

TEAM



PGIM
REAL ESTATE

MARKET RESEARCH AND PROPERTY ANALYSIS

374 EASTERN PARKWAY

MEET THE TEAM



Ayesha Javed



Felicia Chan



Makaila Calistro



Jeffery Rendon



Hans Desauguste



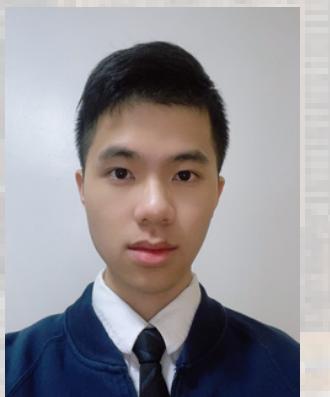
David Ekhator



Anne Romain



Seckou Conte



Zhuorui Lin



Sokaina Zouak



Divya Ananth



Kyle De Los Santos

AGENDA

- 01** Executive Summary
- 02** Market Overview
- 03** Property Overview
- 04** Financial Summary

Executive Summary

374 Eastern Parkway, Brooklyn, NY



Connecting Communities through Excellence



38 Unit Multi-family

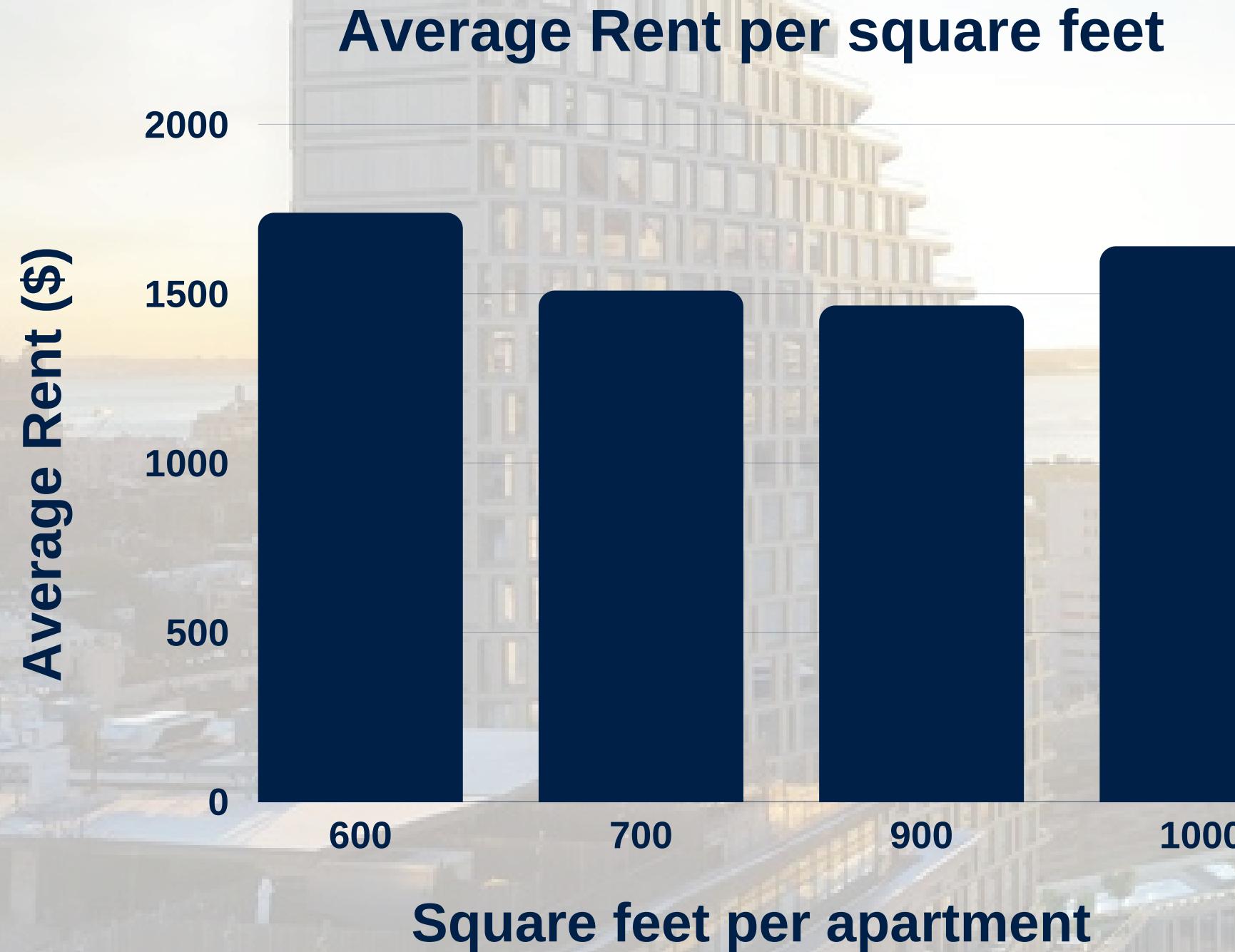


**Projected NOI: \$308,311
Pro Forma shows 94.5% increase**

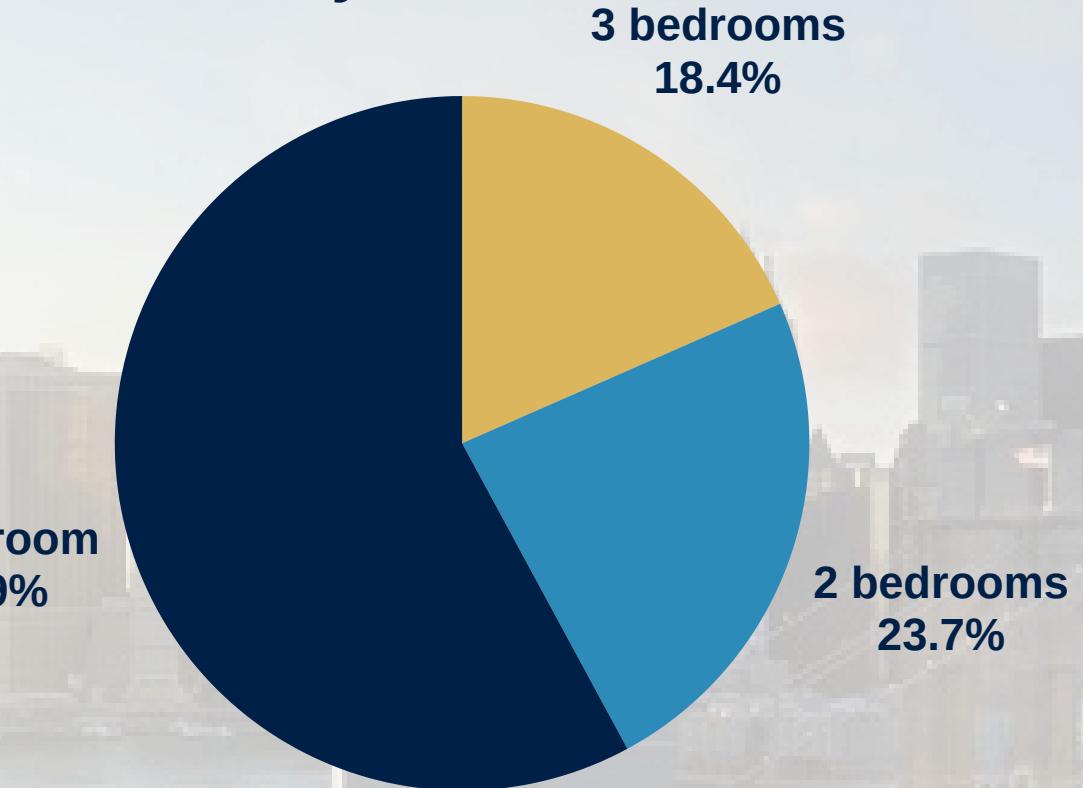
PROJECT • DESTINED

PROPERTY OVERVIEW

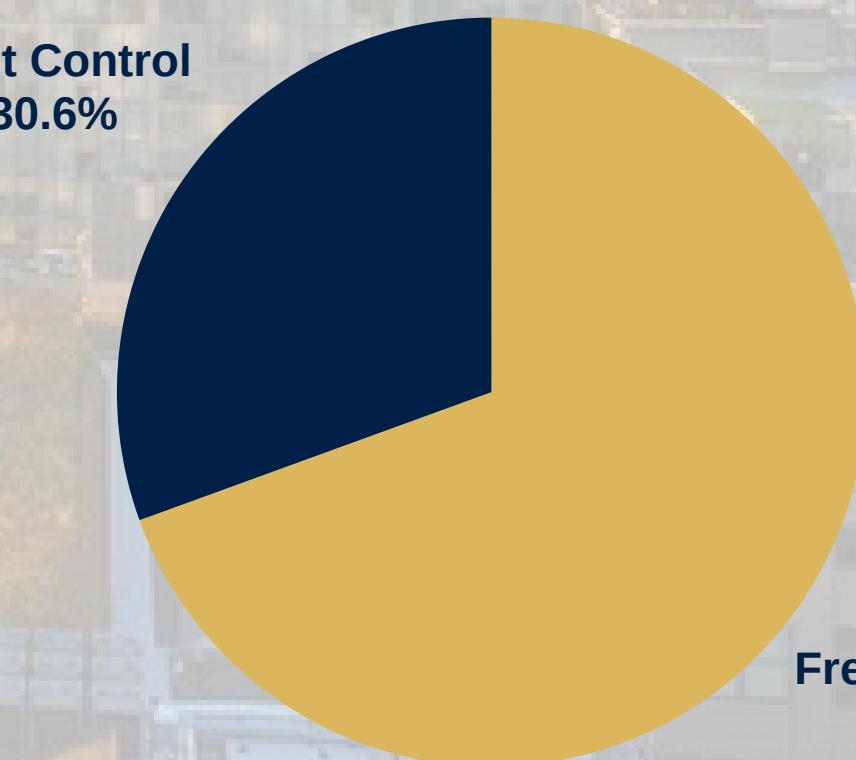
PROPERTY OVERVIEW



Breakdown by Number of Bedrooms



Free Market vs Rent Controlled



IN-PLACE PROPERTY AMENITIES



UPDATED UTILITIES
Electric + Water Meters



ANTIQUED DETAILS
Ornate Common Areas



RESURFACED ROOF
360° View of Brooklyn

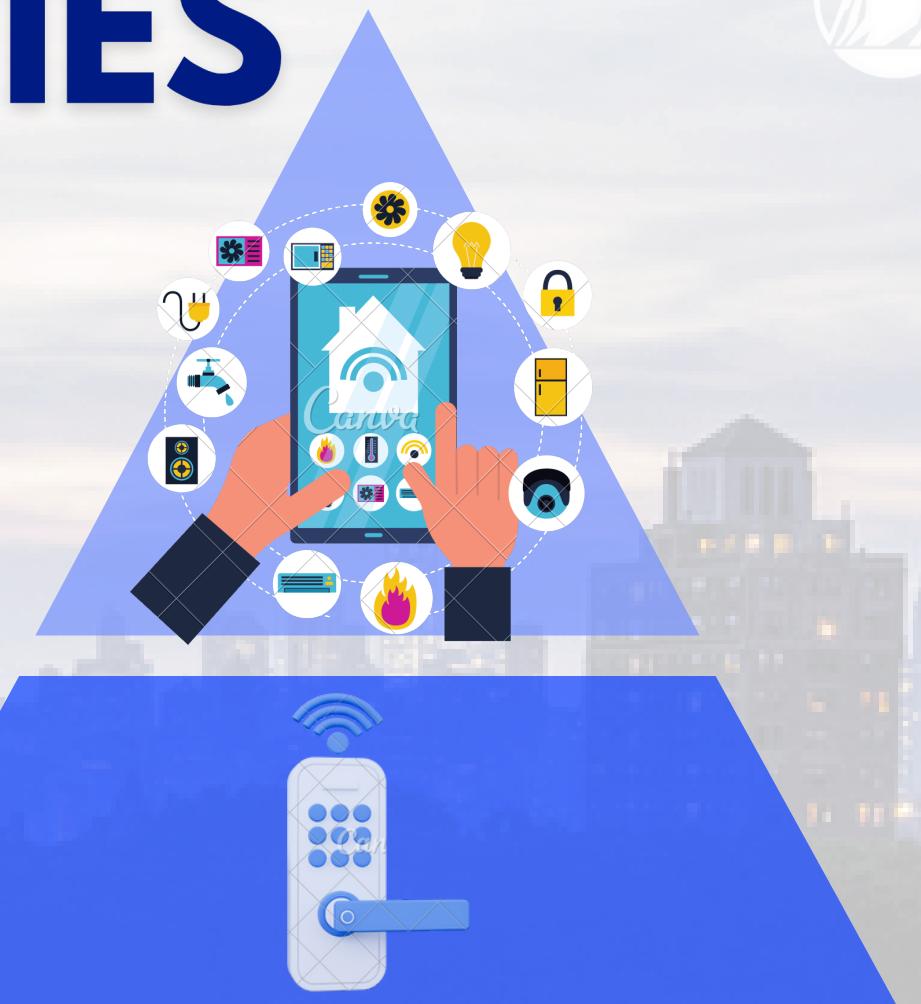


BASEMENT FLOOR
Full, High Ceilings
Unit Laundry, Gym, Office

VALUE-ADD OPPORTUNITIES

ENERGY MONITORING

Insights into water/electricity usage.
Can help lower utility bills.



SMART LOCKS

Residents use smartphones or codes to access doors. Enhanced security



HISTORICAL RESTORATIONS

Restoring the building's historical features such as crown moldings to infuse character while harmonizing them with contemporary elements

ROOFTOP TERRACE

Green Space open to all residents, can be rented out for exclusive events



PROJECT • DESTINED

MARKET OVERVIEW

MARKET OVERVIEW



643,139
Employed
Population



\$73,951
Median Household
Income

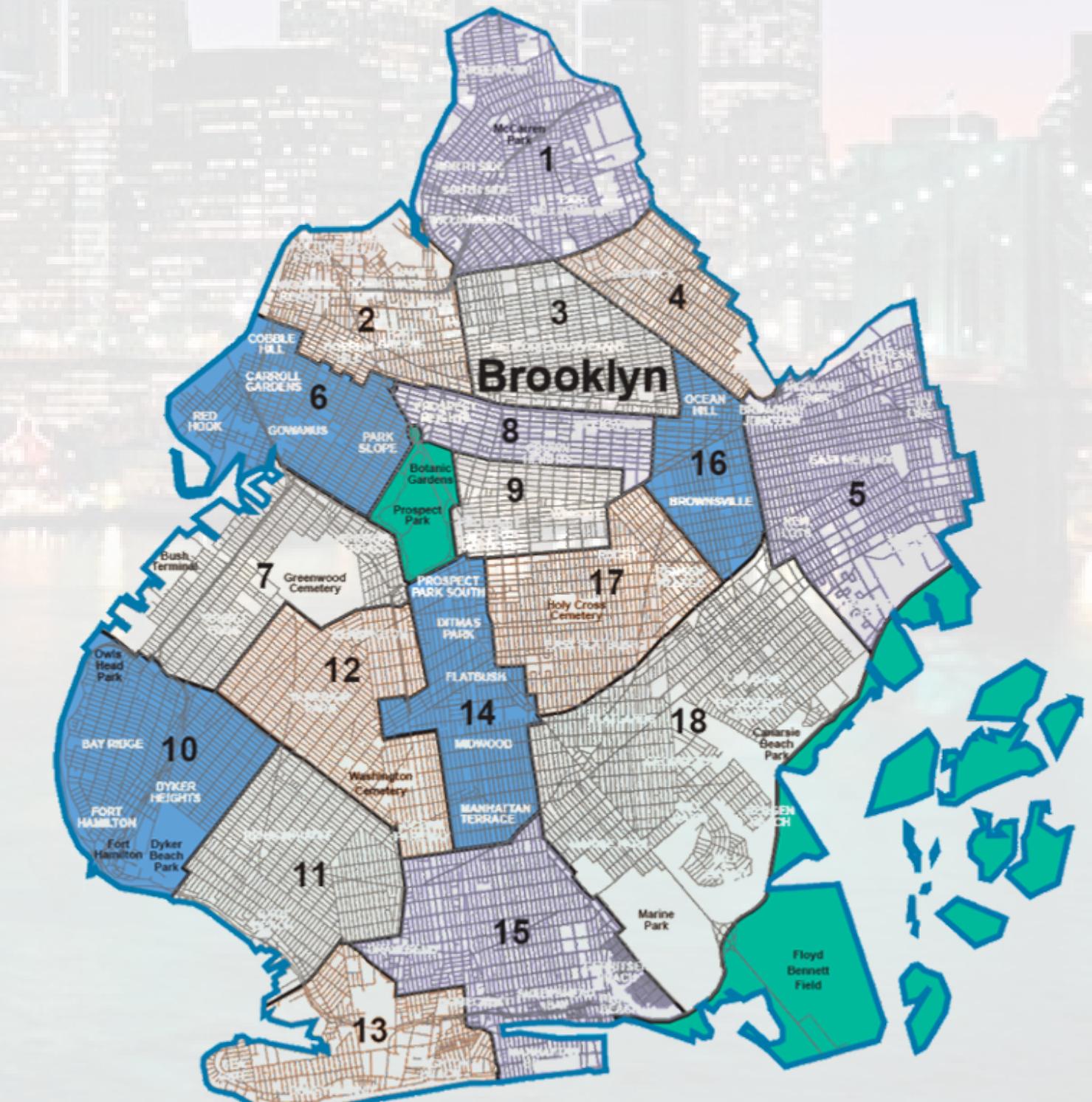


69.3%
Renter
Occupied

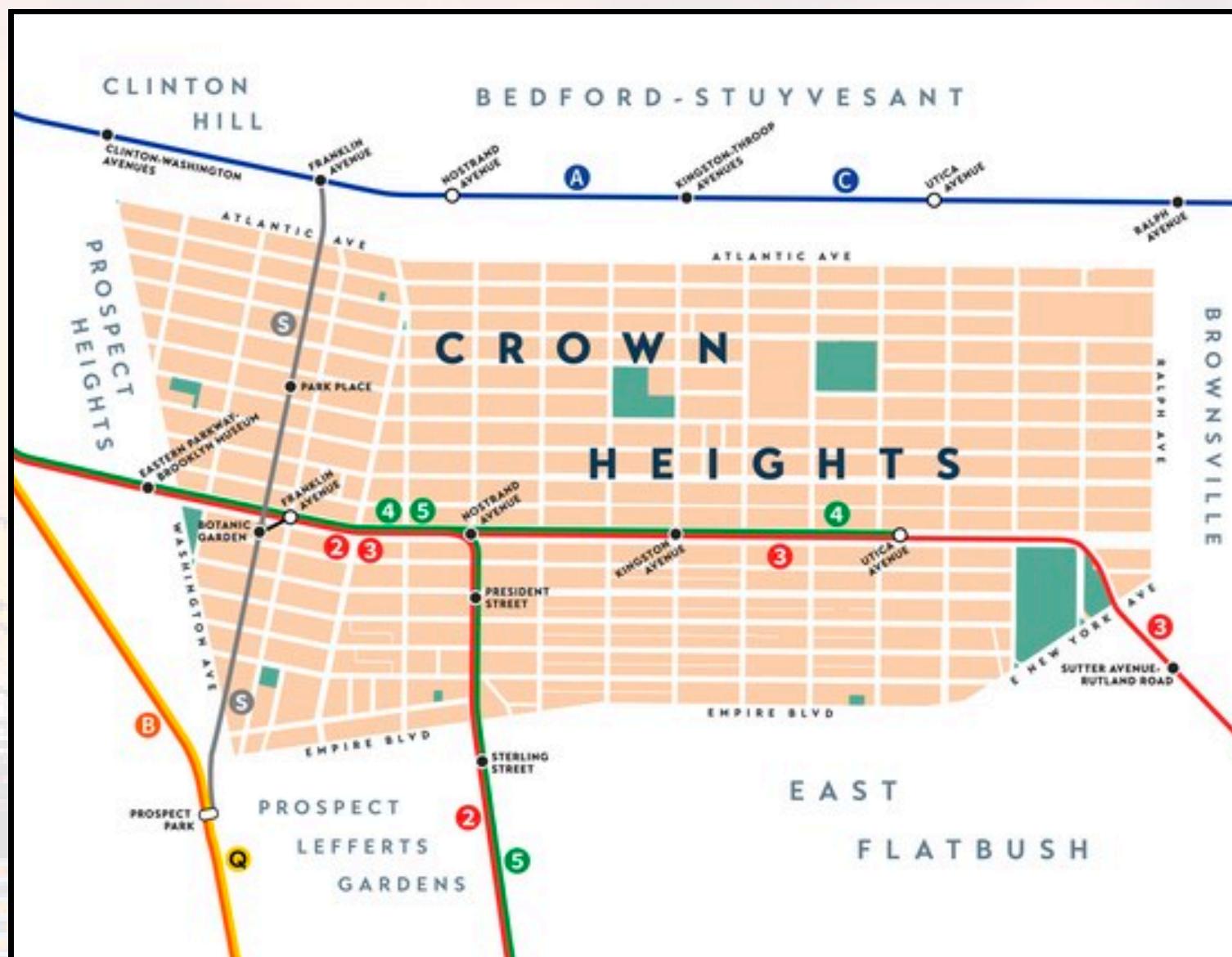


**Population
Per Square
Mile**

Brooklyn	39,437.8
U.S.	93.8



SUBMARKET OVERVIEW



\$79,761

Median
Household
Income



38

Average
Age



171,304

Population



2.4

Average
Household Size
(Persons)



Post-Grad Degree
21.2%

No Diploma
11.1%

High School
18.2%

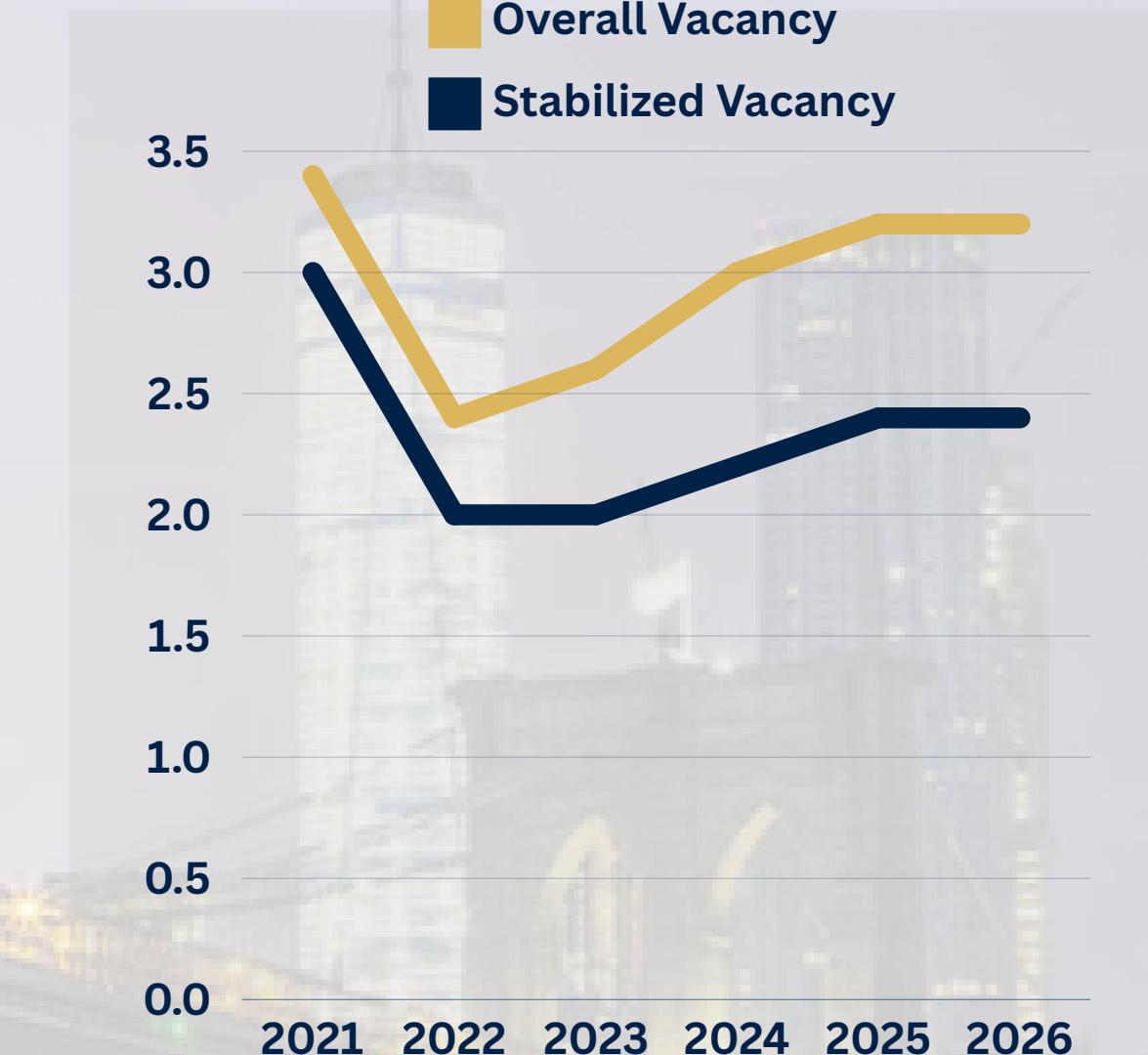
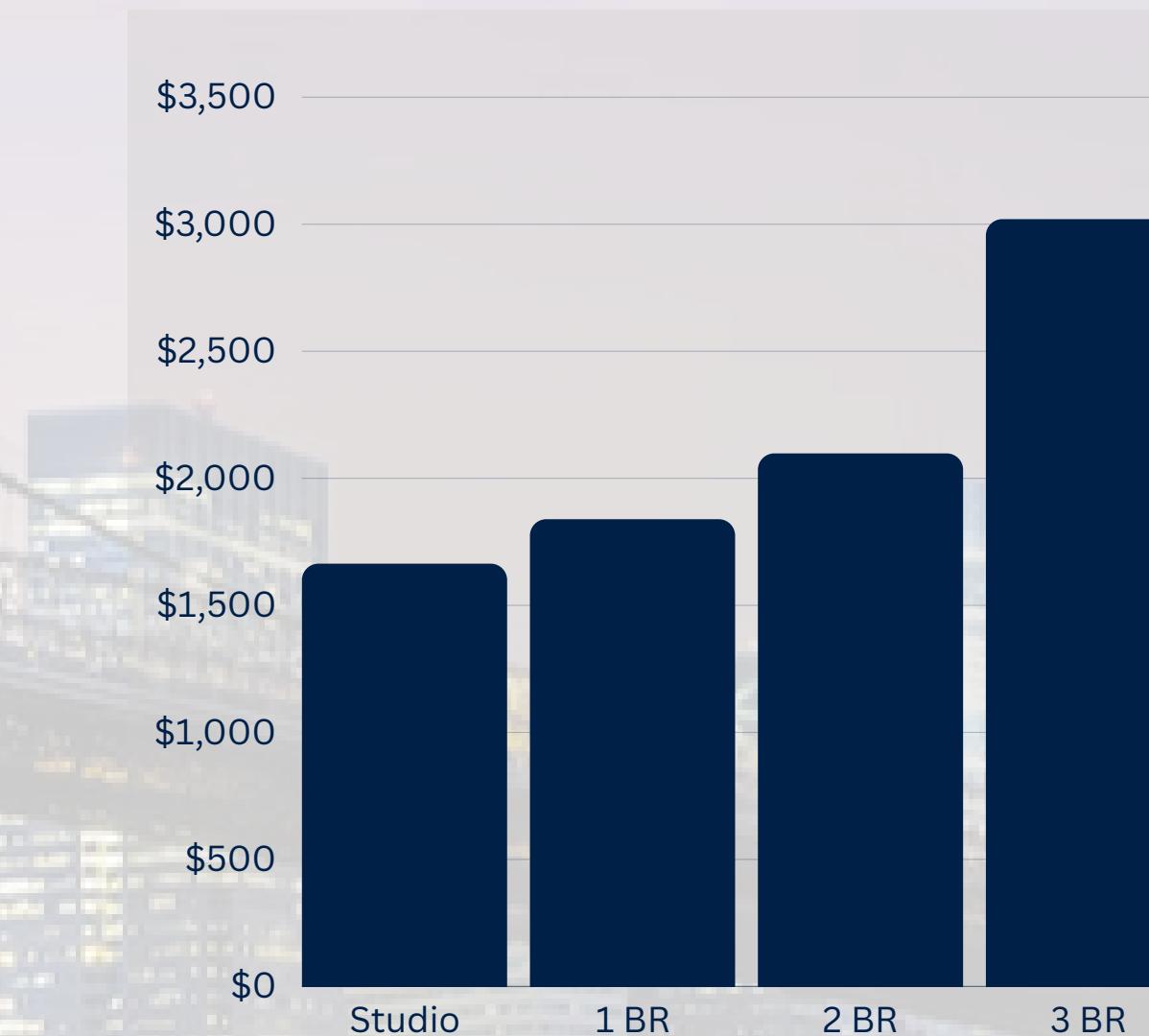
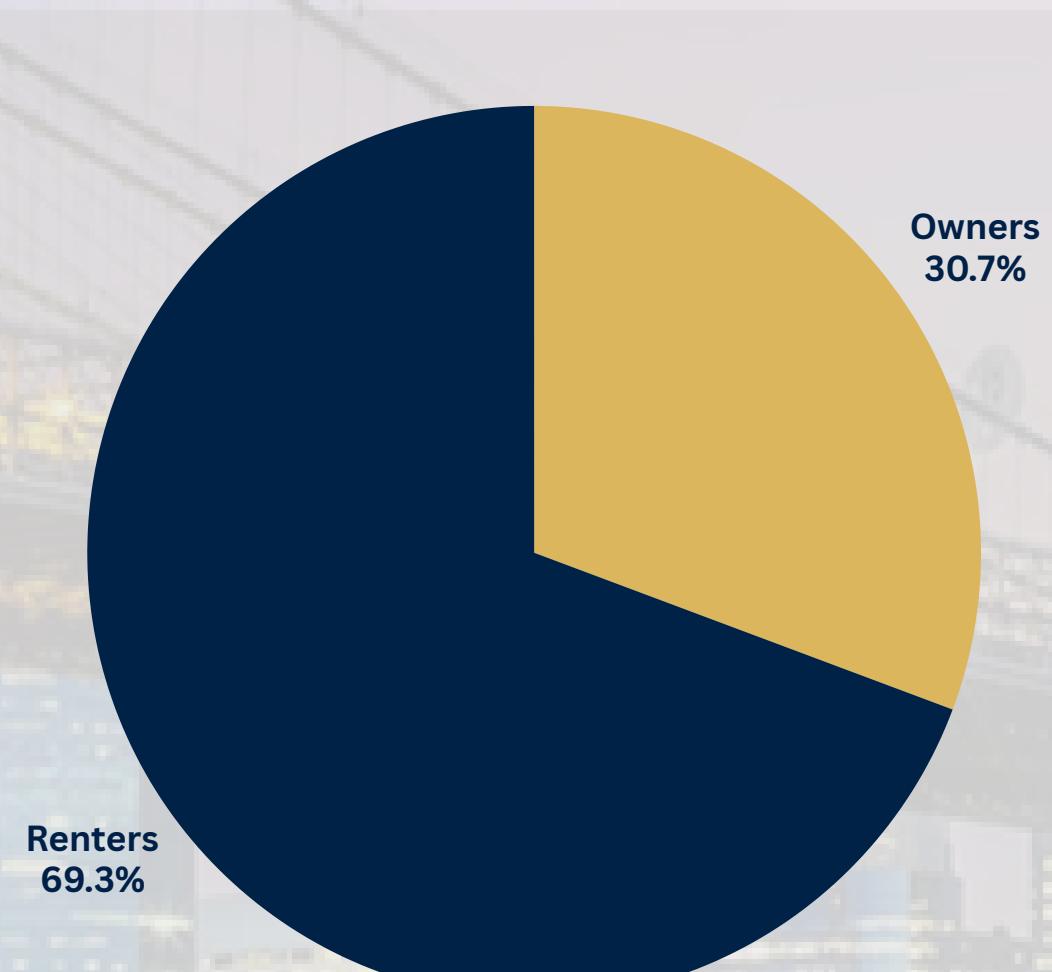
Some College
18.2%

Bachelor's Degree
25.3%

Associate's Degree
6.1%

EDUCATION LEVEL

SUPPLY & DEMAND



Owners Vs Renters

Brooklyn

Rent Per Bedrooms

Rent Comparables

Vacancy Rate

Multifamily

2

3

4

5



20 min train



25 min train



10 min train



10 min walk



Guide to Crown Heights



2 min walk

MEET THE TENANTS

Aaliyah Taylor

Age: 28

Job: Marriage and Family Therapist

Income: \$76,000

Children: 0

Seeking

- Easy Access to Manhattan
- Affordability



Jason Whitlock

Age: 34

Job: Professor at St. Francis College

Income: \$81,000

Children: 1

Seeking

- Short commute
- Green space

TRANSPORTATION

MTA NYC Subway



30 Mins to Manhattan

MTA NYC Bus



Connects All of Brooklyn

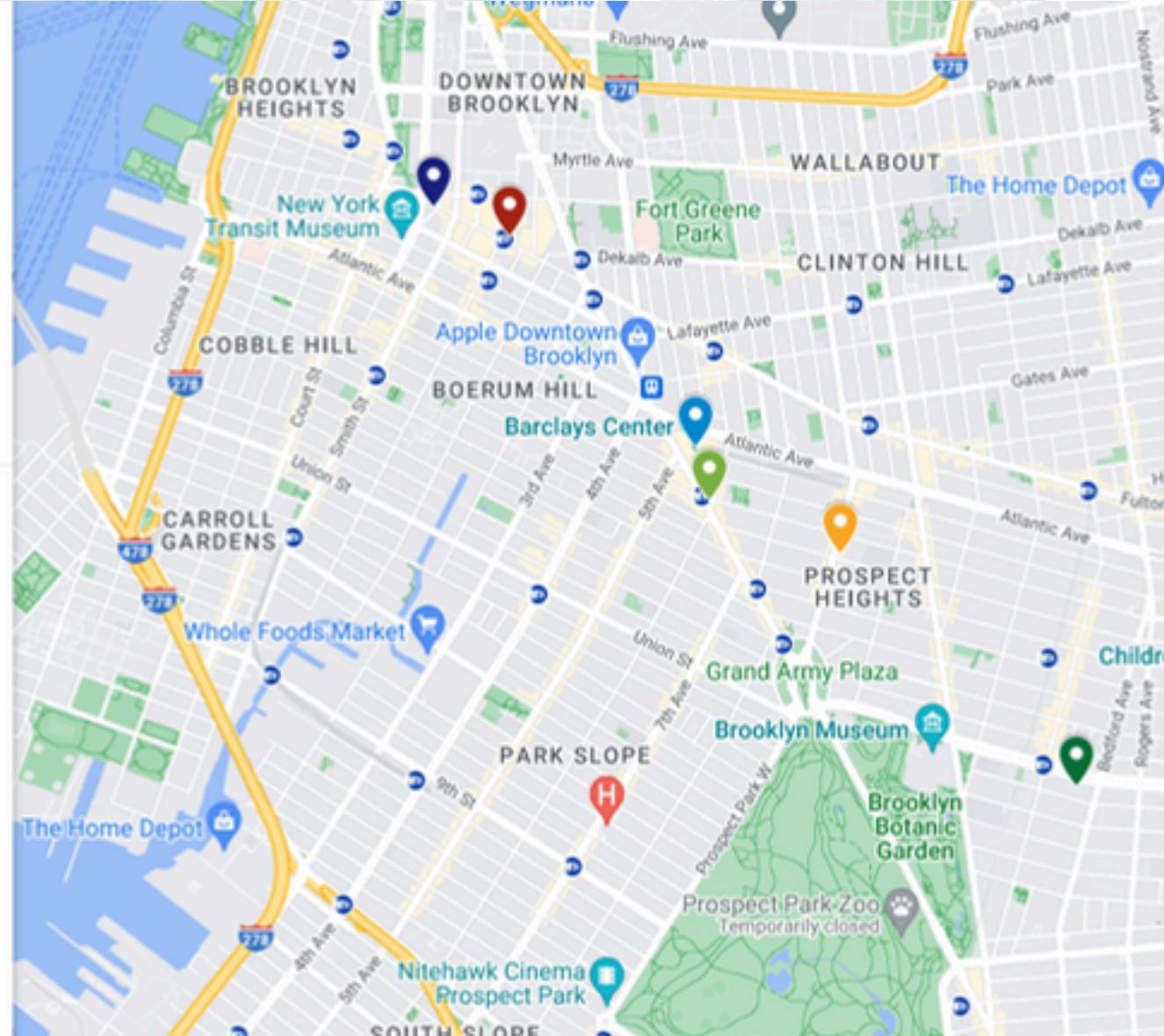
Citi Bike



Neighborhood Exploration

EMPLOYMENT

- Map Legend
- 📍 374 Eastern Pkwy
 - 📍 Barclays Center
 - 📍 Verizon
 - 📍 Doughnut Plant
 - 📍 Ample Hills Creamery Prospect Heights
 - 📍 Bank of America



0.45% Job Growth Projection



**400 Employees
(1.8 Miles Away)**

verizon✓

**1,400 Employees
(1.5 Miles Away)**

Bank of America



**13,000 Employees
(0.7 Miles Away)**

PROJECT • DESTINED

FINANCIAL SUMMARY

FINANCIAL SUMMARY



GROSS RENT: \$701,211

(VACANCY (3%) + CREDIT LOSS: \$32,472)

NET RENT: \$680,175

(OPERATING EXPENSES: \$371,864)

NET OPERATING INCOME: \$308,311





PROJECT · DESTINED

BUSINESS PLAN

BUSINESS PLAN



UNIT RENOVATION

- ENERGY MONITORING TOOL
- DETAIL RESTORATION



EXTERIOR RENOVATION

- ROOFTOP TERRACE
- RENTED SPACE FOR EVENTS
- OUTDOOR LIGHTING



INTERIOR RENOVATION

- SMART LOCKS FORENTRANCE
- 24/7 SECURITY CAMERA SYSTEMS
- ENCLOSED STORAGE UNITS
- COMMUNAL WIFI (MAIN LOBBY)

VALUE ADD IDEAS



Rooftop Terrace

- Outdoor Space
- Open to all residents
- Rent out for exclusive events



Energy Monitoring

- Identify inefficient equipment
- Insights of utility usage
- Lower Expanse Cost



Smart Lock

- Enhanced security
- Cheaper alternative
- Access with smartphones

PROPERTY PRE & POST VALUE-ADD



Pre-Renovation

VALUE-ADD:

Post-Renovation

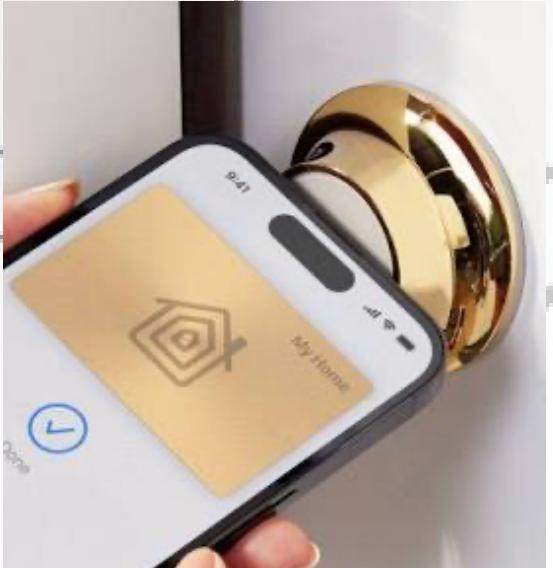
- Appliance Upgrades: Energy Savings
- More Desirable Space
- Updated Equipments
- Improved Lighting
- New Paint and Flooring

VALUE-ADD TIMELINE

1 week



1 week



6 months



12 months



**Energy
Monitors**

Smart Lock

**Detail
Restoration**

**Rooftop
Terrace**

VALUE-ADD COST BREAKDOWN

Value add	Item Cost	Fixed Labor	Unit #	Cost per unit	Misc	Total
Smartlocks	\$300	\$5,000	38	\$432	N/A	\$16,416
Energy Monitors	\$300	\$4,900	38	\$429	N/A	\$16,302
Rooftop Terrace	\$10,500	\$13,200	N/A	N/A	\$26,300	\$50,000
Detail Restoration	\$18,000	\$36,166	38	\$1,425	\$18,000	\$72,166
Total	\$29,100	\$59,266		\$2,286	\$44,000	\$154,884

Total Renovation Cost: \$154,884

Total Cost Per Unit : \$2,286

RENT COMPARABLES (INCLUDING PRE & POST VALUE-ADD COMPARABLES)

Pre Value-Add



392 Saint Johns Pl

PRICE: \$22,750,000

UNITS: 39

\$ / UNIT: 2,930

Pre Value-Add



382 Lefferts Ave

PRICE: \$20,025,000

UNITS: 46

\$ / UNIT: 1,745

Post Value-Add



392 Saint Johns Pl

PRICE: \$25,025,000

UNITS: 39

\$ / UNIT: 3,277

Post Value-Add



382 Lefferts Ave

PRICE: \$22,027,500

UNITS: 46

\$ / UNIT: 2,629

FINANCIAL SUMMARY (INCLUDING PRE & POST VALUE-ADD FINANCIALS)

PRE VALUE-ADD FINANCIALS

GROSS RENT

\$701,211

NET RENT

\$680,175

OPERATING EXPENSES

\$371,864

NET OPERATING INCOME

\$308,311

POST VALUE-ADD FINANCIALS

GROSS RENT

\$771,332

NET RENT

\$732,765

OPERATING EXPENSES

\$390,457

NET OPERATING INCOME

\$342,308

NOI Growth: 11%



PROJECT • DESTINED

VALUATION

SALES COMPS



Properties	374 Eastern Parkway (SUBJECT)	362 Stockton St	29 Brooklyn Ave	1671 Bedford Ave	442-446 Decatur St	2004 Glenwood Rd
Average Price Per Unit	\$217,316.97	\$128,571.43	\$230,000.00	\$160,000.00	\$257,812.50	\$188,636.36
Units	38	21	20	25	32	22
Price	\$8,258,045	\$2,700,000	\$4,600,000	\$4,000,000	\$8,250,000	\$4,150,000
Date Sold	--	1/5/23	11/22/22	8/25/22	8/8/22	6/7/22
Year Built	1925	1931	1910	1926	1910	1920
Unit Mix	7 three-bed, 9 two-bed, 22 one-bed	2 one-bed, 19 two-bed	10 two-bed, 10 three-bed	25 one-bed	32 studios	22 studios
SQ FT	36,166	13,433	17,476	20,833	29,181	20,545

INCOME APPROACH

CAP RATE SENSITIVITY ANALYSIS

Cap Rate	NOI	Purchase Price	Purchase Price Per Unit
5.75%	\$309,311	\$5,379,322	\$141,561.11
6.00%	\$309,311	\$5,155,183	\$135,662.71
6.25%	\$309,311	\$4,948,976	\$130,236.21
6.50%	\$309,311	\$4,758,631	\$125,227.13
6.75%	\$309,311	\$4,582,385	\$120,589.08
7.00%	\$309,311	\$4,418,729	\$116,282.34
7.25%	\$309,311	\$4,266,359	\$112,272.61

VALUATION SUMMARY

Sales Comp Approach
\$8,258,045

Pre Value Add NOI
\$309,311

Entrance Cap
6.5%

Income Approach
\$4,758,631

Post Value Add NOI
\$342,308

Value at Stab. (6.5% Cap)
\$5,266,276

PROJECT • DESTINED

RISKS AND MITIGANTS

RISKS & MITIGANTS

RISKS

Unfavorable Market Conditions

Renovation Delays

Building Age

MITIGANTS

High Population Density

Contracting Bids

Updated Appliances
Detail Restoration



PROJECT • DESTINED

DEAL FINANCING

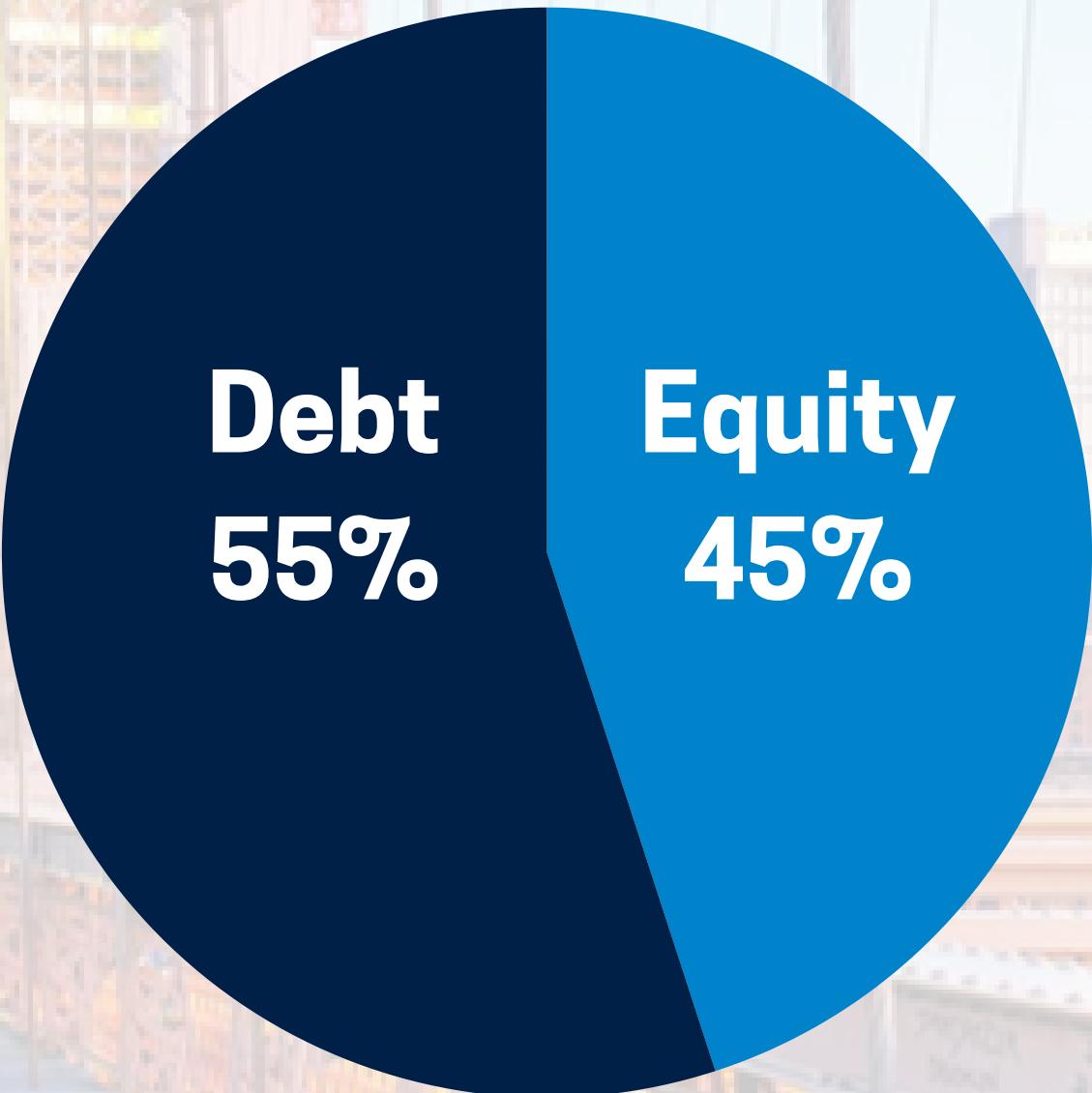
SOURCES & USES

SOURCES

Debt	\$2,722,454
Equity	\$2,227,462
Total Sources	\$4,949,917

USES

Purchasing Price	\$4,758,631
Construction Cost	\$143,700
Closing Cost	\$47,586
Total Uses	\$4,949,917



LOAN SUMMARY

TYPE: SECURED LOAN

TERM: 5 YEARS

LTV: 55%

FIXED INTEREST RATE: 6.5%

AMORTIZATION: 30 YEARS

DEBT SERVICE: \$17,208

DSCR: 1.5X



PROJECT • DESTINED

THANK YOU