



# 48 ½ East 7th Street

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OFFERING MEMORANDUM

Marcus & Millichap  
NYM GROUP

# 48 ½ East 7th Street

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## OFFERING MEMORANDUM

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# 48 ½ East 7th Street

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is being offered at

**\$11,250,000**

## THE OFFERING

The New York Multifamily team of Marcus and Millichap is pleased to exclusively offer for sale 48 ½ East 7th Street & 48 East 7th Street, which is centrally located in the East Village. Located on the south-east corner of 2nd Avenue and East 7th Street, this 5-unit mixed-use property is comprised of approximately 5,303 square feet. This property sits on a 26' x 125' lot (Block: 448 Lot: 7) and is built 40.8' x 26'. The property is zoned R7A, R8B, and C2-5. There are 10,605 square feet of additional air-rights that can be developed on the vacant corner lot.

## THE OPPORTUNITY

- Opportunity:** 48 ½ East 7th Street is a 5-unit, mixed-use walk-up building totaling approximately 5,303 square feet with 26' of frontage on Second Avenue and a lot spanning 125' along the south side of East 7th Street between 2nd Avenue and First Avenue. The building is comprised of four floor-through, free-market residential units and a commercial unit on the ground floor. With over 10,605 square feet of usable air-rights, there is a unique ability to develop a new structure and expand on the 48 East 7th Street lot in order to generate significantly more cash-flow
- Tenant Mix & Retail:** The building is currently 100% occupied. Floors two through five are all free-market, floor through residences. Of the four residential units, there are three 3-Bedroom apartments and one 2-bedroom apartment. With strong in-place residential rents averaging \$6,988, all units feature king or queen size bedrooms, dishwashers, hard-wood floors, marble counter-tops, and renovated bathrooms. Additionally, any purchaser will benefit from having Van Leeuwen Ice Cream, a national retailer with a strong in-place lease, as their retail tenant. Their lease includes 3% annual increases, a real estate tax increase obligation of 16% over the 2017/2018 base year, and a utility reimbursement requirement.
- Development Potential:** This opportunity presents any potential purchaser with immediate cash-flow day one while simultaneously offering an ability to redevelop much of the property lot. Given the current layout of the property and the additional 10,605 square feet of developable square footage, the ultimate purchaser can develop a 2,000+ single-story retail space that could command over \$150/SF in rent, an additional dwelling structure with multiple units (ideal in a market commanding close to \$100/SF in rents), or reposition the entire lot to sellable condos. The vacant corner lot at 48 East 7th Street is a blank canvas for any potential purchaser.
- Tax Class Protected 2A:** 48 ½ East 7th Street also falls in the highly attractive Tax Class 2A designation. By law, taxes cannot increase more than 8% year-over-year or 30% over any given 5-year period. This acts as a strong hedge in a market with rising taxes and expenses.
- Strategic Location:** This asset sits in heart of the East Village, offering renters and tenants an endless & seamless supply of restaurants, nightlife, parks, historical activities, and transportation. Notable parks within a 5-minute walk include Union Square, Tompkins Square Park, Washington Square Park, and Mercer Playground. Top restaurants and establishments nearby include The Bohemian, Bowery Meat Company, Momofuku Ko, Katz's Deli, Ippudo, Balthazar, Emilio's Ballato, Bar Primi, Bond Street, Beauty & Essex, Tompkins Square Bagels, and countless more. The property truly benefits from the St. Marks foot traffic and the array of attractions, which include museums like the Brandt Foundation & The New Museum. Finally, this location is half a block away from a Citi-Bike station and steps from the Astor Place Station 6 subway line, easily within walking distance to the 4, N, Q, R, W, B, D, F, and M subway lines.

## LISTING METRICS

<b>5</b> Total Units	<b>5,303</b> Existing Square Footage	<b>2A</b> Tax Class	<b>4 B D F M</b>
<b>10,605</b> Additional Air Rights	<b>\$121,270</b> Projected Taxes	<b>151 ft</b> Lot Wraparound Footage	<b>N Q R W</b> Nearby Transportation

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# FINANCIAL ANALYSIS

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# FINANCIAL ANALYSIS

## RENT ROLL

48 1/2 East 7th Street

### COMMERCIAL RENT

UNIT	TENANT NAME	REIMBURSEMENTS	LEASE START	SF	EXPIRATION	ACTUAL	PRO FORMA	\$/PSF
Retail	Van Leeuwen	Tenant Pays 3% Annual Increases; 16% RET Increases over 2017/2018 Base Year; Utility Usage	Dec-10	950	Oct-27	\$11,084	\$11,417	\$144
<b>MONTHLY COMMERCIAL REVENUE</b>						<b>\$11,084</b>	<b>\$11,417</b>	
						\$6,988		

### OTHER INCOME & REIMBURSEMENTS

SPACE	TENANT NAME	NOTES	LEASE START	SF	EXPIRATION	ACTUAL	PRO FORMA
Retail	Van Leeuwen	Utility Reimbursement	Dec-10		Oct-27	\$375	\$386
<b>MONTHLY OTHER INCOME &amp; REIMBURSEMENTS REVENUE</b>						<b>\$375</b>	<b>\$386</b>

### RESIDENTIAL RENT

UNIT#	STATUS	NOTES	BEDROOMS	ROOMS	SF	EXPIRATION	ACTUAL	PRO FORMA
1	FM	Convertible 3 Bedroom	2 Bedroom	4		Aug-26	\$5,150	\$8,250
2	FM	1.5 Baths	3 Bedroom	5		Oct-26	\$7,300	\$8,250
3	FM		3 Bedroom	5		Aug-26	\$7,250	\$8,250
4	FM	Owner Occupied; Projected Rent	3 Bedroom	5			\$8,250	\$8,250
<b>MONTHLY RESIDENTIAL REVENUE</b>							<b>\$27,950</b>	<b>\$33,000</b>
<b>ANNUAL RESIDENTIAL REVENUE</b>							<b>\$335,400</b>	<b>\$396,000</b>
<b>ANNUAL COMMERCIAL REVENUE</b>							<b>\$133,008</b>	<b>\$136,998</b>
<b>TOTAL ANNUAL REVENUE</b>							<b>ACTUAL</b>	<b>PRO FORMA</b>
							<b>\$472,908</b>	<b>\$537,633</b>

### Notes

There are 5 total units.  
There are currently 0 vacant units in the building. The super lives off site.

48 1/2  
East 7th Street

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# INCOME & EXPENSE ANALYSIS

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## GROSS POTENTIAL INCOME

	ACTUAL		PRO FORMA	
	%EGI	\$/UNIT	%EGI	\$/UNIT
Gross Potential Residential Rent	71%	\$83,850	74%	\$99,000
Gross Potential Commercial Rent	28%	\$133,008	25%	\$136,998
Other Income <i>Utility Reimbursement</i>	1%	\$1,125	1%	\$1,159
Gross Income		\$94,582		\$107,527
Vacancy/Collection Loss	2%	(\$1,892)	2%	(\$2,151)
Effective Gross Income		\$92,690		\$105,376
Average Residential Rent/Month/Unit		\$6,988		\$8,250

## EXPENSES

Property Taxes	Tax Class: 2A	Projected	\$121,270	26%	\$24,254	\$130,972	25%	\$26,194
Fuel - Gas		Actual	\$8,498	2%	\$1,700	\$8,753	2%	\$1,751
Insurance		Projected	\$18,000	4%	\$3,600	\$18,540	4%	\$3,708
Water and Sewer		Actual	\$6,139	1%	\$1,228	\$6,323	1%	\$1,265
Repairs and Maintenance		Projected	\$3,750	1%	\$750	\$3,863	1%	\$773
Common Electric		Actual	\$5,805	1.3%	\$1.09	\$5,979	1.1%	\$1.13
Super Salary		Projected	\$7,500	2%	\$1,500	\$7,725	1%	\$1,545
Management Fee		Projected	\$18,538	4%	\$3,708	\$21,075	4%	\$4,215
General Administration		Projected	\$1,250	0%	\$250	\$1,288	0%	\$258
Total Expenses			\$190,750	41%	\$38,150	\$204,517	39%	\$40,903
<b>Net Operating Income</b>			<b>\$272,700</b>			<b>\$322,363</b>		

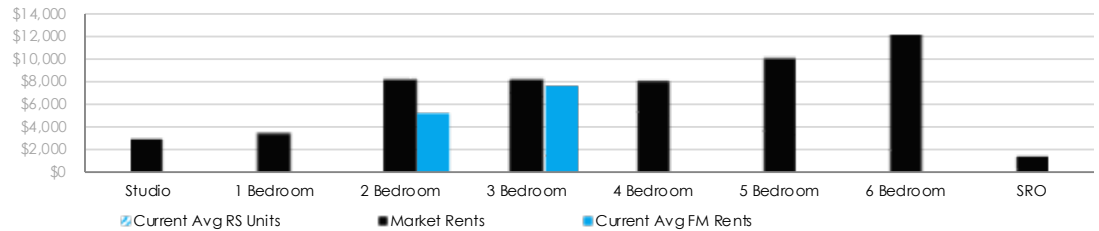
## LEASE STATUS MIX

UNIT BREAKDOWN	% OF TOTAL	RENT	TOTAL	AVG. RENT
Total Units	--	\$39,034	5	\$7,807
Total RS Units	0%	\$0	0	\$0
Total RS - TE Units	0%	\$0	0	\$0
Total RC Units	0%	\$0	0	\$0
Total FM Units	80%	\$27,950	4	\$6,988
Total Commercial	20%	\$11,084	1	\$11,084

## RENTAL ANALYSIS BY UNIT TYPE

TYPE	% OF TOTAL	RENT	TOTAL	AVG. RENT
Studio	0%	\$0	0	\$0
1 Bedroom	0%	\$0	0	\$0
2 Bedroom	25%	\$5,150	1	\$5,150
3 Bedroom	75%	\$22,800	3	\$7,600
4 Bedroom	0%	\$0	0	\$0
5 Bedroom	0%	\$0	0	\$0
6 Bedroom	0%	\$0	0	\$0
SRO	0%	\$0	0	\$0

## UPSIDE ANALYSIS

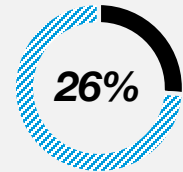


AVERAGE RENT  
PER MONTH  
**\$6,988**

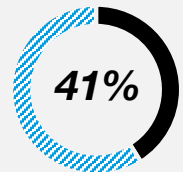
PERCENT  
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TAXES AS  
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EXPENSE RATIO



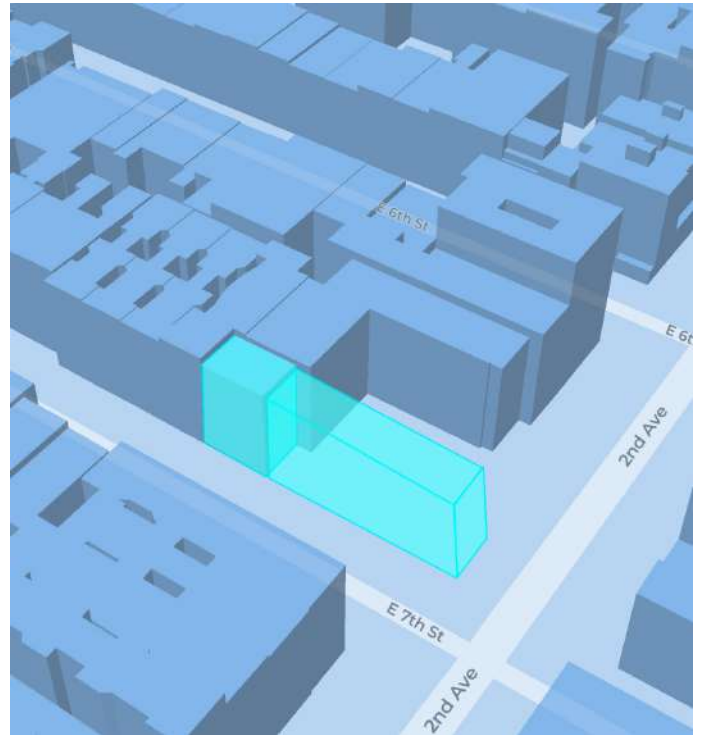
# PROPERTY DESCRIPTION

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# PROPERTY DESCRIPTION

## 48 1/2 East 7th Street

Neighborhood	East Village
Borough	Manhattan
Block & Lot	448 / 7
Lot Dimensions	26' X 125'
Lot SF	3,250
Building Dimensions	40.8' X 26'
Approximate Building SF	5,303
Zoning	R7A, R8B, C2-5
Max Far	4.00
Available Air Rights	10,605
Landmark District	None
Historic District	Tribeca East
Annual Tax Bill	\$121,270
Tax Class	2A



## TAX MAP



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East 7th Street

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# PROPERTY PHOTOS – EXTERIORS



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# PROPERTY PHOTOS – EXTERIORS



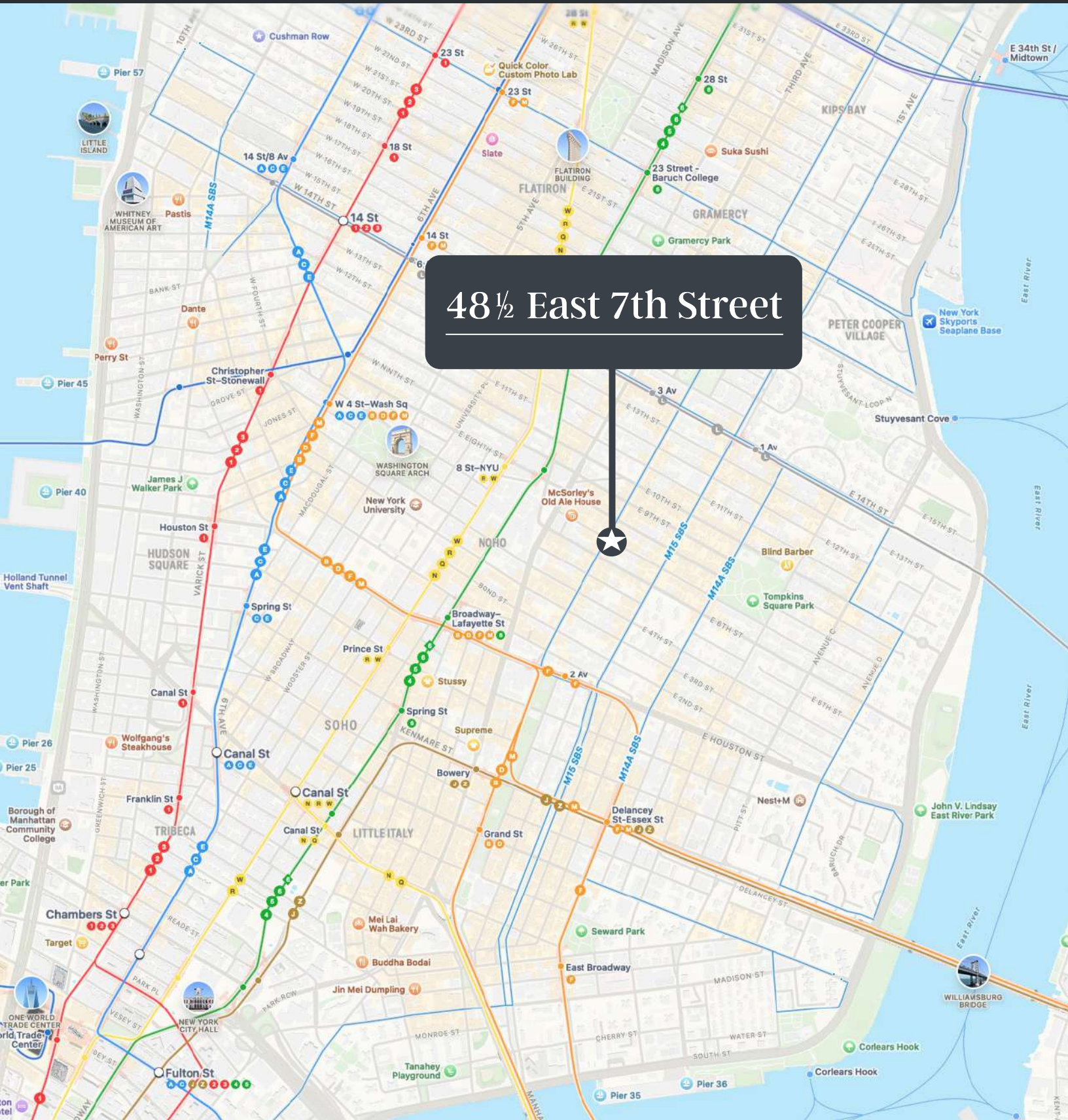
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East 7th Street

# PROPERTY PHOTOS – INTERIORS



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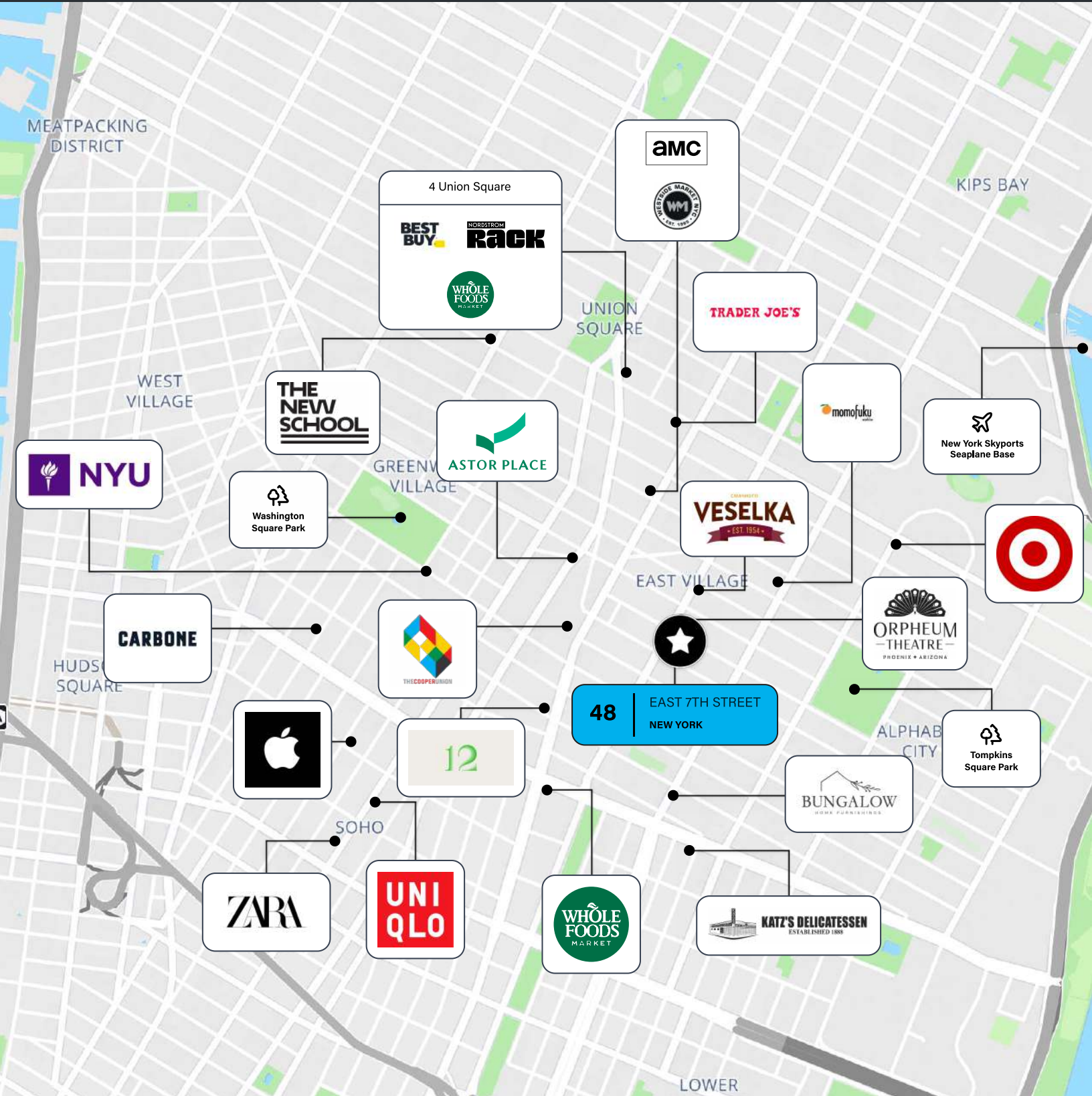




**48 1/2 East 7th Street**



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