

7th Floor Modernization & Redevelopment at 144 E 44th Street

Project Objective Summary: Design, renovate, and lease vacant space that had been left out dated and vacant on the 7th floor at 144 East 44th Street.

Key Objectives:

- Source and acquire creditworthy professional tenants with low foot traffic (Legal, Financial, Consulting, Etc...)
- Design space that maximizes price per SF with newly acquired tenants
- Design space with the required infrastructure for new technology and long term flexibility.
- Work directly with new tenants to design and renovate space to promote long term growth and meet both the landlord's and tenant's financial goals.
- Negotiate and pass a majority of improvements costs to new tenants or amortize improvements costs into rent at a rate acceptable to landlord.
- Focus on building quality space with financially secure tenants to achieve sustainable long term rental growth and minimal turnover.

Existing Conditions: Single Office previously used for Media / Entertainment consisting of 4,200 SF. The Space was previously leased by an international Chinese Media Station at \$48.00 a SF and pro rata share of real estate tax escalations. The Existing layout and design did not maximize space and was in poor condition.

Project Overview: While marketing the space in its entirety we discovered a market of potential tenants looking for smaller space. So, we shifted our focus and instead of acquiring a single tenant we structured a lease deal among 5 tenants to lease the entire the space. We split the space into 5 individual offices based on tenant space requirements, and included a common reception and conference room which is shared between all tenants. This strategy proved to be beneficial to the landlord because tenants looking for smaller space were willing to pay a premium. Also this platform of diversified tenants reduces the lease portfolio's risk by limiting our downside in the event of a single tenant default. We had acquired the following tenants.

- Compass Point Research and Trading - Financial & Research
- Industrial Mineral Holdings -Family Office / Holding Company
- Mark Schwartz, Esq. -Legal
- Privero Capital - Financial
- Coleman & Company – Professional Recruiting

Project Analysis based of 3 Year Lease Term (All leases have extension options beyond 3 years):

- No Broker Fees or Legal Costs this was in house deal

Compass Point Trading & Research

Revenue

Total Rent Collected = \$294,762.00 (\$48.00 per SF)

Tenant Improvement Costs = \$20,000.00

Expenses:

Landlord Improvements = \$68,060.00 (\$32.00 per RSF)

Landlord OPEX = \$155,475.00 (\$25 per RSF)

Net Income = \$91,227.00

Industrial Mineral Holdings

Revenue

Total Rent Collected = \$175,491.00 (\$67.00 per RSF)

Tenant Improvement Costs = \$15,000.00

Expenses:

Landlord Improvements = \$20,630.00 (\$23.77 per RSF)

Landlord OPEX Expenses = 65,100.00 (\$25 per RSF)

Net Income = \$104,761.00

Mark Schwartz, Esq.

Revenue

Total Rent Collected = \$81,900.00 (\$65.00 per SF)

Expenses:

Landlord Improvements = \$4,980 (\$11.85 per SF)

Landlord OPEX = 31,500.00 (\$25 per SF)

Net Income = \$45,420.00

Privero Capital

Revenue

Total Rent Collected = \$81,900.00 (\$65.00 per SF)

Expenses:

Landlord Improvements = \$4,980 (\$11.85 per SF)

Landlord OPEX = \$31,500.00 (\$25 per SF)

Net Income = 45,420.00

Coleman & Company

Revenue

Total Rent Collected = \$81,900.00 (\$65.00 per SF)

Expenses:

Landlord Improvements = \$4,980 (\$11.85 per SF)

Landlord OPEX = \$31,500.00 (\$25 per SF)

Net Income = 45,420.00

Financial Summary

Total Revenue = \$708,141.00

Tenant Improvements = \$35,000.00

Total Revenue = \$743,141.00

Landlord Improvements = \$103,630.00

Landlord OPEX = 315,075.00

Total Expenses = 418,705

Net Income = \$324,436.00

Investment Gain	\$324,436.00
ROI	77.49%
Annualized ROI	21.07%
Investment Length	3.00 years