

The “as is” subject property description based on Nassau County public records is summarized as follows:

<b>Lot #</b>	<b>"As Is" Property Description</b>								<b>Year Built</b>
	<b>Land Area (Sq. Ft.)</b>	<b>Land Area (Acres)</b>	<b>Industrial GBA (Sq. Ft.)</b>	<b>Residential GBA (Sq. Ft.)</b>	<b>Aggregate GBA (Sq. Ft.)</b>	<b>Land-to-Building Ratio</b>	<b>Mezzanine (Sq. Ft.)*</b>	<b>Storage Basement (Sq. Ft.)*</b>	
Lot 11	21,257	0.4880	7,994	-	7,994	2.66	1,600	-	1922
Lot 12	23,375	0.5366	-	-	-	-	-	-	-
Lot 13	<u>21,257</u>	<u>0.4880</u>	<u>4,272</u>	<u>1,104</u>	<u>5,376</u>	<u>3.95</u>	<u>-</u>	<u>1,278</u>	1922
<b>Total</b>	<b>65,889</b>	<b>1.5126</b>	<b>12,266</b>	<b>1,104</b>	<b>13,370</b>	<b>4.93</b>	<b>1,600</b>	<b>1,278</b>	

*\*Not included in the GBA estimates.*

The subject property was formerly zoned Light Manufacturing (Town of Hempstead). According to a Zoning Board Resolution (No. 1141-2014 / Case No. 28494), the subject property was rezoned to “URD-C” (Urban Renewal Residence C District) on October 5, 2009, subject to a Declaration of Restrictive Covenants (see Addenda). According to the Resolution, “the subject premises shall be developed and utilized substantially in accordance with the Site Plan, Floor Plans, and Elevation Plans prepared by H2M Group, dated August 9, 2007, last revised October 31, 2012 submitted to the Town Board of the Town of Hempstead herein. Said plan calls for the development of the subject premises with fifty-four (54) multi-family dwelling units (plus one superintendent’s unit) in full compliance with the requirements of the “URD-C” District”.

The subject property was purchased on September 30, 2014 for a consideration of \$3,000,000.00 (Book 13133, Page 0316), or \$54,545.00 per buildable residential unit (55 units per Zoning Resolution), excluding demolition costs. According to our client, based upon deposition testimony and documentary evidence, building plans were filed in or about 2015. Furthermore, there has been an on-going process to obtain building permits from 2015 through October 2020. To the best of our knowledge, building permits have not been approved as of the date of this report.

According to the architectural plans provided to us and prepared by Brent Porter & Associates, dated May 1, 2019, the subject property is proposed to be developed with two (2), three-story, walk-up townhouse style multi-family buildings including fifty-five (55) apartment units, comprised of eighteen (18) one-bedroom units and thirty-seven (37) two-bedroom units within 60,714± square feet of GBA. The proposed development will also include eighty-five (85) surface parking spaces.

The proposed development includes rental apartment units along with a community center and administrative office. We have assumed that the new construction rental units will contain top of the line style finishes, such as; wood-style vinyl flooring, sterling plumbing fixtures, cable ready with high speed internet, granite countertops, flat panel medium tone wood grain and or granite countertops in the kitchen and stainless-steel appliances, consistent with other new construction multi-family properties in Long Island.

We are not aware of any income or age restriction requirements for the proposed subject development. Therefore, our valuation herein assumes all of the residential units will be available at free market rental rates.

The proposed building layout is shown in the following chart.

**Proposed Subject Property Building Layout**

<b>Unit</b>	<b># of Beds</b>	<b>Building 1</b>	<b>Building 2</b>
A	2	1	0
B	2	5	4
C	2	1	0
D	2	1	0
E	2	1	0
F	2	1	0
G	2	4	4
H	2	4	4
I	1	4	5
J	1	4	5
K	2	<u>4</u>	<u>3</u>
<b>Total</b>		<b>30</b>	<b>25</b>
<i>One Bedroom Units</i>		8	10
<i>Two Bedroom Units</i>		22	15

It should be noted that the one bedroom units contain one bathroom and the two-bedroom units which are single floor units contain two bathroom and the two-bedroom units which are duplex units which contain two and a half bathrooms.

The purpose of this appraisal report is to provide market value opinions under the following scenarios:

Scenario I: "As Is" market value opinion of the fee simple estate of the subject property, subject to its highest and best use, as of the date of inspection, January 29, 2021. We have concluded that the highest and best use of the subject property is to demolish the existing improvements to make way for a new construction multi-family development containing 55 rental units. Therefore we have researched recent sales of comparable development sites which are proposed to be constructed with multi-family apartment buildings in the subject's market area. From this research, we have selected comparable transactions that have transpired over the past several years for comparison with the subject property. Each sale price was adjusted to reflect the similarities and differences between the comparable sales and the subject property in order to estimate the market-derived value for the subject property, in its "as is" condition, as a redevelopment site, based upon the sale price per proposed residential unit. As a concluding step, we have deducted estimated demolition costs for the existing improvements to derive an "as is" market value opinion of the fee simple estate of the subject property.

Scenario II: "As Is" market value opinion of the fee simple estate of the subject property, as of the date of inspection, January 29, 2021, under the *hypothetical condition* that the existing improvements have been demolished as of the date of valuation. For this valuation we have relied upon the results of Scenario I excluding a deduction for demolition costs.

Scenario III: “As Complete and Stabilized” market value opinion of the fee simple estate of the subject property under the *hypothetical condition* that the proposed fifty-five (55) apartment unit development was “as complete and stabilized” as of the date of our inspection, January 29, 2021. We have applied the income capitalization approach and the sales comparison approach to derive a market value opinion of the subject property “As Complete and Stabilized”.

Scenario IV: “As Is” total net market rental value of the subject property in its “as is” condition from the date of acquisition (September 30, 2014) to the current date of valuation (January 29, 2021). In this scenario, we researched comparable industrial and residential rental rates within the subject’s market area to estimate the potential gross income (PGI) of the fee simple estate of the subject property. It is noted that we have not been provided with any rental income history or leases for the subject property. For the purposes of our valuation, we have assumed that any tenant occupancies are on a month-to-month verbal or license agreement. Furthermore, we have applied a market derived vacancy and collection loss factor to the PGI, which resulted in the effective gross income (EGI) of the subject property in its “as is” condition. Next, we have researched comparable operating expenses to project expenses to be incurred by the landlord, which were deducted from the EGI to derive an estimated annual stabilized net operating income (NOI) for each period of analysis. We have estimated the annual net operating income to be received from the subject property in its “as is” condition, as an industrial property, from September 30, 2014 to the current date of valuation, January 29, 2021. The net market rental value conclusion excludes potential interest earnings.

Scenario V: “As Complete and Stabilized” total net market rental value of the subject property in its “as complete” condition. This valuation scenario assumes a twenty-four (24) month permit, construction and stabilization timeline from the date of acquisition, September 30, 2014. Therefore, under this scenario, we have estimated a *hypothetical* completion and stabilization date of the proposed fifty-five (55) apartment unit development as of October 1, 2016. We have estimated the annual net operating income to be received from the hypothetical multi-family development from October 1, 2016 to the current date of value, January 29, 2021. The net market rental value conclusion excludes potential interest earnings.

In arriving at the appraised value, we have given consideration to all items influencing value, including the Zoning Board Resolution documents, the property location, comparable sales, comparable rentals, market trends, existing and projected competition, continued demand, mortgage availability, mortgage rates and equity return rates.

This report conforms to the current Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

The “as complete and stabilized” market value of the fee simple estate of the subject property, under the *hypothetical condition* that the subject property proposed fifty-five (55) apartment unit development is complete and stabilized (*Scenario III*), as of January 29, 2021, *predicated upon the extraordinary and underlying assumptions and limiting conditions as defined within the body of this report* is:

**TWENTY FIVE MILLION DOLLARS**

**(\$25,000,000.00)**

**SCENARIO IV**

The “as is” total net market rental value of the subject property in its “as is condition” (*Scenario IV*), between September 30, 2014 and January 29, 2021, *predicated upon the extraordinary and underlying assumptions and limiting conditions as defined within the body of this report*, is:

**TWO HUNDRED FORTY THOUSAND DOLLARS**

**(\$240,000.00)**

**COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY**



Multi-Family Submarket Report

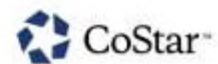
## Central Nassau

Long Island - NY

PREPARED BY



Zachary Hendrickson



# COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY

(Continued)

## Overview

Central Nassau Multi-Family

12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
<b>266</b>	<b>123</b>	<b>4.2%</b>	<b>0.9%</b>

Central Nassau's combination of population density, LIRR access, and proximity to New York City attracts apartment demand and vacancies have trended below 5% consistently over the last decade. Demand has held up through a more than 5% increase to the inventory across 2018-19, and the challenges of the coronavirus pandemic in 2020, and vacancies are near a record low in 20Q3. Central Nassau will face significant supply-side pressure over the next few quarters, however, with underway units equating to more than 10% of the existing inventory.

Average rents rank in the top half of all Long Island submarkets, but in the bottom half of Nassau County submarkets. Rent growth in 2020 is on a nearly identical pace to last year, both overall and in the 4 & 5 Star segment. Investment boomed in 2019, thanks to the sale of the 275-unit Allure Mineola in February for \$141.8 million. Transaction activity is typically quiet in the submarket and no trades have been recorded so far in 2020.

### KEY INDICATORS

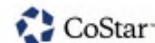
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,594	11.1%	\$3,527	\$3,476	24	0	237
3 Star	2,136	3.5%	\$2,501	\$2,488	(1)	0	180
1 & 2 Star	3,934	1.7%	\$1,879	\$1,873	(2)	0	0
<b>Submarket</b>	<b>7,664</b>	<b>4.2%</b>	<b>\$2,551</b>	<b>\$2,530</b>	<b>21</b>	<b>0</b>	<b>417</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.8%	3.6%	5.4%	7.5%	2004 Q4	1.8%	2019 Q2
Absorption Units	123	106	184	420	2016 Q3	(39)	2003 Q4
Delivered Units	266	111	201	520	2013 Q1	0	2019 Q2
Demolished Units	0	0	2	0	2020 Q4	0	2020 Q4
Asking Rent Growth (YOY)	0.9%	1.4%	3.9%	4.6%	2015 Q2	-7.0%	2009 Q4
Effective Rent Growth (YOY)	0.4%	1.3%	3.8%	4.7%	2015 Q1	-7.0%	2009 Q4
Sales Volume	\$100 M	\$51M	N/A	\$210.6M	2007 Q2	\$0	2020 Q3



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 699207



1/20/2021  
Page 2

# COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY

*(Continued)*

## Construction

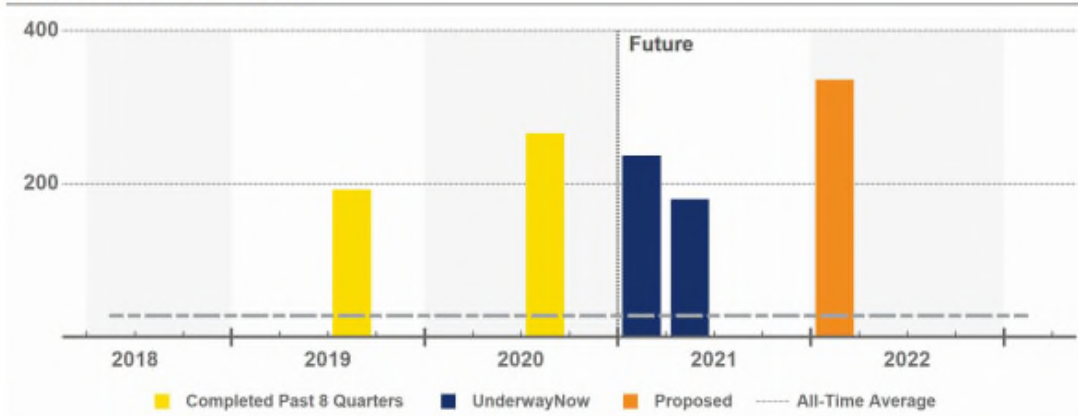
Central Nassau Multi-Family

All-Time Annual Avg. Units	Delivered Units Past 8 Qtrs	Delivered Units Next 8 Qtrs	Proposed Units Next 8 Qtrs
<b>112</b>	<b>458</b>	<b>417</b>	<b>336</b>

### PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



### PAST & FUTURE DELIVERIES IN UNITS



**COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY**  
*(Continued)*

**Construction**

Central Nassau Multi-Family

**RECENT DELIVERIES**

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Morgan Parc</b> 199 2nd St	★★★★☆	266	7	Jun 2017	Aug 2020	Lalezarian Properties Lalezarian Properties
2 <b>Fairfield Metro at Mineola</b> 119 Searing Ave	★★★★☆	192	5	Apr 2018	Jul 2019	Mill Creek Residential Trust LLC Fairfield Properties

**UNDER CONSTRUCTION**

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>The Selby</b> 695 Merrick Ave	★★★★☆	237	7	Jan 2020	Feb 2021	The Beechwood Organization The Beechwood Organization
2 <b>The Brix</b> 1000 Brix Pl	★★★★☆	180	-	Apr 2020	Apr 2021	- -

**PROPOSED**

Property Name/Address	Rating	Units	Stories	Start	Complete	Developer/Owner
1 <b>Cooper Place</b> Front St	★★★★☆	336	5	Jan 2021	Jan 2022	Renaissance Downtowns Renaissance Downtowns



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 699207



1/20/2021  
Page 10



# COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY

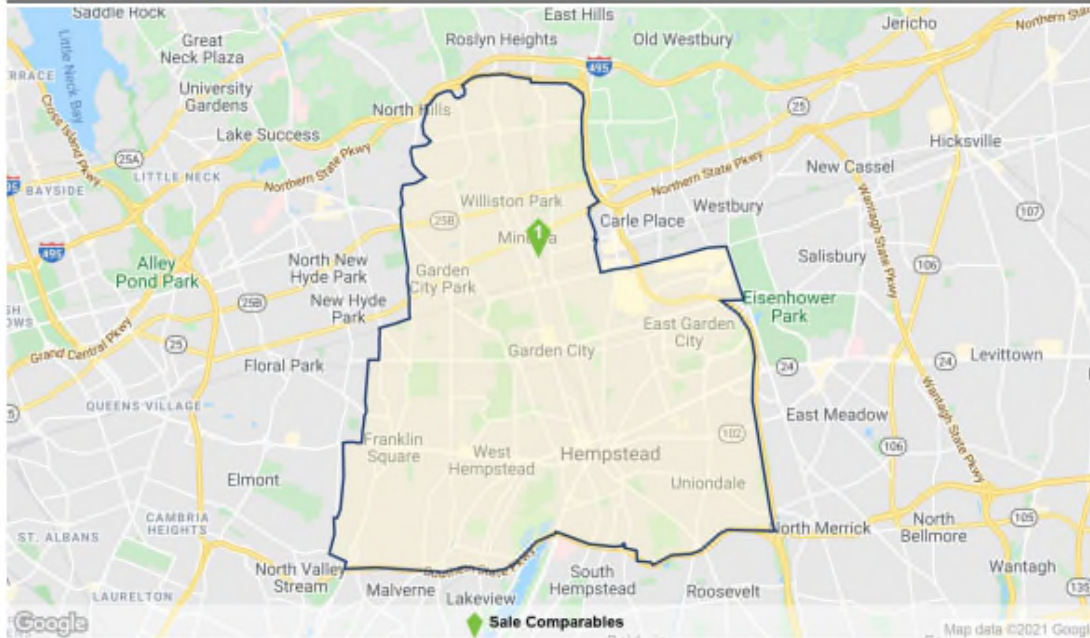
(Continued)

## Sales Past 12 Months

Central Nassau Multi-Family

Sale Comparables	Avg. Price/Unit (thous.)	Average Price (mil.)	Average Vacancy at Sale
<b>1</b>	<b>\$521</b>	<b>\$100.0</b>	<b>5.2%</b>

### SALE COMPARABLE LOCATIONS



### SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Price/Unit	\$520,833	\$520,833	\$520,833	\$520,833
Cap Rate	-	-	-	-
Vacancy Rate At Sale	5.2%	5.2%	5.2%	5.2%
Time Since Sale in Months	3.0	3.0	3.0	3.0
Property Attributes	Low	Average	Median	High
Property Size in Units	192	192	192	192
Number of Floors	5	5	5	5
Average Unit SF	966	966	966	966
Year Built	2019	2019	2019	2019
Star Rating	★★★★★	★★★★★ 3.0	★★★★★	★★★★★



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 6992107



1/20/2021  
Page 12

**COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY**  
(Continued)

**Appendix**

Central Nassau Multi-Family

**3 STAR VACANCY & RENT**

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	100	4.3%	0	\$3,031	\$3.44	0.8%	(0.9)	\$3,017	\$3.43
2024	99	4.3%	(0.5)	\$3,007	\$3.42	1.7%	(2.1)	\$2,993	\$3.40
2023	110	4.8%	(2.1)	\$2,956	\$3.36	3.8%	(4.8)	\$2,942	\$3.34
2022	159	6.9%	(2.8)	\$2,848	\$3.24	8.6%	2.8	\$2,835	\$3.22
2021	223	9.6%	6.2	\$2,622	\$2.98	5.9%	5.2	\$2,610	\$2.97
YTD	74	3.5%	0.1	\$2,501	\$2.84	0.9%	0.3	\$2,488	\$2.83
2020	73	3.4%	(0.9)	\$2,477	\$2.81	0.6%	(0.7)	\$2,465	\$2.80
2019	93	4.3%	1.7	\$2,461	\$2.80	1.3%	(2.5)	\$2,454	\$2.79
2018	51	2.6%	(1.1)	\$2,429	\$2.76	3.8%	1.5	\$2,420	\$2.75
2017	72	3.7%	0	\$2,340	\$2.66	2.3%	(0.9)	\$2,326	\$2.64
2016	72	3.7%	0.4	\$2,287	\$2.60	3.2%	0.8	\$2,272	\$2.58
2015	65	3.3%	(0.4)	\$2,216	\$2.52	2.4%	(2.5)	\$2,202	\$2.50
2014	74	3.8%	0.3	\$2,164	\$2.46	4.9%	(1.4)	\$2,149	\$2.44
2013	67	3.5%	0.3	\$2,063	\$2.34	6.3%	1.9	\$2,051	\$2.33
2012	61	3.2%	(0.5)	\$1,940	\$2.20	4.5%	3.7	\$1,930	\$2.19
2011	71	3.7%	(0.2)	\$1,857	\$2.11	0.8%	1.7	\$1,847	\$2.09
2010	74	3.9%	(0.3)	\$1,843	\$2.09	-0.9%	6.1	\$1,832	\$2.08
2009	81	4.2%	0	\$1,860	\$2.11	-7.0%	-	\$1,849	\$2.10

**1 & 2 STAR VACANCY & RENT**

Year	Vacancy			Market Rent				Effective Rents	
	Units	Percent	Ppts Chg	Per Unit	Per SF	% Growth	Ppts Chg	Units	Per SF
2025	95	2.4%	0	\$2,305	\$3.12	1.0%	(0.9)	\$2,297	\$3.11
2024	95	2.4%	0	\$2,281	\$3.09	2.0%	(2.1)	\$2,273	\$3.08
2023	97	2.5%	0.2	\$2,237	\$3.03	4.1%	(5.0)	\$2,230	\$3.02
2022	89	2.3%	0.3	\$2,149	\$2.91	9.1%	4.1	\$2,142	\$2.90
2021	78	2.0%	0.3	\$1,969	\$2.66	5.1%	4.9	\$1,962	\$2.66
YTD	68	1.7%	0	\$1,879	\$2.54	0.3%	0.1	\$1,873	\$2.53
2020	67	1.7%	0.2	\$1,874	\$2.53	0.2%	(1.9)	\$1,868	\$2.53
2019	59	1.5%	0	\$1,870	\$2.53	2.1%	(0.7)	\$1,864	\$2.52
2018	60	1.5%	(0.5)	\$1,831	\$2.48	2.9%	(0.4)	\$1,825	\$2.47
2017	78	2.0%	(0.3)	\$1,780	\$2.41	3.3%	0.4	\$1,774	\$2.40
2016	90	2.3%	(0.1)	\$1,723	\$2.33	2.9%	0.8	\$1,717	\$2.32
2015	95	2.4%	(0.3)	\$1,675	\$2.26	2.1%	0.5	\$1,669	\$2.25
2014	107	2.7%	0.1	\$1,641	\$2.22	1.6%	(0.1)	\$1,634	\$2.21
2013	103	2.6%	0.1	\$1,616	\$2.18	1.7%	0.8	\$1,609	\$2.17
2012	97	2.5%	(0.2)	\$1,589	\$2.15	0.9%	0.8	\$1,582	\$2.14
2011	105	2.7%	(0.2)	\$1,575	\$2.13	0.1%	0.4	\$1,568	\$2.12
2010	114	2.9%	(0.3)	\$1,572	\$2.12	-0.3%	6.7	\$1,565	\$2.11
2009	127	3.2%	0	\$1,577	\$2.13	-7.0%	-	\$1,570	\$2.12



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 699207



1/20/2021  
Page 17

# COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY

(Continued)

## Appendix

Central Nassau Multi-Family

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$453,704	363	4.2%
2024	-	-	-	-	-	-	\$448,511	359	4.2%
2023	-	-	-	-	-	-	\$437,503	350	4.2%
2022	-	-	-	-	-	-	\$409,100	327	4.2%
2021	-	-	-	-	-	-	\$353,815	283	4.5%
YTD	-	-	-	-	-	-	\$347,640	278	4.5%
2020	1	\$100M	2.5%	\$100,000,000	\$520,833	-	\$346,937	277	4.5%
2019	4	\$151.5M	4.3%	\$50,483,655	\$471,810	6.5%	\$325,941	261	4.6%
2018	1	\$500K	0.1%	\$500,000	\$125,000	-	\$305,662	244	4.7%
2017	9	\$19.8M	1.9%	\$2,205,000	\$149,211	6.6%	\$287,222	230	4.9%
2016	4	\$40M	1.9%	\$10,006,250	\$305,534	4.0%	\$272,877	218	5.0%
2015	7	\$10M	1.1%	\$1,998,979	\$135,066	6.1%	\$254,200	203	5.1%
2014	10	\$151.9M	6.6%	\$18,992,500	\$355,000	5.8%	\$232,736	186	5.2%
2013	6	\$7.8M	1.5%	\$1,562,000	\$82,211	6.1%	\$201,808	161	5.7%
2012	2	\$0.00	0%	-	-	-	\$191,939	153	5.7%
2011	-	-	-	-	-	-	\$182,129	146	5.8%
2010	2	\$68M	11.2%	\$33,977,903	\$103,433	-	\$163,987	131	6.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
 (2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$763,235	343	3.9%
2024	-	-	-	-	-	-	\$756,318	340	3.9%
2023	-	-	-	-	-	-	\$739,727	332	3.9%
2022	-	-	-	-	-	-	\$693,192	311	3.9%
2021	-	-	-	-	-	-	\$599,309	269	4.2%
YTD	-	-	-	-	-	-	\$591,192	266	4.2%
2020	-	-	-	-	-	-	\$590,278	265	4.2%
2019	2	\$150.6M	23.7%	\$75,298,983	\$478,089	-	\$558,926	251	4.3%
2018	-	-	-	-	-	-	\$532,125	239	4.4%
2017	-	-	-	-	-	-	\$518,027	233	4.3%
2016	-	-	-	-	-	-	\$499,139	224	4.4%
2015	1	\$6.8M	4.8%	\$6,840,000	\$171,000	7.3%	\$466,874	210	4.5%
2014	2	\$144.1M	56.4%	\$72,025,000	\$455,854	5.3%	\$429,850	193	4.6%
2013	-	-	-	-	-	-	\$378,432	170	4.9%
2012	-	-	-	-	-	-	\$357,708	161	5.0%
2011	-	-	-	-	-	-	\$335,450	151	5.1%
2010	-	-	-	-	-	-	\$300,630	135	5.3%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
 (2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 699207



1/20/2021  
Page 18

**COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY**  
(Continued)

**Appendix**

Central Nassau Multi-Family

**3 STAR SALES**

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$404,126	348	4.2%
2024	-	-	-	-	-	-	\$399,242	344	4.2%
2023	-	-	-	-	-	-	\$389,131	335	4.2%
2022	-	-	-	-	-	-	\$363,772	314	4.3%
2021	-	-	-	-	-	-	\$315,129	272	4.5%
YTD	-	-	-	-	-	-	\$308,578	266	4.6%
2020	1	\$100M	9.0%	\$100,000,000	\$520,833	-	\$307,922	265	4.6%
2019	-	-	-	-	-	-	\$294,061	253	4.7%
2018	-	-	-	-	-	-	\$276,061	238	4.8%
2017	3	\$1.6M	0.8%	\$543,333	\$101,875	6.7%	\$256,442	221	4.9%
2016	-	-	-	-	-	-	\$242,216	209	5.0%
2015	1	\$1M	0.6%	\$1,025,000	\$85,417	-	\$222,460	192	5.1%
2014	-	-	-	-	-	-	\$200,993	173	5.3%
2013	2	\$1.7M	1.3%	\$1,650,000	\$66,000	-	\$178,130	154	5.7%
2012	2	\$0.00	0%	-	-	-	\$168,981	146	5.7%
2011	-	-	-	-	-	-	\$162,361	140	5.8%
2010	-	-	-	-	-	-	\$147,376	127	6.0%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

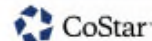
**1 & 2 STAR SALES**

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Unit	Avg Cap Rate	Price/Unit	Price Index	Cap Rate
2025	-	-	-	-	-	-	\$338,827	398	4.3%
2024	-	-	-	-	-	-	\$334,254	393	4.3%
2023	-	-	-	-	-	-	\$325,317	382	4.3%
2022	-	-	-	-	-	-	\$303,560	357	4.3%
2021	-	-	-	-	-	-	\$262,330	308	4.6%
YTD	-	-	-	-	-	-	\$257,339	302	4.6%
2020	-	-	-	-	-	-	\$256,707	302	4.6%
2019	2	\$853K	0.2%	\$853,000	\$142,167	6.5%	\$236,319	278	4.8%
2018	1	\$500K	0.1%	\$500,000	\$125,000	-	\$217,731	256	4.9%
2017	6	\$18.2M	3.0%	\$3,035,833	\$155,684	6.6%	\$197,966	233	5.1%
2016	4	\$40M	3.3%	\$10,006,250	\$305,534	4.0%	\$185,664	218	5.2%
2015	5	\$2.1M	0.6%	\$709,965	\$96,813	5.6%	\$173,949	204	5.3%
2014	8	\$7.9M	2.8%	\$1,315,000	\$70,446	6.0%	\$159,730	188	5.5%
2013	4	\$6.2M	1.8%	\$1,540,000	\$88,000	6.1%	\$133,577	157	6.1%
2012	-	-	-	-	-	-	\$128,336	151	6.1%
2011	-	-	-	-	-	-	\$122,437	144	6.2%
2010	2	\$68M	16.7%	\$33,977,903	\$103,433	-	\$110,195	130	6.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.  
(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.



Copyrighted report licensed to Goodman-Marks Associates, Inc. - 099207



1/20/2021  
Page 19

**COSTAR SUBMARKET REPORT - CENTRAL NASSAU MULTI-FAMILY**  
*(Continued)*

**Appendix**

Central Nassau Multi-Family

**DELIVERIES & UNDER CONSTRUCTION**

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Units	Vacancy	Bldgs	Units	Bldgs	Units	Bldgs	Units
2025	-	8,595	4.3%	-	174	-	172	-	-
2024	-	8,423	4.3%	-	177	-	175	-	-
2023	-	8,248	4.4%	-	141	-	141	-	-
2022	-	8,107	5.3%	-	29	-	27	-	-
2021	-	8,080	7.4%	-	417	-	416	-	-
YTD	114	7,664	4.2%	0	0	0	0	2	417
2020	114	7,664	4.4%	1	266	1	266	2	417
2019	113	7,398	2.4%	1	192	1	192	1	266
2018	112	7,206	2.0%	1	178	1	178	2	458
2017	111	7,028	2.7%	0	0	0	0	2	444
2016	111	7,028	4.2%	1	315	1	315	1	178
2015	110	6,713	4.4%	1	275	1	275	1	315
2014	109	6,438	3.3%	1	29	1	29	2	590
2013	108	6,409	3.5%	0	0	0	0	2	304
2012	108	6,409	4.7%	3	520	3	520	0	0
2011	105	5,889	3.0%	0	0	0	0	3	520
2010	105	5,889	3.2%	0	0	0	0	0	0
2009	105	5,889	3.5%	0	0	0	0	0	0

## **NEW OR PROPOSED RESIDENTIAL DEVELOPMENTS ON LONG ISLAND**

### Hicksville

Heritage Village is a proposed mixed-use development located less than a mile from the Hicksville train station which currently under construction to be constructed with 596 apartment units along with retail units (240,000± square feet total), office space, restaurants, grocery stores and fitness center and is less than a mile from the Hicksville train station. The property is being constructed by Real estate investment trust, Seritage Growth Properties. Architectural renderings of the proposed building are shown below.

### **Heritage Village, Hicksville**



### Uniondale

The Brix is a proposed luxury apartment building which will contain 180 apartment units (comprised of one and two bedroom units) and located on the north side of Jerusalem Avenue within Uniondale, Nassau County. The project is projected to be completed in April 2021. According to the buildings website, the apartments will start renting at \$2,350 per month and amenities within the facility will contain a pool with poolside lounge, fitness center, gated community, intercom system, game room with billiards and coffee bar. Architectural renderings of the proposed building are shown below.

## The Brix – Uniondale



### Lynbrook

The Cornerstone Yorkshire is a three-story, apartment building which is currently under construction, to be delivered June 2021 and is located on the north side of Freer Street in Lynbrook, within close proximity of the Lynbrook train station. The building will contain eighty (80) apartment units which will be comprised of studio, one-bedroom and two-bedroom units. Architectural renderings of the proposed building are shown below.

## The Cornerstone Yorkshire



Hempstead

Cooper Place is a proposed, five-story, apartment building which will contain 336 units, comprised of a mix of studio, one-, and two-bedroom apartments. The apartment building will be located less than a half mile from the Hempstead train station. The development is being constructed by RXR Realty.



Amityville

A five-phase, multi-building, 500±-unit luxury residential rental apartment complex, including 42,181± square feet of in-line ground floor retail space along Broadway in Amityville. The development, “Greybarn”, contains approximately 500± residential units, comprised of one- and two-bedroom units, divided between eight (8) three and four-story buildings, including 100± work-force living units. On-site amenities will include a fitness center, in-ground/outdoor swimming pool and pool house, lounge areas and indoor/outdoor community spaces. In addition, each residential unit contain either a patio or deck.

**GREYBARN**





## Mineola

A six-story, plus a lower level parking garage, elevator-serviced, 275-unit luxury apartment complex, known as “Modera”, was recently constructed along Old Country Road in Mineola. The complex contains 2½ levels of structured parking (one at street level and 1½ below grade), with the five remaining upper levels containing studio to two-bedroom luxury apartment units. The new project includes 6,500± square feet of administrative and amenity space, which includes a clubhouse with fitness center and cathedral ceilings, a game room, a business center, and Wi-Fi resident coffee lounge, and two landscaped courtyards with an outdoor pool, sundeck, gas fireplace and fountains.

### MODERA



## Glen Cove

The \$1-billion Garvies Point project broke ground and has revitalized the city's waterfront, including 860 residential units, a 250-suite hotel, 75,000 square feet of commercial and retail space, and 19 acres of public amenities and open space, on 56 acres of former industrial brownfield.

## RXR GARVIES POINT



### Ronkonkoma Hub

Phase one of a \$475-million project to rehabilitate the area around the Long Island Rail Road station is expected to begin in the near term. Plans by Tritec Real Estate call for up to 1,450 apartments and 545,000 square feet of retail and office space.

## RONKONKOMA HUB



## Farmingdale

The Jefferson at Farmingdale consists of a newly constructed 155± unit apartment complex (80% market/20% AHU), with additional retail space located by the Farmingdale train station. The property was delivered in the 4th Quarter of 2015.

The Cornerstone at Farmingdale is a soon to be built 42± unit apartment complex (80% market/20% AHU) also located by the Farmingdale train station. The property was delivered in the 3rd Quarter of 2016.

### **THE JEFFERSON**



## Wyandanch

A \$500-million public-private revitalization is well underway, with tenants expected to move into 177 apartments in two buildings next month. Developer Albanese Organization is signing leases with commercial tenants such as Roslyn Savings Bank, all part of the project's first phase.

## Huntington Station

Another RXR-Renaissance partnership, this revitalization project includes a 140-room hotel, a 100,000-square-foot office building, a 49-unit artist loft complex, rental apartments and retail space.

### **Downtown Long Island Developments**

As shown within the previous new developments on Long Island, there is an increased demand for walkable downtown areas within Nassau and Suffolk County with access to commuter rail stations on the Long Island Railroad and other public transportation options. The subject properties location in close proximity to the West Hempstead station on the Long Island Railroad provides direct access to Penn Station in Manhattan and Atlantic Terminal in Downtown Brooklyn, which gives potential tenants easy access to the largest employment hubs in the local area.

### **Nassau County Residential Market Conclusion**

The subject is well-located within Nassau County, within immediate walking distance to the West Hempstead Long Island Railroad train station. As previously shown, the subject is located in a stable residential submarket (Central Nassau Multi-Family Submarket, via CoStar) with a current indicated 4.2% vacancy rate and an average asking rental rate of \$2,551.00 per unit per month. According to the CoStar submarket report, the average rental rate has been steadily increasing within the submarket since 2015 and forecasts indicate that these rental rates will keep increasing over the next three years. Based on these factors it seems the subject will be income producing in to the future years.



# COSTAR SUBMARKET REPORT: CENTRAL NASSAU – INDUSTRIAL

(Continued)

## Sales Past 12 Months

Central Nassau Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
8	-	\$128	42.2%

**SALE COMPARABLE LOCATIONS**

**SALE COMPARABLES SUMMARY STATISTICS**

Sales Attributes	Low	Average	Median	High
Sale Price	\$400,000	\$2,239,286	\$1,700,000	\$6,750,000
Price/SF	\$113	\$128	\$150	\$222
Cap Rate	-	-	-	-
Time Since Sale in Months	3.7	7.8	8.0	10.8
Property Attributes	Low	Average	Median	High
Building SF	1,800	19,800	13,550	60,000
Ceiling Height	10'	15'3"	16'	18'
Docks	0	4	1	16
Vacancy Rate At Sale	0%	42.2%	0%	100%
Year Built	1947	1958	1960	1963
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 1.9	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Copyrighted report licensed to Goodman-Marks Associates, Inc. - 699207

1/20/2021  
Page 9



**PHOTOGRAPHS OF SUBJECT PROPERTY<sup>13</sup>**



**View of Subject Property facing South on Hempstead Avenue**



**View of Subject Property facing Southeast on Hempstead Avenue**

---

<sup>13</sup> All photographs taken January 29, 2021



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Subject Property facing Northwest on Hempstead Gardens Drive**



**View of Entrance into the Subject Property on Hempstead Gardens Drive**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Improvements on Subject Lot 13 (Facing South from Hempstead Avenue)**



**View of Improvements on Subject Lot 13 (Facing North on Hempstead Gardens Dr.)**





**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Improvements on Subject Lot 13 (Facing North)**



**View of Rear of Improvements on Subject Lot 13 (Facing South)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Subject Property (Facing North towards Lot 13)**



**View of Subject Property (Facing North towards Lot 13)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Subject Property (Facing South towards Lot 11)**



**View of Subject Property (Facing South towards Lot 11)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Exterior View of Subject Property Improvements on Lot 11**



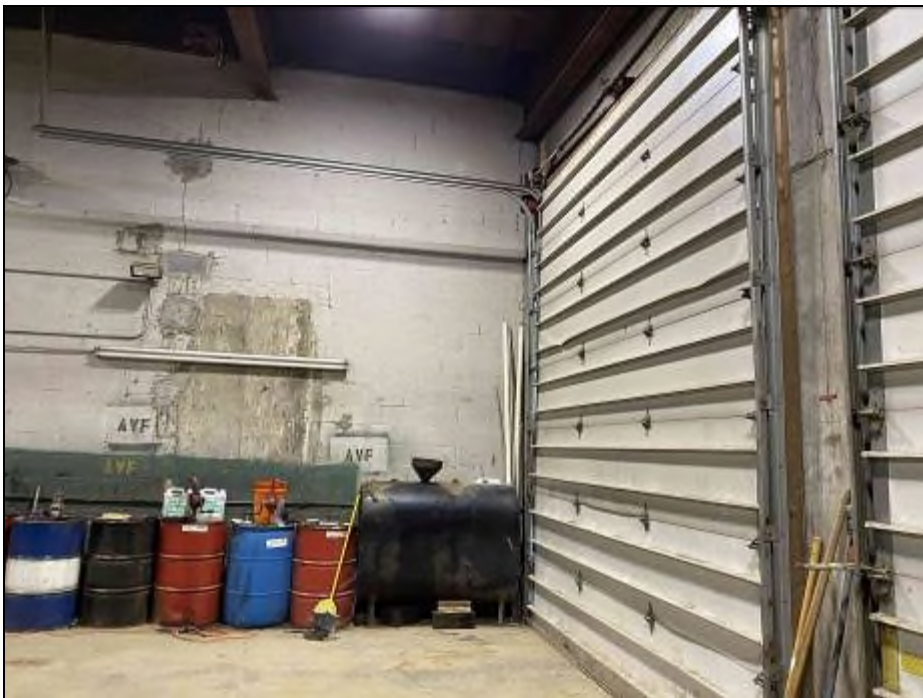
**Exterior View of Subject Property Improvements on Lot 11**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Interior View of Subject Property Improvements on Lot 11 (Industrial)**



**Interior View of Subject Property Improvements on Lot 11 (Industrial)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Interior View of Subject Property Improvements on Lot 11 (Industrial)**



**Interior View of Subject Property Improvements on Lot 11 (Industrial)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Interior View of Subject Property Improvements on Lot 11 (Industrial)**



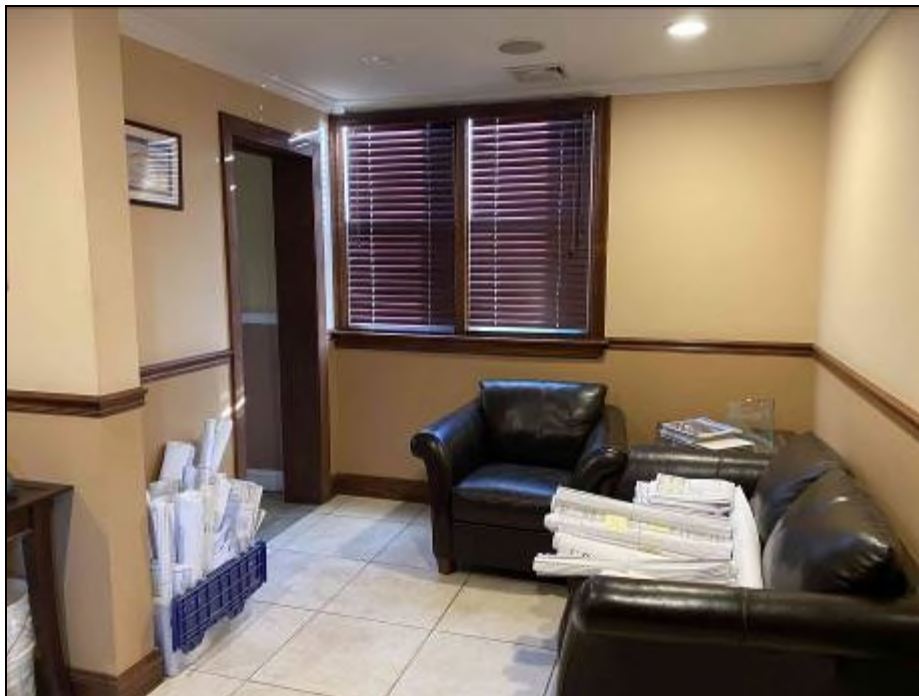
**Interior View of Subject Property Mezzanine Improvements on Lot 11 (Industrial)**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Interior Views of Subject Property Mezzanine Office Space (Lot 13)**





**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**View of Boiler and Hot Water Heater in Basement of the Improvements on Lot 13**



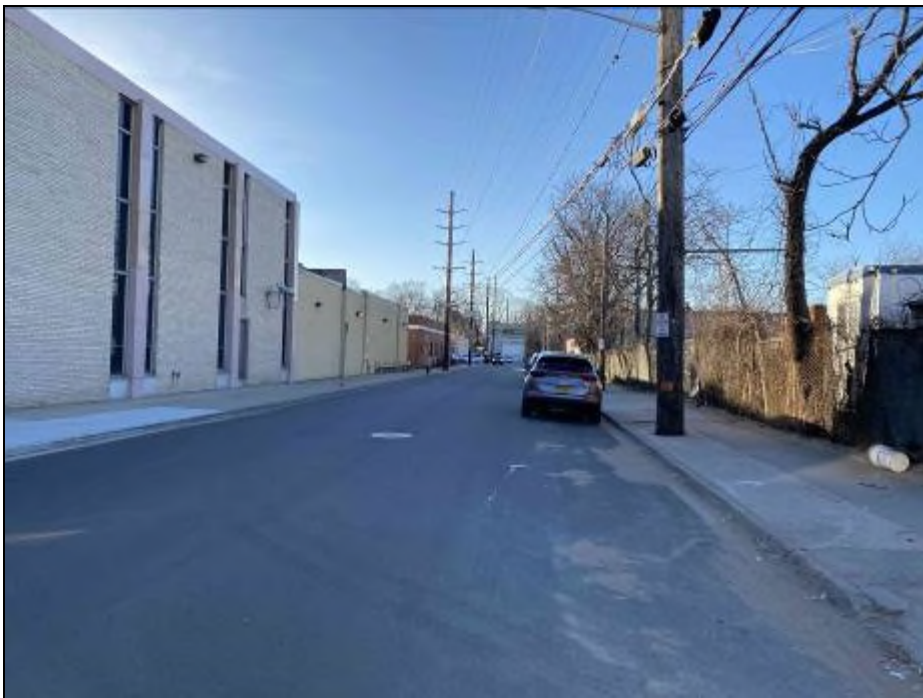
**View of Oil Tanks in Basement of the Improvements on Lot 13**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Street Scene facing North along Hempstead Gardens Drive**



**Street Scene facing South along Hempstead Gardens Drive**



**PHOTOGRAPHS OF SUBJECT PROPERTY**  
*(continued)*



**Street Scene facing West along Hempstead Avenue**



**Street Scene facing East along Hempstead Avenue**

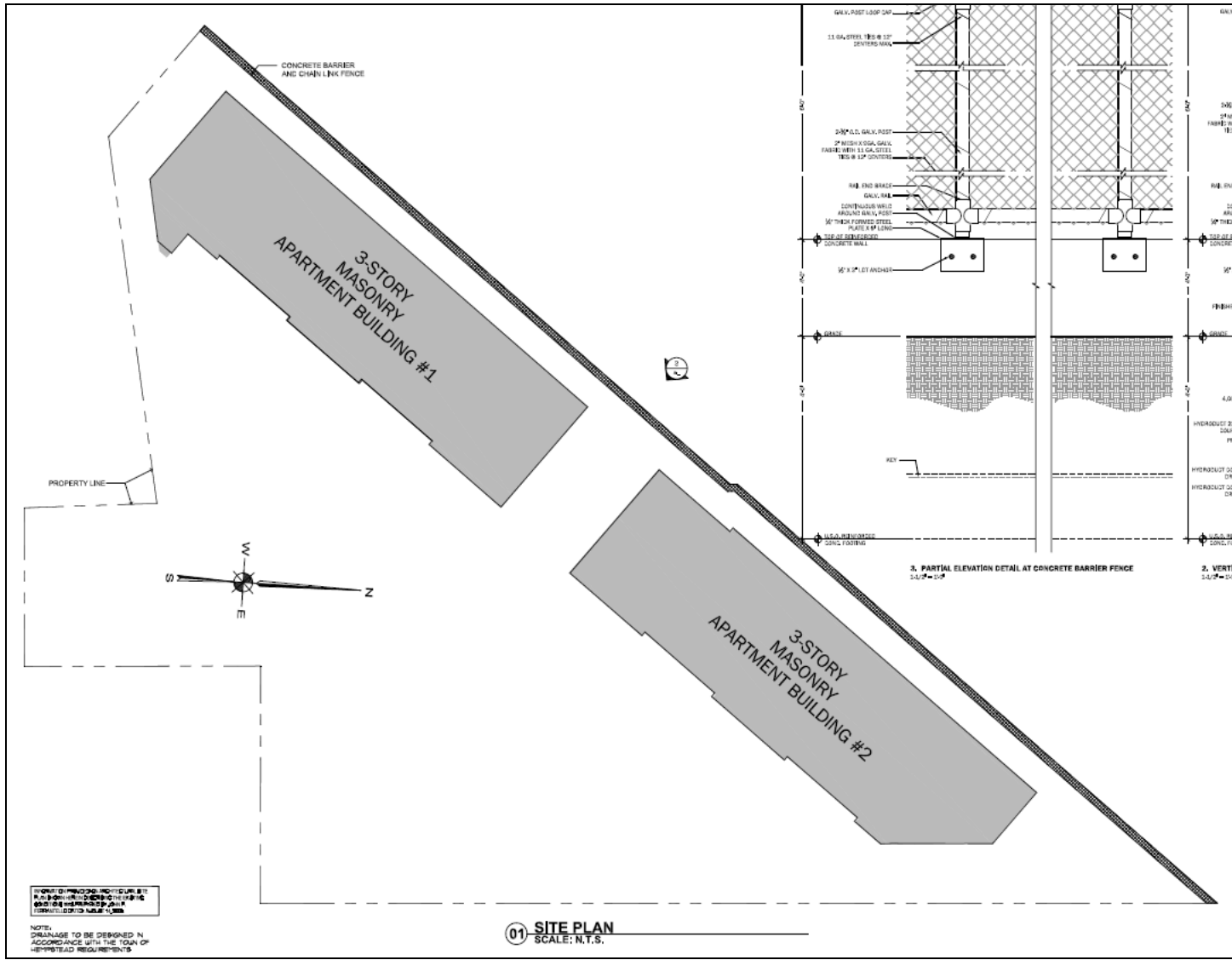


**AERIAL VIEW OF SUBJECT PROPERTY**





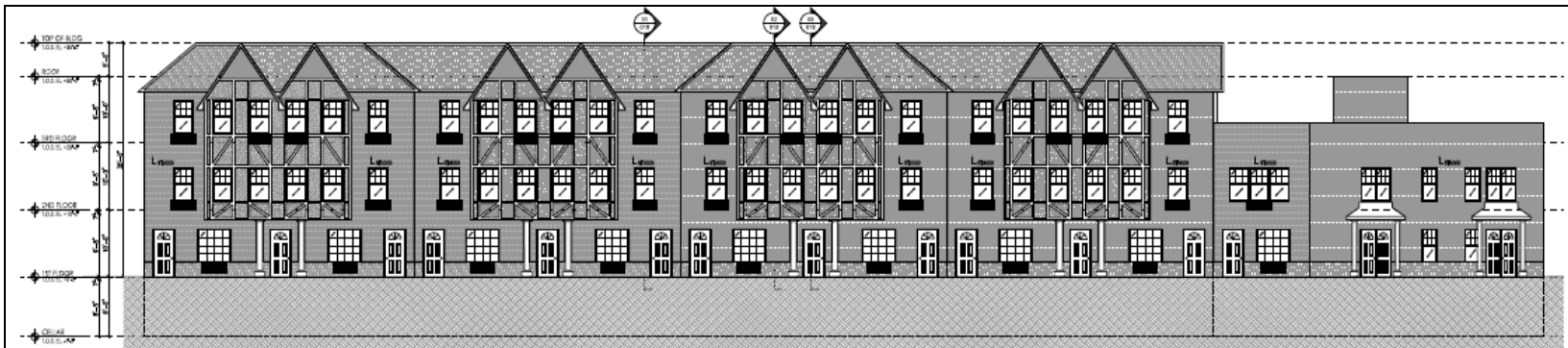
# PROPOSED SITE PLAN





# ARCHITECTURAL RENDERINGS

## Building 2



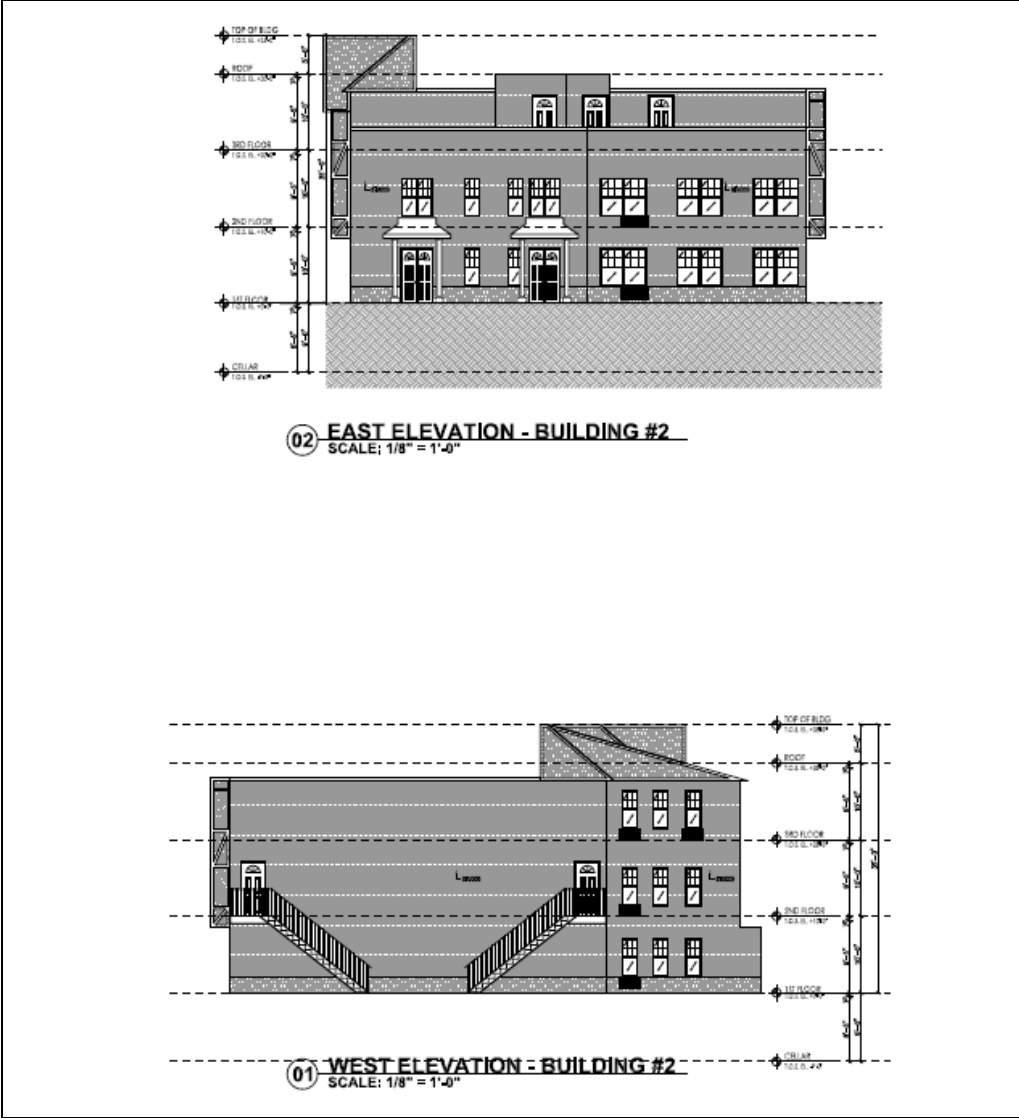
02 SOUTH ELEVATION - BUILDING #2  
SCALE: 1/8" = 1'-0"



01 NORTH ELEVATION - BUILDING #2  
SCALE: 1/8" = 1'-0"

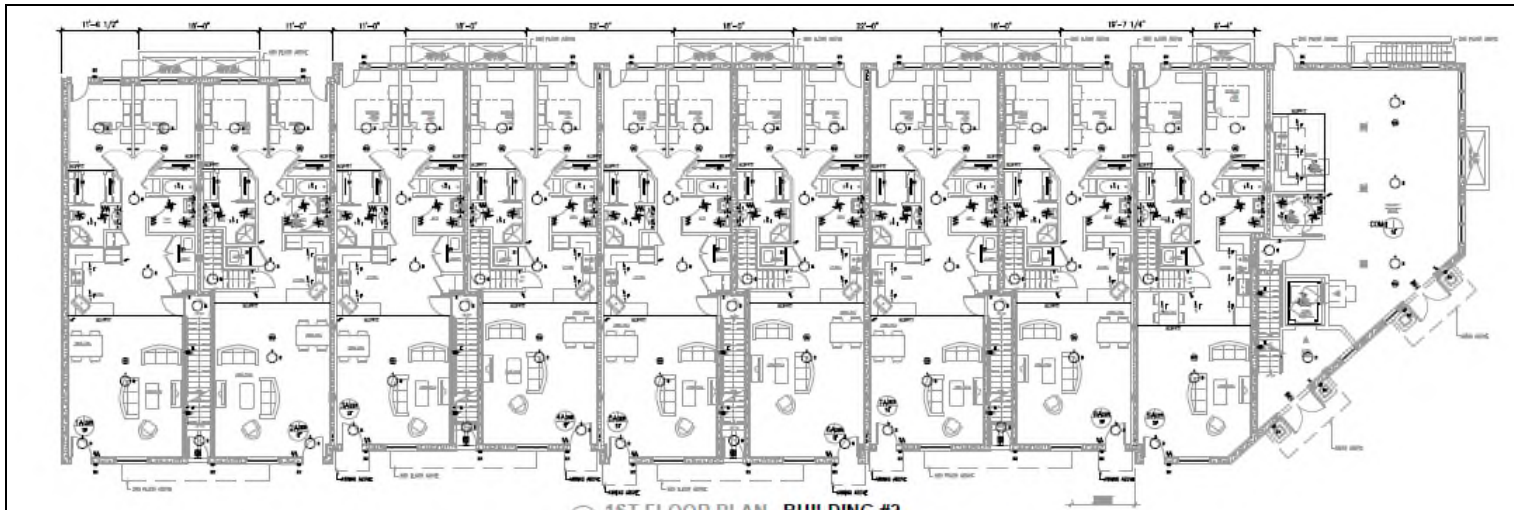


**ARCHITECTURAL RENDERINGS**  
*(continued)*

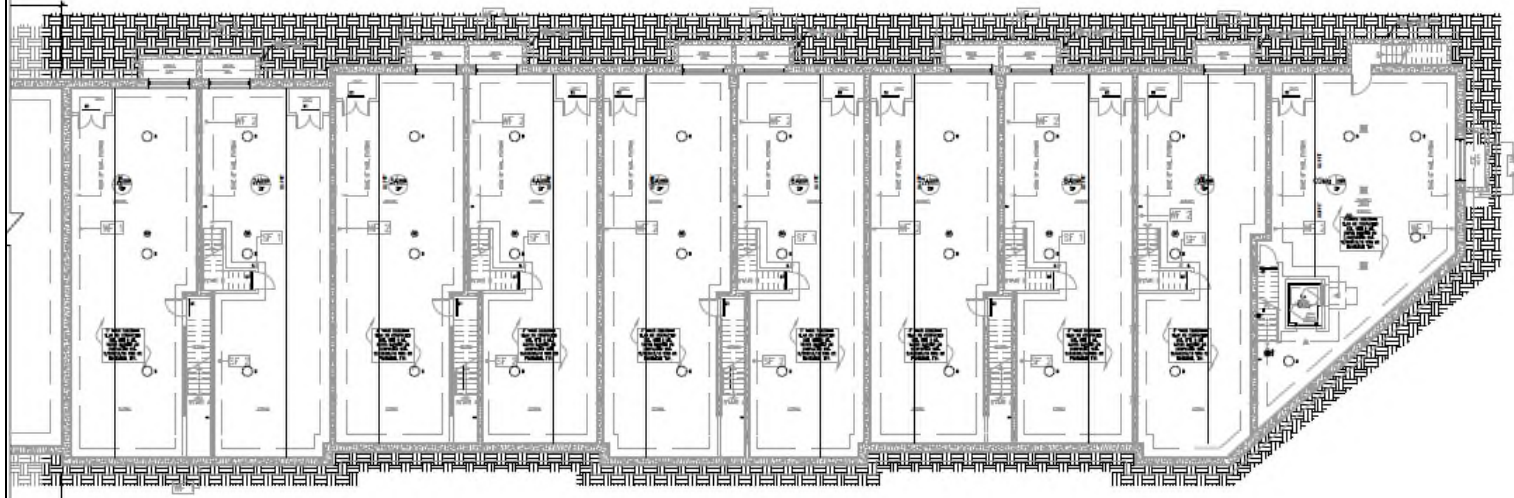




**ARCHITECTURAL RENDERINGS**  
*(continued)*



02 1ST FLOOR PLAN - BUILDING #2  
SCALE: 1/8" = 1'-0"

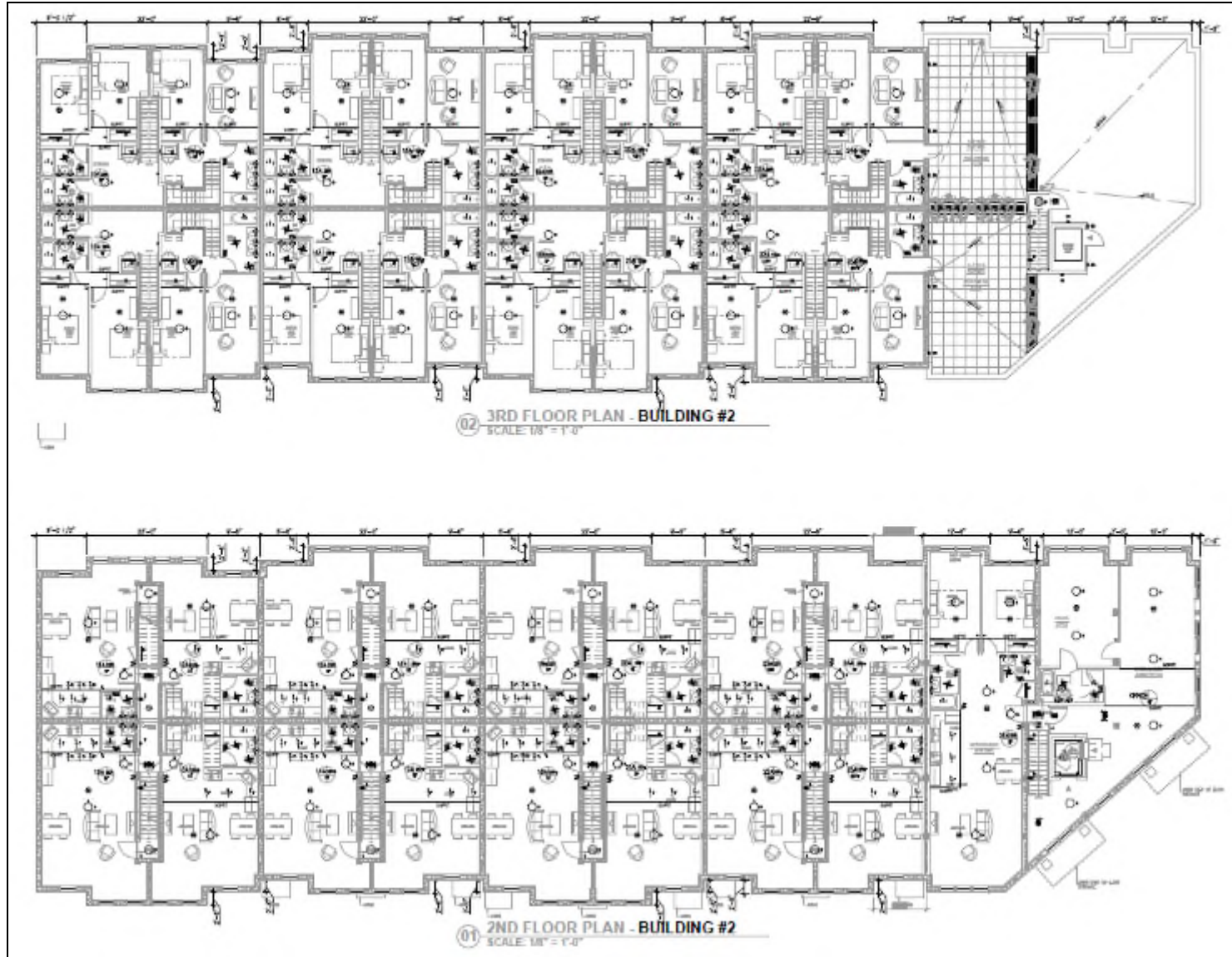


01 CELLAR PLAN - BUILDING #2  
SCALE: 1/8" = 1'-0"

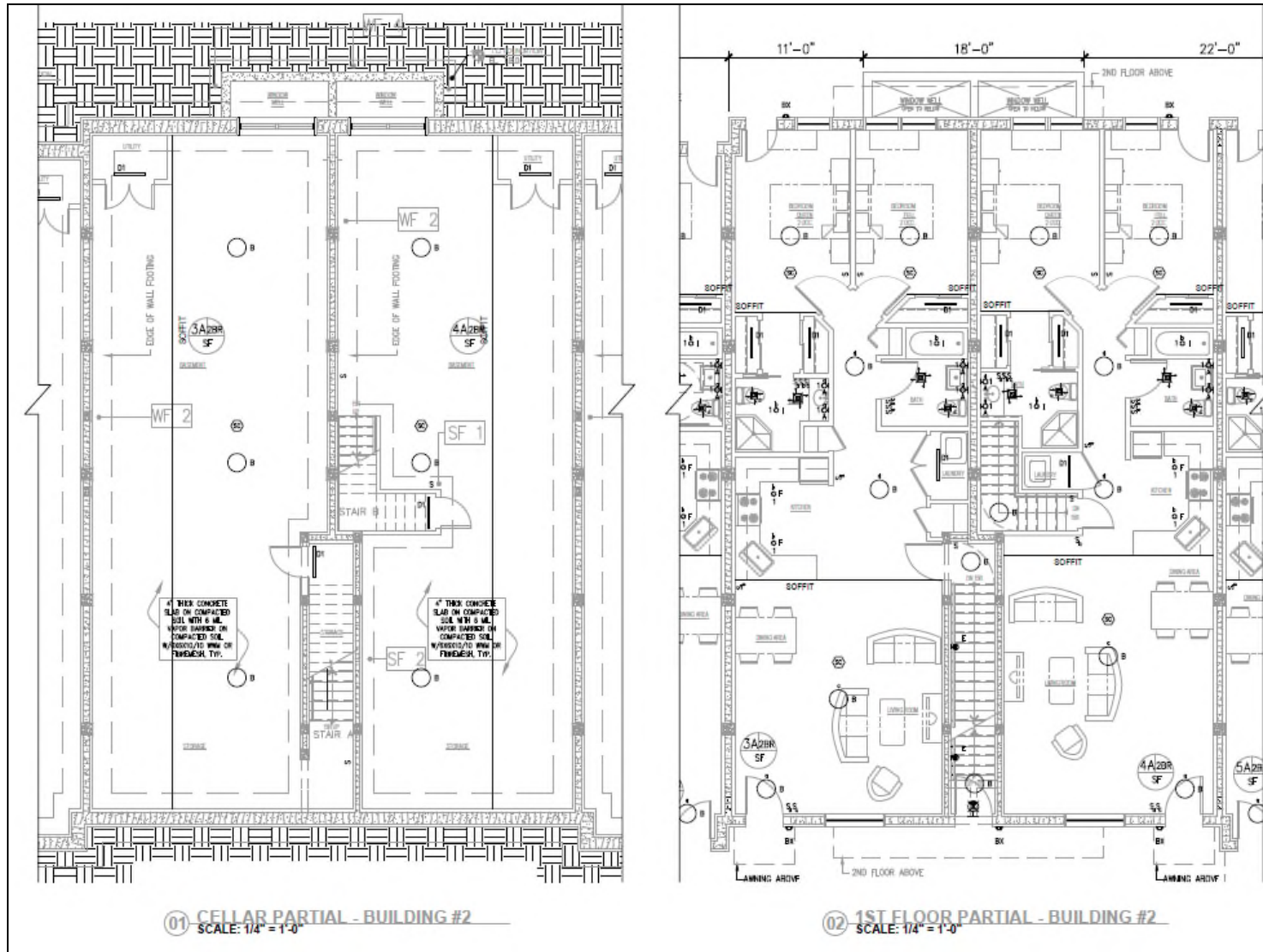




**ARCHITECTURAL RENDERINGS**  
*(continued)*

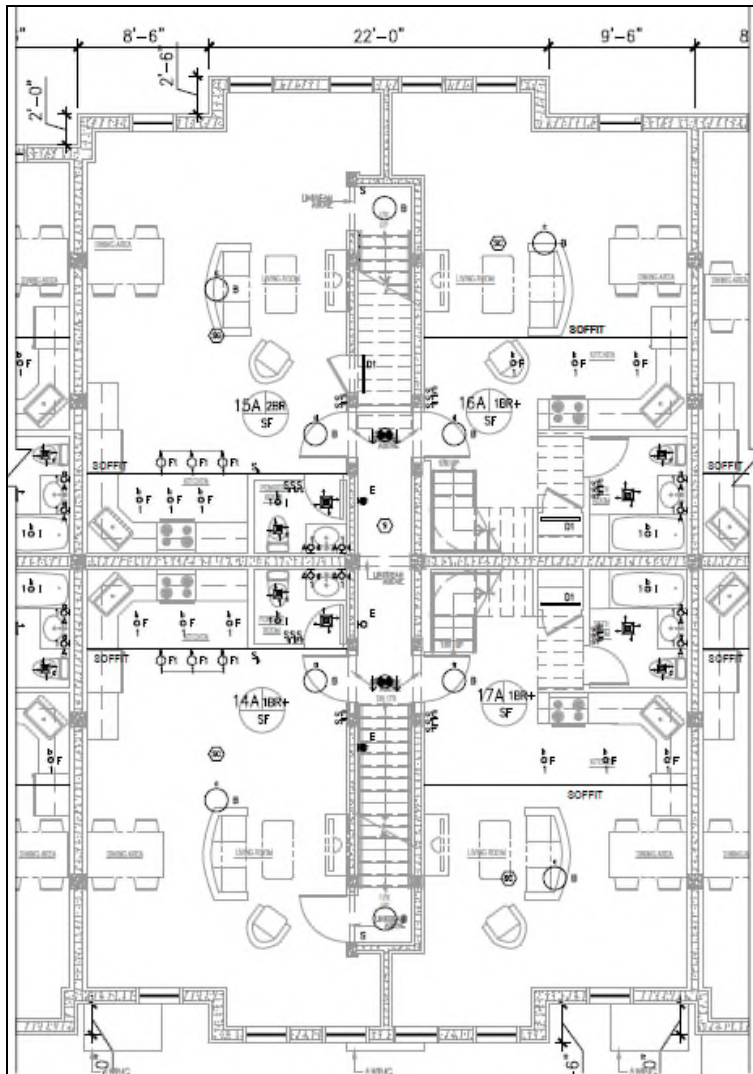


**ARCHITECTURAL RENDERINGS**  
 (continued)

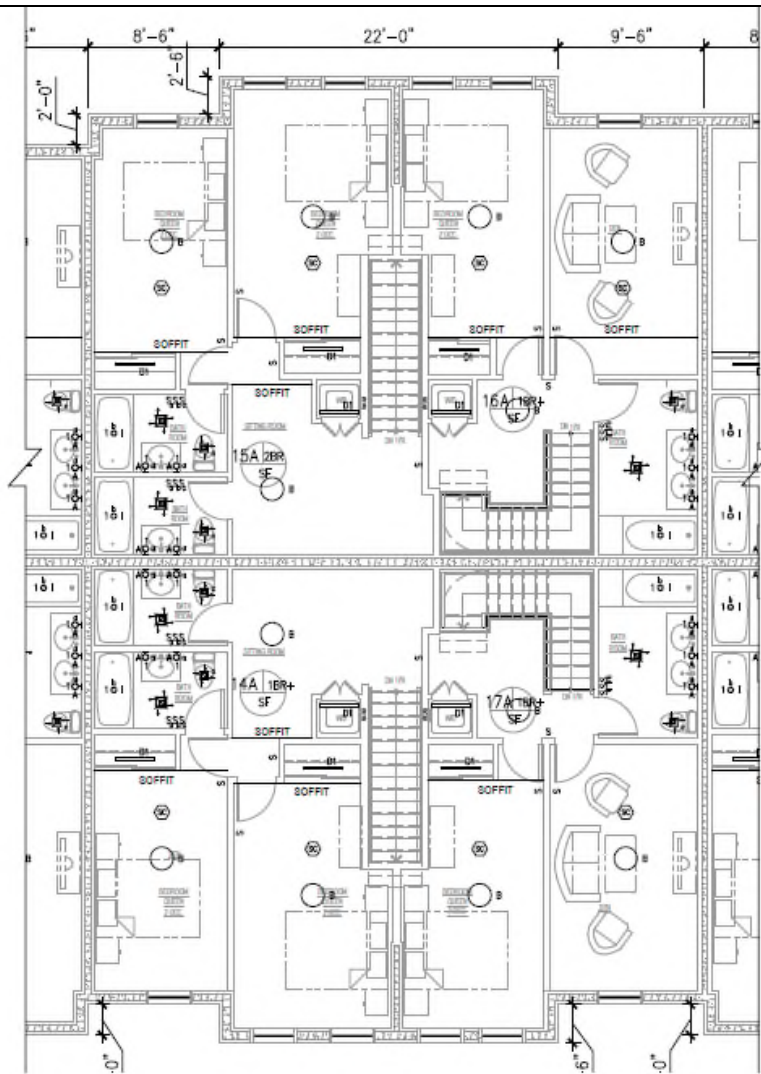




**ARCHITECTURAL RENDERINGS**  
*(continued)*



01 2ND FLOOR PARTIAL - BUILDING #2  
SCALE: 1/4" = 1'-0"



02 3RD FLOOR PARTIAL - BUILDING #2  
SCALE: 1/4" = 1'-0"



## PROPERTY DESCRIPTION

### SITE DESCRIPTION

The subject property consists of a 2.02±-acre parcel of land located on the southwest corner of Hempstead Avenue and Hempstead Gardens Drive, east of the train tracks for the Long Island Railroad in the hamlet of West Hempstead, Town of Hempstead, County of Nassau and State of New York. The subject property is identified on the tax maps of Nassau County as Section 35, Block 371, Lots 11, 12 & 13.

The subject property is comprised of three (3) tax lots, which when combined, form a 2.02±-acre irregular-shaped corner parcel of land (87,848± square feet)<sup>14</sup> located directly west of the West Hempstead Station for the Long Island Railroad. As of the date of inspection, January 29, 2021, the subject property was improved with two (2) one-story industrial buildings containing a combined gross building area (GBA) of 13,370± square feet, according to Nassau County public records. The subject property was formerly zoned Light Manufacturing (Town of Hempstead). According to information provided to us by our client, the subject property was rezoned to “URD-C” on October 5, 2009, which permits multi-family development.

According to the architectural plans provided to us and prepared by Brent Porter & Associates, dated May 1, 2019, the subject property is proposed to be developed with two (2), three-story, walk-up townhouse style multi-family buildings, containing fifty-five (55) units.

According to Flood Insurance Rate Map Community-Panel Number 36059C0210G, effective September 11, 2009, the subject property is located in Zone X (area of minimal flood hazard). Our physical inspection did not include an environmental audit, because as real estate appraisers, we are not qualified to perform that service. This valuation analysis is based on the assumption that the soil and subsoil conditions of the subject site are adequate to support development.

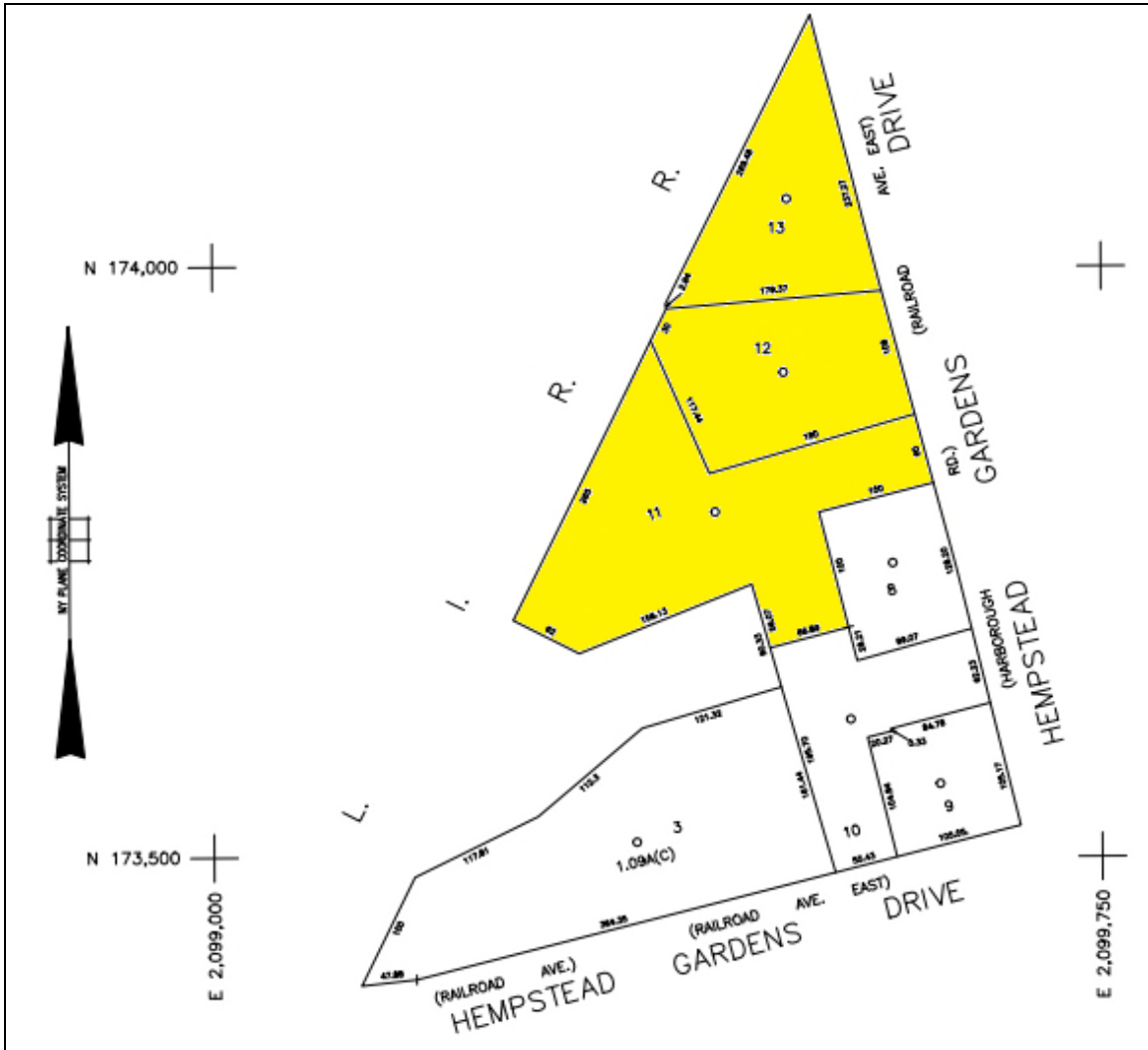
---

<sup>14</sup> According to the Nassau County public records, it should be noted that the architectural plans provided to us indicated a total land area of 87,861± square feet of land area (2.01± acres), which approximates the land area reported by Nassau County.



# TAX MAP

Section 35, Block 371, Lots 11, 12 & 13





**ASSESSMENT AND REAL ESTATE TAX DATA**

The subject property development is identified on the tax maps of the County of Nassau as Section 35, Block 371, Lots 11, 12 & 13. It is noted that the subject property appears to have undergone a reassessment as the assessed value was reduced effective 2021. We have calculated the current subject property real estate assessment and tax burden in the following chart, which includes the School and General taxes assessed by the County of Nassau and the total real estate taxes assessed by the County as of 2021:

**2021 Subject Property Real Estate Tax Assessment and Real Estate Taxes**

Building Area	7,994	0	5,376
Lot Area	43,216	23,375	21,257
<b>Block</b>	<b>371</b>	<b>371</b>	<b>371</b>
<b>Lot</b>	<b>11</b>	<b>12</b>	<b>13</b>
2021 General Assessed Value - Nassau County	\$ 1,623	\$ 2,066	\$ 3,350
2021 General Tax Rate - Nassau County	<u>x 4.01499</u>	<u>x 4.01499</u>	<u>x 4.01499</u>
2021 General RETX - Nassau County	\$ 6,516	\$ 8,295	\$ 13,450
2021 School Assessed Value - Nassau County	\$ 1,623	\$ 2,066	\$ 3,350
2021 School Tax Rate - Nassau County	<u>x 4.50711</u>	<u>x 4.50711</u>	<u>x 4.50711</u>
20201 School RETX - Nassau County	\$ 7,315	\$ 9,312	\$ 15,099
<b>Total Real Estate Taxes per Lot</b>	<b>\$ 13,831</b>	<b>\$17,607</b>	<b>\$28,549</b>
<b>Total Real Estate Taxes</b>	<b>\$ 59,987</b>		
<b>RETX / Sq. Ft. of GBA</b>	<b>\$ 4.49</b>		
<i>Unpaid Water Charges</i>	<i>\$ 6,542</i>	<i>\$1,349</i>	

**Historical Subject Property Real Estate Tax**

<b>Block</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	
<b>Lot</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>Total</b>
<b>Taxes</b>	<b>School</b>	<b>General*</b>	<b>Total</b>	<b>School</b>	<b>General</b>	<b>Total</b>	<b>School</b>	<b>General</b>	<b>Total</b>	<b>RETX</b>
2021	\$7,315	\$6,516	\$13,831	\$9,312	\$8,295	\$17,607	\$15,099	\$13,450	\$28,549	\$59,987
2020	\$20,371	\$17,431	\$37,802	\$7,531	\$6,444	\$13,975	\$15,743	\$13,472	\$29,215	\$80,992
2019	\$19,481	\$16,548	\$36,029	\$7,201	\$6,117	\$13,318	\$15,055	\$12,788	\$27,843	\$77,190
2018	\$20,664	\$13,225	\$33,889	\$7,639	\$6,092	\$13,731	\$15,969	\$12,736	\$28,705	\$76,325
2017	\$17,646	\$18,993	\$36,639	\$6,523	\$6,332	\$12,855	\$13,637	\$13,238	\$26,875	\$76,369
2016	\$17,311	\$13,037	\$30,348	\$6,399	\$4,820	\$11,219	\$13,378	\$10,075	\$23,453	\$65,020
2015	\$18,717	\$14,368	\$33,085	\$6,919	\$5,312	\$12,231	\$14,467	\$11,105	\$25,572	\$70,888
2014	\$18,145	\$13,461	\$31,606	\$6,708	\$4,977	\$11,685	\$14,025	\$10,405	\$24,430	\$67,721

\*Excluding unpaid water charges



Upon construction of the proposed redevelopment project the subject property will be reassessed as a rental apartment building. Therefore, we have researched the local market for comparable properties to determine the appropriate real estate tax burden upon completion. It should be noted that the comparable real estate taxes are within both buildings of new construction and those of older construction which are located in a similar market as compared to the subject property. A majority of new construction buildings are granted PILOT tax programs, however, we have utilized these properties total assessed value, not including the PILOT, within our analysis herein.

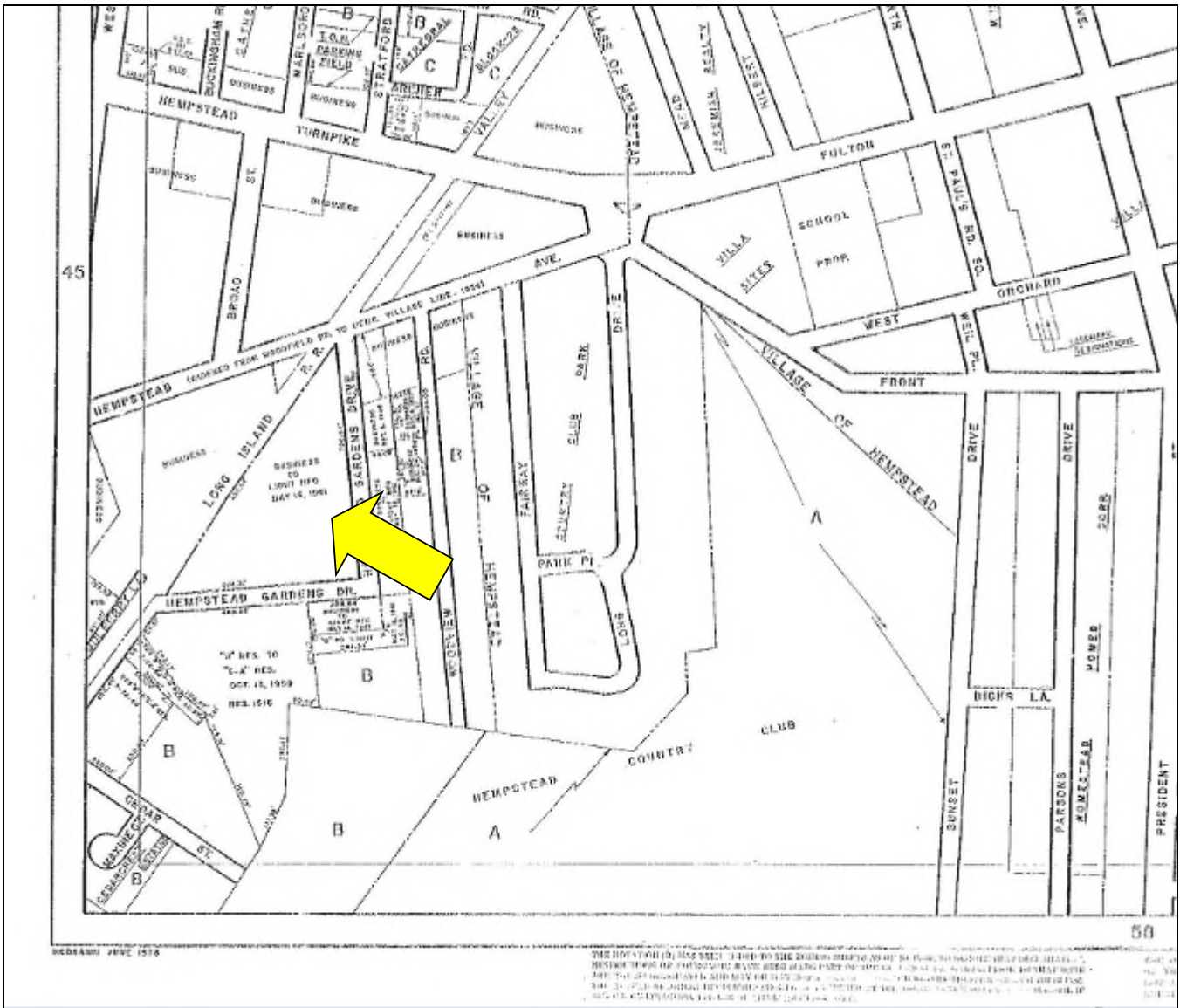
**Projected Real Estate Taxes – Upon Completion**

No.	Location	Block/ Lot	Units	Year Built	School RETX	General RETX	Total RETX	RETX/ Unit
1	1299 Corporate Drive, Westbury	44/78/67	396	2004	\$1,961,567	\$1,016,544	\$2,978,111	\$ 7,520
2	130 Hempstead Avenue, West Hempstead	35/386/209	150	2013	\$ 838,533	\$ 679,138	\$1,517,671	\$10,118
3	125 S Cottage Street, Valley Stream	37/119/134	90	2009	\$ 874,972	\$ 98,698	\$ 973,670	\$10,819
4	303 Main Street, Hempstead	34/191/1	166	2011	\$1,484,890	\$ 156,455	\$1,641,345	\$ 9,888
5	990 Corporate Drive, Westbury	44/78/100	178	2016	\$1,361,197	\$ 705,414	\$2,066,611	\$11,610
6	12 Brooklyn Avenue, Valley Stream	39/12/13	72	2015	\$ 967,029	\$ 109,082	\$1,076,111	\$14,946
							<b>Min</b>	<b>\$ 7,520</b>
							<b>Max</b>	<b>\$14,946</b>
							<b>Mean</b>	<b>\$10,817</b>

We have projected a real estate tax burden of \$10,000 per unit for the proposed subject property development, which equates to an annual tax burden for the subject property of \$550,000.00, based on a total unit count of 55 apartment units.

Furthermore, we are not aware of any plans to obtain a PILOT real estate tax program for the proposed subject property development. Therefore, we have not assumed a PILOT program in our valuation herein. Any information to the contrary may affect our valuation herein.

## ZONING MAP



\*Note: The subject property was formerly zoned Light Manufacturing (Town of Hempstead). According to a Zoning Board Resolution (No. 1141-2014 / Case No. 28494), the subject property was rezoned to "URD-C" on October 5, 2009, subject to a Declaration of Restrictive Covenants (see Addenda). According to the Resolution, "the subject premises shall be developed and utilized substantially in accordance with the Site Plan, Floor Plans, and Elevation Plans prepared by H2M Group, dated August 9, 2007, last revised October 31, 2012 submitted to the Town Board of the Town of Hempstead herein. Said plan calls for the development of the subject premises with fifty-four (54) multi-family dwelling units (plus one superintendent's unit) in full compliance with the requirements of the "URD-C" District".





## ZONING EXCERPT

According to the zoning map from the Town of Hempstead, the provided architectural plans and the subject property Town Board Resolution, the subject property was changed from the Light Manufacturing district to the Urban Renewal Residence C District (URD-C) zoning district as of October 5, 2009.

### URD-C Zoning Regulations

<b>Permitted Uses:</b>	<p>a) Three or more family multiple dwellings</p> <p>b) In the case of three-or-more-family multiple dwellings, which include the office of a person practicing the profession of medicine, dentistry, law, architecture or engineering, together with the studio or occupational room of a chiropractor, a real estate or insurance broker or accountant, provided that such use is conducted in not more than 20% of the floor area of the apartment or suite of rooms in which the practitioner resides and is incidental to such residential use, and provided that there is no visible advertising</p>
<b>Maximum Building Height:</b>	35 feet in height of 3 stories
<b>Building Area</b>	<p>3-4 Family dwellings – Shall not exceed 40% of Lot Area</p> <p>4+ Family dwellings – Shall not exceed 30% of Lot Area</p>
<b>Floor Area Ratio</b>	<p>3-4 Family dwellings – 0.8</p> <p>4+ Family dwellings – 0.9</p>
<b><u>Minimum Yard Requirements</u></b>	
<b>Front:</b>	The required minimum front yard depth shall be the average of the front yard depth of existing buildings within 200 feet on each side of the lot and within the same block, or if there are not at least two existing buildings within 200 feet on each side of the lot and within the same block, the required front yard shall be not less than 20 feet. In any case, no front yard shall be required to have a depth greater than 30 feet.
<b>Sides:</b>	<p>In the case of three- and four-family multiple dwellings, there shall be two side yards, one on each side of the main building, the aggregate widths of which shall be at least 15 feet. Neither side yard shall be less than five feet wide.</p> <p>(2)</p> <p>In the case of more-than-four-family multiple dwellings, there shall be two side yards, one on each side of the main building, the aggregate widths of which shall be at least 30 feet. Neither side yard shall be less than 15 feet wide.</p>
<b>Rear:</b>	25 feet



## URD-C Zoning Regulations (continued)

<b>Lot area, width and depth</b>	<p>(1) In the case of three- and four-family multiple dwellings, no dwelling or other building shall be constructed on a lot unless it contains an area of no less than 6,000 square feet and has a minimum lot width of 60 feet at the street line and at the front setback line and has a minimum lot depth of 100 feet.</p> <p>(2) In the case of more-than-four-family multiple dwellings, no dwelling or other building shall be constructed on a lot unless it contains an area of not less than 10,000 square feet and has a minimum lot width of 80 feet at the street line and at the front setback line and has a minimum lot depth of 100 feet.</p> <p>(3) In the case of more-than-four-family multiple dwellings, the minimum lot area per dwelling unit shall be 1,600 square feet.</p>
<u>Off-Street Parking Requirements</u>	
<b>Residential Space</b>	1 space per 1 unit

### Architectural Plans Zoning Analysis

<b>40 HEMPSTEAD GARDENS DRIVE - BUILDING #2</b>	
SECTION : 35 BLOCK : 371 LOTS : 11, 12, 13 ZONE: LIGHT MANUFACTURING CHANGED TO 'URD-C'	
LOT AREA : 87, 861.3 SQ.FT. 2.01 ACRES BUILDING AREA : 20,794 SQ.FT. 23.6% COVERAGE	
DENSITY: 1 DWELLING UNITS PER 1600 S.F $87,861.3 / 1600 \text{ S.F} = 54.9$ ACTUAL 54 UNITS	
FLOOR AREA RATIO: ALLOWABLE = .9 ACTUAL = $60,714 / 87,861.3 = .69$	
<b>BULK REQUIREMENTS</b>	
MINIMUM FRONT YARD DEPTH	25FT.                      25.9FT
MINIMUM SIDE YARD DEPTH	15FT.                      18.7FT.
MINIMUM REAR YARD DEPTH	25FT.                      25FT.
MAXIMUM BUILDING AREA	30%                        23.6%
MAXIMUM BUILDING HEIGHT	3 STORIES 35FT.                      31.8FT. TO MIDPOINT OF ROOF
<b>PARKING CALCULATIONS</b>	
REQUIRED:	1 SPACE PER 1 UNIT
	54 X 1 = 54 SPACES
	1 SPACE PER 200 S.F OFFICE / IN-HOUSE ADMINISTRATION
	2,000 S.F / 200 = 10 SPACES
	1 SUPERINTENDENT APT. = 1 SPACE
	COMMUNITY ROOM = 59 OCC. / 3 = 19.6 = 20 SPACES
TOTAL REQUIRED = 85 SPACES	
TOTAL PROVIDED: 85 SPACES, INCLUDING 4 HANDICAPPED	
UNIT COUNT - 54 UNITS	
BUILDING #1 - 30 UNITS	
22 - 2 BEDROOM	
8 - 1 BEDROOM WITH DEN	
BUILDING #2 - 24 UNITS	
15 - 2 BEDROOM	
9 - 1 BEDROOM WITH DEN	
+ 1 SUPERINTENDENT'S APARTMENT	
	NOTE : THE 17 ONE BEDROOM UNITS ARE INTENDED TO BE MARKETED AS ONE BEDROOM UNITS WITH DEN.



**Architectural Plans Zoning Analysis**

UNIT OCCUPANCY CALCULATIONS							
UNIT	LIVING / DINING S.F	KITCHEN S.F	BEDROOM #1 S.F	BEDROOM #2 S.F	MAX OCC. PER UNIT	# UNITS BLDG.1	# UNITS BLDG.2
A	227 S.F	70 S.F	141 S.F	130 S.F	4	1	
B	251 S.F	70 S.F	123 S.F	109 S.F	3	5	4
C	212 S.F	77 S.F	124 S.F	123 S.F	4	1	
D	212 S.F	77 S.F	124 S.F	123 S.F	4	1	
E	208 S.F	77 S.F	124 S.F	123 S.F	4	1	
F	204 S.F	50 S.F	131 S.F	107 S.F	3	1	
G	218 S.F	92 S.F	131 S.F	128 S.F	4	4	4
H	218 S.F	92 S.F	131 S.F	128 S.F	4	4	4
I	208 S.F	77 S.F	131 S.F		2	4	5
J	204 S.F	50 S.F	131 S.F		2	4	5
K	273 S.F	70 S.F	123 S.F	109 S.F	3	4	3
MAX OCCUPANTS BUILDING #1 = 94							
MAX OCCUPANTS BUILDING #2 = 73							

The subject property was formerly zoned Light Manufacturing (Town of Hempstead). According to a Zoning Board Resolution (No. 1141-2014 / Case No. 28494), the subject property was rezoned to “URD-C” on October 5, 2009, subject to a Declaration of Restrictive Covenants (see Addenda). According to the Resolution, “the subject premises shall be developed and utilized substantially in accordance with the Site Plan, Floor Plans, and Elevation Plans prepared by H2M Group, dated August 9, 2007, last revised October 31, 2012 submitted to the Town Board of the Town of Hempstead herein. Said plan calls for the development of the subject premises with fifty-four (54) multi-family dwelling units (plus one superintendent’s unit) in full compliance with the requirements of the “URD-C” District”.

According to the architectural plans provided to us and prepared by Brent Porter & Associates, dated May 1, 2019, the subject property is proposed to be developed with two (2), three-story, walk-up townhouse style multi-family buildings including fifty-five (55) apartment units, comprised of eighteen (18) one-bedroom units and thirty-seven (37) two-bedroom units within 60,714± square feet of GBA. The proposed development will also include eighty-five (85) surface parking spaces.



We are not aware of any income or age restriction requirements for the proposed subject development. Therefore, our valuation herein assumes all of the residential units will be available at free market rental rates.

We have assumed that the proposed new construction multi-family development is be a legal, complying use in regards to the current zoning district. However, we recognize that issues involving zoning compliance are complex and require the special skills, knowledge and training of professionals familiar with the appropriate regulations. Therefore, the determination of zoning compliance can be determined only by an architect or engineer.



**ADJUSTMENTS TO THE COMPARABLE LAND SALES**

No.	Property Address	Date of Sale	Sale Price/Unit	x Time Adj.	=	Adj. Sale Price/Unit	x Loc.	+	Size	+	<u>Adjustments</u>			=	Adj. Sale Price/Unit
											Zoning Approvals	Site Utility	Avg. Unit Size		
1	7 Washington Place Island Park, Nassau County	2/25/2020	\$ 93,023	0%	=	\$ 93,023	-10%	+	10%	+	0%	0%	0%	=	\$ 93,023
2	555 Stewart Avenue Garden City, Nassau County	6/6/2019	\$150,000	0%	=	\$150,000	-30%	+	10%	+	0%	-10%	0%	=	\$105,000
3	1 Shore Road Glenwood Landing, Nassau County	5/8/2019	\$200,000	0%	=	\$200,000	-25%	+	0%	+	-20%	0%	-10%	=	\$ 90,000
4	1130 West Jericho Turnpike Huntington, Suffolk County	12/14/2018	\$108,250	0%	=	\$108,250	0%	+	5%	+	0%	-10%	-10%	=	\$ 92,013
5	498 Smithtown Bypass Smithtown, Suffolk County	9/26/2017	\$130,435	5%	=	\$136,957	0%	+	0%	+	-20%	0%	0%	=	\$109,565
6	40 Hempstead Gardens Drive West Hempstead, Nassau County	10/14/2014	\$ 58,192	15%	=	\$ 66,921	0%	+	0%	+	0%	0%	0%	=	\$ 66,921
7	140-160 Old Country Rd Mineola, Nassau County	5/16/2013	\$ 76,182	15%	=	\$ 87,609	-10%	+	10%	+	0%	-10%	0%	=	\$ 78,848
8	287 & 303 Main Street Hempstead, Nassau County	4/20/2011	\$ 54,892	15%	=	\$ 63,125	0%	+	10%	+	0%	0%	0%	=	\$ 69,438
9	130 Hempstead Avenue West Hempstead, NY	2/10/2011	\$ 53,533	15%	=	\$ 61,563	0%	+	10%	+	0%	0%	0%	=	\$ 67,720



**DEVELOPMENT SITE LAND SALES CONCLUSION**

The comparable land sales for residential development were analyzed on the basis of sale price per buildable unit, which is the unit of measurement most commonly used by market participants for high density residential development sites. The comparable properties sold between February 2011 and February 2020. The unadjusted sale prices ranged from \$53,533 to \$200,000 per unit, with a mean of \$102,723 per unit. After adjustments, the sale prices narrowed to a range of \$66,921 to \$109,565 per unit, with a mean of \$85,836 per unit.

We have considered that comparable sales #6, #7, #8 and #9 are the most comparable to the subject property as a development site in terms of location and proposed development type. The range of these adjusted comparable sales was between \$66,921 and \$78,848 per unit with a mean of \$70,732 per unit. Based on the preceding, and placing greatest reliance on Sales #6 through #9, we have concluded to a fee simple estate “as is” market value opinion of \$70,000 per residential apartment unit for the subject property, subject to its highest and best use as a 55-unit multi-family redevelopment site. This resulted in the following “as is” and “as vacant” land value estimates via the sales comparison approach, under *Scenario I* and *Scenario II*.

**ESTIMATED “AS IS” MARKET VALUE (SCENARIO I AND II)**

Proposed Number of Units		55
Estimated Land Value/Unit	x	\$ 70,000
<b>“As Vacant” Market Value via Sales Comparison Approach (Scenario II)</b>		<b>\$3,850,000</b>
Less: Estimated Demolition Costs*		\$ 200,550
“As Is” Market Value via Sales Comparison Approach (Scenario I)		\$3,649,450
<b>Rounded</b>		<b>\$3,650,000</b>

\* Demolition costs estimated to be \$15.00 per square foot of GBA (13,370± square feet).

**LOCATION MAP OF COMPARABLE LAND SALES**



<b><u>No.</u></b>	<b><u>Address</u></b>
1	7 Washington Place Island Park, Nassau County
2	555 Stewart Avenue Garden City, Nassau County
3	1 Shore Road Glenwood Landing, Nassau County
4	1130 West Jericho Turnpike Huntington, Suffolk County
5	498 Smithtown Bypass Smithtown, Suffolk County
6	40 Hempstead Gardens Drive West Hempstead, Nassau County
7	140, 146, 150 & 160 Old Country Road Mineola, Nassau County
8	287 & 303 Main Street Hempstead, Nassau County
9	130 Hempstead Avenue West Hempstead, Nassau County



## LIST OF COMPARABLE LAND SALES

<i>Land Sale #1</i> Section 43, Block 381, Lots 328 and 35	7 Washington Place Island Park, Nassau County, NY
---	--

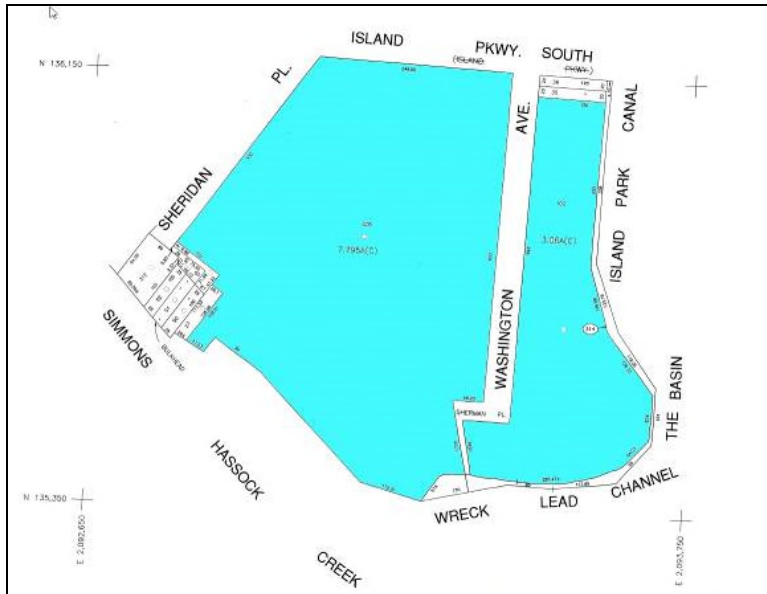


<b>Grantor / Grantee</b>	Posillico Development Co. / AVB Harbor Isle, LLC
<b>Date of Sale (Recorded)</b>	2/25/2020 (4/6/2020)
<b>Book-Page</b>	13928-654
<b>Description</b>	Irregular shaped parcel of land on Washington Avenue, with frontage on the Simmons Hassock Creek and the Wreck Lead Channel. According to a news source, there will be a \$90 million, 172-unit apartment complex built on this site. This site was once a petroleum storage facility and there was a reported 20 year process to clean up the ground water and soil, which was completed November 15, 2019, prior to the sale of the property. This property is part of the New York State Brownfield Cleanup Program. According to public news sources, the town board first approved a plan in 2008 for property owners Farmingdale-based Posillico to build apartments and condos on the 11-acre site, but the town added limitations two years later to only allow up to 10 percent of the building to be rentals. Posillico sued the town in 2014 to lift the rental restrictions so AvalonBay could build eight apartment buildings on the site. A State Supreme Court ruled in 2015 against the town, and the New York Court of Appeals declined the town's request to hear the case. Per the LI Herald, "In February 2019, AvalonBay was granted a 15-year payment in lieu of taxes agreement from the Town of Hempstead Industrial Development Agency, weeks after the board initially denied the request. The payment will be \$100,000 the first year, and increase in increments to \$1 million by year 15." Note that the article also mentioned that the seller and buyer partnered with Posillico in 2013 on another potential rental project which was denied ultimately by the Supreme Court. In 2017, AvalonBay entered into a contract to purchase the property from Posillico, making it the primary stakeholder in the property's development. The sale from Posillico to AvalonBay was pending cleanup of the property, therefore, we have not considered the remediation costs within our indicated sale price.
<b>Approvals</b>	Yes, PILOT approved February 2019, according to news sources
<b>Zoning</b>	Residential
<b>Land Area</b>	505,296± square feet (11.60± acres)
<b>No. of Units</b>	172 units
<b>Indicated Sale Price</b>	\$16,000,000
<b>Sale Price per Proposed Unit</b>	\$93,023





**TAX MAP – SALE #1**



**AERIAL VIEW – SALE #1**





**Land Sale #2**  
**Section 44, Block 76, Lot 15**

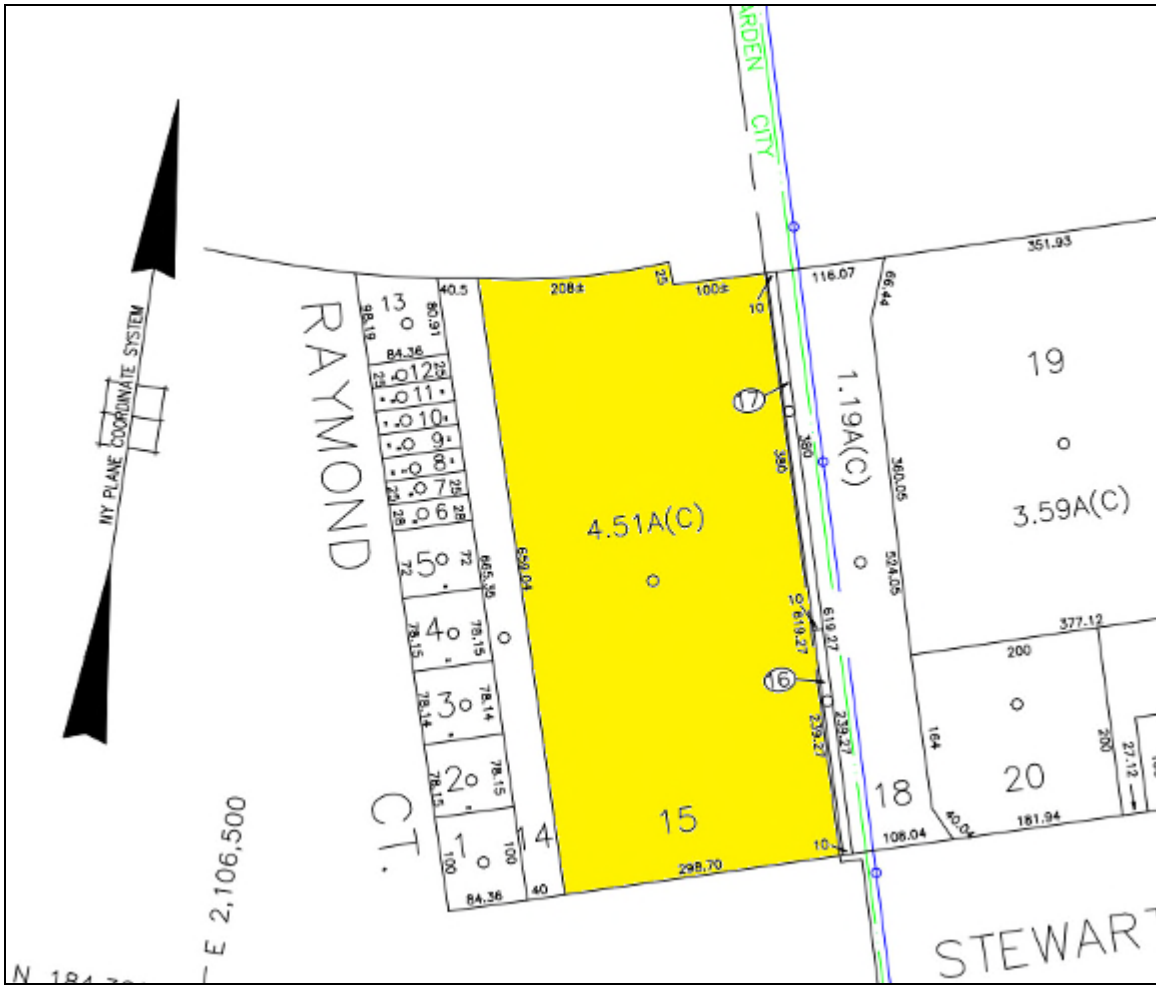
**555 Stewart Avenue**  
**Garden City, Nassau County, NY**



<b>Grantor / Grantee</b>	550 Stewart Acquisition LLC / 555 Stewart Garden City LLC
<b>Date of Sale (Recorded)</b>	6/6/2019 (6/19/2019)
<b>Book-Page</b>	13815-94
<b>Description</b>	Slightly irregular, corner-block parcel with 298.70± feet of frontage on the north side of Stewart Avenue and 619.27± feet on the west side of Ring Road, in the Village of Garden City, Nassau County, in the State of New York. The long vacant property received final approvals as of July 2020 for the development of two (2) four-story multi-family apartment buildings containing one hundred fifty (150) rental apartments and consisting of 67 one-bedroom units, 74 two-bedroom units and 9 three-bedroom units. The building will contain 15 affordable housing units (10% of total units).
<b>Zoning</b>	Residential Townhouse (R-T) District ( <i>Village of Garden City</i> )
<b>Approvals</b>	According to the Garden City News, there were multiple Village Board meetings and public hearings late 2017 through July 10, 2018. At that time, the Board voted 7 to 1 in favor of granting a permit for designing a multiple-dwelling facility at this (now R-T zone) location. The Board had granted a zoning change for the area of 555 Stewart Avenue, the R-T district, at its June 21, 2018 meeting (reported in The Garden City News June 29, 2018). Since that time the developer has revised their development plans, however, have kept the same number of units as originally approved (150 units).
<b>Land Area</b>	196,456± square feet (4.51± acres)
<b>No. of Units</b>	150 units
<b>Indicated Sale Price</b>	\$22,500,000
<b>Sale Price per Proposed Unit</b>	\$150,000



**TAX MAP – LAND SALE #2**  
*Section 44, Block 76, Lot 15*





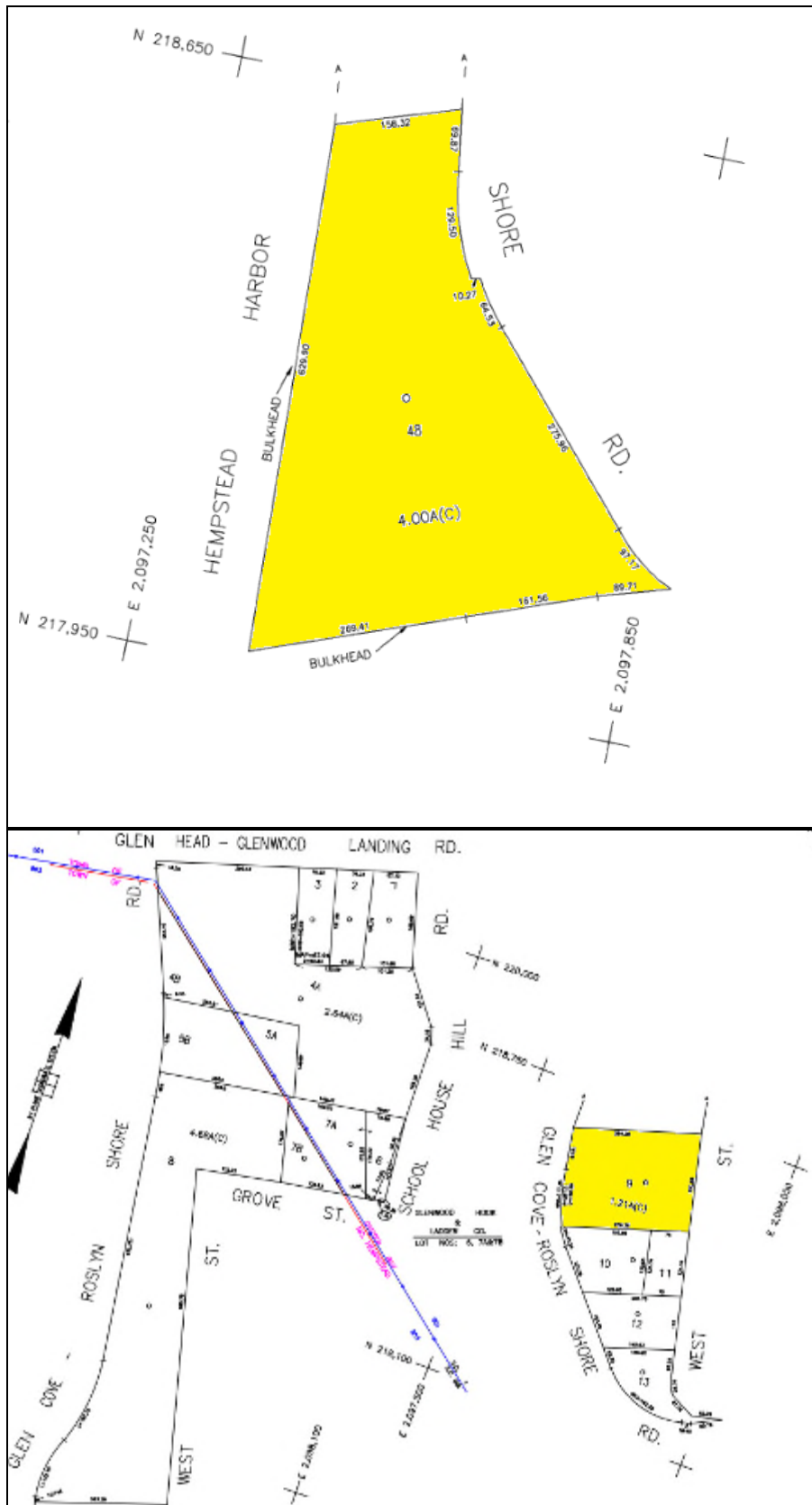
<b>Land Sale #3</b> Section 20, Block Q, Lot 48 Section 20, Block K, Lot 9	<b>1 Shore Road</b> <b>Glenwood Landing, Nassau County, New York</b>
--	---



<b>Grantor/Grantee</b>	Glen Harbor Commons LLC / Glen Harbor Hldgs LLC
<b>Date of Sale (Recorded)</b>	5/8/2019 (5/22/2019)
<b>Liber Page</b>	13804-877
<b>Description</b>	Irregular shaped, vacant parcel of land located with frontage on Hempstead Bay. The land for this project was rezoned from industrial to multiple residence in 2006, with site plan approval being granted in 2009. The parcel was purchased with an approval to develop sixty (60) units, however, after purchased the development plan was reduced down to 48 units, within the same building footprint. We have analyzed this sale based on the original units proposed. According to the developer's website, the proposed complex will be known as The Residences at Glen Harbor and will contain four-stories in height, with luxury condominium residences containing 2-3 bedrooms and 1,900 and 3,600 square feet with amenities such as; 1,200 foot waterfront promenade, fitness centers, sundeck and outdoor pool with firepit and BBQ areas and may other recreational amenities. According to the LI Herald, the property was formerly an oil transfer station that was contaminated. It was remediated by previous developers as part of the approved site plan.
<b>Zoning/FAR</b>	Multiple Residence
<b>Approvals</b>	According to the LI Herald, via the North Hempstead Town Supervisor, the site plan approval was granted in 2009. Permits to begin construction at the property were granted in May 2019.
<b>Land Area</b>	228,254± square feet (5.24± acres)
<b>No. of Buildable Units</b>	60 units
<b>Density</b>	11.45 units / acre
<b>Indicated Sale Price</b>	\$12,000,000.00
<b>Sale Price/Unit</b>	\$200,000.00



### TAX MAP - LAND SALE #3





**AERIAL VIEW – LAND SALE #3**





<b>Land Sale #4</b> <i>District 400, Section 226, Block 1, Lot 1</i>	<b>Kensington Estates</b> <b>1130 West Jericho Turnpike</b> <b>Huntington, Suffolk County, New York</b>
---	---

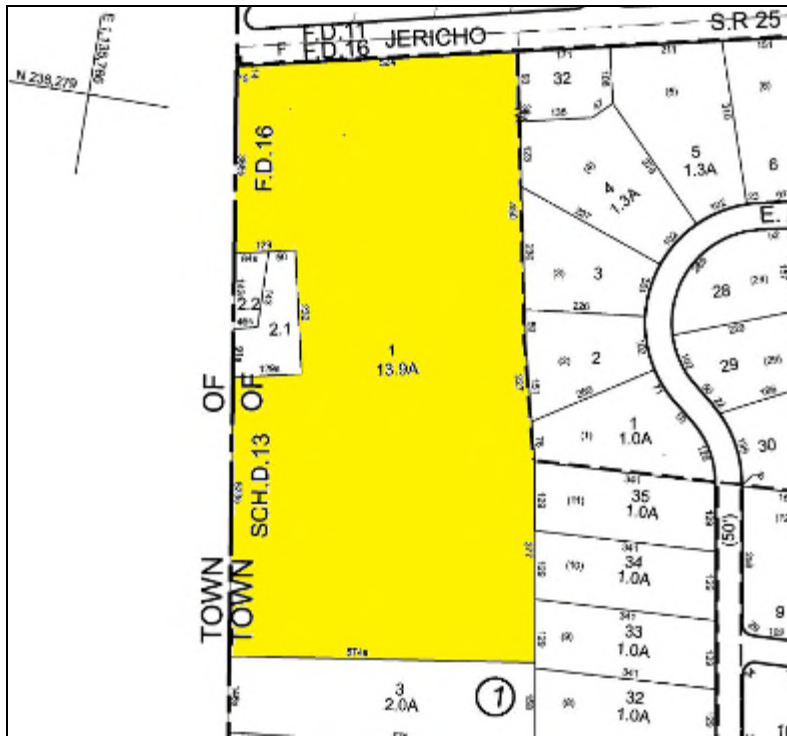


<b>Grantor/Grantee</b>	Big Dougs Ents, LLC/Kensington Ests Prop Owner, LLC
<b>Date of Sale (Recorded)</b>	12/14/2018 (1/10/2019)
<b>Liber Page</b>	13754/730
<b>Description</b>	An irregular shaped parcel of land located on the south side of West Jericho Turnpike, with frontage also on Plainville Road, which is a roadway located in Woodbury within Nassau County. This property is predominately located in the Huntington section of Suffolk County and partially located in the Town of Oyster Bay section of Nassau County. According a representative of the Town of Huntington, the owner had to file permits for both municipalities, as well as a zoning variance to RRC (Residential Retirement Community). The property is currently under construction. The proposed development will contain a list of amenities, including a clubhouse, playground, pool, nature walk, etc. According to CoStar, the property will contain a gross building area of 170,000± square feet (average unit size of 2,125± square feet). Additionally, it should be noted that the developer purchased Lot 114, however, this lot does not appear to be a portion of the 80 unit development site and therefore was not included within the analysis of this comparable.
<b>Zoning/FAR</b>	RRC – Town of Huntington
<b>Approvals</b>	According to Newsday, the site was granted conditional zoning change and site plan approvals in 2013.
<b>Land Area</b>	13.87± Acres
<b>No. of Buildable Units</b>	80 units
<b>Density</b>	5.77 units / Acre
<b>Indicated Sale Price</b>	\$8,660,000.00
<b>Sale Price/Unit</b>	\$108,250

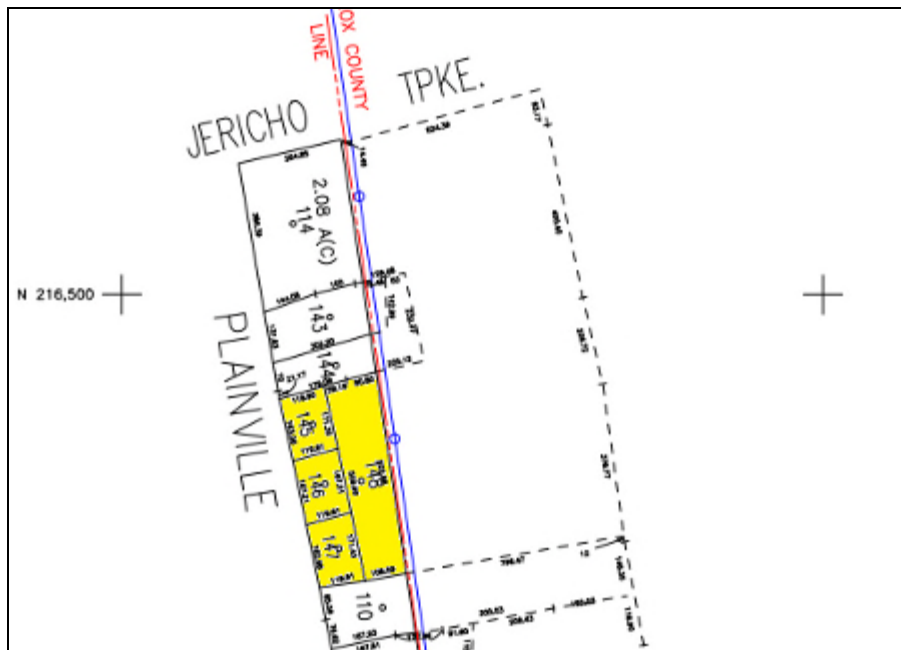


# TAX MAP – LAND SALE #4

Suffolk County: District 400, Section 226, Block 1, Lot 1



Nassau County: Section 13, Block D, Lots 144-148







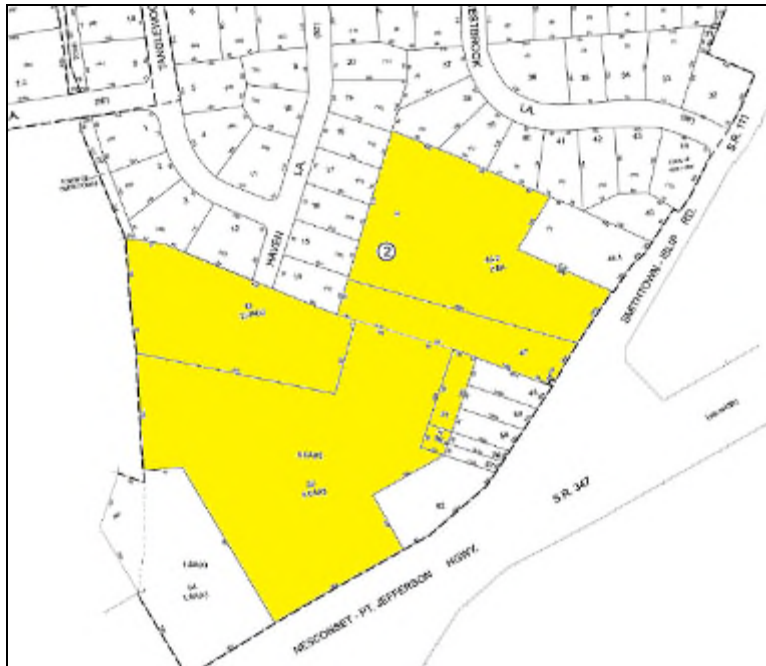
<b>Land Sale #5</b> District 800, Section 157, Block 2, Lots 13, 46.1, 46.2, 47, 51, 53 & 58	<b>Country Pointe Woods</b> 498 Smithtown Bypass Smithtown, Suffolk County, New York
--	--



<b>Grantor/Grantee</b>	Dicarlo Salvatore / 347 Building Co LLC
<b>Date of Sale (Recorded)</b>	9/26/2017 (10/30/2017)
<b>Liber Page</b>	12935/702
<b>Description</b>	Aggregate of irregular shaped parcels of land located on the north side of SR 347 within the Town of Smithtown. The property is currently being developed with a sixty nine unit townhouse condominium complex. The proposed development will contain a list of amenities, including a clubhouse, fitness center, outdoor heated pool and gated security entrance. The complex is located in the heart of Downtown Smithtown and is easily accessible to shopping, restaurants and the Blydenburgh County Park. According to the marketing brochure for the property, prices for the condominium units will start in the \$600,000's and there will be a variety of different townhouse unit styles to choose from which will range in size between 1,395± and 2,395± square feet.
<b>Zoning/FAR</b>	R6 – Town of Smithtown
<b>Approvals</b>	According to public news sources, the site was approved for development by the Smithtown Town Board on July 12, 2017, prior to the sale date.
<b>Land Area</b>	11.50± Acres
<b>No. of Buildable Units</b>	69 units
<b>Density</b>	6.0 units / Acre
<b>Indicated Sale Price</b>	\$9,000,000.00
<b>Sale Price/Unit</b>	\$130,435.00



**TAX MAP – LAND SALE #5**



**AERIAL MAP**





**Land Sale #6**  
 Section 35, Block 371, Lots 11, 12 & 13

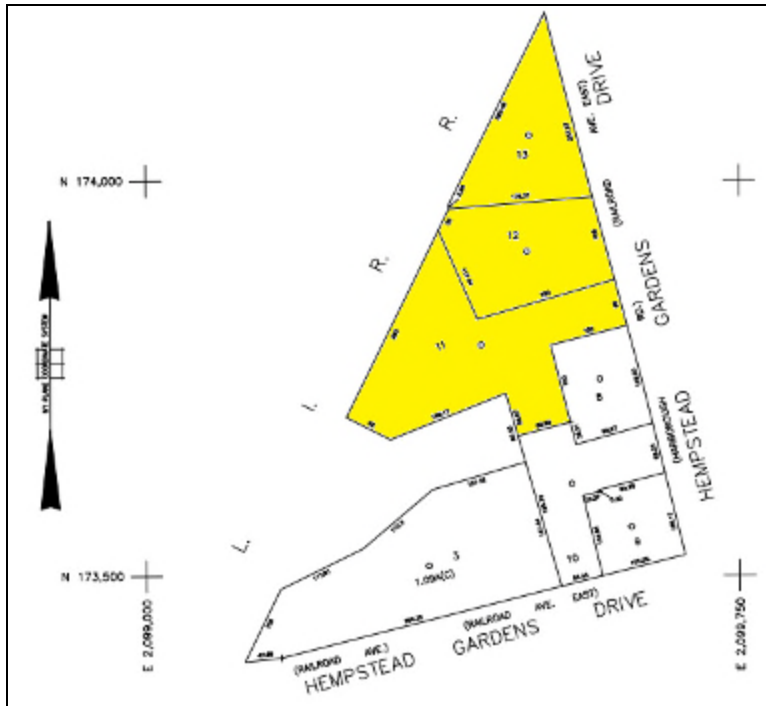
**40 Hempstead Gardens Drive**  
 West Hempstead, Nassau County, New York



<b>Grantor/Grantee</b>	40 Hempstead Gardens Drive, Corp. / Meadow Street Partners, LLC
<b>Date of Sale (Recorded)</b>	9/30/2014 (10/14/2014)
<b>Liber Page</b>	13133-316
<b>Description</b>	This sale represents the subject property, and is an irregular shaped parcel of land located on the southwest corner of Hempstead Avenue and Hempstead Gardens Drive. As of the transaction date, the parcel was improved with industrial buildings totaling 13,370± square feet of gross building area. We have been provided with architectural plans for the site which includes the construction of two (2), three-story, walk-up townhouse style multi-family buildings containing one and two bedroom units totaling fifty-five (55) apartment units. We have estimated a demolition cost for the existing improvements at \$15.00 per square foot of GBA. It is noted that at the time of inspection, the current tenant (former owner) informed us that there are three (3) 20,000 gallon underground storage tanks (“UST”) at the property. We are not aware of any leaks or environmental hazards from these tanks. According to our client, the subject property has received a clean environmental report in the recent past. Therefore, no adjustments for these tanks were considered in our valuation herein. Any information to the contrary may affect our valuation conclusions.
<b>Zoning/FAR</b>	“URD-C” - Urban Renewal Residence C District
<b>Approvals</b>	The site was not approved for construction of the fifty-five (55) apartment units as of the transaction date, however, the zoning district was changed from Light Manufacturing to the URD-C zoning district as of the transaction date.
<b>Land Area</b>	87,848± square feet
<b>No. of Buildable Units</b>	55 units
<b>Density</b>	27.27 units / acre
<b>Indicated Sale Price</b>	\$3,000,000.00
<b>Plus: Est. Demo Costs</b>	\$ 200,550.00
<b>Adj. Sale Price</b>	\$3,200,550.00
<b>Sale Price/Unit</b>	\$58,192



## TAX MAP – LAND SALE #6



## AERIAL MAP





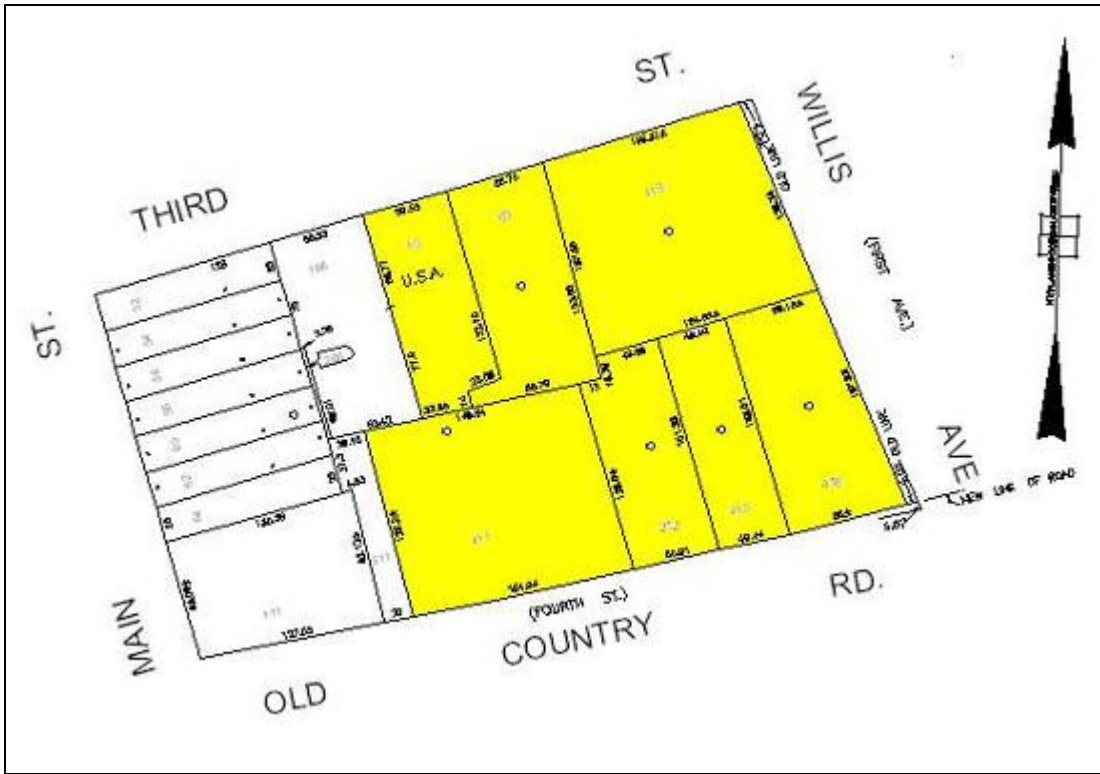
<b>Land Sale #7</b> Section 9, Block 430, Lots 10, 65, 212, 411, 415 and 418-419	<b>THE MODERA @ MINEOLA</b> 140, 146, 150 & 160 Old Country Road Mineola, Nassau County, New York
--	---



<b>Grantor/Grantee</b>	140 OCR LLC, 146 OCR LLC, 150 OCR LLC, 160 OCR LLC and OCR/WILLIS LLC/ Mill Creek Residential Trust Northeast LLC
<b>Date of Sale (Recorded)</b>	5/16/2013 (6/6/13)
<b>Liber/Page</b>	12952/445
<b>Description</b>	The site was developed with a six-story, plus a lower level parking garage, elevator-serviced, 275-unit luxury apartment complex. The complex contains 2½ levels of structured parking, with the five remaining upper levels containing studio to two-bedroom luxury apartment units. The project includes 6,500± square feet of administrative and amenity space, which includes a clubhouse with fitness center and cathedral ceilings, a game room, a business center, and WiFi resident coffee lounge, and two landscaped courtyards with an outdoor pool, sundeck, gas fireplace and fountains. The subject improvements contain 361,201± square feet of GBA, with a GRA of 248,552± square feet. The building also includes 154,840± square feet of ground floor and lower level parking garage space.
<b>Zoning</b>	Business 3 – Village of Mineola
<b>Approvals</b>	According to public news sources, the project was first proposed in 2007 and was approved in 2012 by the Village of Mineola.
<b>Land Area</b>	2.02± acres (87,835± sq. ft.)
<b>No. of Buildable Units</b>	275
<b>Density</b>	136.14± units per acre
<b>Indicated Sale Price</b>	\$20,150,000.00
<b>Plus: Est. Demolition Costs</b>	\$ 800,000.00
<b>Adjusted Sales Price</b>	\$20,950,000.00
<b>Sale Price/Unit</b>	\$76,182.00



**TAX MAP - LAND SALE #7**



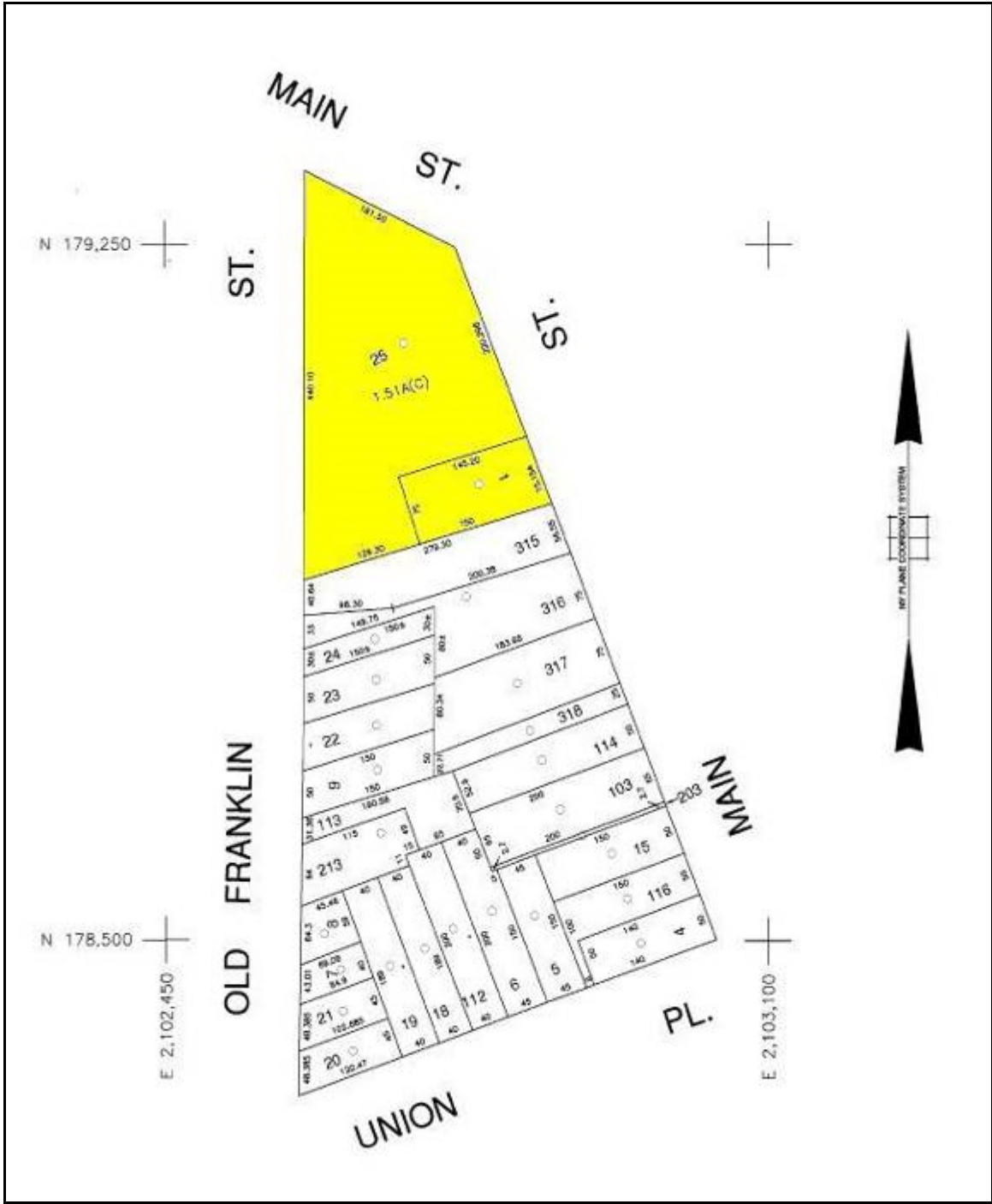
<b>Land Sale #8</b> Section 34, Block 191, Lots 1 & 25	<b>METRO 303</b> 287 & 303 Main Street Hempstead, Nassau County, New York
---	---



<b>Grantor</b>	Lot 1 – 287 Main Street Group LLC Lot 25 – Philbor Realty Corp.
<b>Grantee</b>	TCR Northeast Land Acquisition LP
<b>Date of Sale (Recorded)</b>	Lot 1 – 4/20/11 (5/9/11) Lot 25 – 4/26/11 (5/9/11)
<b>Liber/Page</b>	Lot 1 – 12718-492 Lot 25 – 12718-484
<b>Description</b>	This property is comprised of two contiguous, irregular-shaped parcels of Residence E-zoned land containing 76,837± square feet (1.763± acres). The site was previously improved with an automobile dealership building and a warehouse building, which were demolished at an estimated cost of \$300,000.00 and the site was redeveloped with a five-story, inclusive of grade and lower level parking, elevator-serviced, 166-unit luxury apartment complex. The improvements contain an estimated GBA of 209,156± square feet, with a gross rentable area of 179,114± square feet.
<b>Zoning</b>	Residence E – Village of Hempstead
<b>Approvals</b>	Based on our research of the comparable sale, it appears as though approvals were granted prior to the transaction.
<b>Land Area</b>	1.763± acres (76,837± sq. ft.)
<b>No. of Buildable Units</b>	166
<b>Density</b>	94.16± units per acre
<b>Indicated Sale Price</b>	\$8,812,066.00
<b>Plus: Estimated Demolition Cost</b>	\$ 300,000.00
<b>Adjusted Sale Price</b>	\$9,112,066.00
<b>Sale Price/Unit</b>	\$54,892.00



**TAX MAP -LAND SALE #8**







**Land Sale #9**  
**Section 35, Block 386, Lot 209**

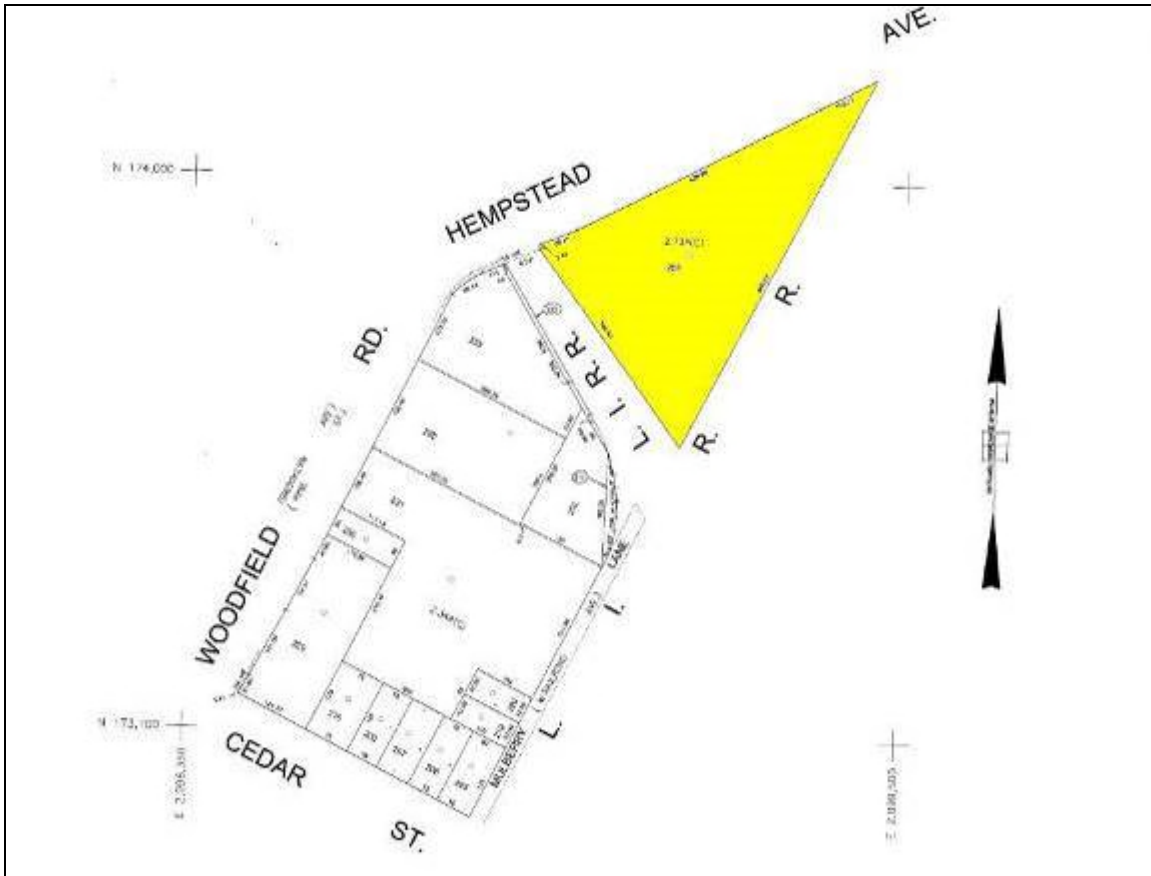
**WEST 130**  
**130 Hempstead Avenue**  
**West Hempstead, Nassau County, New York**



<b>Grantor/Grantee</b>	140 Equities Corp./West Hempstead Station, LLC
<b>Date of Sale (Recorded)</b>	2/10/11 (2/11/11)
<b>Liber/Page</b>	12693/401-403
<b>Description</b>	This site was previously improved with a four-story, 102-room motel building known as the Courtesy Hotel, constructed circa 1963, containing a gross building area (GBA) of 44,218± square feet. The site was redeveloped with a four-story (plus lower level parking), elevator-serviced, 150-unit luxury apartment complex. The complex contains two levels of structured parking (below grade), with the four upper levels containing one- to three-bedroom luxury apartment units. On-site amenities include a clubhouse with fitness center and cathedral ceilings, a game room, a business center, and a WiFi resident coffee lounge, and a landscaped courtyard with an outdoor pool and sundeck.
<b>Zoning</b>	CA-S Residence – Town of Hempstead
<b>Approvals</b>	According to new sources (LI Herald), as of 2010, the Town of Hempstead approved the purchaser (developer's) plans to demolish the existing hotel and construct a 150 unit multi-family building.
<b>Land Area</b>	2.718± acres (118,386± sq. ft.)
<b>No. of Buildable Units</b>	150
<b>Density</b>	55.19± units per acre
<b>Indicated Sale Price</b>	\$7,530,000.00
<b>Plus: Estimated Demolition Cost</b>	\$ 500,000.00
<b>Adjusted Sale Price</b>	\$8,030,000.00
<b>Sale Price/Unit</b>	\$53,533.00



**TAX MAP -LAND SALE #9**





**NEW CONSTRUCTION APARTMENT RENTALS**

***RENT COMPARABLE #1***

**West 130  
130 Hempstead Avenue  
West Hempstead, Nassau County, New York**



<b>Unit Type</b>	<b>Unit Number</b>	<b>Unit Size (Sq. Ft. ±)</b>	<b>Monthly Rent</b>	<b>Monthly Rent/ Sq. Ft.</b>	<b>Annual Rent/ Sq. Ft.</b>
1 BR/1 Bath	Aden	781	\$2,254	\$2.89	\$34.63
2 BR/1 Bath	Barcelona	1,126	\$2,903	\$2.58	\$30.94
<b>Mean</b>				<b>\$2.73</b>	<b>\$32.79</b>

**Property Description**

Apartment building originally constructed circa 2012 containing four stories and 150 units located on Hempstead Avenue in West Hempstead. The building amenities include a clubhouse, fitness center, game room, business center, pool, sports court, coffee lounge, concierge and courtyard. The unit features include a washer/dryer in unit, alarm system, ceiling fans, high ceilings, extra storage areas, balcony/patio in select units and walk-in closets.



**RENT COMPARABLE #2**

**Avalon Westbury  
1299 Corporate Drive  
Westbury, Nassau County, New York**



<b>Unit Type</b>	<b>Unit Number</b>	<b>Unit Size (Sq. Ft. ±)</b>	<b>Monthly Rent</b>	<b>Monthly Rent/ Sq. Ft.</b>	<b>Annual Rent/ Sq. Ft.</b>
1 BR/1 Bath	1702	765	\$2,499	\$3.27	\$39.20
2 BR/2 Bath	207	1,098	\$3,137	\$2.86	\$34.28
<b>Mean</b>				<b>\$3.06</b>	<b>\$36.74</b>

**Property Description**

Apartment building located in a gated community constructed circa 2005 and containing three stories. The building amenities include a clubhouse, business center, movie theater, conference room, fitness center and pool. The unit features include a washer/dryer, 9-foot ceilings, garden tubs, storage and stainless-steel appliances.



**RENT COMPARABLE #3**

**The Allure  
140 Old Country Road  
Mineola, Nassau County, New York**



<b>Unit Type</b>	<b>Unit Number</b>	<b>Unit Size (Sq. Ft. ±)</b>	<b>Monthly Rent</b>	<b>Monthly Rent/ Sq. Ft.</b>	<b>Annual Rent/ Sq. Ft.</b>
1 BR/1 Bath	A6B	726	\$2,710	\$3.73	\$44.79
2 BR/2 Bath	B3A	1,051	\$3,449	\$3.28	\$39.38
<b>Mean</b>				<b>\$3.51</b>	<b>\$42.09</b>

**Property Description**

Apartment building originally constructed circa 2014/15 containing six stories and 275 units and located on Old Country Road in Mineola. The building amenities include a clubhouse, fitness center, game room, business center, pool, sports court, coffee lounge, concierge and courtyard. The unit features include a washer/dryer in unit, alarm system, ceiling fans, high ceilings, extra storage areas, balcony/patio in select units and walk-in closets.



**RENT COMPARABLE #5**

**Avalon at Rockville Centre  
80-100 Banks Avenue  
Rockville Centre, Nassau County, New York**



<b>Unit Type</b>	<b>Unit Number</b>	<b>Unit Size (Sq. Ft. ±)</b>	<b>Monthly Rent</b>	<b>Monthly Rent/ Sq. Ft.</b>	<b>Annual Rent/ Sq. Ft.</b>
1 BR/1 Bath	2125	799	\$2,730	\$3.42	\$41.00
2 BR/2 Bath	1254	1,127	\$3,425	\$3.04	\$36.47
<b>Mean</b>				<b>\$3.23</b>	<b>\$38.73</b>

**Property Description**

Apartment building located within a gated community originally constructed circa 2011 and containing three stories in height. The apartment complex features a clubhouse, controlled access, business center, fitness center, picnic area, billiards, concierge, walking path, media room, pool and conference room. The units feature a washer/dryer, alarm system, fireplace in select units, ice maker, garden tubs and walk-in closets.



**RENT COMPARABLE #6**

**Fairfield Plaza at Farmingdale  
148 South Front Street  
Farmingdale, Nassau County, New York**



<u>Unit Type</u>	<u>Unit Number</u>	<u>Unit Size (Sq. Ft. ±)</u>	<u>Monthly Rent</u>	<u>Monthly Rent/Sq. Ft.</u>	<u>Annual Rent/Sq. Ft.</u>
1 BR/1 Bath	J3N	608	\$2,795	\$4.60	\$55.16
2 BR/2 Bath	B5	1,123	\$3,595	\$3.20	\$38.41
<b>Mean</b>				<b>\$3.90</b>	<b>\$46.79</b>

**Property Description**

Apartment building constructed circa 2014/15 and containing three stories in height. The apartment complex features a parking garage, business center, clubhouse, fitness center, ground floor retail space and close proximity to the Farmingdale station of the Long Island Railroad. The units include a washer and dryer in unit, nine-foot ceilings, granite countertops, dishwashers and walk in closets.



**RENT COMPARABLE #7**

**The Hawthorne  
125 S. Cottage Street  
Valley Stream, Nassau County, New York**



<u>Unit Type</u>	<u>Unit Number</u>	<u>Unit Size (Sq. Ft. ±)</u>	<u>Monthly Rent</u>	<u>Monthly Rent/Sq. Ft.</u>	<u>Annual Rent/Sq. Ft.</u>
1 BR/1 Bath	Whitman	892	\$3,081	\$3.45	\$41.45
2 BR/2 Bath	Hemingway	1,211	\$3,365	\$2.78	\$33.34
<b>Mean</b>				<b>\$3.12</b>	<b>\$37.40</b>

**Property Description**

Three-story, multi-family building located on the northeast corner of S. Cottage Street and East Hawthorne Avenue in the neighborhood of Valley Stream and is four blocks from the Valley Stream train station for the Long Island Railroad. The improvements contain a gross building area of 135,656± square feet and a land area of 67,082± square feet, according to Nassau County property records. The improvements were constructed circa 2009 and are in good overall condition. The building contains amenities such as; garage parking, outdoor courtyards and bike parking. The apartment units consist of one and two bedroom units with granite/quartz countertops and stainless steel appliances in the kitchen, washer/dryer in unit, central air conditioning and hardwood flooring.





**ANALYSIS OF ESTIMATED INCOME AND EXPENSES:  
DIRECT CAPITALIZATION METHODOLOGY**

**INCOME**

**Potential Gross Income**

The primary source of potential gross income (PGI) for the subject property is derived from the rental proposed subject property apartment units. We have estimated the “as complete and stabilized” potential gross income and vacancy rate by utilizing the projected income of the subject property “as complete”. The total estimated potential gross income is shown in the chart below.

**“As Complete and Stabilized” Potential Gross Income**

Income	\$/Annum	\$ / Unit
Potential Gross Income (PGI)	\$2,003,400	\$36,425.45

**Vacancy & Contingency Allowance**

A vacancy and credit loss allowance has been considered within our analysis to account for lease rollover and any future vacancies, as well as bad debt and delinquent collections. According to the CoStar submarket report for the Central Nassau multi-family submarket, as of the 1<sup>st</sup> Quarter 2020, the current reported vacancy rate was 4.20%. Therefore, we have estimated a vacancy rate of 4.0% for the subject property, under the current valuation date, within Scenario III.

**Effective Gross Income**

The difference between the PGI and the vacancy and credit loss allowance provides an estimate of collected, or effective gross income (EGI). From the EGI, we deducted any operating expenses to arrive at a net operating income (NOI).



### “As Stabilized” Effective Gross Income

<b>Income</b>		<b>\$/Annum</b>	<b>\$ / Unit</b>
Potential Gross Income (PGI)		\$2,003,400	\$36,425
Less: Vacancy & Credit Loss (Res)	4.0%	\$ 80,136	\$ 1,457
<b>Effective Gross Income (EGI)</b>		<b>\$1,923,264</b>	<b>\$34,968</b>

### EXPENSES

Since the subject property is considered to be newly constructed under Scenario III and no historical expense information exists, we have considered general expense information published in experienced exchange reports and comparable expense material that we gathered from specific apartment properties. We reviewed the entirety of this information, tempered by our experience in reviewing and appraising similar properties, and have concluded with our estimates of expenses. As part of this process, we present the following comparable apartment buildings operating expenses, which we analyzed on a per-unit basis. However, it should be noted that most of the comparable apartment buildings are older buildings.



**COMPARABLE APARTMENT BUILDING EXPENSES (\$/DWELLING UNIT)**

Address	34-47 & 38-50		Fairfield		67 Terrace Ave./
	Villa Court	100 Jerusalem Ave.	1-2 Dark Hollow Rd.	451 Fulton Ave.	45 Jackson St.
Town	Hempstead	Hempstead	Port Jefferson	Hempstead	Hempstead
No. Units	132	96	64	346	171
Insurance	\$ 284	\$ 718	\$792	\$ 574	\$ 864
Utilities	\$1,707	\$1,527	\$346	\$1,389	\$1,423
Payroll & Related	\$1,067	\$1,930	\$1,061	\$1,223	\$ 491
Repairs, Maintenance & Misc.	\$ 974	\$ 758	\$1,377	\$1,364	\$1,078
Management/Legal Professional	<u>N/A</u>	<u>\$ 769</u>	<u>\$1,256</u>	<u>\$1,203</u>	<u>\$1,125</u>
<b>Totals</b>	<b>\$4,032</b>	<b>\$5,702</b>	<b>\$4,832</b>	<b>\$5,753</b>	<b>\$4,981</b>

Address	100-131 Green Aces Rd.	461 Fulton St.	2878 Grand Ave.	140 Old Country Rd	<u>Min.</u>	<u>Max.</u>	<u>Mean</u>
	Valley Stream	Hempstead	Baldwin	Mineola			
No. Units	295	62	132	275			
Insurance	\$ 361	\$ 452	\$ 550	\$226	\$226	\$864	\$536
Utilities	\$1,611	N/A	\$ 148	\$670	\$148	\$1,707	\$1,103
Payroll & Related	\$ 660	\$ 694	\$ 712	\$2,150	\$491	\$2,150	\$1,110
Repairs, Maintenance & Misc.	\$2,122	\$ 603	\$ 964	\$823	\$603	\$2,122	\$1,118
Management/Legal Professional	<u>\$ 597</u>	<u>\$ 565</u>	<u>\$ 524</u>	<u>\$715</u>	\$524	\$1,256	\$844
<b>Totals</b>	<b>\$5,351</b>	<b>\$2,314</b>	<b>\$2,898</b>	<b>\$4,584</b>			



## Real Estate Taxes

Real estate taxes vary from property to property and are not influenced by operating efficiencies. We previously discussed our estimates of real estate taxes for the subject property in the Assessment and Real Estate Tax Data section of this report. Our estimate of the subject property real estate taxes are \$550,000.00 per annum, which equates to a real estate tax amount of \$10,000 per unit. According to information provided to us, the subject property proposed development will not receive a Payment in Lieu of Taxes (PILOT) for the proposed development.

## Insurance

Prudent management would require extended coverage insurance for rent loss and damages resulting from fire, liabilities and other casualties. This item includes the standard fire and extended coverage insurance policies. The expense comparables range from \$226.00 to \$864.00 per unit, with a mean of \$536.00 per unit. However, the proposed subject building will be newly constructed and many items are under warranty for the first 5 or 10 years. Therefore, we have projected this expense at \$500.00 per unit, which is within the comparable range and reasonable.

## Utilities/Common Area Utilities

All of the subject apartment units will have PTAC units and will be separately metered for gas and electric. However, the owner is responsible for heating, cooling and lighting of the common areas including the community room and administrative areas. The expense comparables range from \$148.00 to \$1,707.00 per unit, with a mean of \$1,103.00 per unit. It should be noted, that all of the comparable apartment buildings are older in construction and were designed with older, less efficient, utility systems. New construction properties typically have new and efficient utility systems, which reduces the cost. Therefore, the subject's projected utilities expense is estimated at \$1,000.00 per unit, which is within market parameters.



### Wages, Benefits & Payroll Taxes

The subject property will contain an on-site superintendent who will receive a rent-free apartment, as well additional support staff. The comparable expenses ranged from \$491.00 to \$2,150.00 per unit, with a mean of \$1,110.00 per unit. We have projected this expense at \$1,000.00 per unit, which is within the comparable range. Our projection is consistent with newer luxury type apartment properties that are most similar to the subject.

### Repairs, Maintenance & Supplies, Painting & Decorating

This expenditure is based on the subject's age/condition and includes the costs necessary for general maintenance of the building, building equipment and systems, painting and decorating. The annual projections also include an expense for redecorating/painting for those units in need of renovation at lease turnover. The expense comparables range from \$603.00 to \$2,122.00 per unit, with a mean of \$1,118.00 per unit. Since the property will be of new construction, we have projected this expense at \$750.00 per unit, which is within the comparable range.

### Management, Legal & Professional Fees

The item of asset management anticipates the costs of typical property management (i.e., internal accounting and legal fees) that are necessary to allow the property to operate. Management fees are typically expressed as a percentage of the subject's effective gross income (EGI), and typically range from 2.0% to 5.0% of EGI. We have estimated this expenditure at 3.0% of the effective gross income.

### Reserves for Replacement

An additional cost (i.e., reserve fund) for the continuous repair of short-lived items such as roof repairs, etc. will be necessary for the operation of the subject property. This cost does not usually appear as a separate line item in a property's financial statements; however, it is a necessary cost in order to continue to achieve the current rent levels and to ensure the continued operation of a property. Upon completion of all construction, the subject property will be new and in excellent overall condition. In addition, since the subject property will be



of new construction, many items will be covered under warranty for the first few years. We have estimated a reserve for replacement of \$250.00 per unit, which is within the range of the replacement reserve expense as reported by the PwC Fourth Quarter 2020 National Apartment market report.

Our estimate of the subject property income and expenses, “as complete” under Scenario III, is summarized on the table on the following page.



## **ESTIMATE OF INCOME & EXPENSES AND CAPITALIZED VALUE**

*As Complete and Stabilized*

<b>Income</b>		<b>\$/Annum</b>	<b>\$ / Unit</b>
Potential Gross Income (PGI)		\$2,003,400	\$36,425
Less: Vacancy & Credit Loss (Res)	4.0%	<u>\$ 80,136</u>	<u>\$ 1,457</u>
<b>Effective Gross Income (EGI)</b>		<b>\$1,923,264</b>	<b>\$34,968</b>
<b>Expenses</b>		<b>\$/Annual</b>	<b>\$ / Unit</b>
Real Estate Taxes		\$ 550,000	\$10,000
Insurance		\$ 27,500	\$ 500
Utilities		\$ 55,000	\$ 1,000
Payroll & Related		\$ 55,000	\$ 1,000
Repairs & Maintenance		\$ 41,250	\$ 750
Management and Professional Fees	3.0%	\$ 57,698	\$ 1,049
Replacement Reserves		<u>\$ 13,750</u>	<u>\$ 250</u>
<b>Total Expenses</b>		<b>\$ 800,198</b>	<b>\$14,549</b>
<b>Net Operating Income (NOI)</b>		<b>\$1,123,066</b>	<b>\$20,419</b>



## CHOICE OF CAPITALIZATION RATE

In our estimation of an overall capitalization rate for the subject property, several methods exist, including extraction from available market data, mortgage-equity analysis or the band of investment technique with anticipated property appreciation or depreciation considered, and a review of available publications and surveys. Within our analysis, we have based the overall capitalization rate on the mortgage-equity analysis and the extraction of available market data.

The mortgage-equity analysis is a technique wherein an overall capitalization rate is abstracted from the components of the real estate investment. This mortgage-equity capitalization rate relied upon the mortgage and equity market rates for the individual components used to construct the capitalization rate.

The choice of mortgage terms and equity dividend and yield rates considered several factors. Among them were the location, type, age and condition of the property, the stability of the tenancy, existing lease terms and conditions and the supply of and demand for similar rental units.

As of the date of valuation (January 2021), mortgage interest rates range from 3.0% to 5.0% per annum on five- to ten-year maturities, using a 20- to 30-year amortization schedule. The annual mortgage constants typically range from 5.0% to 8.0%.

We considered the risk, cost of funds, long-term yield on exempt, tax-sheltered and taxable, competing investments, the quality of the income stream and the liquidity of the asset.

These yields provide an indication of the cost of funds within a liquid financial environment. To the basic yield indicated by the cost of funds we added the risk, liquidity and entrepreneurial effort necessary to produce a profit from a real estate investment such as the subject property.





The following are the projected mortgage terms estimated for the subject property.

First Mortgage Interest Rate	4.00%
Loan-to-Value Ratio	70%
Annual Debt Service	0.05729
Amortization Period (Years)	30
Equity Yield Rate	7.50%

Mortgage amortization and property appreciation create equity build-up that accrues to the investor as a capital gain when the investment is terminated. The band of investment was structured to reflect these components. The accrual of mortgage amortization was computed by use of a sinking fund factor at the equity rate for the term of the mortgage or the holding period of the investment.

Utilizing a holding period of ten years, the product of the mortgage-to-property value ratio, the mortgage amortization and the sinking fund factor and an estimate of property appreciation over the holding period times the sinking fund factor were each deducted from the weighted average of the ratio of mortgage to property value times the mortgage constant plus the equity ratio to property value times the equity yield. Appreciation in property value has been estimated at 1.0% per year, or 10.0% over the projected holding period. The following is a description of the construction of the capitalization rate.

**Calculation of Capitalization Rate**

	<u>Ratio</u>		<u>Rate</u>		<u>SFF</u>	<u>Result</u>
First Mortgage	0.70000	x	0.05729			0.04010
Equity Yield Rate	0.30000	x	0.07500			<u>0.02250</u>
Weighted Average						0.06260
Less: Allowance for Equity Build-Up	0.70000	x	0.21216	x	0.07069	-0.01050
Less: Allowance for Appreciation			0.10000	x	0.07069	<u>-0.00707</u>
Total Adjustment						-0.01757
Indicated Capitalization Rate						0.04504
					<b>(Rounded)</b>	<b>0.04500</b>



## Investor Indices and Investment Parameters: Apartment Buildings

According to the *PwC National Apartment Market Report, Fourth Quarter 2020*, some investors believe low interest rates and overall cap rates are elevating prices in the near term, making it a good time to sell properties. Others, however, plan to hold properties until rents recover from the impact of the pandemic.

- “Buyers are looking for discounts, but sellers are not willing to take a haircut on pricing,” remarks an investor.
- In *Emerging Trends in Real Estate® 2021*, half the respondents suggest holding apartment assets; 35.0% recommend buying; and 15.0% suggest selling in the coming year.
- This market’s outlook for year-one rent growth slips to 0.50% this quarter as owners work to mitigate weakening rent collections amid the ongoing challenges of COVID-19.

The following page is excerpted from the *PwC National Apartment Market Report, Fourth Quarter 2020*.



**NATIONAL APARTMENT MARKET**  
*(Fourth Quarter 2020)*

Table 28  
**NATIONAL APARTMENT MARKET**  
Fourth Quarter 2020

	<b>CURRENT</b>	<b>LAST QUARTER</b>	<b>1 YEAR AGO</b>	<b>3 YEARS AGO</b>	<b>5 YEARS AGO</b>
<b>DISCOUNT RATE (IRR)<sup>a</sup></b>					
Range	5.00% – 10.00%	5.00% – 10.00%	5.50% – 10.00%	5.50% – 10.00%	5.00% – 10.00%
Average	6.83%	6.83%	7.10%	7.26%	7.26%
Change (Basis Points)		0	-27	-43	-43
<b>OVERALL CAP RATE (OAR)<sup>a</sup></b>					
Range	3.50% – 8.00%	3.50% – 8.00%	3.50% – 7.00%	3.50% – 7.50%	3.50% – 8.00%
Average	5.22%	5.22%	5.15%	5.32%	5.35%
Change (Basis Points)		0	+7	-10	-13
<b>RESIDUAL CAP RATE</b>					
Range	4.00% – 8.00%	4.00% – 8.00%	4.00% – 7.00%	4.25% – 7.75%	4.25% – 8.50%
Average	5.60%	5.61%	5.49%	5.74%	5.84%
Change (Basis Points)		-1	+11	-14	-24
<b>MARKET RENT CHANGE<sup>b</sup></b>					
Range	(5.00%) – 3.50%	(5.00%) – 3.50%	0.00% – 5.00%	(1.00%) – 5.00%	0.00% – 6.00%
Average	0.50%	0.58%	2.48%	2.58%	3.18%
Change (Basis Points)		-8	-198	-208	-268
<b>EXPENSE CHANGE<sup>b</sup></b>					
Range	0.00% – 8.00%	0.00% – 8.00%	0.00% – 3.00%	2.00% – 3.00%	1.00% – 4.00%
Average	2.82%	2.68%	2.60%	2.72%	2.81%
Change (Basis Points)		+13	+22	+10	+1
<b>MARKETING TIME<sup>c</sup></b>					
Range	1 – 12	1 – 12	1 – 9	1 – 9	1 – 9
Average	5.3	5.3	3.9	3.8	3.8
Change (▼, ▲, =)		=	▲	▲	▲

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

The above PwC market survey includes investment-grade Class A and B apartment buildings. The proposed subject property will be a newly constructed apartment building located in West Hempstead, a major apartment submarket on Long Island, which is considered superior to most of the country, due to its close proximity to Manhattan. In addition, the subject property “as complete” will consist of new construction and is in excellent overall condition, situated in a transit-oriented location proximate to the train station of the L.I.R.R. It is assumed that the subject improvements will be well maintained and professionally managed. Based on these factors, it appears that there is a low level of risk associated with the subject property.

The PwC survey reports an overall capitalization rate range of 3.50% to 8.00%, with an average of 5.22%. Therefore, we have applied a 4.50% capitalization rate to the projected net



operating income in order to conclude to a market value opinion of the subject property “as complete” under Scenario III.

To further support our selected rate, we have analyzed comparable sales of newly constructed apartment buildings in the region, as follows:



**Overall Capitalization Rate Analysis – Residential Buildings of New Construction**

<u>No.</u>	<u>Location</u>	<u>No. of Units</u>	<u>GBA (Sq. Ft. ±)</u>	<u>Year Built</u>	<u>Sale Date</u>	<u>Sale Price</u>	<u>Sale Price/Unit</u>	<u>Indicated OAR</u>	<u>Indicated NOI</u>	<u>NOI/Unit</u>
1	Gaslight Commons 28 West 3rd Street South Orange, NJ	200	184,904	2002	1/14/2021	\$84,200,000	\$421,000	4.33%	\$3,645,860	\$18,229
2	White Oaks at Wilton 116 Danbury Road Wilton, CT	100	144,374	2011	12/21/2020	\$34,750,000	\$347,500	4.63%	\$1,608,925	\$16,089
3	Zephyr Ridge 2-48 Grove Avenue Cedar Grove, NJ	24	34,400	2018	10/3/2019	\$13,804,017	\$575,167	5.00%	\$690,201	\$28,758
4	Hawthorne Court 21 Hawthorne Avenue Central Islip, NY	434	427,272	Ren. 2002	9/10/2019	\$94,250,000	\$217,166	5.15%	\$4,853,875	\$11,184
5	Sofi Morristown Station 10 Lafayette Avenue Morristown, NJ	217	260,025	2009	10/3/2019	\$97,975,000	\$451,498	4.10%	\$4,016,975	\$18,511
6	Element One 111 Morgan Street Stamford, CT	183	222,330	2016	9/14/2018	\$78,000,000	\$426,230	5.00%	\$3,900,000	\$21,311
7	Fairfield @ Garden City 365 Stewart Avenue Garden City, NY	79	97,842	Ren. 2015	11/18/2016	\$36,500,000	\$462,025	4.00%	\$1,460,000	\$18,481



The above PwC survey and our local market transaction survey indicated the following OAR ranges and means:

**Surveyed Capitalization Rate Ranges**

<u>Survey</u>	<u>Low</u>	<u>High</u>	<u>Mean</u>
PwC National Apartment Market	3.50%	8.00%	5.22%
Local Market Transaction Survey	4.00%	5.15%	4.60%

Our selected rate of 4.50% falls within the surveyed ranges, and considers the subject’s new construction and location in a mature residential market. This rate is also supported by the results of the band of investments calculation.

Based on the derived capitalization rate, the “as complete and stabilized” market value conclusion under the income capitalization approach, under the hypothetical condition that the subject property is complete as of the date of our inspection, January 29, 2021, is calculated as follows:

**“AS COMPLETE AND STABILIZED” – SCENARIO III**  
**MARKET VALUE VIA INCOME CAPITALIZATION APPROACH**

<u>Net Income</u>	<u>\$1,123,066</u>	=	<b>Value Indicated</b>
Capitalization Rate	.045		<b><u>via Income Capitalization Approach</u></b>
“As Complete and Stabilized” Market Value via Direct Capitalization Approach			\$24,957,022.00
<b>Rounded</b>			<b>\$25,000,000.00</b>



**SALES COMPARISON APPROACH METHODOLOGY**  
*“As Complete and Stabilized”*

The sales comparison approach involved a comparison of the subject property to similar properties that have sold in the same or in a similar market in order to derive a market value indication for the subject. The following steps were implemented in arriving at our estimate of value for the subject property via the sales comparison approach:

- 1) Pertinent sales, listings, offerings that were available for similar properties were researched.
- 2) The prices as to the terms, motivating forces and bona fide nature of each transaction were confirmed and qualified.
- 3) The important attributes of each comparable property were compared to the corresponding ones of the subject under the general categories of time, tenant mix, location, unit size and property characteristics.
- 4) All dissimilarities and their probable effect on the price of each comparable property were considered to derive a market value indication for the subject.
- 5) An opinion of market value for the subject property was formulated from the analyzed data.



**SALES COMPARISON APPROACH**  
*“As Complete and Stabilized”*

The subject property site is an irregular shaped parcel of land containing an aggregate area of 2.02± Acres (87,848± square feet) located directly east of the West Hempstead Station for the Long Island Railroad. According to plans submitted to us, the subject property is proposed to be developed with two (2), three-story, walk-up townhouse style multi-family buildings, containing fifty-five (55) apartment units.

The fifty-five (55) residential units are proposed to be comprised of eighteen (18) one-bedroom units and thirty-seven (37) two-bedroom units. We have assumed that all of the residential units will be available at free market rental rates with no age or income restrictions. The proposed development will also include eighty-five (85) surface parking spaces. The proposed building contained a gross above-grade building area of 60,714± square feet.

We have derived an estimate of “As Complete and Stabilized” market value for the subject property through an analysis of sales of newly constructed buildings within Nassau County. We used the sale price per unit as the unit of comparison, because this is the most common practice among real estate professionals who buy, sell, broker and value similar development sites in the County of Nassau and Suffolk.

The following table summarizes the summary of the comparable newly constructed building sales:





## SUMMARY OF COMPARABLE BUILDING SALES

<u>No.</u>	<u>Address</u>	<u>Date of Sale</u>	<u>Sale Price</u>	<u># of Units</u>	<u>GBA (Sq. Ft.)</u>	<u>Sale Price/ Unit</u>
1	Fairfield Fieldstone at Farmingdale 168 Fulton Street Farmingdale	11/23/2020	\$23,500,000	60	61,428	\$391,667
2	The Allure Mineola 140 Old Country Road Mineola	2/14/2019	\$150,409,500	311	302,400	\$483,632
3	Hawthorne Apartments 125 S Cottage Street Valley Stream	8/1/2018	\$39,800,000	90	135,656	\$442,222
4	Fairfield Cornerstone at Farmingdale 40 Elizabeth Street Farmingdale	7/18/2018	\$15,550,000	42	34,506	\$370,238
5	Metro 303 303 Main Street Hempstead, Nassau County	11/10/2014	\$73,750,000	166	211,996	\$444,277
6	West 130 Apartments 130 Hempstead Avenue West Hempstead, Nassau County	1/24/2014	\$70,250,000	150	196,390	\$468,333

### DISCUSSION OF ADJUSTMENTS – COMPARABLE BUILDING SALES

The apartment building sales we selected occurred between January 2014 and November 2020. The unadjusted sale prices ranged from \$370,238 to \$483,632 per unit, with a mean indicator of \$433,395 per unit.

We considered market-sensitive factors that affected the sale price of each property compared to the subject and made price adjustments for differences, narrowing the range indicated by the comparables using this adjustment process. Upward adjustments indicated that the comparable was inferior to the subject, while downward adjustments indicated that the comparable was superior.



**VALUE CONCLUSIONS – SALES COMPARISON APPROACH**

Prior to adjustments, the apartment building sales indicated a range of prices from \$370,238 to \$483,632 per unit, with a mean indicator of \$433,395 per unit. After adjustments, this evolved to a range of \$370,238 to \$565,513 per unit, with a mean indicator of \$468,641 per unit.

Based on the above, as well as the subject’s location and new condition, the “as complete and stabilized” market value has been estimated at \$465,000 per residential unit. This resulted in the following value estimate under the sales comparison approach:

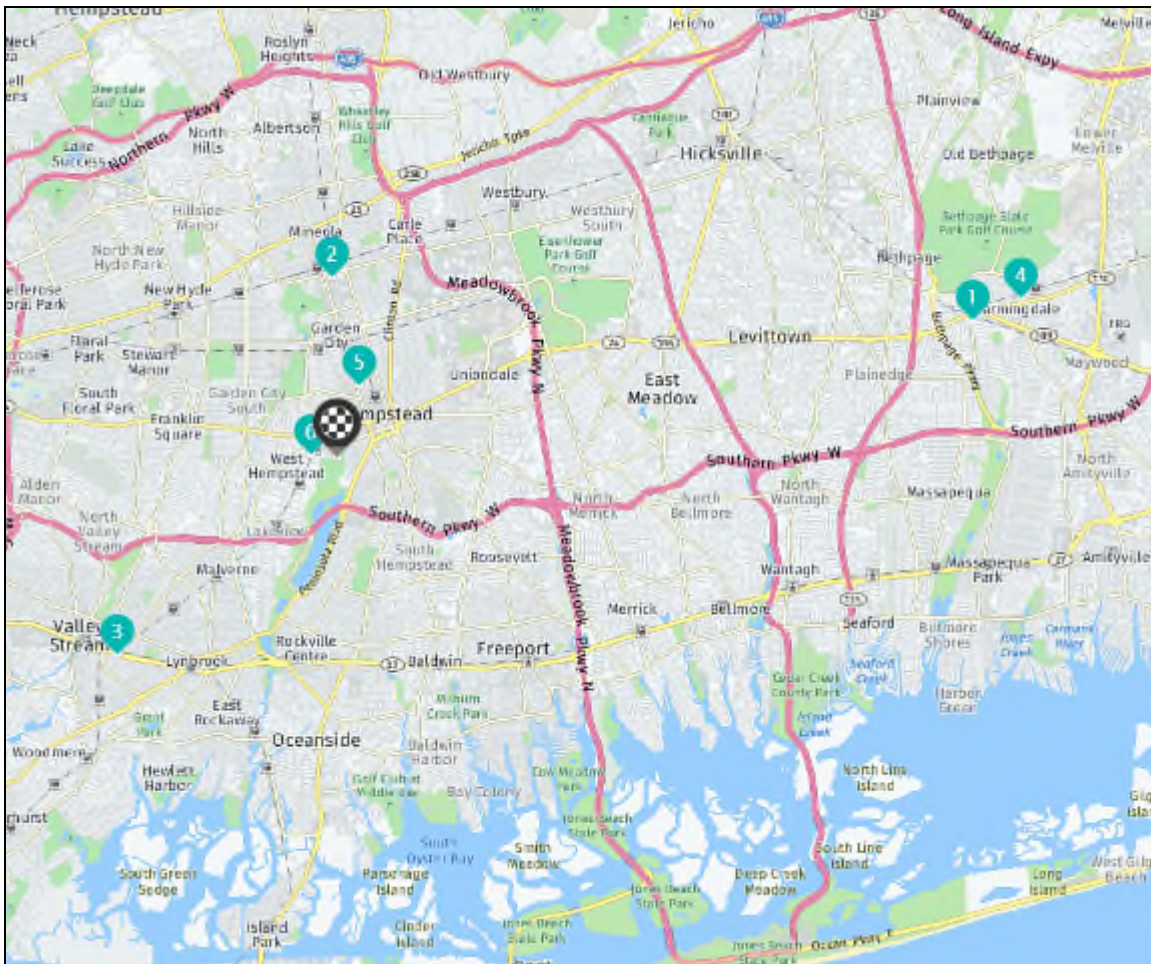
**“AS COMPLETE AND STABILIZED” MARKET VALUE (SALES APPROACH)**

Proposed Number of Residential Units	55
Estimated Market Value / Unit	x \$ <u>465,000</u>
“As Complete and Stabilized” Value (Scenario III)	\$25,575,000
<b>Rounded</b>	<b>\$25,600,000</b>

\*Predicated upon the extraordinary assumptions and limiting conditions as defined within the body of this report.



## LOCATION MAP OF COMPARABLE APARTMENT BUILDING SALES



No.	Address
1	Fairfield Fieldstone at Farmingdale 168 Fulton Street Farmingdale
2	The Allure Mineola 140 Old Country Road Mineola
3	Hawthorne Apartments 125 S Cottage Street Valley Stream
4	Fairfield Cornerstone at Farmingdale 40 Elizabeth Street Farmingdale
5	Metro 303 303 Main Street Hempstead, Nassau County
6	West 130 Apartments 130 Hempstead Avenue West Hempstead, Nassau County



**LIST OF COMPARABLE APARTMENT BUILDING SALES**

<b>Building Sale #1</b> Section 48, Block 443, Lots 23 and 28	<b>Fairfield Fieldstone at Farmingdale</b> 168 Fulton Street Farmingdale, Nassau County, New York
--	---



<b>Grantor/Grantee:</b>	168-190 Fulton Street, LLC / Fairfield Robinelle Gardens LLC
<b>Date of Sale (Recorded):</b>	11/24/2020 (12/15/2020)
<b>Document Number:</b>	14013/674
<b>Description:</b>	Three-story, elevator serviced, multi-family building located on the north side of Fulton Street in Farmingdale. The improvements was constructed circa 2017 and was in good overall condition. The building contains sixty units, comprised of thirty-eight (38) one-bedroom units and twenty-two (22) two-bedroom units. There was reportedly one vacant unit as of the date of the transaction. The property has on-site, surface parking. We have confirmed this transaction with the listing broker on the transaction, Jonathan Winzelberg.
<b>Land Area:</b>	89,819± square feet
<b>Gross Building Area:</b>	61,428± square feet
<b>Unit Count:</b>	60 units
<b>Sale Price:</b>	\$23,500,000.00
<b>Sale Price/Unit:</b>	\$391,667



<b>Building Sale #2</b> Section 9, Block 430, Lots 10, 65, 212, 411, 415 and 418-419	<b>THE ALLURE</b> <b>140 Old Country Road</b> <b>HUDSON HOUSE</b> <b>104 Front Street</b> <b>Mineola, Nassau County, New York</b>
--	---



<b>Grantor/Grantee</b>	JP Morgan Chase Asset Management & Mill Creek Residential Trust LLC/Friedken Realty Group
<b>Date of Sale</b>	2/14/19 (3/4/2019)
<b>Liber/Page</b>	13775/1002
<b>Description</b>	This transaction represents the sale of two multifamily properties located in Mineola. Hudson House, which opened in late 2015, totals 36 units of luxury age and income restricted affordable housing. Hudson House is widely considered one of Nassau County's highest quality age-restricted affordable housing developments. The property offers spacious floor plans, walk-in closets, covered parking and a community room for residents to play games, read and socialize. The Allure, which opened in late 2015, totals 275 luxury Class A residential units. Allure's design, amenities and finishes rival the living experience provided by any Class A luxury residential development in the New York metro region. The five-story property is LEED Gold certified. The units at Allure feature 9' and higher ceilings, quartz countertops, energy-efficient stainless appliance package, subway tile backsplash, wood inspired plank flooring, full balconies and full size in-unit Whirlpool HE washers and dryers. The community features two separate courtyards with a salt-water pool, golf simulator, 24-hour fitness studio featuring yoga and Pilates, package concierge, pet wash and direct-access structured parking. The complex is currently in very good overall condition and was 94% occupied at the time of sale. On-site parking is available.
<b>Land Area</b>	2.02± acres (87,835± sq. ft.)
<b>Building Area</b>	336,200± sq. ft.
<b>Number of Units</b>	311
<b>Indicated Sale Price</b>	\$150,409,500.00
<b>Sale Price/Unit</b>	\$483,632



**Building Sale #3**  
 Section 37, Block 119, Lot 134

**Hawthorne Apartments**  
 125 S Cottage Street  
 Valley Stream, Nassau County, New York



<b>Grantor/Grantee:</b>	Town of Hempstead Industrial Development Agency and Zeus Cottage LLC / Hawthorne Owner LLC
<b>Date of Sale (Recorded):</b>	8/1/2018 (11/1/2018)
<b>Document Number:</b>	13727 / 589
<b>Description:</b>	Three-story, multi-family building located on the northeast corner of S. Cottage Street and East Hawthorne Avenue in the neighborhood of Valley Stream and is four blocks from the Valley Stream train station for the Long Island Railroad. The improvements contain a gross building area of 135,656± square feet and a land area of 67,082± square feet, according to Nassau County property records. The improvements were constructed circa 2009 and are in good overall condition. The building contains amenities such as; garage parking, outdoor courtyards and bike parking. The apartment units consist of one and two bedroom units with granite/quartz countertops and stainless steel appliances in the kitchen, washer/dryer in unit, central air conditioning and hardwood flooring.
<b>Land Area:</b>	67,082± square feet
<b>Gross Building Area:</b>	135,656± square feet, plus parking garage
<b>Unit Count:</b>	90 units
<b>Sale Price:</b>	\$39,800,000.00
<b>Sale Price/Unit:</b>	\$442,222



<b>Building Sale #4</b> Section 49, Block 75, Lots 5, 6, 7	<b>Fairfield Cornerstone at Farmingdale</b> <b>40 Elizabeth Street</b> <b>Farmingdale, Nassau County, New York</b>
---	--



<b>Grantor/Grantee:</b>	Cornerstone at Farmingdale LLC / Fairfield Cornerstone at Farmingdale LLC
<b>Date of Sale (Recorded):</b>	7/18/2018 (10/9/2018)
<b>Document Number:</b>	13717/179
<b>Description:</b>	Three-story, elevator serviced apartment building located on the west side of Secatogue Avenue, north of the Farmingdale train station for the Long Island Railroad. The improvements were constructed circa 2015 and were in good overall condition as of the transaction date. The building amenities include a rooftop terrace with a firepit and grills, a fitness center and a clubroom with a billiards table, fireplace, and caterer's kitchen. The apartments have granite countertops, stainless steel appliances, vinyl plank flooring, tile backsplashes and nine-foot ceilings. The property had a reported 4.8% vacancy rate as of the date of the sale. This sale was confirmed via the Listing Broker (Cushman & Wakefield) along with the property deed.
<b>Land Area:</b>	32,431± square feet
<b>Gross Building Area:</b>	34,506± square feet
<b>Unit Count:</b>	42 units
<b>Sale Price:</b>	\$15,550,000.00
<b>Sale Price/Unit:</b>	\$370,238

<b>Building Sale #5</b> Section 34, Block 191, Lots 1 & 25	<b>METRO 303</b> 303 Main Street Hempstead, Nassau County, New York
---	---



<b>Grantor/Grantee</b>	VIF II / Main 303, LLC / 303 Main Street Apartments Investors LLC
<b>Date of Sale</b>	11/10/2014 (12/2/2014)
<b>Liber/Page</b>	13152-759
<b>Description</b>	A five-story, elevator-serviced, 166-unit luxury apartment complex containing 211,996± square feet of gross building area, which was originally constructed circa 2012. The complex contains a business center, tenant lounge, fitness center, concierge, clubhouse, courtyard with a heated pool, covered parking and balconies or patios on select units. The complex is currently in good overall condition and was 94% occupied at the time of sale.
<b>Land Area</b>	76,845± sq. ft. (1.76± acres)
<b>Building Area</b>	211,996± sq. ft.
<b>Number of Units</b>	166
<b>Indicated Sale Price</b>	\$73,750,000.00
<b>Sale Price/Unit</b>	\$444,277





<b>Building Sale #6</b> Section 35, Block 386, Lot 209	<b>West 130</b> <b>130 Hempstead Avenue</b> <b>West Hempstead, Nassau County, New York</b>
---	--



<b>Grantor/Grantee</b>	Mill Creek Residential Trust LLC/UBS Realty Investors LLC
<b>Date of Sale</b>	1/24/2014 (2/5/2014)
<b>Liber/Page</b>	13042 – 717
<b>Description</b>	A four-story (plus lower level parking), elevator-serviced, 150-unit luxury apartment complex constructed circa 2012. The complex contains two levels of structured parking (below grade), with the four upper levels containing one- to three-bedroom luxury apartment units. On-site amenities include a clubhouse with fitness center and cathedral ceilings, a game room, a business center, and a Wi-Fi resident coffee lounge, and a landscaped courtyard with an outdoor pool and sundeck. The property was in good overall condition and reported to be 70% occupied at the time of sale. The property is located directly west, on the other side of the West Hempstead train station, from the subject property.
<b>Land Area</b>	118,919± square feet
<b>Building Area</b>	196,390± sq. ft.
<b>Number of Units</b>	150
<b>Indicated Sale Price</b>	\$70,250,000.00
<b>Sale Price/Unit</b>	\$468,333



**SUMMARY OF COMPARABLE INDUSTRIAL RENTALS**

**Rental #1** **25 Hempstead Gardens Drive**  
**West Hempstead, New York**



<b>Listing Broker</b>	Crosstown Realty
<b>Lease Date</b>	Current Offering as of 1/2021
<b>Description</b>	One-story, industrial building located on the . The building contains a total gross building area of 25,465± square feet, 12-15 foot ceilings and is in good overall condition. The site contains a total land area of 50,965± square feet of land area, the majority of which is not used as building footprint is utilized as parking spaces for the tenants of the building.
<b>Gross Leasable Area</b>	4,100± square feet
<b>Semi-Gross Rent/SF</b>	\$14.00
<b>Tenant Responsibilities</b>	Tenant is responsible for their pro-rata share of utilities.

**Rental #2**

**800 Shames Drive  
Westbury, New York**



<b>Tenant</b>	DWG Distribution
<b>Lease Date</b>	December 1, 2020 (2 Year Term)
<b>Description</b>	Office and warehouse space lease within a light manufacturing building located on the north side of Shames Drive, between Cantiague Rock Road and Brush Hollow Road in the neighborhood of Westbury. The building was originally constructed circa 1958 and was in good overall condition. The spaces comes with a few parking spaces, but no additional land storage space. The building has a 14 foot ceiling height. This lease was confirmed with the listing broker, Matthew Balzano of Schaker Real Estate Group.
<b>Gross Leasable Area</b>	8,007± square feet
<b>Semi-Gross Rent/SF</b>	\$12.50
<b>Tenant Responsibilities</b>	Tenant is responsible for their pro-rata share of utilities.

**Rental #3** **2-4 Terminal Road  
West Hempstead, New York**



<b>Tenant</b>	Global Designers
<b>Lease Date</b>	September 2020
<b>Description</b>	Industrial building located on the west side of Terminal Road between Hempstead Turnpike and Nassau Boulevard. The building was constructed circa 1958 and is in average overall condition. The property is comprised of a one-story, 34,000± square foot building which contains 13.6 foot ceiling heights and multiple drive-in doors. The total land area at the site is 100,188± square feet and this area is used mainly for parking spaces for the building tenants. The property was leased by Joseph Sorbara of ACC Space.
<b>Gross Leasable Area</b>	10,000± square feet
<b>Semi-Gross Rent/SF</b>	\$12.75
<b>Tenant Responsibilities</b>	Tenant is responsible for their pro-rata share of utilities.



**Rental #4**

**333 West Merrick Road  
Valley Stream, New York**



<b>Tenant</b>	HUPS
<b>Lease Date</b>	July 2020
<b>Description</b>	Industrial lease within a one-story, industrial/office building located on the north side of Merrick Road, between Benedict Avenue and N Montgomery Street. The improvements were constructed circa 1956, contain 47,000± square feet of gross building area, a 13 foot ceiling height and multiple drive-in docks. The total land area at the site is 77,101± square feet and this area is used mainly for parking spaces for the building tenants. The leasing representative on the deal was Bruce Bauerle from "Do it Best".
<b>Gross Leasable Area</b>	10,000± square feet
<b>Semi-Gross Rent/SF</b>	\$10.80
<b>Tenant Responsibilities</b>	Tenant is responsible for their pro-rata share of utilities.

**Rental #5**

**5 Terminal Road  
 West Hempstead, New York**



<b>Tenant</b>	Cherry Valley Associates
<b>Lease Date</b>	March 1, 2020
<b>Description</b>	One-story, industrial building located on the north side of Terminal Road, between Cherry Valley Road and Brixton Road South. The improvements were originally constructed circa 1969, contain 50,000± square feet of GBA and 13'9" foot ceiling height and were in average overall condition. The total land area at the site is 51,836± square feet and this area is used mainly for parking spaces for the building tenants. The property was leased by Joseph Sorbara of ACC Space.
<b>Gross Leasable Area</b>	20,500± square feet
<b>Semi-Gross Rent/SF</b>	\$10.00
<b>Tenant Responsibilities</b>	Tenant is responsible for their pro-rata share of utilities.