

640-644 10th Avenue

New York, NY



OFFERING MEMORANDUM



950 Third Avenue, Suite 2300, New York, NY 10022

www.HaberRealty.com

The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee it. All zoning, buildable footages and uses must be independently verified. Vacancy factors used herein are an arbitrary percentage used only as an example. It does not necessarily relate to actual vacancy, if any. The value of this investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket, and other factors which your tax advisor and/or legal counsel should evaluate. THE PROSPECTIVE BUYER SHOULD CAREFULLY VERIFY EACH ITEM OF INCOME, AND ALL OTHER INFORMATION HEREIN.



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New York, NY

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PROPERTY DESCRIPTION

640-644 10th Avenue

New York, NY

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Property Description

INVESTMENT OVERVIEW

Investment Highlights

- Three Contiguous, 5-Story Apartment Buildings
- 24 Apartment Units Net-Leased to Operator
- Low Management Responsibility/Low Expenses
- Approx. 19,400 Total Square Feet
- Prime Midtown West location
- Steps from Times Square
- Approx. 9,675 Square Feet of Air Rights



Marcus & Millichap is pleased to present the following opportunity in the Midtown West section of Manhattan. The offering consists of three contiguous, 5-story apartment buildings with retail prominently located on the east side of 10th Avenue between 45th and 46th Streets. The residential portions of the buildings have been renovated to condo-quality and net-leased to a corporate & student housing company for 5 years offering an investor steady cash flow with low management responsibility. The lessee is responsible for oil, repairs, garbage, snow removal & electric. The landlord is responsible only for water charges, insurance and property taxes, making this property attractive for all investors and exchange buyers. Furthermore, the existence of 9,675 square feet of additional air rights may allow for redevelopment of the property in the future.

The buildings total approximately 19,400 square feet with 8 one-bedroom apartments and 16 two-bedroom apartments. There is approximately 3,400 square feet of ground floor retail. The property totals 70 feet of frontage on 10th Avenue (Block: 1055 Lots: 3, 4 & 64). The property is zoned C2-5/R8/CL.

The buildings are ideally positioned on the popular 10th Avenue corridor just steps from 42nd Street and Times Square. The property enjoys direct access to all major transportation— ACE, NQR, 123 & S Shuttle trains, Penn Station, West Side Highway and the Lincoln Tunnel.

640-644 10th Avenue

New York, NY

Property Description

PROPERTY PHOTOS



640-644 10th Avenue

New York, NY

Property Description

PROPERTY PHOTOS

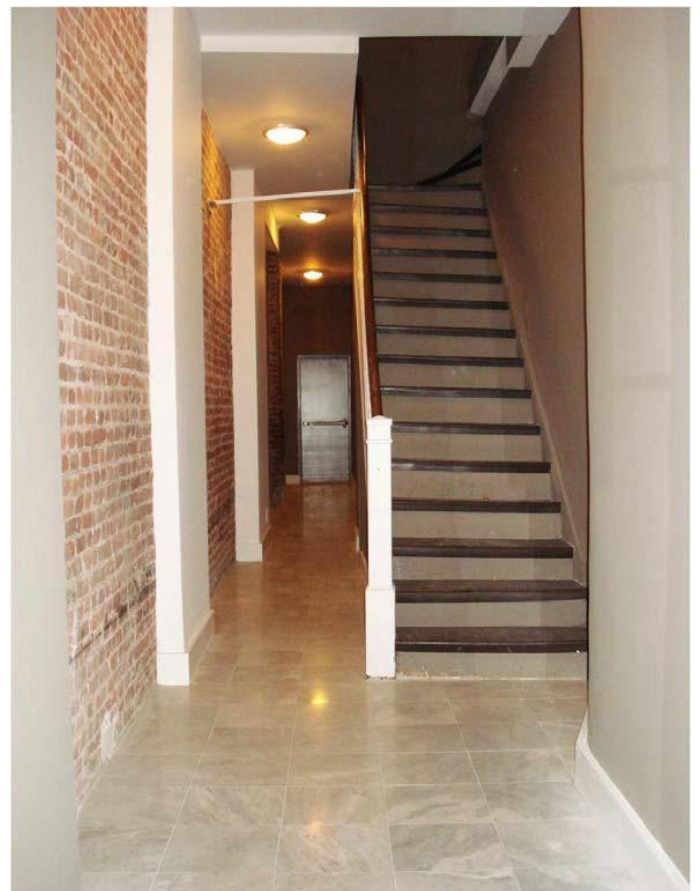


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Property Description

PROPERTY PHOTOS

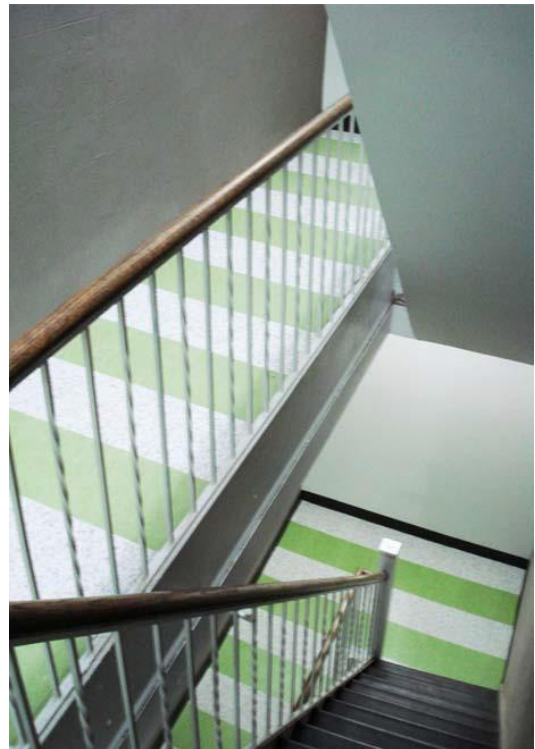
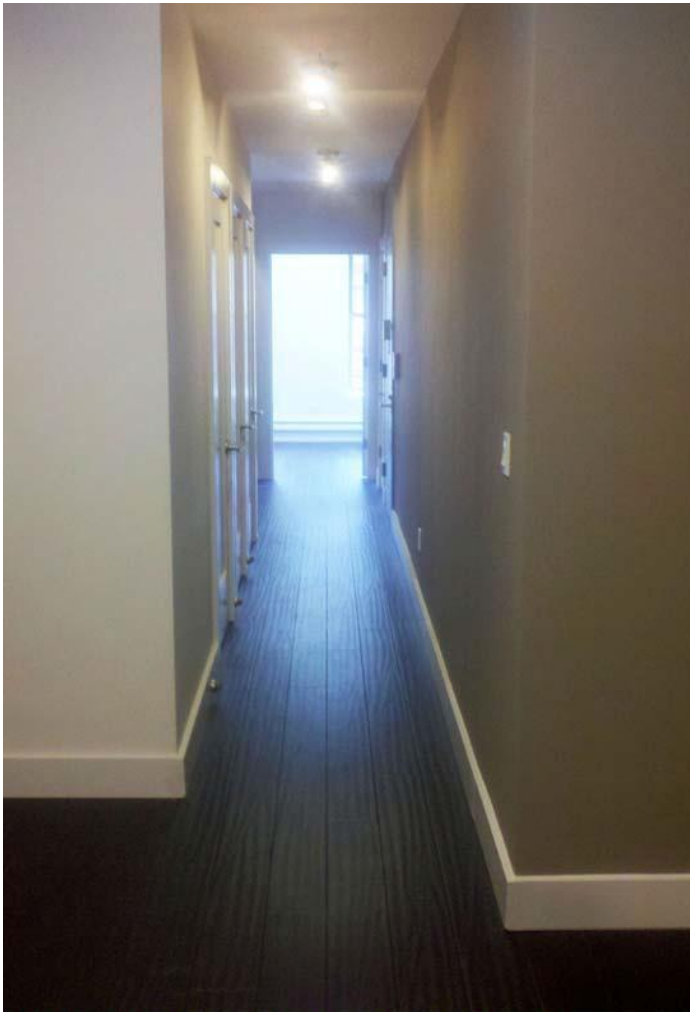


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PROPERTY PHOTOS



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Property Description

CERTIFICATE OF OCCUPANCY - 642

642 10th Avenue

DEPARTMENT OF HOUSING AND BUILDINGS
BOROUGH OF MANHATTAN, CITY OF NEW YORK

No. **42370**
Date **March 22, 1954**

CERTIFICATE OF OCCUPANCY

(Standard form adopted by the Board of Standards and Appeals and issued pursuant to Section 646 of the New York Charter, and Sections C.26-181.0 to C.26-187.0 inclusive Administrative Code 2.13.1. to 2.13.7. Building Code.)

This certificate supersedes C. O. No. _____

To the owner or owners of the building or premises:

THIS CERTIFIES that the ~~new~~ altered ~~existing~~ building—premises located at
642 Tenth Avenue Block **1055** Lot **4**

conforms substantially to the approved plans and specifications, and to the requirements of the building code and all other laws and ordinances, and of the rules and regulations of the Board of Standards and Appeals, applicable to a building of its class and kind at the time the permit was issued; and CERTIFIES FURTHER that, any provisions of Section 646F of the New York Charter have been complied with as certified by a report of the Fire Commissioner to the Borough Superintendent.

Alt. No.—~~1674-1951~~ **Old Law Tenement** Construction classification—~~nonfireproof~~ **Class 3**
Occupancy classification—~~Class "A" Mult.Dwell.~~ Height **5** stories, **53** feet.
Date of completion—_____ Located in **Unrestricted** Use District _____

Area **1 1/2** Height Zone at time of issuance of permit **500-1952; 266-1952**

This certificate is issued subject to the limitations hereinafter specified and to the following resolutions of the Board of Standards and Appeals: (Calendar numbers to be inserted here)

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOADS Lbs. per Sq. Ft.	PERSONS ACCOMMODATED			USE
		MALE	FEMALE	TOTAL	
Cellar on ground					Boiler room and storage.
1st story	75			5	Store.
2nd to 5th story, incl.					Two (2) apartments on each story. Fuel Oil installation approved by Fire Department September 23, 1953.

NOTE: This is a TEMPORARY Certificate of Occupancy, issued for a period of ninety (90) days from March 22, 1954.

THIS CERTIFICATE IS A TEMPORARY CERTIFICATE
OF PERMISSIBLE USE AND OCCUPANCY UNDER SECTION 301 OF THE
MULTIFAMILY DWELLING LAW.

James S. Herman
Borough Superintendent

CERTIFICATE WILL BE NULL AND VOID IF ALTERED IN ANY MANNER OR ADDITIONS ARE MADE THERETO.

No certificate of occupancy records found for 640 & 644 10th Avenue

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Property Description

Local Map



Regional Map



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Property Description

AERIAL PHOTO



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PRICING AND FINANCIAL ANALYSIS

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New York, NY



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New York, NY

Pricing and Financial Analysis

RENT ROLL

Monthly Commercial Income

Unit #	Tenant Name	Notes	Expiration	SF (approx)	\$/PSF	Actual	Pro Forma
Retail 1	Bartini	3% increases. 5-yr renewal option at market rent	Apr-14	2,000	\$105	\$17,576	\$19,133
		RE tax reimbursement (100% over base yr '09-'10)				\$811	\$1,170
Retail 2	Check Cash	1.9% increases. Demo clause.	Sep-14	700	\$89	\$5,200	\$5,300
Retail 3	Thai Restaurant	5% increases	Jun-13	700	\$92	\$5,386	\$5,655
		RE tax reimbursement (50% over base yr '97-'98)				\$455	\$555
Total Commercial Income	3,400 SF	\$29,428	\$31,813				

NOTE: Commercial tenants are separately metered for gas, water and electric.

Monthly Residential Income

Unit #	Lease Status	Notes	Bedrooms	Rooms	Expiration	SF (approx)	\$/PSF	Actual	Pro Forma
640 10th Avenue									
1N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
1S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
2N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
2S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
3N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
3S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
4N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
4S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
642 10th Avenue									
1N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
1S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
2N	FM	Net-Leased to	2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
2S	FM	corporate & student	2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
3N	FM	housing company.	2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
3S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
4N	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936
4S	FM		2 Bedroom	4	Mar-17	700	\$49	\$2,850	\$2,936

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Pricing and Financial Analysis

644 10th Avenue

Unit	Type	Bedrooms	Baths	Lease Start	SF	Monthly Rent	Annual Rent	Net Annual Income
1N	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
1S	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
2N	RC	1 Bedroom	3	Mar-17	600	\$2	\$118	\$118
2S	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
3N	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
3S	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
4N	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
4S	FM	1 Bedroom	3	Mar-17	600	\$57	\$2,850	\$2,936
Total Residential Income			88		16,000 SF		\$65,668	\$67,635

NOTE: All residential units are net-leased to a corporate & student housing company. The lessee is responsible for oil, repairs, garbage, snow removal & electric.

Landlord is responsible for water charges, insurance and property taxes.

	Actual	Pro Forma
Annual Commercial Income	\$353,100	\$381,800
Annual Residential Income	\$788,000	\$811,600
Gross Annual Income	\$1,141,100	\$1,193,400

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Pricing and Financial Analysis

FINANCIAL OVERVIEW

Location	
640-644 10th Avenue	
New York, NY 10036	
Price	\$19,995,000
Down Payment	40% / \$7,998,000
Total Rentable Square Feet	19,400
Price/Square Foot	\$1,030.67
Apartments - Rentable Square Feet	16,000
Retail - Gross Leasable Area (GLA)	3,400
CAP Rate - Current	4.91%
CAP Rate - Pro Forma	5.14%
Year Built/Renovated	1910/2011
Lot Size	4,860
Type of Ownership	Fee Simple

Annualized Operating Data

Income	Current	Pro Forma
Apartments - Gross Potential Rent	\$788,000	\$811,000
Retail - Gross Potential Rent	\$353,100	\$381,800
Combined Gross Potential Rent	\$1,141,100	\$1,192,800
Gross Potential Income	\$1,141,100	\$1,192,800
Effective Gross Income	\$1,141,100	\$1,192,800
Less: Combined Expenses	\$158,990	\$165,634
Net Operating Income	\$982,110	\$1,027,166
Debt Service	\$687,306	\$687,306
Debt Coverage Ratio	1.43	1.49
Net Cash Flow After Debt Service	3.69% / \$294,804	4.25% / \$339,860
Principal Reduction	\$211,272	\$211,272
Total Return	6.33% / \$506,076	6.89% / \$551,132

Expenses

Real Estate Taxes	\$124,090	\$130,734
Insurance (\$1 per foot)	\$19,400	\$19,400
Water (\$.80 per foot)	\$15,500	\$15,500
TOTAL EXPENSES	\$158,990	\$165,634
EXPENSES/SF	\$8	\$9
% of EGI	13.9%	13.9%



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