



ONCE-IN-A-GENERATION WILLIAMSBURG MIXED USE OPPORTUNITY

# 428 Wythe Offering Memorandum



Capital Markets



### CONFIDENTIALITY & DISCLAIMER

This Offering Memorandum (this “Memorandum”) has been prepared by EXR (the “Broker”), as exclusive agent for the owner (the “Owner”), solely for the purpose of assisting prospective purchasers in evaluating a possible acquisition of the property known as 428 Wythe Avenue, Brooklyn, NY (the “Property”). By accepting this Memorandum, the recipient agrees to (i) keep this Memorandum and all related materials strictly confidential, (ii) not reproduce or distribute any portion of this Memorandum without the Broker’s prior written consent, and (iii) return or destroy this Memorandum and all copies upon request.

#### **No Offer / No Obligation.**

This Memorandum is for discussion purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, the Property (or any interest therein) in any jurisdiction. Any sale of the Property will be made only pursuant to definitive, fully executed agreements. The Owner and Broker reserve the right, in their sole discretion, to reject any and all offers or expressions of interest, to withdraw the Property from the market, and/or to modify the terms of any potential transaction at any time without notice.

#### **No Representations; Independent Verification Required.**

Information contained herein has been obtained from sources believed reliable, including the Owner, public records and third parties; however, the Owner and Broker have not independently verified such information and make no representation or warranty, express or implied, as to the accuracy or completeness of the information. Any summaries, excerpts, or references to leases, rent roll information, operating statements, taxes, abatements/exemptions, certificates of occupancy, plans, or other documents are provided for convenience only and are qualified in their entirety by the underlying documents, which control. All square footages, unit sizes, and measurements are approximate.

#### **Projections / Pro Forma / Forward-Looking Statements.**

Any opinions, estimates, projections, and pro forma information (including assumptions regarding rents, vacancies, concessions, expenses, capital items, and timing of lease-up/renewals) are provided for illustrative purposes only, are based on assumptions that may not be realized, and are not guarantees of future performance. Actual results may differ materially.

#### **Programs / Taxes / Regulatory Matters.**

References to real estate taxes, tax abatements/exemptions, and government programs (including, without limitation, 421-a and ICAP) are based on information available as of the date hereof and may be subject to compliance requirements, administrative determinations, changes in law, reassessment, expiration, modification, reduction, or revocation. Prospective purchasers must independently verify all such matters with their own legal and tax advisors and through review of applicable documentation and public records. References to rent regulation or stabilization status (if any) are for informational purposes only and must be independently verified.

#### **Condition; Due Diligence.**

The Property may be purchased “AS IS, WHERE IS” and with all faults, subject to matters that would be disclosed by an inspection and survey, and subject to all applicable laws, zoning, and governmental requirements. Each prospective purchaser must rely solely on its own investigation, inspections, and due diligence, and should consult its own attorneys, accountants, engineers, and other advisors.

#### **Limitation of Liability.**

Neither the Owner nor the Broker, nor any of their respective affiliates, representatives, or agents, shall have any liability whatsoever for any loss or damage arising from the use of this Memorandum or the information contained herein, or otherwise in connection with the evaluation of the Property.





## Executive Summary

EXR, as Exclusive Agents, is proud to present 428 Wythe Avenue, a trophy mixed-use asset located in the heart of South Williamsburg. This is a rare opportunity to acquire a super-prime property featuring 37 luxury residential units and 19,670 SF of commercial space, currently fully leased to high-quality tenants.

The asset offers immediate, robust in-place rental income with significant upside potential in the market-rate residential units. Investors will benefit from exceptional expense protection through a 421-a tax abatement with three decades remaining, coupled with ICAP commercial tax exemptions.

Anchoring the vibrant corner of South 6th Street and Wythe Avenue, the property is being sold fully occupied with the benefit of an assumable mortgage. The surrounding South Williamsburg corridor has experienced rapid development, evolving into a premier dining and nightlife destination. With neighbors like Francie, Diner, Deux Chats, Mad Radio, and Lavender Lake, the area draws a steady stream of high-income residents and commercial patrons. 428 Wythe Avenue represents a secure, appreciating asset with a strong in-place cap rate in one of New York City's most dynamic neighborhoods.

## Highlights



**Huge Upside**



**New Development**



**421-a + ICAP**



**Premium Area**

## 428 Wythe Avenue | Mixed-Use Multi-Family

### ASKING PRICE

**\$40,000,000**

### Commercial

UNIT TYPE	COUNT	TOTAL SQFT	% OF TOTAL
Parking	1	8,300	42.2%
Daycare	1	6,615	33.6%
Retail	3	1,970	10.0%
Office	1	2,785	14.2%
<b>Total Commercial NRA (Less Parking)</b>	<b>5</b>	<b>11,370</b>	<b>100%</b>
<b>Total Commercial</b>	<b>6</b>	<b>19,670</b>	<b>100%</b>

### Residential

BEDROOM COUNT	COUNT	TOTAL SQFT	% OF TOTAL
0	3	1,223	8.1%
1	29	16,911	78.4%
2	2	1,584	5.4%
3	3	3,090	8.1%
<b>Total Residential NRA</b>	<b>37</b>	<b>22,808</b>	<b>100%</b>

### Key Metrics

#### PRICING

Purchase Price	\$40,000,000
Price Per Unit	\$952,381
Price Per Residential Unit	\$1,081,081
Total NRA	\$34,178
Price Per SF (NRA)	\$1,170

#### OCCUPANCY

Residential Occupancy	37/37 Units (100%)
Commercial Occupancy	6/6 Units (100%)

#### YIELD

Going-In Cap Rate	5.13%
Pro-Forma Cap Rate	5.66%
Property Taxes As % of EGI	2.41%
Avg Monthly Pro Forma Residential Rent	\$4,119/Unit

## Income & Expenses

INCOME	INCOME	CURRENT	PRO FORMA
Gross Potential Residential Rent	Fully Occupied!	\$1,448,378	\$1,828,718
Gross Potential Commercial Rent	Fully Occupied!	\$961,928	\$961,928
<b>Gross Income</b>		<b>\$2,410,306</b>	<b>\$2,790,646</b>
Vacancy/Collection Loss	3.00%	\$(72,309)	\$(83,719)
<b>Effective Gross Income</b>		<b>\$2,337,997</b>	<b>\$2,706,927</b>

EXPENSES	NOTES	2025 PROJECTED (ANNUAL)	PRO FORMA
Property Taxes	421-a & ICAP Exemptions	\$-	\$65,276
Fuel	Gas	\$2,235	\$2,235
Insurance		\$23,454	\$23,454
Water and Sewer		\$40,590	\$40,590
Repair and Maintenance	N/A	\$28,691	\$28,691
Common Electric		\$27,172	\$27,172
Superintendent/Janitor		\$48,011	\$48,011
Management Fee	3.00%	\$-	\$81,208
General & Administrative		\$5,595	\$5,595
Replacement Reserves		\$9,250	\$9,250
<b>Total Expenses</b>		<b>\$184,997</b>	<b>\$331,481</b>

<b>NET OPERATING INCOME</b>	<b>\$2,153,000</b>	<b>\$2,375,446</b>
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NOI MARGIN	<b>92.09%</b>	<b>87.75%</b>
EXPENSE RATIO	<b>7.91%</b>	<b>12.25%</b>

## Rent Roll

## COMMERCIAL

Unit	Floor	Use	Tenant	SQFT	Lease Start	Lease Expiration	Current Rent	Current PSF	Pro Forma Rent	Pro Forma PSF
P	-1	Parking	ELRAC, LLC (Enterprise)	8,300	1/23/2020	3/31/2026	\$8,253	\$12	\$8,253	\$12
101	1	Daycare	Talmud Torah Tiferes Yisroel	6,615	3/1/2023	11/1/2028	\$40,000	\$73	\$40,000	\$73
102	1	Retail	ELRAC, LLC (Enterprise)	740	1/23/2020	3/31/2026	\$4,625	\$75	\$4,625	\$75
103	1	Retail	Atelier Beaute Corp.	530	4/1/2021	11/19/2026	\$3,978	\$90	\$3,978	\$90
104	1	Retail	Atelier Beaute Corp.	700	11/20/2019	11/19/2026	\$5,305	\$91	\$5,305	\$91
201	2	Office	Nachas Playgroup LLC	2,785	3/1/2023	11/1/2028	\$18,000	\$78	\$18,000	\$78
Monthly Commercial Revenue				19,670			\$80,161	\$76	\$80,161	\$76

## RESIDENTIAL

Unit	Floor	Lease Type	SQFT	Beds	Bath	Lease Expiration	Current Rent	Current PSF	Pro Forma Rent	Pro Forma PSF
301	3	MRKT	594	1	1	-	\$3,475	\$70	\$4,600	\$93
302	3	STAB	920	3	2	-	\$3,971	\$52	\$3,971	\$52
303	3	STAB	594	1	1	-	\$2,712	\$55	\$2,712	\$55
304	3	STAB	594	1	1	-	\$2,707	\$55	\$2,707	\$55
305	3	STAB	594	1	1	-	\$2,817	\$57	\$2,817	\$57
306	3	STAB	594	1	1	-	\$2,734	\$55	\$2,734	\$55
307	3	MRKT	594	1	1	-	\$3,400	\$69	\$4,600	\$93
308	3	MRKT	594	1	1	-	\$3,400	\$69	\$4,600	\$93
309	3	MRKT	594	1	1	-	\$3,150	\$64	\$4,600	\$93
310	3	MRKT	594	1	1	-	\$3,500	\$71	\$4,600	\$93
311	3	MRKT	594	1	1	-	\$3,700	\$75	\$4,600	\$93
312	3	STAB	416	0	1	-	\$2,801	\$81	\$2,801	\$81
401	4	MRKT	594	1	1	-	\$3,445	\$70	\$4,600	\$93
402	4	MRKT	920	3	2	-	\$5,250	\$68	\$8,000	\$104
403	4	MRKT	594	1	1	-	\$3,400	\$69	\$4,600	\$93
404	4	MRKT	594	1	1	-	\$3,400	\$69	\$4,600	\$93
405	4	STAB	594	1	1	-	\$2,817	\$57	\$2,817	\$57
406	4	STAB	594	1	1	-	\$2,734	\$55	\$2,734	\$55
407	4	STAB	594	1	1	-	\$2,707	\$55	\$2,707	\$55
408	4	MRKT	594	1	1	-	\$3,195	\$65	\$4,600	\$93
409	4	MRKT	594	1	1	-	\$3,500	\$71	\$4,600	\$93
410	4	MRKT	594	1	1	-	\$3,400	\$69	\$4,600	\$93
411	4	MRKT	594	1	1	-	\$3,250	\$66	\$4,600	\$93
412	4	STAB	416	0	1	-	\$2,794	\$81	\$2,794	\$81
501	5	MRKT	726	2	1	-	\$4,350	\$72	\$5,600	\$93
502	5	STAB	559	1	1	-	\$2,692	\$58	\$2,692	\$58
503	5	STAB	559	1	1	-	\$2,817	\$60	\$2,817	\$60
504	5	MRKT	559	1	1	-	\$3,300	\$71	\$4,600	\$99
505	5	MRKT	559	1	1	-	\$3,250	\$70	\$4,600	\$99
506	5	STAB	559	1	1	-	\$2,817	\$60	\$2,817	\$60
507	5	MRKT	559	1	1	-	\$3,245	\$70	\$4,600	\$99
508	5	MRKT	559	1	1	-	\$3,100	\$67	\$4,600	\$99
509	5	MRKT	559	1	1	-	\$3,095	\$66	\$4,600	\$99
510	5	MRKT	559	1	1	-	\$3,300	\$71	\$4,600	\$99
511	5	STAB	391	0	1	-	\$2,902	\$89	\$2,902	\$89
601	6	STAB	858	2	1	-	\$3,370	\$47	\$3,370	\$47
602	6	MRKT	1,250	3	2	-	\$4,200	\$40	\$8,000	\$77
Monthly Residential Revenue			22,808	42	40		\$120,698	\$64	\$152,393	\$80

Annual Commercial Revenue

\$961,928

\$961,928

Annual Residential Revenue

\$1,448,378

\$1,828,718

ACTUAL

PRO FORMA

Total Annual Building Revenue

\$2,410,306

\$2,790,646

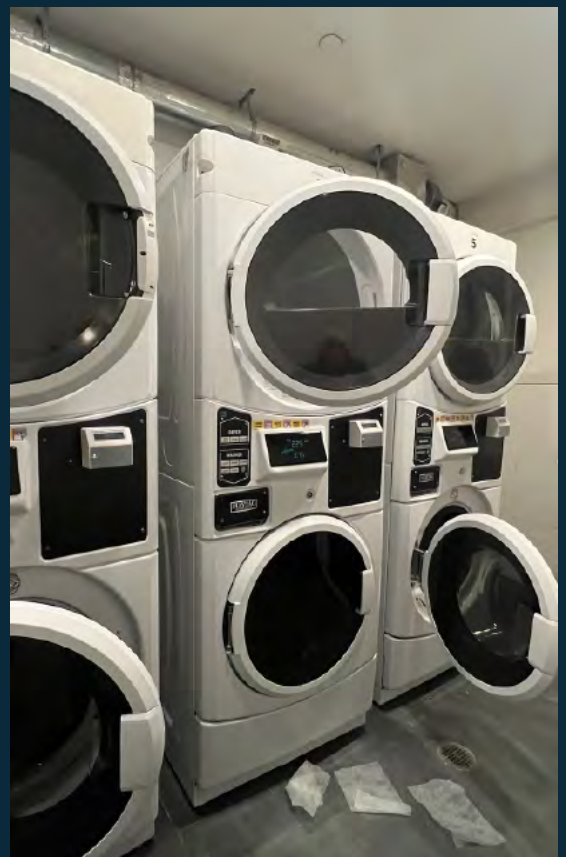
## 421-a Benefit Schedule

### EXEMPTION % SCHEDULE FOR POST-CONSTRUCTION AFFORDABLE BENEFIT 421A (16-17)

Benefit Year	Extension 10 Year (CODE 5119)"	Extension 15 Year (CODE 5120)"	Extension 35 Year (CODE 5121)"	Extension 20 Year (CODE 5122)"	Extension 35 Year (CODE 5123)"
1	50%	50%	100%	100%	100%
2	50%	50%	100%	100%	100%
3	50%	50%	100%	100%	100%
4	50%	50%	100%	100%	100%
5	50%	50%	100%	100%	100%
6	50%	50%	100%	100%	100%
7	50%	50%	100%	100%	100%
8	50%	50%	100%	100%	100%
9	50%	50%	100%	100%	100%
10	50%	50%	100%	100%	100%
11	Fully Taxable	50%	100%	100%	100%
12		50%	100%	100%	100%
13		50%	100%	100%	100%
14		50%	100%	100%	100%
15		50%	100%	25%	100%
16		Fully Taxable	100%	25%	100%
17			100%	25%	100%
18			100%	25%	100%
19			100%	25%	100%
20			100%	25%	100%
21			100%	Fully Taxable	100%
22			100%		100%
23			100%		100%
24			100%		100%
25			100%		100%
26-35			% of affordable		100%
36			Fully Taxable		Fully Taxable

We Are Here









# Future forward

EXR was born in an emerging markets landscape that required us to live on the cutting-edge of retail and office transformation. Many of our signature transactions have helped redefine and trailblaze what's possible in markets both new and old.

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**Capital Markets**

