179 East 3rd St. New York, NY

6-STORY, 35 UNIT, MIXED-USE BUILDING

In Heart of East Village

FOR SALE

Property Features

Location	On the north side of East 3rd Street between Avenue A and Avenue B	
Block / Lot	399 / 47	
Lot Dimensions	49.5’ x 96.17’	(Approx.)
Lot Area SF	4,772	(Approx.)
Stories	6	
Building Dimensions	49.5’ x 82’	(Approx.)
Building Gross SF	19,600	(Approx.)
Year Built	1900	(Approx.)
Commercial Units	3	
Residential Units	32	
Total Units	35	
Zoning	R8B	
FAR	4.0	
Permitted BSF	19,088	(Approx.)
Existing SF	19,600	(Approx.)
Additional Air Rights	Overbuilt	
Assessment (16/17)	$1,948,910	
R.E. Taxes (16/17)	$251,078	

Asking Price:
$24,500,000

Property Description

Cushman and Wakefield has been exclusively retained to arrange for the sale of 179 East 3rd Street, a 6 story, mixed-use walkup building located in the dynamic East Village. Situated on the north side of East 3rd Street between Avenue A and Avenue B, the building features approximately 50’ of valuable retail frontage that provides tremendous visibility and exposure in the bustling neighborhood. The subject offering consists of approximately 19,600 gross square feet and contains a mix of 32 residential apartments and 3 retail storefronts.

179 East 3rd Street currently generates an effective gross revenue of over $1.1 million with a net operating income of approximately $748,395. Of the 32 residential units, 19 are fair market, 11 are rent stabilized and 2 are rent controlled. As 40% of the units are stabilized and achieve an average of only $985 per month, or just 30% of market, prospective ownership can unlock significant value over time through deregulation. Further upside can be achieved immediately in the fair market units through the creation of coveted amenities for residents including, but not limited to, an expansive roof deck that already benefits from impressive views, the installation of a laundry facility/service, a security system, automated doorman and an updated lobby.

There is also substantial value in the property’s retail component that features approximately 1,360 square feet of ground floor space. The building currently hosts three separate retail units, two of which are occupied by renowned Crandall Guitars and Studio 26 Gallery with leases that expire in 2018 (with a 5 year renewal option) and 2017 (with a 2 year renewal option), respectively. The last unit is owner occupied and will be delivered vacant upon sale. As the landscape of the East Village has transformed into one of the most desirable residential and commercial locations in the city, future ownership has the ability to capitalize on the favorable growth of the neighborhood in the near term.

Located in the heart of the East Village, 179 East 3rd Street benefits from a wide array of the city’s best shopping, dining and nightlife options. The neighborhood has experienced rapid transformation in recent years that has attracted a younger population drawn to the area’s new developments. The most exciting new project coming to the area is Essex Crossing, a 1.9 million square foot mixed-use project located just 3 streets south of the subject property. The project promises state-of-the-art office space, 1,000 residential units and unparalleled amenities including shops, restaurants, a movie theater, park space and cultural attractions.

Part of the allure of the neighborhood is its convenient access throughout Manhattan and Brooklyn via countless subway lines, buses and immediate access to the Williamsburg Bridge. Not only does the connectivity benefit residents working throughout New York City, but it attracts global visitors on a daily basis. The meticulously maintained property offers an incredible investment opportunity in one of Manhattan’s most exciting enclaves that is currently experiencing unprecedented residential and commercial demand.

For More Information, Please Contact:

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COMMERCIAL REVENUE

TENANT	UNIT	LEASE EXP.	MONTHLY RENT	ANNUAL RENT
TR CRANDALL GUITARS	WEST STORE*	1/31/18	$6,447	$77,365.08
VACANT	EAST STORE 1	VACANT	$3,900	$46,800
STUDIO 26 GALLERY	EAST STORE 2*	7/14/17	$3,819	$45,831
TOTAL MONTHLY:			**$14,166**	**$169,996**

Vacant unit projected at market
**Retail units contain below grade space*

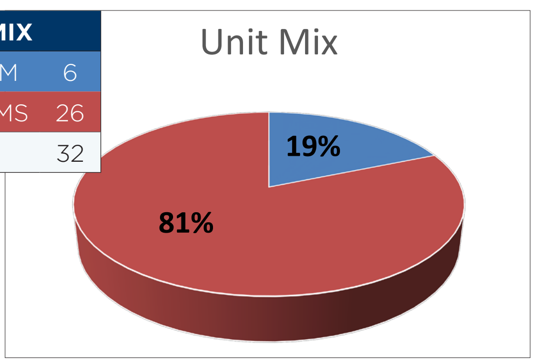
RESIDENTIAL REVENUE

UNIT	LEASE TYPE	UNIT TYPE	LEASE EXP.	BASE RENT
1*	**FM**	**2 Beds/ Duplex**	**Under Construction**	**$6,500**
3**	**FM**	**2 Beds/ Duplex**	**Under Construction**	**$7,500**
4	FM	2 Beds	6/5/17	$3,375
5	RS	1 Bed	8/14/17	$1,271
6	FM	2 Beds	6/2/17	$3,375
7	RC	2 Beds	-	$100
8	RS	1 Bed	2/28/16	$1,149
9	FM	2 Beds	5/29/17	$3,275
10	FM	2 Beds	6/29/17	$3,275
11***	FM	2 Beds	7/14/16	$2,575
12	FM	2 Beds	8/8/16	$3,400
13	FM	2 Beds	8/7/17	$3,400
14***	FM	2 Beds	8/18/16	$2,700
15	FM	2 Beds	7/15/16	$3,325
16	RS	2 Beds	12/9/16	$993
17***	FM	2 Beds	6/30/16	$2,575
18	FM	2 Beds	8/14/17	$3,425

UNIT	LEASE TYPE	UNIT TYPE	LEASE EXP.	BASE RENT
19	FM	2 Beds	8/1/17	$3,350
20	RS	1 Bed	4/30/17	$794
21	FM	2 Beds	8/3/16	$3,425
22	RS	1 Bed	6/30/17	$1,304
23	RS	1 Bed	1/31/16	$2,175
24	RS	2 Beds	4/30/16	$828
25	FM	2 Beds	2/28/16	$3,175
26***	FM	2 Beds	7/31/16	$2,540
27	RC	2 Beds	-	$162
28	RS	2 Beds	9/30/16	$1,116
29***	FM	2 Beds	7/31/16	$2,550
30	RS	2 Beds	4/30/17	$917
31	FM	2 Beds	8/8/17	$3,350
32	RS	1 Bed	4/30/17	$800
33	RS	2 Beds	5/31/16	$1,191
Total Monthly:				**$79,889**
Total Annual:				**$958,673**

Vacant units projected at market
Units 16 & 22 are occupied by SCRIE tenants
**Unit to be a duplex 2 bedroom with 2 bathrooms, washer/dryer, a rec room & outdoor space*
***Unit to be a duplex 2 bedroom with 3 bathrooms, washer/dryer, dishwasher, a rec room, balcony & outdoor space*
****Indicates winged bedrooms*

UNIT MIX	
1 BEDROOM	6
2 BEDROOMS	26
TOTAL	32



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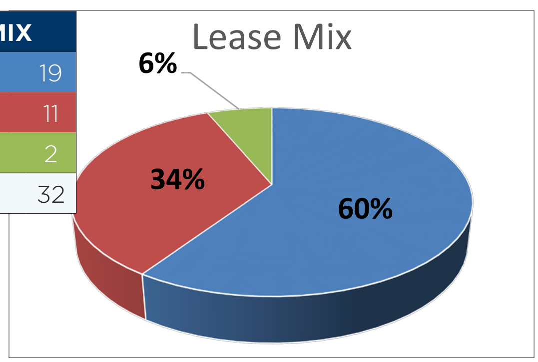

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INCOME & EXPENSE

RESIDENTIAL GROSS SCHEDULED INCOME: (1)	$958,673
COMMERCIAL GROSS SCHEDULED INCOME: (2)	$169,996
R.E. TAX REIMBURSEMENTS:	$9,470
VACANCY & CREDIT LOSS: 2.0%	$(19,173)
EFFECTIVE GROSS SCHEDULED INCOME:	**$1,118,965**

EXPENSES	MK METRICS	AS OF 7.1.16	$/SF	$/UNIT
REAL ESTATE TAXES (16/17)	*Actual*	$251,078	$12.81	$7,174
INSURANCE	*Projected at $500 per unit*	$17,500	$0.89	$500
WATER & SEWER	*Based on Actual + 2.0%*	$16,739	$0.85	$478
GAS & ELECTRIC	*Based on Actual + 2.0%*	$22,035	$1.12	$630
REPAIRS & MAINTENANCE	*Projected at $550 per unit*	$19,250	$0.98	$550
PAYROLL & BENEFITS*	*Projected at $200 per week*	$10,400	$0.53	$297
MANAGEMENT	*Projected at 3% of EGI*	$33,569	$1.71	$959
TOTAL:	***Exp. Ratio: 31.03%***	**$370,570**	**$18.91**	**$10,588**

EFFECTIVE GROSS INCOME:	$1,118,965
LESS EXPENSES:	$370,570
NET OPERATING INCOME:	**$748,395**

(1) Includes projections for vacant residential units at fair market.
(2) Includes projection for vacant commercial unit.

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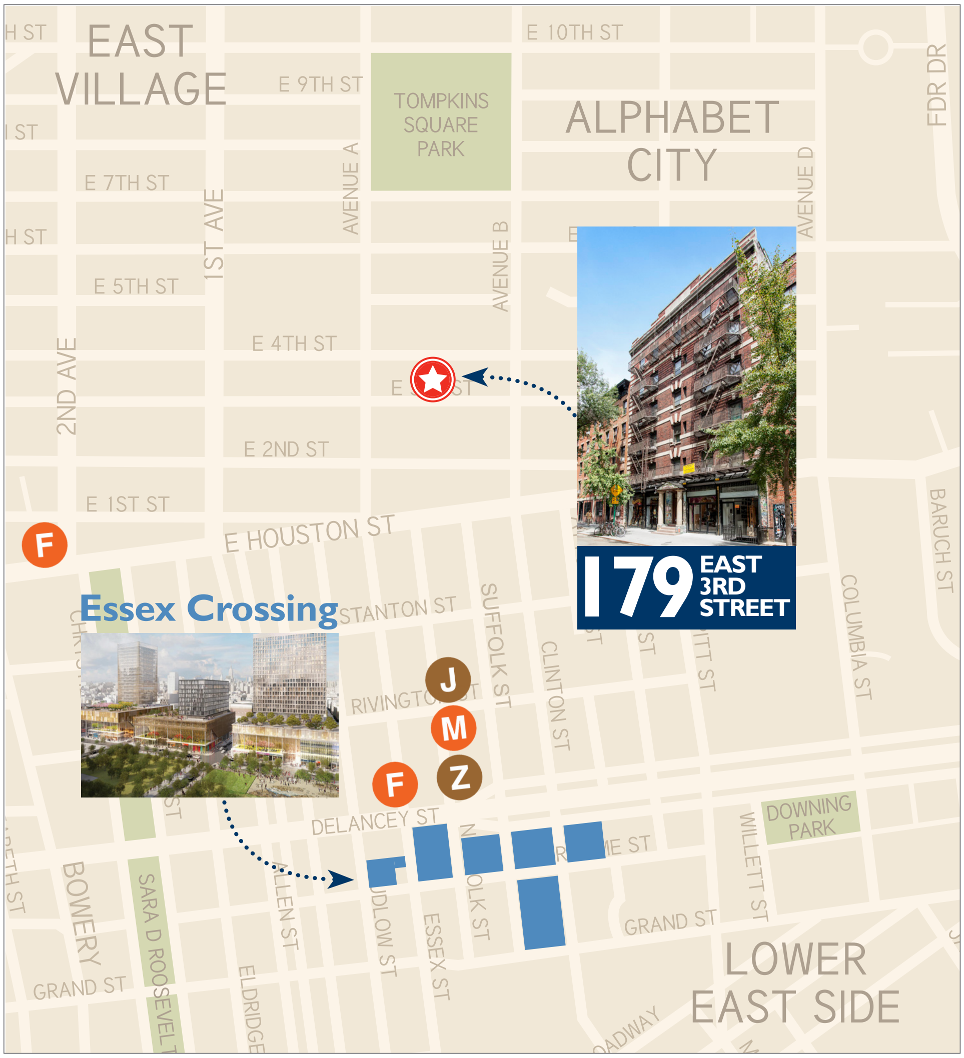

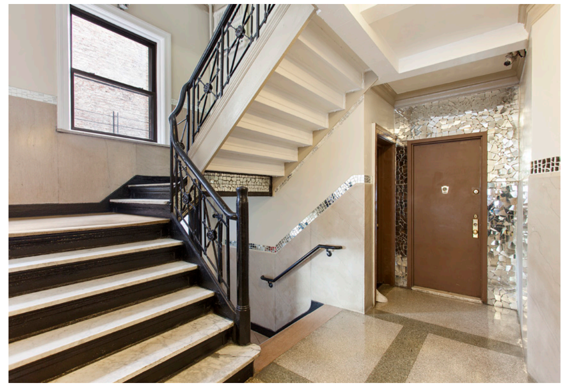

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Broker Confidentiality and Indemnification Agreement

179-181 East 3rd Street, New York, NY 10009

Principal: ________________________________ **("Potential Purchaser")**
Title: ________________________________
Company: ________________________________
Address: ________________________________
Address: ________________________________
Phone/Fax: ________________________________
E-Mail: ________________________________

Salesperson: ________________________________ **("Broker")**
Company: ________________________________
Address: ________________________________
Address: ________________________________
Phone/Fax: ________________________________
E-Mail: ________________________________

Re: Confidentiality and Indemnification Agreement

We have advised you that Cushman & Wakefield Realty of Manhattan LLC, ("Agent") is acting as exclusive agents on behalf of the ownership and their related companies, The Owner ("Owner"), in connection with the possible sale of 179-181 East 3rd Street, New York, NY the ("Property"). You have informed us that ________________________ ("Broker") is authorized to act on behalf of ______________________________-____ ("Potential Purchaser") and represent that Potential Purchaser is interested in the possible purchase of the Property, and has the experience and financial capabilities to undertake a transaction of this magnitude.

Broker may make such Confidential Information available to Potential Purchaser upon execution of this Confidentiality Letter. The Confidential Information is intended solely for Potential Purchaser's limited use in evaluating the Property. This is not an agreement to sell the Property or any interest therein. No agreement binding upon Owner, or any of its associated or affiliated companies, to sell the Property shall be deemed to exist, at law or equity, until Owner enters into a formal binding agreement, fully executed and delivered by all parties thereto. Broker has no authority to bind Owner in connection with the sale of the Property or otherwise.

The Confidential Information contains brief, selected information pertaining to the Property and the business and affairs of Owner. It does not purport to be all inclusive or to contain all the information which Potential Purchaser or a prospective purchaser or lender may desire. Neither Agent, Owner, or Broker makes any representation or warranty, expressed or implied, as to the accuracy or the completeness of the Confidential Information and no legal liability is assumed or to be implied with respect thereto.

Broker has informed Potential Purchaser that it is of utmost importance that all discussions concerning the proposed transaction (including, without limitation, the fact that any discussions have taken or are taking place) be kept in strict confidence. Accordingly, Potential Purchaser hereby agrees that the Confidential Information will be used only in connection with the proposed transaction and its consideration thereof, and that all discussions concerning the transaction, as well as all Confidential Information, will be kept confidential by Potential Purchaser and its partners, officers, members, agents, employees, contractors, and consultants, and shall not, except as hereinafter provided, be disclosed in any manner whatsoever without the prior written consent of Owner, which may be granted or withheld in Owner's sole and absolute discretion. Information concerning the transaction and the Confidential Information shall be submitted only to those partners, officers, members, agents, employees, contractors and consultants who need to know such information for the purpose of evaluating the transaction and who shall (i) be advised by Broker or Potential Purchaser of the confidential nature of the information and (ii) shall be instructed by Broker or Potential Purchaser to treat such information confidentially. Broker and Potential Purchaser will be responsible for any such persons to comply with such instruction.

Owner expressly reserves the right to reject any or all proposals or expressions of interest to purchase the Property, to consummate the sale of the Property to a party other than Potential Purchaser, and to terminate discussions at any time with or without notice. If Potential Purchaser does not wish to pursue negotiations, or such negotiations are undertaken but a transaction fails to be consummated with Potential Purchaser, Potential Purchaser hereby agrees to promptly return the Confidential Information to Agent.

Broker and Potential Purchaser understand and foresee that any violation of this Confidentiality Letter would damage Owner and Agent and their respective successors. Broker and Potential Purchaser hereby agree to indemnify, defend and hold harmless Owner and Agent and their respective members, directors, officers, employees, agents, representatives, successors and assigns from and against any and all liability, claim, demand, loss, cost, damage, expense or cause of action (including without limitation, reasonable attorneys' fees and expenses) in connection with any breach or alleged breach of the confidentiality provisions of this Agreement. In addition, Broker and Potential Purchaser agree that Owner and Agent will have no adequate remedy at law if Broker or Potential Purchaser violates any of the terms of this Confidentiality Letter. In such event, Owner and/or Agent will have the right, in addition to any other right Owner and Agent may have, to seek injunctive relief to restrain any breach or threatened breach by Broker or Potential Purchaser or specific enforcement of such terms.

Broker and Potential Purchaser understand and agree that the Confidential Information does not purport to be complete and accurate, and that Broker and Potential Purchaser will rely entirely on its own due diligence with regard to all matters. No representations or warranties are implied by the submission of the Confidential Information and none is given unless Owner subsequently elects to make specific, limited representations and warranties in a final, fully executed and delivered, sale agreement definitive in form and scope. Broker and Potential Purchaser agree that neither Owner nor Agent shall not have any liability to Broker or Potential Purchaser as a result of its use of the Confidential Information and it is understood that Broker and Potential Purchaser are expected to perform and be responsible for such due diligence investigations and inspections of the Property, including investigation of any environmental conditions, as Potential Purchaser deems necessary or desirable and as permitted by agreement with Owner.

Very truly yours,

CUSHMAN & WAKEFIELD, Agent

By______________________

Name: Robert A. Knakal
Title: Chairman

ACCEPTED AND AGREED TO:

Principal: ________________________ (Please Print)

Signature: ________________________

Title: ________________________

Dated: _____________________, 20__

Broker: ________________________ (Please Print)

Signature: ________________________

Title: ________________________

Dated: _____________________, 20__

Please email or fax this fully executed agreement to Leica Meliton at: leica.meliton@cushwake.com or (347) 402-7572