

138-140

LUDLOW STREET

REDUCED ASKING PRICE:

\$21,000,000



CONFIDENTIAL OFFERING

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OFFERING MEMORANDUM DISCLAIMER

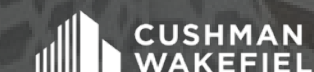
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Executive Summary

Cushman & Wakefield has been exclusively retained to arrange the sale of 138 Ludlow Street NYC, a six-story mixed-use building. The property contains 21,500 SF with 29 units and approximately 48 feet of frontage on Ludlow Street (between Stanton and Rivington). The property lies in the epicenter of the LES, and two blocks north of the \$1.9 billion, two million square foot Essex Crossing development. The Property's 27 residential units consist of studios (4), one-bedrooms (1), two-bedrooms (6) and three-bedrooms (16), and two retail spaces at street level. The ground floor consists of 2 stores and 2 apartments. The remaining floors (two through six) contain 5 apartments per floor. Since current ownership acquired the Property in 2018, 138 Ludlow has undergone an extensive interior renovation with a scope encompassing both unit renovations and base building capex. The Property's lobby, stairwells and 25 of the residential units have been renovated over the last few years. 20 of the Property's 27 residential units are currently free market (74%). Today, approximately 85% of the Property's residential income is derived from free market leases.

PROPERTY HIGHLIGHTS

STABILIZED AND CASH FLOWING PROPERTY

The Property's 27 residential units are currently 100% occupied. The two retail spaces are leased to operators and the Property is currently operating at an efficient 25% expense ratio, which combined with strong rent growth, has led to consistent, growing cash flow performance at the Property.

RECENT HIGH SPEC UNIT RENOVATIONS AND BUILDING CAPITAL EXPENDITURES

The Owner recently renovated 25 of the 27 residential units at the Property and upgraded the lobby, stairwells and lighting systems. The modernized appliances, bathrooms and lighting throughout the Property contributes to more efficient operations, while reducing the likelihood of future repairs and maintenance expenses typically associated with older, unrenovated tenement buildings. Additionally, the electrical system at the Property was upgraded during the renovation, and the boiler and roof are in excellent condition.

COMPLIMENTARY LAYOUTS FOR THE LOWER EAST SIDE LEASING MARKET

Prior to its renovation of the Property, the Owner performed exhaustive market research of the Lower East Side housing stock and concluded that it would be advantageous to increase density and create a unit mix with a greater proportion of shared units at the Property. As a result, 22 of the Property's 27 residential units are two or three bedrooms, which target students, recent graduates, entrepreneurs, creatives and young professional tenants.

PRIME LOWER EAST SIDE LOCATION

The Property is located on Ludlow Street in between Stanton and Rivington Streets in the Hell Square District of Manhattan's popular Lower East Side neighborhood. Despite rapid gentrification and large-scale development projects, The Lower East Side has retained its reputation as "The Last Frontier of Cool" and continues to be a coveted locale for entertainment, all seeking the true New York experience through an eclectic and culture rich restaurant, art and nightlife scene. The Property benefits further from its proximity to the new nine-block, \$1.7 billion Essex Crossing development, which will add 1,000 new apartments to the area, as well as a large food bazaar and several recreational destinations across six acres at the foot of the Williamsburg Bridge.

RENOVATIONS

The Owner performed renovations on 25 of the 27 residential apartments at the Property. Units 8 and 9 are both rent stabilized units and were not included as part of the renovation plan. The renovated units benefit from new flooring, new kitchen appliances and cabinets, new bathrooms and washer/dryers. All units are also equipped with a Latch accessibility system. In addition to the unit renovations, Owner also renovated the lobby, stairwells and common area lighting in the building. The storefront and residential entry were also replaced, and unit 1's backyard received new railings and had its concrete re-poured. The majority of the building systems, as well as the roof, were in stellar condition prior to the renovation, and did not require any repairs or replacement. The Property's electrical system, however, was upgraded, and is now equipped to provide 800 amperes of power to the building. Renovations at the Property began in 2018 and were completed over the course of two years at a total cost of roughly \$3.2 million.

TENANT SEVERANCE

The primary component of the Owner's business plan involved the recapture of both free market and rent stabilized units to create new units by performing perimeter changes. Through these perimeter changes, the Owner was able to remove units from rent stabilization, improve unit layouts to maximize rents, and remove DHCR liability from free market units. After purchasing the Property in January of 2018, the Owner has facilitated 12 total tenant severance agreements prior to the 2019 ETPA for a total cost of nearly \$1.1 million.



PROPERTY INFO

PROPERTY INFORMATION

Property Address:	138 Ludlow Street, New York, NY 10012
Block & Lot:	411 - 42
Lot Dimensions:	47.58' x 89'(approx.)
Lot SF:	4,235 SF (approx.)

BUILDING INFORMATION

Property Type:	Mixed-Use Walkup
Building Dimensions:	48' x 76' Irregular (approx.)
Stories:	6

Total Gross SF:	21,500 SF
Residential Units:	27
Commercial Units:	2
Total Units:	29

ZONING INFORMATION

Zoning:	C4-4A
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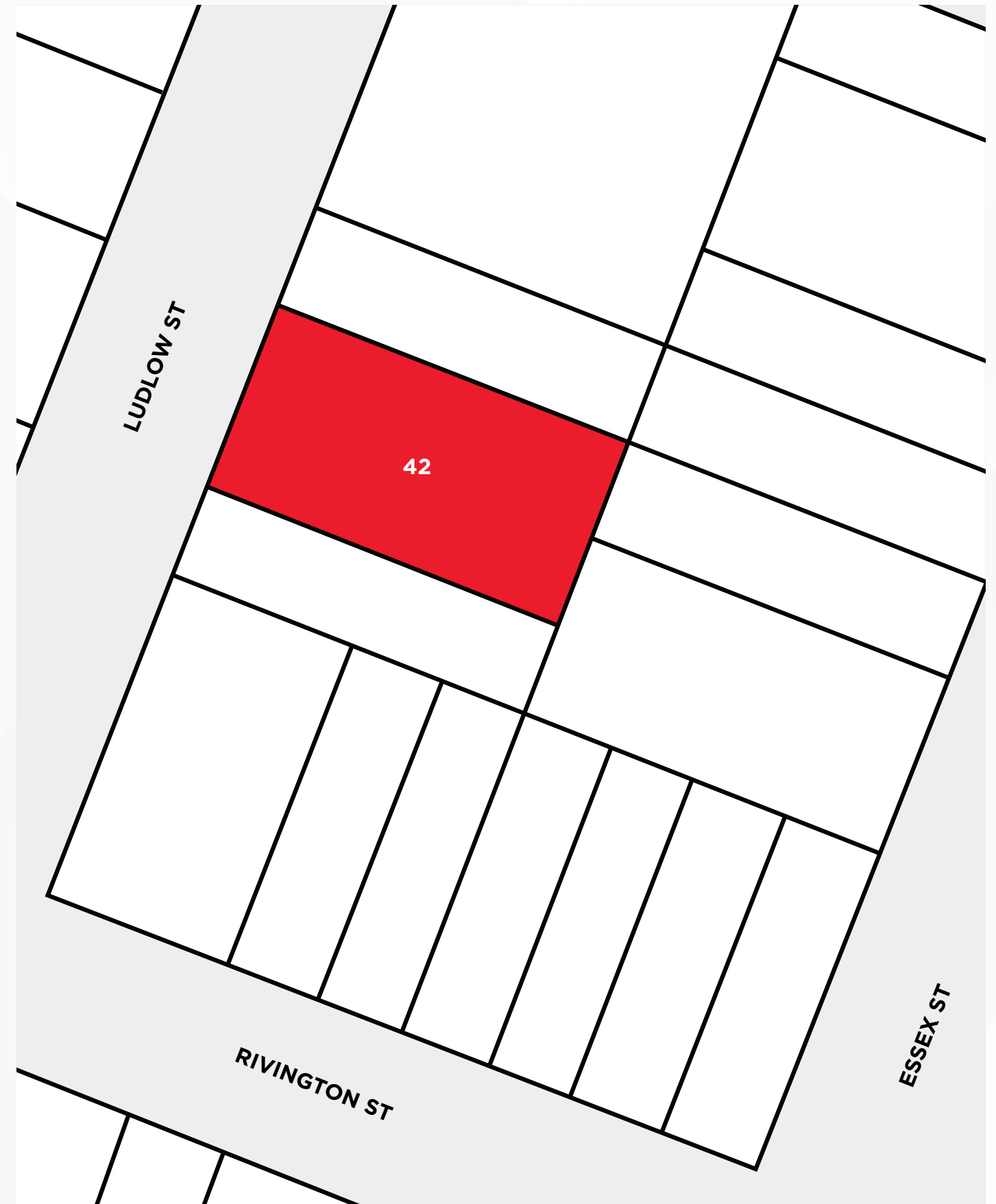
NYC FINANCIAL INFORMATION (24/25)

Total Assessment:	\$2,529,540
Annual Property Tax:	\$310,299
Tax Class:	2
Tax Rate:	12.2670%

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LUDLOW STREET

TAX MAP



VIRTUALLY STAGED

REVENUE

RESIDENTIAL REVENUE

UNIT	BEDS	BATHS	STATUS	EXP.	LEGAL RENT	PREF	MONTHLY RENT
1A	3	1	RS	08/31/2024			\$5,869
2	2	1	RS	04/30/2025			\$848
3	2	1	FM	07/31/2025			\$4,500
4A	3	1	FM	08/31/2024			\$6,150
5A	STD	1	RS	04/30/2025			\$2,575
6A	3	1	FM	09/30/2024			\$5,875
7A	3	1	FM	VACANT			\$6,000
8	2	1	RS	08/31/2024			\$737
9	2	1	RS	06/30/2025			\$1,044
10A	2	1	FM	02/14/2025			\$3,200
11A	3	1	FM	01/14/2025			\$5,150
12A	3	1	FM	07/31/2024			\$6,000
13A	3	1	FM	05/31/2025			\$6,150
14	3	1	RS	06/30/2025			\$5,050
15A	STD	1	FM	08/15/2024			\$2,600
16A	3	1	FM	07/31/2025			\$5,850
17A	3	1	FM	07/31/2024			\$6,000
18A	1	1	FM	01/14/2025			\$3,000
19A	3	1	FM	08/02/2025			\$6,000
20A	STD	1	FM	08/31/2024			\$2,700
21A	3	1	FM	07/09/2025			\$5,400
22A	3	1	FM	07/31/2024			\$5,900
23	2	1	FM	05/31/2025			\$4,400
24A	3	1	FM	06/09/2025			\$5,850
25A	STD	1	RS	01/21/2025			\$2,362
26A	3	1	FM	06/02/2025			\$5,750
27A	3	1	FM	08/31/2024			\$5,950
Monthly	61	27			-	-	\$120,909
Annual					-	-	\$1,450,909
					Average Rent per Unit:		\$4,478
					Average Rent per Net SF:		\$105

COMMERCIAL REVENUE

UNIT	TENANT	LEASE EXP.	BASE RENT	MONTHLY RECOVERY	MONTHLY RENT
Store 1N	97 2nd Convenience Corp	10/31/34			\$11,500
Store 1S	Akila NY LLC	03/31/32			\$12,200
Monthly Total			-	-	\$23,700
Annual Total			-	-	\$284,404

Total Gross Monthly Revenue: \$144,609
Total Gross Annual Revenue: \$1,735,313

INCOME & EXPENSES

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LUDLOW STREET

RESIDENTIAL REVENUE

Gross Annual Income	\$ / UNIT	ANNUAL INCOME
	\$53,737	\$1,450,909

COMMERCIAL REVENUE

Gross Annual Income	\$ / UNIT	ANNUAL INCOME
	\$142,202	\$284,404

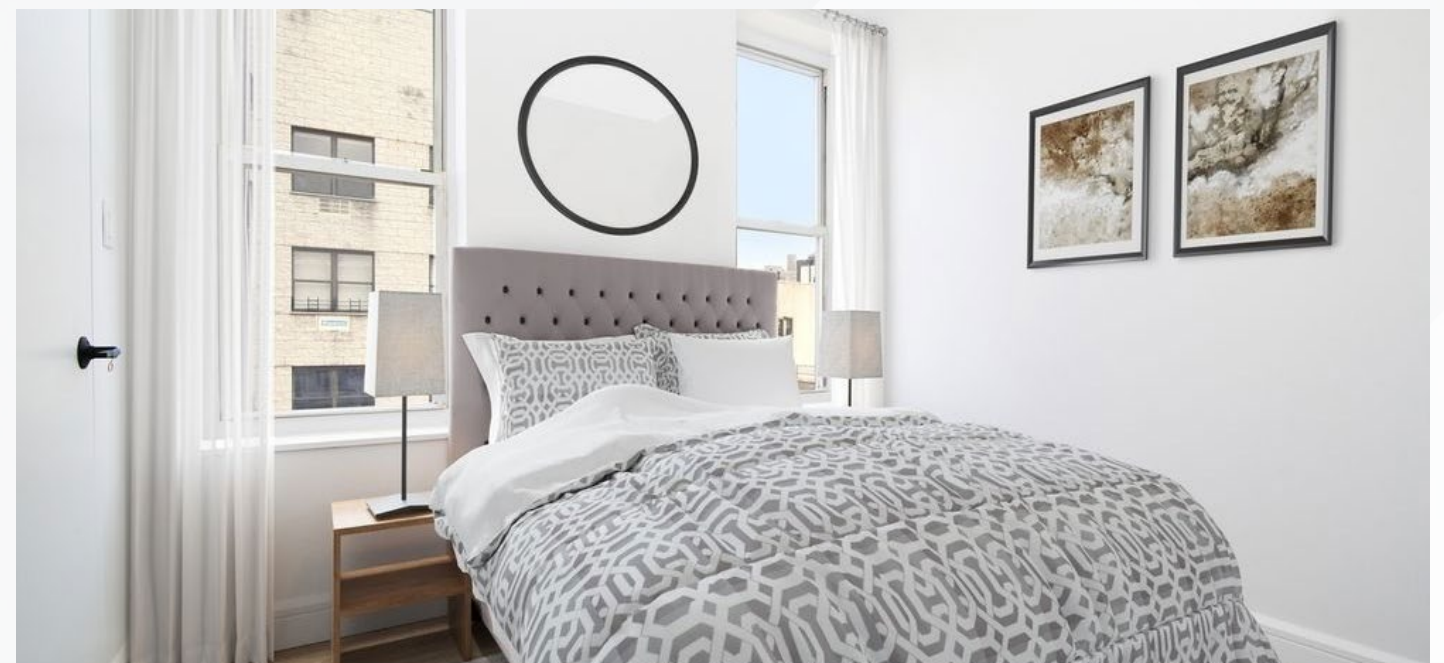
TOTAL REVENUE

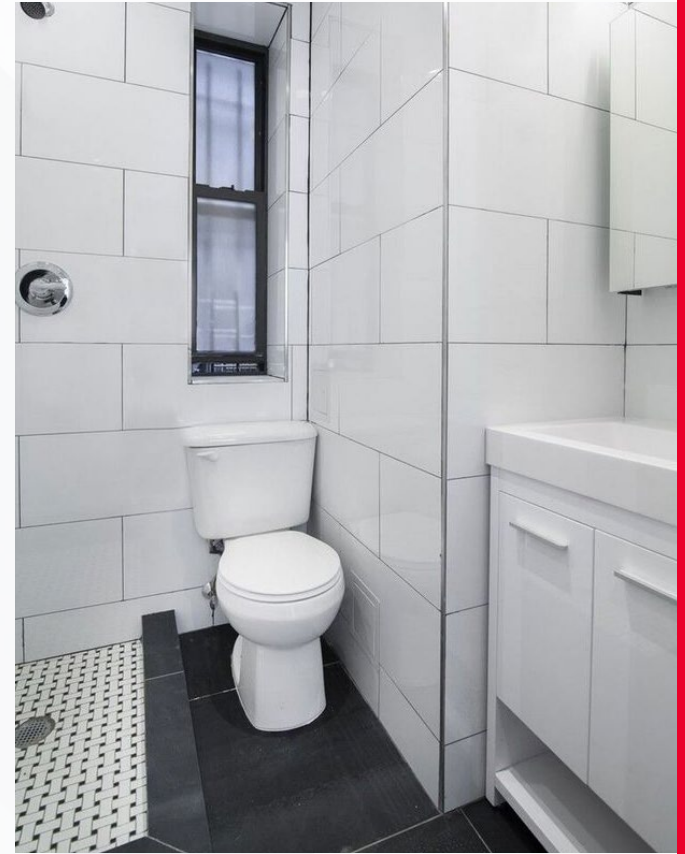
Total Gross Annual Income	\$ / UNIT	ANNUAL INCOME
	\$867,657	\$1,735,313

PROJECTED OPERATING EXPENSES

TYPE	PROJECTION	% OF	\$ / SF	\$ / UNIT	PROJECTED
Property Taxes	Actual	17.9%	\$14.43	\$10,700	\$310,299
Water and Sewer	\$750/ Resi. Unit	1.2%	\$0.94	\$698	\$20,250
Insurance	Actual	0.6%	\$0.50	\$369	\$10,696
Fuel (Gas)	Actual	0.8%	\$0.61	\$454	\$13,170
Electric (Common)	\$0.25/ GSF	0.3%	\$0.25	\$185	\$5,375
Repairs	\$500/ Resi. Unit	0.8%	\$0.63	\$466	\$13,500
Cleaning &	\$400/ Month	0.3%	\$0.22	\$166	\$4,800
General &	\$250/ Resi. Unit	0.4%	\$0.31	\$233	\$6,750
Super Salary	\$1,000/ Month	0.7%	\$0.56	\$414	\$12,000
Management Fee	3.0% / EGI	3.0%	\$2.42	\$1,795	\$52,059
Total Expenses		25.9%	\$20.88	\$15,479	\$448,899

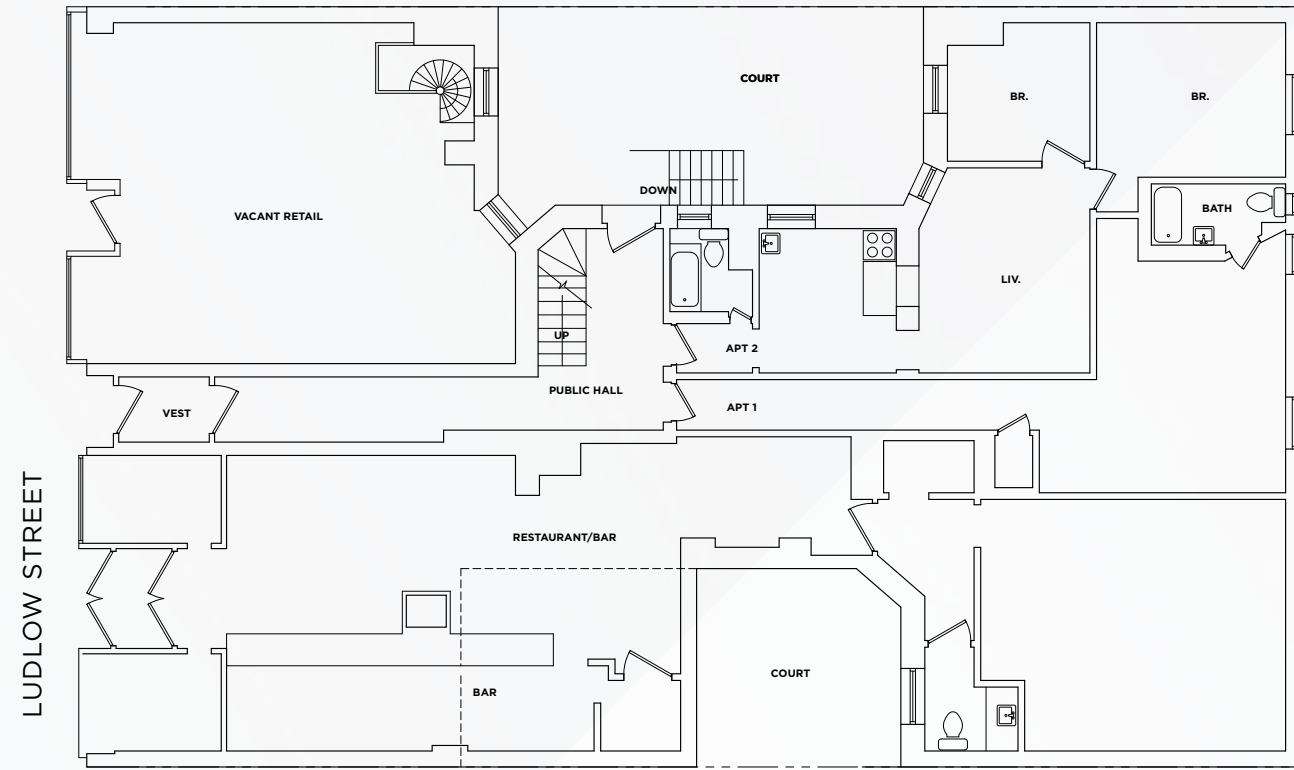
Net Operating Income	\$1,286,414
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FLOOR PLAN

GROUND
2 STORES
2

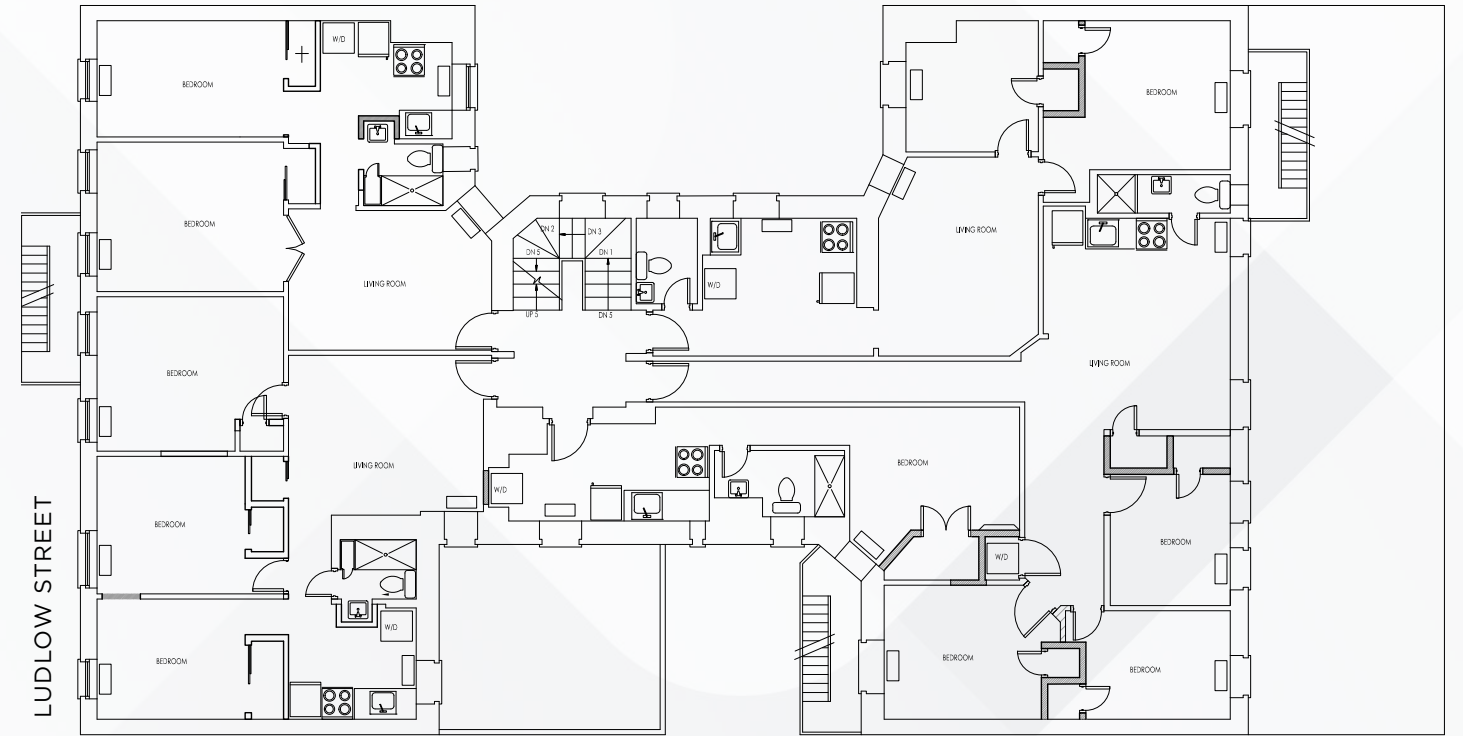


LUDLOW STREET

REAR YARD

FLOOR PLAN

FLOORS
5 APARTMENTS



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Billing Summary	Amount
Outstanding charges <i>(Sum of unpaid balance and interest fees from billing periods)</i>	\$0.00
New charges <i>(Sum of new property taxes and other charges-see below for details)</i>	\$0.00
AMOUNT DUE BY APRIL 1, 2024	\$0.00

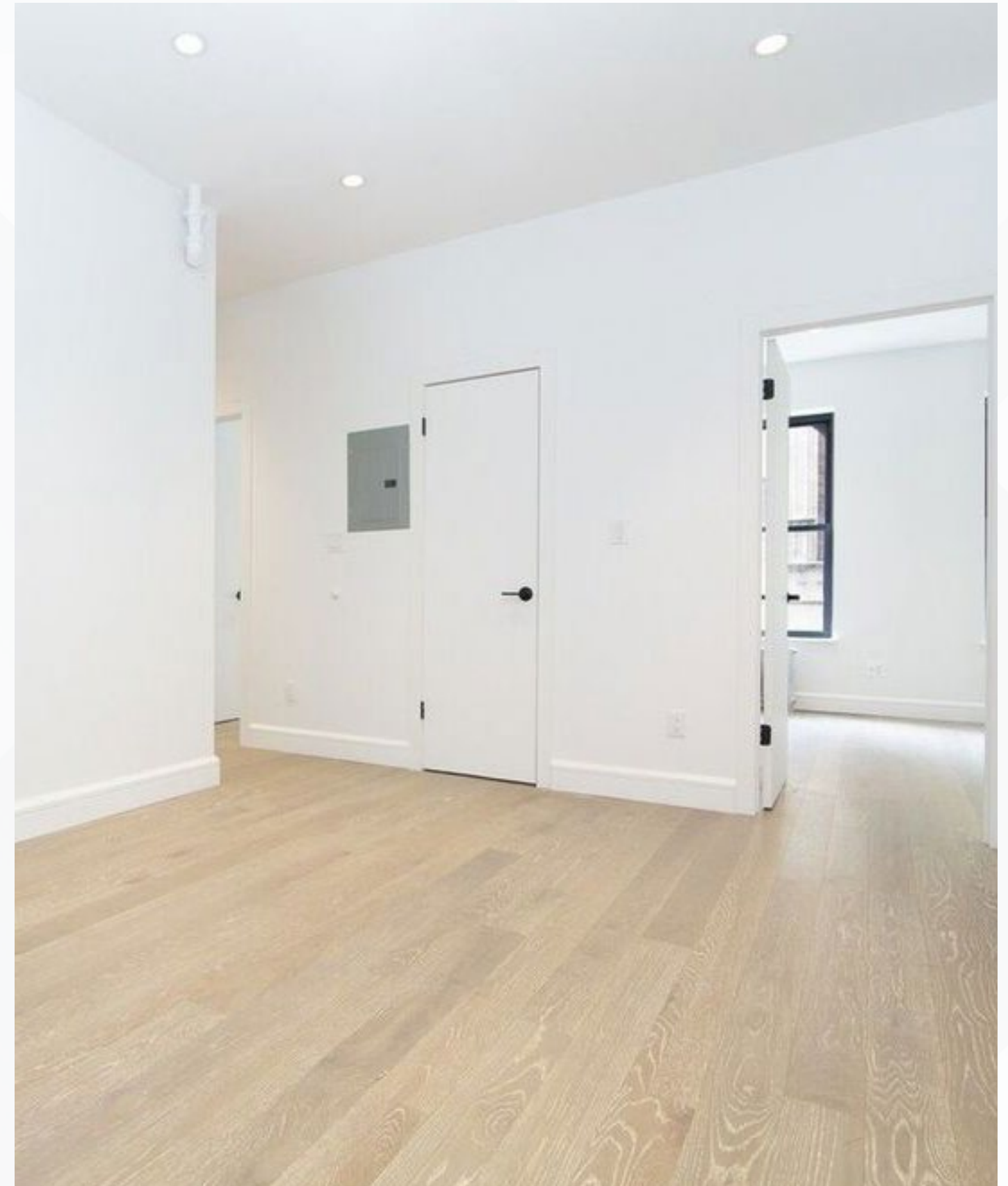
Your property details:		How we calculate your annual taxes:	
Estimated market value:	\$6,030,000	Billable assessed value:	\$2,180,160.00
Tax class:	2 - Residential More Than 10 Units	times the current tax rate:	x 12.5020%
		Annual property tax:	\$272,563.60

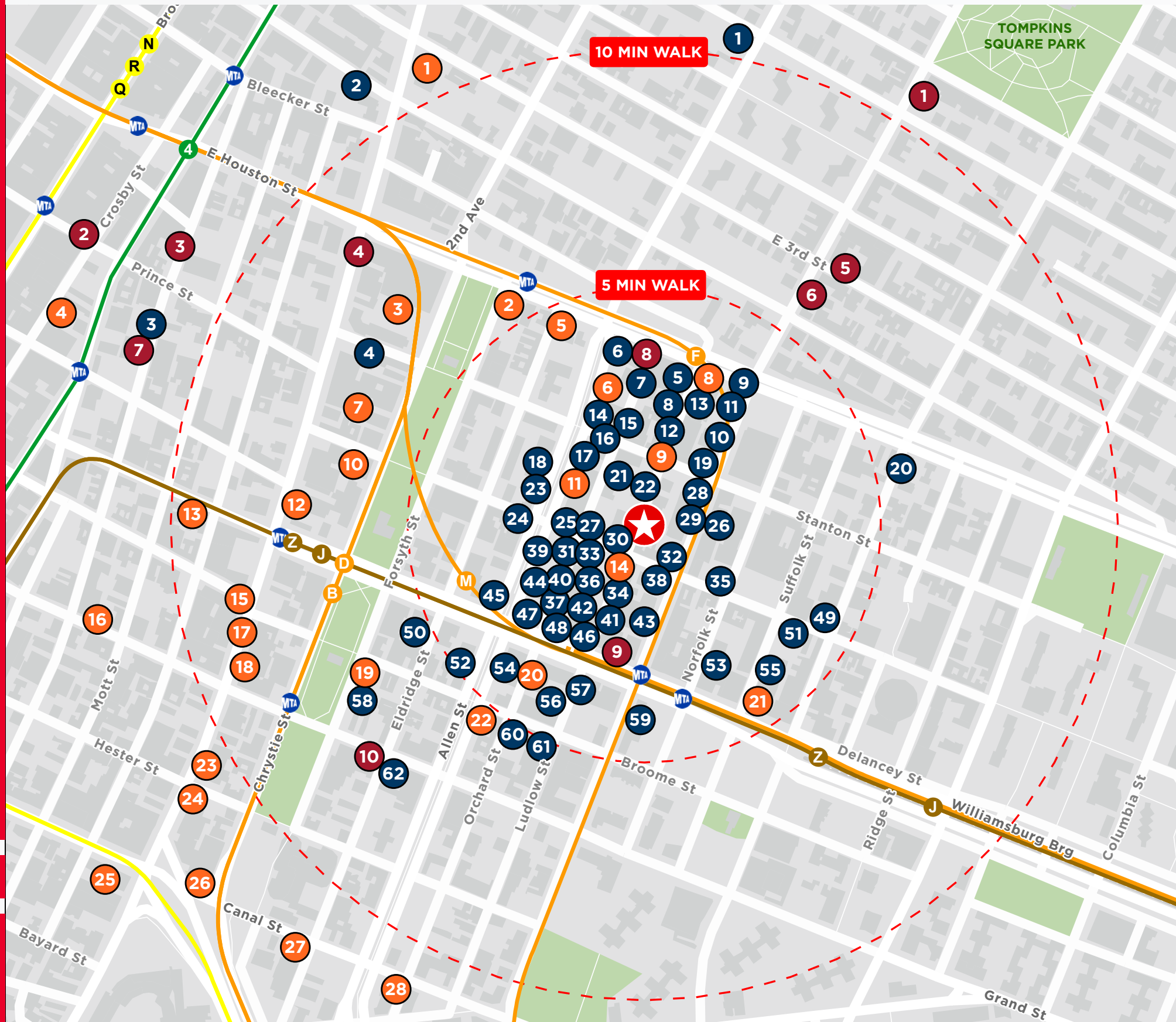
Activity for This Billing Period (Due April 1, 2024)

Department of Housing Preservation and Development charges

For more information about New York City Department of Housing Preservation & Development charges, visit www.nyc.gov/hpdcharges.

	Activity Date	
HPD-Inspection Fee (Non Hhw)- Fee		\$200.00
Payment	12/13/2023	\$-200.00
HPD-Inspection Fee (Non Hhw)- Fee		\$200.00
Payment	12/13/2023	\$-200.00
Department of Housing Preservation and Development Total		\$0.00





HOTELS

1. THE BOWERY HOTEL
2. GATSBY HOTEL
3. PUBLIC HOTEL
4. CROSBY STREET HOTEL
5. THE RIDGE
6. SIXTY LES
7. UNITTLED AT 3 FREEMAN ALLEY
8. THE LUDLOW NYC
9. HOTEL INDIGO
10. OFF SOHO SUITES HOTEL
11. ORCHARD STREET HOTEL
12. CITIZENM
13. THE NOLITAN HOTEL
14. HOTEL ON RIVINGTON
15. SOHOTEL
16. NOBLEDEN
17. BOWERY GRAND HOTEL
18. MOXY LOWER EAST SIDE
19. WINDSOR HOTEL
20. THE HISTORIC BLUE MOON HOTEL
21. HOLIDAY INN
22. THE ALLEN HOTEL
23. NEW WORLD HOTEL
24. WYNDHAM GARDEN CHINATOWN
25. HOTEL 50 BOWERY
26. THE LEON HOTEL
27. CANAL LOFT HOTEL
28. NINE ORCHARD HOTEL

GYMS

1. BLINK FITNESS
2. EQUINOX
3. PROJECT BY EQUINOX
4. CHINATOWN BRANCH YMCA
5. GYM NYC E 3RD ST
6. TEMPL
7. GYM NYC
8. EQUINOX
9. F45 TRAINING
10. WILLYB CROSSFIT

RESTAURANTS

- | | |
|------------------------------------|--------------------------------|
| 1. UPSTATE CRAFT BEER & OYSTER BAR | 36. SET LES |
| 2. FISH CHEEKS | 37. COPPER THROAT THAI CUISINE |
| 3. RUBIROSA | 38. EL CASTILLO DE JAGUA |
| 4. FORSYTHIA | 39. GOOD THANKS CAFE |
| 5. KATZ' DELICATESSEN | 40. WILDAIR |
| 6. BLUE RIBBON SUSHI IZAKAYA | 41. 375 CHICKEN N' FRIES |
| 7. SAMI & SUSU | 42. IZAKAYA JURAKU |
| 8. TAVERNADI BACCO | 43. RAMEN ISHIDA |
| 9. GAZAB | 44. RUSS & DAUGHTERS CAFE |
| 10. DIRTY FRENCH | 45. DOUBLE CHICK PLEASE |
| 11. TAKUMI OMAKASE | 46. THE VEGOIST |
| 12. TRE | 47. YE'S APOTHECARY |
| 13. SWEET CHICK | 48. OKIBORU HOUSE OF TSUKEMEN |
| 14. 8282 | 49. THAILICIOUS |
| 15. SAIGON SOCIAL | 50. LĒNA |
| 16. MOTHER DUCK | 51. GINGER AND LEMONGRASS |
| 17. MR. TAKA RAMEN | 52. EMPANADA MAMA L.E.S |
| 18. MS YOO | 53. LA CONTENTA |
| 19. SOUVLAKI GR | 54. CONGEE VILLAGE |
| 20. CLINTON STREET BAKING CO | 55. DAVELLE |
| 21. KAIKAGETSU NYC | 56. EXCUSE MY FRENCH |
| 22. VIVA BIRRIA | 57. HOTEL CHANTELLE |
| 23. MATSUNORI | 58. WAYLA |
| 24. SONNYBOY | 59. DHAMAKA |
| 25. SAUCE | 60. DUDLEY'S |
| 26. BEAUTY & ESSEX | 61. ZEST SUSHI |
| 27. TRAPIZZINO | 62. SHU JIAO FU ZHOU |
| 28. PATACON PISAO | |
| 29. SONS OF ESSEX | |
| 30. PIG & BUTTER | |
| 31. GUGU ROOM | |
| 32. GOTHAM BURGER SOCIAL CLUB | |
| 33. WOLFNIGHTS - THE GOURMET WRAP | |
| 34. PRETTY RICKY'S | |
| 35. SUPERMOON BAKEHOUSE | |

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