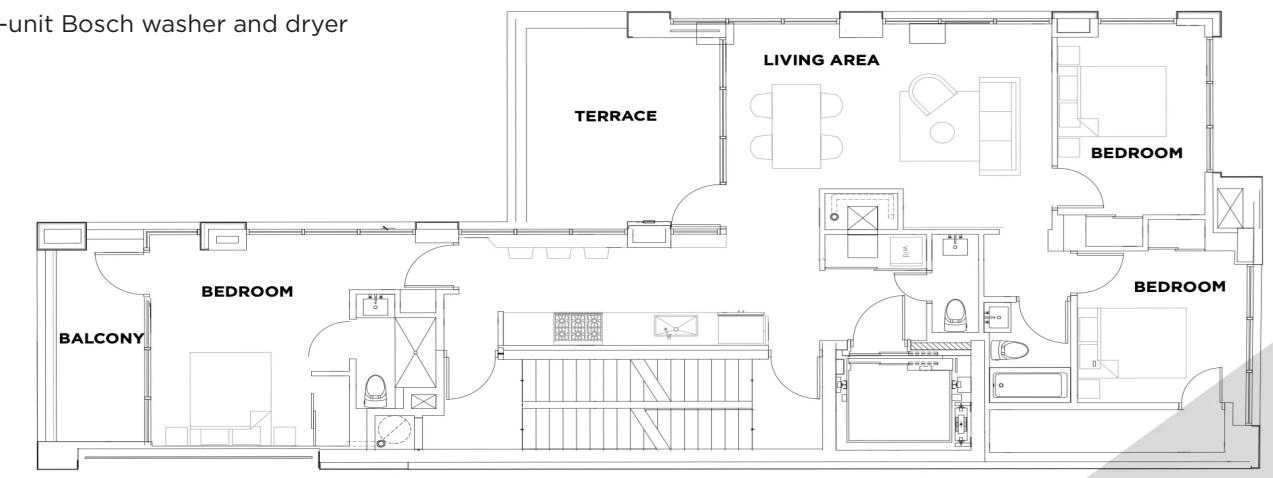
- Spacious open layout with three private outdoor terraces
- Floor to ceiling sound-insulated glass
- High-end chef's kitchen with top-of-the-line appliances
- Custom high-gloss white lacquered cabinetry
- 2.5 marble bathrooms
- In-unit Bosch washer and dryer



PENTHOUSE 2 (12TH FLOOR)

3 BEDROOM | 2.5 BATHROOM

- Spacious open layout with three private outdoor terraces
- Floor to ceiling sound-insulated glass
- High-end chef's kitchen with top-of-the-line appliances
- Custom high-gloss white lacquered cabinetry
- Marble bathrooms
- In-unit Bosch washer and dryer



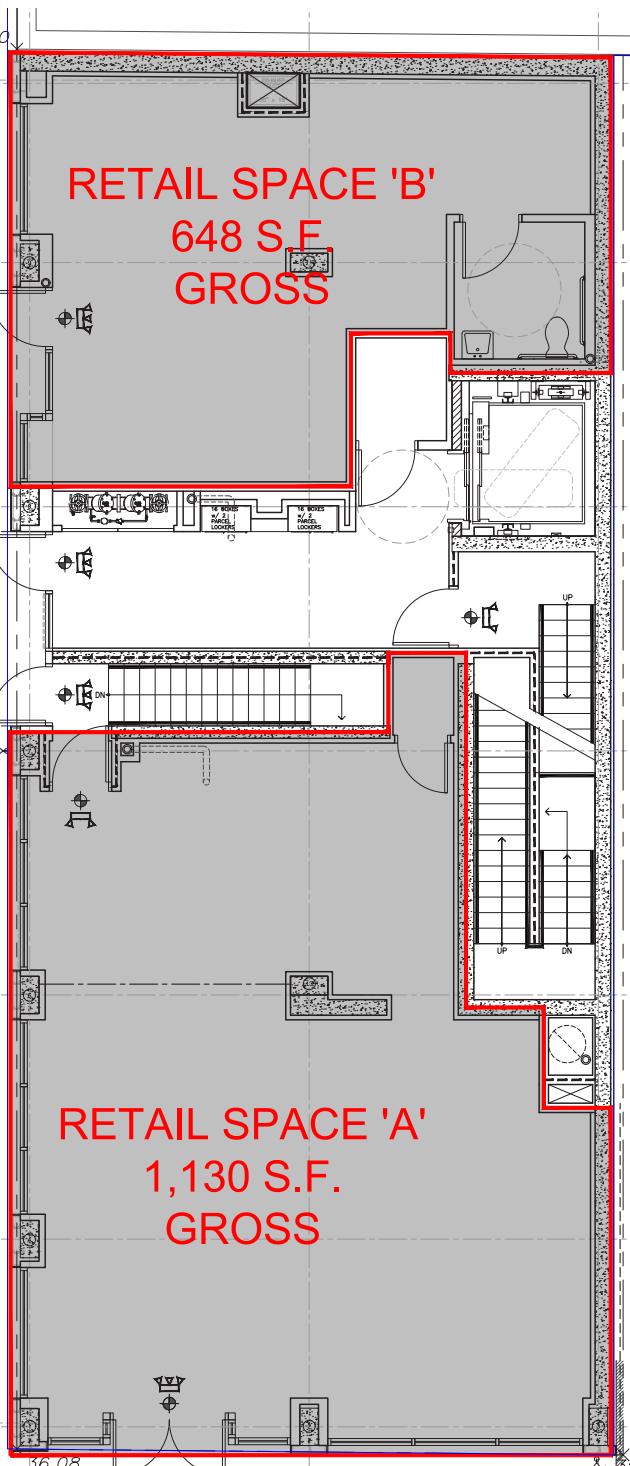
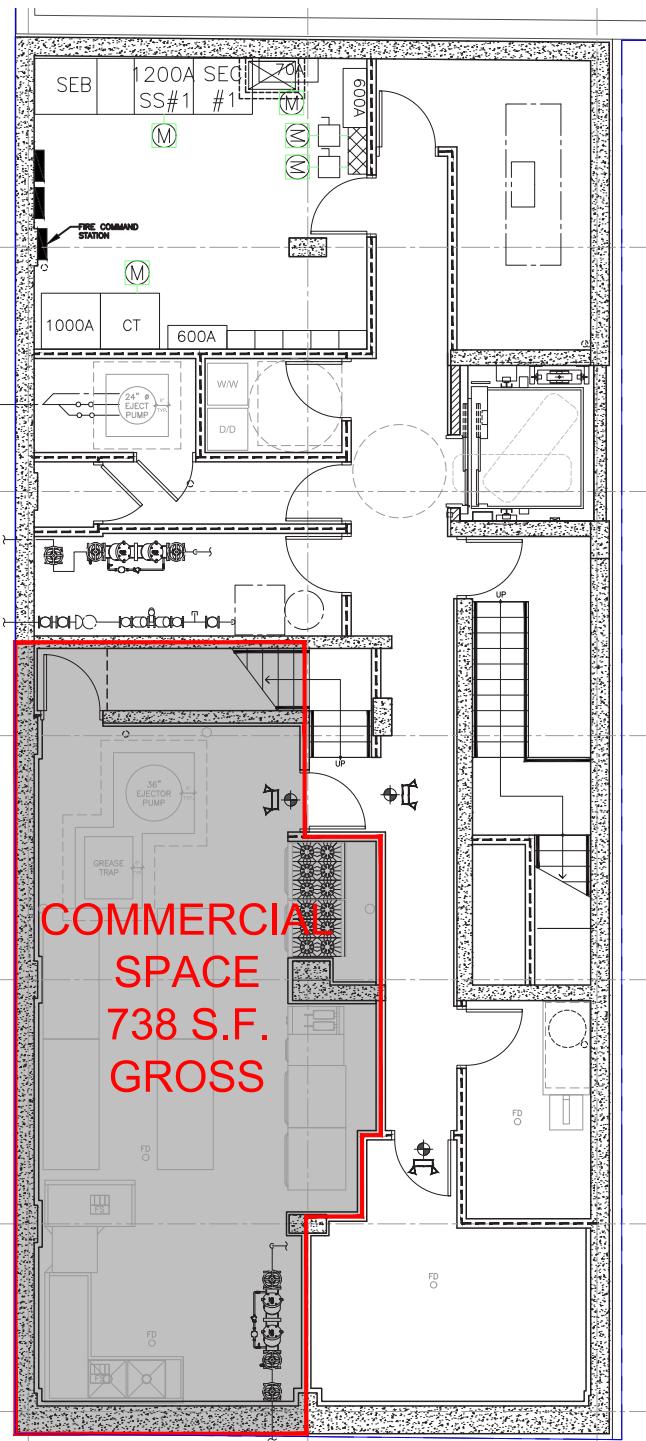












In the past few decades, the Lower East Side has progressively become one of New York City's most dynamic and diverse neighborhoods. It is built on the unique combination of being one of Manhattan's most historically rich neighborhoods yet also being home to some of New York City's best modern shopping, dining, and nightlife options. For example, The Lower East Side Tenement Museum was once home to 7,000 immigrants during 1863 to 1935. During this time, The Lower East Side was a popular destination for many Eastern European residents. Today it is home to many Chinese, Hispanic, Jewish and African-American residents, with a steady infusion of new arrivals. In the last decade, the Lower East Side has drawn in a younger population consisting of students, young professionals, and new families attracted to the growth and development experienced by the neighborhood.

Interspersed between hundred year old tenements are new signs of luxury. The corner of Houston and Bowery houses a new Whole Foods store, the largest supermarket in New York City. Ultra-luxury hotels such as the Hotel on Rivington, Sister City, Citizen M and the Sixty LES have sprung up among a fantastic array of bars, boutiques and restaurants. As the Lower East Side Business Improvement District describes the neighborhood, it is "rooted in history and blossoming today."

When in the Lower East Side, tourists and New Yorkers alike flock to Orchard Street. Orchard Street is one of the Lower East Side's most prominent market areas, comprised of an array of boutiques, designer shops, upscale restaurants, bars, and galleries. On Sundays, Orchard Street is closed to traffic from Delancey up to East Houston, turning the street into a pedestrian mall.



The Orchard | 86 Delancey Street, New York, NY

In addition to the shopping options located in the Lower East Side, one of the biggest perks of the neighborhood consists of the wide selection of food establishments that it has to offer. Ranging from well known New York City restaurants as well as unique international eateries to small cafes and local diner favorites, the Lower East Side has it all. Some of these popular dining selections include Kiki's, Russ & Daughters, as well as Katz's Delicatessen.

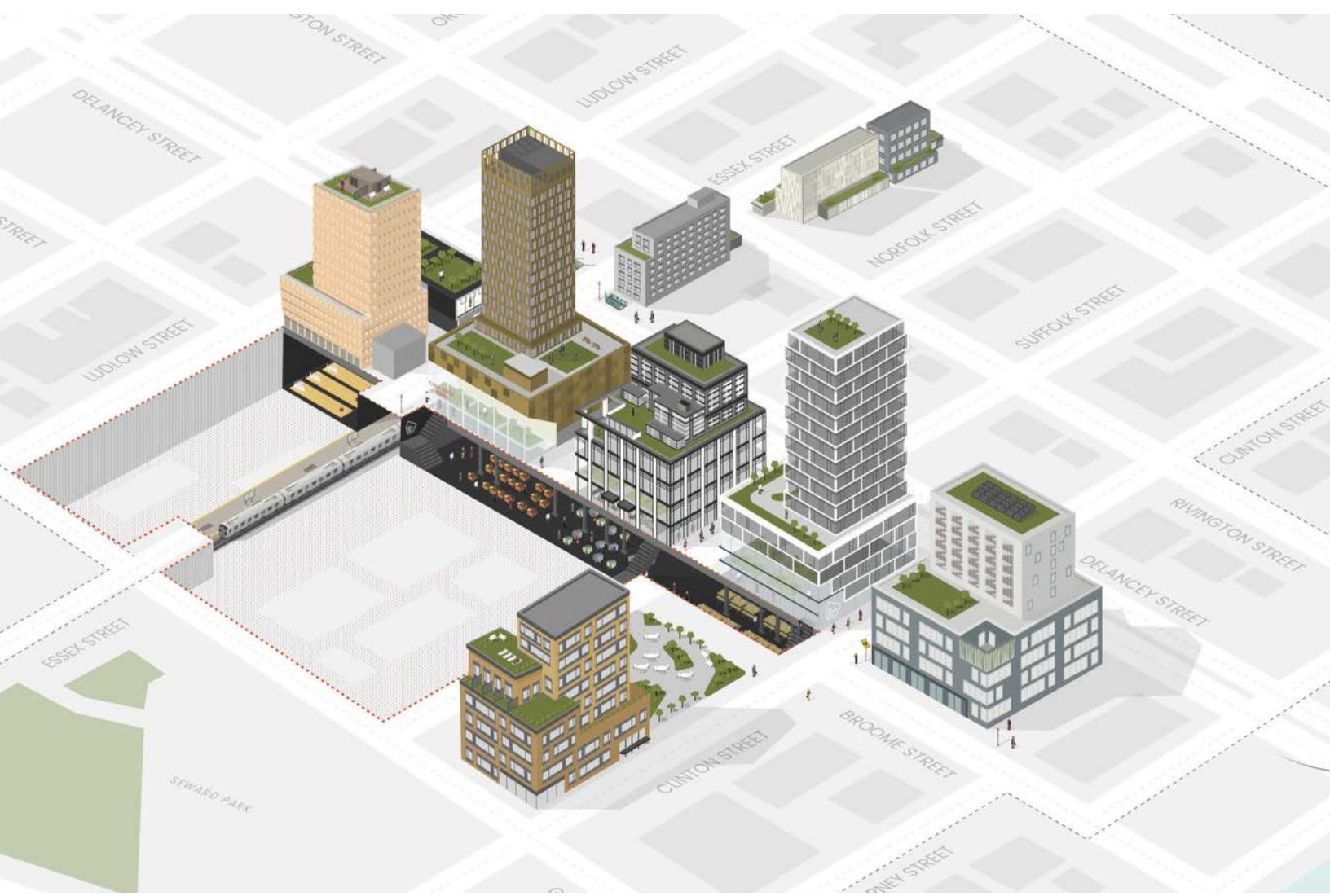
The nightlife of the Lower East Side is one that is unmatched. Comprised of a wide variety of bars, lounges, clubs, and music venues, Lower East Side nightlife has something to offer for all. Mercury Lounge's curtained stage and acoustic system have hosted both new and established musical talent.

The Bowery Ballroom also offers a setting to catch a band, a cocktail, and a picturesque view of Manhattan. Hotel Chantelle has a rooftop dining area with enjoyable views of the Williamsburg Bridge. Pianos, on Ludlow Street, hosts live music and DJs spinning dance music, while Barramundi, a funky, Australian owned bar on Clinton Street, attracts an international crowd.

However the entertainment on the Lower East Side is not only restricted to the thriving restaurant and nightlife industry. During the day, the Lower East Side has an assortment of historical attractions to attract tourists and New Yorkers alike. The Lower East Side Tenement Museum's lively tour guides lead hundreds of visitors and around 30,000 students through the preserved apartments each year. The museum also offers historical tours of the neighborhood. The magnificently restored Eldridge Street Synagogue hosts multiple groups a week, educating and entertaining visitors with the history of New York City and the Jewish immigrant community.

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ESSEX CROSSING



Essex Crossing is a collection of over 1,000 new residences, 350,000 square feet of office space, 100,000 square feet of green space and 300,000 square feet of retail spaces that will enhance the culture and unique flavor of New York City's Lower East Side. They will be connected by a world-class marketplace below ground called The Market Line.

A mixed-use campus featuring 350,000+ square feet of state-of-the-art office space and world-class amenities in the heart of the Lower East Side.

Essex Crossing provides unparalleled amenities including The Market Line, Essex Market, Regal Cinemas, Trader Joe's, Target, expansive green space and The Gutter Bowling as well as cultural institutions like the International Center of Photography.

LIVING AT ESSEX CROSSING

New York City rarely falls short when delivering on exciting experiences, especially the life-changing ones. Introducing Essex Crossing, a multi-use mecca tucked away in the culture capital of the five boroughs, the Lower East Side. This vibrant complex puts diverse markets, eclectic restaurants, new parks, bright gardens, cultural attractions and a movie theater all at your fingertips. The apartments combine cutting-edge architecture, energy efficient design and top-of-the-line amenities – giving you a taste of the action while keeping you hungry for more. Welcome to the future of residential living in New York City.

THE RESIDENCES

The Artisan

One Essex Crossing (Condominium)

The Rollins | The Essex

242 Broome (Condominium)



EAST RIVER PARK

The East Side Coastal Resiliency (ESCR) Project is a coastal protection initiative, jointly funded by the City of New York and the federal government, aimed at reducing flood risk due to coastal storms and sea level rise on Manhattan's East Side from East 25th Street to Montgomery Street. The boundaries of this project correspond with the natural "pinch-points" in the 100-year floodplain: areas where the land is higher along the coastline, making it easier to close the system off from water entering from the north and south. The project design integrates flood protection into the community fabric, improving waterfront open spaces and access, rather than walling off the neighborhood. Construction on the East Side Coastal Resiliency project began in Fall 2020 and will continue through 2025.

ESCR will create a 2.4 mile flood protection system that will consist floodwalls and floodgates that will be blended into the fabric of the community by integrating with local streets, the elevated East River Park, and the new landscape surrounding Corlears Hook Park, Murphy Brothers Playground, Stuyvesant Cove Park, and Asser Levy Playground. The project will also involve significant investments in underground interior drainage improvements that will improve the capacity of the sewer system.

This project is the result of years of planning and collaboration among City, State, and Federal agencies, Elected Officials, and the local community, which has been enabled by a \$338 million federal grant to fund design and construction, with the remainder of the project's \$1.45 billion total cost funded by the City of New York.



The Orchard | 86 Delancey Street, New York, NY



BENEFITS AND GOALS

- Flood Risk Reduction from future storm surge and sea-level rise;
- Improved Access with expanded connections between local communities and the waterfront, and designing to meet universal access standards;
- Enhanced Public Spaces with resilient design, updated recreation facilities, increased multi-use spaces, new furnishings, and ecologically diverse landscaping

Cushman & Wakefield



The Orchard | 86 Delancey Street, New York, NY

FITNESS

- 1 Barry's Bootcamp
- 2 Blink Fitness
- 3 BODYROK
- 4 CorePower Yoga
- 5 CrossFit
- 6 Crunch
- 7 Equinox Fitness Clubs
- 8 EXOS
- 9 F45 TRAINING
- 10 Orangetheory Fitness
- 11 Rumble Boxing
- 12 Solidcore
- 13 SoulCycle
- 14 The Bar Method
- 15 TMPL Gym
- 16 VITAL Climbing Gym

HOTELS

- 1 citizenM
- 2 Days Inn
- 3 Fairfield Inn & Suites by Marriott
- 4 Holiday Inn
- 5 Hotel Indigo
- 6 Hyatt Hotels & Resorts
- 7 JdV by Hyatt
- 8 MOXY Hotels
- 9 Small Luxury Hotels of the World (SLH)

SHOPPING

- 1 Ace Hardware
- 2 Marshalls
- 3 Paper Source
- 4 REI
- 5 Target
- 6 UNIQLO
- 7 Urban Outfitters

RESTAURANTS

- 1 BareBurger
- 2 Baskin Robbins
- 3 Blank Street
- 4 Boba Guys
- 5 Burger King
- 6 Caffe Vita Coffee Roasting
- 7 CAVA
- 8 Chipotle Mexican Grill
- 9 Dark Matter Coffee
- 10 Dig Inn
- 11 Domino's Pizza
- 12 Dunkin'
- 13 Eataly
- 14 Emmy Squared
- 15 Gong Cha
- 16 Gregorys Coffee
- 17 Gyu-Kaku Japanese Barbeque
- 18 Insomnia Cookies
- 19 Joe & The Juice
- 20 Kung Fu Tea
- 21 L&L Hawaiian Barbecue
- 22 La Colombe
- 23 Levain Bakery
- 24 Matchaful
- 25 McDonald's
- 26 MÖGE TEE
- 27 Neuhaus
- 28 Papa John's
- 29 Popeyes Louisiana Kitchen
- 30 Pressed Juicery
- 31 Shake Shack
- 32 Starbucks
- 33 SUBWAY
- 34 sweetgreen
- 35 TOUS les JOURS
- 36 Van Leeuwen Artisan Ice Cream
- 37 Wendy's
- 38 Wingstop

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