

153 East 26th Street

OFFERING MEMORANDUM

Marcus & Millichap

NYM GROUP

153 East 26th Street

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Marcus & Millichap
NYM GROUP

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153 East 26th Street

is being offered at

\$11,750,000

THE OFFERING

The New York Multifamily team of Marcus and Millichap is pleased to exclusively offer for sale 153 East 26th Street, which is ideally located in the Kips Bay neighborhood. Located on the North side of 26th Street between Third Avenue and Lexington Avenue, this 15-unit mixed-use property is comprised of approximately 15,800 square feet with 20' of frontage. This property sits on a 20' x 98.75' lot (Block: 882 Lot: 39) and is built 20' x 98.75'. The property is zoned R8B.

THE OPPORTUNITY

Opportunity: 15-Unit Mixed-Use, 8-Story, Elevator Property Spanning 15,800 Square Feet. The Unit Mix Includes 1 Retail Unit, 10 Three-Bedroom Units, 3 Two-Bedroom Units, and 1 One-Bedroom Unit. Of the Residential Units, 3 are Rent Regulated & 11 are Free Market.

Strong In-Place Retail: The retail is occupied by Little Basil Thai Restaurant, a well-known neighborhood Thai eatery. The tenant has occupied the space for over a decade and has become a staple for consistent, high-quality Thai food. Their lease was just renewed for an additional 10 years at roughly \$13,000 per month with 3% annual increases, generating long-term stability and cash-flow for any perspective purchaser. Additionally, they pay 100% of their own water consumption and are responsible for 40% of the tax-increases over the 2024/2025 base year, creating a strong hedge against rising taxes.

Institutionally Maintained: The free-market units have been newly renovated with high-end finishes. These units contain in-unit washers and dryers, dishwashers, stainless steel appliances, and individual HVAC Units. Ownership modernized the elevator (mechanical systems, controls, and safety systems), replaced the water tower, and did significant façade work over the past 3 years, including reinforcing the steel beams, replacing the steel lintels, and upgrading the parapet. This elevator building also features a virtual doorman via the ButterflyMX Comelit system and a newly installed ADR security system. The hallways and stairs were also updated with modern finishes.

Untapped Potential & Future Upside: Due to the expired J-51 tax abatement, the three remaining regulated units in the building will become free market once they become vacant. The breakdown of these units includes 1 one-bedroom unit, 1 two-bedroom unit, and 1 three-bedroom unit. They have a combined average rent of \$1,452, while the free market three-bedroom units have been rented for as high as \$7,800. Given the Broadway Alley to the East of the property, it is worth noting that the two-bedroom B-Line units can also be converted to three-bedroom apartments as the property supports the necessary light requirements for an additional bedroom.

Location & Transportation: Located in a sought-after part of the Kipps Bay neighborhood, 153 East 26th Street has endless natural rental demand. The building is within walking distance to Madison Square Park, Gramercy Park, the Flatiron Building, Kips Bay Court, Baruch College, Bellevue Hospital, and Union Square. Some notable nearby restaurants and markets include The Clocktower, Trader Joes, Eatly Flatiron, Cote Korean Steakhouse, 2nd Ave Deli, Ruby's and The Smith. The property is also in close proximity to the 6, R, & W subway lines, M15 Buses, and East River Ferry.

LISTING METRICS

15 TOTAL UNITS	15,800 TOTAL SQUARE FEET	ELEVATOR BUILDING	6 R W
\$744 PRICE / SF	79% FREE MARKET	6.3% CAP RATE	NEARBY TRANSPORTATION

An aerial, high-angle photograph of New York City, showing the Hudson River on the left, the dense urban grid of Manhattan, and the Central Park green space in the lower center. The image is in grayscale and has a dark, moody atmosphere.

FINANCIAL ANALYSIS

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FINANCIAL OVERVIEW

\$11,750,000

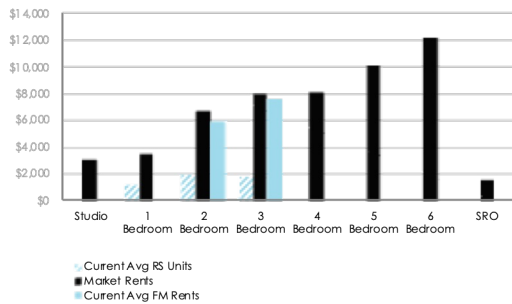
OFFERING PRICE

PRICE PER SQUARE FOOT	\$744
PRICE PER UNIT	\$783,333
TOTAL SQUARE FEET	15,800
TOTAL UNITS	15
CURRENT CAP RATE	6.3%
PRO FORMA CAP RATE	6.6%
PRO FORMA GRM	9.7

PROPOSED DEBT

Loan Amount	\$7,350,000
Interest Rate	5.75%
Amortization	30
Annual Debt Service	(\$519,764)
Debt Coverage Ratio	1.42
Net Cash Flow After Debt Service	\$250,815

UPSIDE ANALYSIS



INCOME

	CURRENT	PRO FORMA
Gross Potential Residential Rent	\$993,158	\$1,030,209
Gross Potential Commercial Rent	\$160,788	\$165,612
Commercial RET & Water Reimbursements	\$11,584	\$14,721
Gross Income	\$1,165,530	\$1,210,542
Vacancy/Collection Loss	(\$29,138)	(\$30,264)
Effective Gross Income	\$1,136,391	\$1,180,278
Average Residential Rent/Month/Unit	\$5,912	\$6,132

EXPENSES

Property Taxes	<i>Tax Class: 2 Projected</i>	\$261,393	\$269,235
Fuel - Gas	<i>Actual</i>	\$20,802	\$21,426
Insurance	<i>Projected</i>	\$17,500	\$18,025
Water and Sewer	<i>Actual</i>	\$18,665	\$19,225
Repairs and Maintenance	<i>Projected</i>	\$10,500	\$10,815
Common Electric	<i>Actual</i>	\$16,064	\$16,546
Super Salary	<i>Projected</i>	\$7,500	\$7,725
Management Fee	<i>Projected</i>	\$34,092	\$35,114
General Administration	<i>Projected</i>	\$3,750	\$3,863
Elevator Contract	<i>Projected</i>	\$7,500	\$7,725
Total Expenses		\$397,766	\$409,699
Net Operating Income		\$738,626	\$770,580

SCHEDULE OF INCOME

UNIT BREAKDOWN	TOTAL	% OF TOTAL	RENT
Studio	0	0%	\$0
1 Bedroom	1	7%	\$1,139
2 Bedroom	3	21%	\$4,441
3 Bedroom	10	71%	\$6,830
4 Bedroom	0	0%	\$0
5 Bedroom	0	0%	\$0
6 Bedroom	0	0%	\$0

15,800

GROSS TOTAL SQUARE FEET

\$744

\$/SF

9.7

PRO FORMA GRM

6.3%

CAP RATE

RENT ROLL

153 East 26th Street

COMMERCIAL RENT

UNIT	TENANT NAME	NOTES	LEASE START	SF	EXPIRATION	ACTUAL	PRO FORMA	\$/PSF
Retail	Little Basil Thai	3% Annual Increases	Jun-15	1,600	Dec-34	\$13,399	\$13,801	\$104
MONTHLY COMMERCIAL REVENUE						\$13,399	\$13,801	

OTHER INCOME & REIMBURSEMENTS

SPACE	TENANT NAME	NOTES	LEASE START	EXPIRATION	ACTUAL	PRO FORMA	
Retail	Little Basil Thai	Water Reimbursement	Jun-15	Dec-34	\$965	\$965	
Retail	Little Basil Thai	Pays 40% RET Reimbursement over 2024/2025 Base Year	Jun-15	Dec-34	\$0	\$261	
MONTHLY OTHER INCOME & REIMBURSEMENTS REVENUE						\$965	\$1,227

RESIDENTIAL RENT

UNIT#	STATUS	NOTES	BEDROOMS	ROOMS	EXPIRATION	ACTUAL	PRO FORMA
2A	FM	2 Baths; Washer/Dryer	3 Bedroom	5	Apr-26	\$7,495	\$7,850
2B	FM	2 Baths	3 Bedroom	5	Jun-26	\$6,895	\$7,000
3A	RS		1 Bedroom	3	Nov-27	\$1,139	\$1,139
3B	FM	2 Baths	3 Bedroom	5	Oct-26	\$6,995	\$7,000
4A	RS		2 Bedroom	4	Feb-28	\$1,754	\$1,802
4B	FM	2 Baths	3 Bedroom	5	Jan-27	\$6,600	\$7,000
5A	FM	2 Baths; Washer/Dryer	3 Bedroom	5	Aug-26	\$8,150	\$8,476
5B	FM	2 Baths; Washer/Dryer	2 Bedroom	4	Jun-26	\$6,045	\$6,600
6A	FM	2 Baths; Washer/Dryer	3 Bedroom	5	Jun-26	\$8,100	\$8,424
6B	FM	2 Baths; Washer/Dryer	3 Bedroom	5	Jul-26	\$7,350	\$7,000
7A	RS		3 Bedroom	5	Aug-26	\$1,615	\$1,659
7B	FM	2 Baths; Washer/Dryer	3 Bedroom	5	Jun-26	\$6,800	\$7,000
8A	FM	2 Baths; Washer/Dryer	3 Bedroom	5		\$8,300	\$8,300
8B	FM	2 Baths; Washer/Dryer	2 Bedroom	4	Apr-27	\$5,525	\$6,600
MONTHLY RESIDENTIAL REVENUE			37	65		\$82,763	\$85,851

ANNUAL RESIDENTIAL REVENUE

\$993,158 **\$1,030,209**

ANNUAL COMMERCIAL REVENUE

\$160,788 **\$165,612**

ANNUAL OTHER INCOME REVENUE

\$11,584 **\$14,721**

TOTAL ANNUAL REVENUE

ACTUAL **PRO FORMA**
\$1,165,530 **\$1,210,542**

Notes

There are 15 total units.

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

INCOME & EXPENSE ANALYSIS

153 East 26th Street

GROSS POTENTIAL INCOME

	ACTUAL			PRO FORMA		
		%EGI	\$/UNIT		%EGI	\$/UNIT
Gross Potential Residential Rent	\$993,158	85%	\$70,940	\$1,030,209	85%	\$73,586
Gross Potential Commercial Rent	\$160,788	14%	\$160,788	\$165,612	14%	\$165,612
Commercial RET & Water Reimbursements	\$11,584	1%	\$827	\$14,721	1%	\$1,051
Gross Income	\$1,165,530		\$77,702	\$1,210,542		\$80,703
Vacancy/Collection Loss	(\$29,138)	2.5%	(\$1,943)	(\$30,264)	2.5%	(\$2,018)
Effective Gross Income	\$1,136,391		\$75,759	\$1,180,278		\$78,685
Average Residential Rent/Month/Unit	\$5,912			\$6,132		

EXPENSES

Property Taxes	Tax Class: 2	Projected	\$261,393	23%	\$17,426	\$269,235	23%	\$17,949
Fuel - Gas		Actual	\$20,802	2%	\$1,387	\$21,426	2%	\$1,428
Insurance		Projected	\$17,500	2%	\$1,167	\$18,025	2%	\$1,202
Water and Sewer		Actual	\$18,665	2%	\$1,244	\$19,225	2%	\$1,282
Repairs and Maintenance		Projected	\$10,500	1%	\$700	\$10,815	1%	\$721
Common Electric		Actual	\$16,064	1.4%	\$1.02	\$16,546	1.4%	\$1.05
Super Salary		Projected	\$7,500	1%	\$500	\$7,725	1%	\$515
Management Fee		Projected	\$34,092	3%	\$2,273	\$35,114	3%	\$2,341
General Administration		Projected	\$3,750	0%	\$250	\$3,863	0%	\$258
Elevator Contract		Projected	\$7,500	1%	\$500	\$7,725	1%	\$515
Total Expenses			\$397,766	35%	\$26,518	\$409,699	35%	\$27,313
Net Operating Income			\$738,626			\$770,580		

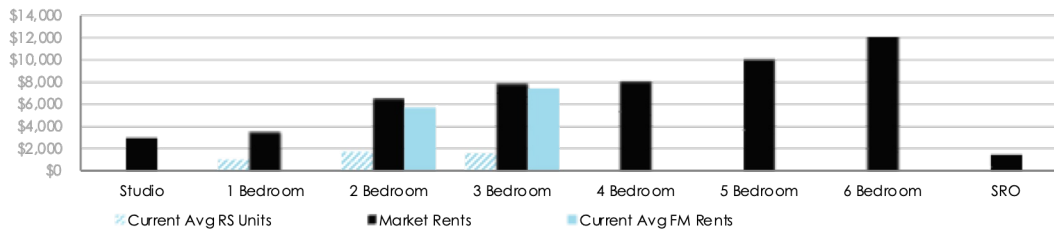
LEASE STATUS MIX

UNIT BREAKDOWN	% OF TOTAL	RENT	TOTAL	AVG. RENT
Total Units	--	\$96,162	15	\$6,411
Total RS Units	20%	\$4,508	3	\$1,503
Total RS - TE Units	0%	\$0	0	\$0
Total RC Units	0%	\$0	0	\$0
Total FM Units	73%	\$78,255	11	\$7,114
Total Commercial	7%	\$13,399	1	\$13,399

RENTAL ANALYSIS BY UNIT TYPE

TYPE	% OF TOTAL	RENT	TOTAL	AVG. RENT
Studio	0%	\$0	0	\$0
1 Bedroom	7%	\$1,139	1	\$1,139
2 Bedroom	21%	\$13,324	3	\$4,441
3 Bedroom	71%	\$68,300	10	\$6,830
4 Bedroom	0%	\$0	0	\$0
5 Bedroom	0%	\$0	0	\$0
6 Bedroom	0%	\$0	0	\$0
SRO	0%	\$0	0	\$0

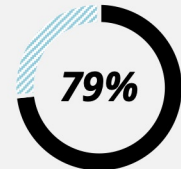
UPSIDE ANALYSIS



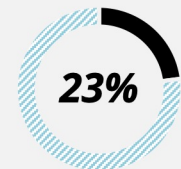
AVERAGE RENT PER MONTH

\$5,912

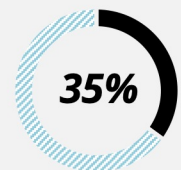
PERCENT FAIR MARKET



TAXES AS PERCENT OF EGI



EXPENSE RATIO



COMMERICAL LEASE ABSTRACT

Tenant:	Little Basil Thai Restaurant
Initial Lease Commencement Date:	06/16/15
Lease Expiration Date:	12/31/34
Renewal Term Length:	10 Years
Retail Square Footage:	1,600 SF
Renewal Base Rent Year 1:	\$156,106
<i>Year 2 Annual Rent:</i>	\$160,790
<i>Year 3 Annual Rent:</i>	\$165,613
<i>Year 4 Annual Rent:</i>	\$170,582
<i>Year 5 Annual Rent:</i>	\$175,699
<i>Year 6 Annual Rent:</i>	\$180,970
<i>Year 7 Annual Rent:</i>	\$186,399
<i>Year 8 Annual Rent:</i>	\$191,991
<i>Year 9 Annual Rent:</i>	\$197,751
<i>Year 10 Annual Rent:</i>	\$203,683
Escalation Type:	Percentage (%)
Escalation Frequency:	Annual
Escalation:	3.00%
Annual Water Reimbursement Estimate:	\$11,580
Tentative (2025/2026) Property Taxes:	\$261,393
Base Year (2024/2025) Property Taxes:	\$261,393
Net Property Tax Increase:	\$0
Real Estate Tax Increase Pro Rata Share:	40.00%
Real Estate Tax Reimbursement:	\$0
Projected (2026/2027) Property Taxes	\$269,235
Projected (2026/2027) Real Estate Tax Reimbursement:	\$3,137



An aerial, high-angle photograph of New York City, showing the dense urban grid, Central Park, and the Hudson River. The image is in grayscale and has a dark, moody atmosphere. The text is overlaid on the left side of the image.

PROPERTY DESCRIPTION

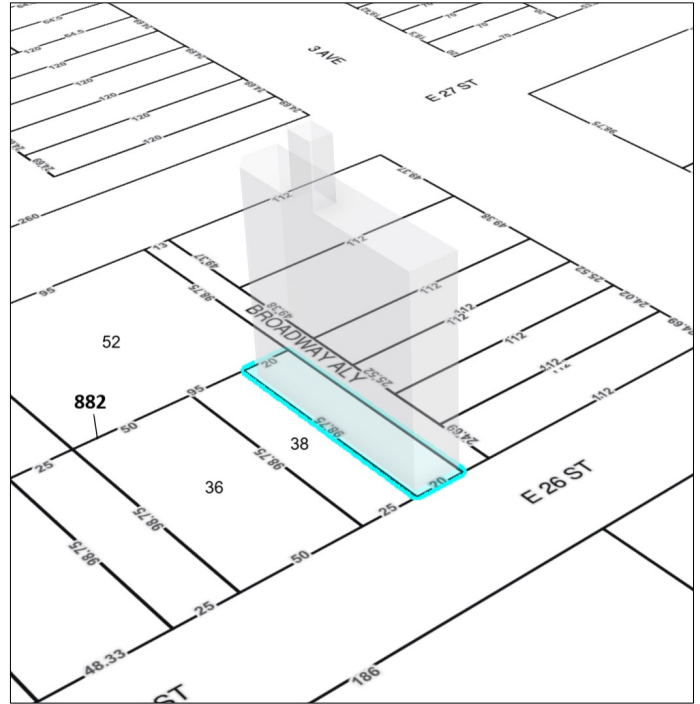
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PROPERTY DESCRIPTION

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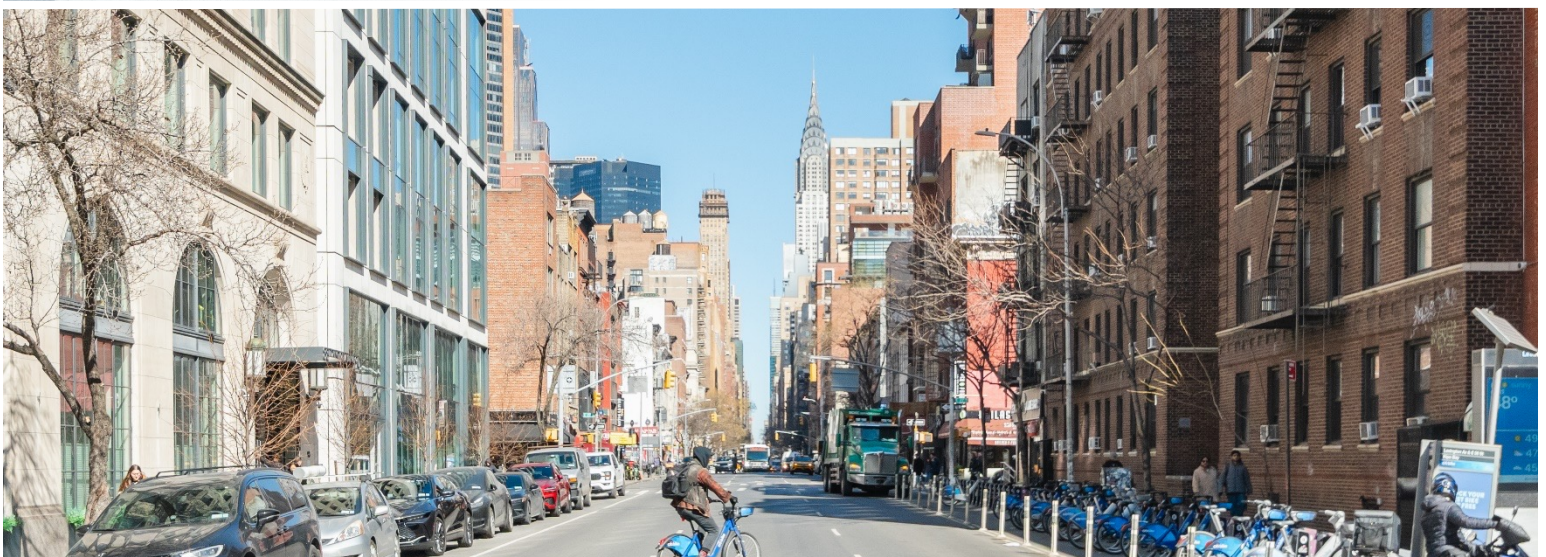
Neighborhood	Kips Bay
Borough	Manhattan
Block & Lot	882 / 39
Lot Dimensions	20' X 98.75'
Lot SF	1,975
Building Dimensions	20' X 98.75'
Approximate Building SF	15,800
Zoning	R8B
Max FAR	4.00
Available Air Rights	0
Landmark District	None
Historic District	None
Annual Tax Bill	\$261,393
Tax Class	2



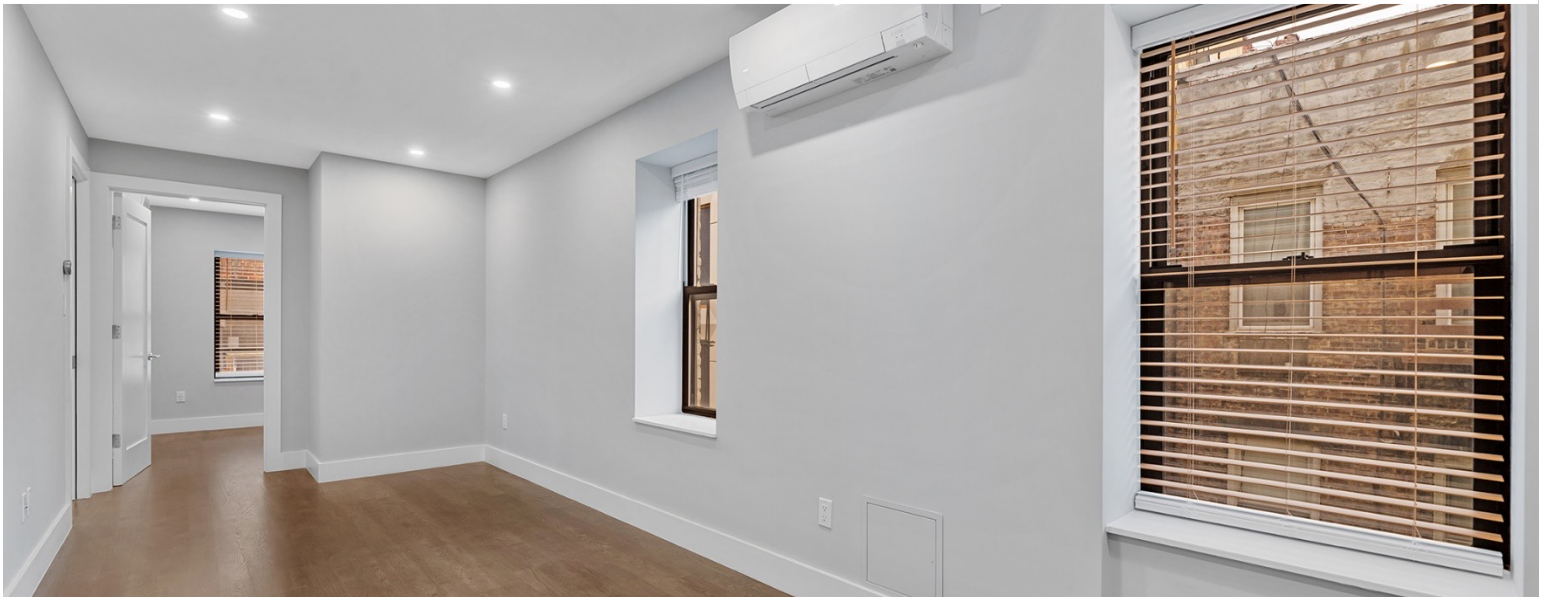
TAX MAP



PROPERTY PHOTOS – EXTERIORS



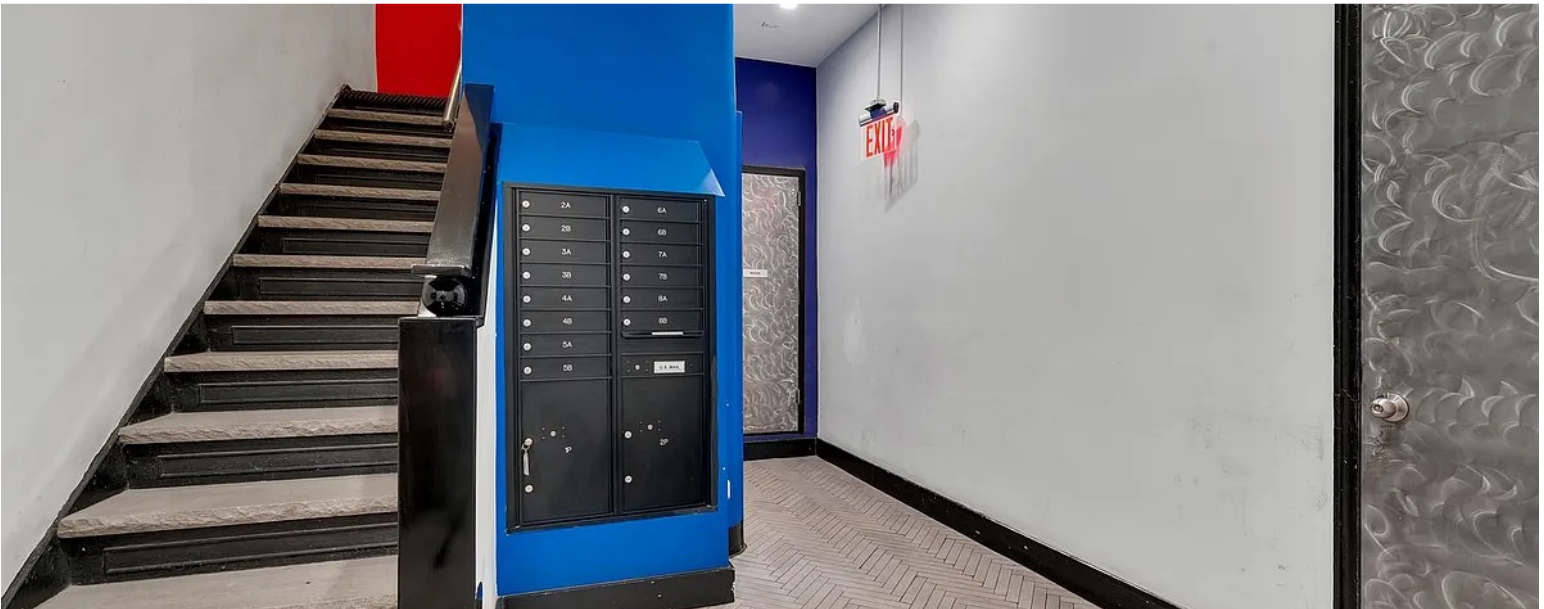
PROPERTY PHOTOS - INTERIORS

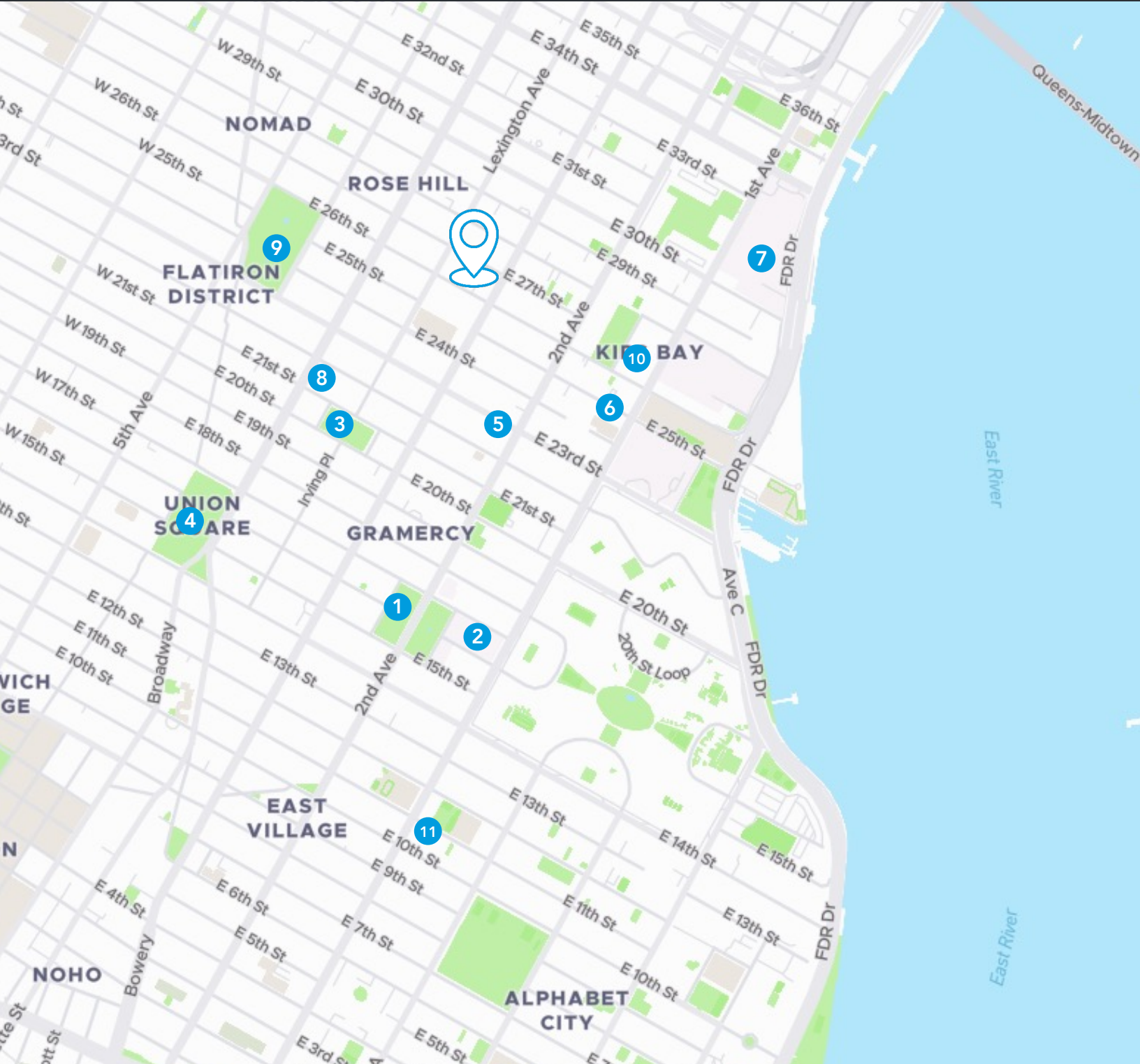


PROPERTY PHOTOS - INTERIORS



PROPERTY PHOTOS - INTERIORS





- 1. Stuyvesant Square Park
- 2. Mt Sinai Beth Israel
- 3. Gramercy Park
- 4. Union Square Park
- 5. School of Visual Arts

- 6. NYU College of Dentistry
- 7. Tisch Hospital
- 8. Fotografiska Museum
- 9. Madison Square Park
- 10. NYU Rory Meyers College of Nursing

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