

GRAHAM LOOKING NORTH

NEW DEVELOPMENTS

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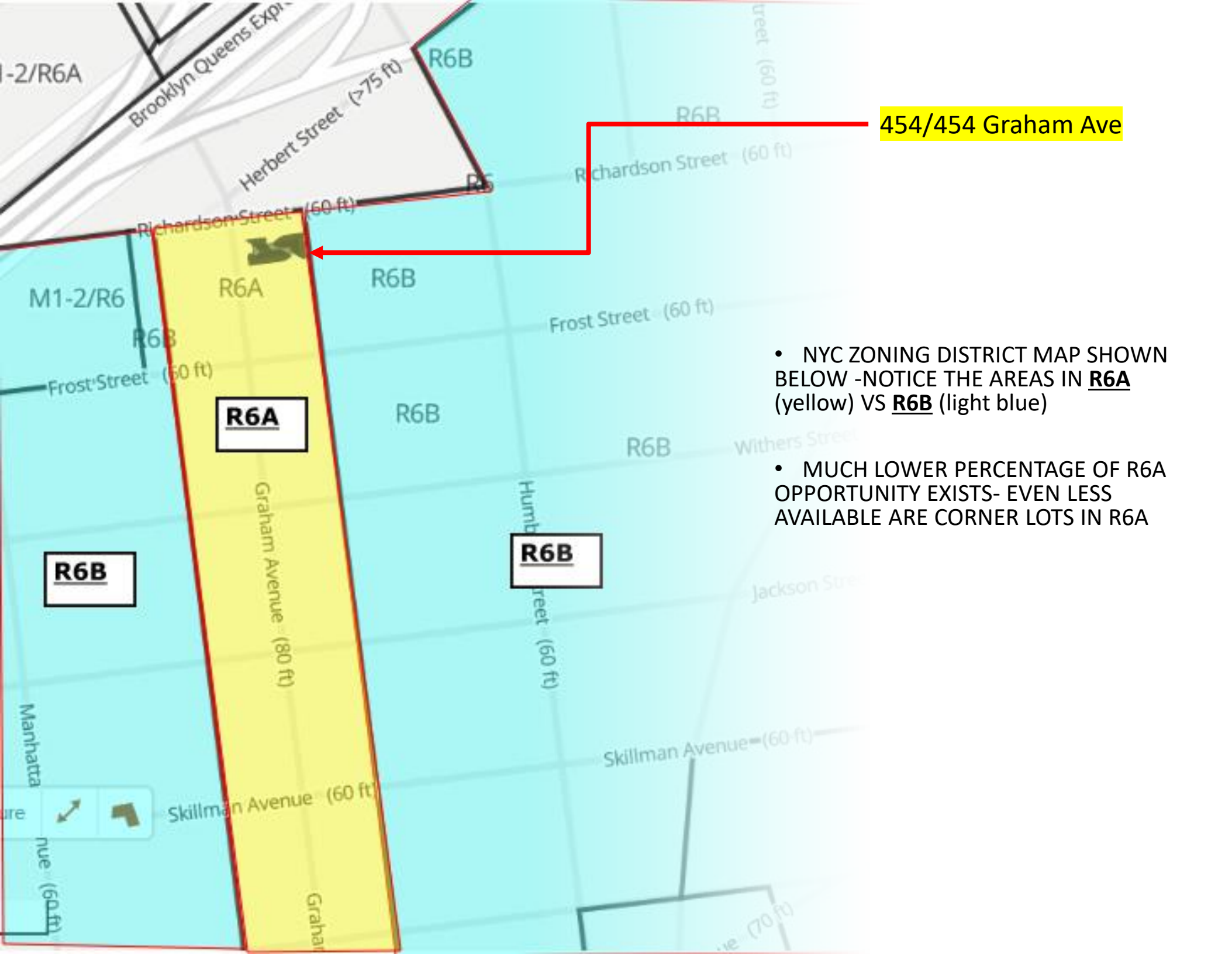


Q.
Why are we
seeing so much
development
along Graham
ave?



A.
**BECAUSE GRAHAM AVE
IS ZONED AS AN R6A
WHICH ARE QUITE
LUCRATIVE & HARD TO
COME BY-**





454/454 Graham Ave

- NYC ZONING DISTRICT MAP SHOWN BELOW -NOTICE THE AREAS IN **R6A** (yellow) VS **R6B** (light blue)
- MUCH LOWER PERCENTAGE OF R6A OPPORTUNITY EXISTS- EVEN LESS AVAILABLE ARE CORNER LOTS IN R6A

Why are R6A
Corner lots so
valuable...?



BECAUSE IT MEANS, BIGGER BUILDINGS WITH MORE SQUARE FOOTAGE, AND ULTIMATELY MORE PROFITABLY

HOW MUCH MORE? FROM A DEVELOPMENT STANDPOINT R6A HAS APPROX. **1.5X** THE VALUE OF THE SAME PROPERTY LOCATED IN R6B

-SEE BELOW CHARTS & OUTLINE-

- **F.A.R.** = Floor Area Ratio – Buildable Square footage is higher in R6A. (1.5x the potential of R6B)
- **Base Height** = 20-25’ more feet than found in R6B (that’s 2 extra stories over R6B)
- **Building Height** = 20-25’ more feet than found in R6B (that’s 2 extra stories over R6B)
- **Inclusionary Housing Bonus**
- **Air Rights**

NYC ZONING RESOLUTION



Medium Density Contextual Residence District

R6A	Lot Area	Lot Width	Rear Yard	Lot Coverage		FAR	Base Height	Building Height	# of Stories	DU Factor	Required Parking	
	min.	min.	min.	Corner	Other Lot	max.	min.-max. (w/QGF)	max. (w/QGF)	max. (w/QGF)		Basic	IRHU
Basic						3.00	40-60 (65) ft	70 (75) ft	n/a (7)	680	50% of DU	25% of IRHU
Mandatory Inclusionary Housing	1,700 sf	18 ft	30 ft	100%	65%	3.60	40-65 ft	80 (85) ft	8			



Medium Density Contextual Residence District

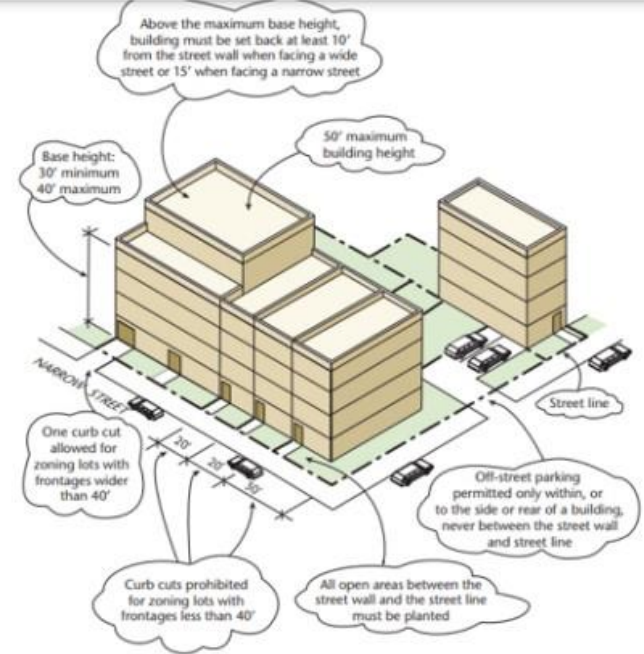
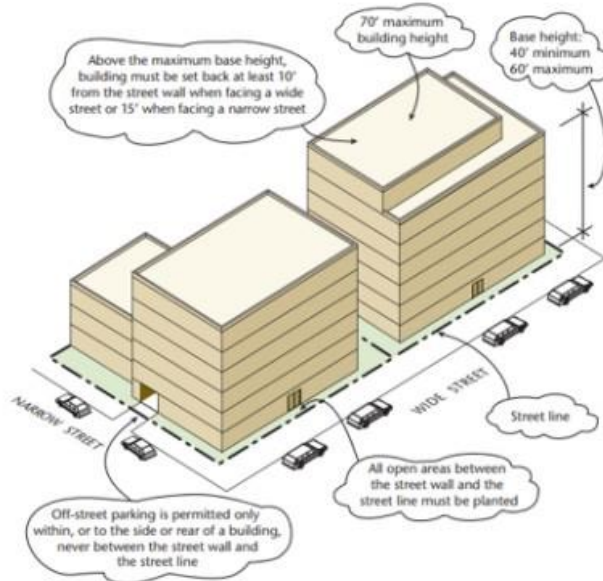
R6B	Lot Area	Lot Width	Rear Yard	Lot Coverage		FAR	Base Height	Building Height	# of Stories	DU Factor	Required Parking	
	min.	min.	min.	Corner	Other Lot	max.	min.-max. (w/QGF)	max. (w/QGF)	max. (w/QGF)		Basic	IRHU
Basic						2.00	30-40 (45) ft	50 (55) ft	n/a (5)	680	50% of DU	25% of IRHU
Mandatory Inclusionary Housing	1,700 sf	18 ft	30 ft	100%	60%	2.20						

NYC ZONING RESOLUTION ILLUSTRATING DIAGRAMMATICALLY THE DIFFERENCES BETWEEN R6A AND R6B (SHOWN BELOW PUBLIC INFO.)

Zoning Handbook

R6A VS R6B
-R6A MUCH MORE DEVELOPMENT POTENTIAL-
 DUE TO THE FOLLOWING:

- F.A.R. ADVANTAGE
- HEIGHT ADVANTAGE - BASE & BLDG.
- LOT COVERAGE ADVANTAGE



R6A General Residence District						
R6A	FAR (max)	Lot Coverage (max)		Base Height (min/max)	Building Height (max)	Required Parking ¹ (min)
		Corner Lot	Interior/Through Lot			
	3.0 ¹	80%	65%	40-60 ft	70 ft	50% of dwelling units

¹ 3.8 FAR with Inclusionary Housing designated area bonus
² Waived if 5 or fewer spaces required

R6B General Residence District						
R6B	FAR (max)	Lot Coverage (max)		Base Height (min/max)	Building Height (max)	Required Parking ¹ (min)
		Corner Lot	Interior/Through Lot			
	2.0 ¹	80%	60%	30-40 ft	50 ft	50% of dwelling units

¹ 2.2 FAR with Inclusionary Housing designated area bonus
² Waived if 5 or fewer spaces required

<https://www.nyc.gov/assets/planning/download/pdf/about/publications/zoning-handbook/zoning-handbook.pdf>

452/454 Graham Ave, is a rare **double corner lot R6A** opportunity!

- ZONING LOCATION - ZOLA



Wait what are
the Zestimates
based on...?

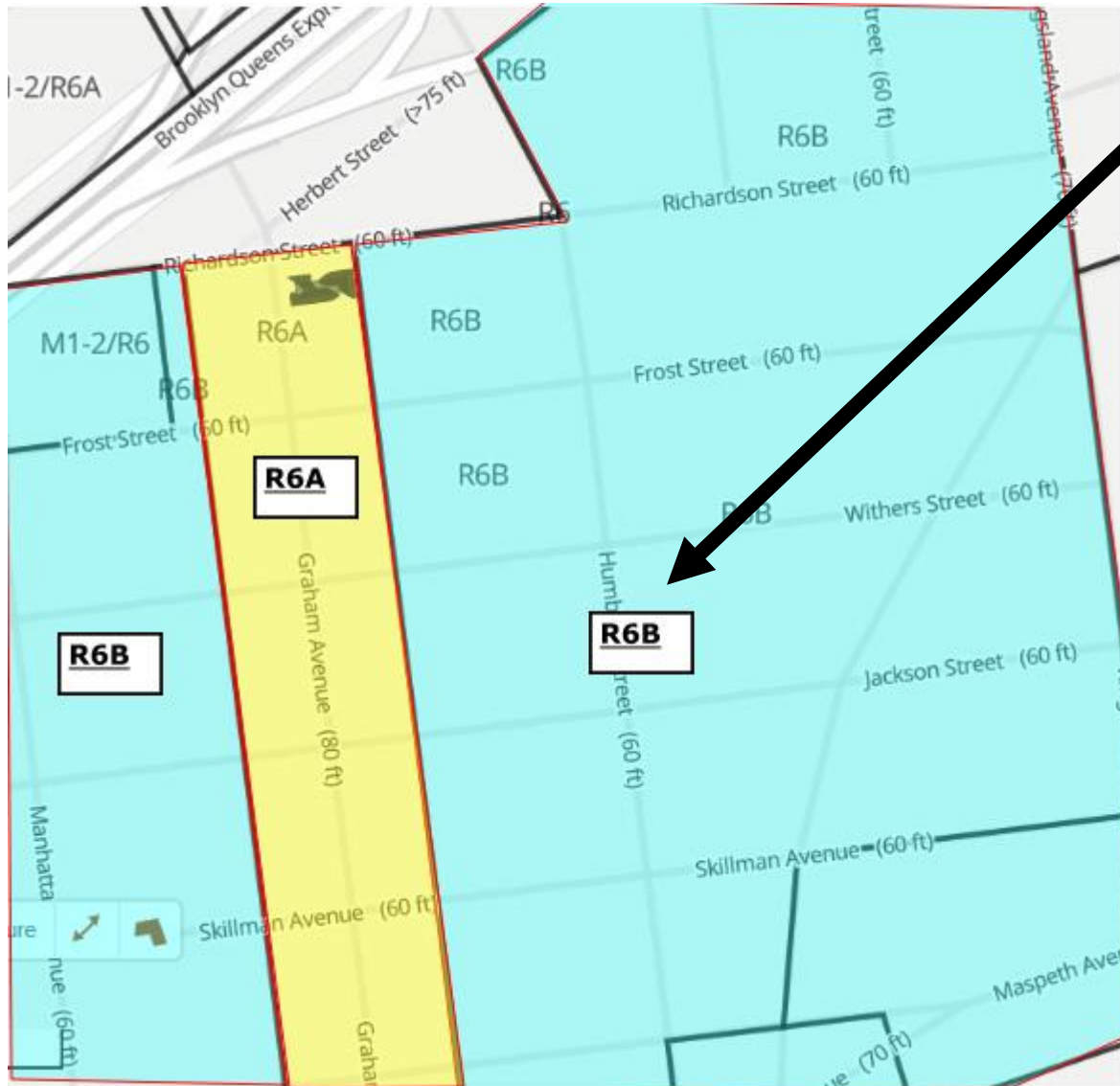


ZESTIMATE IS MOSTLY BASED ON **“R6B”**
BLUE ZONE COMPARABLE PROPERTIES IN THE
AREA.



\$6,309,500 Zestimate®

452/454
GRAHAM AVE
ZESTIMATE

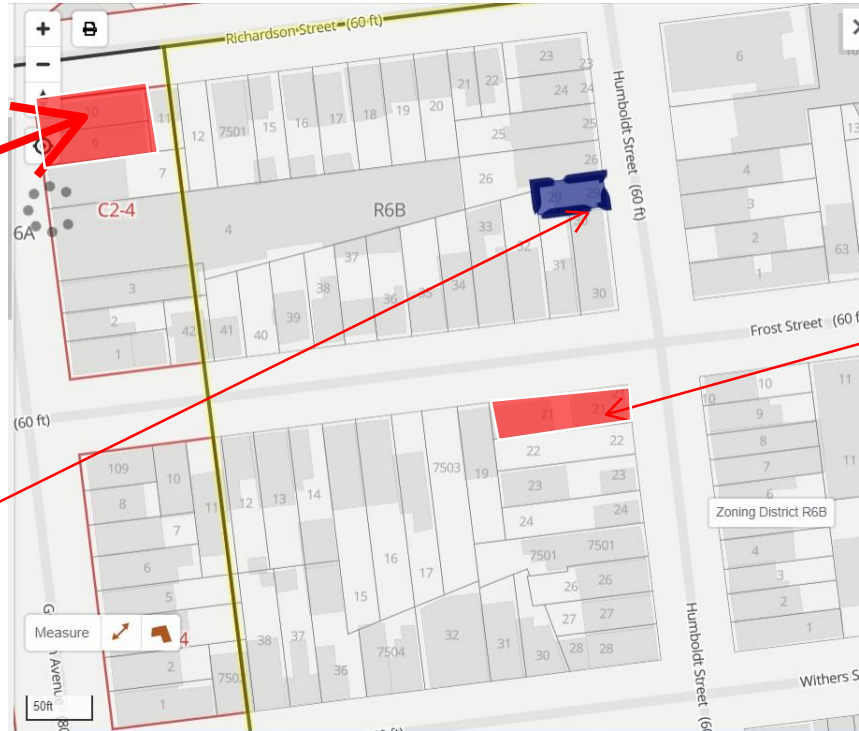


*R6B ARE INFERIOR TO R6A
LOTS -HERE'S SOME
RECENT EXAMPLES OF
ZESTIMATES IN R6B IN THE
FOLLOWING SLIDE

2 EXAMPLES OF "R6B" BASED PROPERTIES WITH ZESTIMATES IN LESS POPULATED AREAS WITH MUCH LESS DEVELOPMENT POTENTIAL

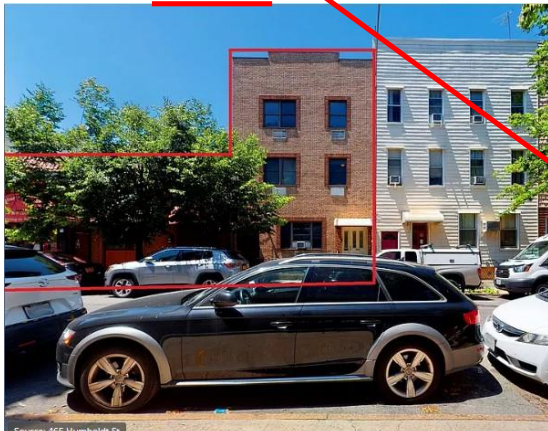
452-454 GRAHAM AVE. THE BEST DEAL. - R6A/C2-4 OVERLAY MORE DEVELOPMENT UPSIDE THAN BOTH COMPS WITHIN 1 BLOCK RADIUS.

465 HUMBOLT - R6B - RECENT PENDING SALE FOR \$3,950,000



455 Humboldt St, Brooklyn, NY 11211

R6B - STRICTER BASE HEIGHT, BUILDING HEIGHT & LOT COVERAGE THAN R6A- HUMBOLT IS 1 WAY STREET - NOT NEARLY AS MUCH FOOT TRAFFIC AS GRAHAM AVE- HENCE THE R6B JURISDICTION



Zillow 465 Humboldt St
Brooklyn, NY 11211

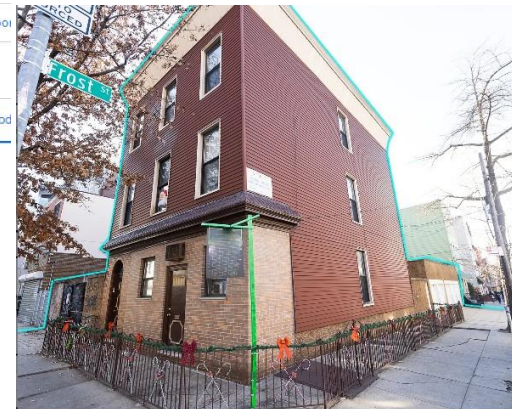
Units: 1 Agent listings, 0 Other listings

5 Bed

\$3,950,000
5 bd | 3 ba | 4,212 sqft
Pending

Listing by: Capri Jet Realty Corp

Travel times: Add work destination



Zillow 455 Humboldt St, Brooklyn, NY 11211

\$4,677,000 5 bd | 3 ba | 10,000 sqft

455 Humboldt St, Brooklyn, NY 11211

For sale | Zestimate®: \$4,466,439

Est. payment: \$29,320/mo | Get pre-qualified

Request a tour as early as today at 3:30 pm | Contact agent

Overview Facts and features Home value Price and tax

Multifamily
Built in 1899
No data
No data
No data
\$468 price/sqft

Overview

QUIET TREE LINED STREET

Listing by: **New York Realty Minimax Inc**
Thony Revelo - Licensed Real Estate Salesperson

Welcome to 453-455 Humboldt Street, situated on a quiet tree lined street nestled right on the border of Williamsburg and Greenpoint. This is a corner double lot but you will be close to the best of what



Okay so we understand R6A is clearly more valuable than R6B. But how does higher F.A.R., taller building heights, community facility bonuses and air rights convert to dollars...?



I wish this was a simple answer. But it does become a bit more nuanced. Once the boxes are checked off. As is the case with 452/454 Graham Ave. Developers will hire a team to do a detailed Pro Forma. (basically, a method of calculating financial results using certain projections or presumptions) The following slides run some preliminary “schematic proforma’s” which may shed some light into cost analysis and time slated to recapture initial cost. As you will see there are a number of ways you can structure this based on variables specific to the individual or corporation. But ultimately, properties of this magnitude have large upside potential.

452-454 GRAHAM AVENUE ZONING STUDY

R6A = DU OF 680
 9900/680 = 14 DWELLING UNITS MAX.
 OPTIMIZE FOR 2BDRM

2023 LOW RISE APARTMENT COST
 CONSTRUCTION COST OF \$150
 PER SF.

RESIDENTIAL CONDO'S PRICE PER
 SQ. FT. MEDIAN FOR
 WILLIAMSBURG 2023 = \$1,363

PROPOSAL A
 COST TO BUILD
 9900SF * \$150 =
 \$1,485,000*

PROPOSAL B
 COST TO BUILD
 11,880SF * \$150 =
 \$1,782,000*

PROPOSAL C
 COST TO BUILD
 14,960SF * \$150 =
 \$2,244,000*



* NOT INCLUDING COST FOR
 UNDERGROUND PARKING

Current Versus Historical Williamsburg, New York, NY Rents

Beds	Price / Sqft	Feb 2023 Rent
Studio	\$72	\$3,554
1 BR	\$75	\$4,506
2 BR	\$50	\$5,442
3 BR	\$107	\$4,975
4+ BR	\$39	\$6,964

PROPOSAL A

GROUND FLR.
 COMMERCIAL \$80 SF/YR =
 \$15,400 A MO. \$184,800
 PER YR. - BANK LOAN LESS
 THAN 100K A YR.
 (6) 2 BEDRM'S @ \$4,600
 PER MO. - \$331,200 1ST YR.
 BANK COST COVERED IN
 3YRS

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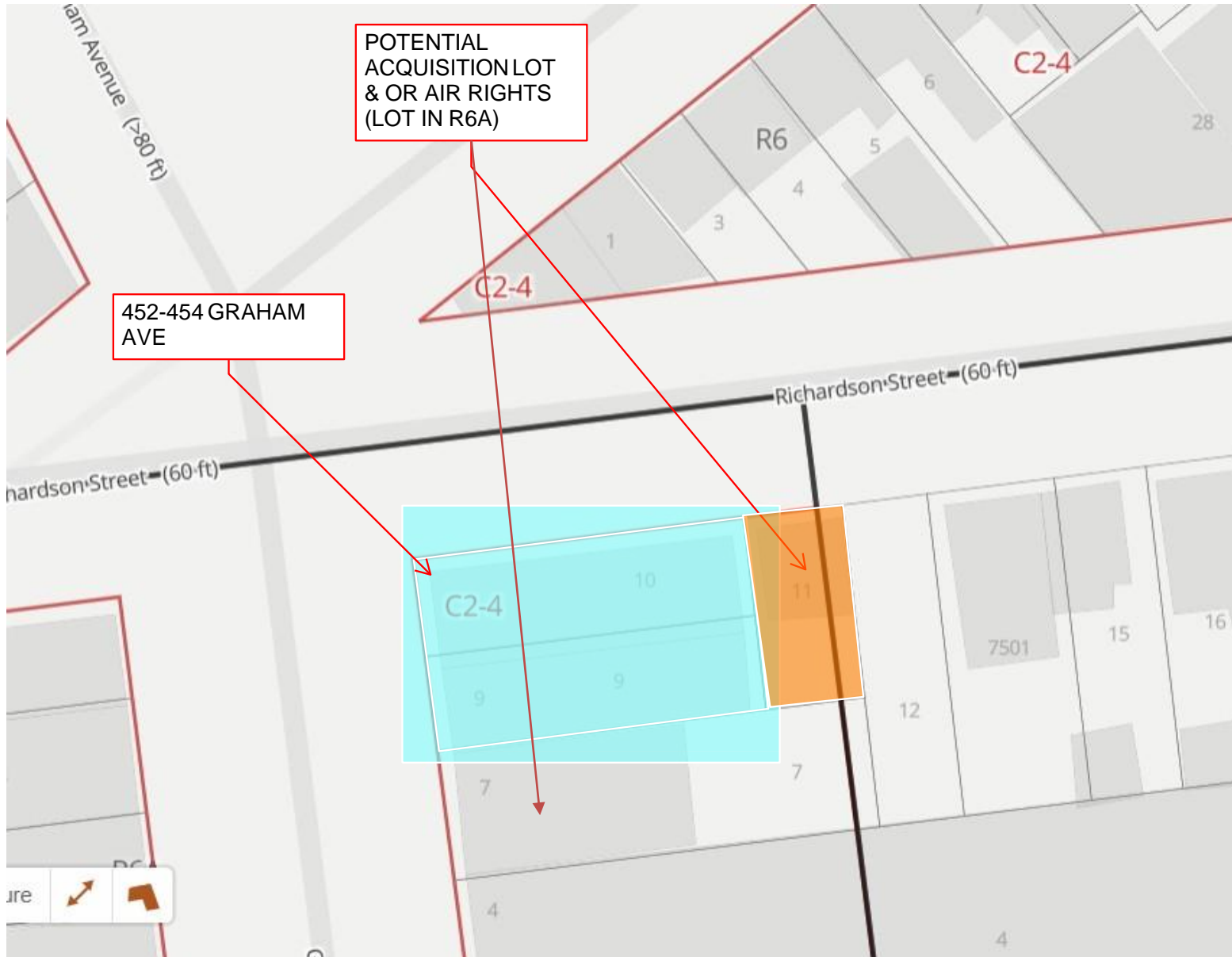
SO... WHAT'S THE "TAKEAWAY" HERE?

What value over the Zestimate is this property worth?

Where going from R6B to R6A has a 1.5x build potential. How does that unrealized value compute to a dollar amount, an industry standard closer to 10% of the multiplier is used. In otherwords, a 15% bump over the current Zestimate is a relatively accurate assessment. Estimating the property value of 452/454 Graham Ave at **\$7.2m** with current listing at **\$6,500,000** this property is undervalued and priced to sell.



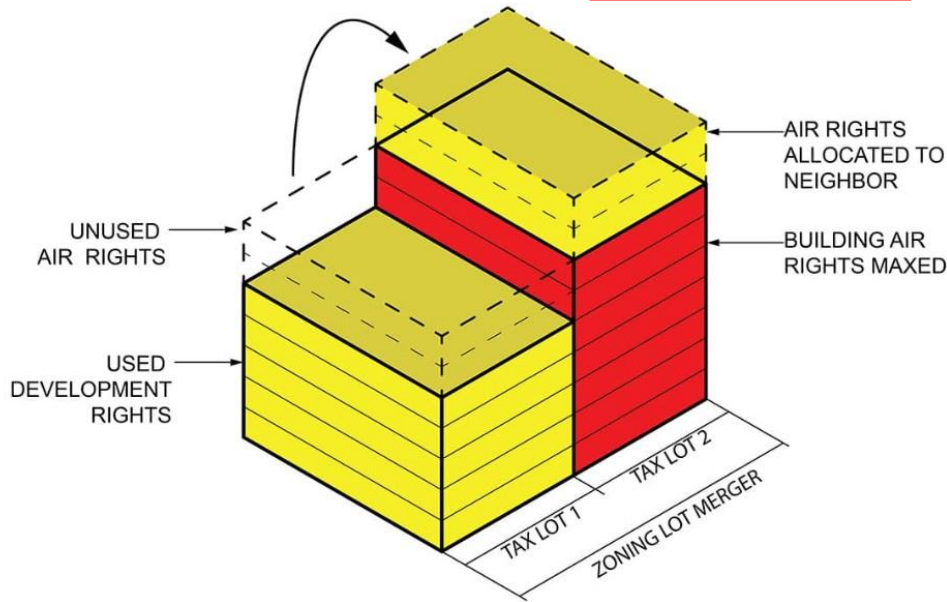
AIR RIGHT POTENTIAL



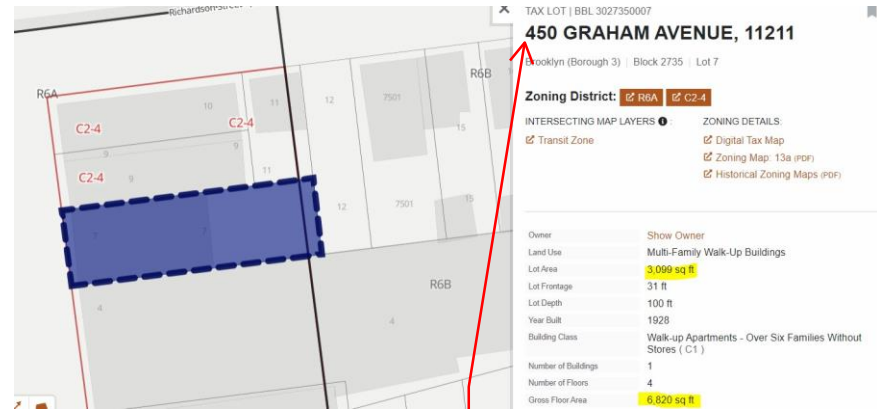
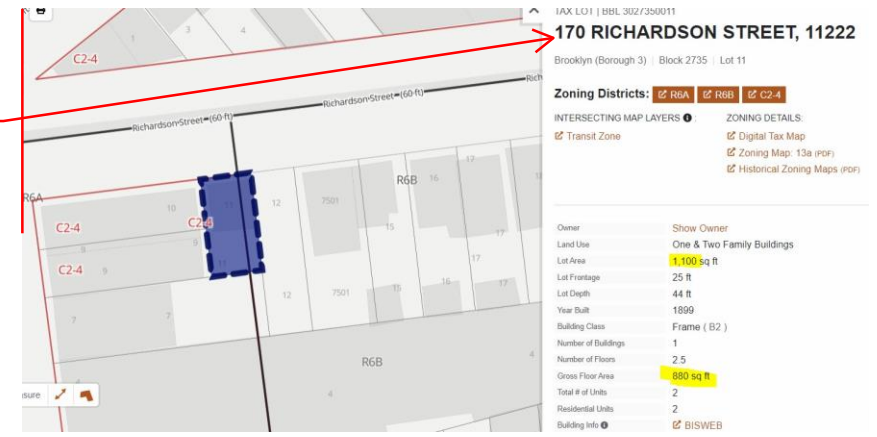
NYC Air Rights & Air Rights Transfers

by Jorge Fontan | Last updated May 31, 2020 | New York City, NYC Zoning, Property Development

AIR RIGHTS



3080 sf of Air rights potentially available for inclusionary.
2420 sf potentially available for non inclusionary



4336 sf air Rights potentially available inclusionary- 2477 sf for non inclusionary

What are air rights?

The term air rights is not in the New York City Zoning Resolution. The Zoning Code uses the term “development rights” which is what people normally mean when they say “air rights”.

Air Rights NYC Development Rights

Air Rights or Development Rights are the unused floor area that can be developed on a property. The unused floor area can be added to the property or sold to a neighboring property. In New York City Air Rights can be transferred to other properties commonly referred to as a “Development Rights Transfer” or “Air Rights Deal”. There are 2 ways to buy and sell air rights.

1. Zoning Lot Merger
2. Development Rights Transfer