

5501 5TH AVENUE

5501 5th Avenue | Brooklyn, NY
OFFERING MEMORANDUM



SUNSET PARK CORNER MIXED USE PROPERTY

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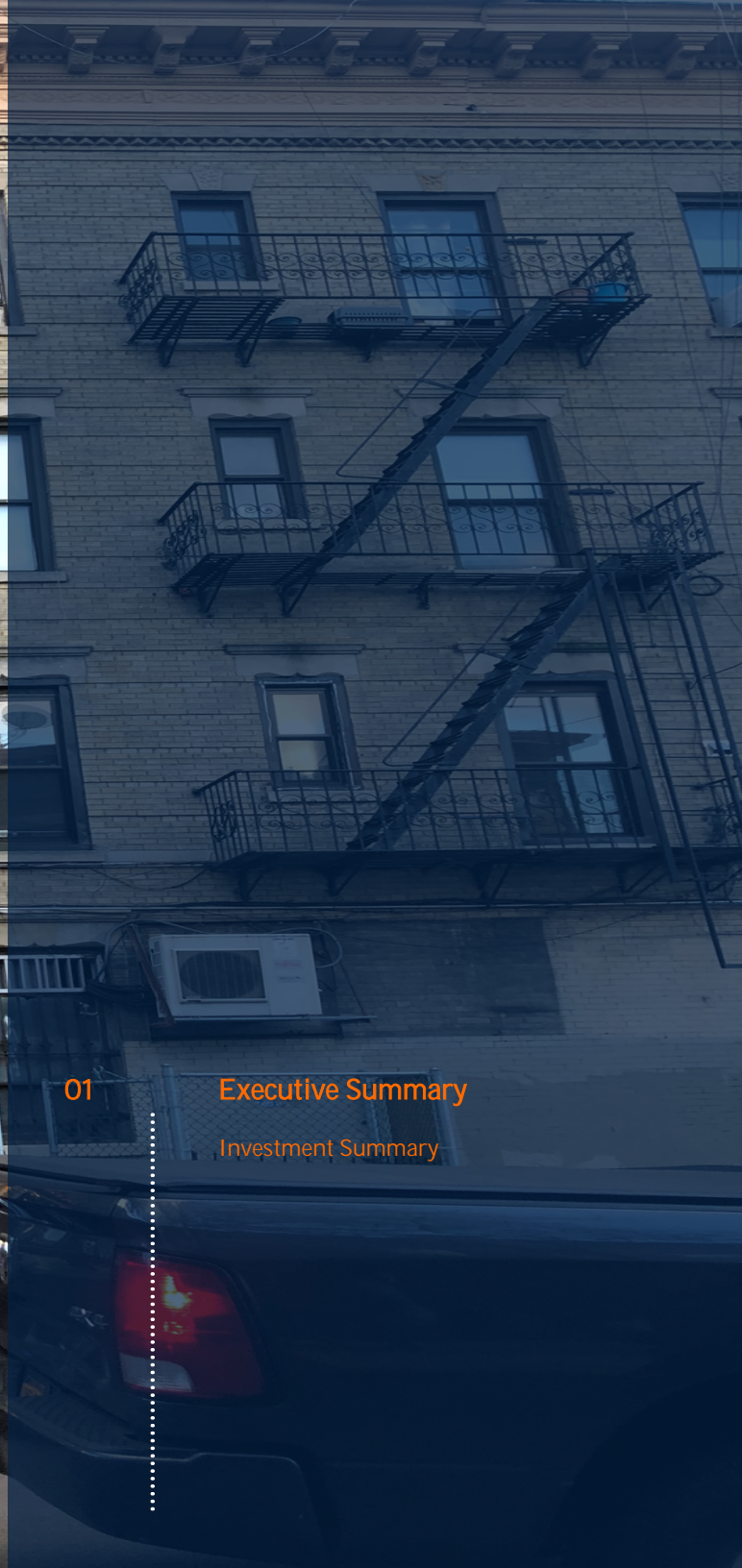
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01

Executive Summary

Investment Summary

OFFERING SUMMARY

ADDRESS	5501 5th Avenue Brooklyn NY 11220
COUNTY	Kings
MARKET	Brooklyn
SUBMARKET	Sunset Park
BUILDING SF	6,453 SF
LAND ACRES	.038
LAND SF	1,644 SF
YEAR BUILT	1931
APN	832-8
OWNERSHIP TYPE	Fee Simple

FINANCIAL SUMMARY

OFFERING PRICE	\$3,250,000
PRICE PSF	\$503.64
OCCUPANCY	95.00 %
NOI (1ST YEAR)	\$186,941
CAP RATE (1ST YEAR)	5.75 %
CAP RATE (2ND YEAR)	5.96 %
GRM (1ST YEAR)	12.11
GRM (2ND YEAR)	11.75

PROPOSED FINANCING

Permanent	
LOAN TYPE	Amortized
DOWN PAYMENT	\$1,137,500
LOAN AMOUNT	\$2,112,500
INTEREST RATE	6.25 %
LOAN TERMS	5
ANNUAL DEBT SERVICE	\$156,084
LOAN TO VALUE	65 %
AMORTIZATION PERIOD	30 Years
NOTES	We have excellent lending partners.

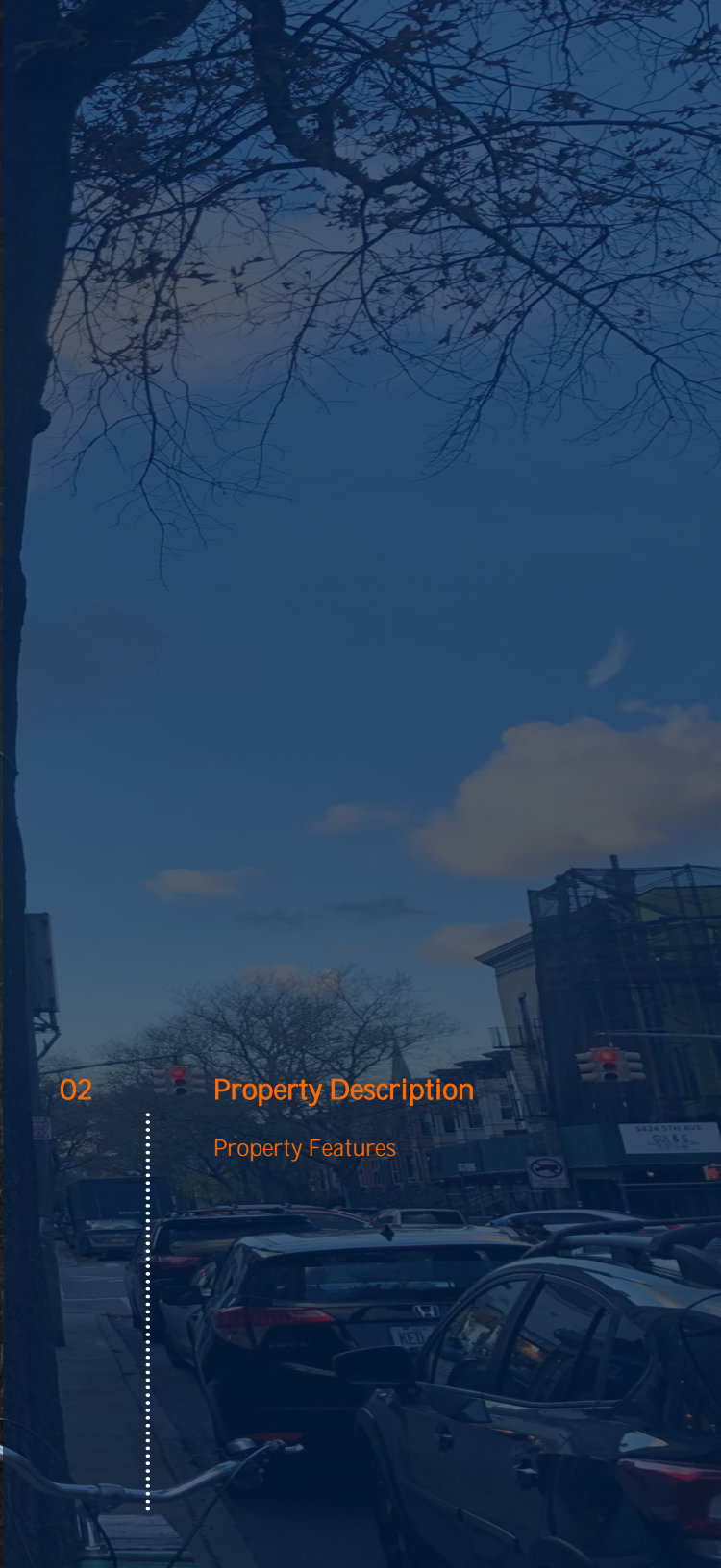
DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
2020 Population	167,322	760,381	1,895,169
2020 Median HH Income	\$50,130	\$68,093	\$68,997
2020 Average HH Income	\$73,574	\$102,451	\$104,542



02

Property Description

Property Features



GLOBAL

NUMBER OF UNITS	8
BUILDING SF	6,453
LAND SF	1,644
LAND ACRES	.038
# OF PARCELS	1
YEAR BUILT	1931
ZONING TYPE	C4-3A
LOCATION CLASS	Mixed Use
BUILDING CLASS	S9
TOPOGRAPHY	Level
NUMBER OF BUILDINGS	1
NUMBER OF STORIES	4
LOT DIMENSION	20.17 x 81.5
TRAFFIC COUNTS	High Volume
SIGNALIZED CORNER	Yes

MULTI-FAMILY VITALS

NUMBER OF PARKING SPACES	0
NUMBER OF UNITS	6
CURRENT OCCUPANCY	100.00 %

COMMERCIAL VITALS

NUMBER OF UNITS	2
CURRENT OCCUPANCY	100.00 %
LEASE TYPE	Net & MG

CONSTRUCTION

FOUNDATION	Concrete
FRAMING	Wood
EXTERIOR	Brick
ROOF	Built

Our Rent Roll

03

Rent Roll

- Rent Roll
- Lease Expiration
- Tenant Profile

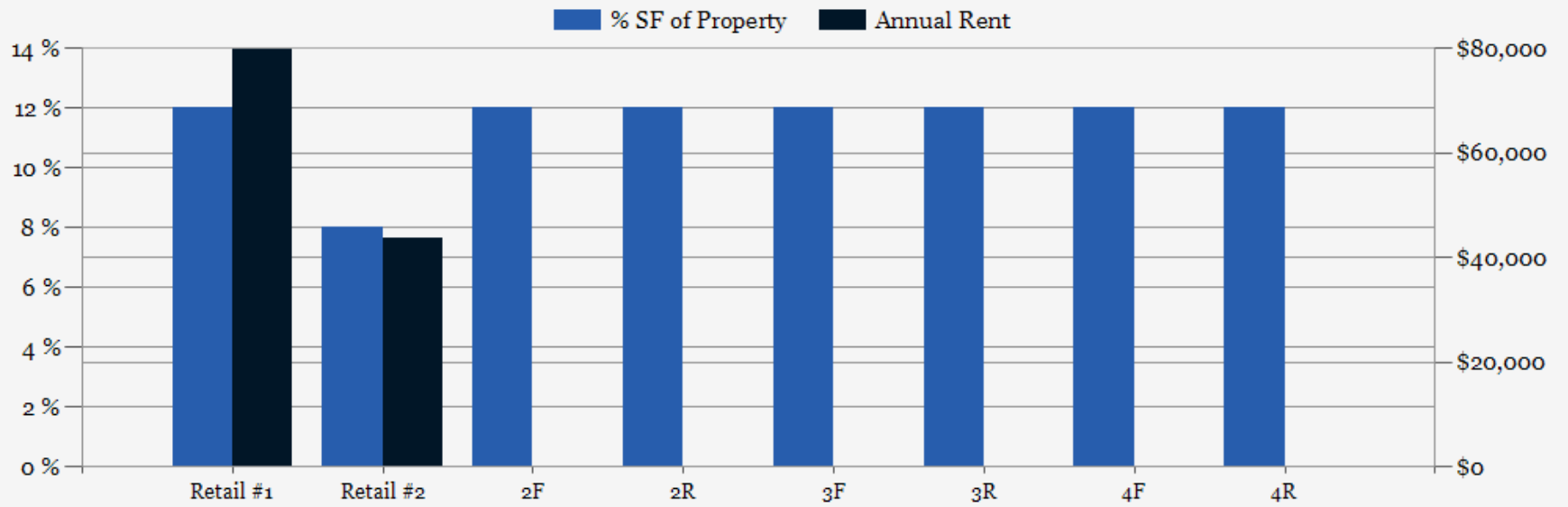
RESIDENTIAL

Unit	Unit Mix	Square Feet	Rent PSF	Current Rent	Market Rent	Move-In Date	Notes
2F	3 bd + 1 ba	800	\$2.69	\$2,150.00	\$3,200.00	05/01/2021	\$3,382.34 Legal Rent.
2R	3 bd + 1 ba	800	\$2.53	\$2,025.00	\$3,200.00	04/01/2021	\$2,952.89 Legal Rent
3F	3 bd + 1 ba	800	\$1.88	\$1,506.00	\$3,200.00	08/01/2017	\$1,505.56 Legal Rent. This is a Section 8 Tenant
3R	3 bd + 1 ba	800	\$2.63	\$2,103.00	\$3,200.00	01/01/2014	\$2,102.50 Legal Rent
4F	3 bd + 1 ba	800	\$2.09	\$1,669.00	\$3,200.00	12/01/2011	\$1,669.11 Legal Rent
4R	3 bd + 1 ba	800	\$2.39	\$1,909.00	\$3,200.00	03/01/2021	\$1,909.22 Legal Rent
Totals/Averages		4,800	\$2.37	\$11,362.00	\$19,200.00		

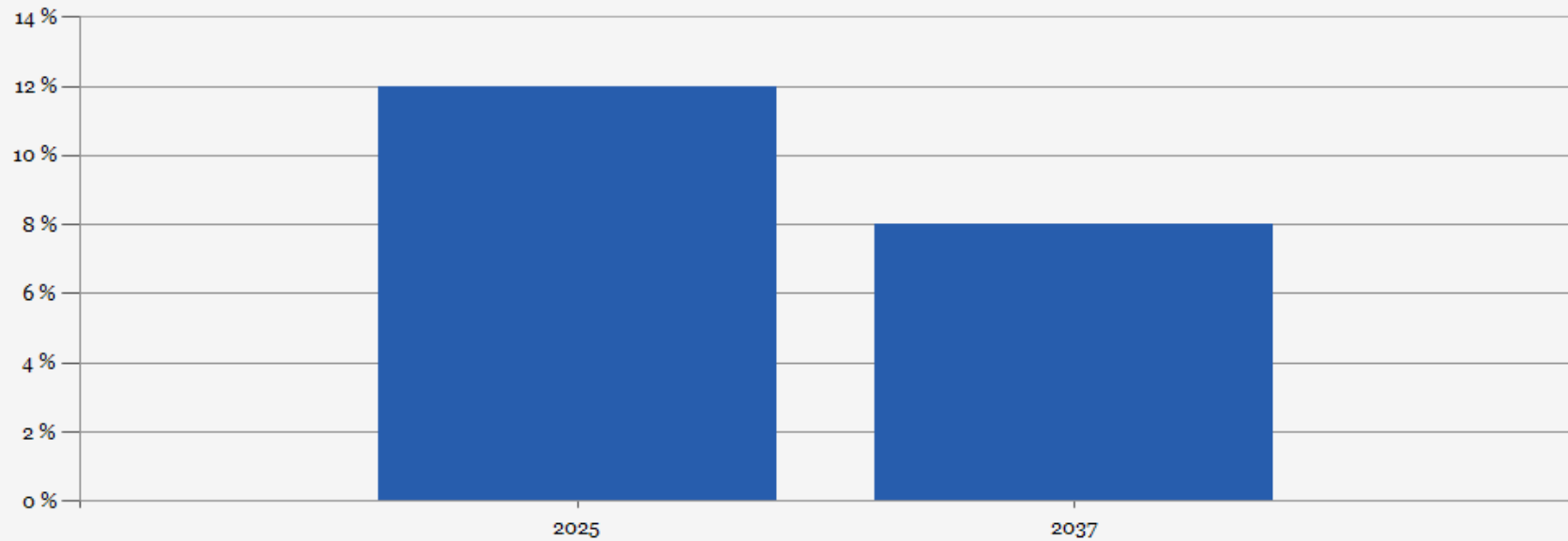
COMMERCIAL

				Lease Term			Rental Rates					
Suite	Tenant Name	Square Feet	% of NRA	Lease Start	Lease End	Begin Date	Monthly	PSF	Annual	PSF	Lease Type	Options/Notes
Retail #1	Delgado Travel	800	12.40 %	02/01/15	02/28/25	CURRENT	\$6,640	\$8.30	\$79,680	\$99.60	Net	Tenant Pays 25% taxes and Water
Retail #2	Colmena	500	7.75 %	06/01/17	05/31/37	CURRENT	\$3,649	\$7.30	\$43,788	\$87.58	MG	Tenant pays 25% of water
Totals		1,300					\$10,289		\$123,468			

Tenant SF Analysis



Commercial Lease Expiration Summary



Company

Trade Name	Delgado
Headquartered	Brooklyn NY
# of Locations	1
Website	

Description

Travel Agency and Various Professional Services

Company

Trade Name	Colmena
Headquartered	Brooklyn NY
# of Locations	1
Website	

Description

Restaurant



04

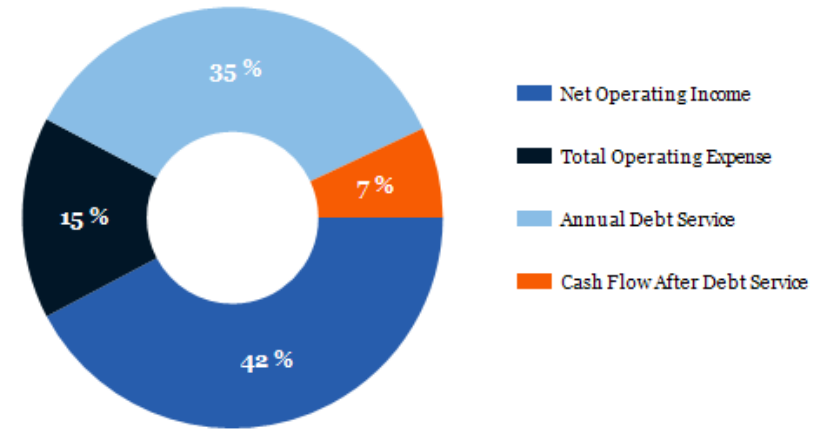
Financial Analysis

- Income & Expense Analysis
- Multi-Year Cash Flow Assumptions
- Vacant Space/Second Gen Leasing
- Cash Flow Analysis
- Financial Metrics

REVENUE ALLOCATION

1ST YEAR

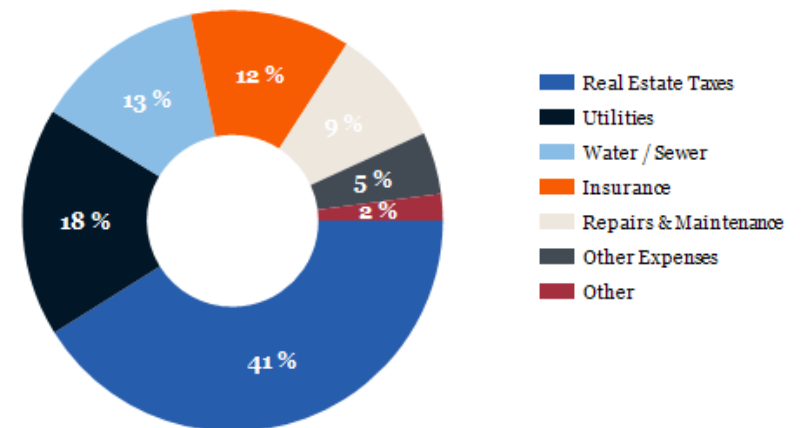
INCOME	1ST YEAR		2ND YEAR	
Multi-Family Revenue	\$136,336	50.8 %	\$140,426	50.8 %
Commercial Revenue	\$123,468	46.0 %	\$127,200	46.0 %
CAM Revenue	\$8,653	3.2 %	\$8,912	3.2 %
Gross Potential Income	\$268,457		\$276,538	
Vacancy & Collection Loss	-\$12,990	5.0 %	-\$13,381	5.0 %
Effective Gross Income	\$255,467		\$263,157	
Less Expenses	\$68,526	26.82 %	\$69,608	26.45 %
Net Operating Income	\$186,941		\$193,549	
Annual Debt Service	\$156,084		\$156,084	
Cash flow	\$30,857		\$37,465	
Debt Coverage Ratio	1.20		1.24	



EXPENSES	1ST YEAR	2ND YEAR
Real Estate Taxes	\$25,012	\$25,012
Insurance	\$7,500	\$7,500
Management Fee	\$7,664	\$7,895
Repairs & Maintenance	\$5,500	\$5,665
Water / Sewer	\$8,000	\$8,240
Utilities	\$10,700	\$11,021
Professional	\$750	\$773
Supplies	\$500	\$515
Other Expenses	\$2,900	\$2,987
Total Operating Expense	\$68,526	\$69,608
Annual Debt Service	\$156,084	\$156,084
Expense / SF	\$10.62	\$10.79
% of EGI	26.82 %	26.45 %

DISTRIBUTION OF EXPENSES

1ST YEAR



GLOBAL

Offering Price	\$3,250,000
Exit Cap Rate	5.50 %

INCOME - Growth Rates

Multi-Family Revenue	2.00 %
Commercial Revenue	3.00 %
CAM Revenue	3.00 %

EXPENSES - Growth Rates

Real Estate Taxes	3.00 %
Insurance	3.00 %
Repairs & Maintenance	3.00 %
Water / Sewer	3.00 %
Utilities	3.00 %
Professional	3.00 %
Supplies	3.00 %

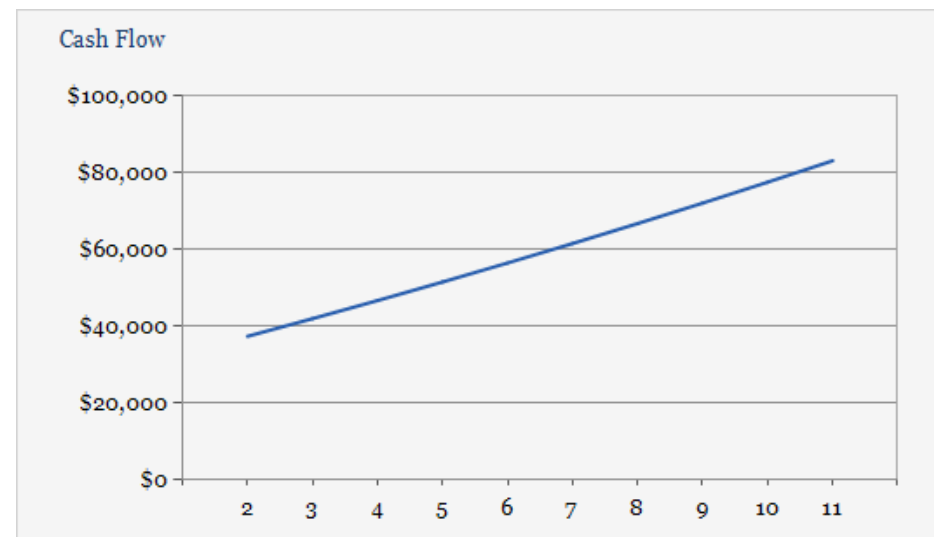
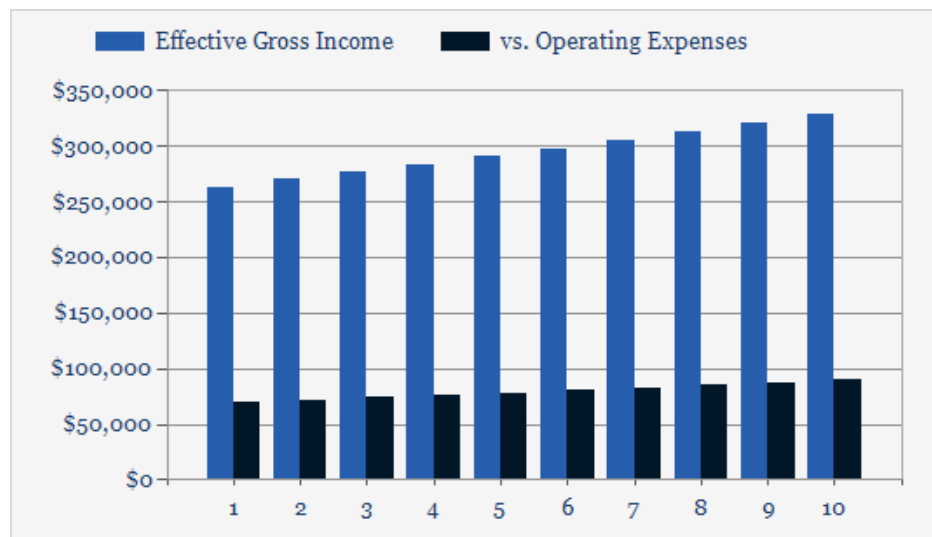
PROPOSED FINANCING

Permanent	
Loan Type	Amortized
Down Payment	\$1,137,500
Loan Amount	\$2,112,500
Interest Rate	6.25 %
Loan Terms	5
Annual Debt Service	\$156,084
Loan to Value	65 %
Amortization Period	30 Years
Notes	We have excellent lending partners.

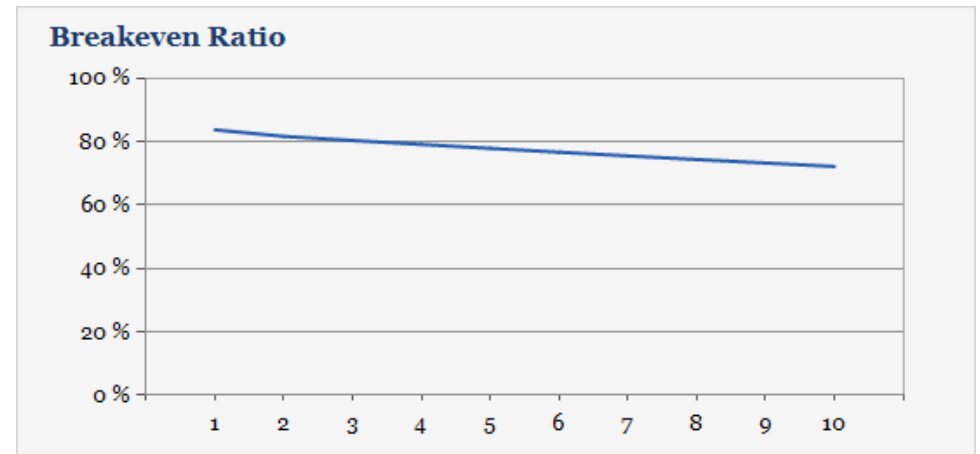
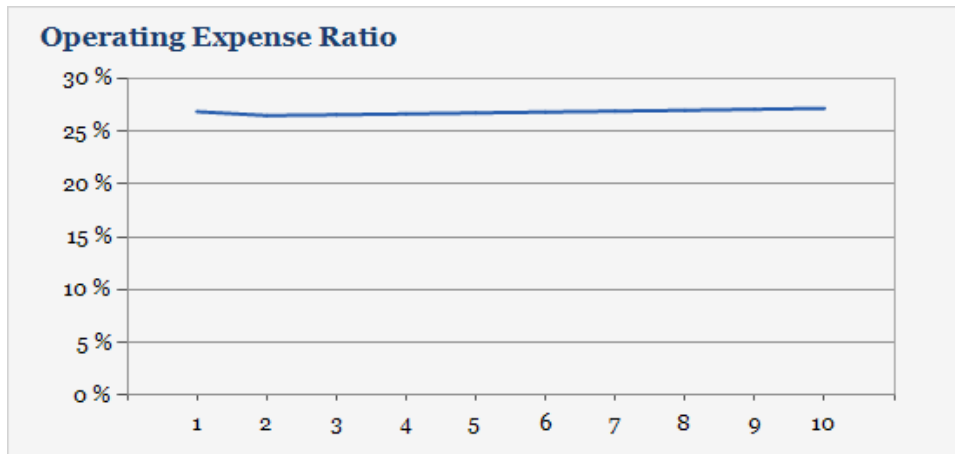
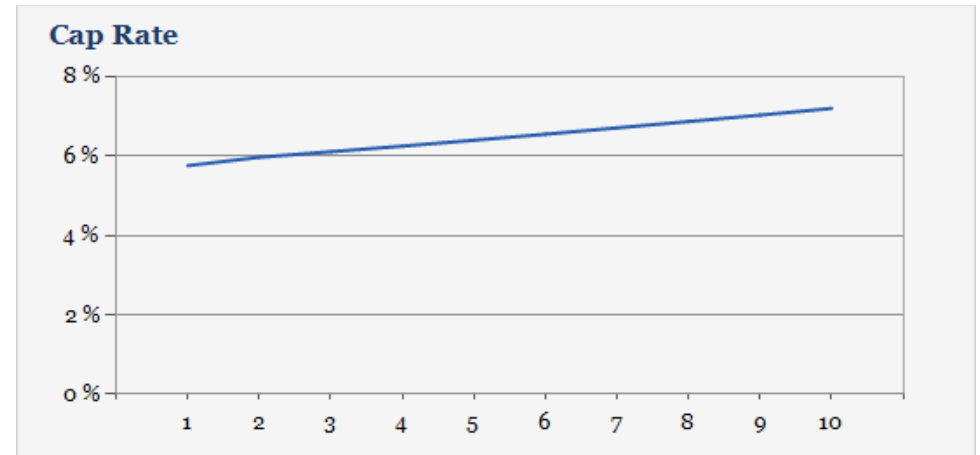
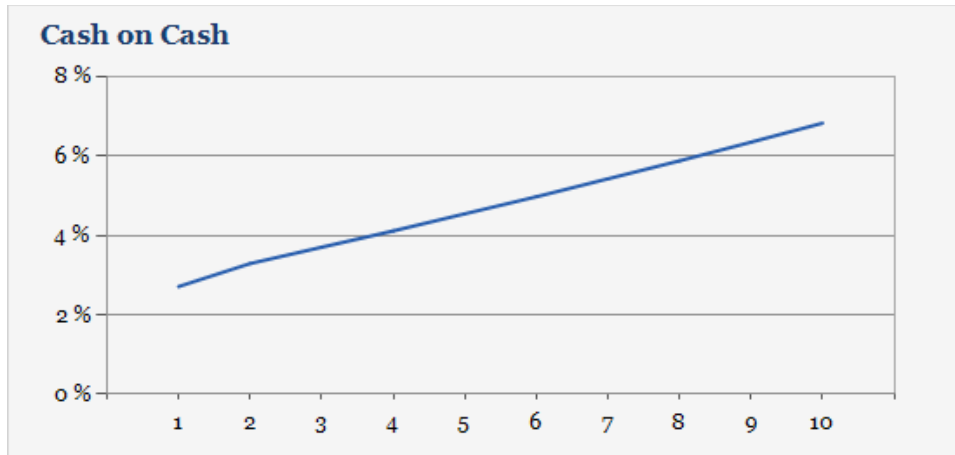
SECOND GENERATION LEASING

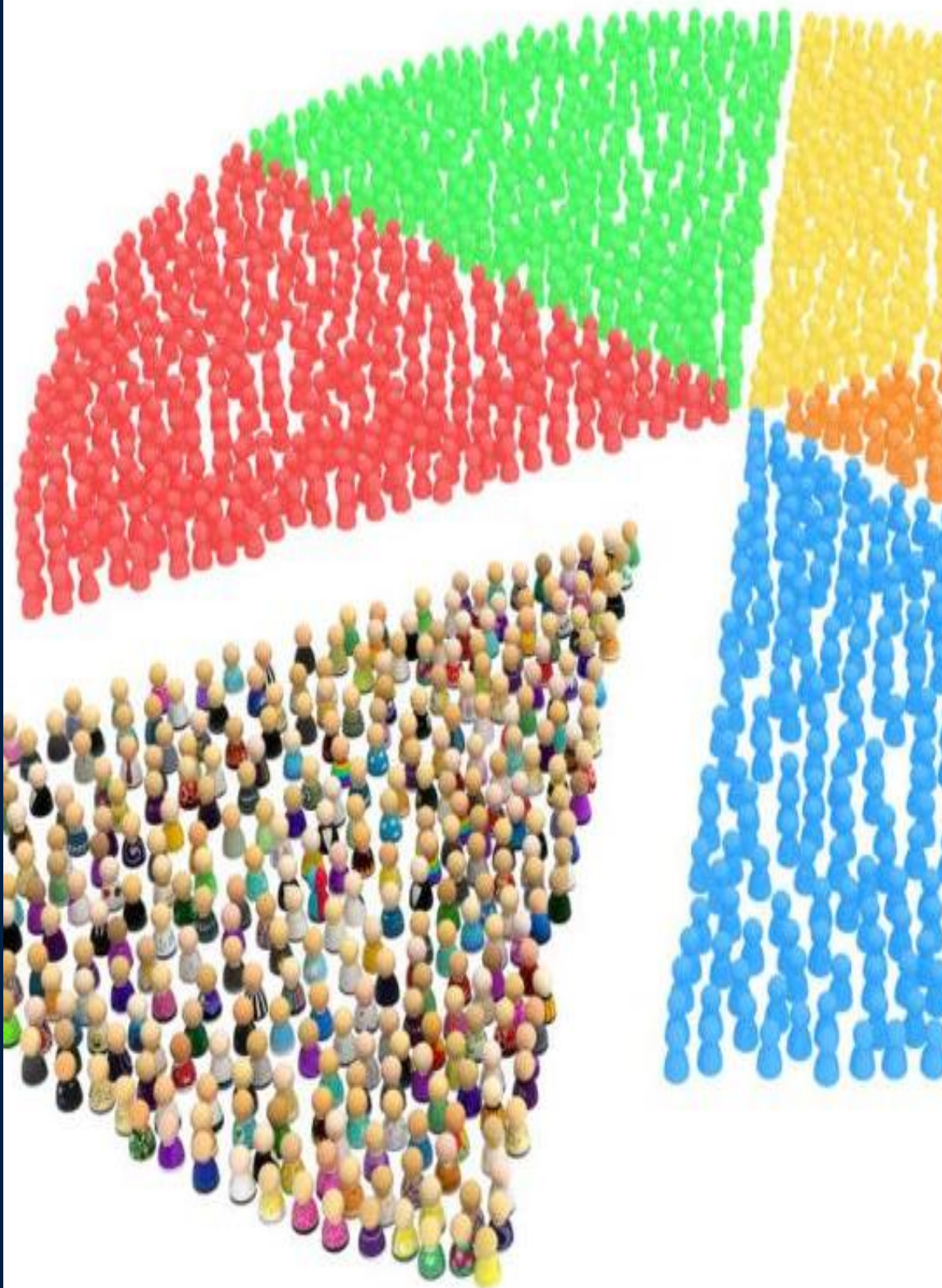
TENANT	SUITE	RSF	LEASE TERM YEARS	RENTAL RATE PSF/ANNUAL	RETENTION RATIO	ANNUAL INCREASES	TENANT IMPROVEMENTS PSF
Delgado Travel	Retail #1	800	5		75.00%		
Colmena	Retail #2	500	19		75.00%		

Calendar Year	1st Year	2nd Year	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Gross Potential Revenue											
Multi-Family Revenue	\$136,336	\$140,426	\$143,235	\$146,099	\$149,021	\$152,002	\$155,042	\$158,142	\$161,305	\$164,531	\$167,822
Commercial Revenue	\$123,468	\$127,200	\$131,016	\$134,946	\$138,995	\$143,165	\$147,460	\$151,883	\$156,440	\$161,133	\$165,967
CAM Revenue	\$8,653	\$8,912	\$9,179	\$9,455	\$9,738	\$10,031	\$10,331	\$10,641	\$10,961	\$11,289	\$11,628
Gross Potential Income	\$268,457	\$276,538	\$283,430	\$290,500	\$297,754	\$305,197	\$312,833	\$320,667	\$328,706	\$336,954	\$345,417
Vacancy & Collection Loss	-\$12,990	-\$13,381	-\$13,713	-\$14,052	-\$14,401	-\$14,758	-\$15,125	-\$15,501	-\$15,887	-\$16,283	-\$16,689
Effective Gross Income	\$255,467	\$263,157	\$269,717	\$276,448	\$283,354	\$290,439	\$297,708	\$305,166	\$312,819	\$320,671	\$328,728
Operating Expenses											
Real Estate Taxes	\$25,012	\$25,012	\$25,762	\$26,535	\$27,331	\$28,151	\$28,996	\$29,866	\$30,762	\$31,684	\$32,635
Insurance	\$7,500	\$7,500	\$7,725	\$7,957	\$8,195	\$8,441	\$8,695	\$8,955	\$9,224	\$9,501	\$9,786
Management Fee	\$7,664	\$7,895	\$8,092	\$8,293	\$8,501	\$8,713	\$8,931	\$9,155	\$9,385	\$9,620	\$9,862
Repairs & Maintenance	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	\$6,567	\$6,764	\$6,967	\$7,176	\$7,392
Water / Sewer	\$8,000	\$8,240	\$8,487	\$8,742	\$9,004	\$9,274	\$9,552	\$9,839	\$10,134	\$10,438	\$10,751
Utilities	\$10,700	\$11,021	\$11,352	\$11,692	\$12,043	\$12,404	\$12,776	\$13,160	\$13,554	\$13,961	\$14,380
Professional	\$750	\$773	\$796	\$820	\$845	\$870	\$896	\$923	\$951	\$979	\$1,009
Supplies	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672
Other Expenses	\$2,900	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987	\$2,987
Total Operating Expense	\$68,526	\$69,608	\$71,566	\$73,583	\$75,659	\$77,797	\$79,998	\$82,264	\$84,597	\$86,999	\$89,473
Net Operating Income	\$186,941	\$193,549	\$198,151	\$202,865	\$207,695	\$212,642	\$217,710	\$222,902	\$228,222	\$233,671	\$239,255
Annual Debt Service	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084	\$156,084
Cash Flow	\$30,857	\$37,465	\$42,067	\$46,782	\$51,611	\$56,558	\$61,626	\$66,818	\$72,138	\$77,588	\$83,171



Calendar Year	1st Year	2nd Year	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Cash on Cash Return b/t	2.71 %	3.29 %	3.70 %	4.11 %	4.54 %	4.97 %	5.42 %	5.87 %	6.34 %	6.82 %	7.31 %
CAP Rate	5.75 %	5.96 %	6.10 %	6.24 %	6.39 %	6.54 %	6.70 %	6.86 %	7.02 %	7.19 %	7.36 %
Debt Coverage Ratio	1.20	1.24	1.27	1.30	1.33	1.36	1.39	1.43	1.46	1.50	1.53
Operating Expense Ratio	26.82 %	26.45 %	26.53 %	26.61 %	26.70 %	26.78 %	26.87 %	26.95 %	27.04 %	27.13 %	27.21 %
Gross Multiplier (GRM)	12.11	11.75	11.47	11.19	10.92	10.65	10.39	10.14	9.89	9.65	9.41
Loan to Value	64.98 %	64.29 %	63.46 %	62.54 %	61.63 %	60.64 %	59.63 %	58.52 %	57.31 %	56.08 %	54.73 %
Breakeven Ratio	83.67 %	81.61 %	80.32 %	79.06 %	77.83 %	76.63 %	75.47 %	74.33 %	73.22 %	72.14 %	71.09 %
Price / SF	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64	\$503.64
Price / Unit	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250	\$406,250
Income / SF	\$39.58	\$40.78	\$41.79	\$42.84	\$43.91	\$45.00	\$46.13	\$47.29	\$48.47	\$49.69	\$50.94
Expense / SF	\$10.61	\$10.78	\$11.09	\$11.40	\$11.72	\$12.05	\$12.39	\$12.74	\$13.10	\$13.48	\$13.86





05

Demographics

Demographics

Demographic Charts

POPULATION	1 MILE	3 MILE	5 MILE
2000 Population	151,646	722,499	1,792,746
2010 Population	160,967	740,250	1,821,783
2020 Population	167,322	760,381	1,895,169
2025 Population	169,290	766,969	1,925,871
2020 African American	3,754	62,129	481,480
2020 American Indian	1,309	3,250	7,087
2020 Asian	69,645	185,900	322,992
2020 Hispanic	52,546	137,976	280,994
2020 Other Race	25,708	63,509	118,411
2020 White	60,861	420,073	897,092
2020 Multiracial	6,000	25,203	67,310
2020-2025: Population: Growth Rate	1.15 %	0.85 %	1.60 %
2020 HOUSEHOLD INCOME	1 MILE	3 MILE	5 MILE
less than \$15,000	6,626	30,485	90,097
\$15,000-\$24,999	6,319	24,961	62,713
\$25,000-\$34,999	5,037	21,170	52,163
\$35,000-\$49,999	6,226	26,182	67,976
\$50,000-\$74,999	7,697	37,420	96,784
\$75,000-\$99,999	5,170	29,953	79,056
\$100,000-\$149,999	6,079	39,426	106,271
\$150,000-\$199,999	2,569	23,595	61,254
\$200,000 or greater	2,811	31,158	87,247
Median HH Income	\$50,130	\$68,093	\$68,997
Average HH Income	\$73,574	\$102,451	\$104,542

HOUSEHOLDS	1 MILE	3 MILE	5 MILE
2000 Total Housing	49,619	270,569	692,157
2010 Total Households	47,687	260,458	677,322
2020 Total Households	48,534	264,358	703,571
2025 Total Households	48,900	265,934	715,669
2020 Average Household Size	3.43	2.85	2.65
2000 Owner Occupied Housing	11,766	71,324	188,334
2000 Renter Occupied Housing	35,838	188,863	469,474
2020 Owner Occupied Housing	12,233	79,050	212,287
2020 Renter Occupied Housing	36,302	185,308	491,284
2020 Vacant Housing	4,523	27,977	79,523
2020 Total Housing	53,057	292,335	783,094
2025 Owner Occupied Housing	12,515	80,173	215,616
2025 Renter Occupied Housing	36,385	185,761	500,052
2025 Vacant Housing	4,961	30,595	86,794
2025 Total Housing	53,861	296,529	802,463
2020-2025: Households: Growth Rate	0.75 %	0.60 %	1.70 %

Source: esri

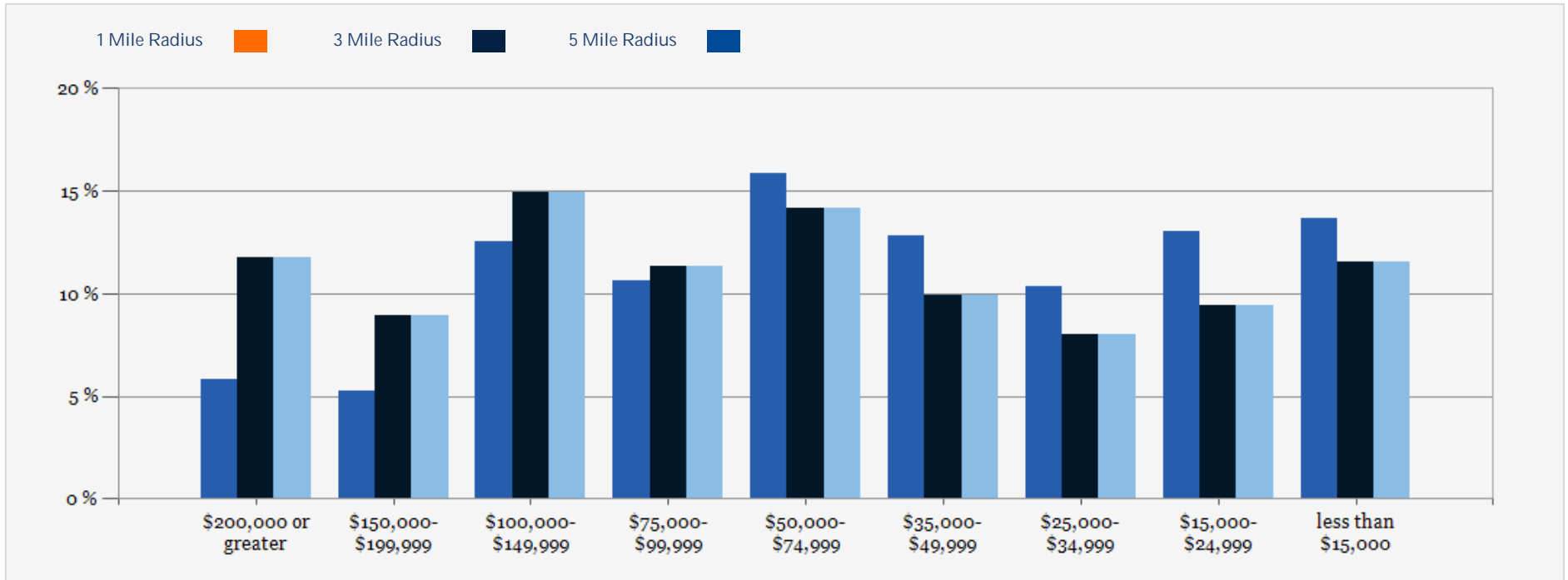
2020 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2020 Population Age 30-34	14,219	61,977	157,399
2020 Population Age 35-39	13,572	58,510	145,759
2020 Population Age 40-44	11,435	49,872	122,493
2020 Population Age 45-49	10,420	46,191	113,968
2020 Population Age 50-54	9,638	43,568	109,739
2020 Population Age 55-59	8,903	42,728	110,706
2020 Population Age 60-64	8,021	40,545	107,978
2020 Population Age 65-69	6,552	33,633	90,319
2020 Population Age 70-74	4,817	26,095	72,364
2020 Population Age 75-79	3,084	17,320	48,452
2020 Population Age 80-84	2,082	12,061	32,718
2020 Population Age 85+	2,169	13,850	35,891
2020 Population Age 18+	125,161	581,230	1,483,805
2020 Median Age	34	35	37

2020 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$53,960	\$75,031	\$80,799
Average Household Income 25-34	\$73,271	\$99,368	\$107,717
Median Household Income 35-44	\$58,028	\$85,345	\$87,906
Average Household Income 35-44	\$82,316	\$120,058	\$126,793
Median Household Income 45-54	\$63,086	\$99,906	\$98,702
Average Household Income 45-54	\$93,873	\$133,563	\$134,192
Median Household Income 55-64	\$53,916	\$74,646	\$73,118
Average Household Income 55-64	\$76,846	\$109,137	\$108,161
Median Household Income 65-74	\$36,479	\$48,178	\$45,699
Average Household Income 65-74	\$53,006	\$76,464	\$75,095
Average Household Income 75+	\$40,229	\$54,612	\$51,853

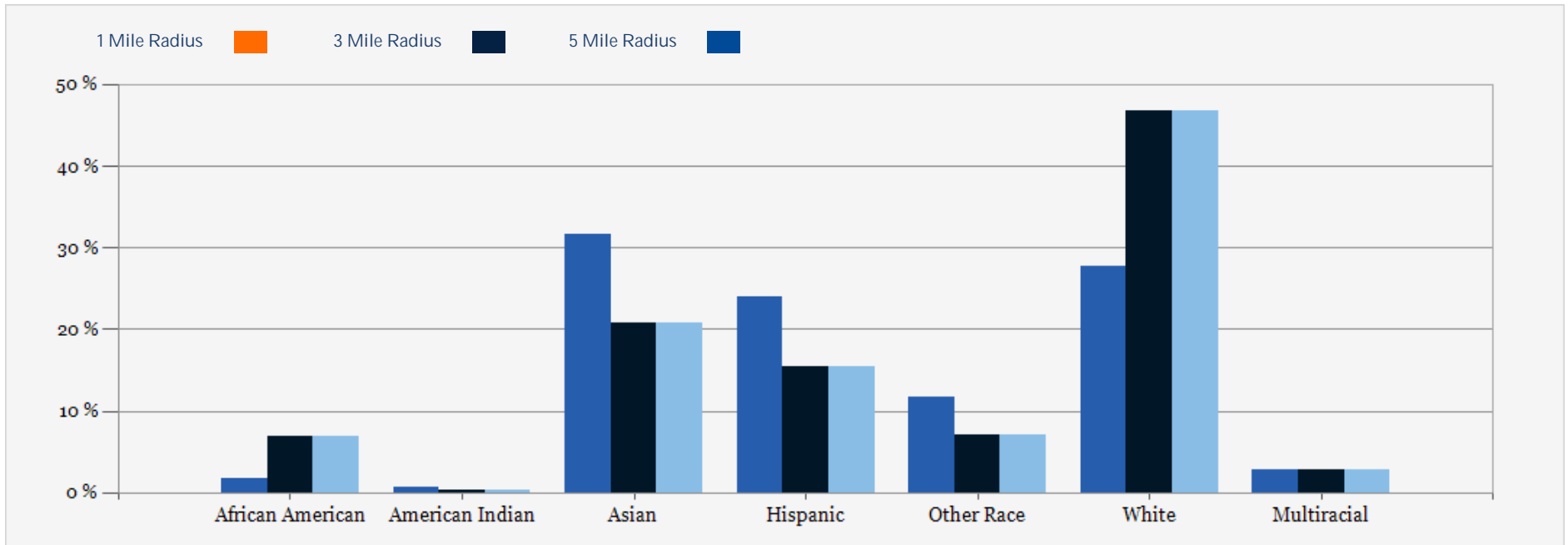
2025 POPULATION BY AGE	1 MILE	3 MILE	5 MILE
2025 Population Age 30-34	13,183	60,712	155,410
2025 Population Age 35-39	12,898	56,706	145,610
2025 Population Age 40-44	12,529	53,199	134,857
2025 Population Age 45-49	10,880	46,690	117,739
2025 Population Age 50-54	9,950	43,952	110,657
2025 Population Age 55-59	9,226	41,562	106,366
2025 Population Age 60-64	8,725	41,487	107,773
2025 Population Age 65-69	6,877	34,570	93,939
2025 Population Age 70-74	5,769	30,150	82,794
2025 Population Age 75-79	4,108	22,505	61,569
2025 Population Age 80-84	2,487	14,428	39,662
2025 Population Age 85+	2,401	14,816	38,804
2025 Population Age 18+	129,248	594,899	1,528,642
2025 Median Age	36	37	38

2025 INCOME BY AGE	1 MILE	3 MILE	5 MILE
Median Household Income 25-34	\$56,097	\$79,516	\$87,617
Average Household Income 25-34	\$78,742	\$109,518	\$120,098
Median Household Income 35-44	\$60,821	\$89,573	\$94,226
Average Household Income 35-44	\$88,770	\$131,364	\$139,869
Median Household Income 45-54	\$67,870	\$105,132	\$106,497
Average Household Income 45-54	\$101,382	\$146,056	\$149,271
Median Household Income 55-64	\$57,603	\$80,715	\$81,183
Average Household Income 55-64	\$84,191	\$121,071	\$121,825
Median Household Income 65-74	\$38,515	\$52,321	\$51,207
Average Household Income 65-74	\$57,309	\$86,073	\$85,920
Average Household Income 75+	\$43,099	\$61,085	\$59,243

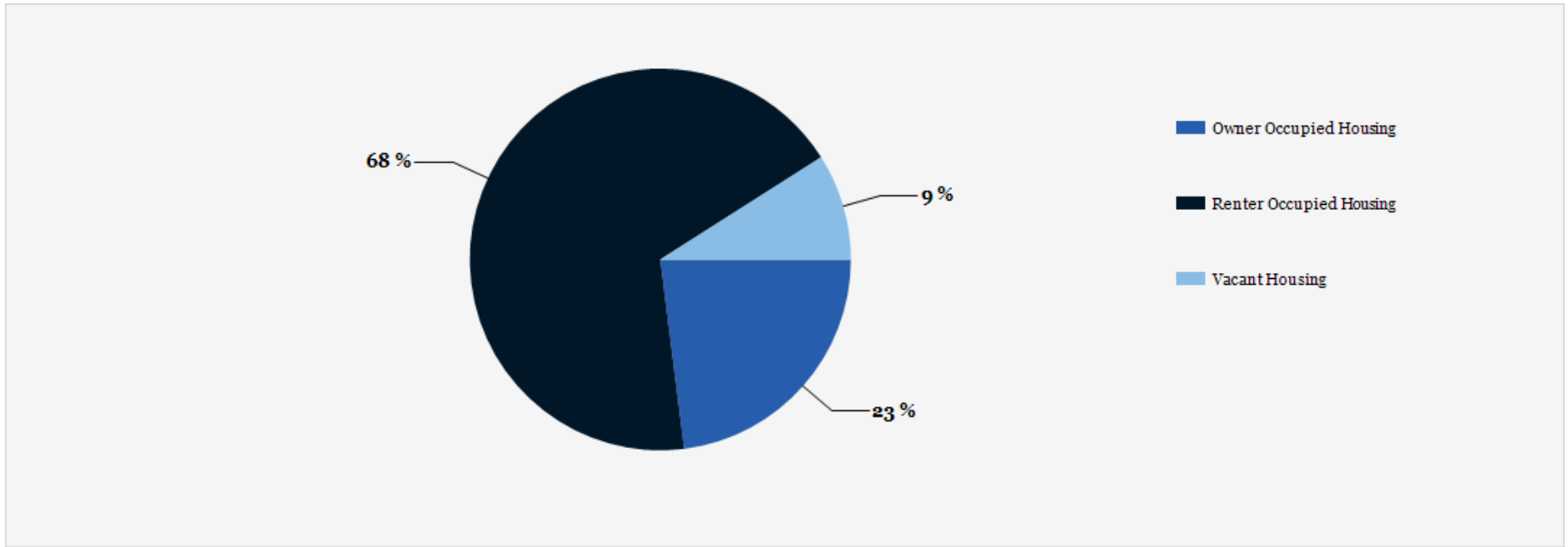
2020 Household Income



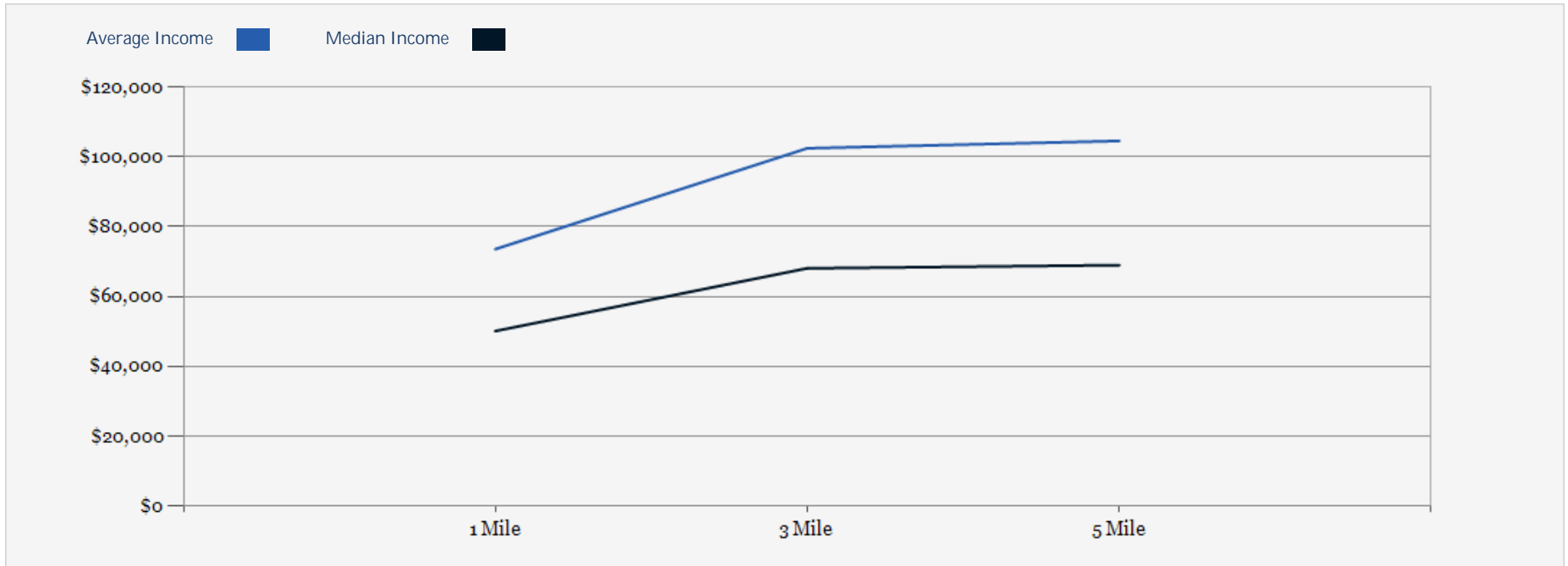
2020 Population by Race



2020 Household Occupancy - 1 Mile Radius



2020 Household Income Average and Median



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The information contained herein is not a substitute for a thorough due diligence investigation. The Verus Group has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this offering memorandum has been obtained from sources we believe reliable; however, The Verus Group has not verified, and will not verify, any of the information contained herein, nor has The Verus Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

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