

**AVISON
YOUNG**

1004

Gates Avenue

Brooklyn, New York

Seven-Story, Elevator Building

**Confidential Offering
Memorandum**





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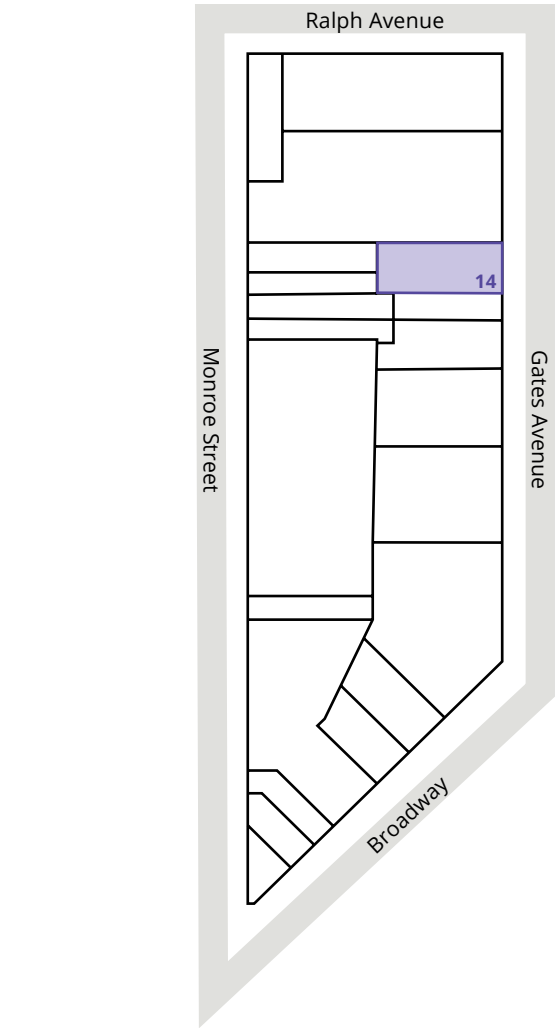
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Executive Summary

Avison Young has been exclusively engaged by ownership to offer for sale 1004 Gates Avenue, a seven-story, 40' elevator building located on the south side of Gates Avenue between Ralph Avenue and Broadway in the heart of Bedford-Stuyvesant (Bed-Stuy), Brooklyn. The property spans 19,130 SF and consists of twenty-seven (27) residential units. The buildings were significantly expanded and renovated in 2019 and benefit from a J-51 Tax Abatement until 2034.

This turnkey asset offers investors the opportunity to capitalize on a fully occupied elevator asset with a \$494,245 preferential-to-legal rent spread, along with \$1,381,093 in tax savings until 2034.

Asking Price: \$9,700,000



Turnkey Asset with 40' of Frontage



Fully Occupied Elevator Building



\$494,245 Preferential-to-Legal Rent Spread



\$1,381,093 in Tax Savings until 2034

Property Information

Address	1004-1006 Gates Avenue
Block & Lot	1480 / 14
Stories	7
Building Dimensions	20' x 61'
Total SF	19,130
Total Units	27
Residential Units	27
Zoning	C4-4L (R7A)
Lot Dimensions	40' x 100'
Lot Size	4,000
Available Air Rights	-
Tax Class	2
Unabated RE Tax Assessment (24/25)	\$1,566,540
Unabated RE Taxes (24/25)	\$195,849
Abated RE Tax Assessment (24/25)	\$156,251
Abated RE Taxes (24/25)	\$19,535



Rent Roll

Unit	Unit Type	SF	Status	LXP	Legal Rent	Preferential Rent	Annual In Place Rent (Pref)	Rent/ SF	Legal Annual Rent
1A	1BR	408	RS	Vacant	\$3,244	\$2,600	\$31,200	\$76.5	\$38,923
1B	1BR	400	RS	05/31/24	\$3,373	\$2,550	\$30,600	\$76.5	\$40,479
1C	2BR DUP	871	RS	07/31/24	\$4,092	\$3,391	\$40,689	\$46.7	\$49,102
1D	2BR DUP	1089	RS	10/31/25	\$4,252	\$2,584	\$31,012	\$28.5	\$51,024
2A	2BR	452	RS	04/30/25	\$4,335	\$2,781	\$33,372	\$73.8	\$52,020
2B	2BR	477	RS	01/31/25	\$4,178	\$2,478	\$29,736	\$62.3	\$50,130
2C	3BR	588	RS	09/30/24	\$4,702	\$2,793	\$33,520	\$57.0	\$56,425
2D	2BR	560	RS	02/28/26	\$3,798	\$2,774	\$33,291	\$59.4	\$45,575
3A	2BR	452	RS	12/31/24	\$4,270	\$2,581	\$30,975	\$68.5	\$51,236
3B	2BR	477	RS	12/31/24	\$3,670	\$2,159	\$25,906	\$54.3	\$44,041
3C	3BR	588	RS	01/31/25	\$4,015	\$2,950	\$35,400	\$60.2	\$48,175
3D	2BR	560	RS	09/30/24	\$3,722	\$2,900	\$34,800	\$62.1	\$44,666
4A	2BR	452	RS	04/30/25	\$4,135	\$2,850	\$34,200	\$75.7	\$49,623
4B	2BR	477	RS	05/31/25	\$3,757	\$2,132	\$25,578	\$53.6	\$45,081
4C	3BR	588	RS	02/28/25	\$4,819	\$2,238	\$26,857	\$45.7	\$57,832
4D	2BR	560	RS	02/28/25	\$4,624	\$2,213	\$26,554	\$47.4	\$55,491
5A	2BR	452	RS	01/31/25	\$3,778	\$2,650	\$31,800	\$70.4	\$45,336
5B	2BR	477	RS	05/31/25	\$4,467	\$2,267	\$27,201	\$57.0	\$53,610
5C	3BR	588	RS	03/31/25	\$4,149	\$2,267	\$27,201	\$46.3	\$49,785
5D	2BR	560	RS	08/31/25	\$3,886	\$2,591	\$31,088	\$55.5	\$46,631
6A	2BR	452	RS	10/31/24	\$3,778	\$2,800	\$33,600	\$74.3	\$45,336
6B	2BR	477	RS	05/31/25	\$3,605	\$3,000	\$36,000	\$75.5	\$43,260
6C	3BR	588	RS	03/31/25	\$4,915	\$2,238	\$26,857	\$45.7	\$58,974
6D	2BR	560	RS	11/30/25	\$4,724	\$2,738	\$32,858	\$58.7	\$56,687
7A	3BR	543	RS	02/28/25	\$4,212	\$3,050	\$36,600	\$67.4	\$50,547
7B	1BR	425	RS	10/31/24	\$4,119	\$2,105	\$25,259	\$59.4	\$49,429
7C	2BR	566	RS	10/31/24	\$4,629	\$2,878	\$34,530	\$61.0	\$55,549
Property Total		14,687			\$111,247	\$70,557	\$846,685	\$60	\$1,334,969
Rent Stabilized Units - Subject to a J51 Tax Abatement									

Income & Expenses

Income	In-Place (Abated)	Pro-Forma (Unabated)
	Annual Income	Annual Income
Residential Income	\$846,685	\$1,334,969
Less Vacancy (2%)	(\$16,934)	(\$26,699)
Effective Gross Income	\$829,751	\$1,308,269
Expenses	Total	Total
RE Taxes (Actual 24/25) (Abated & Unabated)	\$19,535	\$195,849
Water & Sewer (Owner Provided)	\$16,200	\$16,200
Insurance (AY Metric)	\$19,130	\$19,130
Repairs & Maintenance (AY Metric)	\$20,250	\$20,250
Management Fee (Projected @ 3% of EGI)	\$24,893	\$39,248
Payroll & Admin Fees (AY Metric)	\$19,130	\$19,130
Utilities (Owner Provided)	\$12,315	\$12,315
Total	\$131,452	\$322,122
Effective Gross Income	\$829,751	\$1,308,269
Less Expenses	(\$131,452)	(\$322,122)
Net Operating Income	\$698,299	\$986,147

J-51 Calculation

Tax Year		Billable Assessment	J-51 Alteration	Taxable Value	Tax Rate	Tax before Abatement	J-51 Abatement	Annual Property Tax	Full Property Tax	Savings
2019	2020	\$1,282,676	\$1,091,540	\$191,136	12.612%	\$24,106	\$24,106	\$0	\$161,771	\$161,771
2020	2021	\$1,318,240	\$1,091,540	\$226,700	12.267%	\$27,809	\$27,809	\$0	\$161,709	\$161,709
2021	2022	\$1,316,903	\$1,091,540	\$225,363	12.235%	\$27,573	\$27,573	\$0	\$161,123	\$161,123
2022	2023	\$1,361,287	\$1,092,328	\$268,959	12.267%	\$0	\$0	\$0	\$166,989	\$166,989
2023	2024	\$1,745,550	\$1,429,580	\$315,970	12.502%	\$39,503	\$29,798	\$9,704	\$218,229	\$208,524
2024	2025	\$1,566,540	\$1,410,289	\$156,251	12.502%	\$19,535	\$18,264	\$1,271	\$195,849	\$194,578
2025	2026	\$1,644,867	\$1,488,616	\$156,251	12.533%	\$19,583	\$19,583	\$0	\$206,155	\$206,155
2026	2027	\$1,727,110	\$1,570,859	\$156,251	12.565%	\$19,632	\$19,632	\$0	\$217,004	\$217,004
2027	2028	\$1,813,466	\$1,657,215	\$156,251	12.596%	\$19,681	\$19,681	\$0	\$228,424	\$228,424
2028	2029	\$1,904,139	\$1,747,888	\$156,251	12.627%	\$19,731	\$19,731	\$0	\$240,445	\$240,445
2029	2030	\$1,999,346	\$1,843,095	\$156,251	12.659%	\$19,780	\$19,780	\$0	\$253,098	\$253,098
2030	2031	\$2,099,313	\$1,679,451	\$419,863	12.691%	\$53,284	\$29,798	\$23,485	\$266,418	\$242,932
2031	2032	\$2,204,279	\$1,322,567	\$881,712	12.722%	\$112,175	\$29,798	\$82,377	\$280,438	\$198,061
2032	2033	\$2,314,493	\$925,797	\$1,388,696	12.754%	\$177,118	\$29,798	\$147,319	\$295,196	\$147,877
2033	2034	\$2,430,218	\$486,044	\$1,944,174	12.786%	\$248,585	\$29,798	\$218,786	\$310,731	\$91,944

*Increasing Billable Assessment by 5% per year, and Tax Rate by 0.25% per year

*Assumes a full J-51 abatement is taken each year going forward

Total Savings:		\$1,825,942
Net Present Value @	5.75%	\$1,423,543
Net Present Value @	6.50%	\$1,381,093
Net Present Value @	7.00%	\$1,353,857

Bedford-Stuyvesant Overview

Bedford-Stuyvesant, commonly known as Bed-Stuy, is a vibrant neighborhood in Brooklyn renowned for its rich history, cultural tapestry, and striking brownstone architecture. Over the past two decades, Bed-Stuy has undergone significant transformations, evolving into a dynamic present. The neighborhood boasts a myriad of amenities, ranging from parks, restaurants, and bars to cultural institutions. Herbert Von King Park, a central green space, offers sports facilities, playgrounds, and a cultural arts center, while the Billie Holiday Theatre showcases African American arts and performances. Residents benefit from a mix of public and private schools, providing diverse educational opportunities for families in the area. With its convenient transportation options, thriving real estate market, and vibrant community life, Bed-Stuy remains an attractive destination for residents.

Transportation

The property is conveniently located on the same street as the Gates Avenue Subway Station servicing the **JZ** Trains, offering a commute of less than 25 minutes to Lower Manhattan. The area is also serviced by the **AC** Lines via Nostrand Avenue as well as the **G** Train at Bedford-Nostrand Avenue for those commuting north and south between Brooklyn and Queens.

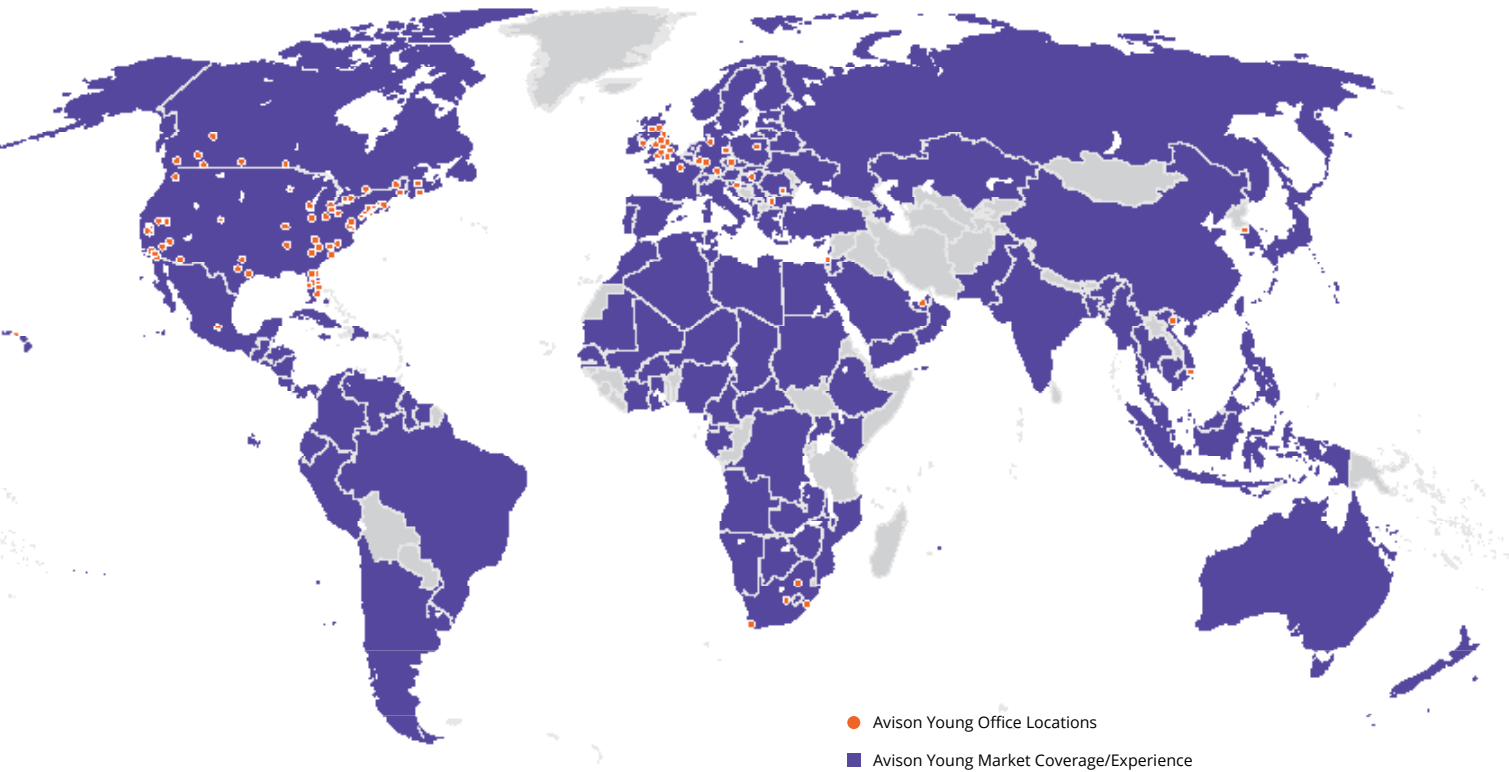


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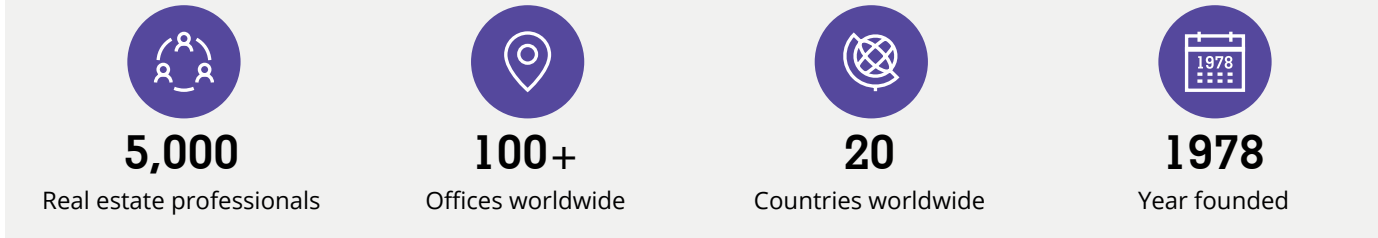
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Avison Young is built on the belief that commercial real estate isn’t just about the buildings and the square footage and the occupancies. At its best, it’s about spaces and places that improve lives and help businesses thrive for the employees, citizens and communities that make impact matter.



Avison Young by the Numbers



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Occupier Services	Investor Services	Sectors / Specialties
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Occupier Project Management	Consulting Services	Industrial
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Tenant Representation	Investor Project Management	Retail
Transaction Management	Net Lease	Associations and Nonprofits
	Property Management	Automotive Properties
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		Healthcare
		Life Sciences
		Private Equity
		Project Management Specialty
		Senior Housing
		Sustainability

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